

Integrity Submission



Australian Government

Department of Health, Disability and Ageing



**NDIS Quality
and Safeguards
Commission**

Table of Contents

1. INTRODUCTION.....	3
2. THE NDIS PAYMENT MODEL	6
3. THE NATURE AND EXTENT OF NON-COMPLIANCE AND KNOWN INTEGRITY CHALLENGES	7
4. THE IMPACTS ON NDIS PARTICIPANTS AND THEIR FAMILIES.....	15
5. IMPROVEMENTS TO INTEGRITY IN THE NDIS	17
ATTACHMENT A: TIMELINE OF REFORMS AND POLICIES TO IMPROVE INTEGRITY IN THE NDIS, SAFEGUARD PARTICIPANTS, AND TACKLE NON-COMPLIANCE	28

INTRODUCTION

On 25 March 2026, the Joint Standing Committee on the National Disability Insurance Scheme (the Committee) was referred an inquiry into the integrity of the National Disability Insurance Scheme (NDIS).

The *National Disability Insurance Scheme Act 2013* (NDIS Act), in conjunction with other laws, gives effect to Australia's obligations under the United Nations Convention on the Rights of Persons with Disabilities. Ensuring the integrity of the NDIS is essential to fully realise the objectives of the NDIS Act. It is essential in the safeguarding of Scheme participants and in maintaining public trust in the Scheme.

The fundamental importance of integrity in the NDIS is reflected in the *National Disability Insurance Scheme (of Conduct) Rule 2018*. The NDIS Code of Conduct requires that all code covered persons – including providers, workers and key personnel – act with integrity, honesty, and transparency in providing supports or services to people with disability. The NDIS Code of Conduct places enforceable obligations on code covered persons which create a comprehensive set of positive duties to protect the rights of participants and ensure the highest level of integrity in the NDIS.

When it was established in 2013, the NDIS represented a new and distinctive approach to supporting people with disability to live their lives fully. The NDIS enshrined individualised funding instead of block funding. It established a model wherein people with disability would directly purchase their supports from a market. These very profound shifts were not accompanied by detailed market design and a clear approach to developing the market according to any such design.

National regulation for quality and safeguarding in the NDIS was not simultaneous with the commencement of the Scheme. Work undertaken under the auspices of the former Council of Australian Governments resulted in the then Disability Reform Council (Disability Ministers of the Commonwealth, States and Territories) releasing the first NDIS Quality and Safeguarding Framework in late 2016. The framework underpinned changes to the NDIS Act that were introduced in 2017, resulting in the establishment of the NDIS Quality and Safeguards Commission (NDIS Commission) on 1 July 2018 and the staged rollout of national regulatory arrangements between that date and 1 December 2020.

As the NDIS has grown in scale and complexity, noting the above features of its early design and implementation, maintaining its integrity has become increasingly complex. This context gives rise to several interrelated integrity challenges that affect participant outcomes, experience and financial integrity of the NDIS. Evidence from government reviews and inquiries demonstrates the positive impact of the NDIS for those that need it, as well as the generally strong commitment most providers have to delivering high-quality, safe supports that uphold participant rights and contribute to positive outcomes. At the same time, these reviews have identified significant instances of provider non-compliance that undermine the quality and safety of supports, infringe a person's rights, diminish public confidence in the NDIS, and, in the most serious cases can result in violence, abuse, and neglect.

This submission is provided jointly by the Department of Health, Disability and Ageing (the Department), the National Disability Insurance Agency ('NDIA' or 'Agency'), and the NDIS Quality and Safeguards Commission (the NDIS Commission), each having a critical and complementary role in promoting, assuring, and enforcing integrity within the NDIS.

The portfolio acknowledges and respects the lived and living experiences of people with disability, which have directly informed the content of this submission. While the submission focuses on government actions, work underway and future opportunities, it is important to recognise that incidents of abuse, harm and neglect represent real experiences of individuals. The data referenced throughout this submission reflects not only administrative or reporting information, but the experiences and impacts felt by people with disability.

2. ROLES AND RESPONSIBILITIES RELATING TO INTEGRITY AND FRAUD IN THE NDIS

Responsibility for stewardship, including integrity of the NDIS is shared across the Department, the NDIA, and the NDIS Commission (the portfolio). Together the portfolio works collaboratively to address fraud and misconduct across the full extent of the NDIS, including through policy and legislation, participant access and payments, provider regulation, compliance, and enforcement.

Broadly, the Department administers the legislative and policy framework underpinning integrity and quality. The NDIA protects the NDIS' financial integrity and detects fraud through participant and payment systems. The NDIS Commission enforces quality standards and the Code of Conduct, and removes unsafe or non-compliant providers and workers from the NDIS.

Department of Health, Disability and Ageing

The Department has overarching responsibility for NDIS policy, legislation and system stewardship as they relate to integrity, quality and safeguarding within the disability system. Additionally, the Department has responsibility for disability policy more broadly, including Australia's Disability Strategy.

In relation to integrity and quality in the NDIS, the Department:

- › Provides policy leadership and advice to Government on NDIS integrity risks, emerging fraud trends, and quality and safeguarding reforms.
- › Develops and administers NDIS legislation that establishes the integrity and safeguarding framework, including amendments to strengthen regulatory powers, enforcement mechanisms, and penalties for serious non-compliance and fraud.
- › Oversees Commonwealth funding and integrity investments, including funding measures to strengthen fraud detection, payment integrity, compliance and enforcement capability across agencies in relation to the NDIS.
- › Supports and coordinates whole-of-government responses to integrity challenges through governance arrangements, inter-agency coordination, and engagement with states and territories.
- › Maintains stewardship oversight of statutory bodies administering and regulating the NDIS, ensuring alignment between policy intent and operational outcomes.

Through these functions, the Department is responsible for the overall legislative and policy architecture of the NDIS.

National Disability Insurance Agency

The NDIA is responsible for administering the NDIS and plays a central role in maintaining the financial and operational integrity of the NDIS at the participant and payment level, while supporting participants to access appropriate supports.

In relation to fraud and integrity, the NDIA:

- › Manages access to the NDIS through eligibility determinations and manages the determination of reasonable and necessary supports to participants through the provision of the NDIS Act that relate to the development of plans

- › Administers NDIS payments and financial systems, including pre and post payment controls to identify incorrect, noncompliant or potentially fraudulent claims.
- › Detects, prevents and responds to non-compliance and fraud through activities including:
 - o Intelligence led risk profiling,
 - o targeted payment integrity reviews,
 - o debt management and corrective actions,
- › Refers matters to the NDIS Quality and Safeguards Commission and law enforcement agencies where appropriate.
- › Co-leads, with Services Australia, the Fraud Fusion Taskforce (FFT), contributing to cross-agency intelligence sharing and coordination responses to serious and organised fraud.
- › Implements integrity initiatives and system wide improvements designed to support participants and providers to correctly claim supports and reduce the risk of non-compliance across the NDIS.
- › Takes action to safeguard participants where integrity risks are identified, including ensuring continuity of supports and making changes to plans or payment arrangement, such as suspending payments where required.

Through these functions, the NDIA plays a central role in protecting NDIS funds, improving visibility of integrity risks and supporting appropriate and timely responses where participant outcomes may be affected.

NDIS Quality and Safeguards Commission

The NDIS Commission's responsibilities and core functions are set out in *the National Disability Insurance Scheme Act 2013* (NDIS Act). The key regulatory functions of the NDIS Commissioner are monitoring the NDIS market, registration and reportable incidents; complaints; compliance and enforcement powers, worker screening and the promotion of positive approaches to behaviour support where regulated restrictive practices are required.

In relation to integrity and quality, the NDIS Commission:

- › Regulates all providers, registered or unregistered, against the NDIS Code of Conduct
- › Registers and regulates registered NDIS providers, ensuring compliance with registration obligations, NDIS Practice Standards, the NDIS Code of Conduct, and worker screening requirements.
- › Investigates complaints, reportable incidents, abuse, neglect, exploitation, and serious provider misconduct.
- › Monitors and regulates restrictive practices and behaviour support plans, ensuring regulatory oversight of high-risk supports.
- › Takes enforcement action, including deregistration, issuing banning orders, compliance notices, civil penalties, and referrals for criminal prosecution where warranted.

