THE UNIVERSITY OF SYDNEY

Submission: **Inquiry into the Integrity of the National Disability Insurance Scheme**

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Executive Summary

This submission draws on qualitative interviews conducted in 2025 with 86 NDIS participants, carers, and stakeholders from across Australia to understand experiences of the NDIS for people with psychosocial disability. As part of these discussions, participants discussed a range of experiences relating to the nature, impacts, and drivers of fraud, financial misuse, and sharp practices within the Scheme.

The evidence shows that misuse occurs along a continuum, from routine non-compliance and poor-quality or non-delivered services to deliberate and criminal exploitation, disproportionately affecting participants with heightened vulnerability.

Although not all misuse is intentional, weak oversight, unequal power relationships, and limited safeguards enable these practices to persist, resulting in cumulative harm to participants, erosion of trust in the NDIS, and significant waste of public funds. Collectively these impacts weaken the social licence under which the NDIS functions, and the ability of the National Disability Insurance Agency to operate as a redistributor of public funds. They also enhance narratives of mistrust and stigma in relation to people with disability themselves who are portrayed as either victims or perpetrators of fraud and sharp practices.

We present through this submission a set of key findings and recommendations which cover the Terms of Reference of the Inquiry.

Key Findings

Fraud and financial misuse in the NDIS occur along a continuum from low-level non-compliance and poor-quality service delivery to deliberate, organised, and criminal exploitation.

Many providers are paid for services that are minimally delivered or not delivered at all, requiring participants and carers to undertake constant monitoring to ensure plan obligations are met.

Inappropriate billing, inflated time charging, and excessive administrative servicing occur and can go undetected without vigilant invoice checking by families.

Highly vulnerable participants, particularly those with psychosocial disability or impaired executive functioning, are actively targeted for scams, coercion, and financial exploitation.

Coercion, manipulation, and isolation of participants by workers or providers, sometimes amounting to coercive control, were repeatedly reported, including efforts to sever ties with families and professionals.

Collusive networks, conflicts of interest, and kickbacks between support coordinators, providers, and workers undermine participant choice and facilitate financial misuse.

Misuse of NDIS funds by family members or nominees occurs through both accidental misunderstanding and deliberate diversion, often leaving participants financially and materially worse off.

The absence of mandatory qualifications or minimum experience for key roles creates systemic risks for fraud, poor-quality supports, and participant harm.

Weak, complaint-driven oversight and limited enforcement by regulatory bodies have normalised non-compliance and eroded trust in Scheme safeguards.

Persistent public narratives about NDIS fraud have unintended consequences, increasing participant fear, hostility, and disengagement from supports.

Key Recommendations

Introduce mandatory minimum qualifications and experience requirements for high-risk roles, including support coordinators, psychosocial support workers, and recovery coaches.

Implement individual worker registration for high-risk roles using a graduated, risk-based regulatory framework that allows conditions, suspension, or deregistration.

Establish routine, randomised audits of invoices and time-based claims, prioritising high-cost plans, psychosocial disability supports, and high-risk settings such as SIL.

Strengthen requirements for corroborating evidence of service delivery, enabling discrepancies between billing and delivery to be identified and funds clawed back.

Reform the NDIS Quality and Safeguards Commission to shift from complaint-driven responses to proactive, thematic, and risk-based regulation.

Improve transparency and accountability in complaints handling by requiring timely acknowledgement, regular updates, and clear explanations of outcomes.

Strengthen regulation of conflicts of interest by mandating disclosure and restricting referral arrangements and vertical integration that compromise participant choice.

Introduce enhanced safeguards for participants with impaired decision-making capacity, including mandatory training and review for nominees managing NDIS funds.

Establish or significantly strengthen accessible reporting pathways for fraud, non-delivery, and coercive practices, with protections for whistleblowers.

Pair integrity reforms with clear, co-designed public messaging that emphasises participant protection and avoids blaming people with disability for exploitation.

