2026–27 Budget Issues Brief no.24

NATIONAL DISABILITY INSURANCE SCHEME

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

Key facts and figures

<u>Securing the National Disability Insurance Scheme for Future Generations</u>

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

- $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.

Thriving Kids

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

Changes to NDIS estimates

- Payments related to NDIS participant supports are estimated to increase by $690.9 million in 2025-26 and decrease by $24.6 billion over the four years from 2026-27 to 2029-30. Participant supports are estimated to cost $52.4 billion in 2026-27 and $263.3 billion over the five years from 2025-26 to 2029-30, in underlying cash balance terms.

- The 2026-27 Budget estimates for the NDIS are based on updated projections by the NDIS Actuary which used data up to December 2025 and the impacts of NDIS reforms included in the 2026-27 Budget measure *Securing the NDIS for Future Generations* (2026-27 Budget reforms). The 2025-26 MYEFO estimates are based on the 2024-25 Annual Financial Sustainability Report which used data up to June 2025.

- The NDIS Actuary has projected that, without the 2026-27 Budget reforms, NDIS participant support payments would increase by $690.9 million in 2025-26 and $13.9 billion over five years from 2025-26 to 2029-30. The projected increase in NDIS expenditure is primarily due to increased average payments per participant which is driven by higher-than-expected plan inflation, and the impacts of delayed implementation of new framework planning from July 2026 to April 2027.

Impacts of NDIS reforms

- The *National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill* (the Bill) will be introduced into the Parliament following the release of the 2026-27 Budget. The Bill continues the work of the Government to restore the NDIS to its original intent of supporting people with permanent and significant disability and securing the Scheme for future generations. Changes will include:

  – tighter criteria for unscheduled reassessment and measures to reduce plan cost growth

  – a reset of participant budgets for social and community participation and capacity building daily activities

  – the introduction of standardised, evidence-based assessments to determine access to the Scheme which will not commence until 1 January 2028

  – fraud prevention by improving the quality of plan managers and support coordinators, expanding categories of mandatory provider registration and enrolling providers in a digital payments system.

- The proposed legislative reforms are in addition to the *National Disability Insurance Scheme Amendment (Integrity and Safeguarding) Act 2026* which expanded the NDIS Quality and Safeguards Commission’s powers to detect, prevent and respond to breaches of obligations under the *National Disability Insurance Scheme Act 2013*.

- It is projected that the 2026-27 Budget reforms will moderate growth in NDIS payments by $37.8 billion over four years from 2026-27, in underlying cash balance terms.

- After accounting for the 2026-27 Budget reforms, it is projected that by 30 June 2026 there will be 783,313 NDIS participants, decreasing to 632,379 NDIS participants by 30 June 2030, which is 262,979 less than the 895,358 participants projected by 30 June 2030 at the 2025-26 MYEFO. As at 31 December 2025, there were 761,442 NDIS participants, which is 1,400 more participants than projected at the 2025-26 MYEFO.

<u>Annual growth rates</u>

- The revised estimates confirm the Government is on track to deliver on National Cabinet's commitment to reduce annual growth in NDIS expenses to at or below 5 to 6 per cent (measured in fiscal balance terms). Total NDIS support costs, including contributions from states and territories, are projected to grow:

  – In expense (fiscal balance) terms at an average of 1.7 per cent across the forward estimates (4.7 per cent in 2026-27, 0.2 per cent in 2027-28, 0.9 per cent in 2028-29 and 0.9 per cent in 2029-30).

  – In payment (underlying cash) terms at an average of 2.2 per cent over the forward estimates (5.3 per cent in 2026-27, 1.3 per cent in 2027-28, 1.1 per cent in 2028-29 and 1.0 per cent in 2029-30).

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

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

- The difference between the payment (underlying cash) and expense (fiscal balance) is due to the lag between expenses being accrued, and payments being made.