- › Works closely with the NDIA and law enforcement agencies to support joint investigations, respond to intelligence from FFT activities, and remove noncompliant providers and workers from the NDIS.

The NDIS Commission's regulatory role is critical to promoting quality and safety within the NDIS. It supports regulatory action that can prevent and respond to NDIS integrity issues, misconduct and exploitation to uphold participant safety and rights.

3. THE NDIS PAYMENT MODEL

The NDIS provides funding to individuals with a permanent and significant disability to engage reasonable and necessary supports.

For all participants, the NDIS gives people with disability an individual plan and a budget. Instead of services being chosen for someone, they have choice and control over how their supports are arranged and delivered. Each NDIS plan explains what supports are funded and how the money in the plan can be managed.

There are three ways a NDIS plan can be managed: NDIA managed, plan managed and self-managed, and some people use a mix of these.

If a plan is NDIA managed, the NDIA pays providers directly on the participant's behalf. The participant must use registered NDIS providers, and the provider sends their claim straight to the NDIA. The NDIA checks it and pays the provider from the participant's plan. The participant does not handle payments themselves and does not receive the money directly. Approximately 29% of total NDIS plan expenditure is managed through this channel.

If a plan is plan managed, the participant chooses an intermediary called a 'plan manager' to look after the financial side of their plan and may be in place indefinitely. All plan managers must be registered NDIS providers and must be specifically registered to provide plan management services. The plan manager pays providers, keeps track of the budget, and gives the participant regular statements showing what has been spent and what is left. In this arrangement, the NDIA provides the funds to the plan manager, and the plan manager then pays the providers. Plan managed participants can usually use both registered and unregistered providers, because the plan manager acts as the financial intermediary. The cost of plan management is built into the participant's plan. Approximately 61% of total NDIS plan expenditure is managed through this channel.

This is different to support coordination which is a time-limited capacity building support and is generally funded where a participant faces barriers to navigating the service system, has complex needs, or is at risk of poor outcomes without additional coordination support. Support coordination is essentially about helping participants match to the right supports

If a plan is self-managed, the participant (or their nominee, such as a parent or guardian) is responsible for paying providers. The participant pays invoices directly, then claims the cost back from the NDIA through the NDIA payment system. This option offers the most flexibility, as participants can choose almost any provider, registered or not to deliver NDIS supports in line with their plan. The participant must keep records, make sure claims are correct, and manage their budget. Approximately 9% of total NDIS plan expenditure goes through this channel.

Under all three options NDIS funds can only be used for supports that are included in the plan and meet NDIS rules. What changes is who is making the payment, the level of detail required to support the payment and who checks the claims. In a NDIA managed plan, the NDIA checks and pays providers. In

a plan managed plan, the plan manager checks and pays providers using funds from the plan. In a self-managed plan, the participant submits invoices, pays providers, and then claims the money back from the NDIA.

These different options were designed so people can choose the level of control and responsibility that suits them best, whether they want the system to handle payments for them, some help through a plan manager, or full control of their own plan finances.

NDIS plans are generally reviewed annually, but in some cases the NDIA may approve a plan for up to three years. Regardless of the plan length, if a person's circumstances change significantly, such as a change in health, living arrangements, or support needs, a plan reassessment can be requested at any time. If no reassessment occurs and a plan reaches its end date, the NDIA can extend the plan, so the participant continues to receive supports while the next plan is being developed.

The scale of the NDIS, combined with its individualised funding model, and emphasis on participant choice and control, requires a balance between flexibility and appropriate safeguards. Payments are made at high volume and, in some cases, with limited pre-payment verification, which places reliance on a combination of system controls, data analytics, and post-payment assurance activities.

These features are an expression of the NDIS' objectives but also shape the integrity environment. As a result, integrity settings are designed to support appropriate use of funds, enable early identification of risk, and ensure participants continue to receive supports aligned with their plans.

4. THE NATURE AND EXTENT OF NON-COMPLIANCE AND KNOWN INTEGRITY CHALLENGES

The rapid expansion of the NDIS in scale and complexity has increased exposure to integrity risks commonly associated with large, demand driven government programs. These risks have been further compounded by aspects of early scheme design and the absence of foundational controls typically embedded in programs of comparable size and complexity.

Systemic integrity weaknesses have created conditions in which fraud and non-compliance occur. These weaknesses have been exploited by a range of actors, with instances ranging from opportunistic and isolated activity to more organised, systematised exploitation conducted at scale.

Except for deliberate misconduct by bad actors and unscrupulous providers, integrity issues in the NDIS cannot always be attributed to a single risk or cause.



Case Study: FFT investigation

In a recent investigation, the FFT uncovered deliberate and coordinated actions facilitated by an organised fraud syndicate. This intentional exploitation of the NDIS, childcare and welfare systems for personal gain was not a single system failure, but a failure across multiple systems and multiple domains.

The principal offender deliberately misused NDIS funding, established provider businesses to facilitate fraud, recruited others, and diverted funds from vulnerable people. The principal offender also facilitated other offending by teaching the fraud methodology to other members in the syndicate.

This resulted in prison sentences for the main offenders after they defrauded the Commonwealth of \$800,000. The case highlights how integrity risks in the NDIS can arise from unscrupulous providers acting deliberately and collaboratively, underscoring the importance of multi-agency enforcement to protect participants and public funds.

Regulatory intelligence and successive government reviews have indicated that NDIS settings in place at the time of those reviews could result in inconsistent and at times ineffective safeguards to prevent non-compliance.

Aspects of registration, market oversight and early scheme design, set out in the NDIS Quality and Safeguarding Framework, have not sufficiently supported high-quality providers to thrive nor discouraged poor practice from occurring. These limitations have contributed to an operating environment in which non-compliance can persist, indicating a need to refine regulatory and integrity settings to better support quality, safety and the appropriate use of NDIS funding.

The distinction between registered and unregistered providers has been a longstanding feature of the Scheme, reflecting the original market design and regulatory framework established alongside the NDIS Commission. These arrangements have remained largely unchanged since their introduction, with recent legislative reforms representing an initial step in strengthening safeguarding and integrity across both segments of the provider market.

The following sections examine key areas where these design weaknesses that impact integrity are apparent. A large range of work is underway across the portfolio to address these weaknesses; these are outlined in the section 'Improvements to integrity in the NDIS'.

Fraud and misuse of funds

Complaints and intelligence data have identified issues with fraudulent behaviour, including claiming for services that were not delivered or only partially delivered, and overclaiming hours or supports beyond what was provided. Fraudulent activity often coincides with poor quality or unsafe supports and directly reduces participants' access to critical supports and services.

A review into pricing complaints¹ has found that participants were not always aware of how their supports were being priced and were often more susceptible to price changes once they were engaged in a service. While the NDIS operates as a market, participants often require supports and services for daily activities resulting in greater vulnerability to price differentiation practices and fund misuse because negotiation might place their support at risk of ceasing.

At a systemic level, the FFT has identified eight patterns of recurring deficiencies that have enabled high levels of fraud and abuse within Government Payment Programs (GPP), all of which were relevant to the NDIS:

1. Rushed deployment
2. Lax entry standards
3. Misaligned incentives and market design failures
4. Complex design
5. Unverified trust-based claims and approvals

¹ <https://www.ndiscommission.gov.au/sites/default/files/2025-05/Price-Differentiation-market-spotlight-PDF.pdf>

6. Under-resourced and reactive oversight
7. Weak enforcement
8. Poor Australian Public Service institutional memory and agility.

The FFT identified seven building blocks that should be embedded in every GPP to improve integrity:

1. **Identity is not optional:** Embed verified identity, authentication, and authorisation into transactions, registrations, and payments to ensure individuals and entities can be consistently recognised and trusted across systems.
2. **Real-time suitability is needed:** Suitability to provide supports should be continuously monitored by real-time information systems and coded to criteria consistently applied across government.
3. **Verify by default; trust by exception:** Systems should verify claims made by providers and Agencies should make data available to support each other in developing these verification systems.
4. **Share data to close the loops:** Government systems should talk to each other and aim to hardwire compliance with other Commonwealth and State/Territory obligations.
5. **Make supply chains transparent:** Inputs for a supply should be visible to make it as difficult as possible to fabricate a claim.
6. **Deploy multiple layers of defence:** The ability to detect and prevent must go hand-in-hand with the capability to investigate and respond.
7. **Vigilance is necessary to contain exposure:** Fraud and error are inevitable. However, proactively identifying threats, their causes, and vulnerabilities in controls can help to contain the spread and reduce the potential for further harm.

