FOI 27-3533 IR - Document 1

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Figures provided in this paper are indicative and actuals may differ. Totals may not sum due to rounding.

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**

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	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

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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.

The following table outlines the number of participants estimated to exit the Scheme by age group and primary disability group. These estimates are based on internal NDIA reporting on participant diagnosis and severity and a desktop file review of a sample of existing participants. In particular, the impact of introducing an *Objective Test of Substantially Reduced Functional Capacity* (SRFC) was estimated through an internal metric based on a participant's 'severity score'. This metric is used for reporting purposes such as in the Annual Financial Sustainability Report.

The 'severity score' metric was created by the NDIA as an internal measure to standardise assessment results from different tools used in existing eligibility applications. This is mapped to a score from 1 to 15 with a score of 1 to 5 assumed to have high functional capacity and low support needs. This was combined with a desktop file review of a sample of participants. Based on the profile of participants in the desktop file review, a proportion of prospective and existing participants were assumed to have high functional capacity and were modelled to be diverted or exited from 1 January 2028.

Note:

- There is a level of error with the severity score. Neither severity scores nor the sampling work in the desktop file review was determined or driven by disability group or diagnosis.
- The severity score is not an externally validated way to measure functional capacity and is used for reporting purposes as a measure across disability categories. It is not used for an individual's access decisions or other operational decisions by the NDIA.
- There remains policy detail to be developed for setting the new thresholds and assessment process following consultation with the community and states and advice from the Technical Advisory Group.

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Table B.2 Projected number of participants who entered the Scheme before 1 January 2028 and are assumed to exit – split by age group and primary disability group

Entered scheme before 1 Jan 28 and assumed to be exited:	30-Jun-28	30-Jun-29	30-Jun-30	30-Jun-31
18 and under	**21,000**	**87,000**	**137,000**	**155,000**
Autism	15,000	46,000	79,000	95,000
Developmental delay	0	23,000	30,000	28,000
Hearing Impairment	2,000	5,000	8,000	9,000
Intellectual Disability	3,000	8,000	14,000	16,000
All other	1,000	4,000	6,000	7,000
19 and over	**12,000**	**38,000**	**68,000**	**85,000**
Autism	2,000	8,000	15,000	20,000
Hearing Impairment	2,000	7,000	12,000	14,000
Intellectual Disability	2,000	6,000	11,000	14,000
Psychosocial disability	2,000	6,000	10,000	12,000
All other	4,000	11,000	20,000	25,000
Grand Total	**33,000**	**125,000**	**205,000**	**241,000**

Note: Totals are cumulative. Primary disability group is a reporting category that reflects the participant's primary disability identified by their treating professional during the application and based on NDIA administrative categories (Participants by diagnoses, https://dataresearch.ndis.gov.au/datasets/participant-datasets).

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%.*

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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

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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

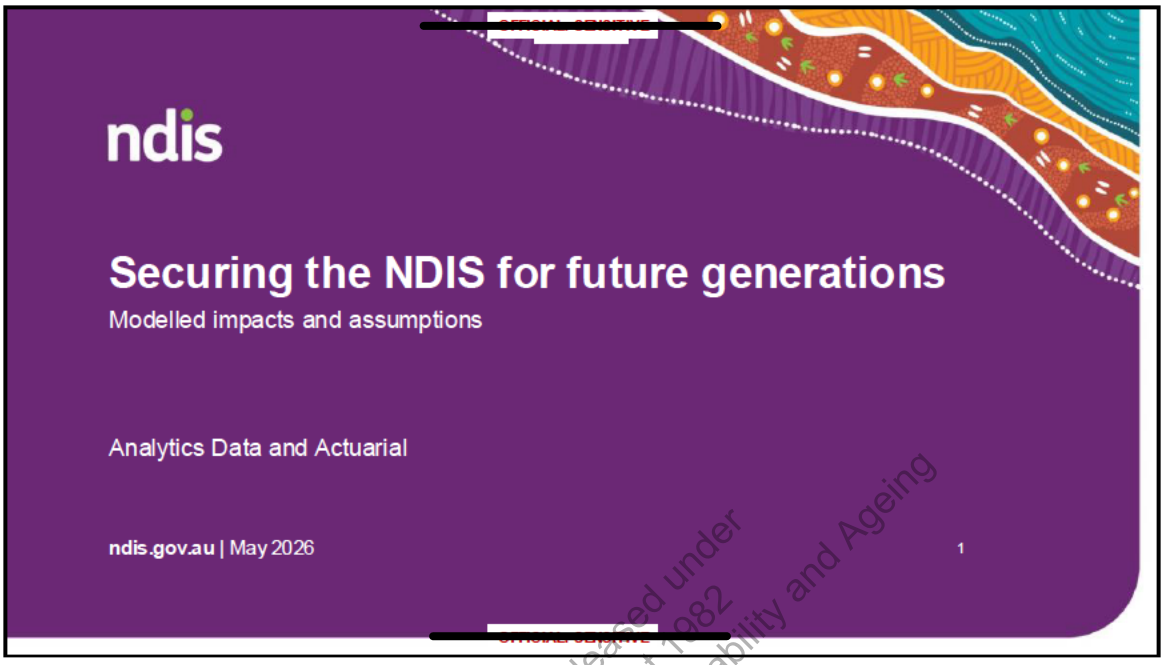
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Measure	Assumptions
	current arrangements and eligibility criteria in line with the 30 January 2026 Heads of Agreement.
Differentiated pricing for unregistered providers, making the Minister the decision maker on pricing and related fraud-measures	*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.

