



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

25 February 2026

NDIS Strategy and Policy
Department of Health, Disability and Ageing
GPO Box 9848
Canberra ACT 2601

via email: NDISRegulation@health.gov.au

Dear Mr Maclsaac

Getting it right: A New Definition for NDIS Providers consultation

The Australian Small Business and Family Enterprise Ombudsman (ASBFEO) welcomes the opportunity to make a submission to the Department of Health, Disability and Ageing on creating a new definition for National Disability Insurance Scheme (NDIS) providers.

Small businesses are the engine room of the Australian economy. They employ approximately 5 million Australians, representing 39% of the private-sector workforce, and contribute around one-third —\$590 billion annually— of Australia's GDP.¹ While small business is often defined as having an annual turnover of \$10 million or less, 93% have a turnover of less than \$2 million.² This highlights that most Australian small businesses operate on a small or micro scale with resources and capabilities —whether in financing, compliance, staffing, or access to digital tools— that differ markedly from those of larger enterprises.

Small businesses in the care sector

Health care and social assistance is one of the fastest growing sectors in Australia, experiencing a 6.6% increase in the number of businesses in 2024-25.³ Small businesses make up a significant proportion of the sector – in 2023-24 they represented 34% of total value added⁴ and 25% of total employment.⁵ A key driver of growth in the sector are care workers who register as a sole trader, reflecting the emerging need for aged care and disability support services.⁶

Like many businesses in the health care and social assistance sector, small business providers are managing high annual compliance costs that cover auditing, insurance and training requirements, while facing persistent workforce shortages driven by high turnover and difficulties in recruiting

¹ Australian Small Business and Family Enterprise Ombudsman (ASBFEO), *Contribution of Australian Gross Domestic Product*, ASBFEO, July 2025, accessed 11 February 2026; Australian Small Business and Family Enterprise Ombudsman (ASBFEO), *Contribution of Australian Employment*, ASBFEO, July 2025, accessed 11 February 2026

² Australian Small Business and Family Enterprise Ombudsman (ASBFEO), *Number of small businesses in Australia*, ASBFEO, July 2025, accessed 10 February 2026

³ Australian Bureau of Statistics (ABS), *Counts of Australian Businesses, including Entries and Exits*, August 2025, accessed 23 February 2026.

⁴ Australian Small Business and Family Enterprise Ombudsman (ASBFEO), *Contribution of Australian Gross Domestic Product*, ASBFEO, July 2025, accessed 23 February 2026.

⁵ Australian Small Business and Family Enterprise Ombudsman (ASBFEO), *Contribution of Australian Employment*, ASBFEO, July 2025, accessed 11 February 2026

⁶ Australian Small Business and Family Enterprise Ombudsman (ASBFEO), *Sole Traders: The Unsung Hero of Australia's Economy*, January 2026, accessed 23 February.



and retaining key staff (e.g. nurses, allied health professionals, aged care workers, disability support staff).

The ASBFEO therefore supports the development of a proportionate, risk-based registration model for NDIS providers that provides appropriate regulatory oversight, but that ensures those operating in low-risk settings are subject to minimal compliance burden. This will be achieved if policymakers adopt a ‘small business first’ mindset when designing the model, thus ensuring its requirements are right-sized for small business.

Right-sized regulation: NDIS Provider registration must be proportionate and risk-based

Requiring NDIS providers to register with the NDIS Quality and Safeguards Commission will help ensure that the Government has appropriate oversight of the care and support received by NDIS participants. However, to achieve effective compliance it is important that the design and implementation of the registration framework is proportionate and risk-based, and takes into account the administrative capacities of providers, particularly small businesses. In this regard, we encourage consideration of a provider already having accreditation to provide healthcare services in Australia—for example, by a professional body—being sufficient to meet the NDIS registration requirement, rather than having to undergo a new process.

The graduated approach of the registration model in the consultation paper would enable regulators to focus oversight and compliance activity on the higher-risk provider categories, while avoiding unnecessary regulatory burden on lower-risk providers. Reducing the administrative burden on care workers who provide low risk support would maintain regulatory oversight while reducing the risk of discouraging small businesses from participating in the NDIS market.

However, stakeholders have highlighted a lack of detail in the proposed model, particularly around whether it would apply to individual workers or employees, the documentation and accreditation required for registration, and which activities will be placed into each category. To address these concerns, the Government should consult with the sector to clarify these requirements and understand what guidance and support is needed to support compliance.

Harmonising licencing and screening across the healthcare sector

We support the Productivity Commission’s (PC) recommendation that the Australian Government align quality and safety regulation of workers across the care economy.⁷ The PC recommended that implementing cross-sectoral provider registration and developing a national worker screening check would improve worker mobility, better safeguard care uses and reduce duplicative paperwork. The PC projected that these measures would save workers and providers \$1.8 billion over 10 years, equivalent to over 21 million care hours.⁸ In this context, we urge the Department of Health to further investigate whether the proposed approach to NDIS provider registration could be expanded to the broader health sector.

As noted in the ASBFEO’s recent submission on skilled migration, small businesses in the care sector face persistent workforce shortages and often rely on migrant workers to meet demand for essential services.⁹ Fragmented registration, licensing and screening requirements could add

⁷ Productivity Commission (PC), *Delivering quality care more efficiently – Inquiry report*, PC, 10 December 2025, p 2

⁸ Productivity Commission (PC), *Delivering quality care more efficiently – Inquiry report*, PC, 10 December 2025, p 1

⁹ Australian Small Business and Family Enterprise Ombudsman (ASBFEO), *Inquiry into the value of migration in Australia*, ASBFEO, 6 January 2026



further complexity, costs and delay to the recruitment process, a burden that would particularly small business providers with limited administrative capacity. Ensuring that registration arrangements are clear, proportionate and, where possible, harmonised across the health and care system would support workforce participation, reduce barriers to lawful employment of visa holders, and help maintain continuity and availability of supports for NDIS participants.

Better support for small business NDIS providers

The ASBFEO's assistance team has heard from a number of small business providers who have delivered support services to a NDIS participant, but due to a dispute have not received payment for an extended period. These disputes are complicated due to the current arrangement which allows participants who self-manage their plan to access care through an unregistered provider.

Case example: A NDIS provider approached the ASBFEO for assistance regarding a payment dispute with a participant who received funds through the NDIS. The provider advised that they provided care for a participant who was moved from a self-managed plan to a plan-managed package, however the provider was not NDIS registered. The participant continued to contract the provider for services, generating nearly \$7,000 in invoices. While seeking payment, the National Disability Insurance Agency (NDIA) informed the provider that he was unable to work with the participant as an unregistered provider, and the invoices could not be paid through the NDIS package.

The new requirement for all NDIS providers to register will clarify from whom participants can seek support services. This will ensure providers will not be left out of pocket when providing services to clients who transfer to a different care package that has different provider requirements.

While outside the scope of this consultation, small business providers have raised with us other issues with regard to NDIS plan management and payment. Common issues include:

- care plans not being rolled over in a timely manner or transferred from self-managed to plan-managed, leaving participants without funding to pay for support
- limitations on the NDIA's ability to intervene where participants are not NDIA-managed

For small business providers with limited cash flow and administrative capacity these issues can create significant financial strain and uncertainty, despite delivering contracted services in good faith. We therefore encourage the department to investigate how small businesses can be better supported through mechanisms that assist providers resolve payment issues in a timely manner.

If you require any further information, please do not hesitate to contact the Policy and Advocacy Team via email at advocacy@asbfeo.gov.au.

Yours sincerely

The Hon. Bruce Billson

Australian Small Business and Family Enterprise Ombudsman