The pace, scale and complexity of the NDIS have meant that system delivery and legislative settings have evolved over time, and in some areas have not kept pace with the growth and maturity of the Scheme.

Fraud against the NDIS

Fraud in the NDIS is being committed by a wide range of actors across the NDIS. It is not limited to one group and can involve providers, professionals, nominees, participants, and insiders such as staff or partners. The NDIA designs integrity systems that focus on prevention, detection and treatment of risks.

The following sections outline the key cohorts involved in NDIS fraud and the nature of the behaviours observed across the NDIS:

Providers and professionals

Providers can represent a significant fraud risk within the NDIS. Problematic behaviours that contravene the NDIS Act and/or NDIS Code of Conduct include:

- › Overcharging or claiming for services not provided.
- › Claiming for services that are not genuine NDIS supports.
- › Facilitation of falsified access to people not genuinely requiring access to the NDIS.

- › Incentives or kickbacks, also referred to as ‘cash outs’. These range from daily living items such as cigarettes or alcohol to gift cards. In more extreme cases, it can include significant ongoing cash payments to nominees or participants valued at hundreds of thousands of dollars. Kickbacks are generally paid where services/supports are claimed by the provider but not provided.
- › Conflicts of interest, where entities have been established to facilitate and obfuscate inappropriate related party claiming by nominees or participants. These can also include cases where providers are attempting to obfuscate fraudulent downstream payments to related entities.

Professionals, including allied health professionals, can also compromise NDIS integrity. This includes supplying false or inflated information to support access or higher funding. Some professionals overcharge or claim for services participants are not entitled to receive. Others engage in double billing across systems such as Medicare and the NDIS. Fraud can also involve providing services without appropriate qualifications, registration, or compliance with professional codes.

Intermediaries

Due to the nature of their roles, intermediaries - such as plan managers and support coordinators are uniquely positioned to identify and report potential fraud. Many of the larger plan managers have highly sophisticated fraud detection capabilities at their disposal. However, these same elements of the intermediary’s role also present a heightened risk for involvement in, or facilitation of, fraudulent activity. This risk is further compounded where intermediaries collude with one another or with other providers, enabling fraud to occur at a larger scale.

Some plan managers are engaging in or facilitating fraud, including working in collusion with support coordinators and other intermediaries. This can include:

- › Facilitating inappropriate overspending of NDIS plans, particularly by encouraging or enabling participants to exhaust their funding prematurely to trigger plan reassessments and seek additional funding. This includes instances where intermediaries support or promote rapid expenditure and then support a request from the NDIA for reviews or increases in funding without a change in circumstances.
- › Engagement in serious misconduct, including theft, coercion, intimidation, and identity theft, where intermediaries misuse their position of trust to obtain financial or other benefits.
- › Conflicts of interest, where intermediaries steer participants toward certain providers, services, or spending decisions that benefit the intermediary or their associates rather than the participant
- › Unethical or sharp practices, such as colluding with other providers, giving misleading advice, or normalising practices that misuse NDIS funds.
- › Poor verification and record keeping where some plan managers have not adequately verified invoices, service dates, hours, or evidence that supports were delivered before payment is made to the provider

Insiders

Insiders, including NDIA staff and partners, have also been involved in fraud. Identified behaviours include undisclosed serious conflicts of interest and unlawful disclosure of protected information.

Participants and nominees

Participants and nominees can be subject to and involved with fraudulent behaviour and non-compliance. The NDIA takes a proportionate approach to responding to the full range of behaviours involving nominees and participants. This approach recognises the right of people with disability to safety, autonomy, and support, while clearly improving the integrity of the Scheme. Some of the practices seen by the Agency include:

- › Some participants or nominees make genuine errors when navigating complex claiming and plan management processes. These situations are addressed through education, support, and correction rather than compliance or enforcement action.
- › Some participants are offered, and accept, inducements such as food, rent payments, or goods to enable others to misuse NDIS funds. This conduct is illegal and exploits the person's circumstances while depriving them of genuine supports.
- › In some cases, individuals may use Scheme funding in ways that are not consistent with requirements, including where controls are not well understood or applied. While intent may vary, these matters are addressed through appropriate compliance and corrective processes.
- › In more serious cases, participants are coerced or controlled by nominees. This includes being removed from safe environments to gain access to their NDIS funding and constitutes serious criminal behaviour.
- › Some nominees or participants knowingly engage in illegal activity by claiming the same service multiple times or across different government systems.
- › At the most serious end, some nominees or participants deliberately facilitate or lead fraud. This includes falsifying access evidence, creating sham provider arrangements, or colluding for ongoing financial gain. This is – and is treated as – serious criminal conduct.

This diversity of practices highlight the complexity of integrity risks across the NDIS.

Quantifying financial integrity leakage in the NDIS

Weaknesses in NDIA integrity systems have meant the NDIA has had limited visibility over the true level of fraud in the NDIS. In 2022–23, random payment sampling found a payment assurance error rate of 4.2%, equal to around \$1.5 billion per annum and linked to several types of non-compliance.

Substantial investment through the FFT and the Crack Down on Fraud (CDoF) Program, and accompanying legislative change, has allowed significant advancements to be made in fraud detection and prevention. However, as the system has improved, it has exposed additional integrity issues that were not previously visible.

In early 2025, the NDIA's method for measuring fraud losses evolved to consider a targeted set of sources of integrity loss and the NDIA now have primarily transaction-based risk indicators.

Current issues captured in assessing integrity losses include:

- › simple “claims errors” such as inappropriate claims

- › claiming practices to circumvent benchmark prices
- › rates misaligned to the time period claimed, for example, weekend rates for weekday support
- › non-compliant claims associated with problematic providers, for example, providers likely to be banned
- › non-compliance attached to high drawdowns for self-managed participants.

There remain sources of financial integrity loss that are currently not able to be statistically tested or measured. Hence, the complete estimate of financial integrity losses remains unknown. For example, the following are some examples of risks not included in current loss estimates:

- › losses associated with falsified identity to gain NDIS access
- › losses associated with falsified or exaggerated evidence for access to the NDIS
- › losses associated with complex collusion (e.g. collusion to claim and confirm services that were never genuinely delivered)

Our current estimate of financial integrity loss in the NDIS shows that (as a percentage of NDIS payments):

- › 7.7% comes from issues we can identify and measure using data analysis.
- › a further 0.6% of estimated loss is derived from a combination of data points and operational insights.

These funds primarily represent a diversion of funding from participant plans, that should have been used to fund reasonable and necessary supports.

Estimates of financial integrity loss are typically higher than detected fraud losses reported for mature programs such as Medicare, reflecting broader integrity risks beyond substantiated fraud. Whole of government fraud reporting for 2022–23 shows that detected and substantiated fraud against the Commonwealth remains well under one per cent of total expenditure.

The NDIA continues to improve detection and financial integrity measurement methodologies. These methodologies are leveraging enhanced analytics and capabilities already delivered by recent system uplifts. The NDIA continue to explore opportunities for further enhancement to detect and measure financial integrity loss.

Market visibility

The NDIS operates in a large and complex market comprising more than 275,000 providers, with the majority of supports able to be delivered by unregistered providers.

Currently, only 1 in 16 NDIS providers are registered. While all providers are bound by the NDIS Code of Conduct, unregistered providers are subject to reduced regulatory oversight and fewer provider obligations.

Registered NDIS providers need to demonstrate ongoing compliance with the NDIS Practice Standards through regular independent auditing to support continuous improvement and deliver high-quality and safe supports.

