

## EDITORIAL

***NDIS alarm bells must not go unanswered***THE  
AGE[The Age's View](#)

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“You’ve got to wonder how far down the scumbag scale you get before you start ripping off our most vulnerable people.” So said one of Australia’s top police officers, [Australian Criminal Intelligence Commission chief Michael Phelan](#), who did not mince words when discussing the criminals, rorters and assorted con artists who have been ripping off the National Insurance Disability Scheme since its inception in 2013.

[Confirming the rorting this week to \*The Age\* and \*60 Minutes\*](#), Phelan revealed the ACIC had determined that the scheme was far too easy to exploit and that the scale of fraud was potentially as high as 20 per cent of its total spend, which is currently around \$30 billion and expected to top \$60 billion in 2030.



NDIS Minister Bill Shorten. ALEX ELLINGHAUSEN

At the very bottom of Phelan’s “scumbag scale” would have to be the criminal syndicates who, according to police intelligence, have been directly threatening and extorting Australians living with disabilities to steal their NDIS entitlements.

Then there are the criminals who prefer more of a hands-off approach, using accomplices such as doctors, pharmacists and accountants to exploit loopholes by variously billing for “clients” who don’t exist, padding invoices and charging for services that are never delivered, relying on poor auditing within the NDIS to go undetected.

[An investigation by \*The Age\* and \*60 Minutes\* found one particularly entrepreneurial crime boss and drug trafficker](#) trying to develop properties to lease to the scheme. Then there are the opportunists who claim a little extra for services rendered – let’s call it the “NDIS surcharge” – such as

demanding more money for a home renovation project to make a shower safe for a disabled person, then [back out halfway through](#) knowing the taxpayer will cover the full cost anyway.

Some no doubt convince themselves they're not really committing such a terrible crime since it's the government's money, not the clients'. Yet the more the scheme "leaks" funds, the more its administrators might be tempted to crack down, including by cutting services and refusing genuine applications in a bid to reduce budget blowouts. As costs ballooned in 2021, former NDIS minister Linda Reynolds warned the program faced "[serious sustainability issues](#)", and suddenly people started seeing their entitlements cut.

The NDIS is a crucial much-needed scheme to care for and provide dignity and self-determination for some of our most vulnerable. But the billions on tap for private suppliers to provide a vast panoply of services that are often hard to quantify and near impossible to accurately audit has proven too tempting for the unscrupulous.

This week's revelations, while shocking, have not come out of the blue. The previous government established a multi-agency group in July 2018 over similar revelations, [with some success](#).

Now the responsibility for fixing the scheme has come full circle and is back with the new NDIS minister, Bill Shorten, who was responsible for its initial design. [One of his first moves was to engineer](#) a change of leadership with NDIS chief executive [Martin Hoffman](#) and chair Denis Napthine both resigning, despite being appointed earlier this year on a three-year term.

Earlier this year, Shorten also promised to establish a new appeals process outside the Administrative Appeals Tribunal, which is currently flooded with complaints. He has acknowledged the rorting problem, saying in June the scheme seemed to be a "black box" where providers came up with fees but "you don't know the magic of how they're coming to it".

Shorten must also surely be wondering why, as a royal commission heard last month, [an Indigenous person living in Ngukurr, a remote community in the Northern Territory](#), had to wait two years for a wheelchair. It's crucial for all of us, but particularly the NDIS clients, that we get this right. But as Phelan pointed out, it's a hell of a mess to untangle.

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