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Inquiry into the administration of the NDIS

JANUARY 2026



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What is MS?

Multiple Sclerosis (MS) remains one of the most common causes of neurological disability in the young adult population (aged 18–40 years) with over 2.8 million people affected worldwide. More than 37,756 Australians live with MS and over 7.6 million Australians know someone or have a loved one with this potentially debilitating disease.

Three times as many women have MS than men. Symptoms vary between people and can come and go; they can include severe pain, walking difficulties, debilitating fatigue, partial blindness and thinking and memory problems. For some, MS is characterised by periods of relapse and remission, while for others it has a progressive pattern of disability. MS robs people of quality of life, primarily driven by the impact of MS on pain, independent living, mental health and relationships.

MS Australia is Australia's national multiple sclerosis (MS) not-for-profit organisation that empowers researchers to identify ways to treat, prevent and cure MS, seeks sustained and systemic policy change via advocacy, and acts as the national champion for Australia's community of people affected by MS.

MS Australia represents and collaborates with its state and territory MS Member Organisations, people with MS, their carers, families and friends and various national and international bodies to:

- Fund, coordinate, educate and advocate for MS research as part of the worldwide effort to solve MS
- Provide the latest evidence-based information and resources
- Help meet the needs of people affected by MS

George Pampacos
President

Rohan Greenland
Chief Executive Officer

Administration of the NDIS

MS Australia welcomes the opportunity to provide a submission to the Joint Committee of Public Accounts and Audit inquiry into the administration of the NDIS.

This submission draws on the experiences and expertise of MS Australia's state and territory [Member Organisations](#). Our Member Organisations are registered NDIS providers and deliver a range of supports and services to people living with MS including support coordination, plan management, therapy supports, housing and living supports, social supports and in-home care. Some Member Organisations also support people living with other neurological conditions including stroke, Parkinson's disease, Huntington's disease, acquired brain injury and Motor Neurone disease.

MS Australia Recommendations

The NDIS improve financial sustainability by:

- Introducing clear time-limited pre-payment checks for high-risk support categories and give providers protection from penalties when they follow the published rules in good faith.
- Legislating maximum allowable timeframes for payment holds, requiring written reasons tied to the NDIS pricing rules.
- Adopting targeted, risk-based compliance rather than broad post-payment audits.
- Ensuring NDIS pricing reflects the real cost of meeting NDIS regulatory obligations.

The NDIA improve their performance reporting to include:

- A core set of participant and provider-relevant performance indicators, including payment timeliness, wait times, post-payment adjustment rates, and the impact of compliance actions.
- Incorporate reporting on external metrics which impact NDIS performance include actual costs, impacts on providers including financial distress and exit from the scheme and participant unmet needs.

The NDIA and the NDIS Quality and Safeguards Commission:

- Recognise the full costs and staffing hours associated with registering as a provider and maintaining the quality and safeguarding requirements.
- Fully implement a risk-proportionate regulatory framework, publicly reporting progress against ANAO recommendations.
- Introduce a more graduated and risk-proportionate regulatory model including a tiered registration system as per Recommendation 17 of the NDIS Review.

The Department of Health, Disability and Ageing (Department):

- Acknowledge the current gap between policy and operation of the NDIS and seek to actively and urgently address this.
- Engage in more meaningful two-way consultation and feedback with the disability sector.

Management of financial sustainability risks and claimant and provider compliance with NDIS claim requirements

MS Australia believes that the NDIA's current approach to financial sustainability, compliance, and claims management is undermined by inconsistent interpretation of supports, inadequate pricing, and ineffective oversight. Our Member Organisations frequently experience post-payment claim rejections months after supports have been delivered—often following shifts in the interpretation of claiming rules. By this stage, staff have been paid and services provided, leaving providers with unrecoverable financial losses. Long, unexplained delays in claim payments further exacerbate financial instability and disrupt service continuity.