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

- On 30 January 2026, National Cabinet agreed to adjust state and territory NDIS contribution rates to be in line with actual NDIS growth, capped at 8 per cent, from 1 July 2028 with a review point in 2030-31. As a result of the reduced growth rates, state and territory NDIS contributions are projected to reduce by $2.8 billion over two years from 2028-29, and a further $29.6 billion over the seven years from 2030-31 to 2036-37.

- The Commonwealth share of participant support costs is projected to grow in underlying cash balance terms by 5.0 per cent in 2026-27, decrease by 1.8 per cent in 2027-28, increase by 1.1 per cent in 2028-29, and increase by 1.0 per cent in 2029-30. The decrease in growth of the Commonwealth share in 2027-28 is due to state and territory contributions growing at a fixed rate of approximately 4 per cent per year, prior to 1 July 2028, while total NDIS payments are growing at 1.3 per cent.

<u>NDIS expenses as a share of Gross Domestic Product (GDP)</u>

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

<u>Medium Term</u>

- Medium term projections for NDIS participant support costs reflect the continued impacts of reforms to the NDIS, including the 2026-27 Budget reforms.

- The 2026-27 Budget reforms are projected to reduce NDIS participant payments (underlying cash) by $200.3 billion over the seven years from 2030-31 to 2036-37 or $201.6 billion in fiscal balance terms. Annual NDIS participant payments growth is expected to average 5.1 per cent over the seven years from 2030-31 to 2036-37, or 5.0 per cent in fiscal balance terms, and 4.0 per cent over the 11 years from 2026-27 to 2036-37 in underlying cash terms or 3.7 per cent in fiscal balance terms.

- NDIS Commonwealth-funded participant payments growth is expected to average 3.6 per cent over the medium term (2026–27 to 2036–37), compared to 7.6 per cent in the 2025–26 MYEFO (2025–26 to 2035–36).

- Total NDIS payments at the end of the medium term (2036–37) are now estimated to be $76.6 billion in underlying cash balance terms, down from $109.1 billion as at the 2025-26 MYEFO, a reduction of $32.5 billion or 30.0 per cent.

Thriving Kids and foundational supports

- The Commonwealth and the states will contribute $4 billion dollars over five years from 2026-27 to 2030-31, split 50:50 on a per capita basis, to implement Thriving Kids. The Commonwealth's contributions towards Thriving Kids are included in the 2026-27 Budget measure *Thriving Kids*.

- As agreed by National Cabinet on 30 January 2026, the Commonwealth will provide $1.4 billion of the Commonwealth's $2.0 billion contribution directly to the states to assist with the development and implementation of Thriving Kids services.

- States have also provided in-principle agreement to access changes which would divert children aged eight and under with developmental delay and/or autism with low to moderate support needs from the NDIS, expected to commence 1 January 2028. NDIS participants aged eight and under who are enrolled prior to 1 January 2026 will remain subject to the eligibility criteria in place on 31 December 2027.

- On 22 April 2026, Minister Butler announced further work with the states on the development of Foundational Supports, with $6 billion allocated to this work by earlier decisions of National Cabinet. The 2026-27 Budget includes a $3 billion provision for the Commonwealth's contribution towards Foundational Supports.

- These foundational supports will be additional to other existing Commonwealth supports for children with disability, including:

  – The Schooling Resourcing Standard disability loading, which will provide an estimated $4.9 billion in 2026 to support students with disability to participate fully in school

  – The Inclusion Support Program, which will provide $247.3 million in 2026-27 to support Early Childhood Education and Care service providers to provide quality inclusive services and address access and participation barriers for children with disability.

