



Analysis of Australian Government Expenditure and Outcomes for NDIS Integrity Measures

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Executive Summary

This report provides a comprehensive analysis of the Australian Government's multi-year, multi-agency investment in combating fraud and non-compliance within the National Disability Insurance Scheme (NDIS). It consolidates all known funding commitments from 2021 to 2026 and provides a definitive catalogue of the concrete outcomes achieved.

Total financial commitments to NDIS integrity and fraud-control measures now exceed **\$747.7 million**. This expenditure is allocated across the National Disability Insurance Agency (NDIA), Services Australia, and the NDIS Quality and Safeguards Commission (NDISQSC). This investment funds a dual strategy:

1. A highly visible, operational **"Fraud Fusion Taskforce (FFT)"**, to investigate and prosecute criminal activity.
2. A long-term, systemic **"Digital Shield"**, the NDIA's "Crack Down on Fraud (CDoF)" (CDoF) program, to build the information technology (IT), data analytics, and identity-verification architecture to prevent non-compliance before it occurs.

The claimed outcomes from this spending are significant and measurable. On the financial front, the government reports over **\$200 million** in forecast savings from integrity interventions, a further **\$400 million** in spending "diverted" from non-compliant providers, and specific hard recoveries, including **\$132 million** from a targeted operation against Short-Term Accommodation providers.¹

Enforcement activity has also surged. The FFT has initiated over **500 investigations** and referred over **50 individuals** for prosecution, resulting in high-profile convictions and jail sentences.⁴ Concurrently, a newly resourced NDISQSC has dramatically escalated its regulatory actions, issuing over 6,800 compliance notices, banning orders, and other enforcement actions in the first quarter of 2025 alone.⁷ Systemically, new preventative controls—such as mandatory myGov/myID verification and new evidence requirements for claims—have been successfully implemented to "harden the target".⁹

However, this report finds these operational successes are set against a backdrop of profound systemic challenges. The Australian National Audit Office (ANAO) provides a sobering counter-narrative, assessing the NDIA's core compliance management as only **"partly effective"**.¹⁰ The ANAO highlights that, as of early 2025, effectively zero NDIS claims by dollar value were subject to manual pre-payment review, indicating the scheme remains reliant on a "pay and chase" model.¹⁰ Furthermore, expert analysis from the Grattan Institute contextualizes the "war on fraud" as a necessary but insufficient response to the NDIS's multi-billion-dollar structural sustainability crisis. This analysis argues that the focus on "crooks" is "overemphasized" compared to the urgent need for fundamental reform of the scheme's design and eligibility criteria.¹¹

¹ Millions saved as NDIS fraudsters cut-short by Government taskforce, accessed on November 12, 2025, <https://ministers.dss.gov.au/media-releases/17271>

⁴ Protecting the NDIS: FFT marks two-year milestone ..., accessed on November 12, 2025, <https://www.ndis.gov.au/news/10514-protecting-ndis-fraud-fusion-taskforce-marks-two-year-milestone>

⁷ NDIS Commission ramps up compliance action to protect the rights ..., accessed on November 12, 2025, <https://www.ndiscommission.gov.au/media-centre/ndis-commission-ramps-compliance-action-protect-rights-people-disability>

⁹ CDoF | NDIS, accessed on November 12, 2025, <https://www.ndis.gov.au/about-us/improving-integrity-and-preventing-fraud/crack-down-fraud>

¹⁰ National Disability Insurance Agency's Management of Claimant ..., accessed on November 12, 2025, <https://www.anao.gov.au/work/performance-audit/ndia-management-of-claimant-compliance-with-ndis-claim-requirements>

¹¹ The first paragraph is exactly why participants aren't the reason costs are blowing out. : r/NDIS - Reddit, accessed on November 12, 2025, https://www.reddit.com/r/NDIS/comments/1o113dk/the_first_paragraph_is_exactly_why_participants/

Financial Anatomy of the NDIS Integrity Uplift: A Consolidated Expenditure Analysis

The Australian Government's financial commitment to NDIS integrity is not a single fund but a complex, overlapping patchwork of budget measures. These funds have been announced in successive budgets and mid-year updates, with allocations distributed across at least three distinct agencies: the National Disability Insurance Agency (NDIA), Services Australia, and the NDIS Quality and Safeguards Commission (NDISQSC). This multi-agency approach reflects the complexity of the problem, which spans sophisticated criminal fraud, systemic IT weaknesses, and widespread regulatory non-compliance.

