



Submission to the Senate Community Affairs Legislation Committee

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

Submitted by: Melba Support Services

Melba Support Services (**Melba**) welcomes the opportunity to contribute to the Senate Community Affairs Legislation Committee's inquiry into the *National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026*. We recognise the NDIS must remain sustainable and that public confidence in the Scheme depends on strong safeguards, effective oversight and responsible use of public funds.

Melba is a large, registered NDIS provider delivering, among other services, Supported Independent Living (SIL) and community participation supports to people with complex disabilities across regional and metro communities in Victoria. This includes people with intellectual disability, autism, acquired brain injury, psychosocial disability, complex behavioural support needs, significant physical disability, and complex health needs. Melba also supports people previously residing in Victorian government institutions, who have faced trauma and lifelong challenges from their time in those institutions.

Executive Summary

Melba supports reform that improves participant safety, addresses fraud and exploitation, increases accountability, strengthens quality standards, and ensures funding is directed to effective supports. We urge Government to adopt a risk-based, evidence-informed and individualised approach to reform that protects participant outcomes while ensuring the sustainability of the Scheme. Reforms must be carefully designed to avoid unintended consequences that compromise participant safety, wellbeing and community inclusion.

One area of particular concern is the proposed reduction in funding across 'classes' of supports, including Social, Civic and Community Participation. This appears to rest on an assumption that these supports are discretionary or non-essential. Our experience supporting people with complex disabilities demonstrates the opposite.

For many participants living in Supported Independent Living, community participation funding enables access to community activities, social relationships, life skill development, education, volunteering, employment pathways, community visibility, physical and mental wellbeing, and the development of natural support networks. Many participants require one-to-one support to engage safely and meaningfully in their communities. Without funded support, participation often becomes impossible.

The most significant hidden consequences of broad reductions to community participation funding for SIL participants is the apparent saving in one part of a plan which creates a false economy by shifting the costs of that community participation elsewhere, while at the same time also creating an immediate safety risk for the person. The shifted cost isn't just to the person, it is an overall increased cost to our economy due to a significant deterioration in a person's safety, health and wellbeing. We elaborate on this further below.

Recommendations

Melba recommends that the Committee:

1. retain participant choice and control, and individualised assessment, as central principles of the NDIS
2. ensure any reductions to Social, Civic and Community Participation funding are based on functional need and individual assessment, rather than blunt class-based cuts
3. support functional capacity assessment processes that properly recognise complexity, behavioural risk, health needs and safeguarding requirements
4. exempt participants with demonstrated high and complex support needs from broad funding reductions
5. require genuine co-design and consultation with participants, families, providers and representative organisations before significant policy reforms are implemented
6. strengthen procedural fairness, transparency, clear decision-making criteria and accessible review and appeal rights
7. protect the viability of specialist, and regional SIL providers that support participants with high and complex needs.
8. undertake comprehensive impact assessments before implementation of changes, including impacts on safeguarding, hospital presentations, crisis responses, restrictive practices, provider sustainability and thin markets

What Reductions in Community Participation Funding Looks Like in Practice

Melba's experience as a provider supporting people with complex needs is that participation supports often carry functions that are stabilising, preventative and protective. Policy settings that treat them as discretionary risk misunderstanding how support actually works on the ground.

SIL models often rely on the interaction between in-home funding and community participation supports. These funding streams are not interchangeable, but in practice they work together to create a safe, sustainable support model across the day.

When participation funding is reduced:

- people remain at home for longer periods without the structure, engagement and external safeguards, connection and emotional regulation that community participation provides
- shared staffing models come under pressure and can become unsafe for participants whose needs require individualised supervision, behavioural support or clinical oversight
- providers absorb unfunded hours to prevent immediate harm, despite these costs not being recoverable under current arrangements
- the cost of support is not reduced but displaced into provider losses, crisis management, workforce instability and, ultimately, increased risk of service withdrawal or provider exit.

Safeguarding Risks

Community participation is also a core safeguarding mechanism. When people are known in their communities, seen regularly by others and connected to places beyond paid service environments, there is broader informal oversight around their wellbeing, safety and rights.

When those supports are reduced, people can become less visible, more isolated and more dependent on a smaller circle of paid support. That is not only a participation issue. It is a serious safeguarding issue, because deterioration, neglect, distress and unsafe practice are more likely to go unnoticed or unreported until the consequences are acute.

When supports are reduced, the following risks are more likely:

- reduced community visibility and fewer natural safeguards
- greater dependence on paid support and closed service environments
- fewer opportunities for relationships, belonging and informal oversight

- increased risk that deterioration, distress or poor practice goes unseen until crisis point.

