



## National Disability Insurance Agency

### Submission to the Joint Standing Committee on the National Disability Insurance Scheme Inquiry on transitional arrangements for the National Disability Insurance Scheme

August 2017

#### Introduction

The National Disability Insurance Agency (NDIA) welcomes the opportunity to make a submission to the Joint Standing Committee on National Disability Insurance Scheme (the Committee) (NDIS) *Inquiry into transitional arrangements for the National Disability Insurance Scheme* (the Inquiry).

The Inquiry provides a timely opportunity to consider transitional arrangements after one full year of Transition to full Scheme, and will assist the NDIA continue to identify priority areas of focus to improve economic and social outcomes for people with disability.

The NDIA is committed to delivering a quality experience for participants and providers, centred on an outcomes-focused approach that is consistent with Scheme legislation, sustainability and insurance principles.

#### Overview of NDIS Transition Approach

Over the last 18 months the Commonwealth, and state and territory governments have entered into bilateral agreements to deliver the full roll out of the NDIS. The agreement to roll out the NDIS provides clear commitments to people with disability, their families and carers to provide increased opportunity to participate in the economy and community and to maximize their independence.

The bilateral agreements set the time and scale of the growth of the NDIS and confirm assumptions that underpin the NDIS as to the expected number of people who will become participants; the type, scope and volume of services and supports that participants will use; and the value of those services and supports.

Most disability support in Australia was previously based on a rationed welfare system where services were block funded. The NDIS offers a new system based on consideration of mainstream options, informal supports and an individual's desire to achieve outcomes and live an ordinary life.

From July 2013 to 2016, the NDIS was trialled in a number of locations across Australia. From 1 July 2016, the NDIS commenced Transitioning to full Scheme. A number of key principles developed from trial are being applied to Transition to full Scheme:

**Delivering economic and social improvements.** The NDIS data collection will establish the relationship between funded supports and outcomes and test the commitment that improved outcomes will lead to a shift from reliance upon funded supports and a greater contribution to the economy from people with disability and their families.

**Maximising mainstream and community supports are an essential part of the delivery approach.** The NDIA recognises that for the NDIS to be effective in helping people with disability live ordinary lives, other supports and services outside of the NDIS need to be in place – including natural supports, community supports and mainstream supports. Importantly, people with disability need to be able to access these supports in order to achieve their goals.

**Improving the participant experience.** Work is underway to improve the participant pathway and in close consultation with stakeholders, is focusing on making processes responsive and flexible to participant and provider needs, while being focused on delivering outcomes across a participant's lifetime. The NDIA acknowledges that the ease and confidence with which participants can navigate the planning pathway is an overarching factor that is critical to achieving better participant outcomes.

**Identifying risks to Scheme sustainability early and implementing management responses to manage and mitigate risks.** This involves close monitoring of scheme costs, strong controls and assurance on decision making, controls and business intelligence system to ensure payment integrity and to identify potential fraud for further investigation.

### **NDIA Position on the Inquiry Terms of Reference**

Consistent with the Committee Terms of Reference, the NDIA acknowledges the challenges associated with:

- the boundaries and interface of NDIS service provision, and other non-NDIS service provision, with particular reference to health, education and transport services;
- the consistency of NDIS plans and delivery of NDIS and other services for people with disabilities across Australia; and
- the rollout of the Information, Linkages and Capacity Building Program (ILC).

Facilitating an integrated service experience for people with disability remains a key challenge, especially during Transition to Full Scheme, as service systems adjust to the NDIS and develop new operating processes, transition their services or, in other cases, withdraw altogether.

The need for improved clarity between the NDIS and other government services has been identified by the NDIS Board as a priority area under the recently refreshed *NDIS Corporate Plan for 2017-21* (Corporate Plan).

