

Submission to the Senate Community Affairs Legislation Committee

Inquiry into the National Disability Insurance Scheme Amendment (Integrity and Safeguarding) Bill 2025

This submission addresses the administrative and statutory failures that have permitted systemic fraud within the National Disability Insurance Scheme (NDIS). While the *Integrity and Safeguarding Bill 2025* introduces increased penalties, it must mandate the automated verification systems required to uphold the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The current model is a breach of the mandatory duties of accountable authorities under Sections 15 and 16 of the PGPA Act to ensure the efficient and ethical use of public resources.

Automated Compliance

The current reliance on a double defaulter status - allowing two years of non-reporting - is an invitation to fraud. I recommend the Bill be amended to include an automated 90-day kill switch. If a provider is ninety days overdue on any mandatory filing with the ACNC or the ATO, the NDIA payment portal must be programmatically hardcoded to toggle that provider's status to inactive. This is a low-cost database query that removes administrative delay and fulfills the risk oversight duties mandated by Section 16 of the PGPA Act.

Four-Way Data Integration via Director ID

The Bill must mandate a real-time data integration using the Director ID as the primary digital anchor across ASIC, the ATO, the ACNC and the NDIA. Currently, the NDIS Commission lacks immediate visibility over the corporate history of shadow directors. By linking the NDIA payment portal to the Australian Business Registry Services (ABRS), the system can automatically identify if a provider's director is under investigation for tax debt or has been disqualified by ASIC, eliminating the blackout period used by shell companies to bypass oversight.

Automatic Suspension of Director IDs

To prevent the phoenixing of fraudulent entities, a failure to meet the 90-day compliance threshold should trigger an automatic notification to the ABRS. Any individual identified as a responsible person for a defaulting entity must have their

Director ID automatically suspended by operation of law. This prevents the individual from acting as a director of any Australian corporate entity or registering new business names until the NDIS default is cured, ensuring they cannot simply migrate their fraud to a new ABN.

Participant-Led Verification

Part 3 of the Bill, regarding the modernisation of claims, must mandate a confirmation first protocol. No payment should be released to a provider until the NDIS participant or their nominee has provided an affirmative response to an automated SMS or digital notification. This digital handshake ensures that taxpayer funds are only disbursed for services actually received, providing a direct safeguard against ghost billing.

Professional Enabler Liability and Binary Transparency

The provisions in Part 5 regarding banning orders should include joint and several liability for external auditors. If an auditor certifies the accounts of an NDIS provider while failing to flag mirrored cash flows or significant PAYG debts, they must be held financially liable for a portion of the fraudulent funds. Furthermore, the Bill must mandate a public-facing integrity portal showing a simple binary status for every provider: either 'Compliant' or 'Suspended'. This transparency is essential to support a whistleblower recovery bounty system, awarding a percentage of funds recovered from successful fraud convictions.

Conclusion

The law demands that the bureaucracy be held to the same standard of accountability as the providers. This Bill represents a necessary shift toward a system where automated technical gates, anchored by the Director ID, protect the wealth of the Australian people.