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Why a \$10b autism bill is forcing a rethink of the NDIS

[Michael Smith](#) and [Joshua Peach](#)

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The cost of National Disability Insurance Scheme payments to participants with autism has blown out to more than \$10 billion annually after a record 62,500 children and adults diagnosed with the disorder piled into the scheme last year.

As Treasurer Jim Chalmers called for [fiscal restraint ahead of the May 12 budget](#) [<https://www.afr.com/policy/economy/the-135bn-government-boom-reshaping-the-economy-20260210-p5o0xa>], an analysis of the latest NDIS data suggests a surge in Australians being diagnosed with autism and other neurodivergent disorders, adding to the already overwhelmed system.



The latest data highlights the challenge that Labor faces in reducing the annual growth rate of the NDIS from more than 10 per cent currently to less than 6 per cent. **Bethany Rae**

Prime Minister Anthony Albanese has vowed to wind back the ballooning growth of the NDIS, which is now more expensive than Medicare and is threatening to overtake defence, by moving children with autism off generous funding packages and onto a state-backed Thriving Kids scheme by 2027.

The latest data highlights the challenge that Labor faces in reducing the annual growth rate of the NDIS from more than 10 per cent currently to less than 6 per cent – a target agreed with the states earlier this month as part of a funding deal for Thriving Kids.

As Chalmers prepares to deliver the May 12 budget, he faces criticism that high government spending has contributed to a spike in inflation, prompting the Reserve Bank of Australia to raise interest rates earlier this month.

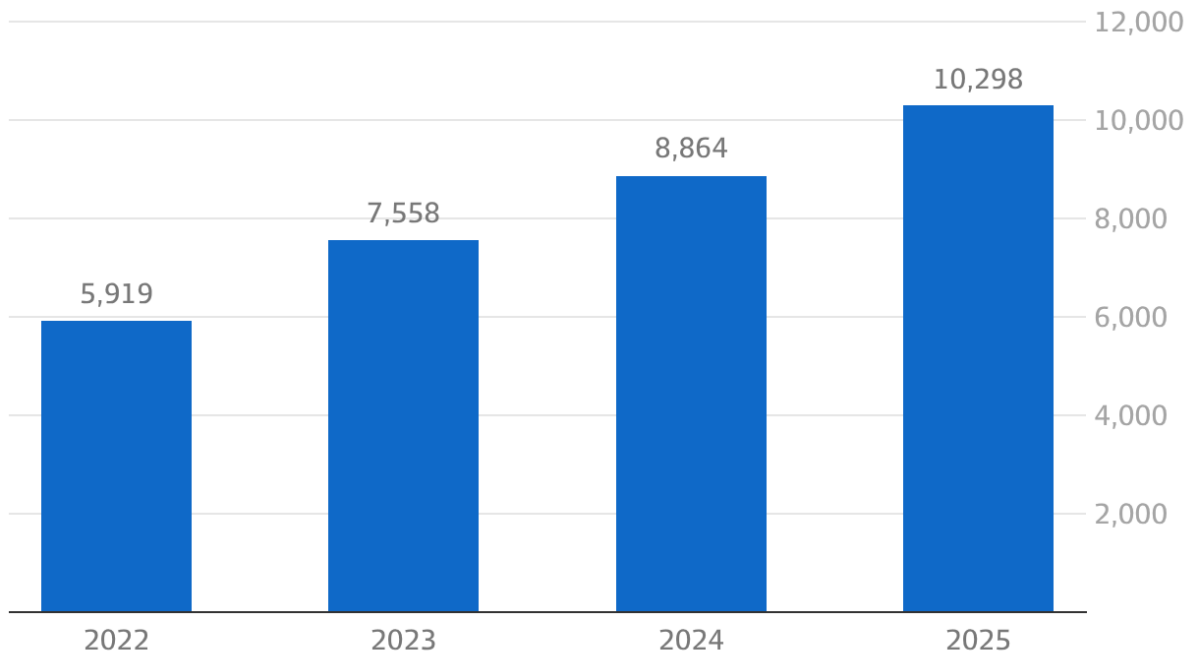
Markets are now pricing in an 82 per cent chance of another rate rise in May after data released on Wednesday showed underlying inflation rose to 3.4 per cent over the year – well above the RBA’s target range of 2 per cent to 3 per cent.