2026-27 Budget National Disability Insurance Scheme

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

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

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

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Attachment A – NDIS Participant Support Costs

Payments ($billion) Underlying Cash Balance	2025–26	2026–27	2027–28	2028–29	2029–30	2026-27 to 2029-30
2026–27 Budget	-49.8	**-52.4**	**-53.1**	**-53.7**	**-54.2**	**-213.5**
Growth%	*10.6%*	*5.3%*	*1.3%*	*1.1%*	*1.0%*	
Commonwealth share	-37.8	**-39.7**	**-39.0**	**-39.4**	**-39.8**	**-157.9**
Growth%	*13.5%*	*5.0%*	*-1.8%*	*1.1%*	*1.0%*	
Commonwealth share%	*76.0%*	*75.7%*	*73.4%*	*73.4%*	*73.4%*	
States and Territories share	-12.0	**-12.8**	**-14.2**	**-14.3**	**-14.4**	**-55.6**
2025–26 MYEFO	-49.1	**-52.7**	**-57.4**	**-61.7**	**-66.4**	**-238.1**
Growth%	*9.1%*	*7.3%*	*8.9%*	*7.5%*	*7.7%*	
Change in estimates between economic updates	-0.7	**0.2**	**4.2**	**7.9**	**12.2**	**24.6**
Comprising:						
Policy decisions						
Securing the National Disability Insurance Scheme for Future Generations	0.0	**2.0**	**7.4**	**11.8**	**16.6**	**37.8**
Estimates variations						
Update of Scheme expense	-1.1	**-1.6**	**-1.8**	**-2.2**	**-2.9**	**-8.4**
Impact of delay to New Framework Planning	0.0	**-0.2**	**-1.3**	**-1.5**	**-1.3**	**-4.3**
Updates to NDIS participants in Residential Aged Care	0.4	**..**	**-0.1**	**-0.2**	**-0.2**	**-0.5**
*Impacts of revenue from state and territory NDIS contributions**	0.0	**0.0**	**0.0**	**-0.9**	**-1.9**	**-2.8**

The difference between the fiscal balance and underlying cash variations is due to the timing of payments.
*Does not impact payments but increases the Commonwealth share of payments

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

The difference between the fiscal balance and underlying cash variations is due to the timing of payments.
*Does not impact expense but increases the Commonwealth share of expenses

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NDIS PROJECTIONS

Key points

Key savings figures (cash) – all figures exclude $1.7 billion in implementation costs and $200 million funding for Inclusive Communities Fund	
Gross saving (includes variation, excludes implementation) *Previously announced*	$37.8 billion over 4 years from 2026-27 (shown in BP2 page 108) $238.2 billion from 2025–26 to 2036–37 (not separately identified in Budget papers)
Gross saving to the Commonwealth (includes variation, excludes implementation)	$34.3 billion from 2025–26 to 2029–30 $205.0 billion from 2025–26 to 2036–37
Net saving compared to 2025–26 MYEFO (includes both Commonwealth and states)	$23.9 billion over five years from 2025–26 (shown in BP2 page 108) $184.9 billion from 2025–26 to 2036–37 (shown in BS3)
Net saving to Commonwealth compared to 2025–26 MYEFO *Figures new in budget*	$21.1 billion over five years from 2025–26 (can be calculated from figures in BP2 on page 108) $152.4 billion over MT (not separately identified in Budget papers)
States saving (reduces non-tax revenue for Cth by this amount) *FEs figure provided to states 23 April, newly published in budget*	$2.8 billion over FEs (shown in BP2 page 108) $32.5 billion over MT (shown in BP1)
NDIS spending by end FEs *Previously announced in Press Club speech:*	$54.2 billion in 2029–30 Compared to $66.4 billion at MYEFO, or $70.7 billion after accounting for EVs

Average growth rates (cash)	
2026–27 Budget growth rate *Previously announced*	2.2% over FEs 5.1% from 2030–31 to 2036–37
2025–26 MYEFO growth rate	7.9% over FEs. Target at the time 8% from 2026–27 (in accrual) 7.3% from 2030–31 to 2036–37
2025–26 MYEFO growth rate plus estimates variations (i.e. without reforms)	9.2% over FEs 7.3% from 2030–31 to 2036–37
Key policy facts	
4 policy pillars	• Deliver quality services and supports, • Clarify eligibility requirements, • Slow rapid cost increases and • Address fraud and rorts.
Access changes impact	Total participants 600,000 by the end of the decade instead of over 900,000
Social and community participation budget impact	Will reset the total cost of social and community participation (SCCP) and maintain 2025–26 expenditure of around $12 billion over the forward estimates. Over the next two years, annual average plan expenditure for SCCP will change from $31,000 to $26,000 (the 2023 level).
Commonwealth contribution to NDIS expenditure	2020–21: 54.9% 2025–26: 76.0% A minimum of 73.4% over the FEs and MT

