

Supplementary Submission to the Joint Standing Committee on the National Disability Insurance Scheme

Inquiry into Independent Assessments

June 2021

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Contents

Contents	2
1. Foreword	3
Correction of Record	4
2. What we've heard	5
2.1 Consultation	5
2.2 Second Independent Assessment Pilot	7
3. Key challenges – what we know	7
3.1 Sustainability	7
3.1.1 Participant Plans	8
3.1.2 Growth in numbers of participants	9
3.2 Functional Assessments – inconsistent outcomes and plan budget inequities	11
3.3 Inflexible, rules-based approach to planning	13
3.4 Use of functional assessment tools	16
4. Next steps	17
4.1 Planned Consultation	17
4.2 Personalised Budgeting Tool paper	18
4.3 Personalised Budget Model	18
4.4 Using participant profiles (personas) to develop the personalised budget model	18
4.5 Improving the participant experience	19
5. Conclusion	19

1. Foreword

The National Disability Insurance Agency (NDIA) welcomes the opportunity to provide this supplementary submission to the inquiry of the Joint Standing Committee (JSC) on the National Disability Insurance Scheme (NDIS or the Scheme) into independent assessments.

By way of background, the NDIA and the Department of Social Services (DSS) provided a joint submission to the JSC in March 2021. This joint submission, amongst other things, outlined the background to the Government's intent to roll out independent assessments and attempted to address some of the key questions and areas of concern which had been raised to that point.

Since that time, it has become apparent that the NDIA needs to do more to listen to, understand and deeply consider the views, concerns and fears expressed by many in relation to the proposed independent assessments process, including through the Committee's own public hearings. On 15 April 2021, the Minister for the National Disability Insurance Scheme, Senator the Hon Linda Reynolds CSC, announced a pause on legislative reforms to support the introduction of independent functional assessments. The pause allows for the completion of the second independent assessment pilot and for further consultation with people with disability, their families, carers and the broader disability sector which will ultimately help inform the final design of the reforms.

As well as providing information about the expanded consultation process and what the NDIA has heard so far, this supplementary submission presents up to date information and evidence around some of the key challenges confronting the Scheme - and the need for improved equity, consistency and an enhanced participant experience to make the Scheme fairer, more transparent and more affordable for the future.

This supplementary submission also provides an opportunity to further correct an unintentional error in the use of an abridged quote in the NDIA's March 2021 joint submission with DSS.

While, for very many, the NDIS has been life changing and positive, it is clear that the Scheme's promise of choice and control has not been consistently delivered and that processes and rules can be complex, difficult to understand and difficult to use. There is clear evidence that some inequities have arisen under the current arrangements. It is also clear that the Scheme's cost growth significantly surpasses original projections – and this necessarily must form part of the discussion about how to best administer the Scheme to ensure it endures for generations to come.

At the time of drafting this submission, much is still to be explored and decided through the public consultation process. The NDIA is committed to working with participants, their carers and families, and key stakeholders, to ensure the Scheme works better, now and into the future. This submission sets out the actions the NDIA will take over the coming months to listen and respond to this feedback and provides further clarity on the important link between independent assessments and the provision of flexible, package-level budgets that will provide participants with enhanced choice and control over how they meet their disability-related needs and pursue their individualised goals. The NDIA is open to further engagement with the JSC as additional information is brought to bear about the interaction between the different elements of the scheme reform program.

Correction of Record

In March 2021, DSS and the NDIA provided a joint submission on independent assessments to the JSC. The submission described the work undertaken by the NDIA to lay the foundations for a new approach to assessing a person's functional capacity and environmental context, in alignment with recommendations from the Productivity Commission and Tune Review. This has included development of an [Independent Assessment Framework](#), aligned with the World Health Organisation's International Classification of Functioning, Disability and Health (ICF) and the assessment of more than [100 standardised tools](#) to select those most suitable to support decision making under the NDIS.

The submission contained an unintentional error on page 9 in the attribution of quotes the NDIA received from leading academics as reflecting their endorsement of "the approach and the tools" the Agency has proposed for use in independent assessments. The correct context for these endorsements is that they related solely to the NDIA's Independent Assessment Framework released in September 2020 and not the NDIA's subsequent identification of assessment tools against the criteria in this framework. In the same section the quote from Dr Ros Madden was also included in an abridged format.

In correcting these errors the submission should have read:

The framework has also been endorsed by leading Australian academics:

....

"The NDIA has taken on one of the difficult technical and implementation problems in the disability field worldwide. They have outlined a framework on which to build a fairer and more consistent disability assessment – to enable the rights of people with disability to participate across society. This diagnosis-neutral framework combines both the need to evaluate capacity and the determining role of the environment in helping or hindering participation. The framework recognises that assessment must combine quantifiable information obtained using scientific standards with the expert knowledge of people living with disability and the families and professionals who know them."

Dr Ros Madden AM, University of Sydney Honorary Research Fellow, University of Sydney and Nick Glozier, Professor of Psychological Medicine, University of Sydney.

Mr Martin Hoffman, Chief Executive Officer of the NDIA, wrote to Dr Madden to immediately apologise for the error, and provided the JSC with a letter of correction regarding the use of Dr Madden's quote. Mr Hoffman also wrote to Professor Andrew Whitehouse and Professor Valsamma Eapen to assure them the NDIA would ensure any future use of their quotes would be fully contextualised as being specific to the release of the Functional Assessment Framework, and not any subsequent work completed by the Agency.