The NDIA further notes the need for ongoing improvements to consistency across plans and delivery, by both the NDIS and by other services for people with disability. The topic of consistency has been a focus of the recent participant pathway review process conducted by the NDIA. Having said that, consistency needs to be delivered in the context of an individual's defined goals, not on a welfare based premise. The need to continuously refine systems and processes to support a nationally-consistent, high quality approach to NDIS planning and funding of participant supports is identified as a key aspiration in the Corporate Plan.

The NDIA acknowledges the critical role of ILC in assisting with better transitional support arrangements between the NDIS and other service systems, alongside acknowledging some challenges associated with the roll out timeframes of ILC to-date and pressure on Local Area Coordinators (LACs).

The NDIA recognises and accepts its central role in delivering improved outcomes for people with disability. The NDIA also acknowledges the important role that all governments bring to bear in the delivery of services for people with disability, as outlined in the *National Disability Strategy 2010-2020* (NDS).

The NDIA further notes the importance of the *COAG Applied Principles to Determine the Responsibilities of the NDIS and Other Services Systems* (COAG Applied Principles) which delineate boundaries/interfaces between the NDIS and other government service systems.

The NDIA notes that all governments have committed to the NDS which provides a unified national approach to improving the lives of people with disability, their families and carers. The NDS establishes a high level policy framework to give coherence to and guide government activity across mainstream and disability-specific areas of public policy, and is central to Australia's delivery and reporting responsibilities under the United Nations Convention on the Rights of Persons with Disabilities

The NDIS fits within the framework of the NDS. The NDS recognises that people with disability have varied lives, not all of which will or should be impacted through support delivered by the NDIS. This is consistent with the *Productivity Commission Report into Disability Care and Support* which identified around 4 million Australians with disability, of which, around 460,000 with permanent and significant disability will have access to funding for the reasonable and necessary supports they need to live an ordinary life, through the NDIS.

The NDIA remains committed to the NDS and looks forward to further work and collaboration across government to ensure the NDS delivers on its objectives. In parallel, the NDIA will continue to work with all governments, participants and their families to ensure their needs are addressed during the transition to the NDIS.

This submission does not provide a comprehensive overview of all activities the NDIA is doing in respect of transitional arrangements. Rather it highlights several key challenges and responses consistent with the terms of reference set out by the Committee and within the scope of responsibilities and remit of the NDIA.

Finally, the NDIA notes that this submission is consistent with the responses provided to the Productivity Commission Review on NDIS Costs, which is considering similar interface and transitional issues. In addition to the material provided in this Submission, the NDIA draws the Committee's attention to the *NDIA Submission in response to the Productivity Commission Position Paper on NDIS Costs* with the main chapter of relevance to this Submission reproduced at Attachment A (full submission available at: <http://www.pc.gov.au/inquiries/current/ndis-costs>)

**Inquiry Focus Area 1: Boundaries and interface of NDIS service provision, and other non-NDIS service provision, with particular reference to health, education and transport services**

The NDIS requires effective interfaces across multiple systems - including government services like health and education, specialist disability services and community supports. For the NDIS to deliver participant outcomes and to ensure ongoing scheme sustainability, the interfaces between the NDIS and other systems must be as seamless as possible, with participants readily having information that provides clarity in relation to the responsibilities of various jurisdictions

Facilitating an integrated service experience for people with disability remains a key challenge for the NDIA, especially during Transition to full Scheme as service systems adjust to the NDIS and to new operating processes.

Delivering this program of work extends beyond the remit of the NDIA and includes the responsibilities of Commonwealth, and state and territory governments, the COAG Disability Reform Council and others.

The NDIA's review of the participant pathway and the Productivity Commission Cost Review Position Paper both highlighted the importance of the NDIS operating effectively alongside other government systems as well as highlighting a number of pressure points – in particular in health, education, mental health, justice and transport.

The NDIA notes that the NDIS is neither designed nor funded to duplicate or replace other government services. The reasonable and necessary considerations require a decision maker to explicitly consider whether a support is more appropriately funded by the NDIS and not another general system of support.