This submission:

This submission has been developed based on primary data collected via interviews with NDIS participants, carers and stakeholders in 2025. These interviews focused on the experience of the NDIS for people with psychosocial disability and the results should be understood in the context of this specific participant group. We conducted interviews with eighty-six participants, including 30 NDIS participants, 19 carers/informal supports, and 37 'stakeholders'. Stakeholders included peak body representatives, allied health professionals, psychiatrists, care workers, and policy advocates. Every state or territory across Australia was represented by at least one interviewee, and First Nations respondents and those in remote, regional and rural areas were included.

This research is funded by an Australian Research Council Industry Laureate Fellowship (IL230100154) held by Professor Jennifer Smith-Merry. The NDIA are a partner on this grant but had no involvement in this research apart from assisting with advertising the interviews to current NDIS participants. They have not been involved in the development of this submission or the analysis contained within it. More about this program of work can be found here: Fixing the NDIS for People with Psychosocial Disability - The University of Sydney

The analysis below presents our thematic analysis of the main findings appropriate to this Inquiry with illustrative quotations from NDIS Participants (P), Carers (C) and Stakeholders (S).

The data vividly illustrates that fraud and financial misuse in the NDIS span a continuum of practices, enabled by weak oversight, uneven power relationships, and participant vulnerability. While not all misuse is malicious, the cumulative effect is significant harm to participants, erosion of trust, and substantial wastage of public funds.

Structure of this submission

We structure the submission into two sections. The first presents the key supporting data around each of the first three Terms of Reference (A-C), before presenting Term of Reference D, which contains recommendations for legislative and policy action.

TERM OF REFERENCE (a): the nature and extent of non-compliance, including fraud and sharp practices, in the NDIS

The data identifies a set of interrelated systemic integrity and safeguarding failures within the NDIS, including payment for low-quality, minimal, or non-responsive services; charging for services that were never delivered; outright fraud and the deliberate targeting of participants with heightened vulnerabilities; inflated time charging and administrative over-servicing; misappropriation of funds by nominees and family members; coercion, manipulation, and isolation of participants by workers or

providers; collusion, kickbacks, and conflicted provider networks; and the widespread use of un- or under-qualified workers. Together, these areas of concern describe a scheme environment in which weak oversight, conflicted incentives, and gaps in workforce regulation enable misuse of public funds, undermine participant safety and autonomy, and place disproportionate monitoring and advocacy burdens on carers and participants themselves.

Each of these areas is detailed below with evidence provided in interviews:

Payment for Low-Quality, Minimal, or Non-Responsive Services

A dominant concern across interviews was that providers are being paid according to plans but delivering only the bare minimum—or failing to deliver altogether. Carers and participants described having to constantly monitor providers, remind them of plan obligations, and document failures themselves.

- “It clearly says what people have to, do but it's a nightmare to get them to do it. They’ll duck and weave and a minimalistic approach. I'm always having to quote the plan.” (C15)
- “They just sit in their office. So once again we've got this problem of him not getting the goodies even though they're getting paid. It's hundreds of dollars each month. ...It's hard to work out what they do for the money.” (C15)
- “So I went overseas for five weeks as kind of a test to see whether these things we put in place would hold up and the whole thing just wouldn't fall over... They all assured me everything was fine. They'd been looking after him. Then I checked our logbook that we've got in the lounge room that we keep - that they sign off on every day. I found many instances where they hadn't showed up.” (C19)

Several respondents raised concerns about routine tasks being poorly completed despite long billed hours:

- “I've actually put a list up on the wall, these are the things that I would expect you to do, you're being paid for two hours cleaning. I'll go in and I'll think, well, I don't know what they did... but whatever it was, I could have done in 20 minutes, not two hours. So, that's consistent.” (C18)

In higher intensity settings, violations of safety protocols were described:

- “My brother was there for 14 months at this provider, who technically does the SIL, high intensity, 24/7, seven days a week, the amount of times I went to that property and he was a lock model, locked door model, I'd knock on the door, nobody would come to the door. I'd see my brother in there, but there's no worker.” (C7)

Charging for Services Never Provided

Participants and guardians identified widespread inappropriate billing, including claims for hours, activities, or supports that never occurred. Participants and guardians reported systematic billing for services that were partially delivered or not delivered at all, with minimal external scrutiny. Vigilant invoice checking was often the only safeguard, and most respondents reported that such billing would otherwise go unnoticed.