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Introduction and Context

- On 22 April 2026, the Hon Mark Butler MP announced the Government's plans to reform the NDIS and secure its future sustainability.
- Subsequently, following the release of the 2026-27 Budget, the *National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill* was introduced to Parliament on 14 May 2026.
- This slidepack documents the work of the NDIA Analytics Data and Actuarial (ADA) Division on modelling the impacts of the reform package on Scheme expenditure in the forward estimate period to FY2030 and over the medium term to FY2037, in supporting the NDIS Sustainability Taskforce established within Department of Health, Disability and Ageing.
- The set of projections contained in this slidepack are referred to as the 2026-27 Budget Projections, before and after reforms. The basis of the projections before reforms is the December 2025 projections, revised for estimates variation from 2025-26 MYEFO.
- The estimated reform impacts have been quantified cumulatively, and allow for high level interactions between the reform measures.
- The modelling is intended to represent the policy intentions of the *Securing the NDIS for Future Generations* reforms, noting that in addition to the inherent uncertainty of the modelling exercise, there is considerable uncertainty during this period of significant change for the Scheme, both legislatively and operationally.
- For some measures, further policy details are to be developed following consultation with the wider disability community.
- The modelling will be further refined in future as further policy and implementation details emerge, and to reflect updated Scheme experience.

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What is changing?

Returning the NDIS to its original intent

- Reinforce the boundary between the NDIS and mainstream services.
- More consistently assess if the NDIS is the appropriate system of support and if treatment can alleviate or remedy an impairment.
- Strengthen guidance around what is reasonable and necessary.
- Introduce standardised, evidence-based assessments of a person's functional capacity to determine access to the NDIS.
- Remove diagnosis lists as the means of entry to the NDIS.
- End plan rollovers and stop unspent funds being rolled over to ensure plans align with reasonable and necessary decision making.
- Tighten the criteria around unscheduled reassessment requests.

Delivering genuine social and community participation

- Establish Inclusive Communities Fund to rebuild capacity among community organisations to host genuine participation activities.
- Re-set participant budgets for social, civic and community participation and capacity building daily activities.

Improving the quality of providers

- Transfer responsibility for pricing decisions to Minister for Disability.
- Consultation on differentiated pricing for unregistered providers delivering certain supports.
- Commission a panel of plan management providers.
- Commission a new, more efficient support coordination and connection function.
- Consultation and design of commissioning approach for home and living supports.

Tackling fraud and non-compliance

- Expand mandatory registration of providers delivering support to participants who are most at risk of abuse and/or exploitation.
- Suite of changes to improve oversight of providers and claims and strengthen controls to protect participants and the NDIS from exploitation.

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What is the estimated impact on Scheme expenses?

		2025-26	2026-27	2027-28	2028-29	2029-30	Total 2026-2030	Total 2026-2037
2025-26 MYEFO	Expenses	50.7	54.0	58.1	62.5	67.3	**292.5**	**922.8**
	Growth		6.4%	7.7%	7.5%	7.7%	**7.3%**	**7.3%**
2026-27 Budget Projections (Before Reforms)	Expenses	51.3	55.7	61.3	66.2	71.4	**305.9**	**975.8**
	Difference	0.6	1.8	3.1	3.7	4.2	**13.4**	**53.0**
	Growth		8.6%	9.9%	8.0%	8.0%	**8.6%**	**7.8%**
After Reforms	Expenses	51.3	53.7	53.8	54.3	54.8	**267.8**	**736.2**
	Difference	0	-2.0	-7.5	-11.9	-16.7	**-38.1**	**-239.7**
	Growth		4.7%	0.2%	0.9%	0.9%	**1.7%**	**3.8%**

Net save relative to the 2025-26 MYEFO		0.6	-0.3	-4.3	-8.2	-12.5	**-24.7**	**-186.7**

- Projections for the 2026-27 Budget estimate that Scheme expenditure will increase by $13.4 billion over the 5 years from 2025-26, without further reforms.
- The package of reforms as a part of the 2026-27 Budget is estimated to reduce Scheme expenditure by $38.1 billion over the forward estimate period, or $24.7 billion compared to 2025-26 MYEFO.
- This will result in an average growth rate of about 2% a year over the forward estimates period, and then 5% from 2030-31 to 2036-37.

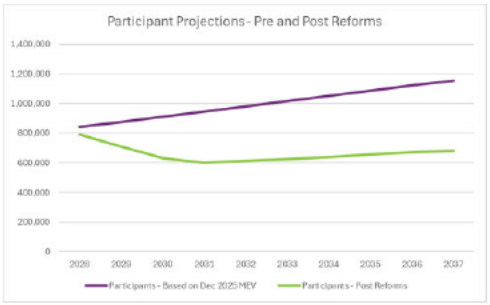
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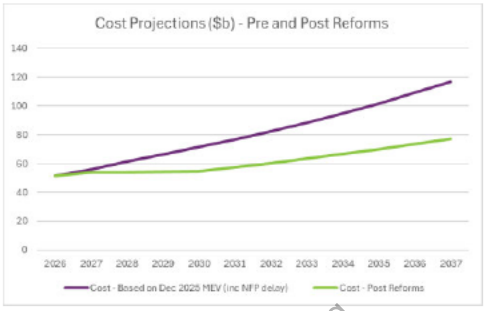
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2026-27 Budget projections – Before and After reforms



