



**Australian Government**  
**Department of Social Services**



Delivered by the  
**National Disability  
Insurance Agency**

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The Hon. Kevin Andrews MP  
Committee Chair  
Joint Standing Committee on the National Disability Insurance Scheme  
PO Box 6100  
Parliamentary House  
CANBERRA ACT 2600

By email: [ndis.sen@aph.gov.au](mailto:ndis.sen@aph.gov.au)

Dear Chair

The Department of Social Services (DSS) and the National Disability Insurance Agency (NDIA, Agency) welcome the opportunity to work with the Joint Standing Committee on the National Disability Insurance Scheme (Committee), and assist with its inquiry into current scheme implementation and forecasting for the National Disability Insurance Scheme (NDIS).

Further to our letter of 1 November 2021, we are pleased to share more detailed information with the Committee in relation to current government initiatives to ensure the long-term success of the NDIS (attached). This information includes detail about:

- The interfaces of NDIS and non-NDIS services;
- NDIS funding framework;
- NDIS financial sustainability;
- Legislative reforms to improve the NDIS; and
- Other measures to reform the NDIS.

Thank you for the opportunity to contribute to this inquiry. I trust this information is of assistance to the Committee.

Yours sincerely

**Ray Griggs AO CSC**  
**Secretary**  
Department of Social Services

1 March 2022

**Martin Hoffman**  
**CEO**  
National Disability Insurance Agency

1 March 2022

*Attachment: Joint Submission to the Joint Standing Committee on the National Disability Insurance Scheme inquiry into current scheme implementation and forecasting*



**Australian Government**  
**Department of Social Services**



# **Joint Submission to the Joint Standing Committee on the National Disability Insurance Scheme inquiry into current scheme implementation and forecasting**

February 2022

The Department of Social Services

The National Disability Insurance Agency

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# Joint Submission

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## **Terms of reference A & B: National Disability Insurance Scheme (NDIS) and non-NDIS Services**

### **Summary of progress on the interfaces of NDIS service provision with other non-NDIS services**

All Australians, including Australians with disability, have a right to access universal services such as health and education. Supports and services delivered for NDIS participants should help people with disability to have the same things in life as other people, like somewhere to live, a job, hobbies and the company of families and friends. Ensuring the NDIS and mainstream services, including health, justice, child protection, transport, mental health and education, operate effectively together is critical to meeting the holistic support needs of Australians with disability.

All governments (state, territory and Commonwealth) agreed on a vision for an inclusive Australian society that enables people with disability to fulfil their potential as equal citizens. To achieve this vision, all Australian governments, non-government organisations, business and the wider community have a role to play. The interactions of the NDIS with other service systems will reinforce the obligations of other service delivery systems to improve the lives of people with disability, in line with Australia's Disability Strategy.

In 2015, all governments agreed to 'Principles to determine the responsibilities of the NDIS and other service systems' ('the Principles'). In addition to these six general principles all governments agreed to Applied Principles and Tables of Support (APTOS) which are used to determine the funding and delivery responsibilities of other service systems and the NDIS, and outline how these systems can work together to support the vision of an inclusive Australian society.

In alignment with the *National Disability Insurance Scheme Act 2013* (NDIS Act), the Principles, and APTOS, the NDIS funds supports for people with a permanent and significant disability, where these supports are above and beyond the reasonable adjustments that should be made by other service systems to ensure inclusion of people with a disability. The NDIS also provides Local Area Coordination (LAC) services that support participants to understand the NDIS, create and implement a plan, and assist a participant to understand how the NDIS works with other service systems and what other supports might be available in the local community.

The NDIS is not designed to replace, duplicate or mitigate existing mainstream service systems' responsibility for providing supports to people with disability, including reasonable adjustments to accommodate the needs of people with disability. The NDIS Act precludes the NDIS from funding a support that is most appropriately funded by another system. Equally, other service systems have obligations under disability discrimination legislation to ensure their services are inclusive and enable the participation of people with disability, including through reasonable adjustments. The NDIS seeks to work in partnership with these service systems, and where possible will assist a participant to learn about other non-NDIS services that may be available in their local community. The NDIA is continuing to work with state and territory mainstream governments to improve information sharing to support the effective delivery of both NDIS and mainstream services to NDIS participants.

