



National Disability Services Submission:

NDIS Supports rules consultation

About National Disability Services

National Disability Services (NDS™) is Australia's peak body for disability service organisations, and Australia's biggest and most diverse network of disability service providers. Our valued members collectively operate several thousand services for more than 300,000 Australians with disability and employ a workforce of more than 100,000 people.

NDS is committed to a sustainable and diverse disability service sector, underpinned by the provision of high-quality, evidence-based practices and supports that strengthen, safeguard, and provide greater choice for people with disability in Australia.

Contents

About National Disability Services.....	2
Contents	3
Executive summary	5
Overview	7
Scope of submission	7
Themes and recommendations.....	8
Confusion, inflexibility, and the misapplication of support lists and everyday items	9
Issue.....	9
Impact	10
Recommendation 1: Redesign the NDIS support lists to prioritise function and participant outcomes.	10
Recommendation 2: Allow low-cost everyday items that meet a disability-related function to be funded without requiring complex approvals.	11
Replacement supports process is inaccessible and ineffective.....	11
Issue.....	11
Impact	12
Recommendation 3: Reform the replacement supports process to ensure timely, transparent, and cost-efficient access to functional supports.	12
Intermediary role clarity and risk transfer.....	12
Issue.....	12
Impact	13

Recommendation 4: Clarify and support intermediary roles through formal recognition, decision-making protection, and consistent guidance.	14
Inflexibility for regional and remote participants.....	15
Issue.....	15
Impact.....	15
Recommendation 5: Adapt eligibility and operational rules to reflect limited provider access and travel requirements in thin markets.	15
System misalignment and operational inconsistency	16
Issue.....	16
Impact.....	16
Recommendation 6: Ensure consistency across NDIS policy instruments, pricing, guidance, and on-the-ground decision-making.	16
Conclusion.....	17
Contact.....	18

Executive summary

National Disability Services (NDS) is Australia's peak body for non-government disability service providers. We represent members delivering NDIS-funded supports to thousands of participants across urban, regional, and remote communities. Our submission draws on extensive member consultation, intermediary feedback, and real-world case examples. It reflects the daily experience of providers working with participants to implement NDIS plans and navigate the practical impacts of Section 10.

While we support the objective of greater clarity about what the NDIS will and will not fund, the current application of Section 10 is creating unintended and at times harmful consequences. Participants are being denied essential supports due to overly rigid interpretations, and providers are being exposed to compliance risks without clear authority or guidance. This is particularly pronounced in regional and remote areas, where market constraints further limit choice.

Our recommendations are based on evidence from frontline providers and offer practical, actionable solutions to ensure that Section 10 supports participant outcomes, safeguards provider roles, and promotes a fair, consistent and sustainable NDIS.

Summary of recommendations

More detail on each of these recommendations is provided in the body of this submission.

- Recommendation 1: Redesign the NDIS support lists to prioritise function and participant outcomes.
- Recommendation 2: Allow low-cost everyday items that meet a disability-related function to be funded without requiring complex approvals.
- Recommendation 3: Reform the replacement supports process to ensure timely, transparent, and cost-efficient access to functional supports.
- Recommendation 4: Clarify and support intermediary roles through formal recognition, decision-making protection, and consistent guidance.
- Recommendation 5: Adapt eligibility and operational rules to reflect limited provider access and travel requirements in thin markets.

- Recommendation 6: Ensure consistency across NDIS policy instruments, pricing, guidance, and on-the-ground decision-making.

NDS brings the collective voice of the provider sector, with unmatched insight into the operational and systemic impacts of policy implementation. We urge the Department to co-design improvements to Section 10 in partnership with providers, participants, and communities, ensuring the Scheme remains fair, functional, and focused on outcomes.

Overview

National Disability Services (NDS) welcomes the opportunity to make a submission in response to the consultation on the NDIS Supports Rule (Section 10). NDS supports reform that improves clarity, fairness, and access in the NDIS, and ensures participants can confidently use their plans to pursue their goals and exercise choice and control.

This submission responds to the Department's request for feedback on the transitional rules introduced in October 2024 and their practical impacts, particularly the application of the NDIS support lists and the process for replacement supports. It addresses the rule's role in defining what can and cannot be funded under the NDIS, and how this is working in practice for participants, families, intermediaries, and frontline services.

Scope of submission

This submission draws on input from NDS members across a wide range of settings and service types, including organisations delivering support coordination, plan management, allied health, community access, assistive technology, housing, and therapy services. Our members work with thousands of NDIS participants in metropolitan, regional, rural, and remote communities, including those with complex support needs, culturally and linguistically diverse backgrounds, and Aboriginal and Torres Strait Islander peoples.