- “I check all invoices... the amount of invoices I have seen that are claiming for time that they haven't done, services that they haven't performed, 50 per cent of them, I'd say and nobody checks.” (C7)

This was described as occurring across support coordination, community participation, and daily supports, rapidly eroding participant budgets.

- “The first [recovery coach] I had was rubbish. They didn't explain to me anything about the NDIS or budgets or whatever and they just chewed up my budget and didn't actually do any work.” (P4)

Outright Fraud and Targeting of Participants with Heightened Vulnerabilities

Several accounts described deliberate and explicitly criminal behaviour, including people deliberately seeking out NDIS participants in order to extract cash.

- “I see the bloke walking up our street. He's in a crumpled up kind of business shirt trying to look official. I said - I said hello to him. He goes - straight away. He goes, “does [name] have a NDIS?” I'm like, “why?” He goes, “That’s what I’m doing now. We go around, we get them signed up We say, We’ll give you $5,000 cash money,” and then they just walk the rest straight into their pocket.” (C19)

Participants with impaired executive functioning were described as particularly vulnerable:

- “People knock on his door and say, “Why don’t you buy this, it’s only $15,000,” and he buys it. Then he’s crying saying, “Mum, I’ve made a terrible decision.” That happens on a weekly, monthly basis being scammed and clicking on things on Facebook where they say they can do "this" with your NDIS, and you can have "this" with your NDIS.” (C5)

Participants with executive functioning difficulties were described as repeatedly scammed, both online and face-to-face, with NDIS funds treated as an easy source of cash. In this circumstance carers had to intervene aggressively to recover funds.

Inflated Time-Charging and Administrative Over-Servicing

Participants described routine inflation of billable time and repeated over-servicing, particularly in support coordination and administrative interactions, such as inflated case-note billing.

- “First of all, I looked at how much my support coordination had cost, and for four supports, it cost me three grand… but I could have done that search literally in five minutes myself.” (S1)
- “A case note is, I ring up or send an email for a request, that starts a case note. They put it in their diary for next week to action, that starts another case note, so another 15 minutes.” (S1)

There were also reports of collusive fraud between workers and participants:

- “They've also been very, very vulnerable. So there's some who've had support workers commit fraud by claiming hours that they've done and then splitting the money with them.” (S4)

Some providers were perceived as actively discouraging independence or recovery because ongoing need sustains funding to the service provider.

- “they're incentivised to keep people in that maladaptive state, so that they can continue pulling in that funding.” (S17)

Others described services being delivered according to provider rostering needs rather than participant needs:

- “[Respite] weren't reliable when they needed it, but when they didn't need it and the organisation needed to fill their roster or things like that, then the services were provided, whether they actually needed it at the time or not.” (S8)

<u>Misappropriation of Funds by Nominees and Family Members</u>

A less prevalent theme was misuse by family or nominees ranged from both accidental and deliberate misuse was reported. Accidental misuse was often linked to confusion about allowable spending:

- “It’s usually – generally not malicious. It’s just – from my understanding – from my experience at least, it’s just a typical misunderstanding about money.” (S19)

More serious cases involved systematic diversion of funds, including taxi vouchers and payments to oneself as a carer:

- “It’s usually when the family are looking after the plan financially and they’re distributing funds, like taxi vouchers. They’re like, oh, well, you don’t have taxi vouchers anymore because I drive you everywhere, so that pays for my fuel. …So, it’s things like that or it can be quite severe, where they’re paying family members to be a person’s carer or they’re paying themselves to be the person’s carer and work fulltime.” (S19)

- "One of the other things we see very often is family members and friends becoming support workers who then completely control the client with disability. Particularly in rural areas. That's deeply disturbing. Because when we report it to NDIS, often we're given, oh, well they're allowed to choose who they want. Right. Despite the fact that this person is claiming and putting in bills for support and they're not actually providing it, you're not going to do anything." (S21)