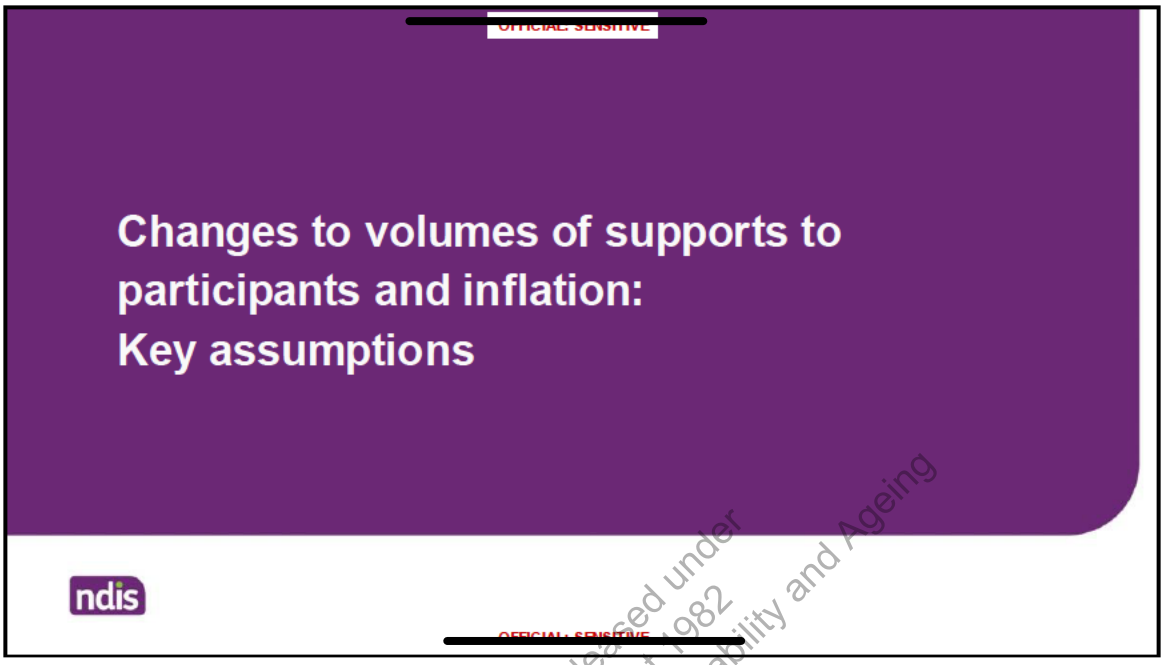


- It is estimated that the number of participants on the Scheme would reduce to around 600,000 by 2029-30, instead of growing to over 900,000.
- After reforms, Scheme payments are projected to be $54.8 billion in 2029-30, instead of $71.4 billion.

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Changes in how much reasonable and necessary supports would be funded

Policy description	Modelling assumptions
• Tighten the definition of reasonable and necessary support for old framework plans (OFP, with changes flowing into NFP) • Strengthen link between an impairment and need for support	s47C, s47E(d)
• Reduce budgets for social, civic & community participation (SCCP) and capacity building daily activities (CBDA)	
• Direct commissioning of plan management and support coordination	

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Tighter criteria for unscheduled plan reassessments

Policy description	Modelling assumptions
• Unscheduled reassessments would only be conducted where there are significant and likely ongoing change in a participant's support needs. Specifically: • A significant and permanent change to a participant's functional capacity • A permanent change to the participant's residence which impacts on support needs • An ongoing change in the informal supports available to a participant • An unforeseen life transition limited to commencing or leaving education or employment • Plan reassessment requests can only be accepted from an NDIS participant, a plan nominee (including guardians) or child representative with providers such as support coordinators and plan managers prevented from making these requests.	• Implementation date of 1 July 2026 • Assumes a 50% reduction in number of unscheduled reassessments under old and new framework planning. • This translates to a 25% reduction in inflation arising from plan reassessments, assuming 50% of the decrease in plan values is offset by utilisation increases. • Observed numbers of reassessments are approximately 12,000 per month. Assuming an average 17.5% plan inflation on reassessment translates to approximately 3.2% annual inflation (144,000/780,000*0.175). Halving this results in 1.6% pa inflation. Halving this for utilisation impacts results in 0.8% savings which was rounded down to 0.5%. • Implemented as a 0.5% pa reduction in growth, cumulating each year. eg 0.5%, 1%, 1.5%, 2%.

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Lower growth due to new framework planning settings

Policy description	Modelling assumptions
• 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.	s47C, s47E(d)

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Other changes limit access & eligibility

Policy description	Modelling assumptions
• From 1 January 2028, people who apply to the NDIS will go through an objective functional capacity assessment to determine their eligibility. From 1 January 2028, people who are already accessing the NDIS will be reassessed, progressively over 3 years. • Access will be determined based on a substantial reduction in a person's functional capacity that impacts their day-to-day living. This will ensure fairer and more consistent access decisions and help return the NDIS to its original intent. • This change will be informed by expert advice from a Technical Advisory Group (TAG) on access. This advice will include how to assess applicants' functional capacity and what threshold should be used to determine eligibility. The Government will also consult with the disability community and states and territories. • Changes to NDIS access build on changes to access for children previously announced, i.e. Thriving Kids.	s47C, s47E(d)

Notes: Sampling work based on desktop file reviews was used to estimate the proportion of participants who would not meet tightened SRFC requirements. There are limitations with the sampling approach, in that it relies solely on information on file, which may not be substantial. If participants were requested to provide updated information the result may emerge differently than assumed. A 25% discount to the sampling results are applied to account for these limitations.