Access to effective mainstream supports is critical to participant's being able to achieve outcomes. If there are gaps in the service offering of mainstream systems the impact on the NDIS can be significant. Many disability specific supports can only be effective in an environment where mainstream supports are in also place (for example, if a person requires general housing assistance, in-home care support provided by the NDIS will only be effective if that housing assistance is in place).

The COAG Applied Principles help delineate boundaries/interfaces between the NDIS and other government service systems. The NDIA will continue to work with governments on operationalising the Applied Principles, and suggests consideration be given to additional clarification of these principles via a Rule, as well as the inclusion of tangible targets and outcomes to ensure accountability on all parties – potentially via the NDS. The NDIA consider that this would help resolve boundary issues and provide an increased level of certainty for people accessing services and transitioning between the NDIS and other services (for example, for people who have attained outcomes that mean they can now rely solely on mainstream supports in order to live an ordinary life).

The NDIA acknowledges the challenges associated with the operational application of the COAG Applied Principles. A number of projects and processes are currently underway to improve interface issues at the jurisdictional level, a sample of which include:

- Work on effective discharge planning in collaboration with the Summer Foundation;
- Improved resources for the health sector engaging with the NDIS in collaboration with Deakin University;
- A project on Personal Care in schools led by the Victorian Government;
- Operational improvements in Voluntary Out of Home Care and people with complex needs with NSW government; and
- Improvements in criminal justice system intersection, with the Victorian Government.

The NDIA acknowledges further work is needed to ensure an improved experience for people with disability moving across and between service systems, and notes this is a priority work area going forward. The NDIA further emphasises the role that all governments have in delivering on this priority area of work.

### **Inquiry Focus Area 2: Consistency of NDIS plans and delivery of NDIS and other services for people with disabilities across Australia**

The NDIS refreshed Corporate Plan includes an aspiration for “Better participant outcomes”, which includes a commitment that:

*The NDIA will continuously build and refine systems and processes to support a nationally-consistent, high quality approach to Scheme access, and the planning and funding of participant supports.*

This is an area of focus for the NDIA and underpinned by appropriate work plans and resources.

In terms of current practises to deliver high quality plans, the NDIA has established a National Technical Advisory Team, with a primary focus on:

- Driving consistency in the application of the NDIA’s “reasonable and necessary” decision-making framework, tools and operational guidelines, within the context of the NDIS Outcomes approach;
- Providing technical advice and support to NDIA staff and partners in relation to unusual or rare disability-related needs, or complex service delivery matters;
- Contributing to tactical research that informs best-practice service delivery; and,
- Supporting the application of insurance principles within the disability sector.

The technical advisors support planners, partners and delegates to develop and approve reasonable and necessary NDIS support plans in areas requiring specialist knowledge. Advisors work directly with internal and external staff in coaching and mentoring roles.

The NDIA acknowledges that the ease and confidence with which participants can navigate the planning pathway is an overarching factor that is critical to achieving improved participant outcomes. The NDIA is making concerted efforts to improve participant experience in the Scheme, while the NDIS Outcomes Framework will ensure continuous monitoring and reporting of participant outcomes. The Outcomes Framework measures the outcomes of support experienced by participants and their carers. The development of the Outcomes Framework considers how outcomes can be measured at a broader level of the NDIS, as well as the individual level. This is also used to monitor scheme performance across plans.

Since late 2014, the NDIA has been working to establish a suite of tools and reference packages as a means of identifying typical support needs and funding for different cohorts while recognising that this must also reflect the diversity of individual desired outcomes. The NDIA is now adopting planning measures based on alignment to reference packages, which is designed to improve the quality of plans, and compliance with planning requirements.

LACs assist with information, referral and linkages in the community. The NDIA adopts a rolling evaluation of LACs, noting that many LAC Partners have experienced initial delivery challenges while building to scale. Improving LAC performance is a key consideration and NDIA is working to ensure opportunities to share knowledge across the Partner Network and to set up benchmarking so that LACs can assess how they are going against common indicators.

The NDIS can also provide support coordination, which is a capacity building support to assist with the implementation of supports in a participant's plan, including informal, mainstream, community and funded supports. Where appropriate, support coordination will be a priority deliverable for the NDIS during transition.

