

# The Hon Mark Butler: National Press Club Address

Australia

22 April 2026

## The Hon Mark Butler: National Press Club Address

Minister for Health and Ageing, Minister for Disability and the NDIS, the Hon Mark Butler MP today addressed the National Press Club.

The main points were:

- A major overhaul of the NDIS to rein in unsustainable growth and costs.
- A crackdown on fraud, rorting and design flaws within the NDIS.
- Reducing the number of people on the NDIS over time with boosted outside support. In particular, changing the entry gateway from 'diagnosis' to demonstrated need, in line with aged care.
- Significant investment in aged care, with a focus on extending Support at Home to increase access to showering and continence management.
- Reversal of co-payments for basic at-home aged care services.
- Removal of the private health insurance rebate increment for over-65s.
- The summary which follows is taken at 3pm on the day of the address. In its immediacy we will not have captured undocumented responses.



## NDIS

The political framing of the changes was precise. The 'enemy' is not participants or families. The 'enemy' has been laid out as fraud, waste, low-quality providers, and a growth trajectory that, if left unchecked, would see NDIS expenditure exceed Medicare and PBS combined by the end of the decade and reach \$70bn by 2030 against a target of \$55bn.

Participant numbers are to fall from around 760,000 to 600,000 by the end of the decade.

The confidence data is equally sobering for providers: 7 in 10 Australians believe the NDIS struggles with dodgy providers and 6 in 10 think the system is broken. This provided a backdrop for real reform which will look to restore confidence in a system designed to help those most in need.

### Key Takeaways for NDIS

The NDIS reforms are a sustainability reset, shifting the scheme from a diagnosis-based gateway to one based on functional need, with a hard cap on annual growth.

- **Removal of the diagnosis gateway:** Access will now be determined by a standardised assessment of functional capacity, requiring proof of a significant reduction in day-to-day living ability. This about a targeted programme focused on genuine need, comparable to aged care assessments. This shift is projected to reduce the scheme's participant numbers by approximately 100,000, ensuring the NDIS remains reserved for those with the most "permanent and significant" disabilities.
- **Provider Regulation & Market Rationalisation:** Intermediaries such as plan managers and support coordinators face a 30% spending reduction and will soon be selected from a government-curated shortlist of approved quality providers. 90% of all payments from the NDIS will go to registered providers, part of a broader effort to cut down on fraud.
- **Shifting the operating environment for unregistered providers:** Mandatory registration requirements are coming. Differentiated pricing between registered and unregistered providers will also be introduced, creating a financial incentive structure that rewards registration and quality compliance. This is paired with a legislative crackdown on the 600,000 daily claims submitted without evidence.
- **Social Participation & Community Inclusion:** The Government is aggressively curbing spend in the Social and Community Participation category, which has tripled in five years. Budgets will be reset to 2023 levels, with average participant funding in this category expected to drop from \$33,000 to \$26,000 over the next two years.
- **A new \$200 million Inclusive Communities Fund:** The Fund will be launched to support mainstream organisations in creating participation options outside the NDIS framework.
- **A new assessment tool is expected by 2028.**

## NDIS Stakeholder Reactions

The immediate reactions from State and Territory Governments have been mixed. NSW has signalled cautious cooperation, Queensland is more critical, and other States appear to be on the fence – acknowledging the need to curb costs but remaining wary that the reforms could offload responsibility and costs back onto the States.

Mental health organisations have expressed concern about Australians with psychosocial disabilities being in limbo as they no longer fit within the NDIS but do not yet fit in appropriate State-run services.

Academics and clinicians raise questions about equity and access going forward, seeming to have interpreted the Minister's presentation as ring-fencing existing participants while restricting new ones.

And finally, NDIS participants have offered highly variable responses:

- Some are concerned at the language used by the Minister around rorting, fraud and price manipulation.
- Others express alarm that sudden changes in eligibility would destabilise services, workforces and regional providers.
- And a smaller group expressed concern at the cost of transitioning to the new rules.

## Aged Care

The Government had already telegraphed the night before that it would reverse co-contributions for personal care services (showering, dressing and continence management) under the Support at Home program.

By the time the Minister took the podium at the Press Club, the policy ground had already shifted. What the address did was frame that reversal not as a retreat, but as evidence of a government that listens.

Aged care is not framed as a budget line. It is being framed as a national values conversation.

Minister for Aged Care and Seniors, the Hon Sam Rae reinforced this positioning directly: "Showering, dressing, continence care - these aren't optional extras. They're the basics of ageing with dignity."

The political reality, however, is more complicated. The reversal on co-contributions does not take effect until 1 October 2026. At interim, providers are already reporting that clients are receiving fewer hours of at-home care because the cost burden has been causing adverse knock-on effects. The policy fix is real but delayed. For providers on the ground, the next five months remain a live operational and reputational risk.