While family members are not allowed to be funded under plans except in exceptional circumstances (e.g. very thin markets) these limits don't apply to close friends of family members who clearly have a conflict of interest in relation to a participant's care. Where people lose funding through poor plan management by family members these practices often left participants financially worse off:

- "Most of the time then it's this big struggle for a number of years to try and get that plan back up to what it was supposed to be." (S19)

Coercion, Manipulation, and Isolation of Participants

Highly concerning practices were reported where workers or providers manipulated participants, isolated them from families or professionals, or used inducements to gain control of large packages. In some cases this amounted to coercive control, bribery, and isolation of participants from trusted supports.

- "you've got support workers who will cut clients off from their support coordinator, their therapist because they don't want to lose their role and the money they're earning. They will go in and manipulate the client to not see that person." (S21)
- "People being bribed to change services.... These are very vulnerable people. So it could be something as simple as, I'll buy you a packet of cigarettes every day if you come to our services. They don't realise then that's a $100,000 package they've just given to that person for - sold out for a packet of smokes." (S32/S33)

Others described attempts to gain legal control:

- "They've had people try and coerce them into signing power of attorneys. They've had people alienate them from their support teams, that real coercive control kind of stuff going on. They've often had a lot of difficulty advocating for themselves and being able to represent themselves well with the NDIS." (S4)

These practices were particularly prevalent among participants with psychosocial disability and limited capacity to self-advocate. These practices present serious safeguarding concerns in relation to NDIS participants. They lead to situations which clearly go beyond acceptable practices in relation to the use of public funds, but appear to be have become acceptable in NDIS provider communities, and border on serious criminal activity.

Collusion, Kickbacks, and Provider Networks

Multiple accounts suggested collusive networks among support coordinators, providers, and workers, including mutual referrals, kickbacks, and crosssubsidisation.

- “there's multiple people dipping into the income that is generated from one client.” (S8)
- “When she was recommending people to me, it wouldn't be necessarily because they were the most suited or the best for the job, it was because she went to high school with them or because they are the brother of someone she married. That sort of thing.” (P26)
- “The support coordinator wanted me to do ...it wasn't because it was the best thing for me, it was because it was part of her business and she'd get more out of it probably. She had a support coordinator ... all her own band of support workers, whatever, which it was all intertwined and connected. At the end of the day, she was the one getting the kickbacks from it” (P5)

These examples make it clear that the existing rules that are in place to manage conflicts of interest are not working sufficiently and need to be managed urgently as a matter of safeguarding both participants and scheme integrity.

Un- or Under-Qualified Workers as a Systemic Risk for Fraud and Sharp Practices

The lack of mandatory qualifications or minimum experience requirements for key roles was repeatedly identified as a structural weakness that enables misuse and poor-quality care.

- “Anybody can really call themselves a psychosocial support worker.” (C6)
- “This is the crux of what's wrong with the NDIS, and particularly some providers. A [support coordinator] gets paid $100 an hour plus travel time to come out and see the client and do the client work. They don't have to have any qualifications. All you have to do is learn the NDIS... Anyone can set up ... and then you just bluff your way through with clients who are often trying to manage” (C5)

This lack of skill had direct impacts on safety and independence:

- “the paperwork said experienced CS2 staff, that wasn't the case. They were inexperienced, they didn't know how to cook, they didn't know how to prepare a menu, they didn't know how to show the participant how to do activities of daily living. They didn’t even know how to lock a home. It was appalling.” (C7)

TERM OF REFERENCE (b): the impacts of non-compliance on NDIS participants and their families

Impact of Fraud Narratives on Participants

While fraud is real, constant media focus was reported to have collateral impacts on trust and engagement. Participants noted that constant media reporting about rorting and fraud has had unintended consequences, damaging trust and making engagement harder.

- "I've dealt with a lot of stress over the last six months because of participants having a lot of hostility and trust issues because they've had experiences, and they've heard in the media this whole thing about the rorting and the fraud. Trying to engage with a participant amidst those media noise is really difficult" (S8)

Participants bear the consequences of lost funds, disrupted supports, stress, and reduced confidence in the NDIS's ability to protect their interests.