The NDIA has established internal Communities of Practices across key areas, including Psychosocial Disability, to help ensure consistency in practice and rapid sharing of opportunities for ongoing improvement, again within its Outcomes driven approach.

The NDIA is also implementing a number of procedural and governance improvements, including:

- Finalisation of Working Arrangements which provide operational detail and examples across the interface principles;
- Regional Officer Working Groups and issues escalation protocols; and
- Supporting State and Territory activities and development of guidance materials for their own service systems to ensure consistency of understanding of the interface principles.

### **Inquiry Focus Area 3: Rollout of the Information, Linkages and Capacity Building Program**

The Information, Linkages and Capacity Building (ILC) Program is designed to provide people with disability - both inside and outside of the NDIS - with access to appropriate services. The NDIS is of the view that transition between the levels of services available to people who just qualify for the NDIS and those who do not qualify for funded supports should be as seamless as possible.

The focus of ILC is community inclusion - that is, making sure that people with disability are connected to their communities and to appropriate disability, community and mainstream supports. This makes ILC a critical feature of the insurance approach (outlined in the section above), given its potential to have a significant impact on managing and reducing NDIS costs over time.

ILC activities are focused on:

- Personal capacity-building (making sure that people with disability have the skills, resources and confidence they need to participate in the community or access to the same opportunities as other people); and,
- Community capacity-building (making sure that mainstream services, community programs and organisations become more inclusive of people with disability).

The expected cost reduction achieved by ILC will be the result of:

- Reducing the demand for individualised packages;
- Reducing the need for funded supports within packages; and
- Making supports more effective in helping people achieve goals.

During 2016 and 2017, the NDIA has taken three key steps towards rolling out ILC:

### **1. Release of the ILC Commissioning Framework and the ILC Outcomes Framework Discussion Starter**

After extensive consultation with people with disability, families and carers, as well as organisations working in the sector, the NDIA released the ILC Commissioning Framework. This Framework identifies the priority focus areas for ILC investment as:

- Specialist and expert delivery - providing specific skills and knowledge in relation to disability;
- Cohort focused delivery – providing activities for specific groups of people that require detailed cultural or other knowledge to be effective, for example Aboriginal and Torres Strait Islander communities and culturally and linguistically diverse communities;
- Multi-regional - providing activities that can be more efficiently delivered across different local areas and to scale;
- Rural and remote - ensuring activities are designed to address local needs, circumstances and conditions in rural and remote locations; and
- Delivery by people with disability for people with disability - supporting organisations that are run and controlled by people with disability (sometimes called user-led organisations).

The ILC Outcomes Framework Discussion Starter outlines the approach to monitoring, measuring and reporting outcomes from ILC-funded activities. The NDIA will evaluate the outputs and outcomes of ILC activity to report on the performance of ILC investment.

### **2. Agreement of ILC Transition Plans with Jurisdictions**

The NDIA is assuming responsibility for funding ILC in each State and Territory at different times. The Australian Capital Territory was the first jurisdiction to commence ILC in 2017-18, with New South Wales and South Australia commencing in 2018-19; and Victoria, Queensland, Tasmania and the Northern Territory commencing in 2019-20. To ensure an orderly transition of ILC-type activities funded by State and Territory Governments to those funded by the NDIA through ILC, Transition Plans have been agreed with each jurisdiction. The Transition Plans outline agreed actions to mitigate risks and to prepare organisations for ILC commissioning.

The NDIA notes that the effectiveness of ILC funding as an innovative means to increase inclusion of people with disability in the community is constrained. This is because during the transition years (2016-17, 2017-18 and 2018-19) ILC funding is being provided to jurisdictions to fund legacy programs to ensure continuity of delivery. As a result, the full innovative benefits of having a nationally consistent approach to investing in ILC activities are likely to be delayed.