#### **Progress to date**

Since 2019, a number of actions have been progressed through the former Disability Reform Council and the current Disability Reform Ministers' Meetings to improve the experience and outcomes for people with disability through supports delivered across different service systems. Actions undertaken across interfaces include:

### *Mental Health*

- Improvements to NDIS access for people with psychosocial disability, including enhancements to assertive outreach, linkages and referral.
- Development of and release of a new Psychosocial Disability Recovery-Oriented Framework, supporting participants living with psychosocial disability in their personal recovery to live a meaningful life. The Framework was developed after extensive consultation with participants, their families and carers, state and territory governments and the sector. It draws on evidence and best practice in the field of mental health and recovery focused support and aims to provide a better experience for NDIS participants with psychosocial disability.

### *Justice*

- Introduction of Justice Liaison Officers across state and territory criminal justice systems.
- Implementation of NDIS information sharing protocols with state and territory governments which in the justice interface allow justice agencies to share information on participants from the NDIA, including a copy of their plan. Fact sheets outlining the information sharing protocol for the use of justice staff have been broadly distributed.
- Conducting NDIS awareness raising activities with justice and corrections staff in all jurisdictions to increase understanding of how the NDIS operates and how justice staff can support a person with disability to access the NDIS.
- Development of a national standard practice map to help guide both NDIA and state and territory justice staff working with NDIS participants.
- Publication of a [NDIS Justice Operational Guideline](#) to assist participants and the community in understanding how the NDIS provides supports for participants in custody and when they leave custody.

### *Child Protection*

- Resolution and clarifying information provided to NDIA and state/ territory operational staff on respective respite roles and responsibilities relating to NDIS child participants in statutory care arrangements, including for individuals with complex needs.
- Implementation of funding arrangements with state and territory governments for children with disability requiring accommodation outside the family home, and early intervention and prevention supports for children and families who may require accommodation outside the family home in the future.
- Agreement with states and territories to research and data priorities for children with disability in child protection, including finalisation of work by the Australian Institute of Health and Welfare to undertake the Child Protection Disability Data Improvement (CPDDI) project in consultation with states and territories, DSS and the NDIA.

### *Health*

- Agreement and implementation of a range of disability related health supports recognised and funded through NDIS plans.
- Publication of a practice alert on 'Transitions of care between disability services and hospitals' by the National Disability Insurance Scheme Quality and Safeguards Commission (NDIS Commission).
- With regards to improving prompt discharge from hospital for NDIS participants:
  - The recruitment by the NDIA of 27 Health Liaison Officers to assist medically ready NDIS participants to be discharged from hospital.
  - The establishment by the NDIA of a designated Senior Executive position within the Agency with responsibility for oversight of actions to improve prompt discharge from hospital for NDIS participants, including:
    - centralised NDIA hospital discharge team;

- streamlined access and planning approval processes for NDIS participants who are currently inpatients; and
- improved sharing of operational information between NDIA and states and territories to identify NDIS participants currently in hospital, or those at high risk of entering hospital.

#### *Transport*

- Applied funding uplifts for NDIS participants who access state and territory taxi subsidies with out-of-pocket expenses above \$250 per annum.
- Government agreed to cross-billing arrangements with states and territories to ensure taxi subsidies for NDIS participants continue to be delivered.

#### **Work currently underway**

- The Government remains committed to improving the interface between the NDIS and mainstream service provision for the benefit of NDIS participants. The NDIA continues to work with state and territory mainstream agencies (including health, justice, child protection and education) to improve information sharing to support the effective delivery of both NDIS and mainstream services for NDIS participants. Current work of governments includes:

#### *Child Protection*

- Improvements to child protection agency access to the participant portal (where the agency is the delegated children's guardian) for children in out of home care.
- Review, monitoring and operational improvements to arrangements with state and territory governments for children with disability requiring accommodation outside the family home, and early intervention and prevention supports for children and families who may require accommodation outside the family home in the future.