- There is a mix of figures in the Budget. You can use 'Total NDIS participant supports' which excludes administration costs. If asked about a different figure, you can note there are other figures including administration, and cash vs accrual.
- Total participant supports payments over the five years from 2025–26 to 2029–2030 has decreased by an estimated $23.9 billion compared to the 2025–26 MYEFO, but this does not account for the upwards variation that the Government's reforms have avoided or state shares of savings.
- As agreed to by National Cabinet in January this year, the 2026–27 Budget shows that the NDIS will achieve 5 to 6 per cent or lower growth in each year from 2026–27.

Key facts and figures

Table 1: NDIS participation supports (UCB)

	2025–26	2026–27	2027–28	2028–29	2029–30	Four-year total
NDIS participant supports						
Total spending ($bn)	-49.8	-52.4	-53.1	-53.7	-54.2	-213.5
Commonwealth spending ($bn)	-37.8	-39.7	-39.0	-39.4	-39.8	-157.9
State spending ($bn)	-12.0	-12.8	-14.2	-14.3	-14.4	-55.6
Commonwealth contribution (%)	76.0	75.7	73.4	73.4	73.4	N/A
States contribution (%)	24.0	24.3	26.6	26.6	26.6	N/A
Change between the 2025–26 MYEFO and the 2026–27 Budget ($bn, net impact of variations and measures)	-0.7	0.2	4.2	7.9	12.2	24.6
Annual growth rate of total NDIS participant supports						
Underlying cash balance (%)	10.6	5.3	1.3	1.1	1.0	N/A
Fiscal balance (accrual) (%)	10.5	4.7	0.2	0.9	0.9	N/A

Cost impacts of lower growth trajectory

- Putting the NDIS on a sustainable growth trajectory will reduce NDIS spending by $184.9 billion from 2025–26 to 2036–37, saving the Commonwealth Budget $152.4 billion, with $32.5 billion in savings accruing to states and territories (in cash terms).
  - At the 2023–24 Budget, the Financial Sustainability Framework target of an annual growth target of no more than 8 per cent from 1 July 2026 was first implemented. This was projected to save the Budget $59 billion over seven years from 2027–28 to 2033–34 in fiscal balance terms.
- The NDIS was projected to cost $711.2 billion from 2023–34 to 2033–34 at the 2023–24 Budget and is now projected to cost $604.1 billion over the same period.
- In the absence of reform, annual NDIS costs would have been $70.7 billion in 2029–30, compared to the $66.4 billion forecast at 2025–26 MYEFO.
  - With the reforms, the NDIS is now projected to cost $54.2 billion in 2029–30.
- Annual growth over the forward estimates (in accrual terms) is now expected to be 1.7%, down from 7.3% at 2025–26 MYEFO, and 22% when the Government took office.
- The Government will also invest $2 billion to establish Thriving Kids, to be matched by the states, as part of the $5 billion Foundational Supports commitment. $6 billion of joint Commonwealth and state funding remains unallocated for other foundational supports, which will be used strengthen the broader support system outside the NDIS.
- At MYEFO, the NDIS was projected to grow from around 1.7% of GDP in 2026–27 to 2.2% of GDP in 2036–37.
  - NDIS costs are now expected to fall from 1.7% of GDP in 2026–27 to 1.6% of GDP in 2036–37 with the reforms.
  - In comparison, the MBS and PBS will grow faster than the NDIS, at 4.9% over the projection period. Together the MBS and PBS will represent 1.9% of GDP in 2025–26 and grow to 2.0% of GDP in 2036–37, which will now be more than the NDIS.
  - The NDIS will grow at a slower rate than aged care, which will grow by 5.3% over the projection period, and be around the same size as aged care as a percentage of GDP by the end of the medium-term (1.6% in 2036—37).

