



Senate Select Committee on Autism

Answer to Question on Notice

Reference: SQ20-000057

Senate Select Committee on Autism: Costs associated with becoming a registered NDIS provider

Hearing: 27 July 2020

Hansard Page: Written

Question:

- 1) What is the typical cost of gaining compliance for an NDIS provider?
- 2) What is the annual cost of being a registered NDIS provider?

Answer:

To be registered, providers must undertake a suitability assessment (for example criminal history, or adverse findings by another regulator), and be audited by a NDIS Quality and Safeguards Commission (NDIS Commission) approved independent quality auditor against relevant NDIS Practice Standards. The term of registration is usually three years.

The type of audit required is determined by the classes of support that a provider is registering to deliver to NDIS participants as set out in the *National Disability Insurance Scheme (Provider Registration and Practice Standards) Rules 2018*:

- A desktop 'verification' audit for low risk NDIS supports and services, or
- A site based 'certification' audit for higher risk NDIS supports and services. This involves a review of policies, site visits, and direct feedback from NDIS participants about their experience with the service. The cost of a certification audit depends on the number and range of outlets to be visited, and the proportion of participants to be interviewed

The NDIS Commission has continually surveyed registered NDIS providers who have completed the full registration application process, about audit costs. These surveys indicate that the median cost of audits is:

- For verification audits, \$1,000.
- For certification audits is \$6,000.

There are no annual registration fees for providers. The period of registration for registered NDIS providers is usually three years. Those providers that are subject to a certification audit are also required to undergo a mid-term audit within 18 months of registration approval; this is a lower cost exercise than the full three-yearly audit.

As a result of feedback from providers about the new registration process, including audit costs, the NDIS Commissioner made changes to the *NDIS (Provider Registration and Practice Standards) Rules 2018*, which came into effect from 1 January 2020, to address disproportionate regulatory impact on some NDIS providers, particularly small business delivering lower risk supports, without reducing safeguards for NDIS participants.

The changes removed the requirement of small businesses to undergo a full certification audit where only low risk supports were being delivered