Cost Shifting

For many Supported Independent Living participants, reducing community participation funding does not create a genuine saving. It shifts cost and risk elsewhere: into provider losses, crisis responses, hospital presentations, restrictive practices and service instability. In practice, this is a false economy that can increase both human harm and overall system cost.

Reducing participation supports may produce an immediate reduction in one budget line, but it is highly likely to increase overall cost elsewhere. Community participation is often preventative infrastructure. When it is removed, people are more likely to deteriorate, become distressed, require more intensive staffing, present in crisis or lose placement stability. The cost is then carried by providers, families, emergency departments, hospitals, mental health services and other parts of the service system. Further consequences are:

- higher expenditure on specialist behaviour support, additional staffing and crisis response once distress escalates
- increased use of emergency responders, emergency department presentations and avoidable hospital admissions, which are substantially more expensive than planned community-based support
- greater use of restrictive practices, incident management, investigations and remedial interventions after harm has occurred
- provider-funded gaps, unrecoverable workforce cost and cumulative financial pressure on services already operating at or below sustainability
- loss of experienced providers from the market, resulting in more expensive replacement arrangements, reduced choice and greater instability for participants.

Current sector evidence already shows that providers are carrying significant unfunded support activity and that many cannot sustain services at current prices. National sector reporting indicates that nearly half of providers reported a financial loss in 2024–25 and that most NDIS providers do not believe services are sustainable at current price settings. At the same time, emergency and hospital systems are already under strain, including rising mental health-related emergency presentations. Against that backdrop, reducing preventative community supports for people with complex and lifelong significant disability is not fiscally prudent reform. It is a decision that risks increasing total system cost while exposing people with disability to preventable harm.

Provider Viability and Market Stability

As noted, specialist providers supporting people with the most complex needs are already operating under severe financial pressure. Recent national sector reporting warns that without structural adjustment the NDIS risks losing the very providers it depends on for these services

Broad reductions to participation support risk:

- undermining already fragile service models that support people with high and complex needs
- increasing governance and operating costs as providers fill gaps to prevent immediate harm
- driving experienced registered providers from the market, leaving participants with fewer safe alternatives and governments with fewer capable delivery partners.

When providers exit, participants do not simply switch seamlessly to another service. People with complex needs can lose established relationships, clinical knowledge, behavioural insight and carefully built support arrangements. The result can be immediate destabilisation, prolonged hospital stays, emergency placements, or complete service failure.

Case Studies

The following case studies have been de-identified.

Daniel

About Daniel

Daniel is a person with intellectual disability and high anxiety whose stability depends on routine, familiar support workers and structured weekly access to places where he feels safe and known. His support is not simply about getting out of the house. It includes preparation, reassurance, co-regulation during transitions and skilled responses when he becomes overwhelmed. When this support is in place, Daniel is able to maintain relationships, practise everyday skills and remain connected to life beyond his home.

Impact of Changes

When Daniel's community supports are disrupted, the impact is immediate. He withdraws, becomes more distressed and is less able to attempt future engagement. What may appear in policy terms as a modest reduction in participation funding would, for Daniel, mean the loss of routine, confidence and belonging. Over time, this is likely to increase in-home support demand, heighten family and provider pressure, and create a far greater likelihood of behavioural

escalation and crisis response. The financial effect is not a saving; it is cost transfer from planned, preventative support into more intensive and more expensive intervention once distress has already escalated.

Rina

About Rina

Rina lives in a SIL arrangement where her safety and wellbeing depend on the interaction between in-home supports and funded support to be active in the community during the day. Community access requires active supervision, transition support, personal care, behavioural monitoring and staff who know how to respond to risk in less predictable environments. Her support needs do not disappear when she leaves the house. In many respects, they intensify.

Impact of Changes

If Rina's community participation hours are reduced, the gap does not vanish. It shifts. Either the provider absorbs unfunded hours to maintain safe supervision, and pressure is placed on already stretched shared staffing arrangements in the home, or Rina is left with fewer opportunities to leave the house and participate in ordinary life. Each option carries cost. The provider bears unrecoverable expense, the SIL model becomes less stable, and the risk to Rina increases. In practical terms, broad participation cuts for SIL participants create hidden liabilities that can quickly become unsafe staffing arrangements, service destabilisation or withdrawal of support as the service provider can no longer absorb the additional cost.

Levi

About Levi

Levi is a person with complex behaviours of protest whose structured access to the community forms part of his positive behaviour support approach. Community participation is one of the practical ways distress is prevented, communication is supported and quality of life is maintained. His support requires workers who understand triggers, can respond consistently to escalation risks and can create safe opportunities for engagement in ordinary environments.

Impact of Changes

When those supports are reduced, risk escalates quickly. More time at home, fewer opportunities for regulation and less consistent implementation of support strategies can increase distress, behavioural escalation and the likelihood that restrictive interventions will be considered or used. For participants like Levi, broad reductions to participation funding can amount to a form of social confinement. They heighten the risk of harm to the person and others, undermine contemporary behaviour

support practice and can trigger significantly greater downstream cost through specialist behaviour support, incident response, workforce escalation, property damage, emergency services and service breakdown.

