

Joint Standing Committee on the National Disability Insurance Scheme

Public Hearing – 01 February 2022
ANSWER TO QUESTION ON NOTICE

National Disability Insurance Agency

Topic: NDIS Fraud

Question reference number: NDIA IQ22-000013

Question asked by: Senator Carol Brown

Type of Question: Written

Date set by the Committee for the return of answer: 28 February 2022

Question:

What happens when funding is lost to fraud? How much is being retrieved?
How much is being spent on preventing or combatting fraud?

Answer:

If the NDIA determines that a provider has inappropriately claimed and received funds from a participant's plan, and the funds are from the current plan, then the Agency will undertake a review to determine if the funds should be reimbursed to the plan. Reimbursing funds to current plans ensures that participants are able to access supports and services as intended.

The Agency has allocated approximately \$23 million to fund teams solely responsible for identifying and treating fraud and non-compliance.

In July 2021, the Minister for the NDIS, Senator the Hon Linda Reynolds CSC, announced the NDIS Fraud Taskforce was to be extended indefinitely to protect the integrity of the Scheme and the participants it supports. The NDIS Fraud Taskforce is a multi-agency partnership between the NDIA, the Australian Federal Police and Services Australia, with a focus on high risk and serious criminal activity targeting the NDIS.

The NDIA Compliance Response Team, established in 2021, is a specialised team dedicated to recovering incorrect or non-compliant payments from NDIS providers. As 31 January 2022, the Compliance Response Team had recouped over \$38 million in non-compliant payments and it is estimated that a further \$174 million has been saved through changes in provider behaviour following a compliance audit.

In addition, as part of the 2021-22 Mid-Year Economic and Fiscal Outlook process, the Government announced it would provide \$30 million over two years from 2021-22 to the NDIA and the National Disability Insurance Scheme Quality and Safeguards Commission (the Commission) to develop and test new compliance capabilities, targeting fraudulent and unethical provider behaviours. The NDIA and the Commission will identify patterns of provider fraud and unethical behaviours to ensure the integrity of the NDIS and protect participants from fraudulent practices.

Where criminal investigation or prosecution has commenced, funds may be returned to the Commonwealth via court-made reparation orders or proceeds of crime action. As at 31 December 2021, \$1.1 million has been recovered through these means, with more than \$7 million of further assets seized pending the outcome of matters currently under prosecution. Administrative recovery action can also be taken to return residual amounts owing.