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Mapping for High Functioning participants

Disability		LOF Low	LOF High
ABI_1	ABI_1to4_CANS1	1	4
Autism_1	AUT_1to5_Mild	1	5
Cerebral Palsy_1	CP_1_GMFC1	1	1
Cerebral Palsy_2	CP_2to6_GMFC2	2	6
Hearing Impairment_1	HI_1to5_SG1to2	1	5
Intellectual Disability_1	ID_1to5_Mild	1	5
Multiple Sclerosis_1	MS_1_DS1	1	1
Multiple Sclerosis_2	MS_2to5_DS2	2	5
Delay_1	DEL_1_1to15	1	15
Delay_2	DEL_2_1to15	1	15
Other Neurological_1	ON_1to8_HIGH	1	8
Other Physical_1	OP_1to8_HIGH	1	8
Other SensorySpeech_1	OS	1	15
Psychosocial disability_1	PD_1to2_SG1	1	2
Psychosocial disability_2	PD_3to7_SG2	3	7
Spinal Cord Injury_1	SCI_1to4_T5I	1	4
Stroke_1	ST_1to3_mRS2	1	3
Visual Impairment_1	VI_1to4_SG2	1	4

s47C, s47E(d)

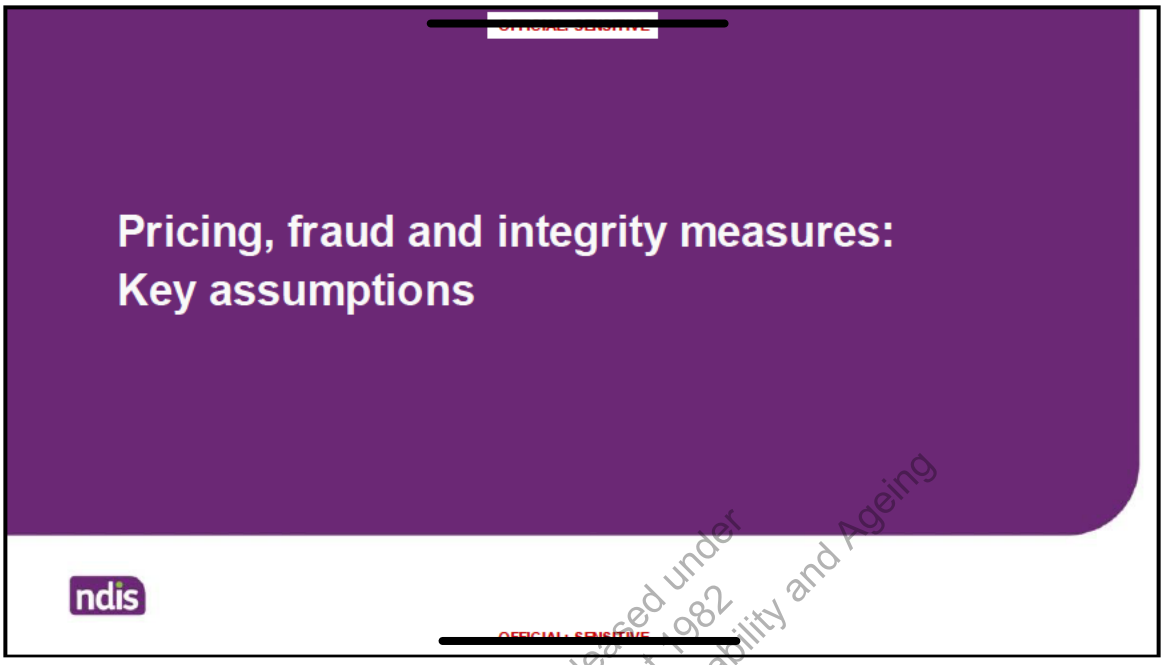
In reality, there will be an eligibility reassessment process using a new tool to assess functional capacity. It is likely that there will be differences between the result of the assessments and our assumptions.

Our work will be used to help create a plan for the sequencing of eligibility reassessments. The agency is aiming to minimise the number of different reviews and assessments that current participants will go through. For example, s47C, s47E(d)

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Differentiated pricing for registered and unregistered providers

Policy description	Modelling assumptions
• NDIS pricing currently takes a 'one-size-fits-all' approach and applies uniform price caps regardless of provider registration status. This means price settings do not accurately reflect additional regulatory costs faced by registered providers. • Differentiating pricing on the basis of registration status would ensure prices reflect regulatory costs. This would incentivise registration of providers and ensure participants can choose from a range of providers who will deliver safe, effective and high quality supports. • s47C, s47E(d)	s47C, s47E(d)

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Mandatory registration of high risk providers

Policy description	Modelling assumptions
• Government has announced the expansion of mandatory registration requirements for providers delivering high risk supports. These include **personal care, daily living supports and supports provided in closed settings**. All providers delivering supports to participants who are most at risk of abuse and/or exploitation will have to be registered. • This will **improve oversight of these providers delivering high risk supports** and improve the NDIS Quality and Safeguards Commission's ability to safeguard participants who are most at risk of abuse and exploitation. • This builds on the Government's announcement in 2025-26 to require mandatory registration for supported independent living and digital platform providers from 1 July 2026.	• Implementation date of **1 July 2027** • The estimated savings are based on **work undertaken by the NDIS Quality and Safeguards Commission** to measure the benefits and impacts of mandatory provider registration. • The key assumptions and methodology are contained in the Commission report "Benefits Framework – Estimating the benefits and savings for the Graduated Risk-Proportional Registration Model (GRPRM)" dated 2 March 2026. The results were updated on 2 April 2026 to reflect the preferred policy position of mandatory registration of providers delivering high risk supports. • The main drivers of savings are assumed to be **blocking low quality providers from committing fraudulent and non-compliant activities through improved visibility and regulatory actions**. • The expected roll-out of mandatory registration is dependent on the capacity of the Commission and the type/ complexity of providers.