Families and Carers having to Monitor Compliance

Carers carried the burden of attempting to shield NDIS participants from fraudulent practices, and then seeking recourse when it occurred.

- When I returned, it had fallen over disastrously. I knew something was out as soon as I got in the house. ...I called all of these people. I called the NDIS support - service provider manager and his case manager. (C19)

TERM OF REFERENCE (c): the effectiveness and adequacy of successive government policies to improve Scheme integrity, safeguard participants, and tackle non-compliance

Weak Oversight and Lack of Enforcement

There was widespread disillusionment with regulatory oversight and enforcement mechanisms. A dominant theme was the perception that fraud and misuse are rarely acted upon, despite repeated reporting to the NDIA and the Quality and Safeguards Commission.

- "The other issue that I have is these so-called registered companies of providers are not monitored. It doesn't seem to be any consequence when you raise issues that you're observing and when I say that, I mean direct observation, I'm meaning reports... nothing seems to be done about it when you raise it with the Quality and Safeguarding Commission." (C7)
- "NDIA don't care. You know? They only care if you go to the media about it." (P26)

People largely felt that the Quality and Safeguards Commission was ineffective in its role to address fraudulent or sharp practices and they often instead chose to go to through other bodies, including the police, or do nothing.

- "I could have, of course, gone to the Quality Complaints Commission, but the Fair Work Act was a better route and more effective." (C15)

This lack of enforcement created frustration, conflict, and disengagement among guardians and ethical providers.

TERM OF REFERENCE (d): any legislative or other reforms required to strengthen Scheme integrity

In redesigning the operation of the Commission to ensure better responsiveness they could look at the operation of the state-based health complaints commissions which often handle upwards of 10,000 complaints per year and have a structured process for acknowledgement and initiation of processes appropriate to risk level. The following recommendations synthesise findings above with elements of such structured processes.

Strengthening Integrity, Oversight, and Safeguards in the NDIS

The evidence demonstrates that fraud and problematic financial practices in the NDIS are systemic rather than isolated, enabled by light-touch registration, weak and reactive auditing, and a Quality and Safeguards framework that is widely perceived as ineffective, unresponsive, and disconnected from on-the-ground realities. While much misuse occurs at the margins of legality, the cumulative impact on participants, particularly those with psychosocial disability, is profound.

The following recommendations focus on preventative regulation, active oversight, and restoring participant trust, rather than relying primarily on punitive responses after harm has occurred.

Strengthen Provider and Workforce Registration Requirements

1) *Introduce Mandatory Minimum Qualifications and Experience for Key Roles*

The data repeatedly highlights that *anybody can call themselves a psychosocial support worker* and that highly paid roles such as support coordination, or provision of in-home supports to people with very complex needs and heightened vulnerabilities can be undertaken with no formal qualifications or relevant experience.

This responds directly to reports of workers who *didn't know how to cook, didn't know how to lock a home* yet were delivering high-intensity supports.

The NDIS Workforce Capability Framework is intended to apply to both registered and unregistered providers, as well as individual workers, participants and others involved in NDIS work. However, it is guidance, not a mandatory compliance requirement for unregistered providers.

Recommendations:

Introduce mandatory minimum qualification and experience requirements for:

- Psychosocial Support Workers
- Support Coordinators
- Psychosocial Recovery Coaches
- Supports that are directed at capacity building or work directly with an individual

Require demonstrated experience in:

- Mental health or disability support
- Trauma-informed practice
- Working with people with cognitive impairment or psychosocial disability

2) Require Individual Worker Registration for High-Risk Roles

Fraudulent, coercive, and exploitative behaviour was often attributed not just to organisations, but to individual workers who moved between providers without consequence. This will improve later in 2026 with a move to mandatory registration for some provider groups, but will still leave large areas of operation where people with no mental health training at all can provide supports to people with very complex needs and multiple vulnerabilities. Mandatory training and registration that is responsive to risk level posed is essential as one (not the only) strategy for addressing sharp practices and fraud.

