Senate Committee: Community Affairs Committee

Budget Estimates 2026-2027

Outcome: 4 - Disability and Carers

Foundational Supports and Thriving Kids

BUDGET

	2025-26 (Estimated Actual) ($m)	2026-27 (Estimate) ($m)	2027-28 (Estimate) ($m)	2028-29 (Estimate) ($m)	2029-30 (Estimate) ($m)	Total *2026-27 to 2029-30* ($m)
Program	-	*427.4*	*436.0*	*396.9*	*368.1*	*1628.4**
Annual increase in spend	-	*424.5*	*8.6*	*-39.1*	*-28.8*	*NA*
Growth (%)	-	*NA*	*2%*	*-9%*	*-7%*	*NA*

***Note:** Final year of funding is beyond the forward estimates. Over 5 years investment totals $2 billion.

KEY POINTS

National Cabinet Decision and Funding

- On 30 January 2026, National Cabinet agreed to invest up to $4 billion over five years to implement supports for children aged 8 and under with developmental delay and/or autism who have low to moderate support needs, and their families.
- The Commonwealth contribution is $2 billion, compromising:
  - $1.4 billion to states and territories to deliver Thriving Kids services; and
  - up to $600 million for national initiatives that complement state and territory services.
- This is underpinned by the National Agreement on Foundational Supports 2026-2031, which establishes:
  - A National Model of Support; and
  - nationally consistent service principles, which allow jurisdictions flexibility to meet their differing community needs and operating environments.

Intergovernmental Agreements and Governance

- Bilateral agreements set out at a high level how services will be delivered in line with the national model. Agreements are in place with seven jurisdictions. The Commonwealth is working with Queensland, who has signed the National Agreement on Foundational Supports, to finalise their Thriving Kids bilateral agreement.
- Implementation plans were to be shared as drafts on 1 May and accepted by the Commonwealth on 31 May 2026, providing further service-level detail. The Commonwealth shared its draft plan on 1 May, and is working with jurisdictions who have shared plans to further refine them.
  As at 2 June five jurisdictions have shared their draft implementation plans.
- The Commonwealth is going through the process of considering initial implementation plans to ensure they align with the National Model for Thriving Kids and demonstrate plans to rollout from October 2026 and scale up services by 1 January 2028.

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Implementation Timeline and NDIS Interaction

- Thriving Kids services will commence with a phased rollout of services from 1 October 2026 across the country, with full implementation by 1 January 2028. All Governments have agreed in principle to NDIS access reforms to support the rollout of Thriving Kids. Changes will apply from 1 January 2028 for children aged eight and under with developmental delay and/or autism and low to moderate support needs.
- Governments are working together to define low to moderate support needs to enable nationally consistent needs-identification and triage approaches and arrangements. A key aim of this work is to inform service design for Targeted Supports.
- Children aged eight and under who are enrolled in the NDIS prior to 1 January 2028 with developmental delay and/or autism with low to moderate support needs will continue to access the NDIS, subject to the usual arrangements (including eligibility reassessments).
    - A child who entered the NDIS prior to 1 January 2028 will have their continued eligibility for the NDIS assessed against the rules in place prior to 2028 – until such time as they turn nine. After they turn nine, their eligibility will be assessed against the access rules in place at the time.
    - A child who enters the NDIS after 1 January 2028 will have their eligibility for NDIS determined by new access rules/ access rules in place at the time.
    - For example, if an autistic child on the NDIS with low support needs turns seven on 30 January 2028, any reassessment of their eligibility before they turn 9 will be based on current/old access settings. Once they turn nine, any eligibility reassessment will be against new access settings/ access settings in place at the time.
- NDIS access changes related to Thriving Kids will start on 1 January 2028. The Government is working closely with state and territory governments to develop a threshold for children who will be supported by Thriving Kids.
- Information on access pathways will be available closer to commencement.
- Children with permanent and significant disability, including autistic children with high support needs, will continue to be supported by the NDIS.

Nature of Thriving Kids Supports

- Thriving Kids will deliver child- and family-centred supports in everyday settings where children live, learn and play, including:
    - Early identification and awareness of developmental delay and neurodevelopmental difference.
    - Parent and family capacity building, including trusted information, advice, navigation support and peer support.
    - Targeted supports, where needed, including allied health services, low-cost assistive technology and more intensive family supports.
- State and territory governments will deliver child development and health assessment checks, general parenting supports, local information, advice and navigation, targeted supports and state-based workforce measures.
- The Australian Government will deliver national measures that support the Thriving Kids model to operate across jurisdictions, including national information and awareness raising, national online and

phone advice and navigation, some additional parenting supports for children with autism, national workforce measures and evaluation.

- Supports will scale up existing services and introduce new services.
- Delivery will recognise intersectional needs, including First Nations, culturally and linguistically diverse communities, LGBTIQA+SB families, and families in regional and remote areas.
- See **Attachment A** for a description of Commonwealth delivered Thriving Kids activities.

Access and Decision-Making Arrangements

- No diagnosis is required to access Thriving Kids.
- Information, advice and parenting supports are designed to be easy to access, recognising the central role of families in child development. This will include a mix of self-help information, advice and resources that can be accessed at any time.
- Some more targeted, 1:1 or group services may need to manage demand through waitlists, surge support, and referrals to complementary supports.
- Access to targeted supports is expected to be based on functional needs identification and triage, implemented locally by state and territory governments using agreed national parameters.
- The Commonwealth and state and territory governments are working jointly on needs-identification and triage processes, and thresholds for children who will be supported by Thriving Kids.

Role of Educators

- Early education services and schools are natural settings where developmental delay and autism may be identified, and where children and families can be assisted in finding appropriate support services.
- Each state and territory will decide how delivery in their jurisdiction aligns with the national model.
- This includes whether early education services and schools are used as delivery settings, how this occurs in practice, and how implementation avoids disrupting learning or adding to educators' workloads. It is not intended that teachers or early childhood educators deliver Thriving Kids services.

FACTS AND FIGURES

- As at 31 December 2025, there were 69,878 children under nine in the NDIS with developmental delay, and 59,848 with a primary disability of autism.
- 23.5 per cent of children are developmentally vulnerable in their first year of full-time school (typically 5-6 years of age) on one or more domains in the Australian Early Development Census (2024 report).

Design and Developmental Costs

- The Commonwealth has invested $27.3 million in the design and consultation of Thriving Kids and related early childhood reforms. This includes $19.2 million to the Department of Social Services (now the Department of Health, Disability and Ageing) for Foundational Supports design, and $8.1 million to the NDIA to support best-practice early childhood supports outside the NDIS and improvements to early intervention pathways.

Attachments:

A: Description of Commonwealth delivered Thriving Kids activities
B: Thriving Kids Advisory Group and Parliamentary Inquiry summary
C: Funding Foundational Supports – Procurements

D: Intersection between the Thriving Kids and NDIS

E: Foundational Supports Next Steps

Attachment A

Description of Commonwealth Delivered Thriving Kids Activities

This measure provides $2.0 billion over five years from 2026–27 to deliver national services, contribute to state and territory services, and fund enabling supports 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, their families, carers and kin.

The Commonwealth funding includes:

- $1.4 billion over five years from 2026–27 **to support the operation of states and territories** to deliver Thriving Kids services in their jurisdiction.
- Up to $139.7 million over five years from 2026–27 to **facilitate state-delivered Thriving Kids services for children in early childhood education and care settings.**
- $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 3-year old health and development assessment (Medicare Healthy Kids Check)**. This assessment will be eligible for bulk billing incentives and the Bulk Billing Practice Incentive Program. An expanded **Comprehensive Health Assessment Program** will also be developed to enable evidence based, developmentally informed annual health assessments for children aged 3–12 with established or suspected neurodevelopmental difference.
- $120.9 million over five years from 2026-27 to provide **information, advice and resources** on childhood development and autism, and assistance with national navigation, through a national Medicare Thriving Kids phone line, and national autism information and advice through an Autism specific phoneline, and an online hub with resources, information and advice on child development and how to find Thriving Kids services.
- $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, including:
- $76.1 million over three years from 2026-27 to make it easier for families and health professionals to track a child's development and share information through a new **National Digital Child Health Record.**
- $23.4 million over five years from 2026–27 for additional supports for children with developmental delay and or autism and their families to support community connection and wellbeing. This includes enhancements to the Positive Partnerships Program, investment in the Mental Health in Primary Schools initiative, and online peer support for families of, and children, with autism.
- $60.8 million over five years from 2026–27 to support **national workforce development and training**, including dedicated funding for First Nations workforce. This includes First Nations focused investment, a child development micro credential for teachers (preschool to year 3) and eLearning modules for ECEC educators, and other initiatives to improve awareness, referrals and uplift contemporary practice on developmental delay and autism.
- $21.6 million over three years from 2026–27 for a **national communications campaign** to raise public awareness on early childhood development 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, including investing in an autism organisation/s to support engagement with the Autistic and autism community, and developing an evaluation framework to support a 3-year review.

NB ASL is spread across a range of these measures.
See cost breakdown across activities over page.

Excerpts from the Commonwealth Thriving Kids Implementation Plan

s47E(d)

Budget Groupings	Service or activity name and description	New or enhanced service or activity	Commencement and scale up	Service scale and capacity
Up to **$139.7 million** over five years from 2026–27 **to facilitate state-delivered Thriving Kids services for children in early childhood education and care settings.**	**Facilitation of Thriving Kids Delivery in ECEC Settings** Pending decisions of the Australian Government, , and consultation with states and territories, the Commonwealth will support the facilitation of state-delivered Thriving Kids supports in Early Childhood Education and Care (ECEC) settings, to improve access in locations children learn and play . This initiative is intended to contribute to additional "off-the-floor" time for educators to plan for, coordinate and facilitate access to Thriving Kids services delivered by states and territories within early learning environments.	New activity	May 2026 onwards – review of state and territory implementation plans and engagement on what this could look like in jurisdictions. Commencement expected from late 2026, subject to receipt and consideration of jurisdictional implementation plans and negotiations with states and territories. Rollout and scale-up will be staged and targeted, informed by jurisdictional delivery models, and implementation timeframes	Targeted implementation in selected ECEC settings, to be agreed with states and territories. Expected per-capita approach to distribution of funds.
$126.1 million over five years from 2026-27 to support the **early identification** of children with developmental delay or neurodevelopmental difference	**Medicare Benefits Scheme funded 3-year old health and development assessment (Medicare Healthy Kids Check)** The Commonwealth will introduce a new Medicare Benefits Schedule (MBS) 3-year-old health and development assessment service, called Medicare Healthy Kids Check, by expanding access to existing time-tiered health assessment MBS items. This service will be available once per child, for all Medicare-eligible 3-year-olds, supporting GPs to asses the health and development of a childe and, where relevant, refer them for further assessments or The health and development assessment is intended to complement the existing child health checks provided under state and territory programs.	New schedule under existing initiative (MBS)	Commencement is planned for 1 November 2026. Regulatory and payment system changes would commence on 1 November 2026, allowing services to be available from that date	National, available to those eligible for MBS
	Expanded CHAP for children aged 3-12 This activity will support the development, digitisation and piloting (ahead of national rollout) of an expanded Comprehensive Health Assessment Program (CHAP) to enable evidence-based, developmentally informed annual health assessments for	New activity	Development of adapted CHAP expected to commence in late July 2026. Pilot of adapted CHAP expected to commence from late	National tool available to general practice; consultations delivered via existing MBS items.

s47E(d)

Budget Groupings	Service or activity name and description	New or enhanced service or activity	Commencement and scale up	Service scale and capacity
	children aged 3–12 with established or suspected neurodevelopmental difference. The activity will include consultation, development, piloting and digitisation of the expanded CHAP, informed by clinical experts, primary care stakeholders and people with lived experience. s47C, s47E(d)		2026. Adapted CHAP expected to be available in PDF format by late 2027. Digitised version of adapted CHAP is expected to be available to GP clinical software vendors by June 2029.	
$120.9 million over five years from 2026-27 to provide **information, advice and resources** on childhood development and autism, and assistance with national navigation	A new national service (Medicare Thriving Kids) to assist families and carers to access to new Thriving Kids supports by providing information, advice and service-navigation via telephony and digital channels. This service will deliver the redesigned Pregnancy, Birth and Baby service (pre-conception to one year postpartum) and a new stream for families, carers and others in the community who interact with children aged 1–8 with queries about development and behavioural concerns. Together, both service streams cover children aged 0-8. A national advice and navigation phoneline - **Medicare Thriving Kids** - will establish national phone-based and digital information, advice and navigation service supporting parents, carers and families from pre-conception through to early childhood (up to eight years). The service will build on an existing platform, expanding scope and functionality to provide a consistent national entry point for early childhood and family-focused information and guidance. The redesigned PBB stream will provide dedicated midwifery-led support for families from pre-conception to one year postpartum, including: • evidence-based information and guidance on pre-conception, pregnancy, birth and early infancy	Enhanced service	**Early service offering:** To support access to state and territory-based Thriving Kids supports as they become available, the Commonwealth and Healthdirect are exploring options to launch a preliminary 1-8 stream as an extension of the existing PBB service by 1 October 2026. The MACH nurse workforce would assist callers with queries relating to children under 5, and an extended workforce would assist callers with queries relating to children aged 5-8. Further details around service logic and promotional activity of the preliminary service offering will be confirmed in coming months. The full service scope will operate as a dedicated service by July 2027. **Phase 1 delivery:** Content and service refocus, workforce and operational	National phone line, online information resources and service finder available to families, carers, and those in the community who interact with children. A mobile application will also support this service

Budget Groupings	s47E(d)	Service or activity name and description	New or enhanced service or activity	Commencement and scale up	Service scale and capacity
		• advice and next-step navigation to appropriate health and community supports • access to information and support via phone, video call, app and digital channels, including a national service finder. The current PBB service receives approximately 35,000 phone calls per year. Redesign and targeted promotion are expected to increase utilisation, with indicative volumes of up to 80,000 calls in the first year of implementation, subject to final service design and promotional activity. The advice and service-finding stream will assist families with children aged 1-8 to access new Thriving Kids supports, including: • developmentally informed guidance on early childhood development and wellbeing • support to understand and access Commonwealth- and jurisdiction-delivered services • non-diagnostic navigation and service-finding support, including soft referrals where appropriate. Early demand modelling estimates that, once fully operational, the 1-8 advice and service-finding stream may receive approximately 186,000 phone interactions per year, and approximately 47,000 digital interactions. The phoneline will be staffed by a qualified multidisciplinary workforce, supported by nationally consistent training, clinical governance and quality assurance arrangements appropriate to scope. The service will be implemented in close alignment with the National Digital Information Hub, autism-specific information supports and helpline, and other Thriving Kids information and navigation initiatives, to support a national experience for families and to ensure Commonwealth investments deliver value for money. s47E(d), s47C		readiness, National Health Services Directory (NHSD) uplift, and platform migration (web and telephony) completed by end Q2 2027 / June 2027; Thriving Kids stream content and pathways published by July 2027, with monitoring, evaluation and clinical governance progressed concurrently. **Phase 1 delivery:** Content and service refocus, workforce and operational readiness, National Health Services Directory (NHSD) uplift, and platform migration (web and telephony) completed by end Q2 2027 / June 2027; Thriving Kids stream content and pathways published by July 2027, with monitoring, evaluation and clinical governance progressed concurrently. **Awareness and expansion:** National awareness campaign delivered Q2–Q3 2027; full service scope to be expanded post-Phase 1, subject to post-Budget and policy authority timeframes	

s47E(d)

Budget Groupings	Service or activity name and description	New or enhanced service or activity	Commencement and scale up	Service scale and capacity
	s47C, s47E(d)			
	Hub) will deliver resources for families with children aged eight and under. It will support families to understand their child's developmental needs, identify signs of developmental delay/difference and know where to go for support. There will be tailored resources for families and professionals on: • child development, developmental delay and neurodevelopmental difference. This will include peer-reviewed materials and input from those with lived experience. • how families can support their children at home, to support their child's development and gain information around practical things that may help their child (i.e. understanding sensory concerns/embedding routines). • available supports, including an online service finder tool for funded Commonwealth and state Thriving Kids services. Commissioning – To be delivered via **a closed non-competitive grant.** The Digital Hub is intended to complement other Commonwealth and jurisdiction-led information and navigation supports, including phone-based and local navigation supports.	Enhanced service	Commissioning materials and provider sourcing and engagement from May 2026. Service planned to commence by October 2026, with rollout of information products progressively after. Full service, including online service finder tool and referral to state service intake points, expected to be fully scaled by January 2028. Information on services will be added/updated as states are able to share these details. Information and resources will be developed in a phased approach to allow responsiveness to emerging need.	National online information resources and service finder available to families and professionals. As this is online there is no limit on access (i.e. it is a free website and service finder).
	Autism-specific national phone advice and information This activity will provide a national, autism-specific information, advice and navigation service for families of children aged eight and under, delivered through a phone-based helpline and website. The service will: • provide families with evidence-informed information and advice to support understanding of autism and available supports, including for families exploring assessment pathways • improve the availability of autism-specific information for professionals to support health and allied health professionals with information to enable non-diagnostic navigation and referral to appropriate community-based services/Thriving Kids/NDIS.	New service	Commissioning materials and provider sourcing and engagement from May 2026. Service planned to commence by October 2026, with rollout of information products progressively after. There is potential for revised service delivery timelines, pending engagement with preferred provider Full service expected to be fully scaled by January 2028.	National online information resources and service finder available to families and professionals.

Budget Groupings	s47E(d)	Service or activity name and description	New or enhanced service or activity	Commencement and scale up	Service scale and capacity
		Resources will be developed with input from parents, clinicians and people with lived experience, and will be designed to be inclusive and responsive to the needs of families with intersectional experiences. Commissioning – To be delivered via **a targeted competitive grant.** This activity is intended to complement existing Commonwealth, state and territory information and navigation supports, including services delivered through existing Implementation Plan activities, such as the Digital Hub and the national phoneline.			
$76.1 million over three years from 2026-27 to make it easier for families and health professionals to track a child's development and share information through a new **National Digital Child Health Record.**		**National Digital Child Health Record.** The Commonwealth will lead delivery of a new National Digital Child Health Record. The Child Health Record will provide families and carers with convenient access to their child's health and developmental information, and equip health and other care providers with information needed to identify and respond to health and developmental concerns. This will be delivered in stages. The first stage will establish the new Child Health Record functionality in My Health Record, with an initial focus on 3-year-old health assessments. By 2029, the Child Health Record will include all health assessments and developmental checks from conception to 8 years of age. Commissioning - **Funding will be provided to DHDA and the Australian Digital Health Agency, which is established as a corporate Commonwealth entity** by Rules made under *Public Governance, Performance Act 2013.*	New activity	Delivery of stage 1 would commence from 1 July 2026. Milestones would be progressively implemented over 2 years. Subject to timing of Government decisions, the Child Health Record will be progressively implemented over three years.	National digital health system enhancement impacting primary care and child health services. The Child Health Record would be available for all children and families and carers with a My Health Record.
$23.4 million over five years from 2026–27 for additional supports for children with developmental delay and or autism and their families to support community connection and wellbeing.		**Enhancements to Positive Partnerships (Phase 5)** The Commonwealth will deliver enhancements to Phase 5 of the Positive Partnerships Program which supports families and educators to work in partnership to improve the educational outcomes and experiences of Autistic children and young people. This will include enhanced outreach to priority cohorts such as First Nations and culturally and linguistically diverse communities, delivery over extended timeframes, and improved alignment with Thriving Kids pathways.	Enhanced (expanded) service)	Phase 5 (of existing DoE initiative) will commence on 1 July 2026. Enhanced services (Thriving Kids funded) will be implemented iteratively from October 2026, with an initial focus on expanding access to existing services, followed by the delivery of new tailored services and resources to support	s47E(d)

Budget Groupings	s47E(d)	ervice or activity name and description	New or enhanced service or activity	Commencement and scale up	Service scale and capacity
		ctivities may include delivery of orkshops, online resources, tailored aterials and targeted engagement trategies to support families at key ransition points, including transitions from arly learning and/or care to formal chooling. 47C, s47E(c), s47E(d)		the rollout of Thriving Kids. .	s47E(d)
		nline peer support for Autistic children nd their families and kin will deliver a ational online peer support service for arents, carers and families of children with utism, developmental delay, or where here are concerns about a child's evelopment. Support will cover the ages -8 but will include a particular focus on nsuring support at key transition points ike entering early education and care or chool as this can be where families may e seeking connection with peers and ractical advice. eer support will be delivered through acilitated online group sessions, providing tructured opportunities for parents and arers to share experiences, information nd practical advice with others facing imilar challenges. The online peer support ervice will be non-clinical and on-therapeutic and will not provide iagnostic or treatment services. he service is intended to: • support parents and carers by reducing isolation and strengthening informal support networks • build confidence and capability among parents and carers in supporting their child's development • complement existing information, navigation and service supports available through other Thriving Kids activities.	New service	Commissioning materials and provider sourcing and engagement to commence from May 2026. Service planned to commence by January/February 2027, with rollout adopting a phased approach. There is potential for revised service delivery timelines, pending engagement with preferred provider. Full service expected to be fully scaled by January 2028.	National online peer support available to parents and carers of children with autism, developmental delay or who are concerned with their child's development.

Budget Groupings	s47E(d)	Service or activity name and description	New or enhanced service or activity	Commencement and scale up	Service scale and capacity
		s47C, s47E(d)			
		Mental Health in Primary Schools This activity will support the national expansion of the Mental Health in Primary Schools (MHiPS) program, delivered in partnership with the Murdoch Children's Research Institute (MCRI), including tailoring the program to meet the needs of regional, rural and remote schools. The expansion will be delivered through collaboration, with an emphasis on community-led co-design, particularly in regional, rural and remote communities. Engagement with jurisdictions will include early work on design and data-sharing arrangements. Implementation will consider health workforce availability and capability, particularly in regional and remote locations, including challenges associated with referral pathways to specialist and allied health services and variations in workforce capacity across jurisdictions. MHiPS focuses on increasing the capacity and capability of primary schools to recognise and respond to student mental health and wellbeing needs, noting that children within the Thriving Kids cohort may be at higher risk of poorer mental and physical health outcomes later in life. The MHiPS model introduces a Mental Health and Wellbeing Leader (MHWL) role within schools. The MHWL role supports: • professional development for classroom teachers • a whole-of-school approach to mental health, wellbeing and resilience • in-school support for students experiencing mental health challenges • liaison between schools and relevant health and community services where more intensive support is required. The MHiPS model also supports MHWLs to participate in communities of practice,	Enhanced service	May- October 2026- develop commissioning materials and engage provider. Service scoping work by provider commences by November 2026, with rollout adopting a phased approach.	Expansion of the MHiPS program nationally. Scale will support increasing the capacity and capability of schools to address mental health issues.

Budget Groupings	s47E(d)	Service or activity name and description	New or enhanced service or activity	Commencement and scale up	Service scale and capacity
		enabling shared learning and peer support. MHWLs are not funded under this initiative. Commissioning – To be delivered via **a closed non-competitive grant.**			
$60.8 million over five years from 2026–27 to support **national and workforce development and training**		**National Best Practice Framework for Early Childhood Intervention (the Framework)** This activity will support the promotion and embedding of the National Best Practice Framework for Early Childhood Intervention (ECI) to strengthen understanding, adoption and consistent application of best-practice ECI approaches across practitioners, organisations, families and relevant sectors. The Framework provides guidance to support children under nine years with developmental concerns, delay or disability. It is relevant to practitioners and services operating across early childhood intervention, health, education (including ECEC and schools), community and government settings. s47C, s47E(d)	New activity	Implementation is anticipated to commence from late 2026, following completion of procurement and commissioning activities. Provider will be engaged and submit a proposal for the forward workplan to be agreed by government and informed by states. Activity would be rolling. Project completion is due by 2031 in line with approved annual expenditure split.	Promote and embed the existing Framework, positioned as an engagement activity across relevant sectors and the broader community.
		Primary Care Practice and Capability Framework for Responding to Neurodevelopmental Difference This activity will support the development of a national Primary Care Practice and Capability Framework (the Framework) to assist primary care practitioners to identify and respond to neurodevelopmental difference, including autism, in children. The Framework will provide nationally consistent guidance, practical resources and tools to support primary care practice, including: • strengthening capability for early identification and timely response • supporting appropriate referral and navigation to Thriving Kids and other relevant supports • promoting a consistent approach across jurisdictions, while complementing existing state and territory pathways and guidance. 47C, s47E(d)	New activity	Implementation is anticipated to commence by late 2026.	National framework available to primary care providers across Australia. Promoted through national primary care channels, professional bodies and Primary Health Networks.