The NDIA thanks Dr Madden, Professor Whitehouse and Professor Eapen for their feedback and reiterates its gratitude for their support in the important work of developing the Independent Assessment Framework last year, and their continued support for that document.

2. What we've heard

2.1 Consultation

The NDIA has actively sought feedback on reform proposals through a continued, extensive consultation program. In November 2020 the NDIA released the following three consultation papers, and invited feedback from participants, families, carers and the wider sector:

1. [Access and eligibility policy for independent assessments](#)
2. [Planning policy for personalised budgets and plan flexibility](#)
3. [Supporting young children and their families early, to reach their full potential.](#)

These consultation papers posed specific questions on how the NDIA can best deliver new policies and processes to support the introduction of independent assessments – which will deliver more consistent access and planning decisions, personalised budgets and increased plan flexibility for participants.

Between November 2020 and February 2021, the NDIA undertook a range of consultation activities with participants, their carers and families, key stakeholders, advocates and the broader disability sector. This included:

- 57 public information sessions for communities across Australia, with over 1,000 attendees, incorporating 29 sessions specifically discussing the access and planning policies, 10 of which were for rural and remote communities
 - over 150 local information sessions targeting stakeholders including health and allied health, mental health, education, justice, Aboriginal and Torres Strait Islander communities, rural and remote communities, and culturally and linguistically diverse communities
 - six virtual sessions specifically for providers which attracted over 300 registrations
- Consultation with participants through the monthly Participant Reference Group and the fortnightly Independent Assessment Participant Working Group. Targeted

consultations were also held through 14 workshops with participants, their families and carers

- active engagement with the Independent Advisory Council, various sub groups and reference groups to seek input on the proposed changes, including more than 112 discussions with national peak bodies, sector representatives, state and territory governments, academic experts and other relevant stakeholders.

During this period, the NDIA faced the challenge of navigating restrictions on travel and public gatherings due to the Coronavirus (COVID-19) pandemic and most events were held online. Seventy-four per cent of respondents reported that virtual sessions enabled them to learn more about the NDIS and share their views.

The NDIA heard participants, families, carers and sector organisations want the NDIS to be simpler and participants want more flexible plans and more choice and control over their supports. Key stakeholders said the NDIA's current practices aren't consistent or equal, and participants want their experiences with the NDIS to improve. Many people were also worried changes to our planning process could affect participants and the supports they receive.

In total, the NDIA received 769 written submissions to the formal consultation which closed on 23 February 2020. These 769 submissions represented a total of 936 responses to the three consultation papers, as several submissions contained responses to more than one of the papers. NDIS participants, their families and carers represented the largest proportion of submissions (230), while advocacy, community, sector and peak bodies contributed almost 200 submissions. A summary of the key themes that emerged in relation to each paper was published on the [NDIS website](#) on 26 March 2020.

In response to feedback from stakeholders, the NDIA is seeking permission from organisations who provided submissions as part of the consultation process to publish their submissions on the NDIS website. As at 31 May 2021, over 90 organisations have provided permission, with submissions expected to be published on the [NDIS website](#) in June 2021.

Upon her appointment as Minister for the NDIS, Minister Reynolds announced the Government would take time to consult further with state and territory disability ministers and with the disability sector on proposed reforms to the NDIS before proceeding with legislative change. The Minister, NDIA and DSS are committed to working with state and territory governments and the wider disability sector to identify areas for improvement to the proposed NDIS access and planning reforms, including independent assessments to help address sector concerns.

During this pause, Minister Reynolds has held a series of roundtable meetings with key stakeholders, peaks, advocacy groups, and NDIS participants, their families and carers to listen to and hear their concerns. In addition to this, the NDIA has been supporting the Independent Advisory Council to consider areas where Scheme reforms can be improved, adjusted and respond to the feedback received through the consultation period, the Committee's inquiry, and learnings through the second independent assessment pilot.

The NDIA has heard the concerns raised and is committed to continuing to work with participants, the wider disability community and other key stakeholders to strengthen our approach to consultation, share more and clearer information on these matters in a timely way, and to further improve and refine our proposals to address the issues raised. The approaches we are taking to do this are outlined later in this submission.

2.2 Second Independent Assessment Pilot

The NDIA is committed to completing at least 4,000 independent assessments as part of the second pilot. As at 31 May 2021, 3,762 assessments had been finalised, with assessments to continue until at least 4,000 are completed. As of 27 May 2021 approximately 950 participants have completed a survey regarding their experience. In addition, 67 assessors have completed a separate survey. The NDIA has also completed 119 interviews with participants, and held six focus groups with assessors and assessor partners. The NDIA is also asking for further feedback once a participant has received their independent assessment report.

The results of the survey, interviews and focus groups will help inform the evaluation of the second independent assessment pilot that will be conducted by the NDIA, with the evaluation to be released publicly. The University of Sydney, Centre for Disability Studies will provide independent validation of the findings presented in the evaluation report relating to participant satisfaction and experience. The NDIA is using all learnings from the second pilot to inform any wider implementation of independent assessments subject to legislative consideration, including the design of a comprehensive rollout evaluation so that the approach can be further improved and refined over time.

3. Key challenges – what we know

3.1 Sustainability

As referenced in the NDIA Board's 2020-21 Quarter 3 Report to disability Ministers, if recent rates of growth in average payments and new entrants are extrapolated, without mitigating actions, total overall Scheme costs could potentially be in excess of \$40 billion within three years. In addition the portfolio budget statements indicate the NDIS Budget for participant support costs is estimated to reach \$32 billion in 2024-25, which includes an extra \$17 billion allocated by the Commonwealth Government over the last two Budgets, and is \$3.4 billion higher than the comparable figure in the 2017 Productivity Commission review.