[redacted]
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The content of this document is OFFICIAL: [redacted].

Securing the NDIS for Future Generations Factsheet

Securing the NDIS Factsheet

The Government's plan to secure the future of the NDIS will be delivered through 4 pillars:

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

Returning the NDIS to its original intent

The NDIS was established to support people with permanent and significant disability, but its scope has expanded to 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.

A lack of clarity about what supports are considered reasonable and necessary has also led to confusion, inconsistency and a broadening in supports funded by the NDIS over time. This has also created a gap between what supports participants want and what the NDIS can deliver.

To address this we will:

- Reinforce the boundary between the NDIS and mainstream services.
- More consistently assess if the NDIS is the appropriate system of support and if treatment can alleviate or remedy an impairment.
- Strengthen guidance around what is reasonable and necessary.
- Introduce standardised, evidence-based assessments of a person's functional capacity to determine access to the NDIS.
- Remove diagnosis lists as the means of entry to the NDIS.
- End plan rollovers and stop unspent funds being rolled over to ensure plans align with reasonable and necessary decision making.
- Tighten the criteria around unscheduled reassessment requests, while ensuring people with significant changes in support needs can still request plan variations.

New framework planning will also deliver more equitable and consistent participant budgets through a new support needs assessment process and budget method.

Following consultation with people with disability and their families, carers and advocates, the rollout of new framework planning will be delayed until 1 April 2027. This will allow more time to listen to feedback, test proposed rules and processes, and share more detailed information about the transition.

Delivering genuine social and community participation

The NDIS was built on the promise of inclusion. It was meant to act as a framework that opened society up for people with disability.

The current way the NDIS approaches social and community participation means the programs which once provided real opportunities for connection have been allowed to wither. We will put the community back into community participation.

To do this we will:

- Establish a $200 million fund – the Inclusive Communities Fund – to rebuild capability among community organisations to host genuine participation activities.
- Re-set participant budgets for social, civic and community participation and capacity building daily activities.

These changes will not impact supports that are essential to the critical care and daily living needs of participants. The changes will be implemented under existing planning arrangements, ahead of the introduction of new framework planning.

Improving the quality of providers

Policy settings have not encouraged transparency and innovation in NDIS markets and in some cases have resulted in provider viability challenges, variable quality, and poor outcomes for some participants.

We are addressing pricing and the design and delivery of plan management, support coordination and home and living supports to improve quality, encourage innovation and be more responsive to participant needs.

To do this we will:

- Transfer responsibility for pricing decisions to the Minister for Disability and the NDIS.
- Commence consultation on differentiated pricing for unregistered providers delivering social civic and community participation, capacity building daily activities, and assisted daily living.
- Commission a panel of plan management providers to improve service quality and integrity standards and reduce fraud.
- Commission a new, more efficient support coordination and connection function.
- Commence consultation and 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.

Tackling fraud and non-compliance

Fraud and non-compliance undermines the social licence of the NDIS and has a direct and devastating impact on the lives of participants and their families, leading to lower quality services, exploitation and harm.

We are making a suite of changes to improve oversight of providers and claims and strengthen controls to protect participants and the NDIS from exploitation.

To do this we will:

- Expand mandatory registration of providers delivering support to participants who are most at risk of abuse and/or exploitation.
- Introduce a new enrolment system with a minimum basic level of identifiable information on most NDIS providers.
- Increase evidence required for payments for NDIS supports, including payments at point of service.
- Strengthen the NDIA's investigative and enforcement capabilities and introduce new regulatory controls to address fraud and non-compliance.
- Improve how information is collected and monitored for faster and more targeted responses to fraud and suspicious behaviour.
- Take further steps to reduce conflicts of interest.

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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**

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All Participants	2028	2029	2030	2031	2032
Thriving Kids	2,881	14,029	22,691	27,240	27,552
SRFC + Remove high functioning	51,021	152,356	254,973	319,013	340,015
Total	**53,902**	**166,384**	**277,664**	**346,253**	**367,567**

Entrants After 1 Jan 2028	2028	2029	2030	2031	2032
Thriving Kids	2,881	14,029	22,691	27,240	27,552
SRFC + Remove high functioning	18,246	27,576	50,318	78,315	106,893
Total	**21,127**	**41,605**	**73,008**	**105,555**	**134,445**

Entrants Before 1 Jan 2028	2028	2029	2030	2031	2032
Thriving Kids	0	0	0	0	0
SRFC +Remove High Functioning	32,775	124,779	204,656	240,698	233,123
Total	**32,775**	**124,779**	**204,656**	**240,698**	**233,123**

s47E(d)

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Year ending 30 June	2026	2027	2028	2029	2030	2031
December MEV	**783,313**	**816,680**	**842,435**	**876,205**	**910,043**	**944,470**
TK (new entrants)			2,881	14,029	22,691	27,240
SRFC & HFC (New entrants)			18,246	27,576	50,318	78,315
SRFC & HFC (Existing)			32,775	124,779	204,656	240,698
Post reform	**783,313**	**816,680**	**788,533**	**709,821**	**632,379**	**598,217**

s47E(d)