Budget Groupings	s47E(d)	ervice or activity name and description	New or enhanced service or activity	Commencement and scale up	Service scale and capacity
		7C, s47E(d)			
		nline and face to face training and esources his activity will deliver a national suite of raining and information resources to build orkforce capability across health, ducation, disability, community and related ectors to support effective implementation f Thriving Kids. he activity will improve workforce nowledge and confidence in: • early identification of developmental delay, neurodevelopmental difference and autism • developmentally informed and culturally appropriate engagement with families including when making referrals • understanding Thriving Kids services, pathways and interfaces with mainstream systems and the NDIS • Capability uplift in terms of understanding contemporary practice in regard to developmental delay and Autism. raining will be delivered through a ombination of online and face-to-face ormats, designed to meet the needs of iverse workforces and service settings. hase 1 will focus on the development and elivery of online training modules and esources, including fact sheets and tools. esources will be publicly available, ationally accessible, and targeted to riority workforces, including general ractitioners, maternal and child health urses, allied health professionals, social nd community workers, and education and isability workforces. The focus is around mproved awareness, assisting with neuro- ffirming referrals (where needed) and eneral uplift of understanding of evelopmental delay and autism. hase 2 will focus on targeted and in-depth raining for priority workforce cohorts with a articular focus on those who deliver hriving Kids. This will be delivered either nline or face-to-face. This phase will mphasise practical application of learning n service settings. 47C, s47E(d)	New Activity	Development of project scoping to commence from May 2026 for phase 1 Commission Phase 1 proposed in 2026 with rollout to commence from late 2026 with a phased approach. This includes design time by provider Further detail on phase 2 pending engagement with states and territories but expect to commission provider/s in a phased approach from late 2026/early 2027	National online training and resources available to professionals and also the public. In-depth training available to priority workforce professionals.

Budget Groupings	s47E(d)		New or enhanced service or activity		Service
		First Nations Sector Strengthening and Best Practice This activity will support First Nations sector strengthening and best-practice initiatives, designed and delivered in partnership with the National Aboriginal Community Controlled Health Organisation (NACCHO) and SNAICC – National Voice for our Children (SNAICC), with oversight from the Early Childhood, Care and Development Policy Partnership (ECCDPP). The activity will support: • strengthening workforce capability within the Aboriginal and Torres Strait Islander community-controlled sector • positioning the sector to deliver or connect families to Thriving Kids supports that align with community needs • development and dissemination of culturally safe, trauma-informed best-practice resources Measures will be designed and delivered by, and for, Aboriginal and Torres Strait Islander communities, and will complement existing cultural governance, practice models and service pathways. The activity is enabling and system-level in nature and does not involve direct service delivery to families. Commissioning – to be delivered via **2 closed non-competitive grants.**	New	Activity engagement will commence between 1 October 2026 and 30 December 2026. Delivery of this activity will cover the initial agreed span of Thriving Kids.	National
		Child Development Micro-credentials and eLearning modules The development and delivery of nationally available online child development micro-credentials for teachers (preschool to Year 3) and eLearning modules for early childhood education and care (ECEC) educators. The professional development products will strengthen evidence-informed understanding of child development trajectories, developmental delay and neurodevelopmental difference, inclusive practice, and appropriate early support and referral pathways aligned with Thriving Kids. The micro-credential will primarily target teachers working with children aged eight years and under, including preschool teachers and primary school teachers delivering education in the early years of schooling (Foundation to Year 3), across government and non-government schools.	New activity	Procurement to commence mid-2026. Project initiation with successful supplier Q1 2027. Soft launch of products anticipated for late 2027, following rigorous user testing, refinement and commencement of promotional campaign. Expected full-scale national delivery from Term 1 2028.	s47E(d)

Budget Groupings	s47E(d)	Service or activity name and description	New or enhanced service or activity	Commencement and scale up	Service scale and capacity
		The eLearning modules will target early childhood educators working across centre-based and family day care settings, including long day care, preschool and kindergarten services, and schools delivering early learning programs. Thriving Kids funding will support the design, development, delivery, hosting and maintenance of the micro-credentials and eLearning modules, including consultation, user testing and data collection to inform evaluation and continuous improvement. Uptake by educators will be voluntary and complementary to existing professional learning and regulatory requirements. The initiative complements other government-funded workforce capability initiatives, including autism-specific micro-credentials delivered under separate arrangements. . s47C, s47E(d)			s47E(d)
$21.6 million over three years from 2026–27 for a **national communications campaign**		**National Communication and Public Awareness Activities** This activity will deliver a national Thriving Kids public communication and awareness program to support implementation of the Thriving Kids reforms. The program will focus on: • raising awareness among parents, carers and families of the early signs of developmental delay and neurodevelopmental difference • supporting understanding of Thriving Kids service pathways, including what supports are available and how families and professionals can access them Communication activity will be national in scope and delivered primarily through mass communication and digital channels, supported by targeted public relations activity where appropriate. Communication will be ongoing in the lead up to launch, with below the line activity ready for 1 October 2026. Subject to Government decisions, the national campaign is expected to commence from early 2027, following preparatory activity during 2026. s47C, s47E(d)	New activity	Preparation and early work during mid-late 2026 (i.e. market analysis, trademark / branding, commission public communications provider) Brand, communication materials and departmental website presence live for 1 October 2026 Public advertising from early 2027 and into 2028 Campaign evaluated during 2027-2028 Remaining below-the-line communication activities to be fully scaled by mid-2029 Commissioning of provider/s to commence in 2026.	National reach.

s47E(d)

Budget Groupings	Service or activity name and description	New or enhanced service or activity	Commencement and scale up	Service scale and capacity
	s47C, s47E(d)			
$16.3 million over five years from 2026-27 to **support community engagement, monitoring, and evaluation** of the Thriving Kids program	**Autism Community Engagement** The Commonwealth will engage directly with the Autistic and autism community to support Thriving Kids implementation and raise awareness of Thriving Kids supports relevant to Autistic children and families. Engagement will be delivered through an autistic-focused and/or autistic-led organisation/s and will inform the design and refinement of Commonwealth communication materials and service approaches targeted to Autistic communities as well as offering a channel for Autistic people and the autism community to act as a feedback loop for implementation. Engagement activities will include but are not limited to assisting with development of tailored communications and resources, targeted consultations, and feeding back findings to inform government decision-making. Activities are intended to complement broader national communications and support increased awareness and relevance of Thriving Kids supports within Autistic communities. s47E(d), s47C	New activity	Commissioning of provider/s to commence in 2026. Initiative expected to commence from late 2026 or early 2027. Community engagement activities to continue throughout the five-year period with project completion expected by early 2031.	National reach within the Autism community.
	Evaluation and Reporting Framework See information below at Part G Thriving Kids Evaluation and Reporting Framework. s47C, s47E(d)	New activity		National reach.
$20.4 million over five years from 2026-27 for the **Department** of Health, Disability and Ageing to support implementati	The Commonwealth will work in partnership with jurisdictions through cross Commonwealth and state and territory governance to design, agree and deliver the Evaluation and Reporting Framework, with data and information requirements for the Framework to be agreed by 30 June 2026. As part of the Framework, Commonwealth and jurisdictions will work together to develop draft terms of reference	N/A	Data and information requirements for the Framework to be agreed by 30 June 2026	N/A

Budget Groupings	s47E(d)	Service or activity name and description	New or enhanced service or activity	Commencement and scale up	Service scale and capacity

on of the Thriving Kids program.		for the 3-year review for First Ministers' consideration in early 2029.
		
		As a first step to progress the Framework, the Commonwealth proposes that, consistent with commitments in Bilateral Agreements, the following foundational elements are agreed by 30 June 2026:
		• Relevant primary and secondary data and information sources, including:
		  ○ identifying what data is currently available,
		  ○ whether data improvement is planned,
		  ○ whether it is possible to nationally align any new data capture efforts.
		• Data and information sharing arrangements.			

Attachment B - Advisory Group & Parliamentary Inquiry

Thriving Kids Advisory Group

- The Advisory Group provided a Final Report on 23 December 2025, which was published on the department's website on 3 February 2026.
- The Thriving Kids Advisory Group met from September to December 2025 to support the development of Thriving Kids and inform deliberations of all governments on a national model for Thriving Kids.
- The Advisory Group was made up of members with expertise in the fields of paediatrics, child development, research, disability, child and family services, health care, early education and schools, First Nations perspective, lived experience and state and territory government representatives.
- Their work included consideration of findings from the:
    - Independent Review into the NDIS
    - national consultations on Foundational Supports
    - House Standing Committee on Health, Aged Care and Disability inquiry into the Thriving Kids initiative
    - views of various stakeholder networks, topical deep dives, and people with lived experience.
- The Advisory Group proposed Thriving Kids be delivered under a national model which will help to ensure that services and supports are consistent and equitable across Australia, while also allowing for services to be tailored to meet the needs of communities within each jurisdiction.
- The model is centred around four pillars:
    - **Improved awareness and early identification of developmental delay** - as we know the early years of development are key.
    - **Provision of information, advice and navigation** – to help families navigate to the right supports and access trusted, evidence-based information.
    - **Universal parenting supports** – to bolster the skills and confidence of parents and help them build social connections, this might include things like playgroups with allied health drop ins, peer support groups and parenting groups.
    - **Targeted supports** such as best practice early childhood intervention delivered by allied health professionals, for those who require them, and delivered in everyday settings accessed by children and families. This might include things like occupational therapy, speech therapy etc as well as support when making key transitions like entering childcare or school.

Parliamentary Inquiry into the Thriving Kids Initiative

- On 2 September 2025, the Minister for Health and Ageing and Minister for Disability and the National Disability Insurance Scheme, the Hon Mark Butler MP, referred an inquiry into the Thriving Kids initiative to the House Standing Committee on Health, Aged Care and Disability.
- On 22 December 2025, the Standing Committee released its report - No child left behind.
- The Government is considering the report together with other inputs into the final design and implementation arrangements for Thriving Kids.
- The Australian Government response to the committee's inquiry report will be considered and tabled in due course.

Further background

- House Standing Committee on Health, Aged Care and Disability inquiry into the Thriving Kids initiative, which engaged individuals and organisations from every state and territory, including from regional, rural and remote areas, through:
    - 404 submissions and an additional 19 supplementary submissions.
    - 1,194 survey responses.
    - 164 individuals attending public hearings, who were from 101 unique organisations, of which 96 were non-government organisations.
    - This included federal and state/ territory departments and agencies, industry groups and peak bodies, academics, health practitioners, medical organisations and the public
    - The Department of Health, Disability and Ageing appeared at the Inquiry on 3 October 2025
    - The Inquiry Chair and Deputy Chair presented to the Advisory Group twice during their period of deliberations to ensure that the stakeholder perspectives canvassed as part of the inquiry could inform the Advisory Group's advice.
- The Committee made 16 overarching recommendations, several with sub-components, calling for:
    - inclusive co-design with families, carers, service providers, and advocacy groups to ensure the Thriving Kids initiative reflects lived experience
    - phased implementation supported by an Advisory Council to guide progress and maintain transparency
    - stronger protections for families and carers, including clear pathways for support and safeguards for children engaged in Thriving Kids
    - equity of access, particularly for First Nations communities, culturally and linguistically diverse families, and those in regional and remote areas
    - a review of Thriving Kids after 24 months to ensure it remains effective and responsive to community needs.
- The Australian Government response will be tabled in due course.

Australian Government
Department of Health, Disability and Ageing

Attachment C: Funding Foundational Supports - Procurements

Procurement activities in progress.

Name	FY 25/26 GST Inc	FY 26/27 GST Inc	FY 27/28 GST Inc	Total	Status	Purpose and key deliverables
Procurement of Thriving Kids (RFQ 1000121550) Contact: s22	TBC	TBC	TBC	*TBC*	*Closed 29 May 2026 – assessment underway*	A series of "pulse"-like survey to report on community attitudes, perceptions and experiences of Thriving Kids overtime to shape delivery and preparedness activities from October 2026 to 1 January 2028.
Procurement of Thriving Kids Market Research (RFQ Reference E26-27004)	$330,000	$110,000	Nil	$440,000	Closed 2 June 2026 – Assessment underway	Conduct market research to: • explore how parents, carers, and intermediaries understand and respond to early signs of developmental delay and autism • examine how concerns are recognised, what influences decisions to seek support, and the emotional, social, relational, financial and practical barriers or enablers involved. • assess awareness and perceptions of existing supports and services, including Thriving Kids • identify trusted information sources and training pathways for intermediaries. Findings will be delivered in a combined qualitative and quantitative report with recommendations to inform policy considerations related to the Australian Government and state and territory government's implementation of Thriving Kids and broader Commonwealth-funded services under Foundational Supports. .
Procurement of Thriving Kids Photo Library (RFQ 28768)	$55,000	$110,5000	Nil	$165,000	Closed 25 May 2026 – Assessment underway	Develop a photo library that accurately reflects the target audience of the Thriving Kids program and the range of supports that will be available. Images will be used on a range of Thriving Kids resources throughout the life of the program, including communication and promotional products.
K&L Gates Legal services **Contact:** s22	Nil	Nil	$35,101.40	$35,101.40	Underway – Contract ends 30 June 2026 with possibility of extension into FY 2026-27	Legal services

Ongoing procurements

Supplier	FY 23/24 GST Inc	FY 24/25 GST Inc	FY 25/26 GST Inc	Total	Status	Key deliverables and milestones

Australian Government
Department of Health, Disability and Ageing

ARTD Foundational Supports Outcomes Framework Contact: s22	Nil	s47(1)(b)			Underway – contract ends 30 June 2026.	s47(1)(b)
Bandit Design Group Pty Ltd (Contract Notice: CN4243751) Thriving Kids Brand (graphic design) **Contact:** s22	Nil	s47(1)(b)			Underway – Contract nds 31 December 2026	Development of an accessible brand identity and strategy, suite of promotional products and brand guidelines and templates for Thriving Kids. As Thriving Kids will leverage and scale up existing supports, establishing a distinct brand will help to identify services that are part of the Thriving Kids national model. s47(1)(b)
K&L Gates s42	Nil	Nil	$35,101.40	$35,101.40	Underway – Contract ends 30 June 2026 with possibility of extension into FY 2026-27	s42

Australian Government
Department of Health, Disability and Ageing

Contact: s22						s42

Completed Procurements

Supplier	**FY 23/24 GST Inc**	**FY 24/25 GST Inc**	**FY 25/26 GST Inc**	**Total**	**Status**	**Key deliverables and milestones**
Taylor Fry Design and modelling services – Foundational Supports and NDIS Reforms Contact: s22	Nil	s47(1)(b)		*$1,300,000*	s47C, s47E(d) **Note Foundational Support elements delivered as part of a broader contract with Taylor Fry totalling $1,300,000.*	s47E(d)
Nous Assistance to design national standards for Foundational Supports for children and undertake Comparative Analysis on Quality and Safeguarding Contact: s22	Nil	s47(1)(b)		$593,595	s47E(d)	

Australian Government
Department of Health, Disability and Ageing

					Contract start and end date - 30/05/2025 - 31/10/2025	s47E(d)
The Social Deck Deep dive consultations sessions with people with lived experience Contact: s22	Nil	Nil	$116,380	$116,380.00	Project finalised. Contract start and end date – 24 November 2025 – 19 December 2025	
AIFS Project A: General Supports – creating a connected system of information, advice and referral for disability supports Project B: Stocktake of evidence-based programs supporting children with disability or developmental concerns or delay and their families / carers Contact: s22	s47(1)(b)		Nil	$714,817	Project finalised. Contract start and end date - June 2024 to April 2025	
The Social Deck Public information and consultation activities – National Consultation on Foundational Supports Contact: s22			Nil	$1,562,869	Project finalised.	
Scyne Rapid design work and blueprint Contact: s22	Nil	$273,856	Nil	$273,856	Project finalised Contract start and end date – 14/10/2024-13/12/2024	

Australian Government
Department of Health, Disability and Ageing

Whereto Consulting Market research on how people with disability are understanding key terms and conceptualising the findings of the NDIS Review. Contact: s22	$255,880	Nil	Nil	$255,880	Project finalised – contract managed by the Campaigns and Strategic Communications Branch in DSS Contract start and end date – 6/5/2024-30/06/2024	s47E(d)
EY Parthenon Scope and model personalised support finding (navigation) services for people outside of the NDIS Contact: s22	Nil	$275,000	Nil	275,000	Project finalised Contract start and end date - 4 June 2025 to 11 July 2025	

Attachment D – Intersections between Thriving Kids and the NDIS

Implications for children on the NDIS

- These changes are aimed at ensuring children and their families are supported to access services from the system best suited to their needs.
- Children with permanent and significant disability, including children aged 8 and under with developmental delay and/or autism who have high support needs, will remain eligible for supports under the NDIS, subject to usual NDIS arrangements.
- Children aged eight and under 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 reassessments under the eligibility criteria in place prior to 1 January 2028.

If asked - how many kids will be assisted through Thriving Kids rather than accessing NDIS?

- It is difficult to make precise estimates of the number of kids that will be assisted under future arrangements through Thriving Kids instead of accessing the NDIS.
- This is dependent on a large range of factors, including detailed implementation arrangements in each jurisdiction, the level of unmet need in the community, the arrangements around NDIS access that will be established from 1 January 2028, and the developmental outcomes resulting from access to Thriving Kids.
- Given this, Governments have not agreed to a set number of children that will be supported through Thriving Kids.
- The design of the Thriving Kids program was not finalised at the time of the June 2025 NDIS Annual Financial Sustainability Report projections meaning that the assumptions from the June 2024 projections were used but with commencement from 1 July 2026 rather than 1 July 2025. The June 2024 AFSR can be found at: https://dataresearch.ndis.gov.au/reports-and-analyses/previous-annual-financial-sustainability-reports. Future AFSR projections will reflect Thriving Kids.
- Many families and children with additional developmental needs across Australia who are not enrolled in the NDIS and don't receive developmental supports now stand to benefit as the $4 billion in new investment in thriving kids is implemented across Australia.

If asked – how much will Thriving Kids save the budget?

- The $4 billion investment in Thriving Kids is a new joint investment by the Commonwealth and states.
- The Minister has been clear that the development of Thriving Kids was not centered on saving costs, but on improving outcomes so that children can thrive.

- The advice from the Thriving Kids Advisory Group, and the Independent Review of the NDIS, was that the NDIS model is not the right model for many children with developmental issues and their families.
- Both recommended supports that are centered around a family and child in their everyday activities and accessed in the community, rather than an approach that is driven by a diagnosis and predominantly focused on 1:1 therapy in clinical settings that is not necessarily aligned to best practice.

If asked - how much will the delay in commencing and rollout Thriving Kids cost taxpayers

- The Scheme projections in the 2024-25 AFSR include the financial impact of New Framework Planning and earlier assumptions about Foundational Supports starting from 1 July 2026 together.
- It did not take account of the specific arrangements for Thriving Kids as these policy parameters were not known at that time.
- Estimates of Scheme expenditure in the 2026-27 Budget will consider updates to reflect National Cabinet agreements among other factors.

If asked - how did Governments come to a $4 billion figure to set aside for Thriving Kids?

- This significant joint investment was agreed following careful consideration of:
    - different groups expected to be supported through Foundational Supports and Thriving Kids
    - National Consultations relating to the type and nature of support needed by children with developmental delay and autism
    - costs for existing similar services; and
    - consideration of how NDIS participants with low to moderate support needs have been using their plans.

Attachment E – Foundational Supports Next Steps

What is happening with additional Foundational Supports?

- 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.
- Future cohorts to receive Foundational Supports will be decided in consultation with states and territories, in line with the National Agreement.
- The Commonwealth is already engaging with states and territories on the impact of the proposed access changes and the availability of supports outside the NDIS. Those discussions will continue throughout the year.
- The NDIS was established to support people with permanent and significant disability, but its scope has expanded to cover many Australians with less significant support needs. In line with the original intent of the NDIS, access will be based on a significant reduction in a person's functional capacity that impacts their day to day living.
- Some of the people no longer eligible for the NDIS may be well supported by community and mainstream services, and others through new Foundational Supports.

If asked re psychosocial:

- The approach to psychosocial supports outside the NDIS will be informed by work underway between Health and Mental Health Ministers, who 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.

Is Thriving Kids a Savings Measure?

- No. The NDIS isn't the right place for every child to get the support they need to thrive. The NDIS was never designed to be a child development service.
- The NDIS Review, the Parliamentary Inquiry *No Child Left Behind Report*, the Thriving Kids Advisory Group and community engagement found that children could be better assisted through easier-to-access support in the locations they live, learn and play.
- Thriving Kids will deliver accessible, quality and appropriate supports without requiring a diagnosis. Children and families will be matched to services based on their circumstances, recognising that every child grows and learns differently.

Attachment A: Future consultation and engagement on NDIS reforms

- There will be opportunities for meaningful engagement on a range of reforms, including (key consultation dates at **Table 6**):
    - changes to eligibility assessment
    - the design of the Inclusive Communities Fund
    - new framework planning rules
    - home and living supports for Supported Independent Living participants

- 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. Consultation will run between August and September 2026.
- Commencement of New Framework Planning has been deferred to 1 April 2027 (from July 2025) to allow additional time for consultation and engagement on the detail of new and amended legislation and rules. The Government will develop and agree NDIS Rules with states and territories, in line with requirements under the NDIS Act.
- The Government is investing $200 million in the Inclusive Communities Fund to rebuild capability in community organisations to house genuine participation activities. How this fund can best support organisations to deliver high quality participation activities will be settled in consultation with the disability community.

Table 6: 2026 Community consultation timeframes

Timeframe	Community consultation
1 July 2026	Consultation begins on: • Design of a commissioning approach for home and living supports for Supported Independent Living (SIL) participants who need 24/7 support to ensure participants receive the best supports and address provider viability challenges. • Expanding differentiated pricing for unregistered providers. • Design of the Inclusive Communities Fund and market reforms for social and community participation and capacity building activities to ensure genuinely inclusive activities are available in the market.
Early August 2026	Consultation begins on: • Updated new framework planning rules. • New eligibility assessment process based on functional capacity.
31 August 2026	Consultation concludes for: • Expanding differentiated pricing for unregistered providers. • Design of the Inclusive Communities Fund.

30 September 2026	Consultation concludes for: • Updated new framework planning rules • New eligibility assessment process based on functional capacity
31 October 2026	Consultation concludes for: • Commissioning Supported Independent living. • Market reforms for social and community participation and capacity building activities

Senate Committee: Community Affairs
Budget Estimates 2026-2027
Outcome: 4 - Disability and Carers

NDIS reform - Scheme sustainability

BUDGET

	2025-26 (Estimated Actual) ($m)	2026-27 (Estimate) ($m)	2027-28 (Estimate) ($m)	2028-29 (Estimate) ($m)	2029-30 (Estimate) ($m)	Total *2026-27 to 2029-30* ($m)
Program	51.3	53.7	53.8	54.3	54.8	216.6
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

Figures are presented in fiscal balance.

KEY POINTS

- The 2026-27 Budget includes reforms to the NDIS to respond to unsustainable growth in scheme costs, clarify eligibility, address concerns about the quality and consistency of supports, and to strengthen safeguards and integrity.
- Absent of any reforms, the costs to deliver the Scheme were estimated to be $13.9 billion higher over the forward estimates relative to the 2025-26 MYEFO, and an average growth rate of 8.6% over the forward estimates.
- The measures deliver on National Cabinet's commitment to reduce annual growth to 5-6% or lower. As a result of the measures,
    - Average growth is estimated to be around 2% per annum over the forward estimates, and 5% over the medium term. At 5% per annum, NDIS growth is broadly in line with Medicare and Aged Care growth rates.
    - NDIS payments are estimated to decrease by $23.9 billion over the forward estimates, relative to the 2025-26 MYEFO.
    - The Scheme will remain steady at around 1.6% of GDP over the medium term. It would otherwise have continued to grow as a proportion of the economy, reaching 2.3% of GDP by 2036-37.
- The Scheme will continue to grow each year. Increasing from around $51 billion in 2025-26 to $55 billion by 2029-30.
- On 14 May the Government introduced the National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill (the Bill). The Bill is a first step to address scheme sustainability and provides the financial controls needed to deal with immediate cost pressures.
- The Government will work closely and consult with the disability community and state and territory governments on the implementation and design of longer-term reforms that address structural cost drivers, including reforms to eligibility for the Scheme.