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ATTACHMENT A – BACKGROUND

Table A.1: Detailed Comparison to 2025–26 MYEFO – Commonwealth NDIS payments – UCB

Underlying Cash Balance	**2026–27 ($m)**	**2027–28 ($m)**	**2028–29 ($m)**	**2029–30 ($m)**	**Total ($m)**
2025–26 MYEFO	-52.7	-57.4	-61.7	-66.4	-238.1
Difference from 2025–26 MYEFO	0.2	4.2	7.9	12.2	24.6
Effect of 2026–27 Budget decisions	2.0	7.4	11.8	16.6	37.8
Effect of parameter and other variations	-1.8	-3.2	-3.9	-4.4	-13.3
2026–27 Budget	**-52.4**	**-53.1**	**-53.7**	**-54.2**	**-213.5**

Table A.2: Detailed Comparison to 2025–26 MYEFO – Commonwealth NDIS expenses – Fiscal balance

Fiscal Balance	**2026–27 ($m)**	**2027–28 ($m)**	**2028–29 ($m)**	**2029–30 ($m)**	**Total ($m)**
2025–26 MYEFO	-54.0	-58.1	-62.5	-67.3	-241.8
Difference from 2025–26 MYEFO	0.3	4.3	8.2	12.5	25.3
Effect of 2026–27 Budget decisions	2.0	7.5	11.9	16.7	38.1
Effect of parameter and other variations	-1.8	-3.1	-3.7	-4.2	-12.8
2026–27 Budget	**-53.7**	**-53.8**	**-54.3**	**-54.8**	**-216.5**

Note: Figures are relative to their impact on the budget baseline (an increase in spending is negative). The difference between underlying cash and fiscal balance is due to timing of payments. Total program costs and total saves are on a Scheme basis, rather than as the impact on the Commonwealth contribution.

Table A.3: Historical growth in NDIS spending (fiscal balance)

	Actual				2026–27 Budget projections					Average growth	
	21–22	**22–23**	**23–24**	**24–25**	**25–26**	**26–27**	**27–28**	**28–29**	**29–30**	**FEs**	**MT**
NDIS participant supports ($bn)	-28.6	-35.2	-41.9	-46.4	-51.3	-53.7	-53.8	-54.3	-54.8	N/A	N/A
Growth p.a.	22.3	22.9%	19.0%	10.8%	10.5%	4.7%	0.2%	0.9%	0.9%	1.7%	5.0%

ATTACHMENT B – PROTECTED BUDGET INFORMATION

Table B.1: NDIS participant supports medium-term figures (including impact on the Budget baseline)

s47B, s 47C

	Forward estimates total	[redacted]
NDIS participant supports ($b UCB)		
Total spending	-213.5	
Commonwealth supports	-157.9	
Commonwealth contribution (%)	N/A	
States share (%)	N/A	
Growth rate of total NDIS participant supports (per cent		
Underlying cash balance (%)	2.2%	
Fiscal Balance (%)	1.7%	

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ATTACHMENT C - 2026–27 NDIS Budget measures