Registered NDIS providers are also required to report specific types of serious incidents to the NDIS Commission. This includes the death or serious injury of a person with disability, abuse or neglect,

unlawful sexual or physical contact or assault, sexual misconduct (including grooming), and the unauthorised use of restrictive practices. These reporting obligations give the NDIS Commission critical visibility of risks and harms in the registered provider market, enabling it to monitor trends, intervene early, and take proportionate regulatory action to safeguard people with disability. Unregistered providers are not subject to the same reportable incident requirements, which significantly limits market-wide visibility. As a result, the NDIS Commission is often only aware of serious incidents involving unregistered providers when they are reported through other channels, including complaints, limiting its ability to identify systemic issues, respond consistently, and provide comprehensive oversight of participant safety across the full NDIS market.

A large unregistered market limits the visibility of risks and makes it more difficult to identify and address poor quality or unsafe supports that undermine integrity in the NDIS. A large proportion of the unregistered market operate as sole traders. Specifically, sole traders are disproportionately represented in both the unregistered Personal Activities and Community Participation markets where they have limited supervision or accountability.

Having a differential operating environment for registered and unregistered providers can distort market incentives and reduce consistency in quality and safeguarding expectations across the NDIS. Registered NDIS providers are subject to regular audits other obligations including reportable incident and worker screening checks to ensure the quality and safety of supports that can add significant operational costs. Over time, it can also create pressures that drive providers to lower costs that reduce the quality and standard of supports delivered. It can make it difficult for providers who invest in quality, practice leadership, workforce capability and safeguards to compete sustainably

Additionally, instances of providers operating through complex networks of associated individuals and entities, including phoenix entities have been identified which further obscure the visibility of the market.

Market composition and Intermediaries

Plan management and support coordination play a role in assisting participants to manage the administration of their plans and navigation of NDIS providers. The scale and function of intermediary supports (plan managers and support coordinators) has grown beyond initial expectations, with approximately 68% of participants engaging a plan manager for some or all their funding and 46% of participants receiving support coordination.

Over the past two years, the number of participants using plan managers has grown by around 29%, while the number of plan managers in the market has remained largely unchanged.

The plan management market is characterised by a small number of large plan managers, and a long tail of many plan managers supporting very few participants. Around 20 plan managers provide 50% of total plan management. This means that if integrity failures, weak controls, or conflicts of interest in even a small number of plan managers it can significantly impact NDIS participants plans, creating a concentrated, system wide risk. Payments to plan managers totalled \$8.0 billion in the December 2025 quarter. Of the \$8.0 billion, \$163 million was for plan management services. The remaining \$7.9 billion was claimed by plan managers to pay service providers on behalf of participants

Plan Managers are generally not required to upload evidence with every claim they submit, but the core principle is that all claims must be able to be substantiated if requested by the NDIA. Known integrity issues arise because problems are often only identified after payment has been made. Audits and enforcement action show that missing, poor quality, or poorly linked records are a common cause of non-compliance, and that evidence is not always consistently collected or retained by plan managers.

An assessment of fraud risk showed that over 90% of the smallest 1000 plan managers has fraud risk indicator flags. This approach limits the NDIA's ability to detect errors or misuse before funds are paid and places heavy reliance on post payment audits and investigations, where recovery of funds can be difficult once money has already been spent.

Unlike plan management, which is an ongoing administrative function, support coordination is a capacity building support and is generally funded where a participant faces barriers to navigating the service system, has complex needs, or is at risk of poor outcomes without additional coordination support. Activities undertaken by support coordinators often include helping participants understand their plan and budget; sourcing and negotiating with providers; establishing service agreements; monitoring service delivery; managing changes or crises; and preparing participants for plan reviews. A core expectation of this support is that it is time limited and capacity building, with intensity reducing as participants become more able to coordinate their own supports.

Another integrity issue arises from the fact that support coordinators and plan managers are not prohibited from delivering other funded supports to the same participants they provide support coordination or plan management to, provided conflicts of interest are identified, managed, and disclosed.

Plan managers require approximately 100 participants to generate \$120,000 revenue annually. Two thirds of plan managers provide services for 100 or less participants, which suggest that income is being generated through other service provision. In practice, this creates a risk that participants may be steered toward services delivered by the same organisation or its associates, undermining genuine choice and control.

This can undermine participant choice, increase overservicing and exacerbate integrity risks if not appropriately managed. These risks are compounded in situations where a single provider accesses multiple components of a participant's plan, such as support coordination, service delivery and plan management, reducing oversight, weakening safeguards and making it harder for participants to raise concerns or exit service.



Case Study: Intermediary delivering supports

In one complaint, the support coordinator also started working as the participant's disability support worker. It was alleged that the support coordinator encouraged the participant to move into the support coordinator's home, saying this would make it easier to provide the participant's supports. After a disagreement, the support coordinator evicted the participant, leaving the participant homeless and without supports. When the participant sought assistance, it became clear that all of their support coordination funding and almost all of their funding for other supports had been used.

Workforce capability and conduct risks

Workforce related issues are also a significant integrity concern. Rapid market growth, combined with low barriers to entry has placed pressure on workforce supply, contributing to variability in worker capability, limited investment in training, and instances of misconduct. Gaps in skills, supervision and professional standards can result in lower quality supports and increase the risk of neglect, exploitation or harm to participants.

The growing prevalence of casual employment arrangements, cross sector employment and sole trader models, rather than permanent fulltime roles, adds further complexity to building and sustaining a skilled workforce.

Through consultation with people with a disability, the NDIS Commission has heard that a quality workforce is when workers have the right attitudes, training and engage in reflective practice. Measures need to be in place that can enable the delivery of supports by a skilled and quality workforce. In response, the portfolio has taken a system wide approach to strengthening workforce capability, recognising that quality outcomes rely not only on individual workers but on the regulatory and practice environment in which they operate

Limited focus on measuring what matters

Currently there is limited public information about provider quality that can support participants in choosing quality supports. The existing regulatory framework and settings do not adequately enable the routine collection, analysis, or sharing of information on the quality of supports or participant outcomes, in contrast to the Star Ratings for residential aged care process. This constrains the capacity to ensure accountability and to drive focus on the delivery of high-quality, safe, and outcomes focused supports. Consequently, NDIS participants are commonly not sufficiently informed to make effective determinations about which services are of higher quality than others, which means that demand for high-quality supports is not driving the supply of higher quality services.

Data sharing and information availability

Integrity in the NDIS is fundamentally dependent on effective data and information sharing across agencies. Weak data and information-sharing arrangements is a significant vulnerability in the NDIS, enabling fraud, non-compliance, and serious organised crime.

The Australian Criminal Intelligence Commission has identified that criminals have deliberately taken advantage of fragmented systems, isolated datasets, and limited visibility across agencies, allowing suspicious behaviour to go undetected for long periods or to be repeated across different government programs.

Poor data information sharing, impacted by legislative barriers, has historically meant that no single agency held a complete view of participant plans, provider behaviour, payment patterns, and linked entities, making it difficult to identify hidden relationships, coordinated fraud, or criminal facilitation networks. This has allowed offenders to evade detection by exploiting gaps between the NDIA, the NDIS Quality and Safeguards Commission, Services Australia, the Australian Taxation Office, and law enforcement agencies.

Limited access to real-time and cross program data has also reduced agencies' ability to proactively detect anomalous claiming patterns, identity misuse, invoice manipulation, and provider syndication. In the absence of strong data matching and intelligence sharing arrangements, enforcement action has often been reactive, occurring only after significant financial loss or participant harm has already occurred.

5.THE IMPACTS ON NDIS PARTICIPANTS AND THEIR FAMILIES

Analysis of NDIS Commission intelligence indicates patterns of non-compliance rather than discrete or isolated incidents. In the 2024/25 financial year, the NDIS Commission received an average of 8,718 complaints per quarter. Across all quarters the majority of those complaints are from a person with disability or their support person. To understand systemic and emerging risks the NDIS Commission

developed Market Spotlight reports on Price Differentiation, Complaints which details the impact to participants when providers are non-compliant with their responsibilities to provide quality and safe supports. In practice the reports identified non-compliance can present as substandard supports, poorly trained, unskilled or inadequately supervised workforces, financial exploitation and overservicing, as well as increased exposure to abuse, neglect and exploitation. In the most serious cases, non-compliance can contribute to a participant's death as seen in Federal Court Case of the Commissioner of the NDIS Quality and Safeguards Commission v Valmar Support Services Ltd where a participant died as a direct result of the non-compliance of the NDIS provider.