FACTS AND FIGURES

Table 1: Fiscal impact on the NDIS participant spending ($billion) – fiscal balance

		2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL
2025-26 MYEFO	Expenses	50.7	54.0	58.1	62.5	67.3	
	Growth		6.4%	7.7%	7.5%	7.7%	**7.3%**
Revised for estimates variation	Expenses	51.3	55.7	61.3	66.2	71.4	
	Difference	*0.6*	*1.8*	*3.1*	*3.7*	*4.2*	***13.4***
	Growth		8.6%	9.9%	8.0%	8.0%	**8.6%**
After reforms	Expenses	51.3	53.7	53.8	54.3	54.8	
	Difference	*0.0*	*-2.0*	*-7.5*	*-11.9*	*-16.7*	***-38.1***
	Growth		4.7%	0.2%	0.9%	0.9%	**1.7%**
Net save relative to the 2025-26 MYEFO		**0.6**	**-0.3**	**-4.3**	**-8.2**	**-12.5**	**-24.7**

Breakdown of NDIS saves

- Savings to the NDIS from the *Securing the NDIS for future generations* reforms are estimated to be $38.1 billion over 4 years from 2026–27. This includes:
    - changes to volumes of supports to participants and plan inflation - $24.6 billion
    - access measures - $9.8 billion
    - pricing, fraud and integrity measures - $3.7 billion.
- Savings estimates were conservative to account for uncertainty from interactions between package elements and implementation.
- Over the medium term, the scheme is projected to grow at 5 per cent annually.
    - The Securing *the NDIS for future generations* reforms are targeting the major drivers of excess growth in the scheme including:
        - plan inflation from participants seeking reassessments
        - participant growth from participants with lower-support needs.
    - The medium-term projection also reflects the rollout of New Framework Planning and the Government's intent to use the new budget model to maintain sustainable growth in the scheme.
        - New Framework Planning will provide a more consistent and sustainable approach to the determining of budgets, supported by changes in the Bill.

Table 2: Fiscal improvement over the forward estimates from 2025-26 MYEFO ($billions)

Component	Fiscal balance	Underlying cash balance
'Securing the NDIS for future generations' measure	38.1	37.8
Net reduction in NDIS spending (including estimates variations)	25.3	24.6 (7 years to 2036-37: 160.9)
Commonwealth NDIS payments	22.4	21.8
State contributions	2.8	2.8

- From 1 October 2026 participant support budgets for social, civic and community participation supports (SCCP) and capacity building daily activities (CBDA) supports in old framework plans will be reduced progressively by over the course of a year.
    - Changes will be implemented via a Ministerial Determination. To give effect to the save, SCCP budgets for all participants will be reduced by 50% and CBDA budgets will be reduced by 10%.
    - In 2025, spending on SCCP supports totalled $11.5 billion (24%) and spending on CBDA supports was $5.8 billion (12%) of total NDIS payments.
- These reforms build on previous reforms the Government has made to improve sustainability, including:
    - $2 billion (matched by states) to deliver Thriving Kids, with the Commonwealth providing $1.4 billion to states to deliver services to help kids thrive. NDIS access reforms aligned to Thriving Kids to commence from 1 January 2028, including transitional arrangements for children in the Scheme.
    - The rollout of New Framework Planning was legislated in 2024 and is currently being designed collaboratively with states, territories and the disability community.

Breakdown of Material Estimates Variation (MEV)

- The NDIA Scheme Actuary has projected that without action, future Scheme expenses would increase significantly, compared to what was projected at MYEFO. Based on these projections, the estimates variation in 2026-27 Budget is $13.4 billion over the five years from 2025-26

Table 3: Breakdown of MEV

Component	$b	Description
Plan inflation, including unscheduled plan reassessments	6.4	• Reflects higher than expected unscheduled plan reassessments and plan inflation. • There is an average of 12,000 unscheduled reassessments per month, rather than 8,000 per month as assumed. • Assumed plan inflation from unscheduled reassessments has been revised upwards to 20 per cent.
Delay to New Framework Planning	4.3	• Reflects the delayed rollout of NFP required to further calibrate the new budget model.
Scheme experience	1.7	• Reflects updated experience– 0.2% more participants and 0.6% higher participant spending from 1 July to 31 December 2025, compared to the 2024-25 AFSR.
Other assumption changes	0.9	• Reflects changes to assumptions on new entrants and exits to the Scheme (before impact of access reforms) • Reflects changes to assumptions about future price changes (based on economic forecasts)
Total	13.4	

Breakdown of Participant impacts

- In the 12-months to 30 June 2025 the number of participants grew by 11.8%, and average participant budgets grew by 3.8%.
- The NDIS was originally intended to support around 410,000 people with disability. Today, there are over 770,000 people on the Scheme, and that number is projected to rise to over 900,000 by the end of the decade.
- Initial modelling sees the number of people on the Scheme reduce to 600,000 by the 30 June 2031.
- NDIS eligibility and access changes are expected to divert 70,000 people from entering the NDIS, and remove access for 210,000 people already on the NDIS by 30 June 2030. No changes to access will occur until January 2028.

Table 4: Assumed participant impacts of access reforms

Participants as at	**30-Jun-25**	**30-Jun-26**	**30-Jun-27**	**30-Jun-28**	**30-Jun-29**	**30-Jun-30**	**30-Jun-31**
Financial Year	***2024-25***	***2025-26***	***2026-27***	***2027-28***	***2028-29***	***2029-30***	***2030-31***
Pre-reforms projection – Total Participants	739,414	780,000	820,000	840,000	880,000	910,000	940,000
Diverted after 1 Jan 2028				20,000	40,000	70,000	110,000
Entered Scheme before 1 Jan 28 and assumed to be exited				30,000	130,000	210,000	240,000
TOTAL				**50,000**	**170,000**	**280,000**	**350,000**
After reforms – Total Participants		780,000	820,000	790,000	710,000	630,000	600,000

Implementation costs

- Implementation costs are estimated to be $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.
- $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.

NDIS Reforms Consultation & Engagement

- These reforms build on work underway to implement critical recommendations of the Independent Review into the NDIS, the Royal Commission into Violence, Abuse, Neglect and Exploitation, and the NDIS Provider and Worker Registration Taskforce.
- These reviews were informed by extensive consultation with people with disability, families, carers, and the sector.
- A range of key stakeholders across the disability sector and states and territories were briefed on these reforms prior to introduction of legislation (detailed in Table 4), including:
    - National Disability Insurance Agency (NDIA) Board
    - Council of Federal Financial Relations
    - Disability Minister Reform Council
    - Disability Representative Organisations
    - NDIS Independent Advisory Committee
    - NDIS Reform Advisory Committee
    - Australia's Disability Strategy Advisory Council
    - Provider representatives
- The Government remains committed to ongoing engagement on these reforms with people with disability and their families and carers, advocates, providers and subject-matter experts.

Table 5: Stakeholder consultation dates

Date	Activity
21 April 2026	Council of Federal Financial Relations (CFFR)
	NDIS Board Chair (Kurt Fearnley AO)
22 April 2026	NDIA Board
	State and territory Disability Ministers and Secretaries
23 April 2026	Disability Representative Organisations, NDIS Reform Advisory cocChairs (El Gibbs and Dougie Herd) and Australia's Disability Strateg Advisory Council Chair (Jane Spring)
24 April	First Deputies Group and Deputy Heads of Treasuries
1 May	Health Ministers Meeting
4 May	Disability Senior Officials Group
6 May	NDIA Board
7 May	Disability Representative Organisations, NDIS Reform Advisory co-chairs (El Gibbs and Dougie Herd) and Australia's Disability Strategy Advisory Council Chair (Jane Spring)
11 May	Disability Senior Officials Group
13 May	Department of Health, Disability and Ageing Provider Advisory Group (Life Without Barriers, Northcott, Yooralla, Aruma)
	Disability Senior Officials Group
14 May	Provider Peaks briefed (NDS, A30, Ability First)
	Allied Health Professions Australia
15 May	Disability Secretaries
18 May	Disability Representative Organisations, NDIS Reform Advisory Co-Chairs (El Gibbs and Dougie Herd) and Justice and Equity Centre
	NDIS CEO and Providers Roundtable

Date	Activity
20 May	Justice and Equity Centre
21 May	NDIA Industry Chief Executive Forum
22 May	Disability Reform Ministers Meeting
	NDIS Reform Advisory Committee
27 May	NDIA's Neurodegenerative, Palliative Care and Rare Diseases Advisory Group
28 May	Disability Senior Officials Group
	Disability Representative & Carers Organisations Forum
2 June	NDIA's Rural and Remote Advisory Group
9 June	DHDA's Multicultural Advisory Group
17 June	WA's Community Advisory Council
19 June	Victoria's Disability Advisory Council
30 June	NDIS Reform Advisory Committee

NDIS Sustainability Taskforce

- The NDIS Sustainability Taskforce was established in February 2026 to provide advice on NDIS reforms to Government on measures to meet National Cabinet's commitment to 5-6% Scheme growth. The Taskforce includes representation from Treasury, Prime Minister and Cabinet, Department of Finance, Department of Health, Disability and Ageing, and the National Disability Insurance Agency.
- The Taskforce has led development of reform measures, legislation and associated communications and engagement activities.

Latest NDIS Annual Financial Sustainability Report Projections

- The latest NDIA Annual Report was tabled on 5 November 2025, it shows that:
  - the growth in NDIS costs has reduced from 18.9% in 2023-24 to 10.8% in 2024-25
  - NDIS participant plan costs were $150 million (0.3%) higher than the 2025-26 Budget estimate of $46.2 billion for 2024-25.
- The latest published NDIS Quarterly Report (January to March 2026) shows that:
  - NDIS participant plan costs were $38.0 billion in the 9 months to 31 March 2026.
  - average participant plan budgets increased from $82,500 in March 2025 to $85,100 as at 31 March 2026.

Attachment A: Future consultation and engagement on NDIS reforms

- There will be opportunities for meaningful engagement on a range of reforms, including (key consultation dates at **Table 6**):
    - changes to eligibility assessment
    - the design of the Inclusive Communities Fund
    - new framework planning rules
    - home and living supports for Supported Independent Living participants

- 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. Consultation will run between August and September 2026.
- Commencement of New Framework Planning has been deferred to 1 April 2027 (from July 2025) to allow additional time for consultation and engagement on the detail of new and amended legislation and rules. The Government will develop and agree NDIS Rules with states and territories, in line with requirements under the NDIS Act.
- The Government is investing $200 million in the Inclusive Communities Fund to rebuild capability in community organisations to house genuine participation activities. How this fund can best support organisations to deliver high quality participation activities will be settled in consultation with the disability community.

Table 6: 2026 Community consultation timeframes

Timeframe	Community consultation
1 July 2026	Consultation begins on: • Design of a commissioning approach for home and living supports for Supported Independent Living (SIL) participants who need 24/7 support to ensure participants receive the best supports and address provider viability challenges. • Expanding differentiated pricing for unregistered providers. • Design of the Inclusive Communities Fund and market reforms for social and community participation and capacity building activities to ensure genuinely inclusive activities are available in the market.
Early August 2026	Consultation begins on: • Updated new framework planning rules. • New eligibility assessment process based on functional capacity.
31 August 2026	Consultation concludes for: • Expanding differentiated pricing for unregistered providers. • Design of the Inclusive Communities Fund.
30 September 2026	Consultation concludes for: • Updated new framework planning rules

	• New eligibility assessment process based on functional capacity
31 October 2026	Consultation concludes for: • Commissioning Supported Independent living. • Market reforms for social and community participation and capacity building activities

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Securing the NDIS for future generations

Drivers of Scheme growth

The NDIA Scheme Actuary has projected that without action, future Scheme expenses would increase significantly, compared to what was projected at MYEFO. Based on these projections, the estimates variation in 2026-27 Budget is $13.4 billion over the 5 years from 2025-26. This increase would mean we will not achieve National Cabinet's 8 per cent annual growth target until 2029-30.

Measures we have put in place to reduce plan inflation have not been as effective as projected. Both the number of plans undergoing an unscheduled reassessment and the rate of plan inflation from those reassessments have not reduced as expected. One in five plans are currently subject to an unscheduled reassessment each year and the average result of these reassessments is a 20 per cent increase in plan value. This has necessitated further measures to control plan inflation.

Table 1: Breakdown of $13.4 billion upwards estimates variation over the forwards estimates (2025-26 to 2029-30)

Component	$ billion	Description
Plan inflation, including unscheduled plan reassessments	$6.4b	• Reflects higher than expected unscheduled plan reassessments and plan inflation. • There is an average of 12,000 unscheduled reassessments per month, rather than 8,000 per month as assumed. • Assumed plan inflation from unscheduled reassessments has been revised upwards to 20 per cent.
Delay to New Framework Planning	$4.3b	• Reflects the delayed rollout of NFP required to further calibrate the new budget model.
Scheme experience	$1.7b	• Reflects updated experience– 0.2% more participants and 0.6% higher participant spending from 1 July to 31 December 2025, compared to the 2024-25 AFSR.

Other assumption changes	$0.9b	• Reflects changes to assumptions on new entrants and exits to the Scheme (before impact of access reforms) • Reflects changes to assumptions about future price changes (based on economic forecasts)
TOTAL	**$13.4b**	

Changes in Scheme expenses

Note: *Fiscal impacts are presented accrual/fiscal balance terms and will differ slightly from cash estimates. The Fiscal Sustainability Target of 8 per cent growth is measured against accrual.*

Under the Government's plans, Scheme payments will be $54.8 billion in 2029-30, instead of $71.4 billion. The Scheme will continue to grow each year and will still be one of the most comprehensive suite of supports for people with a disability anywhere in the world.

Table 2: Fiscal impact on the NDIS participant spending ($ billion)

		2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL
2025-26 MYEFO	Expenses	50.7	54.0	58.1	62.5	67.3	
	Growth		6.4%	7.7%	7.5%	7.7%	**7.3%**
Revised for estimates variation projected by Scheme Actuary	Expenses	51.3	55.7	61.3	66.2	71.4	
	Difference	*0.6*	*1.8*	*3.1*	*3.7*	*4.2*	***13.4***
	Growth		8.6%	9.9%	8.0%	8.0%	**8.6%**
After reforms	Expenses	51.3	53.7	53.8	54.3	54.8	
	Difference	*0.0*	*-2.0*	*-7.5*	*-11.9*	*-16.7*	***-38.1***
	Growth		4.7%	0.2%	0.9%	0.9%	**1.7%**
Net save relative to the 2025-26 MYEFO		**0.6**	**-0.3**	**-4.3**	**-8.2**	**-12.5**	**-24.7**

As agreed by National Cabinet in January 2026 under the NDIS bilateral agreements, state and territory 2023-24 NDIS contributions will be escalated at a fixed rate of 4.0 per cent per annum until (and including) 2027-28. The 'Budget Neutral Adjustment' (worth 2.1 per cent of the total contribution in 2024-25) will grow at a fixed 3.5 per cent per annum.

National Cabinet also agreed earlier this year that state and territories NDIS contribution escalation rates be in line with actual scheme growth, capped at 8 per cent, from 1 July 2028.

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The package of measures to be announced in the 2026-27 Budget will bring the increase in NDIS costs down to an average of about 2 per cent a year from 2026-27 to 2029-30 and then 5 per cent from 2030-31 to 2036-37.

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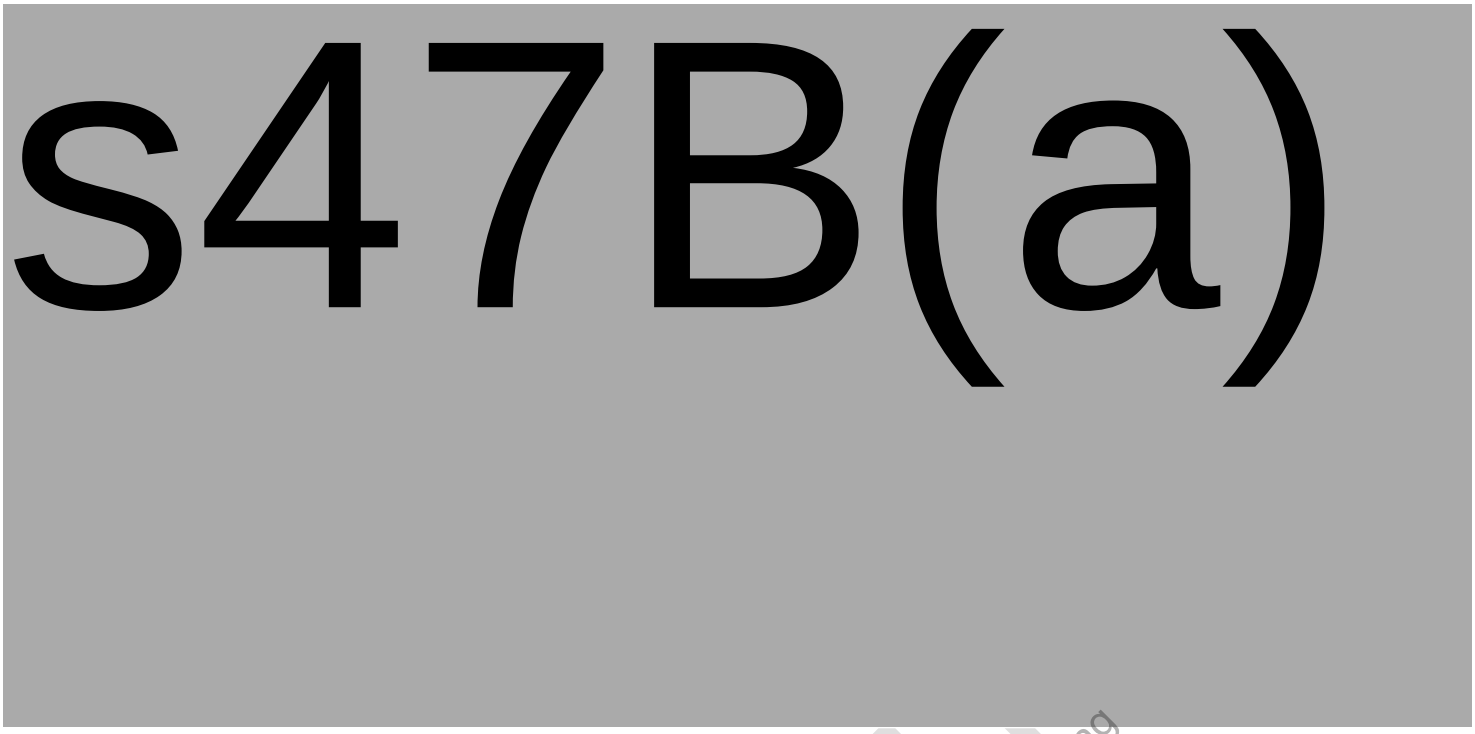

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Impacts on participant supports and spending

The NDIS plays a critical role in supporting people with permanent and significant disability, but it continues to grow at a far higher rate than any other comparable program. Costs are continuing to rise rapidly, driven by plan inflation and weaknesses in how the system currently operates. The Government's plan will be delivered through four pillars:

- Fighting fraud and stopping rorts
- Slowing rapid cost increases
- Clearer eligibility requirements
- Delivering quality services and supports to participants

The reduction in NDIS expenses over the four years from 2026–27 is driven by:

- $24.6 billion - changes to volumes of supports to participants and plan inflation, including:
    - Strengthen guidance around what is reasonable and necessary
    - Reset of Social Community and Civic Participation and Capacity Building – Daily Activities Budgets for all participants
    - Plan management and support co-ordination reforms
    - Tightening the criteria around unscheduled reassessment requests
    - Ending plan rollovers and stopping unspent funds being rolled over
- $9.8 billion - access arrangements
- $3.7 billion - pricing, fraud and integrity measures, including;
    - Differentiated pricing for unregistered providers
    - Mandatory registration for high-risk
    - Making the Minister the decision maker on pricing

Under the Government's plan, the NDIS will still cover a substantial set of supports. Average spending by participants who are assumed to meet the 'substantially reduced functional capacity' definition will remain relatively stable over the rollout of the reforms.

Table 6: Indicative average spend per participant (participants with low to moderate function) ($)

$	2025-26	2026-27	2027-28	2028-29	2029-30
Pre-reforms	89,000	94,000	99,000	104,000	109,000
Post-reforms	89,000	91,000	88,000	90,000	92,000

Note: This is the projected average spend of all participants assumed to meet the definition of substantially reduced functional capacity on the scheme. It is not intended to represent the 'typical' participant. The average reflects the impact of reforms as well normal scheme experience that impact budgets and spending e.g. indexation of plans, utilisation patterns, reassessments, etc.

Impacts on participant numbers

Changes to access will not commence until 1 January 2028 and will be rolled out progressively over 3 years. Details of these changes will be worked through carefully throughout 2026 with a Technical Advisory Group, members of the disability community and states and territories.

Average annual growth in participants over the 5 years from 2020-21 to date was 12 per cent. As at 31 December 2025, there are 760,000 participants on the NDIS, including about 360,000 adults and 400,000 participants aged 18 and under.

Between 1 July 2026 and 1 January 2028, we estimate the number of participants will continue to grow by around 20,000. While new eligibility rules are subject to consultation and advice from a Technical Advisory Group, initial modelling estimates the number of people on the scheme would reduce to around 600,000 by the end of the decade, instead of growing to well over 900,000.

This year, all governments signed the National Agreement on Foundational Supports. In line with the Agreement, the Commonwealth has also provisioned funding of $3 billion over five years to establish Foundational Supports outside the NDIS, to be matched by states and territories as agreed by National Cabinet. This is on top of the Commonwealth's $2 billion contribution towards establishing the $4 billion *Thriving Kids* program.

The Commonwealth will establish a $200 million Inclusive Communities Fund to re-build capability among community organisations so people have new options to genuinely participate in their local community. This fund would be a one-off Commonwealth grant program for community-based organisations to transition their operating model to provide support for NDIS participants through group-based social and community participation supports, including:

- capital investment in transport solutions and modifications to tenancies;
- business advisory and strategic planning services;
- business process improvements;
- governance advisory services for leadership and executive support and financial reporting; and
- training or capability uplift for staff to deliver safe and appropriate activities.

Table 7: Participant impacts of access reforms

Participants as at	**30-Jun-2025**	**30-Jun-2026**	**30-Jun-2027**	**30-Jun-2028**	**30-Jun-2029**	**30-Jun-2030**	**30-Jun-2031**
Financial Year	***2024-25***	***2025-26***	***2026-27***	***2027-28***	***2028-29***	***2029-30***	***2030-31***
Pre-reforms projection – Total Participants	739,414	780,000	810,000	840,000	880,000	910,000	940,000
Diverted after 1 Jan 2028				20,000	40,000	70,000	110,000
Entered scheme before 1 Jan 28 and assumed to be exited				30,000	130,000	210,000	240,000
TOTAL				50,000	170,000	280,000	350,000
After reforms – Total Participants		**780,000**	**810,000**	790,000	710,000	630,000	600,000

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Additional modelling detail

Fiscal Implications

The reduction in NDIS expenses over the four years from 2026–27 is driven by:

- $24.6 billion - changes to volumes of supports to participants and plan inflation
- $9.8 billion - access arrangements
- $3.7 billion - pricing, fraud and integrity measures

Savings have been costed as a package and package elements are interdependent. If one of these measures is adjusted, there would be flow through financial impacts for other package elements. For example, changes to guidance around what is reasonable and necessary interacts with the reset of support budgets.

Savings estimates are conservative to account for the uncertainty from interactions between package elements and implementation.