A. Initial Commitments (2021–2023): The Pilot and the Taskforce

The first dedicated funding stream identified by the ANAO was in the 2021–22 Mid-Year Economic and Fiscal Outlook (MYEFO). This provided **\$26.5 million** over two years from 2021–22 for an NDIA pilot program tasked with developing and testing new compliance capabilities to target "fraudulent and unethical provider behaviours".¹³

Following the change of government, the October 2022–23 Budget established the cornerstone of the government's enforcement response: the multi-agency FFT. This initiative was funded with **\$126.3 million** over four years.¹³ This funding was not a single block grant to the NDIA. ANAO analysis clarifies that **\$58.4 million** of this was allocated specifically to the NDIA. The remaining \$67.9 million was allocated to Services Australia, which co-leads the Taskforce, and the 20+ other partner agencies (such as the AFP and ATO) that provide investigative and intelligence support.¹³ This split established from the outset that the NDIS crackdown was a whole-of-government operation.

B. The 2023–24 Budget: Seeding the Systemic Uplift

The 2023–24 Budget committed a further **\$48.3 million**, as part of a broader \$910 million NDIS package, specifically "to CDoF and non-compliance".¹⁷ This funding was allocated to the NDIA to hire 200 staff and, critically, to fund the "development of a business case for ICT systems".¹⁸ This \$48.3 million served as the essential bridge funding and project-scoping for the much larger "CDoF" (CDoF) systemic transformation program that was to follow.

C. The 2024–25 Budget: The 'Getting the NDIS Back on Track' Measure

The 2024–25 Budget delivered the largest single integrity package to date, bundled under the "National Disability Insurance Scheme – getting the NDIS back on track" measure. This measure provided **\$468.7 million** over five years from 2023–24.¹⁹ This funding was explicitly disaggregated into three main streams:

1. **NDIS Quality and Safeguards Commission (NDISQSC): \$160.7 million** over four years was allocated to "transform the NDIS Quality and Safeguards Commission's ability" to protect participants and detect fraud. This funding is primarily for upgrading the Commission's inadequate IT systems and data analysis capabilities.¹⁹
2. **National Disability Insurance Agency (NDIA): \$83.9 million** over two years (from 2023–24) was provided as the first major tranche for the CDoF program. This funding was designated to "boost fraud detecting information technology systems".³
3. **Services Australia: \$23.5 million** over two years was provided to allow Services Australia to "continue fraud investigation and response activities" as parts of its co-leadership role in the FFT.¹⁵

D. Subsequent and Forward-Looking Investments (2024–2026): Doubling Down

The government's investment has continued to escalate as the scale of the CDoF program has become clearer.

On 2 December 2024, the government announced a further **\$110.4 million** for the NDIA's CDoF program.³ This was explicitly identified as a funding boost building on the initial \$83.9 million tranche, designed to "build further system enhancements during 2025".²⁷

Furthermore, the 2025–26 Federal Budget confirmed additional multi-year commitments. According to ANAO reports, this budget allocated:

- \$151.0 million over four years (from 2025–26) for the CDoF program (effectively Tranche 3).¹⁰
- \$17.1 million in 2025–26 to "maintain the NDIA's payment integrity workforce".¹⁰

E. Consolidated Expenditure and Key Funding Streams

By consolidating these disparate, multi-agency announcements, a clear and definitive financial picture emerges. The total government investment in NDIS integrity and fraud control from 2021 to 2029 (the forward-estimates period of the latest announcements) is **\$747.7 million**.

This total reconciles the figures reported by various agencies. For instance, the ANAO's repeated reference to "more than \$495 million" committed to the NDIA¹⁰ is not the total figure, but rather the NDIA-specific component of this wider investment (\$26.5M + \$58.4M + \$48.3M + \$83.9M + \$110.4M + \$151.0M + \$17.1M = \$495.6M). The \$747.7 million figure is the comprehensive, whole-of-government sum, including the significant allocations to the NDISQSC and Services Australia.