The NDIS Commission Own Motion Inquiries into supported accommodation, platform providers and intermediaries highlighted that non-compliance impacts participants and can undermine integrity in the NDIS. Across these inquiries, workforce capability, organisational culture, poor quality supports, integrity issues and exposure to abuse, neglect and exploitation are identified as key drivers of poor participant outcomes. In response to these issues the NDIS Commission is introducing mandatory registration for platform and Supported Independent Living (SIL) providers as well as SIL specific practice standards. The NDIS Commission and NDIA are collaborating to make improvements to uplift the quality of plan management providers.

The NDIS Commission Strategic Roadmap 2025–27 outlines key NDIS integrity challenges which are associated a range of risks for participants and include:

- › Lack of compliance with the NDIS Code of Conduct
- › Limited oversight of NDIS providers with only 8% of providers operating in the market registered with the NDIS Commission
- › Unfair pricing practices that disrupt the market and impact service delivery
- › Supports and services that don't meet the needs of people with complex disabilities
- › Regulatory standards and powers that need to be enhanced to support safety, quality and innovation
- › Limited collaboration between regulators in the care sector
- › The need for sustainable resourcing to fulfil its remit as regulator of the NDIS market.

These themes reflect systemic issues identified across the NDIS, with matters relating to provider practice, worker conduct and capability, and allegations of abuse and neglect remaining among the most prevalent.

Regulatory intelligence indicates that the NDIS does not consistently have sufficient controls in place to support people with disability to make informed decisions about their supports. In the absence of more coordinated and integrated approaches to addressing drivers of non-compliance, there remains a risk that participants may experience harm, variable support quality and reduced outcomes.

Fraud, which may result from a misunderstanding, poor administrative practice, or more deliberate actions within the NDIS has direct and profound consequences for people with disability and their families.

6. IMPROVEMENTS TO INTEGRITY IN THE NDIS

The Independent Review into the NDIS (NDIS Review) and the Royal Commission into Violence, Abuse, Neglect and Exploitation of people with Disability (Disability Royal Commission) called for strengthened safeguards to protect participants, and improved processes to protect the NDIS from fraud and non-compliance.

Ensuring integrity in the NDIS requires multiple, risk proportionate controls that balance access, quality, and safeguarding. A focus for the Government is to strengthen the NDIS regulatory landscape and corrective measures. Effective regulation and fraud prevention controls support NDIS integrity by establishing the necessary requirements and oversight that encourage the delivery of high-quality services and deter provider non-compliance and poor practice.

The Australian National Audit Office (ANAO) has identified in their report [National Disability Insurance Scheme Fraud Control Program](#) has identified that the NDIS was designed and implemented without effective fraud prevention controls in its systems and processes and the NDIA and NDIS Commission were established with limited powers that cannot respond to instances of non-complaint, integrity breaches and fraud as the NDIS has grown.

The Australian Government has made significant investments in the NDIS Commission and the NDIA, including through the establishment of the FFT, to strengthen the integrity of the NDIS, including funding to expand fraud detection, compliance, and enforcement capabilities across agencies. These initiatives include the establishment of the FFT, the Crack Down on Fraud program, and the expansion of the NDIA's payment integrity review workforce.

A timeline of reforms and policies to improve integrity in the NDIS, safeguard participants, and tackle non-compliance is provided at Attachment A.

Regulatory levers that support integrity in the NDIS

NDIS integrity depends not only on identifying risk, but on ensuring that risks are directed to the agency best equipped to respond. The NDIS Commission plays a critical regulatory and safeguarding role, but it does not replace mainstream criminal justice or law enforcement systems. This reflects the fundamental principle that criminal behaviour remains criminal behaviour in a disability context and should not be treated solely as a regulatory matter.

At the same time, conduct that may constitute fraud or criminality often also involves breaches of legislation administered by the NDIS Commission. Where evidence of non-compliance with provider obligations exists, the NDIS Commission has administrative and regulatory powers under the NDIS Act that provide an immediate and effective means to reduce risk to participants and integrity in the NDIS.

The NDIS Commission's regulatory approach uses a range of proactive and reactive levers (diagram 1) to uphold the rights of NDIS participants and ensure high-quality and safe services and supports. These levers, as outlined in the [NDIS Commission's Strategic Roadmap](#) are often used in combination to address risk and deliver effective quality and safeguarding outcomes.

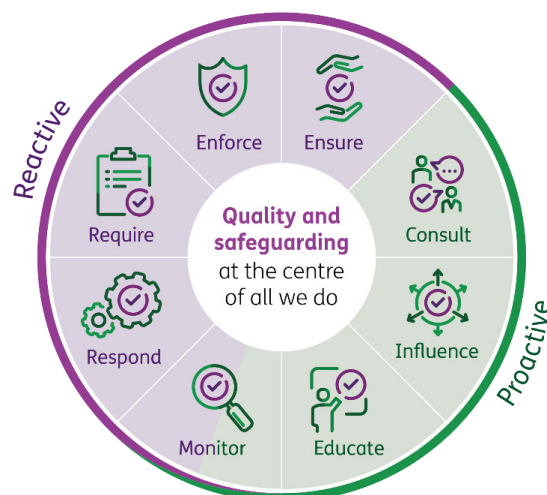


Diagram 1: NDIS Commission Regulatory Approach

Alt Text: Circular diagram showing a quality framework with “Quality and safeguarding at the centre of all we do” in the middle. Around the centre are eight segments arranged in a circle. On the proactive side are: Ensure, Consult, Influence, and Educate. On the reactive side are: Require, Respond, Monitor, and Enforce. Each segment includes a simple icon and a check-mark motif. The circle is colour-coded to distinguish proactive and reactive approaches.

The NDIS operates most effectively when its settings encourage providers to invest in high-quality and innovative supports. Effective conditions that support NDIS integrity involve participants, providers and government working together to provide high-quality supports to participants. While individual consumer responses can contribute to integrity, they are not sufficient on their own. Provider obligations, clear standards, proportionate oversight and regulatory mechanisms are critical to enabling participant choice, control and self-advocacy.

Over the past two financial years, the NDIS Commission has significantly increased the volume and impact of its compliance and enforcement activity, reflecting strengthened regulatory capability and a more targeted, intelligence led approach. The NDIS Commission has also continued to embed quality uplift through developmental, preventative and corrective initiatives, including practice guidance, workforce capability frameworks, grants, education and targeted compliance activity. Regulatory intelligence being used to address integrity in the NDIS The NDIS Commission uses regulatory intelligence drawn from complaints, reportable incidents, regulatory campaigns, OMs and broader market intelligence to identify emerging risks that can compromise integrity in the NDIS. Through this work, the NDIS Commission has identified both immediate and systemic issues affecting the quality and safety of NDIS supports.

The NDIS Commission addresses NDIS integrity through a combination of market oversight, intelligence led regulation, and proportionate compliance and enforcement action. Where risks and provider non-compliance are identified, the NDIS Commission uses a graduated suite of compliance and enforcement powers under the NDIS Act to correct behaviour, address non-compliance and remove unsafe or unsuitable providers and workers from the market. These powers include:

- > Corrective tools, such as education letters, requests for information and compliance notices.
- > Sanction-based actions, including banning orders, registration refusals, suspension or revocation of registration, infringement notices and civil penalty proceedings.

In Quarter 2 of 2025-26, 117 provider’s registration were revoked, 95 banning orders and 179 compliance notices were issued. Compliance and enforcement powers are used proportionately,

recognising differing levels of risk, intent and harm. A [Compliance and Enforcement policy](#) guide the NDIS Commission's approach to maximise compliance with the NDIS Act and manage risks.



Case Study: Banning a dishonest provider

A provider operating in Sydney and the ACT claimed more than \$1.5 million for supports not delivered. Support coordinators provided evidence of claims made against participants' plans for supports that were not provided or were delivered by another entity. The affected participants and their support coordinators had never heard of the provider. The NDIS Commission revoked registration and issued a permanent banning order; the Director also received a two-year banning order. The provider is out of the NDIS market.