#### *Health*

- Work is underway to better align how disability-related health supports are prescribed, delivered, funded and regulated in the NDIS sector and health system.
- Work is underway between Commonwealth and state/territory disability and health service systems to gather improved data on participants in hospital so parties can better prepare to support participants as when they are ready for discharge from hospital.

#### *Transport*

- There is a commitment to work on long-term enhancements to the planning and funding of reasonable and necessary transport supports for NDIS participants.

### **Improving the health, care and disability interface**

The Commonwealth Department of Health is working with states and territories on key priority areas under the *National Health Reform Agreement 2020-2025* (NHRA). This includes a focus on reforms to monitor performance, identify barriers and gaps, and inform solutions to address the interface issues between the health, aged care and disability systems.

Issues of NDIS funding and scope have significant interactions with the health portfolio, particularly in relation to mental health, primary care, aged care, and public hospital services. Under Schedule F of the Addendum to the NHRA, the Commonwealth, states and territories have adopted a shared commitment to work effectively with disability support systems to deliver better outcomes under the NHRA. This includes a commitment to ensure that policy changes in one sector do not adversely impact other sectors or services, and to work with the states on proposed changes.

### *Psychosocial disability and mental health support*

The Government currently funds Primary Health Networks to commission Commonwealth psychosocial support services for people with severe mental illness and reduced functional capacity who are not accessing the NDIS. These are non-clinical supports that aim to facilitate recovery in the community for people experiencing mental illness – through a range of services to help people manage daily activities; rebuild and maintain connections; build social skills; participate in education and employment; and stay connected to clinical care. Initial steps have been taken to improve the program's interface with the NDIS, including:

- providing assistance for people to test or retest their eligibility for the NDIS. This assists consumers with more intensive, ongoing support needs in collecting evidence to submit a NDIS access request and 'walk with consumers' during the process;
- Service Navigation to provide information, advice and referral assistance to consumers, their families and carers to better connect to services and improve integration; and
- funding the delivery of sector capacity-building resources on practical interface topics, including any changes to NDIS that have implications for psychosocial supports.

The Commonwealth Psychosocial Support Program is currently funded until 30 June 2023. Future arrangements for psychosocial supports outside of the NDIS are currently being negotiated with state and territory governments as part of a new National Mental Health and Suicide Prevention Agreement (National Agreement). The National Cabinet agreed the National Agreement in-principle at its meeting on 10 December 2021. The National Agreement will focus on key structural reforms including governance, roles and responsibilities, performance, accountability and evaluation.

### **National Roadmap for Improving the Health of People with Intellectual Disability**

The Department of Health is leading the implementation of the *National Roadmap for Improving the Health of People with Intellectual Disability* (the Roadmap). The Roadmap, an element of the Primary Health Care 10 Year Plan, was developed based on detailed stakeholder consultations held between August 2019 and March 2021. The Roadmap was released by the Minister for Health and Aged Care, the Hon Greg Hunt MP, on 13 August 2021.

The Roadmap sets out targeted reforms across the health system to better meet the needs of people with intellectual disability, who suffer significantly worse health outcomes than other Australians across a range of measures, and face significant barriers to accessing appropriate care in the health system. It outlines a series of short term (1-3 years), medium term (4-6 years), and long term (7-10 years) actions to help ensure that people with intellectual disability have access to high quality, timely and comprehensive health care.

While the actions prioritised throughout the Roadmap focus predominantly on improving primary health care for people with intellectual disability, many also target improvements that can be made across the health and disability systems. This recognises the need for action across systems, across levels of government, and in the interaction between systems, in order to improve health outcomes for people with intellectual disability. These include, but are not limited to:

#### ***Short Term (one to three years)***

- The Council for Intellectual Disability, Primary Health Networks (PHNs) and other experts work together as part of the Primary Care Enhancement Program for people with intellectual disability (PCEP) to develop resources to improve health professionals' knowledge of the NDIS, disability support arrangements and referral options to appropriate services.

