



Compensation and the NDIS

The interface between the NDIS and other funding schemes can be confusing, particularly when they both provide similar funded supports. We have summarised the key information you will need to help someone receiving or applying for compensation to navigate the NDIS.

What is compensation?

People acquire disabilities in a number of different ways and for some, it may be as a result of an injury. In some cases, the person will receive a compensation payment to cover the loss sustained because of that injury. The funding a person receives may take into account pain and suffering as a result of the injury, economic loss, medical expenses (current and future) and any domestic and self-care supports the person will need for their lifetime.

Is it possible to access the NDIS if you have received compensation?

Yes, it is possible to access the NDIS, compensation does not affect eligibility to the NDIS. If a person is currently applying for compensation or has received compensation in the past, they can apply to the NDIS.

The access request form asks about compensation as the NDIS will need to review any compensation as part of the planning process. The NDIS has been designed to work alongside any compensation funding, it will not fund supports that are funded, or should be funded, by the compensation payment.

If the person becomes an NDIS participant and has indicated there is a compensation payment on the access form, they will be asked to complete a [compensation information form](#). This form captures information about the injury and compensation. The NDIA may also seek consent to collect and share information with third parties to determine what supports are being provided through the compensation.

If the compensation includes funding for supports that would normally be funded through the NDIS, then the funding of the person's current and future plans will need to be adjusted. The adjustment is worked out by calculating a compensation reduction amount (CRA). The NDIS website has online [CRA estimator](#) to help people estimate the impact the compensation payment will have on their funding. If you are interested in seeing how the CRA works in practice, a recent [AAT ruling](#) provides insight into what is considered as part of the CRA.

Having an NDIS plan won't replace the compensation payer's liability or responsibility, but it will complement the compensation to ensure the person has all reasonable and necessary supports that will enable them to meet their goals.

What happens if you get a compensation payment once you are already an NDIS participant?

Once on the scheme, if an NDIS participant suffers an injury or submits a compensation claim, the NDIS will continue to fully support them until the compensation claim has been finalised. Once it has been finalised the NDIS may recover money from the compensation payment to cover the supports that should have been funded through the compensation. This amount (called the recoverable amount) will not exceed the amount that the NDIS has already paid, for the supports. The recoverable amount will be calculated from the time the person entered the NDIS or date of the injury (whichever is later), until the date the compensation claim is finalised.

The NDIS may also apply the compensation reduction amount to any future plans.

Can a person appeal the recovery amount or CRA?

Yes, compensation decisions are considered to be reviewable decisions. If a person disagrees with the NDIA decision, they need to request an internal review within three months of receiving the decision. If they are not satisfied with the outcome of the internal review they may make an application to the Administrative Appeals Tribunal (AAT).

Want to know more?

If you want more information, the NDIS has developed the [Compensation Operational Guidelines](#) that provides detailed information and guidance about compensation, along with an easy read guide explaining what compensation is.