### **3. Completion of the first ILC grants rounds**

ILC activities are being funded through grants to organisations. In early 2017 the NDIA delivered the first two ILC grants rounds. Twenty-two projects totalling \$3 million were funded in the ACT Grants Round, and thirty-nine projects totalling \$14 million were funded through an ILC National Readiness Grants Round.

The NDIA acknowledges that a number of submissions to the Productivity Commission Review into NDIS Costs have expressed concern about the adequacy of the ILC budget given its strategic importance to both Scheme sustainability, and improving the lives of people with disability. A further indicator of the potential inadequacy of the ILC budget is the amount of funding applied for in the first two ILC grants rounds: for the ACT grants round almost \$14 million was applied against a budget of \$3 million, and for National Readiness over \$114 million was applied for against a budget of just over \$14 million.

In its response to the Productivity Commission Cost Review Position Paper, the NDIA welcomes the draft recommendation that the ILC budget be increased to its full scheme (2019-20) allocation immediately. However, as was made clear in the NDIS Submission there is no capacity for this to come from the NDIA's operating budget. In addition, the NDIA notes the potential to further increase the ILC budget given its critical importance to supporting the sustainability of the NDIS.

The NDIA has acknowledged the challenge of delivering ILC activities in rural and remote areas, including within Aboriginal and Torres Strait Islander communities. The NDIA is currently preparing to undertake a grants round that primarily targets remote areas, including Aboriginal and Torres Strait Islander communities, to build the foundations required for ILC to be delivered in those areas from 2019-20 when ILC is rolled out nationally.

### **Conclusion**

The Transition to full Scheme period is a unique and complex time. The NDIA acknowledges that further work is required across governments to ensure people with disability are getting the services they need. The NDIA will continue to work with all governments, participants and their families to help ensure their needs are met during the transition to the NDIS.

To achieve an inclusive Australian society that enables people with disability to fulfil their potential as equal citizens, all Australian governments, non-government organisations, business and the wider community have a role to play.

The NDIA looks forward to the feedback and advice of the Committee on this important area of work.

## Relevant chapter excerpt

### *NDIA Submission in response to the Productivity Commission Position Paper on NDIS Costs*

## 5. Boundaries and interfaces with the NDIS

This chapter provides the NDIA's response to Chapter 5 of the Commission's Position Paper.

### 5.1 General observations

The NDIA welcomes the Commission's acknowledgement that the boundaries and interfaces between the NDIS and mainstream and other services are essential for positive outcomes for participants and the financial sustainability of the Scheme.

The Commission's view that providing too few resources for Information, Linkages and Capacity Building (ILC) activities is a "false economy", particularly during the Transition, is shared by the NDIA. This is especially important because the ILC program is designed to ensure that people with disability—both inside and outside of the NDIS—are connected with the appropriate services. As observed by the Commission, the transition between the levels of "services available to people who just qualify for the NDIS and those who just miss out should be as seamless as possible".

With this in mind, the NDIA acknowledges that there is commitment from the Australian, State and Territory Governments to provide continuity of support, especially for people with disability who are currently receiving services from those Governments but who do not meet the eligibility requirements for the NDIS. The NDIA agrees with the Commission that there is value for participants in taking measures to ensure that participants clearly understand the defined responsibilities of the NDIA, DSS, Commonwealth, States and Territories for various activities related to disability support, including both boundary issues for NDIA participants and continuity of care concerns for those outside the Scheme.

More specific feedback in relation to the Draft Finding, three Draft Recommendations and Information Request outlined in Chapter 5 of the Commission's Position Paper are provided in Section 5.2.

### 5.2 Responses to the Commission's positions

#### Productivity Commission Draft Finding 5.1

It is a false economy to have too few resources for Information Linkages and Capacity Building, particularly during the Transition period when it is critical to have structures in place to ensure people with disability (both inside and outside the National Disability Insurance Scheme) are adequately connected with appropriate services.

#### NDIA's response:

The NDIA agrees with this Draft Finding.