Autism is behind the vast bulk of new people joining the \$50 billion NDIS, putting pressure on Labor to broaden alternative programs like the Thriving Kids scheme to include older children and adults with the condition.

“The bar to get a diagnosis of autism is incredibly low,” said Mike Frelander, a Labor MP and paediatrician who headed a parliamentary committee that

investigated Thriving Kids. “We are diagnosing people who have a bit of anxiety and are maybe a bit quirky with autism. We have made the bar far too low.”

NDIS payments for autism support (\$m)



Source: NDIS

The Grattan Institute on Wednesday said less than 20 per cent of NDIS participants with autism are aged under nine and eligible for the Thriving Kids program, leaving more than 250,000 people with autism, or \$9 billion of spending, still on the scheme, with numbers growing.

Frelander said participants with other neurodivergent and mental health conditions, including anxiety, depression and bipolar disorders – which add billions a year in spending – should be assisted by other programs, so the NDIS could be used by the people it was originally designed to help.

“The NDIS was introduced for people with severe disabilities, and we have reached the point now where we have to return to the origin of the NDIS and the reasons for its introduction,” Frelander said.

“It can’t be cutting back on support for people with severe disabilities for people who really do not have much wrong with them at all. It is distressing to me to think we are putting the whole thing at risk because of this.”

The NDIS added around 68,000 new participants to the scheme in the calendar year 2025, an analysis of the latest government data

[<https://www.ndis.gov.au/publications/quarterly-reports>] by *The Australian Financial Review* shows.

Over that same calendar year, the number of participants categorised with an autism diagnosis rose by 62,500.

During the year, the scheme approved just shy of 40,000 new applicants who listed autism as their primary disability.

Calculations by the *Financial Review* suggest around 20,000 existing NDIS participants who were not previously categorised as autistic were added to the autism category, meaning the true number of people with autism on the scheme may be much larger than previously reported.

The disability agency acknowledged in its latest quarterly report released last week that there had been a surge in the number of adults with autism trying to get on the scheme.

“The primary disability of adults applying for access is changing, with strong growth in the number of people with adult autism applying for access,” said the NDIS quarterly report for the three months to December 31.

NDIS payments for autism cost the taxpayer \$10.3 billion in 2025, which is a fifth of total costs. It has grown from \$8.9 billion a year earlier and is nearly double the \$5.9 billion that autism cost the NDIS in 2022.

There are now 324,206 people with autism on the scheme, making up around 43 per cent of all NDIS participants. That is an increase from 41 per cent in the previous September quarter and 36 per cent two years earlier.

While those aged under eight account for 19 per cent of all autism participants on the scheme, the highest category was children aged nine to 14, who accounted for 38 per cent at December 31.

Grattan Institute disability program director Sam Bennett

[<https://www.afr.com/policy/health-and-education/ndis-failing-thousands-with-psychosocial-disability-grattan-20251207-p5nljj>] [<https://www.afr.com/policy/health-and-education/ndis-failing-thousands-with-psychosocial-disability-grattan-20251207-p5nljj>] said that moving kids with autism under eight off the scheme was just the tip of the iceberg, and foundational supports should replace the NDIS for all children with autism and developmental delays under 18.

“The NDIS has failed to deliver effective early intervention results for this whole age group, and it is hard to envisage any further growth moderation target being met without this more fundamental redesign,” Bennett said.

“The forthcoming budget needs to put more meat on the bones of how and when NDIS growth will be contained to between 5 per cent and 6 per cent – this is a reasonable target, but it won’t materialise without a more ambitious plan.”

A spokesman for NDIS Minister Jenny McAllister said the government was still committed to meeting the new growth target of 5 per cent to 6 per cent, and without Labor’s actions the scheme’s expenses would have increased by \$45 billion. “The government’s policies are moderating the growth of the NDIS,” the spokesman said.

After autism, intellectual disability is the second-highest category of participants on the scheme at 13 per cent, followed by people with developmental delays at 9 per cent and psychosocial disability at 9 per cent, according to data for the December quarter.

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Michael Smith is the health editor for The Australian Financial Review. He is based in Sydney. [Connect with Michael on Twitter](#). Email Michael at michael.smith@afr.com

Joshua Peach is a data journalist at The Australian Financial Review *Email Joshua at joshua.peach@nine.com.au*