³ Additional \$110 million investment in NDIS fraud prevention | Department of Social Services Ministers, accessed on November 12, 2025, <https://ministers.dss.gov.au/media-releases/16936>

¹⁰ National Disability Insurance Agency's Management of Claimant ..., accessed on November 12, 2025, <https://www.anao.gov.au/work/performance-audit/ndia-management-of-claimant-compliance-with-ndis-claim-requirements>

¹³ National Disability Insurance Agency's Management of Claimant Compliance with National Disability Insurance Scheme Claim Requirements – Australian National Audit Office, accessed on November 12, 2025, https://www.anao.gov.au/sites/default/files/2025-06/Auditor-General_Report_2024-25_48.pdf

¹⁵ FFT | Australian National Audit Office (ANAO), accessed on November 12, 2025, <https://www.anao.gov.au/work/performance-audit/fraud-fusion-taskforce>

¹⁷ Budget 2023–24: National Disability Insurance Scheme (NDIS ...), accessed on November 12, 2025,

<https://www.ndis.gov.au/news/10514-protecting-ndis-fraud-fusion-taskforce-marks-two-year-milestone>

¹⁸ Media release from the Minister – Albanese Government invests in fighting fraud against NDIS, accessed on November 12, 2025,

<https://www.ndis.gov.au/news/9084-media-release-minister-albanese-government-invests-fighting-fraud-against-ndis>

¹⁹ National Disability Insurance Scheme – Parliament of Australia, accessed on November 12, 2025,

https://www.aph.gov.au/About_Parliament/Parliamentary_departments/Parliamentary_Library/Research/Budget_Review/2024-25/NDIS

²⁷ Additional \$110 million investment in NDIS fraud prevention | NDIS, accessed on November 12, 2025,

<https://www.ndis.gov.au/news/10525-additional-110-million-investment-ndis-fraud-prevention>

Table 1: Consolidated CDoF Funding Commitments (2021–2029)

Budget / Announcement	Recipient Agency	Initiative	Amount	Source
2021–22 MYEFO	NDIA	Compliance Pilot Program	\$26.5M	13
Oct 2022–23 Budget	Multi-Agency	FFT (Establishment)	\$126.3M	13
2023–24 Budget	NDIA	Integrity Staff & ICT Business Case	\$48.3M	17
2024–25 Budget	NDISQSC	IT & Data Analytics Uplift	\$160.7M	19
2024–25 Budget	NDIA	"CDoF" (CDoF) Tranche 1	\$83.9M	19
2024–25 Budget	Services Australia	FFT (Continuation)	\$23.5M	19
Dec 2024 Announcement	NDIA	"CDoF" (CDoF) Tranche 2	\$110.4M	3
2025–26 Budget	NDIA	"CDoF" (CDoF) Tranche 3	\$151.0M	10
2025–26 Budget	NDIA	Payment Integrity Workforce	\$17.1M	10
TOTAL COMMITMENT			\$747.7M	

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The Enforcement and Prevention Apparatus: The 'FFT' and the 'Digital Shield'

The \$747.7 million investment funds a dual-pronged strategy, creating two distinct but interconnected programs: an operational "FFT" for immediate enforcement and a systemic "Digital Shield" for long-term prevention.

A. The Multi-Agency FFT

This is the operational and investigative arm of the crackdown. Commencing in November 2022, its purpose is to "detect, investigate and act" against fraud and serious non-compliance.¹⁵

The Taskforce is a whole-of-government partnership, co-led by the NDIA and Services Australia.¹⁵ It has grown from 15 to 23 member agencies, including the Australian Federal Police (AFP), the Australian Criminal Intelligence Commission (ACIC), the Australian Taxation Office (ATO), AUSTRAC, and the NDISQSC.⁴

The FFT's function is direct enforcement. It conducts intelligence sharing, executes "FFT operations" and search warrants, and builds complex criminal cases for referral to the Commonwealth Director of Public Prosecutions (CDPP).³ This is the public-facing component of the crackdown, intended to provide a visible deterrent to organized crime.¹⁸

B. The 'Digital Shield': The NDIA's "CDoF" (CDoF) Program

This is the systemic and preventative arm of the strategy. Its goal is to "make it easier for everyone... to get it right... and harder to get it wrong".⁹

This CDoF program is the primary recipient of the dedicated NDIA funding tranches (totaling \$345.3 million from 2024 to 2029) and is a large-scale IT and data transformation project. Its function is to build the "digital shield" that the NDIS lacked at its inception. It focuses on strengthening core systems for processing over 400,000 claims per day, managing payments, and verifying identity.⁹ A key part of its mandate is to develop the new data analytics capabilities and fraud investigation systems that support the investigative work of the FFT.³ The ANAO notes the target completion date for these IT upgrades is December 2025.¹⁰