Funding for the NDIS is shared between the Commonwealth and state and territory governments, with Commonwealth funding uncapped and the states capped with a 4% annual increase. On current projections, the Commonwealth's contribution will reach more than 61% by 2024-25.

Proposed Scheme reforms are important to improve participant experience and choice and control, and to ensure the NDIS remains affordable into the future. Despite the recent increase in funding, the current trajectory of Scheme costs poses real risks to its long-term sustainability, with both the participant population and average participant budgets and payments increasing well above original projections.

Independent Assessments form part of how the NDIA will manage the scheme within the parameters of the funding made available by all governments, so that participants and the wider Australian public can have confidence in the fairness, appropriateness and consistency of our decision making.

3.1.1 Participant Plans

In the last three years the average payment per participant has grown by 12.5% per annum, which is well above wage inflation. As shown in Figure 1, for those who have been in the Scheme for five years, payments have increased by 38% per annum, while for those in the NDIS for four years (Figure 2), payments have increased by 43% per annum. This is significantly more than wage inflation (1.5% - 2% per annum), the assumptions in the 2017 Productivity Commission report (4% per annum) and future portfolio budget estimates (2% per annum).

Figure 1: Plan budgets, utilisation and payments for participants who have received five plans at 31 March 2021

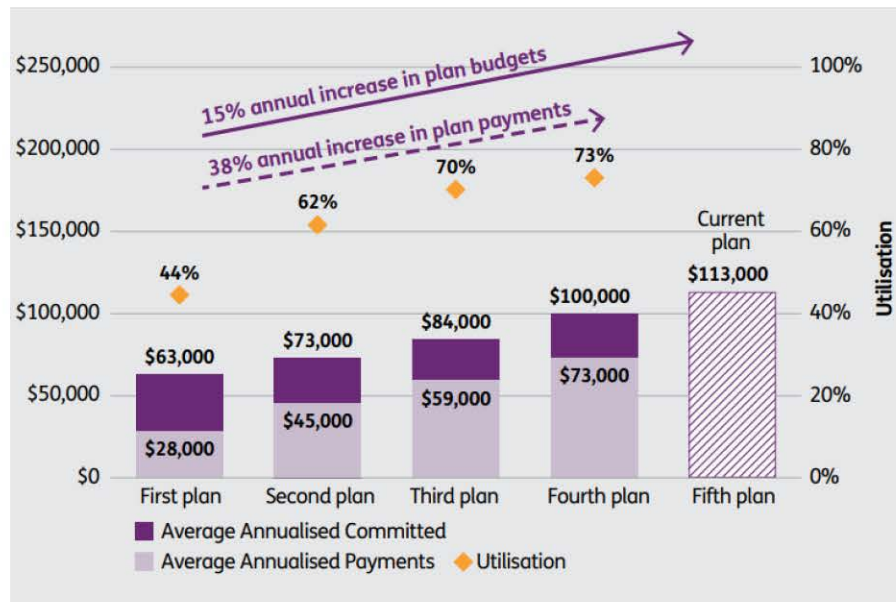


Figure 2: Plan budgets, utilisation and payments for participants who have received four plans at 31 March 2021

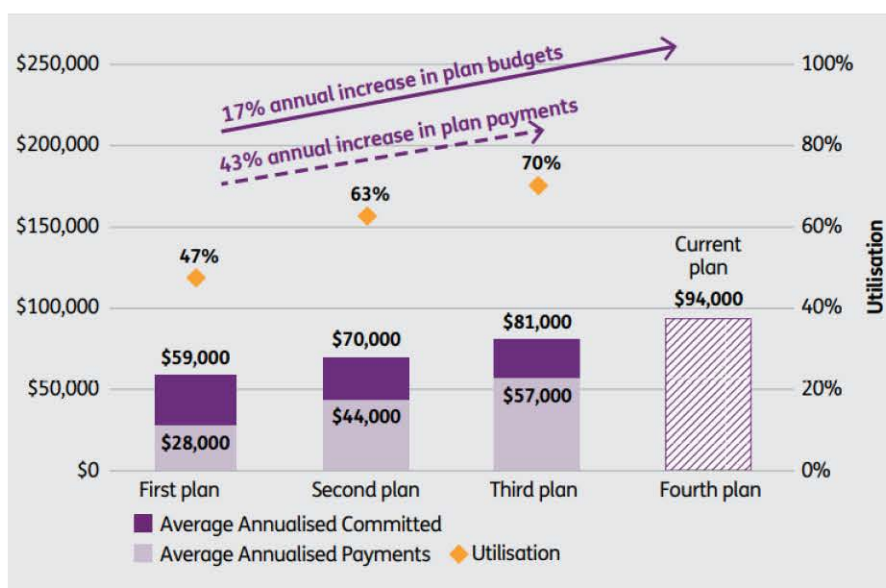


Figure 3 shows that the largest rate of growth has occurred in core support for both daily activities and social and community participation, and capacity building daily activities (therapy services). As these are the three largest support categories, the increases in these supports has contributed most to the overall increase in payments to participants.