The NDIS is underpinned by an insurance approach, developed and overseen by the Sustainability Committee of the NDIS Board, in conjunction with the Scheme Actuary. The NDIA has adopted these insurance principles and applies them when making decisions about supports:

- **Actuarial evidence**, to gain an understanding of the actual experience of the individual and evidence of their requirements;
- **A lifetime approach**, planning for supports that might be required throughout a person's life, creating a cost-effective view of resources required in all stages of life;
- **Investment in research and innovation throughout the NDIS**, to continually improve and access new opportunities for plans; and
- **Building the capacity for independence** (or social capital) in the disability sector and the community, allowing greater independence through learning.

The focus of ILC is community inclusion—that is, making sure that people with disability (both inside and outside the NDIS)—are connected to their communities. This makes ILC a critical feature of the insurance approach outlined above, given its potential to have a significant impact on managing and reducing NDIS costs over time.

ILC activities are focused on:

- Personal capacity-building (making sure that people with disability have the skills, resources and confidence they need to participate in the community or access the same opportunities as other people); and
- Community capacity-building (making sure that mainstream services or community programs or organisations become more inclusive of people with disability).

The expected cost reduction achieved by ILC will be the result of:

- Reducing the demand for individualised packages;
- Reducing the need for funded supports within packages; and
- Making supports more effective in helping people achieve goals.

The NDIA has also released an ILC Outcomes Framework Discussion Starter that outlines its approach to monitoring, measuring and reporting outcomes from ILC-funded activities. The NDIA will evaluate the outputs and outcomes of ILC activity to report on the performance of ILC investment. The NDIA also notes that:

- The effectiveness of ILC funding as an innovative means to increase inclusion of people with disability in the community is constrained by the need to also use this funding for legacy programs to ensure continuity of service delivery (i.e., the funding is also being used to provide transitional funding to States and Territories for existing ILC-like activities in each jurisdiction). As a result, the full innovative benefits of ILC funding will take time to measure; and
- While the evidence base for the choice of effective ILC interventions is still evolving, it is clear that the absence of ILC infrastructure poses a Scheme sustainability risk, and the NDIA is committed to ensuring this evidence is developed and reflected in future ILC expenditure decisions.

### Productivity Commission Draft Recommendation 5.1

Funding for Information, Linkages and Capacity Building (ILC) should be increased to the Full Scheme amount (of \$131 million) for each year during the Transition. The funds that are required beyond the amounts already allocated to ILC to reach \$131 million should be made available from the National Disability Insurance Agency's program delivery budget.

The effectiveness of the ILC program in improving outcomes for people with disability and its impact on the sustainability of the National Disability Insurance Scheme should be reviewed as part of the next COAG agreed 5-yearly review of Scheme costs. The ILC budget should be maintained at a minimum of \$131 million per annum until results from this review are available.

#### NDIA's response:

The NDIA agrees in part with this Draft Recommendation.

The NDIA supports the need for additional funding for ILC during the Transition because it considers that ILC plays a critical role in supporting Scheme sustainability. However, the NDIA is of the view that a more appropriate source of funding should be identified, as it is counterproductive for this funding to be diverted from the NDIA's operating budget.

- The DSS has commissioned modelling and advice to determine an appropriate funding level for ILC, but limitations exist in determining an amount in the absence of a strong evidence base. This will continue to be monitored over time, including through evaluating the outcomes of ILC grants.
- Regardless of the findings of that work, the NDIA considers that a more appropriate source for this funding must be identified (rather than the NDIA operating budget).
  - A detailed, activity-based costing model was developed to determine the NDIA's operating budget. While some funding could be diverted from operational underspends, a reduction in the operating budget would ultimately require a reduction in staffing in regional offices which could have a detrimental impact on the NDIA's ability to conduct effective and essential planning activities. The NDIA would need to consider the impact on overall phasing of participant intake and the resource intensity of participant planning (e.g., limits on the capacity to provide face-to-face planning).
  - An alternative approach could be a policy change which enables flexibility between participant packages and ILC. This would contribute to increased choice and control by enabling more flexible funding arrangements across participant packages, and greater scope for the NDIA to invest in ILC activities that may contribute to Scheme sustainability and lower demand for funded supports.
- The NDIA further notes that ILC can only be effective if it functions as a complement to (and not a substitute for) mainstream services delivered by States and Territories. More detail on mainstream interfaces is provided in the response to Draft Recommendation 5.3.