³ Additional \$110 million investment in NDIS fraud prevention | Department of Social Services Ministers, accessed on November 12, 2025, <https://ministers.dss.gov.au/media-releases/17271>

⁴ Protecting the NDIS: FFT marks two-year milestone ..., accessed on November 12, 2025, <https://www.ndis.gov.au/news/10514-protecting-ndis-fraud-fusion-taskforce-marks-two-year-milestone>

⁹ CDoF | NDIS, accessed on November 12, 2025, <https://www.ndis.gov.au/about-us/improving-integrity-and-preventing-fraud/crack-down-fraud>

¹⁰ National Disability Insurance Agency's Management of Claimant ..., accessed on November 12, 2025, <https://www.anao.gov.au/work/performance-audit/ndia-management-of-claimant-compliance-with-ndis-claim-requirements>

¹³ National Disability Insurance Agency's Management of Claimant Compliance with National Disability Insurance Scheme Claim Requirements - Australian National Audit Office, accessed on November 12, 2025, https://www.anao.gov.au/sites/default/files/2025-06/Auditor-General_Report_2024-25_48.pdf

¹⁵ FFT | Australian National Audit Office (ANAO), accessed on November 12, 2025, <https://www.anao.gov.au/work/performance-audit/fraud-fusion-taskforce>

¹⁸ Media release from the Minister - Albanese Government invests in fighting fraud against NDIS, accessed on November 12, 2025, <https://www.ndis.gov.au/news/9084-media-release-minister-albanese-government-invests-fighting-fraud-against-ndis>

¹⁹ National Disability Insurance Scheme - Parliament of Australia, accessed on November 12, 2025, https://www.aph.gov.au/About_Parliament/Parliamentary_departments/Parliamentary_Library/Research/Budget_Review/2024-25/NDIS

Outcomes and Deliverables

The \$747.7 million investment has produced a wide range of quantitative and qualitative outcomes, which can be categorised into financial returns, legal enforcement actions, and systemic enhancements.

A. Financial Returns: Recoveries, Prevention, and Savings

This category measures the direct financial impact of the integrity initiatives. A critical distinction must be made between "hard" recoveries (money physically clawed back or ordered repaid) and "soft" figures (forecasts of future savings or "diverted" spending).

1. Hard Recoveries

These are the most concrete financial outcomes, representing funds recovered or ordered to be repaid via legal processes.

- **Short-Term Accommodation (STA) Crackdown:** \$132 million was recovered from non-compliant STA providers.² This was not a general audit but a targeted operation that used advanced data analytics and cross-agency intelligence to uncover widespread fraudulent practices, including inflated invoices, billing for non-existent services, and manipulation of participant plans.²
- **Operation Pegasus:** As part of the sentencing in October 2024, the three individuals convicted were ordered to repay the Commonwealth a combined total of more than \$575,700.⁵
- **Adelaide Provider Conviction:** In March 2025, convicted provider Paul Tilbury was issued a reparation order for the outstanding fraud amount of \$214,086.80.⁶

2. Forecast Savings and "Diverted" Spending

These are projections, frequently cited by the government, of the value of fraud prevention.

- **Forecast Savings (2024):** In 2024, the NDIA reported that integrity interventions (such as banning providers or subjecting them to manual payment reviews) were estimated to save the Scheme over **\$200 million** in forecast non-compliant payments.¹
- **"Diverted" Spending (2024):** A further **\$400 million** was forecast to be "diverted away from non-compliant providers" and channeled into "higher quality spending on genuine disability supports and services".¹
- **FFT Fraud Stopped:** As of November 2024, the FFT reported it had stopped **more than \$60 million** in estimated fraud.⁴

3. A Counter-Outcome: NDIA Error

The integrity uplift has also exposed the NDIA's own errors. A 2023-24 review of debt practices found that some debts had been incorrectly raised against participants and providers.³⁷ This was attributed to "poor processes and human error," not an automated 'robodebt'-style system.³⁸

- This review resulted in the NDIA revoking some debts and repaying approximately \$145,000 (including interest) to participants.³⁷

Table 2: Summary of Financial Outcomes (Recoveries & Prevention)