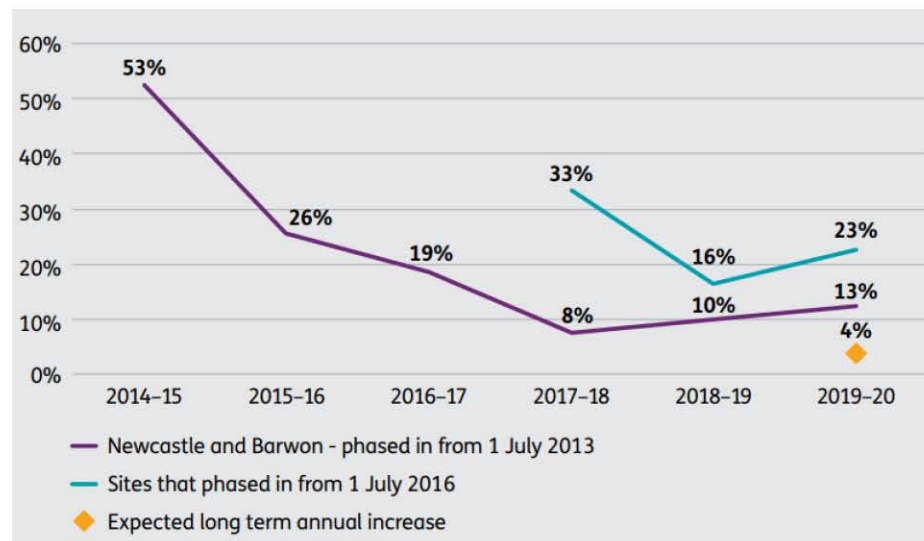
Figure 3: Average annualised payments per participant by support category by year

Support Category	Apr-17 to Mar-18	Apr-18 to Mar-19	Apr-19 to Mar-20	Apr-20 to Mar-21	Average annual increase (%)
Core - Daily Activities	\$21,800	\$22,900	\$27,400	\$30,100	11%
Core - Community Participation	\$6,200	\$7,400	\$8,900	\$8,600	12%
Core - Consumables and Transport	\$2,300	\$2,300	\$2,500	\$2,600	4%
Capacity Building - Daily Activities ⁴⁵	\$3,200	\$3,700	\$4,900	\$6,300	25%
Capacity Building - Other	\$2,500	\$2,800	\$3,100	\$3,400	11%
Capital	\$1,400	\$1,400	\$2,100	\$2,100	14%
Total	\$37,400	\$40,600	\$49,200	\$53,200	12%

3.1.2 Growth in numbers of participants

In addition to growth in plan budgets, more participants are entering the NDIS than prior projections (Figure 4). In those sites that phased into the Scheme since 2016, the year on year increase in active participants is 13%. For the Newcastle and Barwon trial sites, which have been operating since 2013, the year on year increase in the number of active participants is 23%. These are both well above the 4% expected long term increase.

Figure 4: Year-on-year increases in active participants (financial year)

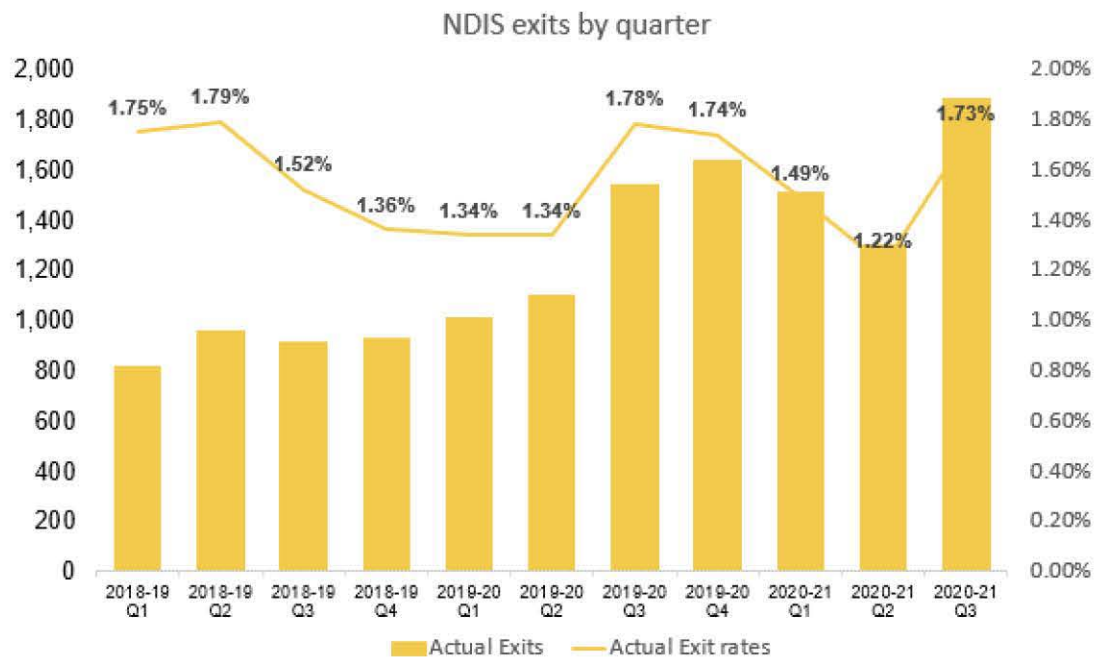


In 2017 the Productivity Commission endorsed an overall Scheme exit rate of 2.1%, including both mortality and non-mortality related exits. While mortality exit rates have been in line with projections, non-mortality exits have not occurred at the expected rate. This has meant that since the first quarter of 2018-19, the overall exit rate has never exceeded 1.79%.

