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**Dr Kilian Perrem**  
Inquiry Secretary  
Joint Committee of Public Accounts and Audit  
Department of the House of Representatives

Via email: [jcpaa@aph.gov.au](mailto:jcpaa@aph.gov.au)

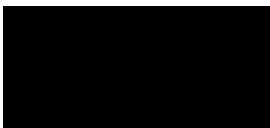
Dear Dr Perrem

Thank you for your ongoing engagement with the National Disability Insurance Agency (NDIA) in your capacity as Inquiry Secretary of the Joint Committee on Public Accounts and Audit (JCPAA).

Please find attached an Executive Minute providing the NDIA's initial response to the JCPAA's Report 504: Inquiry into procurement at Services Australia and the NDIA, addressing Recommendations one to 3. A subsequent Executive Minute, providing a further update on Recommendations one and 2 will be provided to you by 26 June 2025.



Yours sincerely



**Sam Porter**  
Acting Chief Executive Officer  
National Disability Insurance Agency

24 December 2024



Delivered by the  
National Disability  
Insurance Agency



## EXECUTIVE MINUTE

On

### JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT REPORT No.504

#### *Procurement at Services Australia and the NDIA*

#### **General Comment**

In May 2023, following the publication of the Independent Review of Services Australia and National Disability Insurance Agency (NDIA) Procurement and Contracting (the 'Watt review'), the Joint Committee of Public Accounts and Audit (JCPAA) adopted an inquiry to specifically consider procurement issues arising from the Watt review, the 'inquiry into procurement at Services Australia and the NDIA'.

The NDIA welcomes the JCPAA Report 504: Inquiry into procurement at Services Australia and the NDIA, including 5 recommendations, of which recommendations one to 3 fall within the remit of the NDIA, in relation to its internal procurement review and the continuing implementation of the PACE system, including anticipated cost savings.

The NDIA notes the JCPAA Report 504 recommends a further update for recommendations one and 2, for which the NDIA will provide a subsequent Executive Minute in 2025.

#### ***Recommendation No: 1***

The Committee recommends that the National Disability Insurance Agency provides it with a detailed update on its own internal investigations into matters arising from the Watt Review, and its subsequent actions, at six months and again at 12 months from the date of this report.

#### ***Summary of response: Agreed***

#### ***Supporting rationale:***

The NDIA has zero tolerance for actions or behaviour inconsistent with the Australian Public Service Code of Conduct or the law and remains committed to continuously improving procurement practices, transparently reporting its procurement activities and achieving value for money outcomes for the Australian public.

Following the Watt Review, the NDIA commissioned an independent investigation to further consider the matters that Dr Watt identified. The investigation includes identifying whether any NDIA staff or labour hire workers may have engaged in inappropriate conduct, including relating to the receipt of gifts or benefits.

This investigation is being completed as quickly as possible.

It's critical to both good decision-making and the public's continued confidence in the integrity of the NDIA that this investigation is conducted fairly and according to proper process. To protect the integrity of the investigation, it is not appropriate to make any further comment while it is underway.

The NDIA has also referred certain related gifts, benefits and hospitality matters, and other matters arising from its investigation to relevant independent law enforcement bodies and regulators for their individual consideration and any action they consider appropriate.

Following the Watt review, the Agency has increased transparency of its procurement activities with the ongoing publication of additional data (procurement methodology, the number of suppliers approached, the number of variations and original contract value) alongside our Senate Order 13 contract listing.

The 13 recommendations from the Watt review have been acquitted, with only one action remaining outstanding. The sole outstanding action relates to the implementation of a new records management solution, which is currently being rolled out across the Agency.

### ***Recommendation No: 2***

The Committee recommends that the National Disability Insurance Agency updates it on the continuing implementation of the PACE system, including an assessment of value for money, productivity, user experience, and improved outcomes, at six months and again at 12 months from the date of this report.

### ***Summary of response: Agreed***

### ***Supporting rationale:***

The NDIA's investment in the PACE system is primarily intended to achieve an improved level of service for National Disability Insurance Scheme (NDIS) participants by delivering a fit-for-purpose Customer Relationship Management (CRM) system. Additional benefits include future cost avoidances when enhancing the CRM and longer-term operational efficiencies.

The business case for the 3P program, delivering the PACE system, identified the following benefits, which are being measured as expansion continues:

- Release 1.8 million hours through more efficient end-to-end processes
- Increase percentage of 'Yes' responses to the question 'Do you know where to go for more help with your plan?' to greater than 85%
- Achievement of Participant Service Guarantee measures in greater than 95% of cases
- A more flexible Information Communications Technology (ICT) system, more readily able to respond to the evolving NDIS policy environment.