	2526	2627	2728	2829	2930	3031
December MEV	**783,000**	**817,000**	**842,000**	**876,000**	**910,000**	**944,000**
Thriving kids diversions			*3,000*	*14,000*	*23,000*	*27,000*
SRFC diversions			*18,000*	*28,000*	*50,000*	*78,000*
SRFC exits			33,000	125,000	205,000	241,000
Post reform	**783,000**	**817,000**	**789,000**	**710,000**	**632,000**	**598,000**

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Cohort	HF_existing
Age	(Multiple Items)

Row Labels	Sum of 2031	Sum of 2031_2
Autism	95,244	61%
Delay	27,950	18%
Intellectual Disability	16,048	10%
Hearing Impairment	9,487	6%
Cerebral Palsy	3,251	2%
Other Physical	1,207	1%
Other Neurological	1,175	1%
Visual Impairment	535	0%
Other SensorySpeech	253	0%
ABI	169	0%
Psychosocial disability	45	0%
Spinal Cord Injury	25	0%
Stroke	s47F	0%
Multiple Sclerosis		0%
Other	0	0%
Grand Total	**155,395**	**100%**

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Row Labels	Sum of 20	Sum of 2031_2
Autism	175,523	51%
Delay	46,593	13%
Intellectual Disability	39,512	11%
Hearing Impairment	28,689	8%
Psychosocial disability	15,440	4%
Other Neurological	10,839	3%
Cerebral Palsy	8,939	3%
Other Physical	8,759	3%
Visual Impairment	5,584	2%
Multiple Sclerosis	3,445	1%
Spinal Cord Injury	943	0%
ABI	850	0%
Other SensorySpeech	690	0%
Stroke	447	0%
Other	0	0%
Grand Total	**346,253**	**100%**

Row Label	Sum of 20	Sum of 2031_2
0 to 8	76,966	22%
9 to 14	114,244	33%
15 to 18	39,855	12%
19 to 24	32,432	9%
25 to 34	22,822	7%
35 to 44	15,441	4%
45 to 54	14,312	4%
55 to 64	16,407	5%
65+	13,774	4%
Grand Tota	**346,253**	**100%**

U19	67%
19+	33%

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Disability category	N	%
Autism	324206	43%
Intellectual Disability	98469	13%
Developmental delay	70602	9%
Psychosocial disability	65827	9%
Hearing Impairment	29656	4%
Other Neurological	25829	3%
Other Physical	20242	3%
ABI	20106	3%
Global developmental delay	19692	3%
Cerebral Palsy	18719	2%
Other	13413	2%
Multiple Sclerosis	12286	2%
Down Syndrome	11775	2%
Visual Impairment	11089	1%
Stroke	10853	1%
Spinal Cord Injury	6484	1%
Other Sensory/Speech	1823	0%
DsbltyGrp_Missing	371	0%
ALL	761442	100%

AgeBnd	ActvPrtcpnt	%
0 to 8	166757	22%
9 to 14	152868	20%
15 to 18	78330	10%
19 to 24	69495	9%
25 to 34	67256	9%
35 to 44	54843	7%
45 to 54	58896	8%
55 to 64	70808	9%
65+	42189	6%
ALL	761442	

U19	52%
19+	48%

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	31/12/2024	31/21/2025			
0-8	159,354	166,757			
9-14	134,926	152,868			
15-18	67,224	78,330		36,451	0.531209
TOTAL	692,823	761,442	10%	68,619	
average plan budgets	82,400	85,100	3%		
average payments	65,800	66,700	1%		

Table D.2 Numbers of active participant plans by age group as at 31 December 2025

Age group	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	National
0 to 8	51,679	47,162	35,713	12,986	12,300	2,924	2,422	1,557	**166,757**
9 to 14	43,273	42,224	33,610	13,153	13,947	2,970	2,384	1,283	**152,868**
15 to 18	22,108	20,127	17,424	7,211	7,742	1,759	1,270	679	**78,330**
19 to 24	19,864	17,270	15,186	6,965	6,685	1,723	1,230	559	**69,495**
25 to 34	20,329	17,185	13,889	6,638	5,521	1,877	1,268	538	**67,256**
35 to 44	15,413	15,068	11,456	5,434	4,687	1,218	940	619	**54,843**
45 to 54	17,299	16,386	12,237	5,234	4,729	1,331	1,052	621	**58,896**
55 to 64	21,111	18,986	14,946	6,415	6,001	1,659	1,056	624	**70,808**
65+	13,461	10,736	8,661	3,659	3,621	978	809	261	**42,189**
Total	**224,537**	**205,144**	**163,122**	**67,695**	**65,233**	**16,439**	**12,431**	**6,741**	**761,442**

Table D.2 Number of active participant plans by age group at 31 December 2024

Age group	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	National
0 to 8	48,949	45,573	35,043	11,703	11,803	2,577	2,150	1,542	159,354
9 to 14	38,514	36,576	30,074	11,331	12,379	2,659	2,199	1,171	134,926
15 to 18	19,020	16,747	15,109	6,332	6,808	1,522	1,121	557	67,224
19 to 24	17,528	14,512	12,733	6,016	5,578	1,518	1,110	492	59,496
25 to 34	18,599	15,563	12,371	6,041	4,823	1,746	1,090	505	60,752
35 to 44	14,432	13,947	10,521	4,968	4,270	1,093	879	585	50,700
45 to 54	16,674	15,749	11,776	5,014	4,540	1,306	993	594	56,653
55 to 64	20,206	18,146	14,175	6,048	5,722	1,574	1,016	602	67,498
65+	11,675	9,176	7,348	3,155	3,101	798	742	222	<36,220
Total	205,597	185,989	149,150	60,608	59,024	14,793	11,300	6,270	692,823