Non-mortality related participant exits were always anticipated to be part of the NDIS from its inception. Section 30 of the *National Disability Insurance Scheme Act 2013* (NDIS Act) sets out the legislative regime for the revocation of participants who cease to meet the eligibility criteria for residency, developmental delay, or impairment.

The Productivity Commission anticipated that the investment of the Scheme in participants who had entered under developmental delay or early intervention criteria would lead to non-mortality exits as participants' (especially children's) function improved. Investment in capacity building to improve participant functionality was a core part of the design of the Scheme. It is both necessary and appropriate for the NDIA to review why participants are exiting at lower rates than anticipated, and to ensure decision making regarding eligibility is in accordance with the NDIS Act.

Figure 5: NDIS exits by quarter



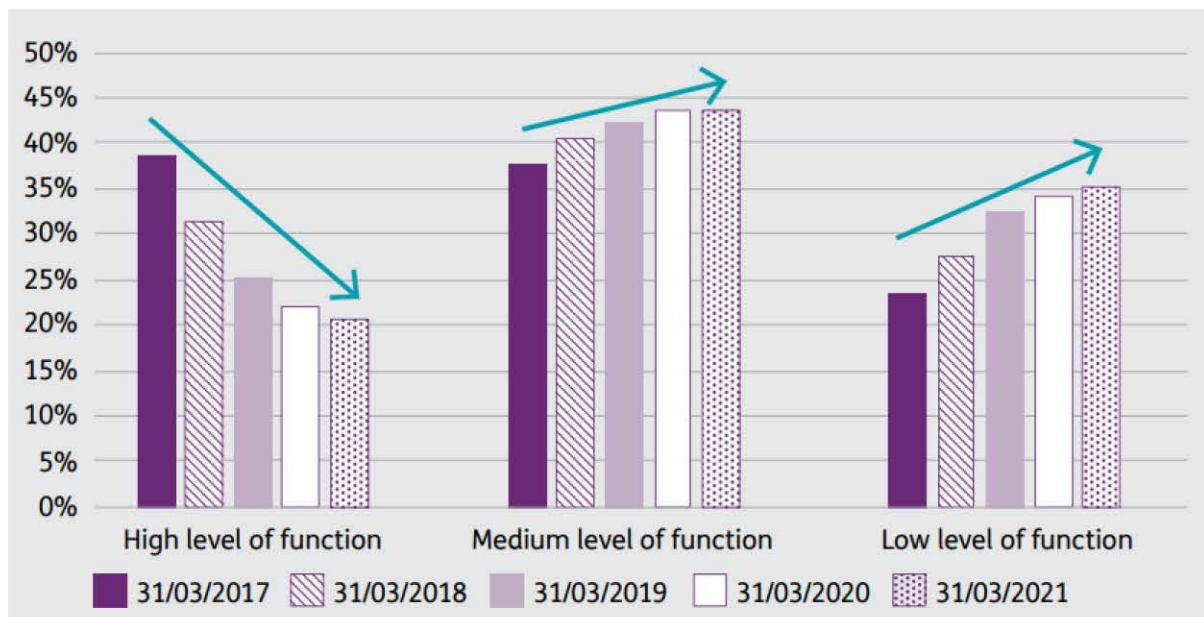
3.2 Functional Assessments – inconsistent outcomes and plan budget inequities

Understanding participants' and prospective participants' functional capacity has always been an important part of the NDIS. It was central to the original design recommendations of the Productivity Commission and is a requirement of the NDIS Act. But the rapid rollout of the NDIS, and the lack of an overarching functional capacity framework, has meant that historically, there has been a lack of consistency in the way participants entered the Scheme and were assessed for reasonable and necessary supports. Participants had to source evidence of their disability and functional capacity from their own practitioners, with little consistency or clarity around:

- the skills needed in a practitioner to make an assessment
- the methodology and types of assessment that should be used
- the other evidence that was required
- the timeframe required for relevant evidence.

This has led to decisions about access and reasonable and necessary supports being made on the basis of inconsistent and incomplete information, and a high degree of variability in reported function across the past four years. Figure 6 shows that, when looking at the same group of participants over 5 years, the number of participants reporting high function has decreased, while those reporting medium and low function has increased. The NDIA's view is that this is not generally reflective of participants' function decreasing, but rather indicative of the current inconsistent methodology and data collection on functionality. This reflects the importance of independent assessments, to ensure there is a consistent way to assess and understand the needs of participants.

Figure 6: Change in recorded functional distribution from 31 March 2017 to 31 March 2021