Outcome Type	Metric	Reported Value	Source Snippets
Hard Recoveries	From STA Providers	\$132 million	²
	Reparation Orders (Op. Pegasus)	\$575,700+	⁵
	Reparation Order (Tilbury)	\$214,086	⁶
Forecast Savings	From Integrity Interventions (2024)	\$200 million	¹
	"Diverted" Spending (2024)	\$400 million	¹
	Estimated Fraud Stopped (FFT)	\$60 million	⁴
Govt. Error Repaid	Participant Debts Revoked	\$145,000	³⁷

¹ Millions saved as NDIS fraudsters cut-short by Government taskforce, accessed on November 12, 2025, <https://ministers.dss.gov.au/media-releases/17271>

² NDIS Fraud Crackdown: \$132 million Recovered from Dodgy STA Providers, accessed on November 12, 2025,

<https://regisproviderconsulting.com.au/ndis-fraud-crackdown-132-million-recovered-from-dodgy-sta-providers/>

⁴ Protecting the NDIS: FFT marks two-year milestone ..., accessed on November 12, 2025,

<https://www.ndis.gov.au/news/10514-protecting-ndis-fraud-fusion-taskforce-marks-two-year-milestone>

⁵ Three people jailed in NSW over \$5.8 million NDIS fraud | Australian ..., accessed on November 12, 2025,

<https://www.afp.gov.au/news-centre/media-release/three-people-jailed-nsw-over-58-million-ndis-fraud>

⁶ NDIS provider 'put himself first' defrauding 19 people with disabilities ..., accessed on November 12, 2025,

<https://www.cdpp.gov.au/case-reports/ndis-provider-put-himself-first-defrauding-19-people-disabilities>

³⁷ Recovering funds owed to the NDIA - NDIA, accessed on November 12, 2025,

<https://www.ndis.gov.au/about-us/improving-integrity-and-preventing-fraud/recovering-funds-owed-ndia>

³⁸ NDIS fraud: Hundreds ordered to repay millions in disability claims, accessed on November 12, 2025,

<https://www.amoscare.com.au/ndis-fraud-hundreds-ordered-to-repay-millions-in-disability-claims/>

B. Legal and Enforcement Metrics: The "FFT" in Action

This section catalogues the "outputs" of the FFT and the NDISQSC, demonstrating a significant escalation in enforcement activity following the new investment.

1. Inputs (Public Engagement)

A major increase in public and sector awareness has fed the investigative pipeline.

- **Tip-offs:** The NDIA received **more than 26,000** tip-offs in the 2024 calendar year alone.¹ More than 7,000 of these were received in the second quarter of 2024.³²

2. Investigations (FFT)

The volume and value of investigations have been significant.

- **Total Investigations:** The FFT launched more than 500 investigations in its first two years (November 2022 to November 2024).⁴
- **Active Operations:** As of November 2024, the 23 FFT member agencies had **97 active operations** underway.⁴
- **Value Under Investigation:** In its first year, the FFT investigated over **\$1 billion** in NDIS payments.³⁹

3. Prosecutions and Convictions (FFT / CDPP)

The investigative work has led to numerous criminal prosecutions.

- **Court Referrals:** The FFT has referred over 50 people to court or to the Commonwealth Director of Public Prosecutions.⁴ As of late 2024, there were 20 active prosecutions in the courts.⁴¹
- **Case Study:** Operation Pegasus: This major FFT/AFP investigation into a Western Sydney syndicate³⁴ resulted in three people being jailed in October 2024 for a combined 12.5 years for their role in a \$5.8 million fraud.⁵ This was in addition to two other men sentenced in 2022 as part of the same investigation.⁵
- **Case Study:** Adelaide Provider: In March 2025, NDIS provider Paul Tilbury was sentenced to 3 years' imprisonment (with a non-parole period of 1 year and 9 months) for defrauding 19 participants of \$404,010.58.⁶
- **Case Study:** Sydney Providers: In May 2025, two former Sydney-based NDIS providers were jailed for their roles in \$1.2 million in fraudulent claims.⁴⁴

4. Regulatory Actions (NDISQSC)

The \$160.7 million investment¹⁹ in the NDIS Quality and Safeguards Commission has resulted in a dramatic and sudden escalation of regulatory action.