The NDIA agrees to update the JCPAA again at 12 months from the date of Report 504, on the continuing implementation of the PACE system, including an assessment of value for money, productivity, user experience, and improved outcomes as identified above.

### ***Recommendation No: 3***

The Committee recommends that the National Disability Insurance Agency provide an update in December 2024 regarding progress in the realisation of cost savings and anti-fraud measures as a result of the new PACE system.

### ***Summary of response: Agreed***

#### ***Supporting rationale:***

The NDIA has a strong focus on ensuring that fraud is detected, prevented and responded to as soon as possible.

On 18 February 2024, the Hon Bill Shorten MP, Minister for the NDIS announced \$83.9 million for the first tranche of funding for the Crack Down on Fraud (CDoF) program. The successful delivery of 2024 milestones has resulted in the Australian Government announcing on 30 November 2024 an additional investment of \$110 million for the 2025 calendar year.

The CDoF program is delivering foundational technological and business process uplifts and supporting capabilities to identify and prevent non-compliance and fraud in the NDIS at scale to make engaging with the NDIS 'easier to get it right, and harder to get it wrong' for participants and providers. Some of these uplifts involve changes to the PACE system while others touch on other parts of the NDIA's Information Technology (IT) landscape.

Between February 2024 and December 2025, the program is progressively delivering:

- improved identity-proofing systems to increase safety and privacy.
- improved NDIS mobile app and online interfaces.
- improved systems that assess, process and pay over 400,000 NDIS claims per day
- new IT systems to connect with other agencies, providers and banks so that transactions are actioned faster with reduced errors, and
- an Integrity Management System (IMS) that interact with other agencies.

This investment aligns with a key area of reform identified through the Independent Review of the NDIS (NDIS Review), including the recommendation that the Government should invest in the underpinning digital infrastructure and capability needed to protect the integrity of the NDIS.

The CDoF program also complements the work of the Fraud Fusion Taskforce (FFT) and has been designed to respond to areas of vulnerability that the FFT has identified since it commenced.

The CDoF program has delivered a range of integrity measures in 2024 including:

- Since February 2024, claims for cash reimbursements are reviewed before they are paid. This enhanced evidence and review process provides confidence that cash reimbursements are being paid for legitimate expenses.
- Since February 2024, the NDIA has enhanced the comprehensive review process for claims received after a plan has expired.
- On 16 March 2024, the NDIA updated the timing of payments to participants and providers to align with published payment standards. This means there is more time to assess claims prior to payment, and to prevent unscrupulous actors from taking funds away from participants.
- In March 2024, the NDIA piloted myGov in front of the NDIS app. This was aligned with the whole-of-government approach that uses the myGov service to access online government systems. This creates a familiar, consistent, and more secure experience for participants and nominees and helps ensure that the right people are accessing their services and supports.
- In June 2024, the NDIA commenced manual payment reviews against providers, including plan managers, with potential risk indicators. Manual payment reviews have now been implemented on over 2,100 providers.

- Since July 2024, the description field is mandated in all NDIS participant portals and the mobile app. This provides information that can be used to assess whether claims are aligned to the scope of a participant's plan, and is expected to act as a deterrent for non-complaint claims. This improvement builds the foundation for more mature capabilities in risk profiling by collecting data that can be used for analytics.
- From 16 September 2024, the claim Australian Business Number (ABN) field for self-managed claims is mandated in all NDIS participant portals and the NDIS mobile app. This provides more information and evidence for the NDIA to assess claims and builds foundations for more mature capabilities in risk profiling and data analytics.
- From 13 October 2024, evidence is required to be uploaded for all claims over a certain threshold. Evidence examples include invoices and receipts.
- From 20 October 2024, the NDIA switched off the ability for people to access NDIA digital services using weak myGov Secret Question Answer authentication. Users are required to switch to the multi-factor versions of myGov authentication to strengthen account integrity and reduce cyber security risk.
- In November 2024, the NDIA implemented a remote areas integrity uplift to improve the way it responds to tip-offs made about fraud in remote and very remote areas. This is in line with a broader set of improvements to how the NDIA works in remote and very remote markets. The Remote Areas Integrity Uplift commenced pilot phase in selected locations and aims to ensure that community members feel safe to make tip-offs and that these are acted upon in a timely and effective manner.

The NDIA have conducted detailed consultation on the integrity and system enhancements. This includes briefing to the Disability Representative and Carers Organisation Forum, the Independent Advisory Council, Participant Focus Groups and the Participant Reference Group.

These enhancements are part of a broader effort to improve integrity and reduce fraud across all NDIA systems, including PACE.

The NDIA agrees to provide a future update again at 12 months from the date of Report 504 on implementation of further system and integrity uplifts as part of the CDoF program.

Yours sincerely



**Samuel Porter**  
Acting Chief Executive Officer  
National Disability Insurance Agency

24 December 2024