- DSS, the NDIA, the NDIS Commission, state and territory governments, disability service providers and advocacy organisations, professional associations and people with intellectual disability, their families and carers collaborate to develop best practice guidelines and training for day-to-day preventive health supports for people with intellectual disability.
- NDIS Commission to:
  - review and update NDIS Practice Standards and Quality Indicators where appropriate, to support healthy lifestyles and optimal access to health services for people with intellectual disability;
  - include in its Workforce Capability Framework, a strong focus on the role of disability workforce in supporting healthy lifestyles and access to health services.

#### ***Medium Term (four to six years)***

- Commonwealth to consider funding models and options for better supporting NDIS participants' access to health services.
- In the medium term, the Commonwealth will consider funding models and options for better supporting NDIS participants' access to health services. Other measures are outlined in the National Roadmap available here: [www.health.gov.au/resources/publications/national-roadmap-for-improving-the-health-of-people-with-intellectual-disability](http://www.health.gov.au/resources/publications/national-roadmap-for-improving-the-health-of-people-with-intellectual-disability).
- Commonwealth Department of Health to collaborate with:
  - key experts to develop resources and training that improves health literacy and health system literacy among disability service providers and disability support workers, and identify options for incorporating them into core modules of training programs (e.g. Certificate IV in Disability).

#### **Information, Linkages and Capacity Building**

The Information, Linkages and Capacity Building (ILC) program is only one component of a broader ecosystem of disability supports. The ILC program aligns with and will support the new Australia's Disability Strategy 2021– 2031 (the Strategy) and also complements other policies and programs within the broader ecosystem of disability supports, including supports funded and delivered by state and territory governments, to the extent these are available. The Strategy sets out a plan through which governments at all levels, working with the community, business, and people with disability will focus on delivering services to meet the needs of all people with disability. With all governments working together, in line with our respective roles and responsibilities, we can help deliver an inclusive Australian society that ensures people with disability can fulfil their potential, as equal members of the community.

DSS has been reviewing the ILC program since its transfer from the NDIA in October 2020 to better understand the program, including the role of local area coordination. A report of early findings from the review was provided to disability ministers in April 2021. As a component of the ILC review, DSS has engaged Swinburne University of Technology to conduct research to assist in understanding where there are gaps and unmet needs within the ILC program. This work has included analysis of data on current ILC grants and targeted consultations with the sector and current ILC grant recipients. Input was gathered through a combination of surveys and interviews. This analysis, along with outcomes of existing grants as they are realised, is a precursor to planned consultations with people with disability, the disability sector and other key stakeholders on future directions for the ILC. Any changes to the ILC will align with the Strategy.



## Terms of Reference C - Variations in NDIS plan funding

Variation in plan funding between NDIS participants with similar needs can arise from differences in the individual characteristics and circumstances, including:

- different goals, preferences and choices (e.g. regarding employment and social participation);
- the different capabilities of participants, carers and practitioners to communicate goals and needs, and gather and provide evidence, noting that historically, participants entering from state and territory systems were transferred at speed without assessments.<sup>1</sup>
- different levels of sustainable informal, community or mainstream supports available.<sup>2</sup>

### **Socio-economic and regional variations in plan budgets**

The NDIA continues to explore the drivers underpinning variations in plan budgets across Australia. Where a person lives has been shown to influence a person's ability to produce information required to support decisions about their eligibility for the NDIS and their plan funding. This may reflect in part the quality of information collected from participants, and their ability to afford to gather evidence. The September 2021 NDIS Quarterly Report to Disability Ministers noted that "payments differ by socio-economic areas for both children and adults, with participants living in higher socio-economic areas receiving higher payments on average. Payments are 23% higher in the highest socio-economic decile for children, compared with the lowest and 13% higher for adults."