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Starting Basis: December 2025 MEV Projections

Projections	2025-26 to 2029-30	Assumptions
December 2025 MEV Projections	**$301.6b**	Starting basis for modelling further reform impacts
Material estimates variation	**$9.1b**	Change from 2025-26 MYEFO estimates
Impact of experience	**$1.7b**	Adjust for participant and payment experience from 1 July 2025 to 31 December 2025, including: • More participants than expected as at 31 December 2025 • Higher than expected payment experience
Impact of changes to assumptions	**$7.3b**	
• Delay in establishing Thriving Kids to 1 October 2026	**$0.1b**	Diversions of new entrants self-selecting into Thriving Kids (that is, without access reforms) start from 1 October 2026, instead of 1 July 2026
s47C, s47E(d)		
• All other changes	**$7.2b**	**Changes in assumptions (compared to 2025-26 MYEFO) around effectiveness of sustainability initiatives for those remaining on OFP would be subject to sustainability initiatives – that is:** • **no reduction** in unscheduled plan reassessments (average of 12K unscheduled reassessments per month, rather than 8K per month as assumed in 2025-26 MYEFO) • inflation for unscheduled plan reassessments drop to **17.5%** (medium scenario)

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Detailed Assumptions:

How delay in NFP has been factored in

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Changes in Winter Bill tighten what and how much reasonable and necessary supports would be funded

Policy proposal	Current state: What happens now?	Future state: What would change?
Reasonable & necessary	Over the 12 months to 31 December 2025	These changes will occur to OFP, and flow through to NFP
• Tighten the definition of reasonable and necessary support for old framework plans (OFP, with changes flowing into NFP) • Strengthen link between an impairment and need for support	s47C, s47E(d)	
• Reduce budgets for social, civic & community participation (SCCP) or capacity building daily activities (CBDA)		
• Direct commissioning of plan management and support coordination		

3

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Assumptions on reducing budgets and how they impact spend

First option

Support Category	Participants	Budgets	Assumed behaviour changes	Spend
Social Community & Civic Participation	SIL & SIL-like	-50%	Applies to a 25% reduction in SCCP budgets instead: • Assumes most SIL participants would use unused parts of their Daily Activities Budget and spend on SCCP instead	20.0% Reduction in spend × 60% SIL / SIL-like participants spend on SCCP
	Non-SIL	-50%	Those with 50% utilisation or more would either: • spend less within their lower budgets • if sufficient budget is available, draw on other flexible budgets (likely Daily Activities) to purchase same amount or less of SCCP supports	+ 34.1% Reduction in spend × 40% Non-SIL participants spend on SCCP = -25%
Capacity Building for Daily Activities (Therapy supports)	SIL & SIL-like	-10%	• Capacity Building supports are not flexible across support categories • Those with utilisation above 90% would reduce spending to within the 10% lower budgets • Those with utilisation below 90% would also reduce spending by a small amount	-4.5% -4.5%
	Non-SIL	-10%		

Note: SIL and SIL-like participants spend on SCCP makes up around 40% of all SCCP spend currently, rather than 60% as assumed. As such, the estimated savings is an underestimate because more weighting is given to a lower reduction in spending for SIL and SIL-like participants.

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s47E(c), s47F

From: s47E(c), s47F
Sent: Tuesday, 21 April 2026 3:45 PM
To: BOGIATZIS, Adam; s47E(c), s47F
Subject: RE: Updated facts and figures [~~SEC=PROTECTED, CAVEAT=SH:CABINET, ACCESS=Legal Privilege~~]

Hi Adam,

Response to the MO's access question below. Unfortunately, the 'access reforms to support thriving kids' diversions complicates what they're trying to reconcile. Ideally, we could simplify to 'these reforms will result in a scheme 270,000 participants' smaller but depends how they want to use it.

1) **250,000 represents the cumulative participants who will have been exited or diverted by 30 June 2030.**
   - 200,000 will be exiting participants already on the scheme before 1 Jan 2028 (So a proportion of the 200,000 are not participants today but will join before 1 Jan 2028). 50,000 are diverted who would have joined post 1-Jan-28.

2) **Without the reforms, the scheme projected to have 910,000 participants, due to reforms its now projected to be 640,000 participants (270,000 less participants).** Note: This includes an additional 20,000 participants under 8yo diverted from entering due to the 'access reforms to support thriving kids' proposal.

Table: Number of participants at end of the forward (30 June 2030)

	# Participants
Without reforms	910,000
With SRFC + high-function (exit/divert ~250,000)	660,000
With 'access reforms to support thriving kids' (divert ~20,000)	640,000

3) **Participants numbers are projected to grow again once access reforms are mature (from 2032-33 onward).**

s47E(c), s47F
Taskforce
P 02 s47E(c), s47F @protected.health.gov.au

From: BOGIATZIS, Adam
Sent: Monday, 20 April 2026 8:23 PM
To: s47F
Cc: LONG, Anthea ; s47E(c), s47F ; s47F ;

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s47F

Subject: RE: Updated facts and figures [~~SEC=PROTECTED, CAVEAT=SH:CABINET, ACCESS=Legal Privilege~~]

~~PROTECTED//CABINET~~

Thanks s47F we'll get on to this first thing.