The NDIA agrees that the effectiveness of the ILC program, in terms of both improving outcomes for people with disability and ensuring the financial sustainability of the Scheme (i.e., in comparison to the sustainability risks of discontinuation of the ILC program), should be evaluated at the next Council of Australian Governments (COAG) five-yearly review of Scheme costs.

However, the NDIA notes that it is constantly reviewing the effectiveness of ILC activities through the NDIS Outcomes Framework.

### Productivity Commission Draft Recommendation 5.2

The Australian, State and Territory Governments should make public their approach to providing continuity of support and the services they intend to provide to people (including the value of supports and number of people covered), beyond supports provided through the National Disability Insurance Scheme. These arrangements for services should be reflected in the upcoming bilateral agreements for the Full Scheme.

The National Disability Insurance Agency should report, in its quarterly COAG Disability Reform Council report, on boundary issues as they are playing out on the ground, including identifying service gaps and actions to address barriers to accessing disability and mainstream services for people with disability.

#### NDIA's response:

The NDIA agrees with this Draft Recommendation.

- The NDIA acknowledges that there is a commitment from the Australian, State and Territory Governments to provide continuity of support, especially for people with disability who are currently receiving services from those Governments but do not meet the eligibility requirements for NDIS. The NDIA agrees that Governments should make their approach public.
- The NDIA proposes that the Productivity Commission considers reporting annually (rather than quarterly) to the COAG Disability Reform Council (DRC) on boundary issues. This would better reflect the Commonwealth, State and Territory Governments' responsibilities for reporting on mainstream services (including service gaps, duplications and other boundary issues), while still providing a regular NDIA perspective on where participant experience might diverge from the expectation of government service delivery. Further comment is provided under the response to Draft Recommendation 5.3 because the two recommendations are inherently linked.

Recognising that these issues are complex, the NDIA considers that the Integrated Services Response Project (ISRP; a three-year pilot program) may be helpful in illustrating both the challenge and a potential approach.

- Outcomes for participants with complex needs who require support from multiple service systems (e.g., health, disability, justice) are better where services are coordinated. However, transition to the NDIS creates challenges for mainstream service systems (e.g., health and justice), which may need to reconfigure their services when responses provided by States and Territories are not provided by the NDIS.
- For example, where "complex case managers" are embedded in State and Territory Government programs, they have access to intergovernmental relationships, escalation pathways and the authority required to resolve interface issues, including negotiating a non-typical solution where required. These arrangements have not yet developed between the NDIS and state and territory programs.
- In response to these mainstream interface challenges, the New South Wales Government is implementing the ISRP. The ISRP will establish a network of "mainstream interface leads" employed by the New South Wales Government.

- These mainstream interface leads will be co-located at NDIA offices and will provide a single point of contact, enabling short-term responses that coordinate and broker solutions among departments.
- The project will also establish a joint senior governance structure with representatives from key New South Wales systems such as health, justice, out-of-home care and the Office of the Children's Guardian. This structure will give the mainstream interface leads authority and a forum to raise interface issues on behalf of individual participants, and will provide an escalation point to consider and resolve identified system gaps that have resulted from transition to the NDIS.

### Productivity Commission Draft Recommendation 5.3

Each COAG Council that has responsibility for a service area that interfaces with the National Disability Insurance Scheme (NDIS) should have a standing item on its agenda to address the provision of those services and how they interface with NDIS services. This item should cover service gaps, duplications and other boundary issues.

Through the review points of National Agreements and National Partnership Agreements under the Federal Financial Relations Intergovernmental Agreement, parties should include specific commitments and reporting obligations consistent with the National Disability Strategy. The Agreements should be strengthened to include more details around how boundary issues are being dealt with, including practical examples.