Securing the NDIS for Future Generations	
Ensuring the National Disability Insurance Agency (NDIA) can continue to support NDIS participants	$436.0 million in 2026–27
Developing and implementing a new enrolment and digital payment system to improve payment integrity and reduce fraud and non-compliant payments	$358.5 million over five years from 2025–26
Continuing the Fraud Fusion Taskforce and investing in the NDIA to continue to detect and respond to fraud and non-compliant payments	$280.1 million over five years from 2025–26 (and $53.0 million per year ongoing)
Roll-out and implementation of new framework planning from 1 April 2027	$270.1 million in 2026–27
Introducing mandatory registration of high-risk NDIS providers	$182.6 million over four years from 2026–27 (and $41.6 million per year ongoing)
NDIA to commission plan management and support coordination services	$49.4 million over four years from 2026–27
DHDA and NDIA funding to support consultation on and implementation of NDIS reforms	$48.4 million over three years from 2025–26
Supporting the NDIS Commission regulatory and compliance activities, with costs to be met from within the existing resourcing of the NDIS Commission	$21.7 million over four years from 2026–27 (and $5.8 million ongoing)
Disability Representative Organisations to support community engagement on the design and implementation of reforms, with costs to be met from within existing resources of the NDIA and DHDA	$15.9 million over four years from 2026–27 (and $6.0 million ongoing)
Extend supplementary funding for the NDIS Appeals program	$14.7 million over two years from 2026–27
Establish a Technical Advisory Group to provide functional capacity assessment tools expertise	$3.3 million in 2026–27
Total expense	**$1.7 billion over five years from 2025–26 (and $110.9 million per year ongoing)**
Establishing an Inclusive Communities Fund, with funding held in the Contingency Reserve pending further design and consultation with the disability community	$200.0 million over three years from 2026–27
Total save (excludes implementation costs):	**$23.9 billion over five years from 2025–26**

Reduction in NDIS payments relative to 2025–26 MYEFO estimates	
Thriving Kids	
Funding to states and territories to deliver Thriving Kids services	$1.4 billion over five years from 2026–27
Facilitating Thriving Kids services for children in ECEC, with funding held in the Contingency Reserve pending consultation and design with states and territories	$139.7 million over five years from 2026–27
Medicare funded 3-year old health assessment and expanded Comprehensive Health Assessment Program	$126.1 million over five years from 2026–27
National and local information and advice on childhood development and autism	$120.9 million over five years from 2026–27
Mental Health in Primary Schools, Positive Partnerships Program and a National Digital Child Health Record in My Health Record	$99.5 million over five years from 2026–27
Supporting workforce development and training, including dedicated funding for the First Nations workforce	$60.8 million over five years from 2026–27
National communications campaign	$21.6 million over three years from 2026–27
DHDA funding to support implementation of the Thriving Kids program	$20.4 million over five years from 2026–27
Supporting community engagement, monitoring, and evaluation of the Thriving Kids program	$16.3 million over five years from 2026–27
Total	**$2.0 billion over five years from 2026–27**

NDIS SUSTAINABILITY

Headline Statement

- As agreed to by National Cabinet in January this year, the 2026–27 Budget shows that the NDIS will achieve 5 to 6 per cent or lower growth in each year from 2026–27.

Key Points

- Putting the NDIS on a sustainable growth trajectory will reduce NDIS spending by $184.9 billion from 2025–26 to 2036–37, saving the Commonwealth Budget $152.4 billion, with $32.5 billion in savings accruing to states and territories (in cash terms).

- Total participant supports payments for the NDIS over the five years from 2025–26 to 2029–2030 have decreased by an estimated $23.9 billion compared to the 2025–26 MYEFO.
- The NDIS Actuary projected that without the 2026–27 Budget reforms, NDIS participant support payments would increase by $690.9 million in 2025–26 and $13.9 billion over five years from 2025–26 to 2029–30.
  - The projected increase in NDIS expenditure was primarily due to increased average payments per participant which has been driven by higher-than-expected plan inflation, and the impacts of delayed implementation of new framework planning from July 2026 to April 2027.

- In the absence of reform, annual NDIS costs would have been $70.7 billion in 2029–30, compared to the $66.4 billion forecast at 2025–26 MYEFO.
  - With the reforms, the NDIS is now projected to cost $54.2 billion in 2029–30.