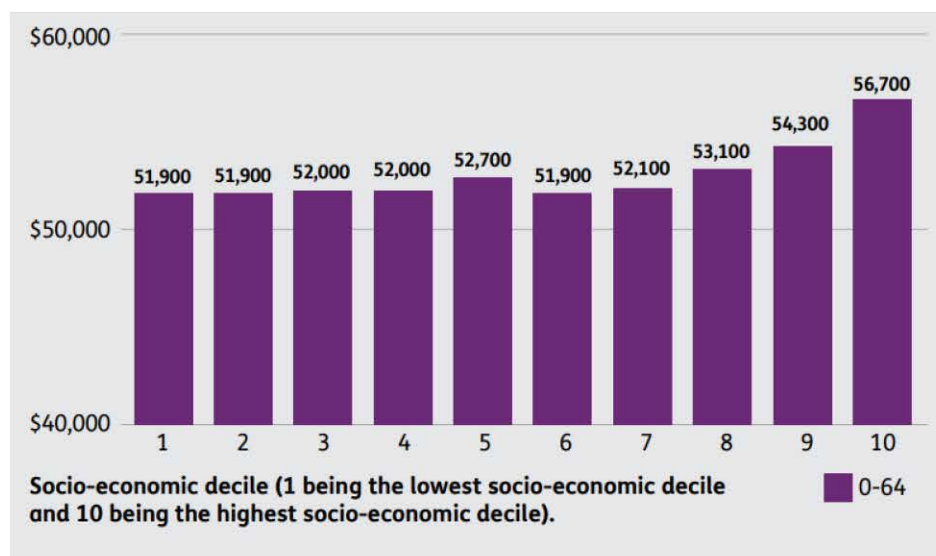


2 This chart is based on active participants at 31 March 2017 only. Those who entered after 31 March 2017 are excluded.

3 The distributions are calculated excluding participants with a missing level of function.

In addition, there are inequities evident in participant plan budgets, reflecting the capacity of participants to gather evidence of their functional impairment.

Figure 7: Average annualised plan budgets by the Australian Bureau of Statistics (ABS) Index of Education and Occupation (IEO) deciles, for non-SIL participants aged 0-64 – 31 March 2021



3.3 Inflexible, rules-based approach to planning

The NDIA has consistently heard feedback that the current approach to planning is overly complex, administratively burdensome and inequitable. This feedback comes from participants, their families and carers, key stakeholders, peaks and advocacy groups.

In the way the NDIS has been implemented so far, participants have been subjected to the judgment of a planner who does or doesn't agree to put individual supports into a plan on the basis of whether each item of support is deemed reasonable and necessary. These can be highly subjective judgements which position the current planning process as a funding negotiation, rather than being about how participants can best meet their disability related needs and pursue their goals.

Currently there are 15 different categories into which funds can be allocated in a participants' plan. We hear consistently that this large number of budget categories is confusing, particularly with some categories being flexible but the majority allowing only for funds to be used on a particular type of support. This approach to allocating funds item by item often results in funding being tied to very traditional models of support and does not enable participant choice and control or creativity to use their total funding in ways and at times that make sense day to day.

In effect, the current NDIS funding model relies on delegate decision making and negotiation over individual support items in the plan as the primary cost control mechanism to manage the overall Scheme budget. Doing planning in this way has led to two very significant issues:

1. Planners have become 'gatekeepers' and participants have become recipients of the supports that are or are not provided in a largely inflexible plan.
2. There is a lack of consistency and objectivity in decision making that both disadvantages some participants and inhibits the Agency in predictably managing Scheme costs.

This inflexible rules-based approach to planning does not meet the original intent of the Scheme as outlined in the Productivity Commission's 2011 *Report on Disability Care and Support* (Productivity Commission report). The Productivity Commission report envisioned decision making occurring at a much broader package level, noting the NDIS was never intended to be a rationed, welfare model.

"A key point of distinction between existing arrangements and those proposed under an NDIS would be the obligation for the scheme to deliver the package determined by the independent assessment of need, rather than the present arbitrarily rationed amount. This feature is an essential element of avoiding the chronic underfunding that has beset the current disability system. However, that does not mean that the provision of supports will be unconstrained. Indeed, in other, better resourced schemes — such as no-fault accident insurance schemes that provide lifetime care

and support for catastrophic injuries — service provision is ‘bounded’ by the concept of reasonable and necessary.”¹

The tension between the current planning approach and package level funding was also highlighted in the *Review of the National Disability Insurance Scheme Act 2013* (Tune Review). The Tune Review highlighted feedback from people with disability on the apparent lack of consistency in decision-making during planning, as well as uncertainty in understanding the decisions about supports provided in plans, including when a support was deemed reasonable and necessary. In particular it was noted that funding was complicated by “reasonable and necessary decisions being, in large, a discretionary determination made on a case-by-case basis.”² The Australian Government supported recommendation 4 of the Tune Review which included “amending the NDIS Act to clarify that reasonable and necessary supports are considered together as a package. In its response, the Australian Government highlighted:

Packages of supports will be built informed by functional capacity assessment (funded by the NDIS) alongside other information individual to each participant. This approach will ensure equity and consistency in decision making, more closely align funding with individual capacity and need, and enable a greater focus on plan implementation where participants are able to exercise choice and control over the supports they need.

Allowing discretionary determinations around the reasonable and necessary nature of each individual support is also an unsustainable process. This was noted by John Walsh AM, in his submission to the Joint Standing Committee on the NDIS:

“...such scenarios are well-known in the world of statutory insurance... and nearly always lead to significant legislative reform, usually some type of restriction of benefits or scheme redesign.”³

The planned introduction of personalised budgets and plan flexibility is intended to deliver on the original intent of the NDIS and help to manage escalating risks regarding Scheme sustainability and equity that are inherent in the current planning approach. As noted by the Productivity Commission in 2011, the Tune Review in 2019 and more recently by

¹ <https://www.pc.gov.au/inquiries/completed/disability-support/report/disability-support-volume1.pdf>, p. 257.

² David Tune AO PSM, Review of National Disability Insurance Scheme Act 2013, *Removing red tape and implementing the NDIS Participant Service Guarantee*, December 2019, https://www.dss.gov.au/sites/default/files/documents/01_2020/ndis-act-review-final-accessibility-and-prepared-publishing1.pdf, p. 47.

