Crackdown on dodgy STA providers helps save $132 million in NDIS funds

10 October 2025

The Government has shut down unscrupulous behaviour in the National Disability Insurance Scheme, stopping dodgy providers from misusing funding meant to support people with disability.

Claims for Short Term Accommodation (STA) have reduced by more than 130-million dollars in the June Quarter 2025, down 47 per cent compared with the peak in December 2023.

This reduction follows a 10-month crackdown on unscrupulous providers and clearer directions on legitimate NDIS respite support.

More than 3,000 providers have since left the STA sector.

STA is designed to provide necessary, short-term respite to help NDIS participants live independently and pursue their goals. It provides an opportunity for participants, their family members and carers to take a break.

The compliance campaign – led by the National Disability Insurance Agency – targeted misleading advertising and inappropriate promotion of NDIS funds for holidays, cruises and travel.

Prior to the campaign, STA claims had been growing by 30 per cent annually.

The Short Term Accommodation campaign:

- Assessed 350 tip-offs
- Sent 164 cease and desist letters to STA providers
- Led to referrals for formal ongoing manual payment reviews for 4 entities identified as problematic providers
- Referred 27 providers to the ACCC for false advertising suggesting NDIS funds would cover “all inclusive” holidays.

The NDIS Commission also banned 4 non-compliant providers and rejected 1 provider application for registration.

This is part of the Government’s ongoing work to strengthen the NDIS, protect participants and ensure the scheme is sustainable for the future.

Quotes Attributable to Senator Jenny McAllister, Minister for the NDIS:

“The Albanese Government is determined to protect people with disability from dodgy providers looking to drain their plans and abuse the NDIS.

“This 10-month crackdown by the NDIA has helped us save more than $130 million and get rid of many bad actors in the Short Term Accommodation sector.

“We’re going to keep doing this kind of work to protect the interests of people with disability and uphold the integrity of our unique, world-leading NDIS.”

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