- Annual growth over the forward estimates (in accrual terms) is now expected to be 1.7%, down from 7.3% at 2025–26 MYEFO, and 22% in 2021-22.

s 22

[redacted]

Policy Commitments

- The *National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill* (the Bill) was introduced into Parliament on 14 May 2026 and referred to an inquiry, which is due to report by 16 June 2026. This includes:
  - Introducing controls and conditions on unscheduled plan reassessments to ensure that they can only be requested where there is a genuine and ongoing change in a participant's support needs.
  - Clarifying the meaning of 'functional capacity' and introducing a new rule-making power to set assessment thresholds for functional capacity.
  - Providing a mechanism to directly manage the financial sustainability of the Scheme by reducing the funding for specified groups of supports across the Scheme.
  - Measures that address fraud within the NDIS and provide the Agency with necessary powers to regulate the payment of NDIS amounts.
- The detail of most reforms will be finalised in consultation with people with disability, the states and territories, and the community.
- The Government's plan to secure the NDIS rests on four pillars:
  - Delivering quality services and support to participants
  - Clearer eligibility requirements
  - Slowing rapid cost increases
  - Fighting fraud and stopping rorts.
- To support the reforms, the Government will provide $1.7 billion over five years from 2025-26 to support people with disability and deliver these reforms and has provisioned $200 million to establish an Inclusive Communities Fund.
- The Government will also invest $2 billion to establish Thriving Kids, to be matched by the states, as part of the $5 billion Foundational Supports commitment.
- $6 billion of joint Commonwealth and state funding remains unallocated for other foundational supports, which will be used strengthen the broader support system outside the NDIS.

Background

Key figures

Key savings figures (cash) – all figures exclude $1.7 billion in implementation costs and $200 million funding for Inclusive Communities Fund	
Gross saving (includes variation, excludes implementation)	$37.8 billion over 4 years from 2026-27 (shown in BP2 page 108) $238.2 billion from 2025–26 to 2036–37 (not separately identified in Budget papers)
Gross saving to the Commonwealth (includes variation, excludes implementation)	$34.3 billion from 2025–26 to 2029–30 (over 5 years) $205.0 billion from 2025–26 to 2036–37
Net saving compared to 2025–26 MYEFO (includes both Commonwealth and states savings)	$23.9 billion over five years from 2025–26 (shown in BP2 page 108) $184.9 billion from 2025–26 to 2036–37 (shown in BS3)
Net saving to Commonwealth compared to 2025–26 MYEFO	$21.1 billion over five years from 2025–26 (can be calculated from figures in BP2 on page 108) $152.4 billion over MT (not separately identified in Budget papers)
States saving (reduces non-tax revenue for Cth by this amount)	$2.8 billion over FEs (shown in BP2 page 108) $32.5 billion over MT (shown in BP1)
NDIS spending by end FEs	$54.2 billion in 2029–30 Compared to $66.4 billion at MYEFO, or $70.7 billion after accounting for EVs
Average growth rates (cash)	

2026–27 Budget growth rate	2.2% over FEs 5.1% from 2030–31 to 2036–37
2025–26 MYEFO growth rate	7.9% over FEs. Target at the time 8% from 2026–27 (in accrual) 7.3% from 2030–31 to 2036–37
2025–26 MYEFO growth rate plus estimates variations (i.e. without reforms)	9.2% over FEs 7.3% from 2030–31 to 2036–37
Key policy facts	
4 policy pillars	Deliver quality services and supports, Clarify eligibility requirements, Slow rapid cost increases and Address fraud and rorts.
Access changes impact	Total participants 600,000 by the end of the decade instead of over 900,000
Social and community participation budget impact	Will reset the total cost of social and community participation (SCCP) and maintain 2025–26 expenditure of around $12 billion over the forward estimates. Over the next two years, annual average plan expenditure for SCCP will change from $31,000 to $26,000 (the 2023 level).
Commonwealth contribution to NDIS expenditure	2020–21: 54.9% 2025–26: 76.0% A minimum of 73.4% over the FEs and MT

Key facts and figures

Table 1: NDIS participation supports (UCB)