Provider registration

Whilst provider registration alone doesn't prevent fraud, it is an important integrity mechanism. It enables appropriate oversight, monitoring and provider obligations that support the delivery of quality supports aligned to participants' individual needs and rights. Registration is a key preventative regulatory lever for the NDIS Commission to prevent integrity issues from occurring, by excluding bad actors from entering the market. The NDIS Commission has progressively strengthened registration assessment processes, including enhanced suitability assessments of providers and key personnel, greater scrutiny of integrity, quality and safety risks.

For registered providers, the NDIS Commission assesses suitability for new registration applications to ensure that the provider and its key personnel are appropriate, capable and have the capability to meet applicable quality and safeguarding requirements to provide NDIS supports. Following registration, registered providers have ongoing suitability and compliance requirements, which aim to promote continuous improvement to support progressively higher standards of supports and enable early identification of emerging risks.

Registration requires providers to undergo independent quality audits against the applicable NDIS Practice Standards by an Approved Quality Auditor (AQA). These audits provide assurance that providers meet required standards prior to entry and on a reoccurring three-year audit cycle.

Provider registration enables the NDIS Commission to restrict entry to the registered market, apply conditions of registration where risks are identified, and maintain proportionate oversight. Recent increases in registration refusals and the use of conditions reflect an improved ability to identify integrity risks earlier and intervene where required.

In the first half of 2025, the NDIS Commission refused 445 applications for registration based on suitability grounds. This is in comparison to 253 applications refused between July and December 2024. These refusals included grounds relating to the integrity of information provided in applications for registration and through leveraging insights from the FFT.

Table 2: Refusal of registration by time period and provider registration status

Time period	Registered providers	Unregistered providers	Total
Quarter 1 25-26 FY	45	95	140
Quarter 4 24-25 FY	120	154	274
Quarter 3 24-25 FY	23	1,085	1,213
Quarter 2 24-25 FY	68	1,146	1,214
Quarter 1 24-25 FY	302	1,386	1,688

NDIS Worker Screening as a preventative safeguard and co-regulatory tool

The NDIS Worker Screening Scheme supports integrity in the NDIS by reducing the risk of individuals who present an unacceptable risk of harm working in roles involving people with disability. Through collaboration with state and territory Worker Screening Units, the NDIS Commission supports nationally consistent screening, ongoing monitoring, and information sharing relating to disciplinary action, misconduct, and regulatory outcomes.

This mechanism allows integrity risks identified through complaints, investigations and enforcement activity to be translated into immediate workforce protections, including the removal of unsafe workers from regulated roles.



Case Study: Ensuring unsafe workers are unable to work in certain roles within the NDIS registered market

After receiving multiple complaints, the NDIS Commission investigated a worker employed with a registered provider and substantiated a finding that the worker was fraudulently overclaiming funds from various NDIS participants' plans. For the misconduct, the NDIS Commission issued the worker with a NDIS banning order for five years and they were also terminated from their employment and the NDIS Commission recommended participant contact the police

As per normal Commission protocols, when a worker is issued a banning order, the relevant worker screening unit is notified automatically. This notification resulted in the worker being suspended within one day of notification and the worker being unable to work within the NDIS.

Digital ID capabilities

To strengthen integrity in the NDIS the NDIA and NDIS Commission have strengthened identity validation. This includes strengthening the way NDIS providers and their associated personnel validate their identity when accessing NDIS Commission portals to ensure:

- › A whole of Australian Government identity validation solution with improved user experience in accessing and using a consistent validation system across multiple government services.
- › Greater confidence in validating the identity of individuals engaging with government, including biometrics, multi-factor authentication and greater privacy protection.

- › Enhanced security features and capability, with requirements for businesses to authorise individuals to engage with government on their behalf mitigating the risk of identity fraud.

In late 2025, the NDIS Commission received approval to participate in the Australian Government Digital ID System. As at March 2026, 36.2% of NDIS providers have started accessing NDIS Commission portals using Digital ID with Relationship Authorisation Manager. This enables the NDIS Commission to have stronger controls of who is in the NDIS market to prevent fraud and safeguard participants.

A proactive, intelligence-led and risk-based regulator

The NDIS Commission is progressively strengthening its role as a proactive, intelligence-led and risk-based regulator. Consistent with its Strategic Roadmap 2025–27, the NDIS Commission is shifting from a predominantly reactive, complaints-driven model to one that uses data, regulatory intelligence and partnerships to identify emerging and systemic risks earlier, target regulatory effort where it will have the greatest impact, and lift quality and compliance across the market. This includes enhanced market oversight, stronger controls on provider entry and exit, improved enforcement of the NDIS Code of Conduct, and closer collaboration with partner agencies

To further strengthen this capability, the NDIS Commission is progressing the Data and Regulatory Transformation (DART) program. This includes the development of key metrics and analytical tools to support more sophisticated, risk-based regulatory analysis. This work is intended to enhance the NDIS Commission's ability to proactively identify integrity risks in the NDIS, prioritise regulatory effort, and monitor the effectiveness of regulatory interventions over time.

To support regulatory prioritisation the NDIS Commission has released the 2025–26 regulatory priorities, which guide its regulatory focus, education activities, community campaigns and policy work. The four priorities guide our community campaigns, education programs and policy agenda to ensure providers:

- › Reduce and eliminate regulated restrictive practices
- › Have strengthened oversight and regulation for unregistered NDIS providers and sole traders
- › Support participants to proactively identify and manage high-risk health concerns
- › Support, train and monitor appropriately skilled and capable workers.



Case Study – Unregistered provider claiming for services never delivered

A Victorian provider of in-home support services and its Director received permanent banning orders for charging the NDIS plan funds of a NDIS participant over \$280,000 for allied health services, medical supplies, and supports on public holidays and weekends that were found to have not been received. The provider was operating as an unregistered provider of NDIS supports and is now banned from the NDIS.

Mandatory registration for Supported Independent Living and Platform Providers and Supported Independent Living (SIL) Standards review

The NDIS Commission is introducing mandatory registration for SIL providers and digital platform providers from 1 July 2026 to strengthen oversight of higher risk supports. Mandatory registration will require providers to meet minimum standards, support improved quality and consistency in service delivery, and enhance transparency and accountability across the market.

Through the NDIS Commission's [Own Motion Inquiry \(OMI\) into aspects of supported accommodation](#), consultation with participants living in shared settings, Disability Royal Commission, the NDIS Review, people with disability have raised concerns about poor worker attitudes and skills, heightened exposure to poor practice abuse and neglect in SIL settings.

Evidence from the NDIS Commission's OMI found these platforms carry higher risk for participants if safeguards are not strong or consistently applied. There were concerns about worker suitability and qualification checks, poor understanding of rights and responsibilities, misuse of personal information, and overpricing of services and supports.

New SIL Practice Standards have been developed with people with disability, including through collaboration with Inclusion Australia, and are designed to strengthen safeguards, better reflect participant priorities, and support the exercise of human rights. They introduce clearer outcomes, measurable quality indicators and guidance tailored to SIL contexts.

Mandatory registration and the new SIL Practice Standards will ensure all SIL providers and platform providers are subject to regulatory oversight and consistent quality expectations, strengthening the quality and safety of supports provided to participants.

NDIS Commission Enterprise-wide Risk-Based Regulation Prioritisation Model and response to the Australian National Audit Office (ANAO) report

In September 2025, the ANAO released a [performance audit report](#) into the effectiveness of the NDIS Commission's regulatory functions. The NDIS Commission agreed in full to nine recommendations and one in-principle from the ANAO report to uplift its regulatory capabilities. The NDIS Commission is progressing a broad range of actions to address the recommendations. The NDIS Commission agreed, in full, to nine recommendations and one in principle, to uplift its regulatory capabilities. The NDIS Commission is progressing a broad range of actions to address the recommendations, including:

- › Establishing a risk-based regulatory strategy and framework to support its compliance actions and communicate progress against the strategy to the sector.
- › Improving its regulatory processes through developing and testing an enterprise-wide Risk-Based Regulation Prioritisation Model. It will provide a consistent approach to how the NDIS Commission prioritises complaints and reportable incidents and focuses regulatory efforts on the most serious matters.

