ANAO Audit Summary: Effectiveness of the NDIS Quality and Safeguards Commission's Regulatory Functions

Background

Audit assessed whether the NDIS Commission effectively exercises its regulatory functions over providers (registered and unregistered). Key focus: intelligence gathering, risk-based decision-making, monitoring & enforcement.

Key Findings

- Commission partly effective overall.
- 94% of providers are unregistered, receiving 42% of plan-managed payments.
- Data systems (COS) have major capability limitations.
- No formal risk-based regulatory framework in place.
- Compliance actions: 35,000+ in 2023–24; complaints increasing.
- Oversight gaps in unplanned service withdrawal risk.
- No consistent quality assurance across compliance and enforcement.
- Performance reporting data not fully reliable or reconciled.

Recommendations (10 total)

- Develop a risk-based regulatory framework.
- Improve data systems and analytics (via DART).
- Introduce quality assurance for compliance & investigations.
- Strengthen market oversight, including withdrawal risk.
- Enhance performance reporting accuracy and accountability.
- Formalise and expand information-sharing arrangements.

Implications

- Providers should expect higher scrutiny and structured oversight.
- Unregistered providers face greater pressure for compliance visibility.
- Risk-based campaigns will target higher-risk service types and providers.
- Improved data capability will increase regulatory reach and enforcement.

Conclusion

The ANAO audit highlights significant gaps but sets a roadmap for reform. The Commission is moving toward risk-based, intelligence-led oversight. Implementation of recommendations will close regulatory gaps, especially around unregistered providers.