³ John Walsh AM, Submission to the Joint Standing Committee on the National Disability Insurance Scheme – Inquiry into Independent Assessments, <https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/National_Disability_Insurance_Scheme/IndependentAssessments/Submissions>

John Walsh AM, increased flexibility and participant choice and control are vital to ensuring the Scheme remains sustainable into the future. Greater plan flexibility will enable participants to seek value for money, adapt support arrangements to take advantage of new opportunities as they arise and drive innovation in how support is provided.

Independent assessments are a mechanism to enable these reforms. The changes being proposed allow a participants' plan budget to be more connected to their individual functional capacity and support need with funding identified at the total level, rather than built up item by item. Independent assessments are necessary to realise flexibility and choice because, used in conjunction with participants profiles means that plans will no longer be derived from a process where supports are itemised in ways that restrict and constrain. A participant's Personalised Budget will be estimated using two sources of information:

- 1. Independent functional capacity assessment**

Current assessment data indicates there is a relationship between a participant's functional capacity and their budgets. Generally, participants with a low functional capacity and higher support needs tend to require more funding than those with high functional capacity and lower support needs.

- 2. Environmental and personal factors**

Environmental and personal factors such as living arrangements, complex behaviours, employment status, and support from family and friends will be taken into account where they impact a participant's funding needs.

A participant's functional capacity assessment results provide the starting point for drafting their Personalised Budget, which is then adjusted up or down for environmental or personal factors (e.g. for the level of a participant's informal supports). The size of these adjustments is being determined through the further development and refinement of the Personalised Budget model.

Similar to other individualised funding models internationally, this personalised budget approach will allow planners to know the budget they are planning within before they start to plan, and will support participants to understand the funding that is available to them at the same time as any planner involved. Ultimately, the guiding principle in the development of an NDIS plan in future should then be that planning is person-centred, with participants able to identify and determine how their needs are met (with the support for decision making they need) and the freedom to choose support from a diverse range of sources to meet their needs and pursue their goals.

By introducing independent assessments, the NDIA is working towards improving the methods that inform decision-making, with consistent and evidence-based frameworks deployed that will directly and deliberately lead to these improvements both in planning and plan implementation. This consistency helps delegates set a fair and reasonable plan budget based upon objective variables, from which fully individualised planning and participant-directed funding decisions can flow.

The proposed Scheme reforms, including personalised budgets, participant decision guides and support for decision making, are focussed on ensuring participants can access high quality, evidence-based and innovative supports that maximise their functional capacity and support them to live a life of their choosing. It is evident from the testimony of many to the JSC over recent weeks that the NDIA has not articulated these goals and the overall intent of the reforms in ways that resonate with a range of stakeholders in the disability community. This is a situation the NDIA is determined to address as work continues to improve and refine these proposals, and rebuild trust in the Scheme.

3.4 Use of functional assessment tools

The NDIS Act requires an understanding of a participant's functioning for decision making. The ICF provides an internationally recognised framework for understanding function (using a biopsychosocial model) and breaks function down into the following:

- Functioning and Disability: *Body Functions and Body Structures; Activities and Participation*
- Contextual factors: *Environmental Factors; Personal factors*.

In addition, the ICF has constructs of capacity (a person's ability to execute a task or action) and performance (what a person actually does in their current environment). It further suggests that function can be understood in regards to with and without personal assistance and/or assistive devices. Assessing function holistically therefore is complex and the limitations of existing assessment tools was also acknowledged by the Productivity Commission report. The [Independent Assessment Framework](#) paper sets out the requirements of the assessment tools according to the NDIS Act, the ICF and other contexts of the NDIS. It acknowledges that no single existing tool is likely to be identified that would meet all the criteria and allow for the holistic assessment of functioning. Therefore a 'suite of tools' that collectively covered the components of the ICF as well as the other criteria were chosen for testing in the pilot.

The tools selected have proven reliability and validity in the contexts for which they are designed but this cannot be extended with great confidence to other contexts. This was acknowledged and discussed in the framework paper. This is the same for any assessment tool that is used outside of the context in which reliability and validity were tested and means in effect that the many assessment tools used broadly in Australia also lack reliability and validity in the contexts in which they are used. Similarly, the validity and reliability of using assessment tools side by side to build an understanding of a person's function has not been done before, however the alternative of ignoring certain elements of a person's functioning for NDIS decision making purposes carries greater risk. The solution lies in the NDIA progressively evaluating the tools to determine the validity and reliability of the toolbox approach in the unique Australian NDIS context. This will logically involve adjustment of the toolbox over time. This approach aligns with the advice of the Productivity Commission report, which noted the need to not delay implementation of NDIS in the absence of the perfect tools and to use a suite of tools that working together offer strengths that offset the weaknesses of individual tools.

The independent assessment results and the functional domain structure based on the activity areas and social and economic participation components of the NDIS Act provide important information for access and planning decision-making. The current pilot evaluation is checking that the data from the tool site that will be used for decision making is measuring what we think it is (validity) and that results are consistent between participants unless their functional capacity is truly different (reliability). Further refinement of the toolbox will be ongoing within a broader governance cycle to support continuous improvement of the assessment process over time.

4. Next steps

4.1 Planned Consultation

The Minister for the NDIS, Senator Reynolds, confirmed in April 2021 that she would take time to consult further with state and territory disability ministers and with the disability sector on proposed reforms to the NDIS before proceeding with legislative change.