In parallel, the NDIS Commission is strengthening its operating model, data and risk frameworks, and interagency coordination with the NDIA and state and territory partners.

Regulatory education and developmental levers

As part of implementing the NDIS Commission's regulatory functions, extensive practice guidance, education and resources have been developed to support participants to understand their rights, and to assist providers and workers to meet their quality and safety obligations in delivering NDIS supports.

The NDIS Commission continues to invest in education, guidance and capability building initiatives for participants, providers and workers.

The NDIS Commission has invested in:

- › The [NDIS Workforce Capability Framework](#) which translates the NDIS Practice Standards and Code of Conduct into clear, observable behaviours expected of workers and providers,

- › Targeted education and training, including free, nationally available eLearning modules focused on quality, safety, effective communication and high-risk support areas.
- › Updates to the NDIS Practice Standards and guidance and practice alerts to place greater emphasis on provider and worker competency and expectations in higher risk areas to reinforce expectations and respond to emerging risks
- › Targeted campaigns, informed by complaints, incident reporting and compliance intelligence, combining education, engagement and targeted oversight to strengthen provider and worker practice.

The NDIS Commission Grants Program is also a proactive regulatory lever that strengthens integrity in the NDIS by funding projects that develop practical tools, resources and training to build workforce capability and support providers to translate quality and safety requirements into practice. Since 2018–19, more than \$29 million (excl. GST) has been awarded to 50 grant recipients to support providers to achieve, and in some cases go beyond, compliance with regulatory requirements. A 2025 evaluation found that grants delivered positive outcomes, including increased adoption of quality and safeguarding practices.

Fraud Fusion Taskforce

The Fraud Fusion Taskforce (FFT) is a multiagency, cross government initiative co-led by the NDIA to strengthen the Commonwealth's response to serious and organised fraud across government payment programs, including the NDIS. It brings together law enforcement, regulatory and integrity agencies to enable intelligence sharing, coordinate enforcement activity and design preventative, system level responses to integrity risks.

Through its 24 member agencies, the FFT has significantly increased the scale and effectiveness of action taken against criminal exploitation of the NDIS and other payment programs.

The Taskforce has 660 investigations currently underway and has referred 59 people to court.

In the 2025 calendar year, the NDIA participated in the execution of more than 77 warrants, compared to just 30 warrants in all 4 calendar years from 2018-2021, prior to the establishment of the Taskforce in November 2022.

Beyond enforcement, the FFT plays a critical role in identifying systemic vulnerabilities and informing program and system reform. Working with the Crack Down on Fraud initiative, FFT insights have materially improved the detection of high-risk providers and noncompliant behaviour.

Operationally, the FFT has demonstrated strong results. Over the past three years it has supported hundreds of joint fraud investigations involving billions of dollars, materially improving detection capability and cross agency responsiveness. Its work has directly informed NDIA system uplifts, legislative reform and investment decisions, improved the maturity of fraud prevention and surfaced integrity risks that were previously not visible.

The FFT has disrupted over 2,500 providers who have submitted incorrect or non-compliant claims to the NDIS or had other significant risk indicators. In the 12 months prior to the disruption, these providers had collectively claimed \$1 billion from the NDIS. Since the start of the NDIS, these providers had collectively claimed over \$4.8 billion. While it is not possible to determine the exact proportion of problematic claims, all these funds should have been directed to genuine supports or higher quality providers.

Some of these funds were inappropriately claimed and some funds were associated with the partial delivery of poor-quality services by some of these providers. The historic diversion of these funds from

higher quality providers or services to problematic or fraudulent providers increased participant risks while also undermining the availability of these funds for genuine services and supports by higher quality providers.

Since the commencement of the FFT, the NDIS Commission has significantly increased compliance actions taken to respond to, mitigate and prevent fraud risks. This is reflected in 306 compliance outcomes executed since 1 November 2022, including 179 banning orders, 38 revocations of registration and 89 other regulatory outcomes. Additionally, a further 41 enforcement actions are in progress. The NDIS Commission currently has 106 ongoing FFT operations that relate to 295 NDIS providers.



Case Study – KMS

Between 2019 and 2022, KMS was employed by a disability employment services provider. During this period, he abused his position by unlawfully disclosing personal details of approximately 90 NDIS participants to the operator of another NDIS provider. These details were used to support the submission of fraudulent NDIS claims, generating more than \$190,000 in improper payments, from which KMS received a share.

The conduct was detected through an NDIA investigation, undertaken with support from the Australian Federal Police, the Queensland Police Service and the NDIS Quality and Safeguards Commission. As the investigation progressed, regulatory action was taken, including banning orders against the individuals involved and the provider business. The NDIA also acted to safeguard affected participants by restoring plans and ensuring continuity of funded supports.

In October 2023, a co-offender was sentenced to two years and nine months' imprisonment and ordered to repay more than \$94,000 to the Commonwealth. On 18 March 2026, KMS was sentenced in the Melbourne County Court to three years' imprisonment, with nine months to be served, and ordered to pay \$40,000 in restitution. This matter represented the 23rd conviction arising from investigations supported by the FFT.

Crack Down on Fraud (CDoF)

CDoF is a multiyear NDIA led reform program, commenced in 2024, designed to strengthen detection, prevention and response to fraud and serious non-compliance in the NDIS, primarily through information and communication technology enhancement. It sits alongside the FFT with a distinct role focused on systems, controls and capability uplift, rather than investigations alone.

Through the CDoF program the NDIA has undertaken actions including:

- › System uplifts and redesign, including improved verification of identity, enhanced claims verification, and better use of real time data and analytics to detect anomalous behaviour.
- › Implementation of pre and post payment controls, including universal risk scoring of claims and Manual Payment Reviews for high-risk entities.
- › Embedding FFT building blocks into NDIA operations, such as “verify by default,” layered controls, and improved data sharing across agencies.
- › Use of behavioural nudges to reduce inadvertent non-compliance by participants and providers.

This work has seen the rejection and prevention of significant volumes of noncompliant claims, and informed debt recovery, regulatory action and criminal investigations.

NDIA Payment Integrity Uplift

As part of the work of CDoF, specific actions have been implemented to improve payment integrity in the NDIA. This includes:

- › Universal Claim Risk Assessment
 - The NDIA now risk assesses every NDIS claim prior to payment, using data and analytics to identify high-risk claims for further scrutiny, a major shift from historically reactive, post payment review models.
- › Manual Payment Reviews (MPRs)
 - High-risk entities (providers or participants) are subject to Manual Payment Reviews, requiring claims to be substantiated before payment.
 - MPRs involve third party verification (participants, service records, bank accounts) and are used alongside criminal investigations where required.
- › Rejection and Prevention of non-compliant claims
 - The NDIA has rejected tens of thousands of high-risk claims, halting payments worth tens of millions of dollars before release.
 - The NDIA now reviews more claims per day prepayment than were reviewed annually prior to 2023, indicating a step change in scale and capability.
- › Dedicated Payment Integrity Workforce
 - The NDIA has stood up, and expanded a specialist payment integrity workforce, complementing system uplifts delivered through Crack Down on Fraud.
- › Changes to operational responses where vulnerabilities affect participants, including safeguarding actions, plan changes and payment suspensions where required.^t

As a result of this MPR work:



- › More than 80% of the \$3.4b in forecasted benefits in FFT is attributed to the impact of the MPR and referring teams by way of preventing fraud and diverting funds to legitimate providers
- › Additionally, over 75% of the high-risk entities subject to MPR ceased all claiming against participant plans within 6 months of being subjected to the MPR process
- › Evidence collected from these MPRs informed additional regulatory actions including referrals to FFT members (ATO and NDIS Commission), debt raising and criminal investigations.