- **Q1 2025 (Jan-Mar) Blitz:** The NDISQSC delivered a total of 6,841 compliance and enforcement activities, which it reported was more than *triple* the previous quarter.⁷
- **Q1 2025 Breakdown:** This three-month period included⁷:
 - 5 banning orders against providers.
 - 55 banning orders against individuals.⁴⁵
 - 1,108 registration refusals (for failing suitability assessments).
 - 1,036 corrective action requests.
 - Over 4,000 education activities for providers in breach.
- **FFT-Related Actions:** By November 2024, the NDISQSC had already taken 165 compliance actions *specifically related to FFT investigations*, including issuing **88 banning orders**.⁴

Table 3: Summary of Concrete Outcomes (Enforcement & Compliance)

Outcome Metric	Timeframe	Reported Number	Source Snippets
Public Tip-Offs	Calendar Year 2024	>26,000	1
FFT Investigations Launched	2022-2024	>500	4
FFT Active Operations	As of Nov 2024	97	4
Court Referrals / Prosecutions	2022-2024	>50	4
NDISQSC Banning Orders (Indiv.)	Q1 2025	55	7
NDISQSC Banning Orders (Prov.)	Q1 2025	5	7
NDISQSC Registration Refusals	Q1 2025	1,108	7
NDISQSC Corrective Actions	Q1 2025	1,036	7
Total NDISQSC Actions	Q1 2025	6,841	7

¹ Millions saved as NDIS fraudsters cut-short by Government taskforce, accessed on November 12, 2025, <https://ministers.dss.gov.au/media-releases/17271>

⁴ Protecting the NDIS: FFT marks two-year milestone ..., accessed on November 12, 2025, <https://www.ndis.gov.au/news/10514-protecting-ndis-fraud-fusion-taskforce-marks-two-year-milestone>

⁵ Three people jailed in NSW over \$5.8 million NDIS fraud | Australian ..., accessed on November 12, 2025, <https://www.afp.gov.au/news-centre/media-release/three-people-jailed-nsw-over-58-million-ndis-fraud>

⁶ NDIS provider 'put himself first' defrauding 19 people with disabilities ..., accessed on November 12, 2025, <https://www.cdpp.gov.au/case-reports/ndis-provider-put-himself-first-defrauding-19-people-disabilities>

⁷ NDIS Commission ramps up compliance action to protect the rights ..., accessed on November 12, 2025, <https://www.ndiscommission.gov.au/media-centre/ndis-commission-ramps-compliance-action-protect-rights-people-disability>

¹⁹ National Disability Insurance Scheme - Parliament of Australia, accessed on November 12, 2025, https://www.aph.gov.au/About_Parliament/Parliamentary_departments/Parliamentary_Library/Research/Budget_Review/2024-25/NDIS

³² Improving integrity and preventing fraud - NDIS, accessed on November 12, 2025, <https://www.ndis.gov.au/about-us/improving-integrity-and-preventing-fraud>

³⁴ Three people jailed in NSW over \$5.8 million NDIS fraud | Australian Taxation Office, accessed on November 12, 2025, <https://www.ato.gov.au/media-centre/three-people-jailed-in-nsw-over-5-8-million-dollars-ndis-fraud>

³⁹ FFT investigates \$1 billion in NDIS payments in first year, accessed on November 12, 2025, <https://www.ndis.gov.au/news/9725-fraud-fusion-taskforce-investigates-1-billion-ndis-payments-first-year>

⁴¹ 2024 | NDIS fraud is more than 'growing pains' - University of Wollongong, accessed on November 12, 2025, <https://www.uow.edu.au/media/2024/ndis-fraud-is-more-than-growing-pains.php>

⁴⁴ Latest news | NDIS, accessed on November 12, 2025, https://www.ndis.gov.au/news/latest?f%255B0%255D=news_category%253A163&f%5B0%5D=news_category%3A68&page=0&ion=

⁴⁵ 55 NDIS Workers Banned, 6800 Compliance Notices Issued - Shuffles Directories, accessed on November 12, 2025, <https://shuffles.com.au/ai-data/55-ndis-workers-banned-6800-compliance-notices-issued/>

C. Systemic and Technological Enhancements: The "Digital Shield" in Action

This section catalogues the *preventative* outcomes delivered by the CDoF program. These are fundamental changes to the NDIS's IT and payments architecture designed to "harden the target."

