22 August 2025

The NDIA has completed a review of policies and practices concerning NDIS debt and will repay some money to participants and providers.

A debt can come about when a NDIS payment is made to a person or organisation not entitled to the payment.

Some common examples of why a debt may be raised are:

- A mistake made by a participant, nominee or provider in making a claim
- Claiming for items that are not funded by the NDIS
- False or misleading claims (fake invoices, fake amounts or fake providers).

The NDIA's review of debt policies builds on legislative reforms in 2024 that provide more flexibility in dealing with debt and investment by the Australian Government to improve debt practices in the NDIA.

The NDIA considered all factors relevant to the issuing of debts, and where there were problems including poor process, lack of evidence and natural justice, legal deficiencies and poor communications, debts have been revoked.

The Agency reviewed 475 participant debts, issued between 2017 and early 2024. The Agency has revoked 115 of these debts.

In most cases, no money had been paid by the participant and the debt has been extinguished and removed from client records.

Repayments to participants have been made in 26 cases totalling about $145,000 in paid debt and interest.

There are 2 more participants eligible for a refund and the NDIA is engaging with them or their families.

The Agency has apologised for any distress caused.

Where debts are proceeding and are not subject to criminal proceedings, the Agency will contact participants to check on their circumstances and wellbeing and explain available options to commence repayment.

Some 387 provider debts are being reviewed with refunds expected to be paid to less than 60 providers. The Agency is currently working on contacting all affected providers.

The Agency review of debt policies identified errors in some historical debts, including:

- Issuing debts without sufficient attempts to contact the participant or provider to understand their circumstances
- The underlying evidence and record keeping to substantiate the debt being inadequate
- Poorly issued debt notices including citing incorrect parts of the NDIS Act.

These debts were not generated by any automated systems. The errors were the result of poor processes and human error.

The NDIA's revised debt approach balances participant wellbeing and welfare with the Agency's responsibility to ensure NDIS funding is used appropriately.

New laws introduced in 2024 give the Agency the ability to take into account a person's disability when considering waiving a debt.

All NDIA-initiated debts are now reviewed and approved by two panels which include legal specialists and senior executives.

Debt makes up a very small proportion of Scheme costs – around 0.06 per cent – but the financial and emotional impact can be substantial.

The Agency's strengthened approach to debt is focused on prevention and participant welfare – we want to minimise the risk of an NDIS participant owing money.

A range of safeguards are in place to reduce the likelihood of debts:

- A formal list of what are NDIS Supports and what are not NDIS Supports to provide greater clarity on what can be paid for with NDIS funds
- The introduction of funding periods, reducing the risk of plans being inappropriately spent
- Contacting participants about inappropriate claims to provide education and support
- Being able to change a participant's plans to Agency-managed where there are risks or ongoing inappropriate claims.

Participants, nominees and NDIS providers can ask for the NDIA to reconsider the circumstances of a debt which may include the debt being revoked, waived or written off.

Anyone with concerns about their plan or spending can contact the National Contact Centre on 1800 800 110 or visit debt assessment, management and recovery.

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