The evidence base informing this submission includes:

- A national survey of NDS members regarding the implementation of the Supports Rule and lists.
- Direct feedback from a targeted consultation session with intermediary providers.
- Case examples from providers navigating the replacement supports process, item rejections, and plan underutilisation.
- Ongoing sector engagement regarding pricing, planning, funding periods, and broader scheme reform.

The submission addresses the following key areas:

- Clarity and usability of the support lists.

- Effectiveness and accessibility of the replacement supports process.
- Misinterpretations of “mainstream” versus “disability-specific” items.
- The shifting of risk and decision-making responsibilities to intermediaries without adequate support.
- Systemic inflexibility in meeting participant needs in regional and remote areas.
- Opportunities to ensure alignment, consistency, and fairness in how the rule is operationalised.

The recommendations in this submission aim to improve the functionality, fairness, and clarity of the NDIS Supports Rule, ensuring the system can meet the diverse and dynamic needs of participants and the services that support them.

Themes and recommendations

This submission is grounded in extensive consultation with NDS members—organisations delivering frontline supports to NDIS participants across a range of settings. Their experiences point to significant problems with the way the NDIS Supports Rule (Section 10) is currently designed and applied.

Independent research supports these concerns. The Grattan Institute’s 2025 *Saving the NDIS* [report](#) reinforces many of the issues raised by providers, including:

- The negative effects of binary support classifications on participant access and planner flexibility.
- Compliance pressures on intermediaries leading to reduced plan utilisation.
- Misalignment between planning decisions and operational guidance.
- The need for transparent decision registers and faster, fairer access to low-cost functional supports.

The five themes and recommendations that follow reflect the practical and operational challenges we are hearing about with the current implementation of Section 10—and make recommendations to improve clarity, flexibility, and fairness across the Scheme.

Confusion, inflexibility, and the misapplication of support lists and everyday items

Issue

The current NDIS support lists, while intended to provide clarity, are being applied as rigid exclusionary tools. Supports such as weighted blankets, blenders for swallowing conditions, or iPads with communication apps are routinely denied because they are not considered “disability specific.” Similarly, everyday items with a legitimate disability-related function—such as noise-cancelling headphones for sensory regulation or orthotic shoes for participants using ankle-foot orthoses—are excluded simply because they are mainstream products.

The interpretation of the in/out lists by planners and NDIA delegates is overly rigid and fails to account for functional use, individual context, or clinical justification. This undermines core NDIS principles of choice and control, limits access to inclusive, cost-effective supports, and leads to inconsistent decision-making across the scheme.

In regional areas, where service access is limited, these issues are intensified. A Deafblind participant in Broken Hill was denied funding for an iPad with visual interpreting apps because it was a mainstream product—even though no interpreters were available locally. In another case, a participant was denied orthotic shoes due to the supplier not being disability-specific, despite no such store existing in their town.

The NDIS support lists include community transport services on the list of non-NDIS supports. On face value this means that participants are unable to use NDIS payments to access transport services from a community transport provider even where this may be the most cost effective transport option or, in the case of some locations where there are no accessible taxis and ride share services, the only option. While community transport is contracted through state and territory governments, contracts and guidelines across most states and territories (for example: [Transport for NSW Community Transport Organisation](#)

[Service Contract Schedule 4](#)) note that people receiving NDIS funding are ineligible to access state funded community transport services.

Impact

Participants are being denied low-cost, practical supports that promote independence, safety, and inclusion. Plan managers and support coordinators are left navigating grey areas without clear authority or escalation pathways, increasing compliance risks and administrative burden. Participants often face out-of-pocket costs or go without the support they need—leading to increased reliance on more expensive formal supports.

Recommendation 1: Redesign the NDIS support lists to prioritise function and participant outcomes.

What Needs to Happen

- Consolidate lists into a single, conditional framework with context flags.
- Embed a functional outcomes-based approach in funding rules and guidelines.
- Publish consistent case examples and decision-making tools.

How?

- Replace binary 'in/out' classifications with a three-tiered system: 'funded,' 'context-dependent,' or 'requires justification.'
- Amend Section 10 wording and operational documents to prioritise how a support addresses a participant's functional needs—even if commonly available.
- Create a national searchable database of approved/declined supports with decision rationale to support consistent, transparent practice.

Recommendation 2: Allow low-cost everyday items that meet a disability-related function to be funded without requiring complex approvals.

What Needs to Happen

- Establish a flexible annual cap (e.g. \$1,500) for everyday functional supports.
- Clarify eligibility based on functional purpose in operational guidance.
- Include real-world scenarios to illustrate support use in participant contexts.

How?