Minister Reynolds, DSS and the NDIA are committed to continuing to work collaboratively and transparently with NDIS participants, their families and carers, key stakeholders, peaks and advocacy groups. The NDIA is actively considering all feedback received through the initial and additional phases of consultation, the second independent assessment pilot, and through submissions to the JSC, and working hard to ensure those concerns are addressed.

Additional consultation planned on the proposed Scheme Reforms includes:

- further engagement with State and Territory governments and consultation with their jurisdictional disability advisory councils
- additional consultation with CEOs of Disability Representative Organisations responding to concerns raised in consultation submissions
- engagement with NDIA-led governance forums such as the Participant Reference Group, Autism Advisory Group, Industry Reference Group and Mental Health Sector Reference Group.
- sharing information from the above consultation with the Independent Advisory Council to assist in their deliberations to formulate advice that will be provided to the NDIA Board and the Minister.

The Agency has reviewed the submissions and feedback as part of the recent consultation process and has outlined 8 themes which will be a starting point for the additional consultation process. The themes include:

- exemptions and alternatives to the process where required
- choice of assessor and how appointments are booked
- the conduct and experience of an assessor
- use of pre-existing participant information
- check-ins, inputs and reviews before assessment is used for decision making
- ongoing oversight, evaluation, and improvements of assessment tools and systems
- how funds are managed in a plan
- plan adjustments in unique circumstances.

Over the coming months, the NDIA will also release more information regarding proposed Scheme Reforms, including feedback received during consultation so far.

4.2 Personalised Budgeting Tool paper

Overwhelming feedback from the consultation submission was that stakeholders want the NDIA to be transparent about the way budgets will be developed under the proposed planning process and how independent assessments will be used to build budgets and make funding decisions. Ultimately, the Agency has heard from participants that they want to make sure the changes will mean budgets are set at a level that is fair and reasonable to meet their needs. This is why the NDIA has released a further information paper on the work underway to design the new personalised budget model and planning process. The paper is available [here](#).

4.3 Personalised Budget Model

The current approach to budgeting lacks a common assessment framework. This invites inconsistency in funded supports for participants with similar levels of function and support needs.

The Personalised Budget model translates the results of independent functional assessments into plan budgets - based not only on participants' assessed functional levels but also adjusted for various other inputs including informal supports, key life events and additional environmental factors.

This is being calibrated by using two key sources of information:

1. Independent functional assessment pilot data. This is being collected from over 4,000 participants who have agreed to take part in the second independent assessment pilot.
2. Participant profiles (personas). The NDIA used participant data to develop profiles that represent the many different groups of NDIS participants.

This approach will allow for greater consistency in assessment and planning, and alignment with international best-practice based on the ICF.

4.4 Using participant profiles (personas) to develop the personalised budget model

The NDIA is creating a set of standardised participant profiles (personas) which transform independent assessment outputs to a set of functional capacity scores.

Personas are being used to present information about functional capacity to planning experts, tasked with developing personalised budgets based on these inputs.

Personas were broadly designed to provide as much relevant information as possible, whilst retaining a core focus on functional capacity. The suite of personas captures a sufficiently diverse and representative sample of participants within the NDIS. It reflects the different disability types and diversity of functional capacities within disability types across the Scheme.

To date 400 profiles (personas) have been developed.

4.5 Improving the participant experience

The NDIA is continuing to progress other work to improve the participant experience, including implementing the Participant Service Guarantee in advance of planned legislation and changing plan processes to make them simpler, fairer and faster, and to allow longer plans for participants. Agency actions continue to be guided by the Participant Service Charter, which set out the principles for the NDIA's interaction with participants, and is underpinned by the specific tangible actions listed in the Participant Service Improvement Plan 2020-21. The NDIA is also working to introduce ICT upgrades that improve the participant experience, including a mobile app so participants can check plan budgets and submit claims on the go.

Work on refreshing Operational Guidelines is also continuing, ensuring participants have access to the same information as NDIA planners and partner staff, and meeting the NDIA's commitment to increase transparency and reduce uncertainty around decision making.

5. Conclusion

People with disability will always be central to the design of the NDIS. This has been true since the genesis of the Scheme, and remains true. The NDIA will continue to work with participants and their families and the disability community to improve how the planned reforms discussed in this and our previous submission will work in practice. Feedback from ongoing consultation will continue to be incorporated into the design of the reforms to ensure that independent assessments and personalised budgets are introduced in the right way.

The Minister for the NDIS and the NDIA are committed to implementing the original intent of the NDIS. This includes greater flexibility in plans, and longer-term plans, as well as independent assessments, to provide greater choice and control for participants over their supports and services.

Under these changes, planning and funding decisions will be more accurate and consistent, based on improved information from independent assessments. Participants will receive a personalised budget that is not a sum of negotiated individual supports, but an overall flexible package that they can choose to spend how best suits them to meet their needs and pursue their goals.

To ensure the Scheme's longevity, it must be affordable. The proposed Scheme Reforms will enable the NDIA to allocate funding in a fair and consistent way so that participants have the support they need to live an ordinary life and the NDIS is available to everyone who needs it now and into the future.

The NDIA is committed to improving the Scheme to make it fairer, more equitable and transparent, and to ensure it is the right Scheme for all participants, for all Australians, for all time.

The NDIA is welcoming of further engagement with the JSC on this inquiry given the importance of independent assessments to wider Scheme reform.