~~PROTECTED//CABINET~~

From: s47F @Protected.Health.gov.au>
Sent: Monday, April 20, 2026 8:16 PM
To: BOGIATZIS, Adam s47E(c), s47F @protected.health.gov.au>
Cc: LONG, Anthea s47E(c), s47F @protected.health.gov.au>; s47E(c), s47F @protected.health.gov.au>; s47E(c), s47F @protected.health.gov.au>; s47F @Protected.Health.gov.au>; s47F @Protected.Health.gov.au>; s47E(c), s47F @protected.health.gov.au>; s47F @Protected.Health.gov.au>; s47F @protected.health.gov.au>
Subject: RE: Updated facts and figures [~~SEC=PROTECTED, CAVEAT=SH:CABINET, ACCESS=Legal Privilege~~]

~~PROTECTED//CABINET~~

Thanks Adam

The Minister has asked for a few more stats for the source of truth. These can be done tomorrow. One relates to PHI so have looped in s47F om the office.

- In the QA it refers to 200,00 ited by 2030 and 50,000 diverted by 2020 as a result of changes to SRFC. Is this 200,000 current participants or expected participants on the Scheme over 5 years?
    - What is the number of participants that would be on the scheme in 2030 with no changes, and what will it be in 2030 with the changes?
    - Can we say once the changes have taken effect participant numbers will grow?
- s 22

Finally we have made further changes to the factsheet that will need to flow through to the other documents. We will handle the QA but will need the email content and NDIA website content updated. This can also be done tomorrow.

Kindly,
s47F

Office of the Hon Mark Butler MP
Minister for Health and Ageing
Minister for Disability and the National Disability Insurance Scheme
P: 02 s47F
@health.gov.au
Suite MG.50 | PO Box 6022
Parliament House, Canberra ACT 2600

I often send emails outside business hours. Please reply when it suits you.

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~~PROTECTED//CABINET~~

From: BOGIATZIS, Adam s47E(c), s47F @protected.health.gov.au>
Sent: Monday, April 20, 2026 7:01 PM
To: s47F @Protected.Health.gov.au>
Cc: LONG, Anthea s47E(c), s47F @protected.health.gov.au>; s47E(c), s47F @protected.health.gov.au>; s47E(c), s47F @protected.health.gov.au>; s47F @Protected.Health.gov.au>; s47F @Protected.Health.gov.au>
Subject: Updated facts and figures ~~[SEC=PROTECTED, CAVEAT=SH:CABINET, ACCESS=Legal Privilege]~~

~~PROTECTED//CABINET~~

Hi s47F

Below are some of the further stats on the projections as requested. These have been agreed with Finance and Tsy. I understand these have also been provided to the TO.

We have put some of the material in the source of truth doc directly.

Fiscal

- Gross savings over four years from 2026-27 to 2029-30 – over $35 billion.
- Net savings to the Commonwealth budget over four years from 2026-27 to 2029-30 – around $20 billion.
- NDIS estimates in 2029-30
    - Without action, NDIS spending would be over $70 billion in 2029-30 (including the MEV and New Framework Planning delay).
        - Growth would be just shy of 8 per cent in 2029-30 (i.e reach the FSF target in 2029-30).
    - With the reforms NDIS spending now projected to $55 billion in 2029-30

- Final average growth
    - 2 per cent average growth in NDIS participant support expenses over the forward estimates
    - 3.8 per cent average growth between 2026-27 and 2036-37
    - 5 per cent average growth in the medium term (2030-31 to 2036-37)

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Comparisons

- Spending on the NDIS is expected to be 1.5% of GDP in 2036-27 after the reforms. (note: needs to be cleared with the TO).
- At MYEFO, the NDIS was expected to grow by 7.6 per cent per annum over the next 10 years, the fastest of any payment other than interest. Now, with these reforms, growth is expected to average around 4 per cent per annum. The NDIS is now expected to grow at a slower rate than Defence, Hospitals, Medical Benefits, Aged Care and Child Care Subsidy.
- Without action, the NDIS was projected to exceed the size of the Age Pension over the medium term. Now it will be smaller.

Note: It's unclear at this stage whether the NDIS will remain larger than aged care and Cwth contribution to hospitals over the medium-term – so recommended not to make claim that it will remain the 2nd largest social policy program.

Table: TOTAL NDIS Expenses

$b expenses	2025-26	2026-27	2027-28	2028-29	2029-30
2025-26 MYEFO	-50.7	-54.0	-58.1	-62.5	-67.3
2026-26 MYEFO (incl EV)	-51.3	-55.7	-61.3	-66.2	-71.4
2026-27 Budget	-51.3	-53.7	-53.8	-54.3	-54.8

s47B(a)

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All Participants				
	2028	2029	2030	2031
Thriving Kids	2,881	14,029	22,691	27,240
SRFC + Remove high functioning	50,260	150,078	251,292	314,696
Total	**53,141**	**164,107**	**273,983**	**341,936**

Entrants After 1 Jan 2028				
	2028	2029	2030	2031
Thriving Kids	2,881	14,029	22,691	27,240
SRFC + Remove high functioning	18,246	27,576	50,318	78,315
Total	**21,127**	**41,605**	**73,008**	**105,555**

Entrants Before 1 Jan 2028				
	2028	2029	2030	2031
Thriving Kids	0	0	0	
SRFC +Remove High Functioning	32,014	122,502	200,975	236,381
Total	**32,014**	**122,502**	**200,975**	**236,381**

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Figures provided in this paper are indicative and actuals may differ.

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.

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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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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.

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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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