- Permit plan managers to authorise purchases under a defined cap without requiring NDIA pre-approval, where the item clearly meets functional goals.
- Add functional justification criteria to guidance and planner training to support items like kitchen aids, orthotic footwear, or assistive apps.
- Publish case-based examples showing why supports were funded and what outcomes they enabled, to drive consistency and reduce appeals.

Replacement supports process is inaccessible and ineffective.

Issue

The replacement supports process was introduced to enable flexibility by allowing participants to substitute lower-cost or more appropriate supports not generally considered an NDIS support, but in practice it is opaque, under-promoted and burdensome. Few providers or participants understand when or how to use it. There is no central point of access, no published timeframes for decision-making, and no clear avenue for internal review if a request is denied. The NDIA's current handling of these requests lacks transparency and discourages use of a potentially cost-saving tool.

Impact

Participants miss fit-for-purpose alternatives, such as assistive technology apps or household tools. Providers report that the cost of applying often exceeds the value of the item. In one case, obtaining and preparing documentation to support a \$250 app for a blind participant was estimated to cost over \$400. This results in inefficiencies, participant frustration, and reduced plan utilisation.

Recommendation 3: Reform the replacement supports process to ensure timely, transparent, and cost-efficient access to functional supports.

What Needs to Happen

- Introduce a fast-track approval pathway for supports under \$1,500.
- Provide a central application portal with tracking features.
- Introduce review rights and decision time benchmarks.

How?

- Allow streamlined approvals with reduced documentation for low-risk, low-cost items that meet a defined functional need.
- Integrate a replacement support request form into myNDIS portals with ability for intermediaries to lodge and track submissions.
- Implement internal review options and publish service standards (e.g. decisions within ten business days) to build system accountability.

Intermediary role clarity and risk transfer

Issue

Support coordinators and plan managers are required to make daily decisions about NDIS funding claims without clear authority or system protections. They are asked to interpret policy in grey areas, including whether a support is reasonable and necessary, but have no assurance they will be supported if their judgement is later challenged. This creates a compliance minefield. Intermediaries are expected to implement funding rules while not being recognised as decision-makers within the scheme.

Impact

Providers are exposed to compliance and repayment risk, legal uncertainty, and reputational harm. Participants receive inconsistent advice, and service delivery slows due to internal risk protocols. Plan managers have increasingly found themselves in a position of acting as de facto decision-makers for what constitutes "reasonable and necessary" supports—responsibilities traditionally held by the NDIA. This shift has placed a considerable burden on these intermediaries, who are expected to navigate the complexities of new policies without additional funding, training, or resources. The absence of sufficient guidance has not only increased workloads but also exposes providers to compliance, operational and reputational risks. The NDIA's reliance on intermediaries to bridge gaps in communication and implementation has exacerbated stress within an already strained sector. The support coordination market, for example, is under immense pressure, with many providers exiting the market, creating service gaps in numerous regions.

Example:

One plan manager received invoices totalling **\$200,000** for Short Term Accommodation (STA) and related supports that had already been delivered. The value and structure of the supports exceeded standard expectations, and there was no written authorisation from the NDIA confirming the arrangement as reasonable and necessary. The provider was expecting payment, and the participant's funding was exhausted—leaving the plan manager with a high-risk, high-value decision and no formal authority to resolve it.

In an attempt to clarify the situation, the plan manager contacted the NDIA via the appropriate channels and requested written confirmation of the funding decision. The response from the agency was:

"We've reviewed your inquiry and can advise that the decision regarding reasonable and necessary supports is made by the National Disability Insurance Scheme when a participant's plan is approved. Providers and plan managers should discuss the approved supports with participants. In conjunction with this, with their plan, providers can refer to

the pricing arrangements and price limits on our website. If circumstances change, the agency may conduct a plan reassessment. This inquiry is closed."

No escalation option, formal advice, or assurance was provided. The inquiry was closed without addressing the substance of the risk or the potential liability to the intermediary.

The plan manager described being placed in an impossible position: required to decide whether to process a payment of substantial value without confirmation that it was compliant with the participant's plan. As a not-for-profit organisation, they could not afford to take on the financial risk of repayment if later found in breach, nor could they provide clarity to the provider or participant. They emphasised that there was no channel through which to escalate or obtain a written answer—only a default to silence or refusal.

This example highlights how the current in and out lists under Section 10 fail to account for complex, high value supports like STA, where context and participant need often fall outside standard definitions. The absence of a mechanism for intermediaries to seek binding clarification or escalate ambiguous cases forces plan managers into roles they are neither resourced nor authorised to perform. While the lists aim to improve clarity, in practice they can leave intermediaries navigating grey areas with no formal guidance—particularly when supports do not neatly fit within the prescribed categories. To avoid further confusion and risk, the Supports Rule must be amended to ensure the lists are applied with flexibility, supported by clear escalation pathways and written decision support for plan managers and coordinators dealing with exceptional or uncertain cases.