These findings were replicated by Taylor Fry in their 2021 independent review of the NDIS Scheme Actuary's *2020-21 Annual Financial Sustainability Report*<sup>3</sup> and the Melbourne Disability Institute in their 2021 study into plan utilisation<sup>4</sup>. Both studies, using different methods, found participants in high socio-economic areas had larger plan budgets than participants in low socio-economic areas after controlling for disability type, function and remoteness. The Taylor Fry analysis also found significant variation by remoteness in plan utilisation – capital cities generally have higher utilisation than regional and remote areas.

In October 2021, the NDIA released the 'Plan budgets and socio-economic status report', which expanded on the analysis in the September 2021 Quarterly Report to Disability Ministers. The October report found that the difference between the average (mean) standardised plan budget for participants in the tenth decile is \$53,700 compared with \$49,500 in the first decile (a difference of 8%). This is broadly consistent with the difference when plan budgets were not standardised for age and functional capacity.

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<sup>1</sup> NDIA Annual report 2020-21 (p.22)

<sup>2</sup> Ibid.

<sup>3</sup> Taylor Fry 2021 Review of NDIA actuarial forecast model and drivers of Scheme costs

<sup>4</sup> Melbourne Disability Institute 2021 NDIS Utilisation Project: Describing, understanding and explaining inequalities in plan utilisation

Figure 1: Standardised plan budgets by Index of Education and Occupation<sup>5</sup> deciles – non SIL, age 0-64 at 30 June 2021 – 25<sup>th</sup> percentile, 50<sup>th</sup> percentile, 75<sup>th</sup> percentile and mean



Analysing the lowest deciles (deciles one and two) and the highest deciles (deciles 9 and 10) in more detail indicates that the differences between the lower and higher deciles are higher for the 90th and 95th percentile, than for the 5th and 10th percentile. However, at every point on the distribution, standardised plan budgets are higher for participants in higher socio-economic areas compared with participants in lower socio-economic areas.

Figure 2: Distribution of standardised plan budgets by Index of Education and Occupation deciles (first, second, ninth and tenth) – non SIL, age 0-64 at 30 June 2021



The full report is available at <https://data.ndis.gov.au/reports-and-analyses/other-analyses>.

## **Legislative Framework for decision-making**

Subjective judgments under the NDIS legislation (*National Disability Insurance Scheme Act 2013*, the Act) may also lead to inconsistency in decision making.

- The planning sections of NDIS legislation require consideration of whether individual supports should be funded, using ‘reasonable and necessary’ criteria which are largely subjective and qualitative.

<sup>5</sup> The Australian Bureau of Statistics Socio-Economic Indexes for Areas Index of Education and Occupation was used to classify participants into socio-economic deciles based on the Statistical Area 1 that a participant lives in.

- The drafting of Section 34 of the Act requires planners to make judgements which balance a range of complex considerations. This arguably positions 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.
- The Act does not specify with certainty whether reasonable and necessary supports must arise directly from the impairment(s) that initially met the access requirements, or whether reasonable and necessary support needs can arise later from additional impairments and losses of function that would meet the access criteria, or even those that would not.
- In the absence of consistently applied policy, and/or from a genuine attempt to individualise and customise decision-making, there will be inconsistent determination of which supports may be funded, leading to variable funding outcomes for participants.

The Federal Court in its finding in *National Disability Insurance Agency v WRMF* [2020] FCAFC 79 confirmed the highly discretionary nature of decision-making under the NDIS Act noting that “*there may be an area of decisional freedom in the conclusion reached by a decision-maker about whether a support is properly characterised as a 'reasonable and necessary support'*”. In other words, reasonable people can disagree as to what is a reasonable and necessary support. This makes the consistent and predictable operation of the Scheme difficult for participants and the Agency.