These issues significantly impact the delivery of complex daily living supports, where stable staffing, safeguarding, and predictable funding are essential. Workforce planning and retention become increasingly difficult when providers are expected to absorb losses despite delivering supports exactly as agreed in participants' plans. Providers also report that compliance activities appear focused on containing scheme costs rather than improving quality or safety.

Financial pressures are further intensified by the NDIA's Annual Pricing Reviews, which in recent years have failed to adjust price limits in line with rising cost, including wages, inflation, and growing compliance obligations. All providers, registered or not, receive the same funding despite the additional regulatory burdens placed on registered organisations. This has contributed to sustained operating losses for our Member Organisations and has played a role in the closure of disability providers across Australia, especially those in regional areas.

Stated supports and funding periods (often 1-3 months) also intensify financial risk through unrecoverable administrative costs and constraints that prevent delivery or claiming of funded supports.

These experiences are consistent with the findings in the Australian National Audit Office's (ANAO) 2024–25 performance audit¹, which found the NDIA's management of claim compliance was only 'partly effective' with incomplete frameworks and inconsistent assurance processes. Additional ANAO findings demonstrate delayed or incomplete implementation of the government's 'Crack Down on Fraud' program, reinforcing concerns around inconsistent compliance oversight.

MS Australia recommends the NDIS improve financial sustainability by:

- Introducing clear time-limited pre-payment checks for high-risk support categories and give providers protection from penalties when they follow the published rules in good faith.
- Legislating maximum allowable timeframes for payment holds, requiring written reasons tied to the NDIS pricing rules.
- Adopting targeted, risk-based compliance rather than broad post-payment audits.
- Ensuring NDIS pricing reflects the real cost of meeting NDIS regulatory obligations.

Monitoring, measurement and reporting of NDIA performance

The current public reporting of NDIS performance does not accurately reflect the real-world experiences of participants and providers. Reporting does not include information on:

- Wait times for plan reviews or reassessments.
- How often payments are delayed, adjusted or rejected including the causes.

- The downstream impact of these issues on participants and providers.

As a result of these omissions, published performance results often indicate targets are being met, while providers and participants continue to wait months for reviews or unresolved payment problems. This disconnect limits the sector's ability to plan services, manage financial risk, and identify emerging system pressures before they affect participant safety or continuity of supports.

Current NDIS performance reporting also excludes metrics outside of the NDIA which are critical to understanding the NDIA's performance, including:

- The actual cost of service delivery across Australian disability providers, and the reasons for the difference to pricing caps.
- The actual costs incurred by providers relating to NDIS compliance, billing administration, and training.
- The rate of financial distress and disability providers exiting the market providers.
- Sector reporting on participant unmet needs by location, general disability unmet needs by location, participant funding utilisation, impact on funding utilisation due to emerging features/constraints like stated supports and periodical budgets.

Better, more transparent reporting would help providers plan services and manage risk. It would also make system pressures visible earlier, before they affect participant safety or continuity of supports.

MS Australia recommends the NDIA improve their performance reporting to include:

- A core set of participant and provider-relevant performance indicators, including payment timeliness, wait times, post-payment adjustment rates, and the impact of compliance actions.
- Incorporate reporting on external metrics which impact NDIS performance include actual costs, impacts on providers including financial distress and exit from the scheme and participant unmet needs.

Regulatory performance of the NDIS Quality and Safeguards Commission

MS Australia recognises the importance of a strong NDIS Quality and Safeguards Commission (the Commission) that takes regulatory action to protect people with disability from violence, neglect and abuse and ensures that providers are appropriately skilled and qualified to deliver the services they are funded for. However, our Member Organisations report a system where:

- Compliance requirements are not consistently risk-proportionate,
- Regulatory activity also appears heavily weighted toward enforcing compliance rather than strengthening safety and quality across the system,
- Funding does not always match regulatory expectations (e.g., additional supervision or incident management) and the costs of registration, reporting and keeping up with changes to the *NDIS Practice Standards*,
- There is an unequal and unsustainable compliance burden for registered providers compared to unregistered providers, and
- Coordination between the Commission and NDIA on pricing impacts is limited.