Table A: Breakdown of savings by package element

	Measure components ($b, fiscal balance)	2025-26	2026-27	2027-28	2028-29	2029-30	Total over FEs
Changes to volume of supports	Strengthen guidance around what is reasonable and necessary	0.0	-0.1	-0.6	-1.0	-1.2	**-2.9**
	Reset of Social Community and Civic Participation and Capacity Building – Daily Activities Budgets for all participants	0.0	-1.1	-3.7	-4.1	-4.3	**-13.2**
	Plan management and support co-ordination reforms	0.0	0.0	-0.2	-0.6	-0.6	**-1.4**

	Measure components ($b, fiscal balance)	2025-26	2026-27	2027-28	2028-29	2029-30	Total over FEs
	Tightening the criteria around unscheduled reassessment requests, and ending plan rollovers and stopping unspent funds being rolled over	0.0	-0.3	-0.6	-0.9	-1.4	**-3.1**
	Lower growth due to Implementation of New Framework Planning	0.0	0.0	-0.3	-1.1	-2.5	**-3.9**
Access arrangements	Introduce an Objective Test of Substantially Reduced Functional Capacity	0.0	0.0	-1.0	-3.0	-5.3	**-9.3**
	Access changes to enable Thriving Kids rollout*	0.0	0.0	0.0	-0.1	-0.3	**-0.5**
Pricing fraud and integrity	Differentiated pricing for unregistered providers	0.0	-0.6	-0.9	-0.6	-0.5	**-2.6**
	Mandatory registration for high-risk providers	0.0	0.0	0.0	-0.1	-0.1	**-0.2**
	Making the Minister the decision maker on pricing and related fraud measures	0.0	0.0	-0.3	-0.3	-0.3	**-0.9**
TOTAL	**Impact on fiscal balance**	**0.0**	**-2.0**	**-7.5**	**-11.9**	**-16.7**	**-38.1**
TOTAL	Impact on underlying cash balance	0.0	-2.0	-7.4	-11.8	-16.6	**-37.8**

*Reflects the in-principle agreement to Thriving Kids access changes in the 30 January 2026 Heads of Agreement on the NHRA, NDIS reforms and Foundational Supports. 2023-24 and 2024-25 Scheme projections of new entrants already included an allowance for the impact of Foundational Supports (p.15 NDIA Annual Fiscal Sustainability Report 2023-24). These projections were factored into the Budget in previous fiscal updates. The total reduction in NDIS expenses related to implementing Thriving Kids, including the allowance already in the Budget baseline, is $1.5 billion over the forward estimates.

Breakdown of participant impacts

Access changes will not commence until 1 January 2028 and will be rolled out progressively over 3 years. Details of these changes will be worked through carefully throughout 2026 with a Technical Advisory Group, members of the disability community and states and territories.

The projected number of exits and the breakdown of those exits are based on modelling assumptions and are indicative. Actuals will depend on the policy settings put in place following consultation with the disability community, states and territories, and advice from the Technical Advisory Group on how to assess an applicant's functional capacity and the thresholds used to determine eligibility.

Average annual growth in participants over the 5 years from 2020-21 to date was 12 per cent. As at 31 December 2025, there are 760,000 participants on the NDIS, including about 360,000

adults and 400,000 participants aged 18 and under. Up to 1 January 2028, the number of NDIS participants will continue to grow.

While new eligibility rules are subject to consultation and advice from a Technical Advisory Group, initial modelling estimates the number of people on the scheme would reduce to around 600,000 by the end of the decade, instead of growing to well over 900,000.

Table B.1 Projected number of participants before and after reforms

Participants as at	**30-Jun-2025 Actual**	**30-Jun-2026 Estimate**	**30-Jun-2027 Estimate**	**30-Jun-2028 Estimate**	**30-Jun-2029 Estimate**	**30-Jun-2030 Estimate**	**30-Jun-2031 Estimate**
Financial Year	*2024-25*	*2025-26*	*2026-27*	*2027-28*	*2028-29*	*2029-30*	*2030-31*
Pre-reforms total participants	739,414	783,000	817,000	842,000	876,000	910,000	944,000
Entered scheme before 1 Jan 28 and assumed to be exited				33,000	125,000	205,000	241,000
After reforms total participants		783,000	817,000	789,000	710,000	632,000	598,000

Note: Totals are cumulative. Total participants after reforms includes potential NDIS participants that would be diverted from the NDIS to other support systems.

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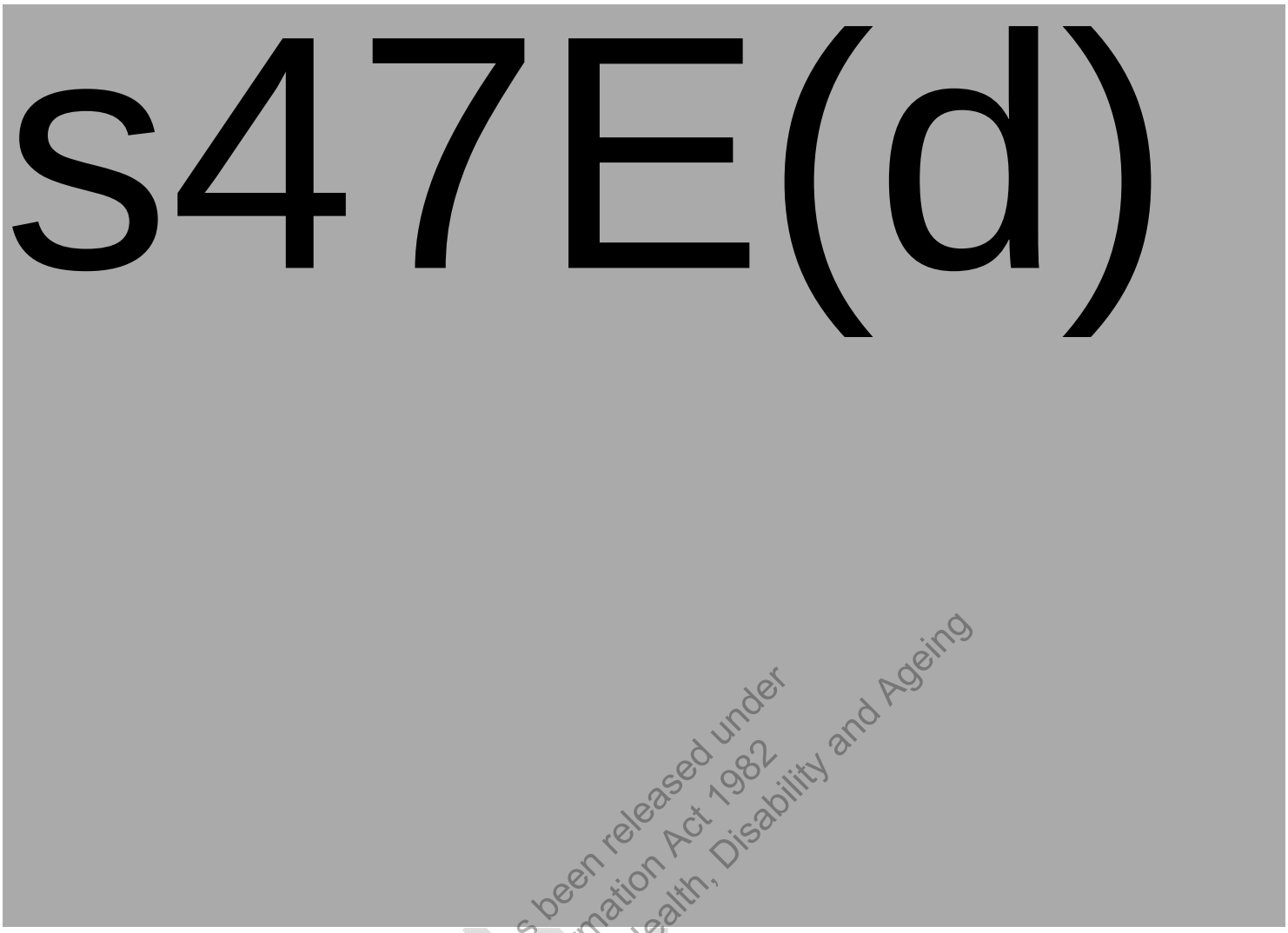

Modelling assumptions

Measure	Assumptions
Strengthen guidance around what is reasonable and necessary	*The NDIA must consider Scheme sustainability and equity across NDIS participants, including participants with similar needs and circumstances. This package element clarifies factors that must be considered by the NDIA when determining what supports are reasonable and necessary to fund.* • The impact of a tightened definition and scope of supports is assumed to result in an average 3 to 5% reduction in payments across support categories (excluding categories that have specific policy response below). • In the absence of fully developed policy settings, the modelling assumptions adopted are necessarily preliminary and high level in nature. These assumptions will be progressively refined as policy details develop.
Reset of Social Community and Civic Participation and Capacity Building – Daily	*A determination will be made to reset participant support budgets in old framework plans for two support categories: SCCP supports and CBDA supports.* • *SCCP support budgets will be reduced by 50%.*

Measure	Assumptions

Activities Budgets for all participants	• *CBDA support budget will be reduced by 10%.*
	SCCP budgets will be adjusted to reset average participant spending to 2023 levels and bring it more into line with other systems. CBDA budgets will be reduced to bring it more into line with other systems.
	• Adjusting for existing and projected utilisation of budgets, average payments per participant are estimated to reduce by:
	  • 24.7% for SCCP.
	  • 4.5% for CBDA.
	• Resetting SCCP support budgets will affect all participants who currently have SCCP funding in their plans. These reductions are assumed to be the average impact at the scheme level.
	• Average utilisation rates are:
	  • For SCCP, currently around 85%.
	  • For CBDA, currently around 60%.
	• The modelling assumes the reduction in SCCP spend for participants in SIL or SIL-like arrangements is not as significant as that for other cohorts (50% less) due to substitution to other support types or requests for plan changes.

Plan management and support co-ordination reforms	*The Government will directly commission providers to deliver a new support coordination and connection service. The Government will also commission a panel of plan management providers. These new models will enable efficiencies in funding. Participant budgets will be updated to reflect the new fee amounts.* • Expected efficiencies from commissioned services for support coordination and plan management were assumed to be 30%.
Tightening the criteria around unscheduled reassessment requests	*Unscheduled reassessments will only be possible when:* – *there have been significant and ongoing changes to a participant's support needs arising from changes in their functional capacity* – *there has been an unanticipated, significant and ongoing change in a participant's living, education, work or informal support arrangements* • Currently, ~20% of participants receive a reassessment in a 12-month period. The average increase in plan budgets out of these reassessments is 20%. • Assumes that projected reassessments will reduce by 50% due to tighter criteria on who can request a plan reassessment and participants not meeting the new, tightened criteria. • Assumed reductions in the projected number of reassessments results in a 25% reduction in the inflation arising from unscheduled plan reassessments. Those still eligible for reassessments were assumed to receive larger revisions from

Measure	Assumptions
	their reassessments, and those ineligible for reassessments would increase their utilisation.
Ending plan rollovers and stopping unspent funds being rolled over	*Plan rollovers and auto extensions to cease from 1 February 2027 through the establishment of legislative end dates for all plans* – *Unspent funds in a NDIS participant's plan will no longer be rolled over and carried forward* – *a renewed plan automatically created with supports automatically based on the original annualised plan value adjusted for indexation, minus any one-off supports.* • No additional savings expected. • Assumed to be an enabling mechanism to implement other measures from 1 February 2027.
Implementation of New Framework Planning (NFP)	*The Government will introduce changes which will enable the rollout of New Framework Planning (NFP). This includes more detail about how the budget method rules could operate to identify the type of NDIS support and level of need arising from a support needs assessment.* • Assumes design of levers to control or contain growth in NFP will achieve the targeted 5% rate of growth, resulting in a 2.5% annual reduction in Scheme cost growth compared to 25-26 MYEFO. • Expected impacts are applied gradually over the rollout of NFP, based on the proportion of the Scheme who transition to NFP each year.
Introduce an Objective Test of Substantially Reduced Functional Capacity	*Introduce standardised, evidence-based assessments of a person's functional capacity to determine access to the NDIS. This will enable future access decisions to be based on a consistent, objective and evidence-based assessment of functional capacity.* • Refer to *Methodology on* page 2.
Access Changes to enable Thriving Kids Rollout	*Jurisdictions agreed in-principle to access changes to the NDIS to support Thriving Kids. Thriving Kids supports children aged 8 and under with developmental delay and/or autism with low to moderate support needs as articulated in the National Agreement on Foundational Supports and the Bilateral Agreements on Thriving Kids.* • Children aged 8 and under with developmental delay and/or autism with low to moderate support needs will not be eligible for the NDIS from 1 January 2028 when Thriving Kids is expected to be fully rolled out. Access changes are expected to divert new entrants aged 8 and under who would have entered the Scheme on or after 1 January 2028. • Children aged 8 and under who enter the Scheme on or before 31 December 2027 would continue to be reassessed under the

Measure	Assumptions
	current arrangements and eligibility criteria in line with the 30 January 2026 Heads of Agreement.
Differentiated pricing for unregistered providers, making the Minister the decision maker on pricing and related fraud-measures	*This change will improve transparency, predictability and alignment in pricing across sectors, while also providing government oversight over NDIS pricing changes.* *Enabling greater enforcement of payments to providers* • Modelling identifies payments that are potentially non compliant. • The proportion of non-compliant payments is estimated to be 35% (1.4% of the value of payments). • Of reduced payments from greater compliance – it is assumed 40% would be a direct saving; 60% is re-spent by participants. • This is a ratio that averages for different savings depending on source of non-compliance (fraud, error, participant vs provider, etc.) *Differentiated pricing* • The NDIA has been working on differentiated pricing as part of its three-year pricing workplan. • The implementation of further differentiation, will be based on further public consultation, the advice of NDIA and the passage of legislation. • Savings are reduced in later years as mandatory registration of providers is implemented.
Mandatory registration for high-risk providers	*Expanded mandatory registration requirements for providers delivering support to participants who are most at risk of abuse and/or exploitation. This includes supports delivered in high risk settings, such as daily living supports delivered in formal closed settings like group homes (including those operated by sole traders).* • Savings based on work by NDIS Commission on reduction in non-compliance from a strengthened regulatory framework.

Senate Committee: Community Affairs
Budget Estimates 2026-2027
Outcome: 4 - Disability and Carers

NDIS Reform - Access Changes

BUDGET

- $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.

KEY POINTS

- The NDIS Review found the current approach to accessing the Scheme is inconsistent, inequitable and not always benefitting people with disability who require more support.
- This has led to unfair outcomes and contributed to participant numbers in the Scheme well beyond projections.
- In the 2026-27 Budget, the Government introduced access reforms to ensure the Scheme delivers on its original intent of supporting people with significant and permanent disability.
- Changes to Scheme access will commence from 1 January 2028.
- Access reforms will:
    - Introduce standardised, evidence-based assessments of a person's functional capacity.
    - Remove diagnosis lists as the means of entry to the NDIS – subject to a decision by the NDIA Board, and after implementation of the new assessment process.
    - Reinforce the boundary between the NDIS and other service systems. This will ensure people receive services from the most appropriate system (new participants only).
    - More consistently assess if treatment can alleviate or remedy an impairment and clarify the assessment of permanence. Only people with permanent or likely permanent disability can access the NDIS.
- The Government introduced the NDIS Amendment (Securing the NDIS for Future Generations) Bill 2026 (the Bill) following the release of the 2026-27 Budget.
- The Bill provides the legal framework for determining access to the NDIS based on substantially reduced functional capacity and provides a definition of functional capacity. Category A rules requiring agreement of state and territory disability ministers will outline the assessment approach and set thresholds for access, based on advice from the TAG.
- The Bill also clarifies the assessment of permanence in the Act and where a person has access to motor accident or worker's compensation for their impairments, they will no longer be able to access the Scheme. See **Attachment A** for more information about the permanence measure in the Bill.
- From 1 January 2028 when changes to access commence, existing participants who undergo a reassessment will progressively be subject to the new assessment approach over three years. This will not apply to children with developmental delay and autism until they turn nine.

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Technical Advisory Group

[No announcement on the TAG before estimates]

- To inform the development of standardised, evidence-based assessments of functional capacity, the Government will establish a Technical Advisory Group (TAG) by mid-June 2026 and will provide advice around the end of 2026.
- Members will be selected by the Minister based on their technical expertise and will be composed of professionals with relevant expertise in assessing functional impairment in people with disability. It will include people with lived experience.
- To inform the TAG membership the department compiled a list of recommended members based on a desktop review and discussing the requirements with key stakeholders, such as the Chief Disability Advisor.
- The TAG will hear from the disability community through a consultation process to commence in August 2026. The Government will also consult with states and territories (states) on these changes.
- Changes would come into effect from 1 January 2028 for new applicants.
- Current participants would be subject to eligibility reassessments against the new criteria over a three year period.
- The TAG will provide advice on how to take a proportional approach to reassessment for participants with profound disability so they will not be required to undertake a comprehensive functional assessment.

Thriving Kids

- The access reforms build on changes to support children aged 8 and under with developmental delay and autism and low to moderate support needs through Thriving Kids, a new system of supports outside the NDIS.
- The Bill does not provide for Thriving Kids reforms.
- Consultations will commence with states on changes to NDIS access legislation to support the full rollout of Thriving Kids which may include a new rule making power to restrict access for children with autism and developmental delay with high function and low support needs. These changes will be developed in consultation with the disability community and states based on expert advice from the Technical Advisory Group.
- Children aged 8 and under with developmental delay and autism who are NDIS participants by 31 December 2027 will continue to be subject to eligibility criteria in place before 1 January 2028, as agreed with states and territories.
- After NDIS participants turn 9 they may be reassessed against the new eligibility requirements introduced on 1 January 2028.

FACTS AND FIGURES

- Average annual growth in participants over the 5 FYs to 2024-25 was 14% (figures as at 30 June 2025).
- The NDIS was originally intended to support around 410,000 people with disability, as outlined in the 2011 Productivity Commission inquiry report on 'Disability Care and Support' (page 788). As at 31 March 2026, there are 774,456 people on the scheme, including 167,787 children under 9.
- Initial estimates demonstrate these changes will see the number of participants reduce to around 600,000 by the end of the decade, instead of growing to well over 900,000 people.

BACKGROUND

- As outlined in the impact analysis, access reforms to support Thriving Kids, establish thresholds for substantially reduced functional capacity and define permanence will require their own detailed analysis at a later date, as the design is still subject to consultation and further work (NDIS Reforms, Impact Analysis, pages 51 and 66).
- The measure to reinforce the boundary between the NDIS and other service systems would apply to prospective participants only as current participants' access to supports outside the NDIS is already considered during planning, where duplication of supports is identified and funding reduced.
    - As at 31 March 2026, 8,292 NDIS participants (1.1 per cent) are estimated to be in-receipt of compensation - 3,008 of whom are in receipt of support through state and territory compensation schemes (NDIS Reforms, Impact Analysis, page 51).
    - The practical impact of these changes on the supports and services that people with disability can access from a whole-of-system perspective is, therefore, expected to be limited.

Attachment A

Permanence

The National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026 provides that an individual is taken to have undertaken all appropriate treatment where further treatment cannot be undertaken for medical reasons. This would include where a particular treatment is not recommended for the person's impairment or comorbidities or where the likely benefits of a treatment are negligible, highly uncertain, or outweighed by risk for the participant.

In addition, the Bill provides that the NDIS rules may prescribe circumstances in which a person is taken to have undertaken all appropriate treatment. This rule-making power is intended to support a clear and consistent framework for determining when an impairment may be considered as permanent.

The development of rules will take into account medical and ethical considerations, including respect for individual autonomy and informed consent. The rules will also establish system level parameters around what constitutes reasonable and appropriate treatment, including consideration of the operation of mainstream health systems across Australia . This approach would support nationally consistent decision-making and recognises that, while individuals have the right to make personal decisions about their care, determinations of permanency should be guided by system-level principles rather than individual variations due to personal circumstances.

The rules will be developed over the next 12 to 18 months ahead of the 1 January 2028 commencement and will involve an extensive consultation process, beginning with public consultation from early August to late September 2026. Rules development will require drawing on a range of expertise and perspectives, including:

- engagement with clinical and medical experts across relevant specialties to ensure alignment with contemporary evidence, accepted standards of care, and evolving treatment pathways and ethical clinical practice
- consultation with the disability community, including participants, carers and representative organisations, to ensure the rules operate fairly in practice and appropriately reflect lived experience
- input from states and territories, given the interaction between the NDIS and broader health, hospital and rehabilitation systems.

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The development of the rules may also involve input from the Technical Advisory Group, to support the identification of treatment categories, evidentiary standards, and circumstances in which treatment should not be expected.

Senate Committee: Community Affairs
Budget Estimates 2026-2027
Outcome: 4 - Disability and Carers

National Disability Insurance Scheme (NDIS) reform – funding changes

KEY POINTS

- A number of the NDIS Budget measures impact on the funding participants receive as part of their current (old framework) plans.
- Measures that impact the volume of supports and plan inflation are expected to save $24.6 billion over four years from 2026-27.

Limiting unscheduled reassessments

- Around 20% of participants have at least one unscheduled reassessment in a year. On average, in 2025-26, plans that had an unscheduled reassessment had a budget increase of 20%. This is a significant driver of Scheme growth.
- The current criteria for unscheduled reassessments is very broad and open to different interpretations. They can also be requested at any time, even when there has not been a material change in a participant's circumstances. The NDIA conducted a qualitative review on two samples of plan change cases closed between June 2025 and July 2025. The review identified that around 25 per cent of plan change cases came from support coordinators.
- The *NDIS Amendment (Securing the NDIS for Future Generations) Bill* proposes changes to tighten the criteria for requesting an unscheduled reassessment and who can request an unscheduled reassessment. It is proposed that only participants, their plan nominee or guardian will be able to request a plan reassessment. The NDIA will have 90 days to decide whether to vary, reassess or not reassess the plan.
- Unscheduled reassessments will only be possible when there have been significant and ongoing changes to a participant's support needs arising from changes in their functional capacity. A request can also be made where there has been an unanticipated, significant and ongoing change in a participant's living, education, work or informal support arrangements.
- A decision of the Agency not to conduct a reassessment remains a reviewable decision which can be considered by the Administrative Review Tribunal.
- People with significant short-term changes in support needs will continue to be able to request plan variations to ensure they receive the support they need in a timely way.
- This will take effect 7 days after the Bill receives Royal Assent. For participants who make a request for an unscheduled reassessment before this change begins, but where a decision had not yet been made, the new criteria for will apply.

Reducing budgets in old framework plans (SCCP and CBDA)

- The current level of funding for these supports is out-of-step with community expectations and social support programs across the care and support economy.

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- The *NDIS Amendment (Securing the NDIS for Future Generations) Bill 2026* will enable the Minister to make determinations to reduce funding for any groups of supports. Minister Butler has indicated his intention to make a determination to reset participant support budgets in old framework plans for two types of support: supports that are used for social, civic and community participation – meaning the Assistance with Social, Civic and Community Participation (SCCP) support category, and capacity building daily activities (CBDA) supports category.

When will the reductions apply?

- If the Bill passes and this determination is made, from 1 October 2026, all participants will have their relevant supports reduced as their plans come up for renewal or reassessment over the next 12 months. This will operate by force of law (a ministerial determination) and without discretion. As such it will not be a reviewable decision.
    - In its publication *What decisions should be subject to merits review? 1999*, the Administrative Review Council stated that 'automatic' or 'mandatory' decisions are not appropriate for merits review.
- From October 2026, as plans are reassessed the NDIA will determine reasonable and necessary supports in the usual way during the planning process. Once determined, the 50% reduction for SCCP and 10% reduction for CBDA will then be applied.
- From February 2027 and following NDIA ICT changes, the reduction will be applied automatically for the remaining participants as plans are renewed (old plan ceases and a new plan based on previous supports is created).
    - An immediate reduction which takes effect on the same day is not feasible for all participants, as this would create a pressure point given all 780,000 NDIS participant plans would then expire at the same time 12 months later.

IF ASKED: *Won't reducing budgets in old framework plans leave people, who require supports 24/7, with fewer hours of support?*

- Participants requiring 24/7 supports will continue to have these provided at all times.
- The SCCP funding reduction will not impact these critical supports.
- The department and the agency are working together on implementation of this measure and will provide more information following passage of the Bill.

IF ASKED: *Will people in Australian Disability Enterprises, and others supported by the NDIS to remain employed, have their funding reduced?*

- *The intent of this reform is to reduce funding to* social, civic and community participation (SCCP) supports and capacity building daily activities (CBDA) supports.
- *This does not include supports that enable people with disability to find a job or to remain employed.*
- The department and the agency are working together on implementation of this measure, which may require administrative or other changes to ensure employment supports (including supports for people when they work in Australian Disability Enterprises) are not impacted by funding reductions to social, civic and community participation.