As a result of Pre-payment integrity work in the six months to December 2025:



- › Pre-payment reviewed 34,055 high-risk claims valued at \$113 million
- › 22,207 of these claims, worth \$74.4 million were rejected (66% rejection rate)

NDIA Integrity Uplifts

A range of other integrity uplifts have been delivered through a combination of capability from the CDoF, FFT and NDIA payment integrity uplift since 2022. Key uplifts include:

- › Improvements in fraud investigations capability
- › Improvements in debt processes
- › Integrity Campaigns and cohort responses which have delivered multi-dimensional, time-limited interventions to address integrity vulnerabilities at a Scheme level
- › Internal Integrity uplifts for NDIA Partners in the Community staff
- › Embedding Integrity into NDIS administration processes and practice, for example through:
 - Improving identity proofing for participants, nominees, providers
 - Reviewing & developing new processes for eligibility assessments
 - Establishment of integrity service delivery team to respond to integrity issues
 - Education for participant-facing NDIA staff and partners

National Disability Insurance Scheme Amendment (Integrity and Safeguarding) Act 2026

Recent amendments to the NDIS Act have been enacted which help protect the integrity of the NDIS and support its long-term financial sustainability. *The National Disability Insurance Scheme Amendment (Getting the NDIS Back on Track No. 1) Act 2024* and the *National Disability Insurance Scheme Amendment (Integrity and Safeguarding) Act 2026* implement critical integrity measures required to safeguard the NDIS and to deliver on the government's commitment to support the financial sustainability of the NDIS through cracking down on non-compliance in the NDIS.



Anti-promotion Orders

The National Disability Insurance Scheme Amendment (Integrity and Safeguarding) Act 2026 introduces a new power enabling the NDIS Commissioner to issue anti-promotion orders. This power allows the NDIS Commissioner to prohibit or restrict individuals or entities from engaging in regulated promotional conduct relating to NDIS supports or services.

Anti-promotion orders may be applied where promotional conduct misrepresents the appropriate use of NDIS funds or otherwise undermines the objects and principles of the NDIS Act, including practices that distort participant decision making or facilitate misuse of NDIS funding.

This new power strengthens NDIS integrity by providing a targeted and proportionate compliance tool to address harmful promotional practices at an early stage. It closes a regulatory gap by extending oversight beyond traditional provider conduct, supports fair market operation, protects participant choice and control, and contributes to the sustainable development of the NDIS.

Future Reforms

The NDIS is undergoing significant reform and change. Both the NDIA and the NDIS Commission have multiple reform activities underway which, once implemented, will materially affect how the NDIS market is administered and regulated, and will enhance visibility of provider practices and behaviours.

At the National Press Club on 22 April 2026, the Minister for Disability and the NDIS, the Hon Mark Butler MP, announced further targeted integrity measures as part of the *Securing the NDIS for future generations* reforms. These specific measures respond directly to some of the identified design weaknesses that have left the NDIS vulnerable to fraud, organised criminal activity and poor oversight. The reforms are focused on strengthening provider and intermediary regulation, improving payment transparency, and restoring confidence in the NDIS.

These measures include:

- Further payment system upgrades: Upgrades to NDIS claims and payment systems will improve oversight and integrity. Changes include increased evidence requirements for claims and expanded digital payments capability to improve visibility of transactions and reduce fraud. Rollout will occur progressively from July 2026.
- Expansion of mandatory provider registration requirements for higher-risk supports: Mandatory provider registration will be expanded to higher-risk supports, including personal care, daily living supports and supports provided in closed settings. The reform aims to strengthen safeguards for vulnerable participants, with staged implementation beginning from July 2027.
- Strengthened regulatory oversight of plan managers and support coordinators through commissioning: The Government will move to commissioned models for plan management and support coordination, replacing open-market arrangements with approved provider panels. This is intended to improve service quality, reduce conflicts of interest and strengthen fraud controls, with implementation proposed on a phased basis from 2027 onwards

Together, these measures aim to secure the NDIS by strengthening integrity settings, improving market accountability and ensuring public funds are directed toward genuine, high-quality supports.

The portfolio remains committed to strengthening regulatory settings, lifting market quality, responding to emerging risks and ensuring the NDIS continues to meet its core purpose—so participants can confidently access supports that are safe, effective and deliver meaningful outcomes. The NDIS must operate within a human-rights-based framework where safe, respectful and high-quality supports are consistently delivered, and participants' rights are upheld.

ATTACHMENT A: Timeline of reforms and policies to improve integrity in the NDIS, safeguard participants, and tackle non-compliance

2016	Full National Roll-out Begins <ul style="list-style-type: none"> NDIS transitioned from trial sites to national roll-out. Integrity controls were largely relying on audits, complaints, and general public-sector fraud frameworks rather than NDIS-specific systems. Scheme Scale-up and Early Integrity Controls 2016–2017 All Australian governments agreed to an NDIS Quality and Safeguarding Framework (Framework).
2017	Initial Fraud and Compliance Functions <ul style="list-style-type: none"> NDIA embedded basic fraud risk management and payment assurance functions, including identity checks and manual reviews for high-risk claims. DSS retained policy oversight, including responsibility for Scheme sustainability and governance.
2018	NDIS Quality and Safeguards Commission Established - July <ul style="list-style-type: none"> The NDIS Quality and Safeguards Commission commenced progressively across states, becoming the national regulator by December 2020. Provider registration and audits, Complaints handling framework and Incident reporting and behaviour support oversight are introduced. This marked the first system-wide integrity and safeguarding architecture independent of the NDIA.
2019	<ul style="list-style-type: none"> NDIS Commission commenced in ACT, NT, QLD, Tas and Vic 2019–2020
2020	Pandemic-Era Emergency Changes <ul style="list-style-type: none"> Temporary flexibilities increased fraud risk (e.g. rapid provider entry, remote service delivery). NDIA and Commission increased post-payment reviews and compliance monitoring, particularly in high-risk support categories. [transparency.gov.au] Strengthening Compliance During Growth 2020–2021
2021	Expanded Banning and Enforcement Activity <ul style="list-style-type: none"> The NDIS Commission increased its use of banning orders, compliance notices and civil penalties against non-compliant providers. Commencement of the NDIS Worker Screening check.
2022	Shift to Serious and Organised Fraud Response <ul style="list-style-type: none"> Fraud Fusion Taskforce (FFT) Established November 2022 Led by NDIA and Services Australia, involving initially 15, later 24 Commonwealth agencies (AFP, ACIC, ATO, NDIS Commission, DSS). The purpose is to detect and disrupt fraud and enable real-time data and intelligence sharing. Marked a decisive shift from compliance-based integrity to law-enforcement-led fraud operations.
2023	Co-design and Systemic Integrity Reform NDIA Integrity Transformation <ul style="list-style-type: none"> NDIA established an Integrity Working Group with participants, providers and disability representatives. Focus on designing controls that reduce fraud without harming participant experience and uplifting internal analytics and risk profiling capability. Increasingly framed integrity as essential to Scheme sustainability.
2024	“Crack Down on Fraud” Program <ul style="list-style-type: none"> Crack Down on Fraud Announced - February Key measures include strengthened identity verification, pre-payment claim checks, manual payment reviews for high-risk providers, expanded data analytics capability and enabled detection of over 2,100 providers with problematic claiming behaviours. [ministers.dss.gov.au] Budget - Launch of DART: NDIS Commission strengthens data and systems across the sector NDIS Quality and Safeguards Commission (In the 2024–25 May Budget, the Australian Government allocated about \$160 million over four years to the NDIS Quality and Safeguards Commission)
2025	Integrity and Safeguarding Bill proposed <ul style="list-style-type: none"> Led by DHDA, responding to the NDIS Review and Disability Royal Commission. Key reforms proposed: new criminal offences (unregistered service provision, breaching banning orders), civil penalties increased up to ~\$15m, expanded banning powers (including auditors and consultants), anti-promotion orders targeting predatory marketing and significantly strengthened the NDIS Commission's enforcement role.
2026	Laws Passed <ul style="list-style-type: none"> Integrity and Safeguarding Laws Passed March–April Parliament passed the NDIS Amendment (Integrity and Safeguarding) Act 2025. New powers commenced for NDIA to require evidence before claim payment, mandatory electronic claims, criminal prosecution for serious misconduct Enforcement Outcomes <ul style="list-style-type: none"> FFT reported 660+ active investigations, 59 referrals to court, nearly 200 providers and individuals banned. DHDA and NDIA positioned integrity as central to long-term Scheme sustainability.