	2025–26	2026–27	2027–28	2028–29	2029–30	Four-year total
NDIS participant supports						
Total spending ($bn)	-49.8	-52.4	-53.1	-53.7	-54.2	-213.5
Commonwealth spending ($bn)	-37.8	-39.7	-39.0	-39.4	-39.8	-157.9
State spending ($bn)	-12.0	-12.8	-14.2	-14.3	-14.4	-55.6
Commonwealth contribution (%)	76.0	75.7	73.4	73.4	73.4	N/A
States contribution (%)	24.0	24.3	26.6	26.6	26.6	N/A
Change between the 2025–26 MYEFO and the 2026–27 Budget ($bn, net impact of variations and measures)	-0.7	0.2	4.2	7.9	12.2	24.6
Annual growth rate of total NDIS participant supports						
Underlying cash balance (%)	10.6	5.3	1.3	1.1	1.0	N/A
Fiscal balance (accrual) (%)	10.5	4.7	0.2	0.9	0.9	N/A

- At MYEFO, the NDIS was projected to grow from around 1.7% of GDP in 2026–27 to 2.2% of GDP in 2036–37.
  - NDIS costs are now expected to fall from 1.7% of GDP in 2026–27 to 1.6% of GDP in 2036–37 with the reforms.
  - In comparison, the MBS and PBS will grow faster than the NDIS, at 4.9% over the projection period. Together the MBS and PBS will represent 1.9% of GDP in 2025–26 and grow to 2.0% of GDP in 2036–37, which will now be more than the NDIS.
  - The NDIS will grow at a slower rate than aged care, which will grow by 5.3% over the projection period, and be around the same size as aged care as a percentage of GDP by the end of the medium-term (1.6% in 2036—37).

Table 2: Detailed Comparison to 2025–26 MYEFO – Commonwealth NDIS payments – UCB

Underlying Cash Balance	**2026–27 ($m)**	**2027–28 ($m)**	**2028–29 ($m)**	**2029–30 ($m)**	**Total ($m)**
2025–26 MYEFO	-52.7	-57.4	-61.7	-66.4	-238.1
Difference from 2025–26 MYEFO	0.2	4.2	7.9	12.2	24.6
Effect of 2026–27 Budget decisions	2.0	7.4	11.8	16.6	37.8
Effect of parameter and other variations	-1.8	-3.2	-3.9	-4.4	-13.3
2026–27 Budget	**-52.4**	**-53.1**	**-53.7**	**-54.2**	**-213.5**

Table 3: Detailed Comparison to 2025–26 MYEFO – Commonwealth NDIS expenses – Fiscal balance

Fiscal Balance	**2026–27 ($m)**	**2027–28 ($m)**	**2028–29 ($m)**	**2029–30 ($m)**	**Total ($m)**
2025–26 MYEFO	-54.0	-58.1	-62.5	-67.3	-241.8
Difference from 2025–26 MYEFO	0.3	4.3	8.2	12.5	25.3
Effect of 2026–27 Budget decisions	2.0	7.5	11.9	16.7	38.1
Effect of parameter and other variations	-1.8	-3.1	-3.7	-4.2	-12.8
2026–27 Budget	**-53.7**	**-53.8**	**-54.3**	**-54.8**	**-216.5**

Note: Figures are relative to their impact on the budget baseline (an increase in spending is negative). The difference between underlying cash and fiscal balance is due to timing of payments. Total program costs and total saves are on a Scheme basis, rather than as the impact on the Commonwealth contribution.

Table 4: Historical growth in NDIS spending (fiscal balance)

	Actual				**2026–27 Budget projections**					**Average growth**	
	21–22	**22–23**	**23–24**	**24–25**	**25–26**	**26–27**	**27–28**	**28–29**	**29–30**	**FEs**	**MT**
NDIS participant supports ($bn)	-28.6	-35.2	-41.9	-46.4	-51.3	-53.7	-53.8	-54.3	-54.8	N/A	N/A
Growth p.a.	22.3	22.9%	19.0%	10.8%	10.5%	4.7%	0.2%	0.9%	0.9%	1.7%	5.0%