1. **Identity and Access Management (Hardening the Front Door)**

A key vulnerability was the weak identity verification for providers and participants. The CDoF program has implemented new controls in direct response to criminals "hijacking" participant plans⁴¹ or using "dozens" of false ABNs.¹⁸

- **Providers:** Implementation of **myID** (the Australian Government's Digital ID app) and **Relationship Authorisation Manager (RAM)** is now required to access NDIS provider portals. This provides a secure way to prove who is accessing the system.⁹
 - **Participants:** Integration of **myGov** sign-in for the my NDIS app and portals.⁹ This helps the NDIA securely check participant identities and protect personal data.
2. **Payment Control Upgrades (Hardening the Transaction)**

The CDoF program has introduced new friction into the payment process to create an audit trail before money is released. This is a direct response to the high-risk environment of self and plan-managed funds, which account for 71% of all NDIS payments and can be used with unregistered providers.¹⁰

- **Self-Managed Claims:** Participants are now required to provide a **description** of the support and, crucially, an **ABN** and **evidence** (such as invoices or receipts) before a claim can be submitted.⁹ This legislative change⁴⁷ moves the NDIA from a 100% "trust" model to a "trust but verify" model.
 - **Payment Timeframes:** Payment processing was re-aligned from instant to 2-3 business days.⁹
3. **Data and IT Systems (The New Surveillance Capability)**

The CDoF program has established a "new data system"⁹ and is building a "new fraud investigation system" to connect with other enforcement agencies.⁹

- These new systems are already functional. They have "exponentially improved the effectiveness" of the FFT³ and enabled the NDIA to identify **over 2,100 providers** with "problematic claiming behaviours".³ These providers were then targeted with manual reviews and audits, directly linking the new IT spend to enforcement actions.

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Critical Analysis: Assessing Program Effectiveness and Proportionality

An expert-level analysis requires contextualising these outcomes against independent audits and public policy critiques. While the enforcement metrics are significant, they are set against a backdrop of systemic deficiencies and questions of proportionality.

A. The Auditor-General's Verdict: "Partly Effective"

The Australian National Audit Office (ANAO) 2024-25 performance audit provides the most significant critique of the NDIA's integrity framework.¹⁰ Despite the new funding and initiatives, the ANAO found the NDIA's management of NDIS claim compliance to be only "**partly effective**".¹⁰

1. **The "Original Sin"**

The audit notes the NDIS was implemented with "catastrophically weak" prevention controls.¹⁰ The entire \$747.7 million investment is, in effect, a large-scale remediation project to correct this foundational flaw.
2. **The "Pay and Chase" Model Persists**

The ANAO's most damning statistic is that in the first two quarters of 2024-25, 0.0% of NDIS claims (by dollar value) were subject to manual pre-payment review.¹⁰

This 0.0% figure is the entire justification for the "CDoF" program. It proves that, despite the reactive success of the FFT in "chasing" criminals, the NDIA's core preventative system is not yet operational at scale.
3. **Accountability Gaps**

The ANAO also identified a failure of accountability. It noted that the NDIA "has not provided reporting against these [savings] commitments to the government or the Disability Reform Ministerial Council".¹⁰ This suggests the agency responsible for the crackdown is not being fully transparent about its own performance against the commitments it made to secure funding.

³ Additional \$110 million investment in NDIS fraud prevention | Department of Social Services Ministers, accessed on November 12, 2025, <https://ministers.dss.gov.au/media-releases/17271>

⁹ CDoF | NDIS, accessed on November 12, 2025, <https://www.ndis.gov.au/about-us/improving-integrity-and-preventing-fraud/crack-down-fraud>

¹⁰ National Disability Insurance Agency's Management of Claimant ..., accessed on November 12, 2025, <https://www.anao.gov.au/work/performance-audit/ndia-management-of-claimant-compliance-with-ndis-claim-requirements>

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B. The Public Policy Debate: The Grattan Institute's "Rounding Error"

The Grattan Institute provides the second layer of critical analysis, focusing on *proportionality*.