## Key Takeaways for Aged Care

- **Support at Home & Personal Care Reversal:** The most immediate shift for at-home providers is the reclassification of personal care. Essential services, specifically showering, dressing, and continence management, will move into the Clinical Care category, meaning co-contributions will be fully removed from 1 October 2026. This \$1 billion investment is a direct response to reports that clients were skipping basic hygiene due to cost barriers. Providers must prepare for a sudden demand spike in late 2026 as these services become fully subsidised.
- **Infrastructure & Specialist Care Expansion:** To combat the age 80 demographic surge, the Government is targeting a structural increase of 5,000 additional beds per year. This is supported by an independent accommodation funding review to accelerate construction and a capital assistance program specifically for providers serving residents with limited financial means. There is also a pledge to invest more than \$200 million to deliver 20 additional Specialist Dementia Care Units and expand the Hospital to Aged Care Dementia Support Programme. This signals a clear procurement opportunity for not-for-profits and specialist providers who can facilitate hospital-to-residential care transitions.

## Aged Care Stakeholder Reactions

- A broad welcoming by providers of the additional funding for more beds and praise for the introduction of targeted capital subsidies and higher accommodation supplements.
- Consumer groups are welcoming the decision to scrap the co-payments for showering, dressing and continence care, but say people are scared and anxious about a potential loss of their service.
- Aging Australia welcomed the announcements but warned that future reforms must be carefully monitored to avoid unintended consequences.
- OPAN, the peak consumer group, has welcomed the abolition of the co-contribution but says the address does not go far enough to address the significant issues facing older Australians under Support at Home including the long wait times for assessments.

## Private Health Insurance

The Minister specifically referred to the Howard era decision to increase the private health insurance rebate for older Australians (over 65s), couching the decision to remove age-related increments within the Government's broader narrative of inter-generational equity.

In a move framed as fairness, the health insurance rebate for Australians over 65 will be returned to parity with the general population. This correction of a long-standing equity gap is expected to stabilise the private health mix for older cohorts, potentially impacting the revenue streams of providers who manage a high volume of private-pay residents.

## Analysis and Commentary

The combination of the independent accommodation funding review, capital assistance for supported residents, and the 5,000 additional beds per year target creates a genuine development pipeline.

However, the workforce constraint has not been adequately addressed in this announcement - a critical gap that providers should be raising loudly in any government engagement. Without parallel investment in training and wage sustainability for aged care workers, the bed supply target is structurally unachievable.

Similarly, the current rate of inflation in building costs, particularly across the Australian capitals where the vast majority of older people live, will make new construction challenging. It will be interesting to see how the promised incentives to accommodate poorer residents intersects with the expectation of continuously rising costs.

The \$1 billion personal care investment and the removal of co-contributions from October are positive signals - but they create a capacity crunch. If clients who were receiving fewer hours due to cost barriers return to full entitlements from October, providers will face a sudden demand spike. Workforce planning, scheduling systems and intake capacity need to be stress-tested now. Providers who are not well-positioned in the Support at Home system risk being bypassed as the program becomes the dominant funding vehicle.

The dementia care units (\$200m) and the end-of-life care investment are the most natural opportunities for mission-aligned not-for-profits. These are areas where commercial operators have historically underinvested and where government will prioritise providers with demonstrated specialist capability and community trust. Begin positioning now.

The rebate equity change - returning older Australians' private health insurance rebate to parity with the broader population - is being framed as a fairness measure. Its downstream effect on the mix between public and private aged care funding is worth monitoring closely, particularly for providers with mixed public/private resident bases. Given community rating, and the relatively high value of health insurance for older Australians, we do not expect a significant drop-off, though there may be a marginal tendency to select lower-level packages.

The market is consolidating and this reform package will accelerate that process. The approved provider list model for intermediaries, the registration requirements, and the fraud enforcement regime will squeeze out low-quality and opportunistic operators. Well-governed, high-quality providers should, in principle, emerge with stronger market positions. The immediate priority is ensuring compliance systems, evidence practices and quality frameworks are audit-ready.

The 30% reduction in third-party intermediary spending and the move to an approved provider list represent an existential signal for parts of this market. Providers should begin positioning themselves for inclusion on the quality list immediately - through investment in credentials, quality frameworks, and evidence of participant outcomes. Those who cannot demonstrate genuine value will not survive the rationalisation.

The government's framing - "nothing about us without us" - and the explicit commitment to genuine community engagement creates an important advocacy window for mission-driven not-for-profits. The design of the Inclusive Communities Fund, the commissioning frameworks for supported independent living and plan management, and the eligibility reform process all involve consultation. Not-for-profits with deep community roots and participant trust are better placed than commercial operators to shape these outcomes.

The enforcement trajectory is unambiguous. The NDIS Commission's sanction rate has doubled year-on-year. Legislation targeting payment claims is coming. Providers must treat compliance as a board-level governance issue, not an administrative function. The political and media environment means that association with fraud - even at the margins of a provider's operations - carries existential reputational risk.

However, all this is genuinely about sustainable provision, in an environment where the Treasury is focused on spending reforms, so we do not expect any significant back down from the Government on its health and social care agenda.

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