Michael

About Michael

Michael lives with psychosocial disability and has built a carefully supported routine that includes volunteering, regular community participation and connection with places where he is known and welcomed. These activities are central to his stability. They help him maintain confidence, manage anxiety, sustain a sense of purpose and recognise early signs that his mental health may be deteriorating. The support required is skilled and relational. It includes encouragement to attend, practical assistance to navigate public settings and continuity of workers who understand when withdrawal is a warning sign rather than a preference.

Impact of Changes

If these supports are reduced, Michael is at real risk of losing the protective routine that helps prevent relapse. The consequence is not simply about volunteering-less, It is increased withdrawal, declining mental health, greater likelihood of crisis intervention and heavier reliance on acute and informal supports. Once a person's mental health deteriorates to the point of emergency presentation, the cost to the public system is significantly higher than the cost of maintaining preventative support in the community. The human cost is higher too: loss of stability, loss of purpose and avoidable trauma.

Angela

About Angela

Angela lives with significant physical disability and complex health needs. Her supported community access is closely tied to maintaining mobility, confidence, social connection and general health. Participation includes appointments, therapeutic activities, social engagement and everyday tasks that keep her connected to ordinary life. It also provides opportunities for staff to observe subtle changes in functioning and respond early when something is not right.

Impact of Changes

If Angela's participation supports are reduced, the decline may be gradual but serious: reduced movement, reduced confidence, reduced social contact and worsening health over time. These are the kinds of changes that too often present later as avoidable hospital admissions, increased support intensity or accelerated deterioration. In financial terms, that is a false economy. The cost of preserving structured community access is modest compared with the cost of ambulance callouts, emergency presentations, admission, post-acute recovery and increased ongoing support once a person's functioning has declined.

Sofia

About Sofia

Sofia lives with complex health needs and dysphagia, requiring close adherence to mealtime management protocols to eat and drink safely. Her support involves far more than supervision at meals. It includes correct preparation, texture modification, positioning, pacing, monitoring for aspiration risk and workers who can apply these protocols consistently in community settings as well as at home.

Impact of Changes

If participation support is reduced in cases like Sofia's, the result is not merely fewer outings. It can mean exclusion from ordinary social experiences because the clinical support required to participate safely is no longer funded in community settings. That increases isolation and creates serious health risk if mealtime support is rushed, inconsistently applied or provided by workers without the required training and continuity. In the most serious cases, the consequence may be aspiration, emergency medical treatment or hospital admission. For participants with complex health needs, participation funding is often part of what makes safe community life possible.

Conclusion

Melba supports reform that strengthens the integrity, consistency and long-term sustainability of the NDIS, however sustainability cannot be pursued through 'blunt' funding mechanisms that reduce access to the supports that keep people with disability safe, connected and well.

For participants with high and complex support needs, particularly those living in Supported Independent Living, Social, Civic and Community Participation supports are often integral to regulation, safeguarding, health maintenance, community presence and the viability of the overall support model.

A broad reduction in this funding risks increasing isolation, creating unsafe support gaps, shifting cost into crisis and hospital systems, increasing restrictive practice risk and further destabilising quality providers that have continued to support complex cohorts through years of reform and market pressure. The consequences for some participants will not be marginal. They will be serious: rapid deterioration, preventable harm, avoidable admission, service breakdown and the erosion of the natural and formal safeguards that keep people safe.

We urge the Committee to preserve individualised decision-making, strengthen procedural fairness, protect participants with demonstrated high and complex support needs from broad reductions, and ensure that any reform to participation funding is evidence-informed, consultative and grounded in the lived reality of how support works in practice. Anything less risks short-term budget reduction at the expense of safety, human rights, provider sustainability and overall system cost.

Melba would welcome the opportunity to appear before the Committee at a public hearing to elaborate on the issues raised in this submission and the practical consequences for participants with high and complex support needs.

References

Australian Parliament House — Senate Community Affairs Legislation Committee inquiry page for the National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026

Australian Government Department of Health, Disability and Ageing — NDIS Amendment (Securing the NDIS for Future Generations) Bill 2026 materials

Australian Government Budget 2026–27 — Budget Papers

National Disability Insurance Scheme — Securing the NDIS for future generations

NDIS Quality and Safeguards Commission — NDIS Practice Standards

Office of Impact Analysis — National Disability Insurance Scheme Reforms, published impact analysis, 2026

National Disability Services — State of the Disability Sector Report 2025

Australian Institute of Health and Welfare — Mental health-related presentations to public hospital emergency departments, updated 2026