#### NDIA's response:

The NDIA agrees with this Draft Recommendation.

The NDIA agrees with the Productivity Commission that establishing clear and robust boundaries is essential for the NDIS to work efficiently and effectively. This is an important element of Scheme sustainability.

COAG's *Applied Principles to Determine the Responsibilities of the NDIS and Other Services Systems* helps to delineate boundaries/interfaces between the NDIS and other government service systems, including health, education, transport and justice. The NDIA will continue to work with Governments on operationalising these applied principles, and it suggests consideration be given to additional clarification of these principles via a Rule or changes to legislation, as well as the inclusion of tangible targets and outcomes to ensure accountability on all parties. This would help to resolve boundary issues and provide an increased level of certainty for people accessing services and transitioning between the NDIS and other services (for example, for people who have attained outcomes that mean they can now rely solely on mainstream supports in order to live an ordinary life).

In terms of specific commitments and reporting obligations for Commonwealth, state and territory governments under the National Disability Strategy, the NDIA proposes the following:

- COAG Councils with responsibility for service areas that interface with the NDIS should have a standing item to define the mainstream service offering and consider issues including service gaps, duplications and other boundary issues;
- To facilitate appropriate referrals for participants and non-participants, it would be beneficial for governments to be responsible for reporting on mainstream services, including service gaps, duplications and other boundary issues;

- The NDIA can contribute to this effort by validating reports from state and territory governments, drawing on its on the ground perspectives and data (a responsibility of the Scheme Actuary under the NDIS Rules);
- The NDIA supports the Commission’s comment that “ILC programs and LACs should also assist in identifying any gaps and reporting them back to the NDIA”, while also noting the current pressures on LACs in respect of planning.

### Productivity Commission Information Request 5.1

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*The Commission is seeking feedback on a mechanism to ensure that the States and Territories bear the cost of participants who were intended to be covered by the National Injury Insurance Scheme.*

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#### **NDIA’s response:**

The NDIA notes that the original modelling underpinning projections for Scheme costs assumed that the National Injury Insurance Scheme (NIIS) would cover costs as intended. Wherever State and Territory NIIS schemes do not bear this cost, the additional cost borne by the NDIS places Scheme sustainability at risk.

A mechanism to ensure that states and territories bear intended NIIS costs would require the collection of sufficient data, as well as the means for apportioning and paying costs. There are several possible paths to achieving this. The NDIA provides an example approach:

- **Collecting sufficient data:** Appropriate data is required to calculate costs that were intended to be covered by the NIIS. While the NDIA collects information on participants who have received past compensation for their disability or injury, this information has proven incomplete and unreliable. Since 1 July 2016, the NDIA’s customer relationship management (CRM) application has collected this information, although an assessment of the reliability of this information has not yet been completed. The NDIA is also investigating the establishment of a series of Memoranda of Understanding (MOU) with the NIIS across Australia in order to obtain more reliable information on participants who may have received, or may be receiving, compensation from these schemes. Lastly, the NDIA will need to collect data on all participants who enter the Scheme with a traumatic injury, regardless of whether or not the participant received compensation for the injury. This is because the proposal for the NIIS included all traumatic injury (both fault and no-fault).
- **Apportioning the costs:** The NDIA has also developed a model that estimates the number of people expected to be covered by a NIIS. This includes both injuries that have occurred in the past and expectations for future injuries, based on an expected phasing in of NIIS arrangements in each State and Territory. Once Full Scheme has been reached, the NDIA expects to be able to develop a high-level perspective on whether there are more participants in the Scheme from injuries covered by the NIIS arrangements than expected. In developing its Position Paper, the Commission was provided with access to this model.
- **Paying the costs:** The full Scheme funding mechanism is yet to be determined by the Commonwealth, states and territories. If the states and territories cover the costs of their NIIS participants, this could simply be added to the annual or monthly amounts already paid to the NDIA.