Budgets vs utilisation

- Participants continue to have choice and control about how they work with providers to use their budget and get the most out of their supports. For example, they may choose to change the times or ratios of support they access to access cheaper rates or negotiate prices lower than the price limit.
- A 50% reduction in SCCP budgets will not usually result in a corresponding 50% reduction in a participants' SCCP spending. This is also the case for CBDA budgets.
- This is because participants generally do not use their full budgets with average utilisation 85% for SCCP and 61% for CBDA.
- This change will not impact budgets for critical 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
    - Personal mobility equipment and transport
    - Consumable products to help with incontinence and menstruation
    - Specialist Disability Accommodation.
- NDIS participants in Supported Independent Living will continue to have access to 24/7 supports, though these supports may result in fewer hours of community access, or accessing SCCP supports at lower ratios.
- For some participants for whom SCCP reductions have been applied, some supports can continue to be accessed through other support categories.
- Existing safeguards including plan variations where a participant is experiencing an emergency or crisis situation resulting in short term changes to their support needs and agency initiated unscheduled reassessments for significant changes in circumstances will be available.

Reasonable and necessary decision making

- 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 Bill will clarify information which must be considered by NDIA delegates when determining what supports are reasonable and necessary to fund. Changes will:
    - Elevate guidance on reasonable and necessary from rules into primary legislation
    - Broaden the scope of value for money assessments by delegates. This will include considering lower cost options for assistive technology, vehicle modifications and home modifications
    - Require consideration of whether there is evidence that supports are effective and beneficial for a participant
    - Require consideration of what is reasonable to expect family members and informal supports to provide, in particular for children

- Clarify that supports will only be funded if required directly because of an impairment that meets the eligibility criteria for the participant
- Consider whether a support would be more appropriately provided or funded by another service system.

- The changes to reasonable and necessary decision-making criteria will take effect from **1 February 2027** as plans are reassessed.
- The decision to approve the statement of participant supports (what and how much is funded, and any conditions or rules applied to use of funding) will continue to be a reviewable decision which can be considered by the Administrative Review Tribunal.

Plan suspensions

- Currently, the Agency is unable to suspend a participant's plan if a participant cannot be contacted or fails or refuses to respond to requests for information.
- The result is that the participant's plan continues to be extended, without the Agency having any insight into the status or wellbeing of the participant.
- This poses risks to the participant and an integrity issue for the Agency as it cannot verify that a participant continues to require support, or how NDIS funding is being used.

- The Bill will enable the Agency to suspend a participant's plan if satisfied reasonable attempts have been made to contact the participant for the purposes of requesting information and reports under sections 36 and 50 of the Act and the participant is not contactable.
- The Agency would be required to give the participant a written notice of a decision to suspend their plan, specifying the date of effect. This is a new reviewable decision which can be considered by the Administrative Review Tribunal. If the participant then contacts the Agency, they would be required to decide to either cease the suspension or make a request for information within 28 days.
- This Bill will also allow the CEO to revoke a person's status as a participant in the NDIS if the Agency has made reasonable attempts to contact the participant for the purposes of making a request under section 36 or 50 for information or reports, and the participant was not contactable. The Agency would also be able to revoke a person's status as a participant if their plan has been suspended for at least 90 days.
- Plan suspensions will take effect from 1 October 2026 if the bill passes.

Plan renewals

- Participant plans do not currently have 'end' dates but rather scheduled reassessment dates. Most participants do not actually undergo a plan reassessment before the scheduled reassessment date. Instead, the NDIA extends the scheduled reassessment date, adds additional funding to cover the extended plan duration and rolls over any unspent funds from the previous plan period. This inflates the value of participant's plans over time, beyond what was originally considered to be reasonable and necessary by the CEO.

- This is an administrative practice known as 'plan continuation' and occurs for around 85% of plans. This process is administratively efficient, and prevents participants from having to go through reassessments when their support needs have not changed.
- The Bill will introduce a legislated end date for participant plans. When a participant reaches their reassessment date, this will become their plan's 'end date'.
- Immediately after the end date, if a participant does not need a plan reassessment, a renewed plan will be created and unspent funds from the previous plan will not be carried over to the renewed plan.
- Participants will receive what was determined to be reasonable and necessary based on their original planning meeting, subject to certain adjustments, including the removal of one off funding such as assistive technology or home modifications, and applying indexation factors to supports so the value of the plan retains its purchasing power.
- Plan renewals and adjustments occur by operation of law, meaning that they do not require a decision by the CEO and are not subject to merits review. This is because renewed plans are replicating a planning decision that was made by the CEO and was subject to merits review at the time it is made.
- In its publication *What decisions should be subject to merits review? 1999*, the Administrative Review Council stated that 'automatic' or 'mandatory' decisions are not appropriate for merits review. Renewal happens because of a statutory obligation, not a decision, and therefore there is no decision that may be reviewed.

Operational arrangements to give effect to these measures

- Plan renewals would commence from 1 February 2027. As plans with reassessment dates prior to 1 October 2027 reach their scheduled reassessment dates, renewed plans would be created without carrying forward unspent funding from the previous plan.
- For plans with reassessment dates after 1 October 2027, transitional arrangements for old framework plans will allow the Minister to specify revised dates as plan end dates. This is intended to be done in batches, and will support the staged implementation of SCCP and CBDA reductions over a 12 month period.

FACTS AND FIGURES (from Impact Analysis)

Limiting unscheduled reassessments (page 53 of the Impact Analysis refers)

- Limiting who may initiate, and the circumstances in which unscheduled reassessments can be requested, will reduce the number of changes made to NDIS plans. This will ensure that unscheduled reassessments would only be conducted when there is a significant and likely ongoing change in a participants support needs.
- In 2025, 16 per cent of the NDIS population had at least one unscheduled reassessment, indicating potentially high rates of changing support needs.

Resetting social and community supports# (pages 56 and 61 of the Impact Analysis refers)

- More than half of NDIS participants (52 per cent, or 393,401 participants) receive social and community funding through their plan. The average budget for SCCP for participants with SIL is $84,030 and for others $29,985, as at 31 December 2025 (p.56).
- Social and community supports do not provide support for daily living activities critical to a person's health and wellbeing, such as toileting, showering, meal preparation, and household tasks like cleaning. This change will bring these supports more in alignment with other parts of the care and support economy.

Resetting Capacity Building Daily Activities (CBDA) budgets (page 62 of the Impact Analysis refers)

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

Tightening "reasonable and necessary" support criteria (page 64 of the Impact Analysis refers)

- Tightening 'reasonable and necessary' supports criteria will apply to new and existing participants, as they receive their first plan or are reassessed after 1 February 2027. Participants are likely to have some of their funding for NDIS supports reduce, leading to lower overall NDIS spending.
  As at 31 December 2025, average annualised budgets are $85,100, or around $42,000 in average committed supports at 31 December 2025. **Note:** Plan suspensions and renewals did not form part of the Impact analysis as these are administrative processes.

Senate Committee: Community Affairs
Budget Estimates 2026-2027
Outcome: 4 - Disability and Carers

NDIS Reform - Consultation and Engagement

KEY POINTS

- The Department of Health, Disability and Ageing (the department) and the National Disability Insurance Agency (NDIA) will work closely with disability representative organisations, states and territories in designing the implementation of NDIS reforms.

New framework planning

- In February and March 2026, the department held a public consultation process on new framework planning. The department heard that the community wanted more information and that this consultation did not meet their expectations.
- To make sure these changes were not rushed and people had time to provide feedback, the Government announced the rollout of new framework planning has been delayed to April 2027. This will allow more time to share detailed information about the proposed rules and the participant journey in the rollout of the new way of planning.
- States and territories have provided feedback on five of the eight draft rules and policy settings for plan variations. They have had visibility of early drafts of the support needs assessment and budget method rules.
- The department will continue to work with states and territories and the disability community in developing new framework planning rules. A further public consultation process will be undertaken from August to September 2026.

NDIS reforms

- Legislation was introduced on 14 May 2026 and the Australian Government (the Government) has released an implementation timeline which explains when each of the proposed changes in the Bill will come into effect.
- Given these reforms were budget measures there was not sufficient time for release of an Exposure Draft. However, key stakeholders in the disability community, and the states and territories were provided a legislative overview and reform timeline on 8 May 2026. States were provided a copy of the Bill on 8 May 2026.

FACTS AND FIGURES

Who was briefed about the reforms ahead of the Bill being introduced?

- A range of key stakeholders across the disability sector and the states and territories were briefed on these reforms prior to introduction of legislation, including:
    - NDIA Board
    - Council of Federal Financial Relations
    - Disability Minister Reform Council
    - Disability Representative Organisations
    - NDIS Independent Advisory Committee
    - NDIS Reform Advisory Committee co-chairs
    - Australia's Disability Strategy Advisory Council
    - Provider representatives.

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- Sequence of engagement activities around the announcement and Budget are provided at **Attachment A.**

What opportunities will there be for more meaningful engagement?

- There will be opportunities for meaningful engagement on a range of reforms, including
    - changes to eligibility assessment
    - the design of the Inclusive Communities Fund
    - new framework planning rules
    - home and living supports for Supported Independent Living participants.
- 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 Technical Advisory Group will be informed by disability stakeholders including people with disability, the NDIS Reform Advisory Committee, DROs and states and territories. Consultation will run between August and September 2026.
- The Government is investing $200 million in the Inclusive Communities Fund to rebuild capability in community organisations to house genuine participation activities. How this fund can best support organisations to deliver high quality participation activities will be designed in consultation with the disability community.
- Consultation on reforms will be designed and delivered in a fit for purpose way. The department will engage with the NDIS Reform Advisory Committee, Disability Representative Organisations, providers and other key stakeholders from the disability community through roundtables. Public consultation and information sharing processes will be publicised through the department's communication channels and published on the website.

Timeframe	**Community consultation**
Early July – late August 2026	Inclusive Communities Fund Expanded differentiated pricing
Early July – late October 2026	Commissioning Supported Independent Living Market reforms for social and community participation and capacity building activities
Early August – late September 2026	New framework planning rules Eligibility assessment based on functional capacity

Attachment A: Stakeholder engagement timeline

Date	Activity
21 April 2026	Council of Federal Financial Relations (CFFR)
	NDIS Board Chair (Kurt Fearnley AO)
22 April 2026	NDIA Board
	State and territory Disability Ministers and Secretaries
23 April 2026	Disability Representative Organisations, NDIS Reform Advisory cocChairs (El Gibbs and Dougie Herd) and Australia's Disability Strategy Advisory Council Chair (Jane Spring)
24 April	First Deputies Group and Deputy Heads of Treasuries
1 May	Health Ministers Meeting
4 May	Disability Senior Officials Group
6 May	NDIA Board
7 May	Disability Representative Organisations, NDIS Reform Advisory co-chairs (El Gibbs and Dougie Herd) and Australia's Disability Strategy Advisory Council Chair (Jane Spring)
11 May	Disability Senior Officials Group
13 May	Department of Health, Disability and Ageing Provider Advisory Group (Life Without Barriers, Northcott, Yooralla, Aruma)
	Disability Senior Officials Group
14 May	Provider Peaks briefed (NDS, A30, Ability First)
	Allied Health Professions Australia
15 May	Disability Secretaries
18 May	Disability Representative Organisations, NDIS Reform Advisory Co-Chairs (El Gibbs and Dougie Herd) and Justice and Equity Centre
	NDIS CEO and Providers Roundtable
20 May	Justice and Equity Centre
21 May	NDIA Industry Chief Executive Forum

Date	Activity
22 May	Disability Reform Ministers Meeting
	NDIS Reform Advisory Committee
27 May	NDIA's Neurodegenerative, Palliative Care and Rare Diseases Advisory Group
28 May	Disability Senior Officials Group
	Disability Representative & Carers Organisations Forum
2 June	NDIA's Rural and Remote Advisory Group
9 June	DHDA's Multicultural Advisory Group
17 June	WA's Community Advisory Council
19 June	Victoria's Disability Advisory Council
30 June	NDIS Reform Advisory Committee

Senate Committee: Community Affairs
Budget Estimates 2026-2027
Outcome: 4 - Disability and Carers

NDIS reform - plan management

KEY POINTS

Talking points

- Plan management is a key risk area for fraud. Significant issues in the plan management market include fraudulent behaviour, sharp practices, conflicts of interest, payment integrity and governance.
- The National Disability Insurance Agency (NDIA) will commission a panel of high-quality plan management providers to deliver plan management services to participants.
- The NDIA and NDIS Quality and Safeguards Commission (NDIS Commission) will establish strict quality, regulation and monitoring standards for providers on the panel. This will limit plan management services to providers who can provide safe, high-quality services for participants.
- The new panel of plan management providers will begin in October 2027.
- There will be an initial 6-month transition period to support continuity and stability. During the transition period:
    - Participants who were accessing a plan management provider who is not selected for the panel will be permitted to continue to access plan management services from their provider, until they transition to a new provider on the panel.
    - Plan management providers who are not selected to be on the panel will be eligible to continue to provide plan management services to participants who are existing clients, until those participants transition to a new provider on the panel.
- At the end of the transition period, participants will only be able to access plan management services from providers on the panel.
- Participants already receiving services from a provider on the panel will not need to transition to a new plan management provider.
- The plan management reforms will not affect participants who do not choose to access services from a plan management provider.
- Changes to plan management do not change participants' ability to choose how their plans are managed. Participants will still have the opportunity to request whether they are plan-managed, agency-managed or self-managed.
- The Government will engage with the plan management sector as part of these reforms.
- Plan management providers will continue to play an important role supporting participants to manage their NDIS budgets. This includes monitoring spending against participant budgets, checking and ensuring claims meet legislative and integrity checks, submitting invoices to the NDIS, and paying providers.
- See Attachment A for questions and answers.

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References in Budget Papers, Explanatory Memorandum and Impact Analysis

Budget Paper No. 2

- The Government will provide $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. *(Budget Paper No. 2, p107)*

Explanatory Memorandum to the *Securing the NDIS for Future Generations Bill*

- Amendments will enable a new approach to plan management, including transitioning to a panel arrangement for plan managers. This will include provisions to ban providers of plan management supports from providing any other supports under the NDIS, to end the extensive conflicts of interest that currently exist in the plan management market. *(Explanatory Memorandum, p4)*
- Schedule 2 sets out amendments that strengthen the ability of the Agency to effectively identify, investigate and respond to noncompliance and fraud and ensure the integrity of the NDIS. This includes amendments which would enable limiting the number of registered plan management providers. *(Explanatory Memorandum, p70)*
- Further detail is available in pages 106-113 of the Explanatory Memorandum.

Impact Analysis

- Under this option, the plan management services market would be consolidated from around 1,400 active plan managers, to a significantly smaller panel of management providers. The NDIA would commission a panel of plan management providers, which would be subject to a deed arrangement and meet minimum quality and governance standards. The commissioned plan management panel will allow the NDIA, in conjunction with the NDIS Commission, to set service quality and integrity standards while directly addressing quality issues. *(Impact Analysis, p41)*
- Panel members would have more concentrated market and plan management services overall. They will therefore benefit from improved economies of scale, which would enable the NDIA to negotiate a more efficient price paid for plan management services. It would also help ensure NDIS participants receive higher quality plan management services, and improve the integrity of payments made through plan management providers. *(Impact Analysis, p41)*
- Further detail is available in pages 41, 72-74 and 94-95 of the Impact Analysis.

Background on plan management providers

- Plan management providers make payments to NDIS service providers on behalf of plan-managed participants, and conduct integrity checks on the payments that are made.
- Payments to plan management providers are made from individual participant plans. Plan management services are currently subject to a price cap of $104.45 per month per participant.
- Plan management providers are required to be registered with the NDIS Commission. While this has established a baseline of consistent practice, it has not achieved the level of oversight required to address issues in the plan management market.

FACTS AND FIGURES

- Currently, there are approximately 2,800 registered plan management providers within the scheme. Approximately 1,400 of those providers are active and operating.
- In 2024-25, $634 million was paid for plan management services, from participant plans.
- In the March 2026 quarter (*NDIA Quarterly Report*):
  - Approximately 526,000 participants (68 per cent of participants) engaged a plan manager to manage some or all their payments to service providers.
  - 64 per cent of value of all NDIS payments ($7.9 billion) were made through a plan management provider. Of these:
    - $159 million was paid for plan management services
    - $7.8 billion was paid to service providers by plan management providers, on behalf of participants.
- The plan management market is already highly concentrated, with a small number of very large providers supporting a significant proportion of participants. s47E(d)
- Smaller plan management providers are more likely to exhibit risk factors for conflicts of interest, collusion, fraud and poor record keeping. Of plan management providers servicing 100 participants or fewer, the NDIS has estimated that 88 per cent show at least one risk indicator.
- In the December 2025 quarter (*NDIA Quarterly Report*):
  - 885 plan management providers (65 per cent of all active plan management providers) serviced 100 or fewer participants. Of those, 421 plan management providers (31 per cent of all active plan management providers) serviced 10 or fewer participants.
  - Only 472 plan management providers (35 per cent of all active plan management providers) serviced more than 100 participants.

Attachment A

QUESTIONS AND ANSWERS

How many plan management providers will be on the panel? What will the requirements be for providers on the panel?

- The exact number of plan management providers on the panel will depend on the outcomes of an open competitive procurement process, which will be run by the NDIA.
- The NDIA will evaluate panel applications from plan management providers against its quality criteria.
- Providers selected for the panel will be required to enter into a deed arrangement with the NDIA and meet minimum quality and governance standards.

What will happen to providers who are no longer eligible or able to provide plan management services? What will the impact be on the plan management market?

- There will be a 6-month transition period, during which plan management providers will be eligible to continue to provide plan management services to participants who are existing clients, until those participants transition to a new provider on the panel.
- At the end of the transition period, plan management providers who are not chosen for the panel will no longer be eligible to deliver plan management services. However, they will be eligible to continue to provide other NDIS services, if that is part of their business model.
- Providers who are not chosen for the panel, and impacted participants, will be notified of this change before it commences.

What will happen to workers at plan management providers that are no longer eligible to deliver plan management services?

- Some plan management providers who are not chosen for the panel will exit the plan management market.
- Some individual workers may be able to find jobs with plan management providers on the panel, who will need to scale up their operations.

What will happen to participants whose existing plan management providers are not chosen to be part of the plan management panel? How will the transition period work?

- Participants will need to select a new plan management provider from the NDIA's plan management panel, if their existing provider is not selected for the panel.
- The NDIA will support relevant participants to identify and transition to a new plan management provider on the panel.
- Once the panel has been introduced, there will be a 6-month transition period during which participants will be eligible to use their existing plan management provider. By the end of the transition period, all plan-managed participants will be required to have transitioned to a plan management provider on the NDIA's panel.
- A staged approach will occur over the transition period to ensure minimal impact to participants and they continue to receive the supports and services they need. Plan managed participants will be notified of changes to their plan management service prior to the transition period.

Will participants be able to choose their own plan management provider? And will participants continue to be able to choose if they are plan managed?

- Participants will continue to have choice over plan management providers, however from a limited number of high-quality providers that are commissioned by the NDIA and meet strict requirements.
- The plan management reforms will not affect participants who do not choose to access services from a plan management provider.
- Changes to plan management do not change a participant's ability to choose how their plan is managed. Participants will still have the opportunity to request whether they are plan-managed, agency-managed or self-managed.

How will participants know how to access a commissioned plan manager?

- The NDIA will provide participants with information about changes to the plan management panel, including transitional arrangements, closer to the establishment of the panel.
- Participants already receiving services from a provider selected for the plan management panel will not need to transition to a new plan management provider.
- There will be a 6-month transition process for participants who need to change plan management providers.

How will the Government ensure the plan management panel meets all participants' needs, including participants with specific needs who require tailored services?

- Plan management services are mostly delivered online or by phone. Plan management providers typically offer standardised services, not personalised or face-to-face.
- The plan management panel will establish strict quality, regulation and monitoring standards for panel members. This will strengthen service quality, improve integrity standards, eliminate conflicts of interest and reduce fraud.
- Plan managers on the panel will be required to provide accessible and culturally appropriate services that meet the needs of all participants that use their services.
- A 6-month transition process will be established for participants who need to change plan management providers to ensure transition does not impact service continuity. The transition period will allow for all information regarding a participant's needs to be shared with the plan management panel.

Will participants' plan budgets be reduced as a result of the plan management reforms?

- There will be no immediate changes to NDIS participants' existing plan budgets as a result of the plan management reforms.
- Plan management services will continue to be funded from individual participant plans.
- Any changes to plan management fees would be reflected in participant plans once the panel has been implemented.

Will the fee paid for plan management services change?

- Panel members will benefit from a more concentrated market, leading to improved economies of scale. It is anticipated that this will enable the NDIA to negotiate a more efficient price paid for plan management services.
- Once the panel has been established, any change to fees for plan management services will be communicated to providers.

Senate Committee: Community Affairs Committee

Budget Estimates 2026-2027

Outcome: 4 - Disability and Carers

NDIS – New Framework Planning

KEY POINTS

General

- The NDIS Amendment (Getting the NDIS Back on Track No.1) Act 2024 introduced important changes to improve the experience of participants and long-term sustainability of the NDIS in response to recommendations from the NDIS Review.
- These changes included new rule making powers to introduce support needs assessments, which will be used to determine participant budgets ('new framework planning').
- New framework planning will deliver fairer and more consistent budgets - through (i) a new support needs assessment process and (ii) a new budget method.
- Public consultation on the rules opened on 23 January 2026 and closed on 6 March 2026 with over 1,500 submissions received.
- Consultation found that people want more information about the new assessment process and budget principles.
- In response the Australian Government (the Government) announced the rollout will be delayed from July 2026 to April 2027.
- The next public consultation on new framework planning will be held in August – September 2026.
- States and territories have provided feedback on five of the eight draft rules and policy settings for plan variations. They have had visibility of the initial drafts of the support needs assessment and budget method rules.

Additional new framework planning legislation amendments

- The NDIS Amendment (Securing the NDIS for Future Generations) Bill 2026 includes changes which will support the rollout of new framework planning from April 2027.
- This includes more detail about how the budget method rules will operate, to determine the type and level of NDIS support arising from a support needs assessment (s32K).
- The Bill will clarify an assessor must be a staff member or contractor of the National Disability Insurance Agency(s32L).
- The Bill will also provide for rules to clarify what information an assessor can and cannot have regard to (s32L).
- These changes are being made to support the effective operation of NFP and respond to issues emerging from initial consultation, validation and testing activities.

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Review rights

- The review pathway stays the same as today. Participants can request an internal review of a decision made under NFP and, if still not satisfied, seek an external review through the Administrative Review Tribunal.
- Delegates of the CEO of the NDIA will approve a total funding budget based on a Support Needs Assessment and a budget method set out in the new rules.
- A review will examine the NDIA delegate's decision to accept the support needs assessment as the basis for calculating the reasonable and necessary budget, instead of reviewing individual supports in a plan. It can also examine whether the budget method rules were correctly applied. Both of these steps in the administrative decision process are part of a delegate's decision to approve a statement of supports in a participant's plan.
- Participants can still request a review of decisions about their plan, including the statement of participant supports, plan variations, and plan reassessments.
- The ART's role does not change. The ART will continue to act as a delegate and apply the same rules and powers available to delegates under the NDIS Act.

FACTS AND FIGURES

- New framework planning transition will commence with participants aged 16 years and over from April 2027 and conclude December 2030.

IF ASKED

- ***How much is NFP contributing to the savings in the NDIS sustainability measures***?
  - The Government has announced changes to the volume of some supports for all participants and to reduce plan inflation in the Budget.
  - These changes will be implemented under existing planning arrangements ('old framework planning') and flow through to new plans.

- ***How is the new support needs assessment tool being tested and validated for use in the NDIS context?***
  - NDIS participants are helping design and test the new way of planning and can nominate to be part of the design process.
  - This builds on more than 10,000 desktop exercises already conducted by the NDIA in developing the new support needs assessment experience. These assessments are a critical part of the assessor accreditation process with the Centre for Disability Studies at the University of Melbourne.

- **Is the NDIA undertaking "robo-planning"?**
  - This NDIS Amendment (Securing the NDIS for Future Generations) Bill 2026 would enable the CEO to automate specific administrative actions in a safe, consistent and transparent way in accordance with the NDIS Act and rules.
  - The Bill lists provisions of the Act for which the CEO may, in writing, arrange for the use of computer programs to take administrative action under the CEO's oversight which are:
    - section 33, which deals with matters that must be included in a participant's old framework plan
    - section 45, which deals generally with the payment of amounts payable under the NDIS

- section 45A, which deals with the need for a claim for payment of amounts payable under the NDIS
- section 45C (inserted by item 4 of this Schedule) which deals with maximum amounts payable under the NDIS.

- The Minister would also be provided with a power to specify additional provisions in a disallowable legislative instrument.
- This does not mean computers will be making discretionary decisions about a participant's supports. For new framework planning funding for a participant's reasonable and necessary budget is based on the support needs assessment undertaken by a human.
- There are important transparency and safeguarding arrangements embedded in the Bill which require the CEO to make a standard operating procedure instrument (which is a type of legal document registered on the public Federal Register of Legislation) if the administrative action involves any evaluative determinations discretion being exercised by the person making a decision.