Another strategy, which will become more important should governance of providers be increased, is to provide better information on providers who have had conditions placed on their practice. The current information provided on worker conditions via the Compliance and Enforcement Actions search function is not provided in a way that is easily understood or accessible by a broad range of people. For example information often prioritises the orders and sections of the act that apply, rather than summarising information in a way that can be readily interpreted by people who do not have an understanding of the legislation. An example of a recent compliance notice reads in its totality:

> *"On the 26 March 2026, a compliance notice was issued to Minka Blue PTY LTD under section 73ZM of the National Disability Insurance Scheme Act 2013 (NDIS Act) on the basis that a delegate of the Commissioner reasonably believes that Minka Blue PTY LTD has contravened section 73J of the NDIS Act. More specifically, the failure by Minka Blue PTY LTD to have policies and procedures and NDIS participant records that align with the NDIS Act, the NDIS (Provider registration and practice standard) rules and guidance. The notice requires Minka Blue PTY LTD to take certain action and refrain from taking certain action in order to address non-compliance with section 73J of the NDIS Act."*

This information does not provide any guidance for a participant or their family members about whether they would be safeguarded as a client of this service in the future. The information is legislation and administrative focused rather than participant focused.

Recommendations:

Implement a framework for registration which is based on the findings of the *NDIS Provider and Worker Registration Review*. A central finding was that regulation must be graduated, risk-based, and proportional, rather than uniform. The Taskforce recommended moving toward a tiered registration and enrolment model, where regulatory burden increases with:

- The type of support delivered
- The vulnerability of participants
- The degree of provider control over participants' lives (e.g. SIL, support coordination)

Reform the current Compliance and Enforcement Actions search via the NDIS Quality and Safeguards Commission so that it is easier to search and the information provided is illustrative and easier to digest for a broad range of audiences.

Registration should allow for:

- Conditions, suspension, or deregistration of individuals for all providers receiving NDIS funding through participant budgets
- National visibility of misconduct findings which is easily searchable, readable and well known as a resource for participants, plan managers, carers etc.

This would address situations where *"providers change, but the same people keep appearing"* within the system. It would also allow the Quality and Safeguards Commission to provide conditions on practice where previous issues have been identified.

Reform Auditing and Financial Oversight

Implement Routine, Randomised Audits of Claims and Mandate Cross-Checking of Service Delivery Evidence

Participants consistently reported that *"nobody checks"* invoices, even where incorrect or fraudulent billing is obvious. Evidence shows widespread billing for services not provided, including instances where logbooks contradicted invoices. While auditing of invoices and claims already exists to a certain extent it is too scarce to be considered a viable strategy for ensuring compliance.

Recommendations:

Introduce more systematic routine, randomised audits by the NDIA of:

- Invoices
- Time-based claims
- Support coordination billing

Prioritise auditing in:

- High-cost plans
- Psychosocial disability supports
- Settings with documented vulnerability (e.g. SIL, regional areas)

Require providers to retain corroborating evidence beyond minimum (e.g. provider attendance logs) of service delivery, such as:

- Participant or nominee confirmation
- Digital timestamping (where appropriate)

Enable plan managers and auditors to dispute and claw back funds where evidence is inconsistent.

These strategies would directly address cases where carers discovered *many instances where they hadn't shown up* despite charges being submitted. Auditing should be predictable enough to deter misuse, but random enough to prevent gaming.

Strengthen the NDIS Quality and Safeguards Commission

1) Shift from Complaint-Driven to Proactive Regulation

Participants and guardians described a system where reporting is burdensome, slow, and often futile: *"I stopped making reports… it was obvious they didn't care and I didn't have the energy."*

Recommendations:

Reorient the Quality and Safeguards Commission toward proactive oversight in addition to reactive oversight, including:

- Thematic investigations (e.g. support coordination misuse)
- Targeted reviews of high-risk provider types

Reduce reliance on individual complainants to trigger action

Strengthen Whistleblower protections, taking as example those introduced through the Aged Care Act

2) Improve Feedback, Transparency, and Follow-Up on Complaints

Complainants reported that raising concerns led to *"nothing being done"*, damaging trust in the system.