The experiences of our Member Organisations are echoed in the ANAO's 2025 audit of the Commission's Regulatory functions, which found the Commission partly effective, lacking a formal regulatory risk framework, with inconsistent monitoring and performance reporting².

The NDIS regulatory system needs to have a stronger focus on strengthening safety and quality across the system with an emphasis on learning from incidents and complaints. Currently, providers are being held to high standards that are difficult to meet under the current NDIS pricing model. This can unintentionally increase risk rather than reduce it, as providers struggle to absorb unfunded compliance work while maintaining safe, high-quality services.

MS Australia supports the introduction of a more graduated and risk-proportionate regulatory model including a tiered registration system as per Recommendation 17 of the NDIS Review³. This would ensure that providers are required to meet requirements that are commensurate to the risk of their activities and operations.

MS Australia recommends the NDIA and the NDIS Quality and Safeguards Commission:

- Recognise the full costs and staffing hours associated with registering as a provider and maintaining the quality and safeguarding requirements
- Fully implement a risk-proportionate regulatory framework, publicly reporting progress against ANAO recommendations.
- Introduce a more graduated and risk-proportionate regulatory model including a tiered registration system as per Recommendation 17 of the NDIS Review.

Department of Health, Disability and Ageing's policy advice to government

MS Australia believes there is a significant gap between the policy intent of the NDIS and how the system operates in practice. This gap between policy and reality is not understood or acknowledged by the Department and consequently impacts the policy advice they provide to government. There is a strong emphasis from the Department on the small number of participants who are mismanaging funds and/or committing fraud, instead of the majority of participants who engage with the NDIS in good faith and greatly benefit from NDIS supports.

Feedback provided to MS Australia from people living with MS indicates that how the NDIS operates can change suddenly and without notice. Additionally, there is a lack of understanding of new policies and procedures, and this often leads to wholesale changes. For example, at the end of 2025 a significant number of participants with MS suddenly had their therapy supports significantly reduced or cut without notice. However, there does not appear to be any corresponding policy decision from the Department to NDIA staff that has led to this sudden change.

The Department and the NDIS undertake regular consultation with the disability sector; however, this engagement is often one-way and does not adequately address feedback and concerns. MS Australia is a member of the Neurodegenerative, Palliative Care and Rare Diseases Advisory Group (NPRAG). We welcome this opportunity to liaise directly with the NDIA and the Department and provide feedback on how the NDIS is operating. However, we are concerned that the feedback and advice given by NPRAG members is not acted on by the relevant policy areas as there has been no feedback on how this information is actioned.

Recent policy changes indicate a clear lack of understanding by the Department of the complexity of navigating the NDIS and how challenging many people find interacting with the NDIS. For example, the recent move to introduce AI assisted planning with limited review options will significantly impact on people's ability to get the planned supports they need and directly

contravenes the needs and wishes of the disability community.

MS Australia recommends the Department of Health, Disability and Ageing:

- Acknowledge the current gap between policy and operation of the NDIS and seek to actively and urgently address this.
- Engage in more meaningful two-way consultation and feedback with the disability sector.

Reference

¹ Australian National Audit Office (2025). *National Disability Insurance Agency's Management of Claimant Compliance with National Disability Insurance Scheme Claim Requirements*. Retrieved from: <https://www.anao.gov.au/work/performance-audit/ndia-management-of-claimant-compliance-with-ndis-claim-requirements>

² Australian National Audit Office (2025). *Effectiveness of the NDIS Quality and Safeguards Commission's Regulatory Functions*. Retrieved from: <https://www.anao.gov.au/work/performance-audit/effectiveness-the-ndis-quality-and-safeguards-commissions-regulatory-functions-2025>

³ Department of the Prime Minister and Cabinet (October 2023). *Working together to deliver the NDIS - Independent Review into the National Disability Insurance Scheme: Final Report*. Retrieved from: <https://www.ndisreview.gov.au/resources/reports/working-together-deliver-ndis>



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