Senate Committee: Community Affairs Committee

Budget Estimates 2026-2027

Outcome: 4 - Disability and Carers

Commissioning Supported Independent Living

BUDGET

- The project will be funded by offsetting from the 2023-24 Blended Payments measure.
- The measure will fund consultation and design of a government commissioning model of Supported Independent Living (SIL) supports.

KEY POINTS

FACTS AND FIGURES - SIL[1]

- As at 31 March 2026, 36,808 NDIS participants were funded for SIL supports.
- The average payment per participant was $447,100 for the 12 months to 31 March 2026.
- Total payments to participants in SIL, over the 12-month period, have increased by 11% annually over the past 2 years, from $13.4 billion in 2023 to $16.4 billion in 2025.

Approach to Commissioning Supported Independent Living (SIL)

- The Government has announced the commencement of design and consultation on a model for commissioning integrated housing and living supports.
- SIL provides support to help participants live independently in their home. SIL is for people with high support needs who need a significant amount of support seven days a week. SIL support includes personal care, cooking, meal preparation, cleaning and building on social skills at home.
- The SIL commissioning consultation and design measure will also provide opportunities to explore what role Specialist Disability Accommodation (SDA) could play in a commissioned SIL support model given the close links between the two types of support.
- Only 5 per cent of participants access SIL, but SIL support represents 26 per cent of total Scheme costs.[2]
- Despite being a significant and growing share of NDIS costs, some providers are not profitable or viable over the medium term without structural changes.
    - Provider viability is a significant issue in Victoria, particularly for 5 providers that deliver SIL supports to the approximately 2,500 NDIS transitioned participants as part of the Bilateral Agreement in 2021.
    - The cessation of the state-based subsidy payments to providers as at 31 December 2025 has caused further viability concerns.
    - The providers continue to pay above award rates which put pressure on their financial viability.
    - The NDIA has been working with the providers since early 2025 to ensure service continuity for participants.

[1] Data is from the NDIA Quarterly report to disability ministers Q3 2025-26 Full report.

[2] Data is from the NDIA Quarterly report to disability ministers Q3 2025-26 Full report

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- Market sustainability along with choice and control of quality services for NDIS participants is at the forefront of designing a new model for commissioned SIL supports.
- Commissioning a portion of the SIL market, such as that experiencing viability concerns, offers a potential solution to these issues, as commissioning could give funding certainty to providers, remove inefficiencies in vacancy management, and enable resource pooling e.g. shared staff rostering for personal care, meal preparation etc.
- Given the size of the SIL market, should the Australian Government (the Government) decide to pursue commissioning, it is not proposed to commission the full market, at least initially.
- The exact scope of the commissioning model will be determined through design and consultation with providers, participants, sector peak bodies and state and territory governments.
- There is also an immediate need to address information gaps such as detailed market supply and demand analysis, understanding of cost pressures of providers, and the make-up of SIL providers and participants.
- Activities under this measure will enable the Department of Health, Disability and Ageing to better understand viability and identify practical means to stabilise the SIL market.
- Participants' choice and control remain a critical feature of the program. Participants will still be able to choose providers from a panel if they are in the commissioned portion of the market. There would be no change to the non-commissioned component.
- This measure also aims to improve outcomes for NDIS participants with complex needs who receive SIL supports. A commissioning model could drive quality and innovation via greater certainty of government funding for providers, contractual arrangements and associated reporting obligations, while controlling cost growth.
- This additional oversight and quality control of commissioned providers would provide participants with confidence when engaging a commissioned provider.
- The goals are to:
    - Better promote effective choice and control by creating a smaller set of higher quality choices
    - Create a more viable market with greater certainty for providers via potential panel arrangements
    - Enhance quality, safety and integrity through increase contractual oversight
    - Drive innovation in service delivery
- Consultation will focus on identifying the most effective commissioning model that delivers strong participant outcomes as part of a sustainable service model for providers.
- Throughout this process, the Government will ensure continuity of support, together with a focus on health, safety and wellbeing for Scheme participants.

Related Reform - Quality Supports Program

- On 6 February 2025, the Government announced that the National Disability Insurance Agency would deliver a Quality Supports Program. The program has established several pilots, each dedicated to the delivery of a NDIS support.
- Selected NDIS providers of therapy supports, SIL, and support coordination are sharing in more than $45 million in grant funding to participant in three pilots which commenced in 2025.
- The pilots will evaluate the characteristics of quality service provision. This will include costs and outcomes associated with providing quality services, including to participants who have complex support needs and are at risk of not receiving supports.
- The SIL Commissioning model design process will also use findings from the pilot as appropriate to inform a more fulsome understanding of the SIL market.

Senate Committee: Community Affairs Committee
Budget Estimates 2026-2027
Outcome: 4 - Disability and Carers

Safeguarding NDIS and participants

KEY POINTS

- The Australian Government (the Government) committed $21.2 million in the 2024–25 MYEFO to work with states and territories to improve quality and safeguarding for people with disability. This includes:
  - $15.6 million over five years to establish a Quality and Safeguarding Framework (Framework) and Disability Support Ecosystem Safeguarding Strategy (Strategy) to unify safeguarding arrangements for people with disability across Australia.
  - $4.4 million over two years to develop nationally consistent approaches to state and territory operated disability Community Visitor Schemes (CVS).
  - $1.2 million over two years towards a whole-of-government approach to reduce and eliminate the use of restrictive practices, through establishing targets and performance indicators within the NDIS, and developing a joint action plan with states and territories.
- These investments respond to recommendations and findings from the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (Disability Royal Commission) and the Independent Review of the National Disability Insurance Scheme (NDIS Review).
- In December 2025, the Government announced that all providers of Supported Independent Living and NDIS digital platforms would be required to register commencing 1 July 2026.
- The 2026-27 Budget allocates $182.6 million over four years from 2026-27 (and $46.1 million ongoing) to expand mandatory registration to all NDIS providers delivering high-risk supports and services. All providers delivering high risk supports will be required to register commencing 1 July 2027. Self-directed arrangements will be excluded from this requirement. Further work will be undertaken to implement this exclusion ahead of 1 July 2027.
- An additional $358.5 million over five years from 2025-26 will be invested to develop and implement a new enrolment and digital payment system for most other NDIS providers. This will provide visibility of the NDIS provider market to improve payment integrity and reduce fraud and non-compliance.
- The Government intends for self-directed supports arrangements to be excluded from the requirement to use registered providers, in line with the advice of the NDIS Provider and Worker Registration Taskforce and feedback from the disability community. Work will be undertaken to implement this exclusion ahead of 1 July 2027.
- All NDIS providers are required to comply with their obligations under the NDIS Act and the Code of Conduct. In addition, registered providers are to undergo a suitability assessment and then are audited against the relevant practice standards and when deemed satisfactory are issued a certificate of registration.

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Quality and Safeguarding Framework and Disability Support Ecosystem Safeguarding Strategy

- The Department of Health, Disability and Ageing (the department) is working closely with the NDIS Quality and Safeguards Commission (NDIS Commission), the National Disability Insurance Agency, and states and territories to develop the Framework and the Strategy.
- To support the Framework and Strategy, the department engaged Australian Healthcare Associates (AHA) to lead consultation and engagement activities, in partnership with the Australian Federation of Disability Organisations (AFDO).
    - The first round of public consultation, focused on community experiences of and engagement with safeguards across the disability support ecosystem, closed on 22 December 2025.
    - Targeted interviews with key stakeholders on the practical design and implementation elements of the Framework were conducted during February and March 2026.
- The department engaged ARTD Consultants to develop a theory of change (ToC), logic model (LM), and an overarching monitoring and evaluation framework to support the Framework and Strategy.
    - The ToC and LM were developed through a series of collaborative workshops involving key stakeholders, including representatives from the Australian Government, state and territory governments, Disability Representative and Carer Organisations, and people with disability, and their families and carers.
    - Development of the monitoring and evaluation framework has commenced.
- The department also engaged ARTD Consultant in partnership with Taylor Fry to undertake a system-wide analysis across the disability support ecosystem. Work commenced in February 2026 on how safeguarding-relevant information is currently shared; and existing and planned quality and safeguarding interventions.

Community Visitor Schemes

- The Disability Royal Commission recommended nationally consistent CVS frameworks.
- CVS provides independent visits to services and environments where people with disability live or receive support. CVS is currently managed by state and territory governments and approaches vary significantly.
- To progress this work the department committed $792,000.00 from 2024-2025 to 2026-27 for a consultant, Whereto Research Based Consulting (Whereto), to support the design and development of a nationally consistent approach to state operated disability CVS.
- On 21 February 2025, Disability Ministers agreed to commence work on identifying opportunities for national consistency of CVS.
- The department worked with state and territory officials to develop CVS Draft Principles and a Vision Statement on nationally consistent approaches to CVS. These formed part of the second round of public consultation which closed on Friday 3 April 2026.
- The public consultation findings will inform the CVS evidence base being developed by independent expert supplier Whereto, on behalf of the department which will be delivered to state and territory governments by 30 June 2026.
- State and territory governments may use the CVS evidence base when determining CVS reform in their jurisdiction.
- In response to the Disability Royal Commission recommendations to improve national consistency in CVS and information sharing between CVS and the NDIS Commission, the Government committed $1.7 million over two years from 2024-25 for the NDIS Commission's contribution to this work.

- The project is focussed on information sharing with state and territory CVS is underway in parallel with a broader project being led by the department.

NDIS Provider Regulation

- In December 2023, the NDIS Review recommended the Government "develop and deliver a risk-proportionate model for the visibility and regulation of all providers and workers in the NDIS and strengthen the regulatory response to long-standing and emerging quality and safeguards issues".
- The NDIS Provider and Worker Registration Taskforce (the Taskforce) provided advice on the design and implementation of mandatory registration in July 2024. The Taskforce recommended registering all NDIS providers under an amended definition of NDIS provider which would focus on disability related supports.
- Public consultation on the definition of an 'NDIS provider', as recommended by the NDIS Provider and Worker Registration Taskforce closed on 28 February 2026. An amendment to the definition of NDIS provider is proposed as part of the *National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations)* Bill (2026) which is before parliament.
- The feedback from the consultation would inform government decisions on the final rules to support a definition, if the Bill is passed.

National Worker Screening and Cross Sector Banning

- The department continues to work closely with the Department of Finance (DoF) Worker Screening Taskforce to progress feasibility analysis for a national worker screening model, including legislative barriers to information sharing, visibility of banning orders and ICT requirements.
- State and territory governments are engaged through a dedicated working group set up by the DoF Worker Screening Taskforce. This working group shapes the scope, engagement and delivery pathways for state and territory governments.
- The NDIS Commission is contributing regulatory expertise to support the design of a national approach.

Senate Committee: Community Affairs
Budget Estimates 2026-2027
Outcome: 4 - Disability and Carers

NDIS fraud and integrity

KEY POINTS

Integrity and fraud

- The Australian Government has invested more than $1.35 billion (additional to ongoing funding) in growing compliance and building NDIS integrity and participant safeguarding.
- This includes funding for the NDIA across a range of programs and $160 million over 4 years in Budget 2024-25 for the Data and Regulatory Transformation (DART) program as an ongoing measure. DART ensures the NDIS Commission has the critical technology required to gather intelligence, and collect and analyse data to protect both participants and the Scheme itself.
- Between 2022 and 2026, the Australian Government's investment of more than $550 million has already reaped benefits in improving the ability of the NDIA to detect provider risk, prevent, combat and address non-compliance and progress cases for prosecution of fraud through the Fraud Fusion Taskforce (FFT), Crack Down on Fraud, and Payment Integrity Review Workforce programs have improved the ability to detect provider risk.
- Implemented integrity interventions are estimated to deliver more than $3.4 billion in benefits between 1 November 2022 to 30 June 2029 (i.e. during the FFT lifetime to the end of forward estimates). These benefits include over $960 million in savings to the NDIS due to prevented non-compliant payments and a further $2.5 billion in payments diverted from dodgy providers.
- The 2026-27 Budget has built on this initial amount to address integrity and non-compliance in the NDIS by investing:
    - **$207.1 million from 2025-26 over 5 years** (and $53 million ongoing) to make the Fraud Fusion Taskforce (FFT) ongoing. The FFT identifies and responds to serious fraud in government payment programs, including the NDIS.
    - Supplementary funding of **$73.1 million from 2026-27 over 3 years** for the NDIA Payment Integrity Review Workforce to continue to detect, stop and respond to non-compliance and fraud in the NDIS specifically.
    - New funding **of $358.5 million from 2025-26 over 5 years** to enhance the integrity for all NDIS claims and payments. This includes establishing an enrolment system for a vast majority of NDIS providers to provide a minimum basic level of identifiable information by nominating a validated bank account to be paid directly into.
        - exceptions will apply and participants will still have the ability to consume services where a provider may not be enrolled. This includes stores like Woolworths or Coles where participants purchase continence aids or from overseas marketplaces like eBay or Amazon for accessible technology. These are permissible under the Scheme.

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- Better fraud controls and improved payment integrity measures can identify instances of poor service quality and reduce the exploitation of participants by unscrupulous providers.

Joint Standing Committee on the NDIS – integrity inquiry

- The Joint Standing Committee on the National Disability Insurance Scheme (the Committee) were referred an inquiry into integrity into the NDIS.
- The inquiry will assist the Australian Government consider further measures to strengthen the NDIS for the benefit for people with disability.
- A joint submission was made by the portfolio in response to the enquiry. The Department of Health, Disability and Ageing (the department), NDIA and the NDIS Quality and Safeguards Commission (the Commission) appeared at a Committee hearing on 1 May 2026 to provide evidence.
- The Committee is due to hand down its report on 2 July 2026.

National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026.

- The Bill was introduced into Parliament on 14 May 2026 and contains a comprehensive package of integrity reforms across the breadth of the NDIS.
- Measures related to fraud and non-compliance include:
    - Enabling improved regulation of the NDIS by amending the definition of NDIS provider, consistent with the advice from the NDIS Provider and Worker Screening Taskforce.
    - New NDIA function and information gathering powers in criminal investigations
    - Enabling the NDIA to issue a notice to require a person to take action or refrain from taking action to prevent non-compliance.
    - Giving the NDIA the power to issue investigation and monitoring warrants (enforcement deferred) to access premises. This power will be used against providers for specific provisions only and introduce new civil penalty provisions.
    - Reducing timeframe for claiming NDIS amounts from 2 years to 90 days of support being provided.
    - Imposing new requirements on providers, participants and nominees (where relevant) to retain records for a set period of time and a specific manner. This measure will introduce new civil penalty for providers only.
    - Implementing a new approach to plan management, including transitioning to a panel arrangement for plan managers. This will include provisions to ban providers of plan management supports from providing any other supports under the NDIS, to end the extensive conflicts of interest that currently exist in the plan management market.

NDIS Amendment (Integrity and Safeguarding) Act 2026

- The National Disability Insurance Scheme Amendment (Integrity and Safeguarding) Act 2026 (the Act) received Royal Assent on 8 April 2026.
- The Act includes 11 changes to the National Disability Insurance Scheme Act 2013, including a non-Government amendment on strengthening whistleblower protections.
- The measures support the NDIS Quality and Safeguards Commission (NDIS Commission) to strengthen its compliance and deterrence capabilities, in line with Disability Royal Commission recommendations.

- The Act also includes critical integrity measures to safeguard the NDIS and crack down on non-compliance in the NDIS.
- Public consultation on the amendments was held in late 2024, with more targeted consultation in September 2025.

Senate Committee: Community Affairs Committee

Budget Estimates 2026-27
Outcome: 4 - Disability and Carers

EXECUTIVE BRIEF

Disallowable Instruments

Comment from MMO - Stocktake to check if instruments in Bill are all disallowable instruments (instruments that must be tabled and are open to Parliamentary veto or disallowance for a set period, usually fifteen sitting days. All new legislative instruments are subject to disallowance unless they have been granted an exemption).

OVERVIEW/KEY POINTS

- This Bill introduces a number of new NDIS rule making powers and ministerial determinations (legislative instruments made by the Minister but not subject to legislative requirements for state consultation and agreement).
- All NDIS rules and ministerial determinations introduced through this Bill are disallowable legislative instruments.
    - Instruments are subject to a disallowance period of 15 sitting days in each house, during which a Senator or MP can move a motion to disallow the instrument.
    - There are then a further 15 sitting days to resolve that motion.
- The Bill also allows the Minister to make a unilateral direction to the Agency about the exercise of its pricing functions. All ministerial directions to an Agency are exempt from disallowance under section 9 of the *Legislation (Exemptions and Other Matters) Regulation 2015.*

KEY SENSITIVITIES

- Successful disallowance is extremely rare.
    - There have been no instruments disallowed to date in 2026
    - No instruments were disallowed in 2025.
    - Only one instrument was disallowed in both 2024 and 2023.

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Cleared by First Assistant Secretary:	Anthea Long

NDIA Reform and Operational Improvement

- The National Disability Insurance Agency's (NDIA's) role is to administer the National Disability Insurance Scheme (NDIS) in accordance with the NDIS Act and reforms passed by Parliament, and to do so as effectively, efficiently and consistently as possible while continuing to place participants at the centre of the Scheme.
- Since inception, the NDIS has transformed the lives of hundreds of thousands of Australians with disability by providing access to supports and services that were not previously available through mainstream systems.
- At the same time, successive reviews and reform processes, including the 2023 Independent Review of the NDIS, identified a range of broader structural and Scheme design challenges, including rapid growth, market inconsistency, increasing complexity, gaps in foundational supports, and vulnerabilities to fraud and non-compliance behaviour.
- The NDIA administers one of the largest and most complex social programs in Australia, now supporting more than 700,000 participants and processing hundreds of thousands of claims each week, in accordance with the law and policy settings determined by Government, while continuing to improve the operational performance and participant outcomes.
- Since 2022, the Government has invested more than $4 billion into strengthening the operation, integrity and sustainability of the NDIS and improving participant experience. These investments have supported significant capability uplift across the NDIA, including additional frontline staffing, planning reforms, fraud detection and compliance capability, digital and

payment integrity systems, participant service improvements, and work to strengthen the consistency and quality in decision making.

- The Government has also introduced significant legislative reforms, integrity measures, participant safeguarding reforms and broader sustainability initiatives identified through the NDIS Review process. This includes reforms through the NDIS Amendment (Geeting the NDIS Back on Track No 1) Act 2024 and the NDIS Amendment (Securing the NDIS for Future Generations) Bill currently before Parliament.
- The NDIA has continued to implement significant operational reforms to improve participant experience and Scheme administration. This includes reforms linked to the Participant Service Guarantee, strengthened planning and review processes following the transition from the Administrative Appeals Tribunal to the Administrative Review Tribunal, and investments in workforce capability, planning consistency and operational governance.
- The Agency has also expanded public reporting and transparency around participant service performance. In 2024-25, the NDIA reported against 10 PSG measure. Now in 2025-26, the NDIA expanded reporting to 18 measures, consistent with commitments made to Disability Ministers to progressively increase transparency and performance reporting as additional measures became available.
- Of the 18 PSG measures reported in Quarter 3 of 2025-26, 8 met the 96% performance target and a further 5 achieved performance above 80%. The NDIA continues to implement remediation plan focused on improving participant experience and PSG performance across the Scheme.

- A key operational focus for the NDIA has been ensuring participants receive first plans in a timely manner, with more than 96% of participants receiving their first plan within the applicable PSG timeframe.
- The NDIA has also implemented a range of initiatives to improve review and dispute resolution process for participants. In the October 2022 Budget, the NDIA received funding to trial an Independent Expert Review process to support earlier resolution of disputes and improve participant experience.
- Since then, the NDIA has implemented a range of dispute resolution initiatives, including early assessment processes and intensive caseload reviews. Together, these initiatives have contributed to a significant reduction in legacy tribunal matters that were active from June 2022. As at Q3 of 2025-26, there were approximately 6,817 active matters before the ART, representing around 0.88% of all NDIS participants.
- The NDIA has also significantly strengthened fraud and integrity capability including through the Fraud Fusion Taskforce, enhanced compliance monitoring, improved payment integrity systems, stronger oversight arrangements, and targeted action against criminal exploitation of the Scheme and misuse of participant funding. Integrity interventions implemented since 2022 are estimated to deliver more than $3.4 billion in benefits across the forward estimates, including prevention of non-compliant payments and redirecting Scheme funding toward genuine participant supports and services.
- Reforms implemented since 2023 are also contributing to the moderation in Scheme growth, with annual growth reducing from previous levels of around 23% to approximately 10.3%.

- The NDIA recognises that there is still more work to do as the Scheme continues to mature and continues to work closely with the Department of Health, Disability and Ageing to implement reforms passed by Parliament, strengthen administration of the Scheme, improve participant outcomes, combat fraud and misuse, and maintain public confidence in the NDIS.
- Throughout this reform process, the NDIA remains focused on administering the Scheme lawfully, fairly, and consistently, while ensuring participants remain at the centre of decision making and service delivery.

Senate Committee: Community Affairs Committee

Budget Estimates 2026-27
Outcome: 4 - Disability and Carers

EXECUTIVE BRIEF

Reset of Social, Civic and Capacity Building budgets

OVERVIEW/KEY POINTS

- SCCP funding is one of the fastest growing areas of NDIS expenditure. The current level of funding for these supports is out-of-step with community expectations and social support programs across the care and support economy.
- These reforms will reset SCCP budgets to help ensure Scheme sustainability and meet National Cabinet's agreed growth target of 5 to 6 per cent, or less.
- This change will not impact budgets for daily living supports or those aimed at supporting functional capacity, 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
    - Personal mobility equipment and transport
    - Consumable products to help with incontinence and menstruation
    - Specialist Disability Accommodation.
- Participants requiring 24/7 supports will continue to have these provided at all times. The SCCP funding reduction will not impact these critical supports. The department and the agency are working together on implementation of this measure and will provide more information to the Minister following passage of the Bill.
- Additionally, participants can draw flexibly on other areas in their Core support budgets (daily activities, consumable and transport supports) in line with choice and control.

KEY SENSITIVITIES

- Stakeholders have raised concerns that the SCCP reductions will leave participants in SIL without access to 24/7 supports. NDIA are working through implementation options to ensure this does not occur.
- Stakeholders have also sought clarity on the Support sub-Categories included in the SCCP reductions, and whether group supports and employment supports are affected.

FACTS/FIGURES/DATA TABLES

- Currently, 51% of NDIS participants (397,193) have SCCP funding, with these supports provided by over 110,000 providers (registered and unregistered) in the March 2026 quarter.

- A 50 per cent reduction in SCCP budgets will not usually result in a corresponding 50 per cent reduction in a participants' SCCP spending. This is because participants' average utilisation for SCCP is around **84%**.
    - In the 2025 calendar year, SCCP **budgets totalled $13.7bn** and participants **spent $11.5bn** (**24%** of total scheme spend).
    - Based on utilisation, the actual reduction is estimated to be in the order of approximately **25** per cent on average.
    - The average annualised budget for SCCP for participants with SIL is $84,030 and $29,985 for other participants, as at 31 December 2025.
    - Current funding for SCCP supports is equivalent to an average of around 20 hours per week for SIL participants, and around 7 hours for all other participants.
    - Average annualised funding for SCCP supports is estimated to reduce to around $63,000 for SIL participants. This is equivalent to around 15 hours of support per week on average.
    - For non-SIL participants, average annualised SCCP funding is expected to reduce to around $15,000 or approximately 3.5 hours of support per week.
- Employment supports: In the 2025 calendar year, around 21,000 participants claimed $334 million for Supports in Employment from 3,068 providers (approx. **3%** of total SCCP spend). These supports are paid from the SCCP budget.
    - This figure does not include self-managed payments, and more self-managing participants may be using their SCCP funding to access supports in employment.