Recommendations:

Require the Quality and Safeguards Commission to:

- Acknowledge complaints with clear timeframes
- Provide complainants with updates on investigation status
- Explain outcomes, even where no formal action is taken

In addition to improving the accessibility of the reports of individual banning and compliance orders (discussed above), publish deidentified summaries of enforcement actions and systemic issues.

This transparency would counter the perception that enforcement only occurs *if you go to the media* and other participants who said it was easier to go to the police or politicians to have issues actioned.

Address Conflict of Interest and Provider Collusion

1) Regulate Referral Relationships and Require Disclosure

The data identifies extensive closed networks, kickbacks, and collusive referrals, where participant choice is subordinated to business interests.

Recommendations:

Introduce mandatory conflict of interest disclosure requirements for:

- Support coordinators
- Plan managers
- Providers making referrals

Prohibit financial or non-financial inducements tied to referrals.

2) Prohibit Vertical Integration Without Safeguards

Support coordinators controlling networks of workers created conditions for *"multiple people dipping into the income generated from one client"*.

Recommendations:

Restrict or tightly regulate vertical integration (e.g. support coordination, SIL, and support workers under one operator) unless:

- Independent oversight is demonstrated
- Participants have genuine alternative choices

Strengthen Protections for Participants with Impaired Capacity:

Implement strategies for enhanced safeguards for nominees and informal managers: Both accidental and deliberate fund misuse by family members caused long-term harm to participants and depleted plans.

Recommendations:

Introduce mandatory financial literacy and compliance training for nominees

Require periodic review of nominee arrangements where:

- Psychosocial disability is primary
- Executive functioning is impaired

Enable faster intervention where misuse is suspected.

Develop Safe, Accessible Reporting Pathways

Participants explicitly called for a clear, accessible escalation pathway when providers fail to deliver. This needs to take a 'no wrong door' and 'no wrong person' approach with very clear expectations of follow up. This should expand the current reporting mechanisms which are framed only in relation to Fraud (e.g. How to report fraud | NDIS), whereas our research shows that many of the practices that should be reported are not always classified as 'fraud'. Whistleblower protections also need to be expanded, in line with the 2024 Aged Care Act which expands who can make a protected disclosure. A whistleblower can be:

- older people receiving care
- family members, carers and advocates
- workers (including casuals, volunteers and subcontractors)
- former workers
- members of the public

There is no requirement to be an employee or insider. Disclosures can also be made anonymously.

Recommendations:

Establish a dedicated expanded accessible NDIS hotline for:

- Service non-delivery
- Suspected fraud
- Coercive or exploitative practices

Ensure reports can be made by:

- Participants
- Carers and guardians
- Allied health professionals
- Other interested parties

Provide protections for whistleblowers within the system.

Balance Fraud Control with the Need for Ongoing Participant Trust

Participants reported growing fear, hostility, and disengagement due to media narratives about fraud.

Recommendations:

Pair integrity reforms with clear communication that:

- Fraud controls exist to protect participants, not punish them
- Vulnerable participants will not be blamed for exploitation

Co-design messaging with people with disability and families.

Conclusion

The evidence indicates that preventing fraud, financial misuse and sharp practices in the NDIS requires stronger upstream regulation, not just downstream enforcement. Improving registration standards, implementing active auditing, and reforming the Quality and Safeguards Commission are essential to protecting participants—particularly those with psychosocial disability—while ensuring public confidence in the scheme. Our previous research has shown how public narratives about the NDIS have the potential to undermine public trust in the scheme and to stigmatise scheme participants[1]. It is essential that the government takes clear action to control fraud and sharp practices in the NDIS while proactively considering the narrative that is created around these changes, to ensure that people with disability continue to have their needs met and are not demonised as part of the process of stamping out these problematic practices.

[1] Chinnappa, M., J.Smith-Merry, and K. J. Chang. 2025. "The Cost of the National Disability Insurance Scheme: Australia's Print-Media Discourse." Australian Journal of Social Issues1–11. https://doi.org/10.1002/ajs4.70063.