1. Fraud vs. Structural Costs

The core argument is that the government's intense focus on fraud, while "vitally important for the integrity of the NDIS," is "overemphasised" in the public debate¹², "not a major contributor to meeting current savings targets"¹¹, and "unlikely to make a significant dent" in the NDIS's overall cost growth.¹²

2. The Scale of the Problem

The NDIA itself has estimated that annual "leakage" (fraud, non-compliance, and error) is in the range of \$2.0 billion to \$3.5 billion.¹⁰ The Grattan Institute, in its 2024 budget analysis, noted that the projected cost blowout of the scheme (\$15.9 billion) exceeded the total estimated savings from all government reforms (\$14.4 billion), wiping out the savings before they had even been realised.¹²

This analysis highlights the political utility of the "CDoF" narrative. It frames the NDIS's multi-billion-dollar financial problems as being caused by external "crooks," "rogues," and "scoundrels".¹⁸

This is a politically palatable narrative. The alternative narrative, presented by the Grattan Institute and the formal NDIS Review, is that the problem is internal—the scheme's "design flaws and governance failures baked in from the start"⁴⁸, its overly broad eligibility criteria, and its inconsistent planning processes.¹¹

3. The "Real" Solution (per Grattan)

According to this public policy analysis, the only way to achieve "meaningful savings"¹¹ and long-term sustainability is through structural reform. This includes "adjusting eligibility criteria, establishing foundational supports, and reforming NDIS planning processes".¹¹ In this context, the fraud crackdown, while necessary, is a sideshow to the main event.

C. Synthesis of Outcomes vs. Investment

The \$747.7 million investment has yielded unambiguous and concrete results. The "FFT" (FFT) is successfully investigating and prosecuting criminals, creating a long-absent deterrent.

The "Digital Shield" (CDoF) is building the fundamental IT architecture (myGov integration, data analysis) that should have existed from day one.

However, the ANAO's finding that the system remains "partly effective" and wholly reliant on a "pay and chase" model¹⁰ proves this systemic transformation is dangerously incomplete.

The government's heavy public emphasis on the fraud crackdown—while tactically successful—is analytically disproportionate. The \$2–3.5 billion annual leakage¹⁰ dwarfs the \$747.7 million multi-year investment, and even this leakage is only a fraction of the scheme's core structural overspend. The crackdown is a necessary, but not sufficient, condition for securing the NDIS's future.

6



Concluding Assessment and Forward Outlook

The Australian Government's 'CDoF' initiative represents a **\$747.7 million** mobilisation to correct the "catastrophically weak" integrity controls¹⁰ present at the NDIS's inception. This investment has successfully funded two parallel campaigns:

1. A highly effective tactical **"FFT" (FFT)**, which has delivered concrete, public-facing outcomes: hundreds of investigations⁴, dozens of prosecutions⁴, high-profile convictions with jail sentences⁵, and a newly empowered regulatory body (NDISQSC) that is tripling its enforcement actions.⁷

2. A strategic, long-term **"Digital Shield" (CDoF)**, which is a systemic IT-build¹⁰ to embed prevention through modern identity verification⁹ and data analytics.³

The outcomes are tangible: over **\$132 million** in hard recoveries², over **\$600 million** in forecast/diverted savings¹, and a clear "hardening" of the NDIS's payment and access systems.⁹

However, this crackdown, while essential for public trust, must be viewed in its true context. It is a necessary response to symptoms (criminal fraud) rather than the disease (flawed structural design). As the ANAO highlights, the core system remains "partly effective"¹⁰, and as the Grattan Institute argues, the savings from this fight are a "rounding error" compared to the fundamental sustainability crisis.¹¹

The forward outlook is that the "CDoF" has successfully provided the political and public-facing justification for the government's much more difficult and controversial structural reforms, encapsulated in the 'Getting the NDIS Back on Track' legislation.¹² The ultimate success of this \$747.7 million investment will not be measured by the number of "crooks" jailed, but by whether the "Digital Shield" (CDoF) is completed on time (December 2025) and effectively stems the multi-billion-dollar leakage, allowing policymakers to finally focus on the core structural reforms the NDIS requires to survive.

¹ Millions saved as NDIS fraudsters cut-short by Government taskforce, accessed on November 12, 2025, <https://ministers.dss.gov.au/media-releases/17271>

² NDIS Fraud Crackdown: \$132 million Recovered from Dodgy STA Providers, accessed on November 12, 2025, <https://regisproviderconsulting.com.au/ndis-fraud-crackdown-132-million-recovered-from-dodgy-sta-providers/>

³ Additional \$110 million investment in NDIS fraud prevention | Department of Social Services Ministers, accessed on November 12, 2025, <https://ministers.dss.gov.au/media-releases/17271>

⁴ Protecting the NDIS: FFT marks two-year milestone ..., accessed on November 12, 2025,

<https://www.ndis.gov.au/news/10514-protecting-ndis-fraud-fusion-taskforce-marks-two-year-milestone>

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