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TABLE 1: SAVINGS ATTRIBUTED TO SCCP AND CBDA CHANGES

TABLE 2: PARTICIPANTS WITH SCCP FUNDING BY DISABILITY TYPE

TABLE 1: SAVINGS ATTRIBUTED TO SCCP AND CBDA CHANGES

	2025-26	2026-27	2027-28	2028-29	2029-30	Total
SCCP & CBDA save ($bn)	0	-1.1	-3.7	-4.1	-4.3	-13.2
% of total budget savings	-	55%	50%	35%	26%	35%
Total fiscal impact ($bn)	0	-2.0	-7.5	-11.9	-16.7	-38.1

TABLE 2: PARTICIPANTS WITH SCCP FUNDING BY DISABILITY TYPE

Primary disability	No. of ppts with SCCP funding	% of ppts with SCCP funding	Average SCCP funding	SCCP as % of all supports
ABI	18,008	90%	$24,600	21%
Autism	131,847	41%	$11,200	20%
Cerebral Palsy	12,284	66%	$28,100	18%
Developmental Delay	231	0%	$3,600	0%
Down Syndrome	9,329	79%	$28,900	28%
Global Developmental Delay	153	1%	$5,500	0.3%
Hearing Impairment	5,679	19%	$7,200	15%
Intellectual Disability	76,412	78%	$23,000	26%
Multiple Sclerosis	9,570	78%	$14,600	17%
Other	8,252	62%	$18,800	18%
Other Neurological	20,697	80%	$21,800	17%
Other Physical	13,429	66%	$15,200	19%
Other Sensory Speech	479	26%	$7,900	18%
Psychosocial Disability	63,131	96%	$18,700	30%
Spinal Cord Injury	5,118	79%	$19,700	14%
Stroke	9,947	92%	$20,500	19%
Visual Impairment	8,732	79%	$13,233	34%
Total	**393,401**	**52%**	**$17,500**	**21%**

Contact Officer:	Simon O'Brien
Cleared by First Assistant Secretary:	Anthea Long

Attachment A – SCCP Q&A

Attachment A – SCCP Q&A

s47E(d), s47C

Will adjustments occur to plans reassessed after the initial adjustment period?

- Following the implementation period, old framework plans that are reassessed will continue to the have 50 per cent reduction applied.
- Participants will go through the usual planning process to determine reasonable and necessary supports. The support determination (50 per cent reduction) is not considered as part of this planning process.
- The adjustment is then applied immediately after to the new SCCP budget. This ensures that support determinations do not have a compounding effect on the funding in a participant's plan.

Will the SCCP adjustments impact group supports?

- Given the level of flexibility provided to NDIS participants under their Core supports budgets, participants will be able to continue to determine the supports they wish to prioritise and fund using their plans.
- An SCCP adjustment will not necessarily equate to fewer hours of community access supports. Participants can negotiate rates directly with their service provider.

Will NDIS participants have a say in when their SCCP adjustment occurs?

- Where a plan reassessment occurs from October 2026, SCCP budgets will be adjusted.
- For the remaining participants, SCCP adjustments will occur from February 2027 in a phased approach as a participant's plan ends. Immediately following a plan end date, a 'plan renewal' will occur whereby a new plan which reflects the NDIS' determined reasonable and necessary supports will be created, with the SCCP adjustment applied to the appropriate part of the budget.

How will safety risks be identified and mitigated?

- In determining the reduction via Ministerial Determination, the Minister must have regard for the safety of NDIS participants.
- The NDIA also has existing safeguarding processes in place and can vary a participant's plan where supports are insufficient to meet the participant's needs where there has been a change of circumstance. The Agency can:
    - Accept a plan reassessment request from a NDIS participant where the request meets the criteria designated under the NDIS Act.
    - Commence a CEO initiated plan reassessment where the Agency becomes aware of a change of circumstances.
    - Conduct a plan variation to include additional funding in urgent or unforeseen circumstances, such as where the NDIS participant has been hospitalised and is likely to require additional support to collect medication or attend medical appointments upon discharge.

Will the SCCP adjustments be applied under New Framework Planning?

- Design of New Framework Planning is still underway, including ongoing consultation and engagement with state and territory governments, and subject to further public consultation on draft Rules.

Does the Minister have the authority to approve SCCP adjustments?

- The *NDIS Amendment (Securing the NDIS for Future Generations) Bill 2026* will enable the Minister to make determinations to reduce funding for any groups of supports. The Government has decided that Minister Butler will make a determination to reset participant support budgets in old framework plans for two support categories: social, civic and community participation (SCCP) supports and capacity building daily activities (CBDA) supports.
- If the Bill passes and this determination is made, from 1 October 2026, all participants will have their relevant supports reduced as their plans come up for renewal or reassessment over the next 12 months. This will operate by force of law (a ministerial determination) and without discretion. As such it will not be a reviewable decision.

Has there been a lack of consultation, co-design and/or scrutiny of SCCP adjustments?

- The *NDIS Amendment (Securing the NDIS for Future Generations) Bill 2026* has been referred to the Senate Community Affairs Committee for report by **16 June 2026**.
- Since the Minister's announcement at the National Press Club, the department has also been engaging with Disability Representative Organisations, key stakeholders, the Reform Advisory Committee and state and territory officials on the changes – though these engagements have focussed on ensuring these changes are appropriately communicated rather than consulting on the decision for SCCP adjustments as announced by the Minister.
- Further scrutiny by the Parliament will be required once the Minister tables the Ministerial Determination to give effect to the SCCP adjustments. This is a disallowable instrument.

Why does the modelling assume a different impact on SIL?

- The SCCP and CBDA reductions were estimated together
- Adjusting for existing and projected utilisation of budgets, average payments per participant are estimated to reduce by:
  - 24.7% for SCCP.
  - 4.5% for CBDA.
- These reductions are assumed to be the <u>average impact at the scheme level</u>.
- The modelling assumes the reduction in SCCP spend for participants in SIL or SIL-like arrangements is not as significant as that for other cohorts (50% less) due to substitution to other support types or requests for plan changes to ensure 24/7 supports continue to be funded.
- This is a modelling assumption based on the policy intent that participants requiring 24/7 supports will continue to have these provided and not based on a specific implementation approach.
- The department and the agency are working together on implementation of this measure to support this policy objective and will provide more information to the Minister following passage of the Bill.

Automated Decision Making

- The National Disability Insurance Agency (NDIA) supports hundreds of thousands of people with disability, including participants, their families, carers and providers, and it manages very high volumes of administrative activity each day, including claims, payments and routine administrative actions.
- To deliver services efficiently, consistently and at a national scale, the NDIA requires the ability to use technology, including automated administrative action, in appropriate circumstances.
- However, the NDIA recognises that decisions affecting participants must be made carefully, transparently and with strong safeguards.
- That is why the *NDIS Amendment (Securing the NDIS for Future Generations) Bill 2026* (the Bill) establishes a clear legislative framework for the safe, deliberate and responsible use of automated administrative action within the NDIS.
- Importantly, the reforms are designed to support the safe and responsible use of technology, with clear legislative safeguards and ongoing human oversight of automated administrative action.
- Consistent with this approach, more complex matters, discretionary decisions and matters requiring nuanced judgement will continue to involve human oversight and decision making.
- The Bill embeds strong safeguards directly into legislation, including CEO oversight and non-delegable accountability; preservation of participant review rights; transparency and public reporting obligations; notification requirements where automation has been used; and additional requirements where evaluative judgements are involved.

- Section 59E of the Bill establishes additional oversight and safeguard mechanisms in relation to automated administrative action, including the ability for the Minister to prescribe further requirements by legislative instrument that the CEO must comply with in exercising automation powers. This supports an adaptable safeguards framework that can evolve over time as governance, operational and assurance requirements mature.
- The sorts of measures the Minister may prescribe include establishing an oversight committee within the Agency, legal conformance assessments, system testing, risk assessments, or audit, performance and quality assurance mechanisms that apply to the automation.
- Consistent with the explanatory materials accompanying the Bill, the framework also supports the use of formal standard operating procedures and governance controls to help ensure automated administrative action operates lawfully, consistently and transparently.
- In addition to the legislative safeguards, the NDIA is implementing broader operational governance and assurance arrangements for automated administrative action, including risk-based governance arrangements, monitoring and testing processes, executive oversight mechanisms, transparency measures, fairness and consistency monitoring, and internal audit and assurance activities.
- The NDIA's approach is also intended to align with broader Australian Government work on safe, transparent and accountable automated decision making, including principles relating to transparency, human oversight, review rights, testing, assurance, auditability and ongoing monitoring.
- Together, these reforms are designed to ensure automation is used carefully, consistently and transparently, while maintaining participant protections, human accountability and and public confidence in the NDIS.

Summary of safeguards

Existing Safeguards (Legislative Framework)

- CEO oversight and non-delegable accountability for automated administrative action
- Preservation of participant review rights
- Transparency and public reporting obligations
- Notification requirements where automation has been used
- Safeguards for evaluative judgements, including published standing operating procedures
- Governance, testing, oversight and quality assurance requirements
- Parliamentary scrutiny for any expansion of automation, with the Ministerial Instrument which enables additional automation being a disallowable instrument.

Enhanced Administrative Safeguards (Additional Measures)

- **Decision traceability**, which involves maintaining detailed records of automated administrative actions, including relevant inputs, rules or methodologies applied, outputs generated, and any human oversight or intervention. This will support transparency, quality assurance, review processes and auditability.
- **A risk-tiered automation framework** to ensure appropriate levels of human involvement based on impact and complexity. This involves applying a risk-based framework to determine the appropriate level of automation, human involvement and executive oversight based on the complexity, sensitivity and potential participant impact of an administrative action. Higher-risk or discretionary matters will continue to require greater human involvement.
- **A fast, accessible human reconsideration pathway prior to formal review** - Providing accessible pathways for participants to seek rapid

human reconsideration or correction of automated administrative actions, in addition to existing statutory review and appeal rights.

- **Strengthened transparency,** including clearer explanations of how automated administrative actions operate, when automation has been used, and how participants can seek review of clarification.

- **Independent assurance and audit processes**, with reporting to senior governance bodies - Undertaking testing, validation and ongoing monitoring of automated administrative actions to ensure they operate consistently with legislative requirements, policy intent and Agency standards. The NDIA is also incorporating automation assurance activities into its **internal audit forward program** for the next financial year, following consideration by the Agency Audit and Risk Committee. This program will assess compliance with both legislative obligations and internal governance requirements and is expected to be considered by the NDIA Board in June 2026.

- **Fairness and consistency monitoring** to ensure outcomes are applied lawfully and consistently - Monitoring automated administrative actions to identify unintended impacts, inconsistencies or emerging risks, and to support lawful, fair and consistent decision-making outcomes across the Scheme.

Potential Questions

IF ASKED: Are the NDIA's safeguards aligned with broader Government work on automated decision making, including through the work the Attorney General's Department has done through their public consultation?

The NDIA's approach is intended to align closely with broader Australian Government work on safe, transparent and accountable automated decision making.

The NDIA has considered the key themes identified through the Attorney-General's Department consultation process on automated decision-making reform, including transparency, human oversight, review rights, governance, testing, monitoring and auditability.

The framework established through the Bill, together with the NDIA's internal governance and assurance arrangements, is designed to implement those principles in practice.

This includes, clear legislative safeguards and accountability arrangements; transparency and notification requirements where automation is used, accessible review and reconsideration pathways; governance and oversight arrangements for automated administrative action; testing, assurance and mentoring processes; audit and quality assurance activities; and ongoing human oversight.

The NDIA is implementing a layered safeguards framework that combines legislative protections with operational governance, executive oversight, assurance and audit arrangements to support safe, transparent and accountable use of automated administrative action.

IF ASKED: Is the NDIA undertaking "robo-planning"?

No, the NDIA is not undertaking "robo-planning".

This Bill enables the NDIA to automate very few provisions, in clearly defined circumstances where it is safe and appropriate to do so.

Importantly, the use of automation will not displace the role of human delegates or participant review rights under the NDIS Act. Human delegates will 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.

Delegates of the CEO will continue to make decisions about the supports included in participant plans, more complex matters, discretionary decisions and matters required nuanced judgement.

There are also important transparency and safeguarding arrangements embedded in the Bill which require the CEO to make a standard operating procedure instrument (which is a type of legal document registered on the public Federal Register of Legislation) if the computer program is undertaking an administrative action involving any discretion being exercised. The action of the computer program will not displace the rights of the participant, including to seek merits review the Administrative Review Tribunal, where applicable.

IF ASKED: What safeguards and governance arrangements are being put in place around automated decision making?

The Bill embeds strong safeguards directly into legislation.

This includes CEO oversight and non-delegable accountability, participant review rights, transparency and public reporting obligations, notification requirements where automation has been used; and additional requirements where evaluative judgements are involved.

The legislation also establishes additional assurance requirements around the operation of automated administrative action, including obligations relating to governance, testing, oversight, quality assurance and ensuring automated actions are consistent with decisions the NDIA can lawfully make.

The Bill also requires the CEO to take reasonable steps to ensure automated administrative action is lawful and appropriate.

Where automation involves evaluative determinations, the CEO will also be required to establish Standard Operating Procedure Instruments setting out objective criteria for how those determinations are made.

IF ASKED: Why doesn't the bill outline all decisions that the NDIA may automate?

The Government is taking a deliberate and careful approach to automated decision making, noting that the safety of participants is paramount. That is why only a handful of provisions have been specified.

The Bill allows additional provisions to be specified by legislative instrument only once further work has been undertaken to ensure those provisions are appropriate for automation.

Some legislative Rules for some decision-making functions, for example New Framework Planning, are still being developed with state and territory jurisdictions.

Any further expansion would also be subject to transparency and legislative scrutiny requirements.

IF ASKED: Can participants lose access to the Scheme through automated decisions.

No, the Bill does not allow a participant's access to the Scheme to be revoked by a computer program.

While administrative steps relating to plan suspension may potentially involve automation, decisions to revoke a participant's access to the Scheme must be made by a human decision maker.

Importantly, the decision to suspend a plan or revoke a person's status as a participant are both reviewable decisions.

IF ASKED: Is the Government introducing AI to make decisions about people's disability supports?

No. The Bill does not establish an AI-based decision-making system. The reforms provide a legislative framework for the safe and transparent use of automation for certain administrative actions, primarily high-volume and objective processes. More complex decisions and matters requiring judgement will continue to involve human oversight and decision making.

IF ASKED: Will computers replace human decision makers?

No. Human oversight remains central to the framework. The CEO retains responsibility for automated administrative action, review rights remain unchanged, and the legislation includes mechanisms for automated actions to be corrected or substituted where necessary.

IF ASKED: Why is automation needed in the NDIS?

The NDIA processes very significant volumes of administrative activity every day, including hundreds of thousands of payment claims. Technology assists the Agency to deliver services consistently, efficiently and in a timely way. The reforms provide a clearer and more transparent legal framework around how automation can be used safely and responsibly.

IF ASKED: What governance and assurance arrangements will apply to automated decision making?

The Bill establishes a strong governance and safeguarding framework around the use of automated administrative action, including direct CEO accountability, transparency obligations, annual reporting, publication requirements, review rights and specific safeguards where evaluative judgements are involved.

Importantly, where automated administrative action involves discretion being exercised, the legislation requires the CEO to establish Standard Operating Procedure Instruments outlining how those decisions are to be undertaken consistently and lawfully.

The legislation also establishes additional assurance requirements relating to governance, testing, oversight, quality assurance and ensuring automated administrative action remains consistent with decisions the NDIA can lawfully make under the NDIS Act and Rules.

These legislative safeguards will be supported by internal governance and assurance arrangements including executive oversight arrangements which will provide oversight of automated decision-making risks, safeguards and assurance processes.

Together, these arrangements are intended to support the safe, lawful, transparent and responsible use of automated decision making, while maintaining participant protections and public confidence in the NDIS.

IF ASKED: How will the NDIA assure itself that automated decision making is operating appropriately.

The Bill establishes a range of legislative safeguards relating to the use of automated administrative action, including transparency, CEO accountability, review rights, and additional requirements where discretion is involved.

These safeguards will be supported by internal governance, assurance, monitoring and audit arrangements within the NDIA.

The NDIA is including audits relating to automation in its forward internal audit program for the next financial year.

These audits are intended to assess the Agency's use of automation against legislative requirements, as well as internal governance frameworks, policies, safeguards and assurance standards.

The inclusion of this work in the forward audit program followed by consideration by the Agency's Audit and Risk Committee, with the forward program to be considered by the NDIA Board at its June 2026 meeting.

This forms part of the Agency's broader approach to ensuring automated decisions making is used safely, lawfully, transparently and responsibly.

IF ASKED: Could automation be expanded over time?

Any future expansion would require further work, consideration of safeguards, and a disallowable legislative instrument subject to Parliamentary scrutiny. The Bill intentionally adopts a staged and cautious approach.

IF ASKED: If, in future, NFP actions are automated, review rights remain unaffected?

The Bill does not specify planning decisions for New Framework Planning as a type of decision that can be automated.

However, the Bill includes a provision that would allow the Minister, in the future, to authorise by legislative instrument other provisions of the Act for which a computer program may be used to take administrative action. This provides a careful and deliberate approach to enable the Minister to authorise computer-based administrative actions only once the work has been done to ensure those provisions are appropriate for automation.

This means that it is possible, in the future, for a legislative instrument to be made to allow for the automated decision-making provisions of the Bill to apply to planning decisions for New Framework Planning. If that eventuates, the CEO could then allow a computer program to take administrative action.

The extent to which authorisation for automation to support New Framework Planning may be required will be better understood following finalisation of system design and the making of NDIS Rules.

Even in this event, this would not displace or change participants' review rights in relation to reviewable decisions.

Some computer programs can be used without legislative authorisation, but there is no impact on review rights

The Bill would not stop the Agency from using computer programs that do not require statutory authorisation to be valid. For example, computer programs can still be used to assist a decision-maker to make a decision, or to run calculations. The use of computer programs in this way will also have no effect on a participant's review rights.

IF ASKED: What safeguards are in place?

The framework includes multiple safeguards, including CEO oversight, non-delegable accountability, public reporting, notification requirements, Parliamentary scrutiny, review rights, and mandatory Standard Operating Procedures where evaluative judgements are involved.

IF ASKED: Will participants know if automation was used?

Yes. Where a notice is required under the Act, participants must be informed if the administrative action was taken by the operation of a computer program.

IF ASKED: Is this primarily about cost savings?

No. The reforms are about ensuring the NDIA can administer the Scheme effectively, consistently and transparently at national scale, while maintaining appropriate safeguards and participant protections.

IF ASKED: Why legislate this now?

Technology is already used operationally across Government and within large-scale service delivery systems. These reforms provide clearer legislative authority, clearer safeguards and greater transparency around how automation may be used within the NDIS into the future.

IF ASKED: What decisions will initially be automated?

The Bill initially focuses on clearly defined administrative processes such as claims and payment processing, where objective criteria can be consistently applied. More complex or discretionary matters are not being broadly automated through these initial reforms.

February 2025-2026 Additional Budget Estimates

Senator RUSTON: I'm wondering if anyone can give me a little bit of an update about where we're at with ICAN.

Mr Head: Mr Verlin can give you some details, but, obviously, we're well into the process of testing and working with individual participants on their feedback about the experience of going through a support needs assessment using I-CAN. Mr Verlin can give you some extra detail about how that process is going and the type of feedback we're getting.

Mr Verlin: At the previous estimates, we described the first phase of our implementation of the I-CAN, which was our desktop reviews. That will continue until the end of this month. What we have also progressed, from the start of January, is the move to our trial and testing with actual participants. That will run right through until mid this year. The purpose of that has three parts. The first part is participant experience—how is the I-CAN assessment being conducted between the assessor and the participant? The first part is about the experience. The second part of the I-CAN is about starting to see the results that are coming out and understanding how they look compared to the information that we have under their current old framework plan. The third part is really about working through the budget outcomes that it's providing in accordance with their plan. What we are doing side by side with the University of Melbourne and the Centre for Disability Studies—the contract that we have. We are also working with them on a quality assurance program for the I-CAN so that the results we are starting to see through the assessment—how are they looking? Are they providing an accurate representation of the support needs of the individual? Also, as part of the contract, we are starting to work through the accreditation of the assessor workforce. It's really the testing validation process that is underway at the moment.

Senator RUSTON: I hope I'm not verballing anybody here, but it is my understanding that the government has said that this new assessment isn't automated.

Mr Verlin: The assessment is not automated. The assessment is an individual discussion—a guided discussion between an assessor and a participant to understand their support needs.

Senator RUSTON: Okay. Is there any role for algorithms or AI in this system?

Mr Verlin: Not in the support needs assessment.

Senator McKENZIE: [inaudible]

Senator RUSTON: That's a very good question. If it's not in the support needs assessment, are we using AI or any algorithms in any other part of the assessment process?

Mr Verlin: The delegate will be looking at the budget that is provided and making a human decision about the final plan.

Senator RUSTON: AI? Algorithms? What is the basis of the information that has been provided to that assessor that they're making the decision on?

Mr Head: I think we traversed this in quite a bit of detail at the last estimates hearing. The support needs assessment interfaces with the budget model which will be expressed in the rules. Those rules are under development at the moment. The department—

Senator RUSTON: What was that—the budget?

Mr Head: As we said last time, the budget application to a support needs assessment will be expressed in the rules. Those rules are under development by the department at the moment. It's the rules that will underpin the budget decision. The final decision is made by a delegate in the process that is outlined.

Senator RUSTON: What is included in the I-CAN assessment tool? What are the components of the I-CAN assessment tool?

Mr Head: In response to questions on notice, I think we actually provided a copy of the tool and the adjacent assessment that looks at personal and environmental factors. Mr Verlin can take you through some detail, if you would like to know the different domains that are looked at in the tool.

Senator RUSTON: The system, you say, is not automated. There appears to be some role for algorithms or AI. I'm trying to understand where that all sits. Who ultimately determines the eligibility and a participant's budget?

Senator McAllister: I'll start because I do think that one of the conversations around AI, which is a very important one for government to have, has unhappily produced a sense that every use of a computer represents AI. Of course delegates will record information digitally, as they do now, as a consequence of their interactions with participants. I know that that seems like an obvious point to make—

Senator RUSTON: It is a very obvious point.

Senator McAllister: Well, there is some measure of confusion around this in the public discussion about it. So I really wanted to make the point that, as Mr Head has described to you, there is a support needs assessment.

It's a structured conversation between an assessor and a participant. It's then a set of rules associated with setting a budget. We'll provide a budget for a participant. These rules will be quite transparent, and the final decision will be made by a delegate, as occurs now.

Senator RUSTON: I do know the difference between using AI and using a computer.

Senator McAllister: I know you do, but this is a communication which extends more widely than a private conversation between you and I, so I thought it was worth putting on the record.

Senator RUSTON: Ultimately, who determines the eligibility and the participant's budget? Is that a manual process by an individual?

Mr Verlin: When you say eligibility, if you mean undertaking the assessment to understand the support needs for the participant, that is an individual.

Senator RUSTON: Then the participant's budget is also determined on the basis of the individual making the support needs assessment, and then another individual makes a decision in relation to the budget as is going to be contained in the rules.

Mr Verlin: That's right. The delegate will make their decision on the budget.

Senator RUSTON: If a participant, a family member or a representative of a participant believes that this ICAN process has delivered an unfair outcome, who will undertake the review of that process and how quickly does that happen?

Mr Verlin: You're right. There is an opportunity to review the outcome of a support needs assessment. That is a reviewable decision. If there are specific questions about that, I'll ask Mr Swainson to elaborate on those. Then, as Mr McNaughton outlined, we have participant service guarantees under the existing old planning framework.

We are working to understand what an appropriate timeframe is, from the request for a review, to do a new support needs assessment and an outcome. What we would do, consistent with planning today, is approve that plan so there is a continuation of funding while the review is being undertaken. I think it's really important that there is a continuity of supports through that process.

<u>December 2025-2026 Supplementary Budget Estimates</u>

Mr Verlin: We know we've got the next few months particularly to start to have ongoing discussions. As I said, we want to go more broadly to make sure we have diversity in the disability cohort to be able to work through that. We have our participant reference group, and we also have Participant First in the agency. Participant First gives us ready access to over 5,000 participants that we can utilise for these bespoke activities. We have also recently launched NDIS Engage, which is our dedicated engagement platform within the agency. As part of that, we've also put up there an ability for participants to volunteer and be part of our pilot over coming months.

Senator CAROL BROWN: So this isn't AI decision-making then.

Mr Verlin: It's definitely not. What we've been really clear on is that the Support Needs Assessment is a human-to-human interaction, and we want to make sure we get that right and have an opportunity to spend dedicated time with participants to ensure that we can meet all of the requirements.

Senator CAROL BROWN: You've given me quite a good overview of the work that you've undertaken so far and the work that you're going to be doing in terms of more consultation and review around the hub. What's going to happen after you've finished that work? Did you give me an indication of how long that is going to take?