Recommendation 4: Clarify and support intermediary roles through formal recognition, decision-making protection, and consistent guidance.

What Needs to Happen

- Provide a dedicated advice line for intermediaries seeking binding clarification.
- Offer structured training and updated compliance guidance.
- Guarantee protection for good-faith decisions made in line with NDIA advice.

How?

- Establish a support desk for intermediaries with service standards for providing authoritative guidance on complex decisions.
- Develop a national training package for support coordinators and plan managers, including case studies and compliance case law.
- Embed indemnity provisions within policy or guidelines for intermediaries acting in accordance with official NDIA guidance and procedures.

Inflexibility for regional and remote participants

Issue

NDIS policy assumes that participants can access a wide range of providers and that supports are readily available locally. This does not reflect the reality in many regional, rural, and remote communities. Supports such as STA, community participation, or 2:1 ratios are often unavailable within the participant's region. Rigid application of rules around 'usual environment' and travel restrictions block access to necessary supports. In border communities, cross-jurisdictional bookings are sometimes rejected because they appear to be 'holidays' or 'non-typical settings'.

Impact

Participants are denied supports not because the need is ineligible, but because the rules are not responsive to geographic realities. Providers report being unable to claim STA delivered interstate, despite the participant having no other viable option. This reduces respite access, isolates participants, and exacerbates service inequity across regions.

Recommendation 5: Adapt eligibility and operational rules to reflect limited provider access and travel requirements in thin markets.

What Needs to Happen

- Permit out-of-area and cross-border claims where services are unavailable locally.
- Authorise flexible ratios and formats where required by market conditions.
- Integrate location-based flexibility triggers in planner workflows.

How?

- Amend operational guidance to permit STA or therapy access across state lines where local options are not viable.
- Allow planners to approve supports delivered under alternate configurations (e.g. 1:1 ratio in lieu of unavailable 1:3), based on regional evidence.
- Include location data flags within planning systems that trigger prompts for planner discretion when thin market conditions apply.

System misalignment and operational inconsistency

Issue

There is persistent misalignment between what is outlined in the NDIS Support Rules, the Pricing Arrangements, operational guidelines, and actual planner decisions. Providers report being told by planners that items are 'health-related' when other NDIA teams have previously approved the same support for other participants. Speech therapy for swallowing and diagnostic assessments for access are key examples where unclear boundaries and planner discretion result in frequent denials.

Impact

Participants face inconsistent outcomes depending on the planner or region. Providers must spend significant time contesting decisions, contributing to plan underutilisation and increased reviews. Confidence in NDIA decision-making is eroded, and providers face reputational damage when guidance changes between planning meetings and implementation.

Recommendation 6: Ensure consistency across NDIS policy instruments, pricing, guidance, and on-the-ground decision-making.

What Needs to Happen

- Conduct a comprehensive alignment review across all relevant instruments.
- Develop a shared decision register accessible to all stakeholders.
- Support a regular co-design mechanism for system and guidance updates.

How?

- Undertake a full review of rules, pricing arrangements, and guidance content to eliminate contradictions and align interpretations.
- Create a publicly available support decision register including common rulings, rationale, and applicable context for planners and providers.
- Fund a standing working group of NDIA planners, DPOs, providers, and participant representatives to review emerging issues and update resources quarterly.

Conclusion

The implementation of the NDIS Supports Rule (Section 10) must reflect the diversity, complexity, and realities of delivering supports to people with disability across Australia. While the aim of improving clarity and consistency is commendable, the current approach has created unintended consequences—narrowing participant access, increasing administrative burden, and shifting decision-making risks onto providers and intermediaries.

This submission highlights six key areas where reform is urgently needed. Across each, the message from NDS members is clear: the system must be more flexible, more transparent, and more aligned with the functional needs and goals of participants. Rules and guidelines must support—not obstruct—good practice and informed decision-making.

The recommendations put forward are practical, grounded in real-world experience, and focused on restoring confidence, fairness, and equity in how the NDIS determines what it will fund. They call for a shift away from rigid lists and risk-averse interpretations toward a system that recognises function, context, and the value of local decision-making.

NDS welcomes continued engagement with the Department and the NDIA on the reform of Section 10. We remain committed to working in partnership to co-design a system that empowers participants, supports providers, and ensures the long-term sustainability of the Scheme.

Contact

Michael Perusco

CEO

National Disability Services

03 8341 4343

michael.perusco@nds.org.au

[NDS website](#)

Friday, 25 July 2025