

24 April 2026

Joint Standing Committee on the National Disability Insurance Scheme
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Secretary

APS Submission to the Inquiry into the Integrity of the National Disability Insurance Scheme

The Australian Psychological Society (APS) welcomes the opportunity to make a submission to the Joint Standing Committee on the National Disability Insurance Scheme's Inquiry into the Integrity of the National Disability Insurance Scheme (NDIS).

The APS is the largest peak professional body for psychologists in Australia. Our members include thousands of psychologists who provide essential, evidence-based supports to NDIS participants, and we are deeply committed to the Scheme's success and sustainability.

The integrity of the NDIS is a matter of shared importance to participants, their families, providers, regulators and the broader community. A well-functioning, financially sustainable Scheme is essential to ensuring that Australians with disability can access the supports they need to live meaningful lives. The APS is deeply committed to supporting that goal.

Nature, Extent and Impacts of Non-Compliance in the NDIS

The APS acknowledges that non-compliance and fraud within the NDIS represent a serious challenge. Reports from the NDIS Quality and Safeguards Commission, the National Disability Insurance Agency (NDIA), and the Fraud Fusion Taskforce have highlighted concerning patterns of behaviour, including false claiming, overservicing, exploitation of participants, and in some cases deliberate criminal fraud. The APS is unequivocal in its condemnation of such conduct.

It is important, however, that the Committee's analysis of the nature and extent of non-compliance takes a differentiated approach. The evidence suggests that non-compliance is concentrated among certain categories of providers; particularly those who are not subject to robust existing systems of professional regulation and ethical standards. This concentration matters because it has direct implications for how integrity measures should be designed and targeted.

Psychologists operating within the NDIS are among the most highly regulated practitioners in the health sector. They are subject to:

- Registration and ongoing regulation by the Australian Health Practitioner Regulation Agency (Ahpra) and the Psychology Board of Australia (PsyBA), with requirements covering competence, fitness to practise, continuing professional development, professional indemnity insurance, and mandatory reporting obligations;
- The PsyBA Code of Conduct, which establishes binding ethical standards relating to honesty, integrity, non-exploitation, and respect for the rights of clients;
- Detailed professional practice guidelines from professional bodies such as the APS in relation to informed consent, financial and commercial dealings, providing services to children and young people, and other topics relevant to integrity;

- Legal obligations under Australian Consumer Law, privacy legislation, the NDIS Act and its Rules; and
- Peer supervisory and oversight mechanisms, complaints processes, and disciplinary frameworks as part of a well-established and regulated profession.

This layered regulatory environment substantially limits the risk that registered psychologists will engage in non-compliant, exploitative, or fraudulent behaviour. Importantly, the APS is not aware of any evidence suggesting that psychologists as a group represent a significant or disproportionate source of NDIS fraud or non-compliance.

This assessment appears to be shared by the government's own enforcement mechanisms. The Fraud Fusion Taskforce has not, to the APS's knowledge, identified any non-compliant psychologist since its work commenced in 2022. This is a significant and telling finding. It suggests that the regulatory and professional frameworks governing psychology are operating effectively as safeguards within the Scheme, and that integrity measures focused on psychology providers are unlikely to yield commensurate returns.

The APS urges the Committee to note this distinction in its report and recommendations, and to ensure that policy responses to non-compliance are grounded in a clear assessment of where the actual risks lie.

Effectiveness and Adequacy of Government Policies

The APS recognises that successive governments have taken steps to strengthen NDIS integrity, including through the establishment of the Fraud Fusion Taskforce, enhanced NDIA compliance activities, changes to provider registration requirements, the NDIS review process, and through recent legislative reforms. The APS broadly supports these initiatives as evidence of a commitment to NDIS stewardship.

Undifferentiated Messaging and Compliance Burden

The APS, however, holds significant concerns about the framing and application of some integrity and compliance measures, particularly insofar as they affect registered health professionals such as psychologists. A recurring issue for APS members has been the application of broad compliance messaging, audit activity, and administrative burden in ways that do not adequately distinguish between compliant, regulated health professionals and high-risk unregistered providers. Our members report experiencing increased audit activity, documentation requirements, and compliance correspondence that appears to treat all providers with equivalent levels of suspicion, regardless of their regulatory status or track record.

This approach is both inefficient and unfair. It diverts time and resources away from participant care and toward administrative compliance activity. It creates a chilling effect on service delivery, with some practitioners reporting that the compliance burden is making NDIS work economically unviable. It risks exacerbating the existing shortage of psychologists willing to work with NDIS participants, a shortage that directly harms the people the Scheme is designed to support.

Effective integrity policy should be risk-based and proportionate. Resources and compliance effort should be concentrated where the evidence shows the greatest risk of harm. It should not be applied uniformly across all provider types in ways that penalise compliant practitioners.

Evidence-Based Collaboration on Integrity with Professional Bodies

As a profession founded on evidence-based practice, the APS is committed to applying that standard to integrity policy itself. The APS recommends that the NDIA and the NDIS Quality and Safeguards Commission work collaboratively with peak bodies, including the APS, to share disaggregated data on non-compliance by provider type and registration status. Greater transparency in this area would allow professional bodies, policymakers, and the public to develop an accurate, evidence-based understanding of where non-compliance is actually concentrated. Such steps would equip bodies like the APS to respond appropriately and credibly on behalf of their members.

Beyond data-sharing, this collaboration should extend to the co-design of preventive approaches. Professional bodies are well-placed to assist in developing targeted education, systems improvements, and communications that promote and reinforce pro-integrity behaviour among their members.

This kind of upstream, collaborative prevention is likely to be more effective and less costly than downstream compliance and enforcement activity focused on groups with a demonstrably low risk of non-compliance. The APS stands ready to partner with government in this work.

Sustainable Pricing and Workforce Conditions

Finally, the APS notes that inadequate NDIS pricing for psychology services is itself an integrity risk. Inappropriate pricing settings can result in increased pressure on providers to compromise on service quality. It also drives high-quality psychologists out of the NDIS market, and creates openings for lower-quality, less regulated providers in other professions to fill the gap.

The APS therefore recommends that the Committee consider the relationship between pricing adequacy and scheme integrity to ensure that psychology support prices reflect the genuine cost of high-quality, safe, ethical and sustainable service delivery.

Thank you for the opportunity to contribute to the Joint Standing Committee's Inquiry into the Integrity of the NDIS. If further information is required, I would be happy to be contacted through the National Office on (03) 8662 3300 or by email at z.burgess@psychology.org.au

Yours sincerely

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