Not related to Automated Decision Making, but did give evidence in relation to AI and always having a human making a decision:

Senator STEELE-JOHN: I'm wondering what the current or new policy is in relation to gathering information on a participant's disability. What can you tell us there in terms of how we might go about gathering information on a participant's disability?

Mr McNaughton: Can I just clarify: are you talking about our current state, how we're currently operating?

Senator STEELE-JOHN: Yes, your current state.

Mr McNaughton: I'm not aware of any significant changes to how we've reframed any of those settings for gathering information. There haven't been changes to section 24 or section 25 of the act in terms of that. I'm not aware of any specific changes you're referring to.

Senator STEELE-JOHN: Can I clarify: do the agency's policies in relation to AI or generative AI allow that to be used when researching a participant's disability, as long as it isn't used for the disability itself?

Mr McNaughton: It's important that, for all decisions we make—whether that's access, eligibility reassessments or planning—they are always made by a delegate of the CEO—that is, a person—and are not made by any of those other things you refer to. We have staff using a range of resources. We have said within our planning cohort of our staff that they're not to use AI to help with planning determinations, and some AI systems have been blocked from our agency computers. We are taking quite a measured and risk based approach to how we embrace technology to improve outcomes for participants and efficiency, but there is always a delegate making a decision at the end of all those key things, under the act I talked about, whether that's access planning, eligibility reassessments or reviews.

Senator STEELE-JOHN: I read a bit recently around your clarifying statements around the use of AI, but I'm specifically asking here around what guides your employees when they are researching a disability they may not have come across before, or a chronic or

complex illness. Are you saying you are not allowed to use AI in that research process—or that you are, but not allowed to utilise those tools in decision-making processes?

Mr McNaughton: We are very much not allowed to use those tools in the decision-making process. Our staff will engage through a Google search, through the internet or through other places, to find appropriate websites; as you said, we've given out some guides on those. We have instructed staff about some reputable websites we would prefer people use, and that's the guidance that we've provided to help with any background research to support decisions.

Senator STEELE-JOHN: So you can use it for background research?

Mr McNaughton: You can use what's available on the intranet, and we've given some guidance around that.

Senator STEELE-JOHN: In terms of quality assurance, how do you build quality assurance into the process of what is available so that you don't have disreputable or outdated sources that sit there in your internal intranet to be used in these processes?

Mr McNaughton: We have a couple of ways that we do that. We have a quality decision-maker process within our scheme eligibility branch—and Ms Stangel might come up and talk about that process—where our access delegates will have their decisions quality-assured by a senior quality delegate before decisions are made. This is the range of processes that we've put in place to support decision-making to ensure they've used all the available evidence to do that. If it would help, we can give you a bit more information about how that process works.

Senator STEELE-JOHN: Yes, it would. If we're looking at this space of background research, my concern is that a phenomenon known as AI hallucination can take place, where, as you're researching a certain topic, the biases input into certain programs can basically chuck up really bad information. I'm trying to ascertain what protections are in place to make sure that your planners, as they are utilising the resources you provide and the other resources they may access, are not accidentally feeding in poor information from these systems.

Mr McNaughton: Ms Stangel can talk to all the evidence that we use to support our decisions.

Ms Stangel: I'd just like to add to what Mr McNaughton was talking about, in terms of reputable information—and Mr McNaughton did talk about particular disability snapshots and other evidence. On our internal website, too, we have very reputable information about specific disability types, and, if we don't, we utilise the technical advisory branch, who, obviously, are our internal advisers that have quite significant experience in multiple different areas and are also our advisers that work very closely with peak bodies. If we don't have the right information about somebody's specific

disability, then we continue to do a whole lot of groundwork, obviously, around that, each time. Mr McNaughton talked about our quality officers in the scheme eligibility branch. Their role—once an access assessor has gone through the eligibility requirements for the scheme, which are about age, residency and permanency of disability—is to then go through a quality check, through senior experienced staff that have the right qualifications to be able to do that. But their role is also to link in with our technical advisers—and I think, Senator, you mentioned the access to the scheme of people who might have disability related house supports and that there might be some interest around whether we actually have the right evidence and information in relation to that. The role of our quality

Senator STEELE-JOHN: I understand that. That speaks to your internal processes, and I understand those. The problem is that, in your background research policy, it does mention being able to use the internet to research conditions and it suggests a number of reputable sources that you might go to. But the reality is that these days, if you are googling something, you are very likely to have a top search result in the top part of your screen that includes the recommendation or summary of a generative AI model, and those results are quite often profoundly wrong about the complexities of somebody's particular condition. I am seeing that kind of AI-slop medical research ending up in planner responses or agency explanations to participants, who then contact my office—participants with very complex, intersecting conditions, who have been denied supports or access or funding, and the reason given in the plan is exactly what you find if you just google it and accept the AI-slop response. So something isn't working here, because I've been seeing too many of these over the last three or four months particularly.

Mr McNaughton: We certainly give our staff a range of guidance and materials for support and to do what we call justified decision-making. I'm more than happy to have a look at those individual cases. I'm quite interested to see those from you. It's something where we continue to work with our frontline workforce—about quality justification, quality decision-making and having the right evidence to support decisions, and we have a very strong quality assurance framework, which Mr Stangel talked about in access and we also have in planning, to continue to do that. It is something that we will continue to make sure we're building the capability of front line.

Senator STEELE-JOHN: I'm just letting you know, Mr McNaughton, that this is a case that had been given to me, so you've got it directly. In a recent NDIS rejection by the scheme, the Cleveland Clinic was cited and the Mayo Clinic was cited as a reference for determining whether the participant had 'tried all of the treatment for POTS' or another condition. However, upon investigation, the NDIS appears to be referencing a public facing website content piece from these institutions rather than peer reviewed, clinical evidence or literature, evidence based guidelines or comprehensive medical textbooks.

We've seen this a number of times, with particular reference to the Mayo Clinic and the Cleveland Clinic, where quotations are used from those websites—which are the webpages of reputable institutions but are still just the webpages—to support decisions made by planners in relation to complex conditions that otherwise cite no clinical evidence for that outcome. So we do actually have a situation where what I see and what my team sees is the outcome of planners taking very surface-level pieces of information and citing them because they back up a decision to deny support, whereas, if actually peer reviewed, scientifically verified information had been cited, an access decision could have turned out very differently. That's our concern.

Mr McNaughton: As I said, we have very good, robust guidelines and practices in place. I am more than happy to take on and have a look at those examples that you've provided. We always want to continue to build the capability of front line. We do.

Senator STEELE-JOHN: I can't have another bunch of participants come to me in such distress because somebody has used Google.

Mr McNaughton: If you pass some of that feedback through to Ms Stangel, I will have a look at that and continue to work with our front line on making sure we're making good, evidence based decisions through the justification process.

Senator STEELE-JOHN: Thank you. That's it from me.

CHAIR: That concludes the committee's examination of the

10 October 2025-2026 Supplementary Budget Estimates

Nil

27 February 2025-26 Budget estimates

Nil

Senate Committee: Community Affairs Committee

Additional Estimates February 2026
Outcome: 4 - Disability and Carers

EXECUTIVE BRIEF

Automated decision-making in the NDIS Amendment (Securing the NDIS for Future Generations) Bill

OVERVIEW/KEY POINTS

- The Securing the NDIS for Future Generations Bill (Schedule 3, Part 2) allows the CEO of the National Disability Insurance Agency (NDIA) to use automated decision making for certain limited administrative actions.
- The Agency has thousands of touchpoints with people with disability, including participants, their families and carers, and NDIS providers on a daily basis. To ensure that the Agency can provide high quality, efficient and timely services to a diverse range of stakeholders, it requires the ability to automate administrative actions.
- The Bill ensures participants, providers and the broader public will be able to understand how the Agency is using automated decision making. For example,
    - Where the CEO arranges for the use of a computer program to take administrative action, the CEO must cause a statement to be published on the Agency's website.
    - Where an administrative action to be undertaken by a computer program would otherwise require a notice of the action to be given to a person, that notice would be required to inform a person that it was taken by the operation of a computer program.
    - The Agency's annual report will also be required to include certain information about when the CEO has not been satisfied with or substituted the administrative action of a computer program.

What is automated decision-making?

- The Senate Select Committee on Adopting Artificial Intelligence in 2024 describes automated decision making as the use of computer systems to automate all or part of an administrative decision-making process.

What use of automated decision-making is authorised by the Bill? Is the NDIA undertaking "robo-planning"?

- The NDIA is not undertaking "robo-planning".

- The Bill includes express legislative authority for the NDIA to utilise computer-based programs to undertake administrative action in specified limited circumstances in accordance with the NDIS Act and rules.
- At this time, the Bill lists very few provisions which can be automated, and only one provision is relevant to planning.
    - The Bill allows the CEO to automate administrative actions under section 33 of the Act, which is intended to be used to apply computer-based decision to ensure consistency in categorising supports in pre-defined groups.
- The other provision for automation is to **process claims for payments** – using automated decision making to reject claims which objectively do not meet the requirements of the Act (Sections 45 and 45A of the Act refer). For example, claims which would exceed the participant's budget (45C), or claims made by the wrong person, or claims that are missing required information, or claims that are made outside the allowed time-period.
    - The Agency currently processes over 660,000 claims per day, a significant number of which are supported using computer-based processes. This enables efficient and timely services and if a claim is rejected, it can be resubmitted with the correct information.
- Importantly, this will not displace the important role of delegates in making more complex decisions.
- The Minister would also be provided with a power to specify additional provisions of the NDIS Act for use of automated decision making in a disallowable legislative instrument (see below).

What safeguards are in place?

- There are important transparency and safeguarding arrangements embedded in the Bill which require the CEO to make a standard operating procedure instrument (which is a type of legal document registered on the public Federal Register of Legislation) if the computer program is undertaking an administrative action involving any discretion or evaluative determination being exercised. For example, where a state of mind must be formed and the CEO must be 'satisfied' of a matter.
- To make a standard operating procedure, the CEO will be required to:
    - be satisfied that particular circumstances relevant to each evaluative determination are sufficiently objective in nature to be discerned by a computer program, and
    - take all reasonable steps to ensure that an administrative action taken by a computer program is such an action that could be validly taken by the CEO.
- In addition, the Bill makes provision for substituted actions. That will allow the CEO to substitute a human made decision for a computer made decision if the CEO considers that the computer made decision is not correct or preferable, providing an important safeguard for participants.

- Importantly, any action taken using automated decision making will not displace the rights of the participant, including to seek merits review the Administrative Review Tribunal, where applicable.

Why doesn't the bill outline all decisions that the NDIA may automate and what power does the Minister have to automate more decisions?

- A cautious approach is being taken to automated decision making, noting that the safety of participants is paramount. That is why only a handful of provisions have been specified.
- The Bill will enable the Minister to make a legislative instrument to list further provisions the NDIA can automate but only once the work has been done to ensure those provisions are appropriate for automation.
- One discrete example of potential future automation which is referenced in the Explanatory Memorandum is new framework planning:
    - the operationalisation of new framework planning will involve complex calculations or application of methodologies outlined in the budget method rules
    - more work and consultation is required to design the new framework planning process and rules so it is not yet possible for the Minister to determine whether the use of automated decision making to assist with calculations could be appropriate.
- Other areas flagged for consideration for computer-based decision making include making a decision about whether a prospective participant meets the age or residency requirements under sections 22 and 23 of the Act.
    - Similar to new framework planning, sections 22 and 23 have not been listed as decisions which could use automation under subsection 59C(1) of the Bill because sufficient work has not yet been done to establish how the end to end system would operate.

KEY SENSITIVITIES

- The Bill allows for certain discretionary decisions to be supported by computer programs and includes a legislative instrument to expand the scope of automated decision-making. The community will be interested in understanding the safeguards.
- The Attorney General's Department is in the process of developing a whole of government framework for the use of automated decision-making by the Commonwealth Government, which will be legislated through a proposed

Automated Decision Making (Standard Provisions) Bill. It is expected the standard provisions and safeguards will replace those in the Bill

Contact Officer:	s22 Director, NDIS Policy, Legislation and Engagement
Cleared by Assistant Secretary:	Sarah Hawke, Assistant Secretary, NDIS Policy, Legislation and Engagement

Senate Committee: Community Affairs Committee

Budget Estimates 2026-27
Outcome: 4 - Disability and Carers

EXECUTIVE BRIEF – ORIGINAL INTENT OF THE NDIS

OVERVIEW/KEY POINTS

Original intent of the NDIS

- The Productivity Commission's (PC) 2011 *Disability Care and Support* inquiry established the framework for what would become the NDIS.
    - Although the Government never formally responded to the PC's inquiry, it adopted many of the PC's design elements in the Bill that established the NDIS.
    - For example, Minister Gillard's second reading of the Bill acknowledged the PC and noted its "thorough and compelling analysis that has been critical to the shape of the NDIS."
    - It adopted the PC's language around eligibility, emphasising that the NDIS would provide "reasonable and necessary supports" based on "one or more permanent impairments affecting ... ongoing daily living and social and economic participation."
    - It also upheld the PC's focus on long-term sustainability, saying: "the legislation is designed to ensure that... the scheme remains sustainable over the long term."
- The PC envisioned the NDIS as a universal insurance scheme, under which all Australians would be covered against the risk of acquiring a significant disability.
    - The PC was explicit that this did not equate to universal access to funded supports for all people with disability.
    - The PC distinguished between universal insurance coverage and targeted service provision, with funded supports directed to those with the highest and most enduring needs.
- The PC recommended a three-tier model, which clearly defined the populations within scope of the NDIS and the types of supports they would receive (see **Attachment A**).
    - The cohort intended to receive funded supports included people with:
        - permanent, or likely to be permanent, disability; and
        - support needs not more appropriately met through other service systems; and
        - one of the following conditions:
            - significantly reduced functioning in self-care, communication, mobility, or self-management; or
            - are in an early intervention cohort.

    - For people with disability that did not meet the conditions above, the NDIS was intended to act as a referral system to connect people with the most appropriate mainstream system or alternative supports.
- The PC recognised that maintaining discipline in eligibility and assessment would be critical to the financial sustainability of the Scheme over time. It warned that broad or ambiguous eligibility criteria, or progressively more generous application of assessment processes, would risk undermining the long-term viability of the Scheme.
- The NDIS was intended to complement, rather than displace, other supports. The PC noted:
    - The NDIS should not replace or compensate for gaps in other service systems (in particular, health, education, housing, or employment).
    - The NDIS should not crowd out community participation or informal supports provided by family/carers. These "natural supports" should be preserved wherever reasonable.

<u>Securing the NDIS for Future Generations</u>

- The 2026-27 Budget included a suite of measures to secure the NDIS for future generations. Returning the NDIS to its original intent was a central theme (see **Attachment B**).
- Many of the measures in the 2026-27 Budget are closely aligned with the PC's core design principles. For example:
    - Re-anchoring access to functional impairment and significant need. This was the basis of eligibility in the original model.
    - Introducing standardised, evidence-based assessments and clearer access criteria. This aligns with the logic that funded supports must be focused on people with the highest and most enduring needs.
    - Clarifying scheme boundaries and the concept of 'reasonable and necessary'. This aligns with the intent of preventing duplication of other systems and protecting Scheme sustainability.
    - Commissioning some critical services, such as plan management, support coordination and SIL.
        - Although the PC advocated for a model based on choice and control, even under this model, it noted "there is a strong argument for a continued role for regulatory oversight in protecting vulnerable consumers from harm and ensuring providers adhere to a basic standard of service." (Vol 1, p. 471).
- Importantly, even though the PC established the framework that would become the NDIS, it emphasised that the insurance-based model it adopted would require ongoing monitoring and adjustment to manage long-term liabilities.

  - While the PC set out the core framework for the Scheme, it was always understood that policy settings would need to evolve over time as implementation experience and evidence developed.
  - The PC did not have access to the detailed, individual-level data the NDIA now holds.
  - After more than a decade of operation, it is appropriate that policy settings are updated to reflect how the Scheme is operating in practice.
  - This is why it was explicit in the need for data-driven policy and actuarial oversight, saying: "real-time monitoring of support utilisation patterns and cost pressures, and the likely long-term implications… is essential to maintain the financial sustainability of the scheme" and "a cost pressure today creates ripples throughout the future." (Vol 2, p. 564).
- The measures in the 2026-27 Budget reflect the discipline advocated for by the PC, ensuring the Scheme remains sustainable.
- Where measures may deviate from the Scheme's original intent in response to new evidence, they are still consistent with the Government's human rights commitments, particularly the UN Convention on the Rights of Persons with Disabilities. In all cases, the measures uphold the values of dignity, independence, and full participation in society for people with disability.
  - To the extent that the measures might limit access to supports and services for some individuals, these measures 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.
  - In addition, the measures do not limit access to mainstream health services and do not reduce minimum essential health entitlements, which remain available to individuals who are no longer able to access all, or parts, of the Scheme as a result of the changes.

Contact Officer:	Simon O'Brien
Cleared by First Assistant Secretary:	Anthea Long

Attachment A: NDIS three-tier model

Tier	Population	Supports	Purpose
Tier 1 – Everyone	All Australians	No individual funding; information, awareness and community-level initiatives	To provide **universal insurance coverage against the risk of significant disability** and to promote awareness, prevention and social inclusion
Tier 2 – People with, or affected by, disability	People with disability (including families and carers) who do not meet criteria for Tier 3	Information, advice, referral, and linkages to **mainstream and community supports**	To **connect people with disability to the most appropriate system of support**, without relying on NDIS funding (a low-cost, high-reach function)
Tier 3 – People with significant and permanent disability	A smaller cohort of people with **significant, permanent disability** and high support needs (~410,000 people)	Individually funded "reasonable and necessary" supports	To provide lifetime, individualised supports for people with **the highest and most enduring needs**, which is the core purpose and cost centre of the Scheme

Attachment B: Measures in the 2026-27 Budget

Measure	Alignment with original intent
Returning the NDIS to its original intent	
Reinforce the boundary between the NDIS and mainstream services	**Aligned with original intent.** The PC noted "there must be boundaries to the NDIS — it cannot take over responsibility for all services" and that "the NDIS would also not cover people whose requirements for support would most appropriately be met by other systems." (Vol 1, pp. 13; pp. 24–25).
More consistently assess if the NDIS is the appropriate system of support and if treatment can alleviate or remedy an impairment	**Aligned with original intent.** The PC specified that the NDIS should support people with a disability that is "permanent" or "likely to be permanent" and that the scheme should not cover people whose disability support requirements are episodic. (Vol 1, pp. 13–14).
Strengthen guidance around what is reasonable and necessary	**Aligned with original intent.** The PC noted that the Scheme was intended to "concentrate on the reasonable and necessary supports people require" and warned that without discipline, funding decisions could become inconsistent and unsustainable. (Vol 1, pp. 22–23; pp. 20–21).
Introduce standardised, evidence-based assessments of a person's functional capacity to determine access to the NDIS	**Aligned with original intent.** The PC emphasised the need for objective tools and warned that "wide or vague assessment criteria… or increasingly generous use of assessment tools… would… threaten scheme sustainability." (Vol 1, pp. 20–21).
Remove diagnosis lists as the means of entry to the NDIS	**Aligned with original intent.** The PC stated eligibility should be based on "significantly reduced functioning" and not on diagnosis alone, with assessments designed to be as objective as possible. (Vol 1, p. 14; p. 20).
End plan rollovers and stop unspent funds being rolled over to ensure plans align	**Aligned with original intent.**

Measure	Alignment with original intent
with reasonable and necessary decision making	The PC noted that the Scheme was intended to "concentrate on the reasonable and necessary supports people require" and warned that without discipline, funding decisions could become inconsistent and unsustainable. (Vol 1, pp. 22–23; pp. 20–21).
Tighten the criteria around unscheduled reassessment requests, while ensuring people with significant changes in support needs can still request plan variations	**Aligned with original intent.** The PC noted that the Scheme was intended to "concentrate on the reasonable and necessary supports people require" and warned that without discipline, funding decisions could become inconsistent and unsustainable. (Vol 1, pp. 22–23; pp. 20–21).
Delivering genuine social and community participation	
Establish a $200 million fund – the Inclusive Communities Fund – to rebuild capability among community organisations to host genuine participation activities	**Aligned with original intent.** The PC explicitly stated that the NDIS should "increase, rather than crowd out existing formal and informal arrangements" and "stimulate 'social capital'" through voluntary links between the community and people with disability. (Vol 1, pp. 12–13).
Re-set participant budgets for social, civic and community participation and capacity building daily activities	**Not aligned with original intent.** The PC emphasised that the NDIS should enable community participation and fund "community access supports to provide opportunities for people to enjoy their full potential for social independence". (Vol 1, p. 23). The PC also highlighted the importance of early intervention and capacity building - although data shows that capacity building supports have not consistently led to an improvement in participant's capacity.

Measure	Alignment with original intent
Improving the quality of providers	
Transfer responsibility for pricing decisions to the Minister for Disability and the NDIS	**Not aligned with original intent.** The PC model relied on consumer choice and providers competing to deliver services, rather than centrally controlled pricing, as part of a market-based system (Vol 1, Overview pp. 2–3, 30–31). It noted that "ultimately, the pricing role of the Agency would diminish as the market developed, and this could allow disability services to even more closely resemble the economy-wide service sector." (Vol 1, p. 51).
Commence consultation on differentiated pricing for unregistered providers delivering social civic and community participation, capacity building daily activities, and assisted daily living	**Not aligned with original intent.** The PC model relied on consumer choice and providers competing to deliver services, rather than centrally controlled pricing, as part of a market-based system (Vol 1, Overview pp. 2–3, 30–31). It noted that "ultimately, the pricing role of the Agency would diminish as the market developed, and this could allow disability services to even more closely resemble the economy-wide service sector." (Vol 1, p. 51).
Commission a panel of plan management providers to improve service quality and integrity standards and reduce fraud	**Partially aligned with original intent.** The PC emphasised that people should have "genuine choice over how their needs were met (including choice of provider)." (Vol 1, p. 2). This change seeks to ensure participants have *effective* choice and control among high quality plan management providers.
Commission a new, more efficient support coordination and connection function	**Partially aligned with original intent.** The PC emphasised that people should have "genuine choice over how their needs were met (including choice of provider)." (Vol 1, p. 2). This change seeks to ensure participants have *effective* choice and control among high quality support coordination services.
Commence consultation and design of a commissioning approach for home and living supports for Supported Independent	**Partially aligned with original intent.** The PC preferred a system where people "could choose their own provider(s)" and "ask an intermediary to assemble the best package on their behalf", although it acknowledged challenges

Measure	Alignment with original intent
Living (SIL) participants who need 24/7 support to ensure participants receive the best supports and address provider viability challenges	in some service markets (Vol 1, p. 2; pp. 30–31). A commissioning model for SIL would ensure participants have *effective* choice and control among high quality SIL supports services.
Tackling fraud and non-compliance	
Expand mandatory registration of providers delivering support to participants who are most at risk of abuse and/or exploitation	**Aligned with original intent.** Consistent with the PC's focus on quality and ensuring appropriate safeguards for participants (Vol 1, p. 52).
Introduce a new enrolment system with a minimum basic level of identifiable information on most NDIS providers	**Aligned with original intent.** Consistent with the PC's focus on quality and ensuring appropriate safeguards for participants (Vol 1, p. 52).
Increase evidence required for payments for NDIS supports, including payments at point of service	**Aligned with original intent.** Consistent with the PC's focus on quality and ensuring appropriate safeguards for participants (Vol 1, p. 52).
Strengthen the NDIA's investigative and enforcement capabilities and introduce new regulatory controls to address fraud and non-compliance	**Aligned with original intent.** The PC highlighted the need for strong systems and oversight, noting "there is a strong argument for a continued role for regulatory oversight in protecting vulnerable consumers from harm and ensuring providers adhere to a basic standard of service." (Vol 1, p. 471).
Improve how information is collected and monitored for faster and more targeted responses to fraud and suspicious behaviour	**Aligned with original intent.** The PC highlighted the need for strong systems and oversight, noting "there is a strong argument for a continued role for regulatory oversight in protecting vulnerable consumers from harm and ensuring providers adhere to a basic standard of service." (Vol 1, p. 471).

Measure	Alignment with original intent
Take further steps to reduce conflicts of interest	**Aligned with original intent.** The PC highlighted the need for strong systems and oversight, noting "there is a strong argument for a continued role for regulatory oversight in protecting vulnerable consumers from harm and ensuring providers adhere to a basic standard of service." (Vol 1, p. 471).