### **Measures to address plan variations**

To address any inequitable variation in plan funding, as agreed with State/Territory disability ministers in July 2021, the NDIA will work in partnership with those with lived disability experience to co-design a person-centred assessment approach that delivers consistency and equity in access and planning outcomes. This is consistent with the NDIS Act and its insurance principles.<sup>6</sup>

The NDIA will prioritise the completion of existing projects that support participants to make and communicate informed, evidence-based decisions by:<sup>7</sup>

- increasing the capacity and capability of NDIA staff and partners to find, generate and use evidence for decision-making through a range of research and evaluation activities;
- developing “supported decision guides” to help participants make informed, evidence-based choices; and
- providing participants with support to make more structured goals, through additional fields in the NDIA business system, to enable them to clearly communicate their expectations to providers and other people supporting them.

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<sup>6</sup> NDIA 2020-21 Annual Financial Sustainability Report (p. 100)

<sup>7</sup> NDIA 2020-21 Annual Financial Sustainability Report (p. 99)

## **Terms of Reference D, E & F – NDIS Funding and Financial Sustainability**

Government funding arrangements for the NDIS are set out in bilateral agreements between the Commonwealth and each state and territory. All states (apart from Western Australia) and both territories have signed bilateral NDIS full scheme agreements with the Commonwealth.

Under full scheme financial arrangements, states and territories make fixed contributions to the NDIS, indexed at four per cent per annum. Western Australia remains in transition to the NDIS, and therefore its contribution amount is governed by a separate bilateral transition agreement in place to 30 June 2023.

State and territory contributions apply only towards participant plan expenses. The Commonwealth is responsible for balance of the total costs of these. As participant plan expenses have been growing rapidly and beyond amounts previously projected, the Commonwealth bears all of the additional costs. It is estimated the Commonwealth will meet 70 per cent of participant support costs in 2024-25.

Commonwealth contributions to the NDIS are funded from annual appropriations. These are used to pay for participant plan expenses (the amount in excess of state and territory contributions) and NDIA operational expenses.

Commonwealth funding for the NDIS comes from the Consolidated Revenue Fund, replacing funds previously provided:

- through previous Australian government disability service programs (those scheduled to cease or which have ceased providing supports to NDIS participants);
- to states and territories under the National Disability Agreement (now discontinued due to establishment of the NDIS) and associated with the 2011 National Health Reform Agreement.

The DisabilityCare Australia Fund (DCAF) funded by a permanent increase to the Medicare Levy provides some funding towards the costs of the NDIS.

As part of the NDIS full scheme agreements between the Commonwealth and all states and territories except Western Australia, the Commonwealth and the states and territories committed to establish a NDIS Reserve Fund.

Implementation of the NDIS Reserve Fund is being considered by the Council of Federal Financial Relations (CFFR) as part of a broader review of existing funding arrangements between the Commonwealth and the states and territories.

### **Legislative Framework**

The financial and actuarial modelling and forecasting of the Scheme undertaken by the Scheme Actuary is consistent with the legislative and governance framework set out by the NDIS Act.

Subsection 3(2) of the NDIS Act provides that the objects of the Act are to be achieved by ‘adopting an insurance-based approach, informed by actuarial analysis, to the provision and funding of supports for people with disability’.

The NDIS Act also provides a legislative framework for the appointment of the Scheme Actuary, and their duties. As per Section 180A of the NDIS Act, the Board of the NDIA (Board) must nominate a Scheme Actuary in writing. Sarah Johnson was nominated as Scheme Actuary in November 2013 and continues in the role to this day.

As per Section 180B of the NDIS Act, the Scheme Actuary is responsible for assessing the financial sustainability of the NDIS, including through the preparation of Annual Financial Sustainability Reports (AFSR) to the NDIA Board and quarterly estimates of expenditure. Quarterly reports are detailed further under 'Financial and actuarial modelling and forecasting of the scheme' section below.

The NDIS Act also specifies under Section 180D that the Board must nominate a Reviewing Actuary, who is responsible for reviewing and reporting to the Board on actuarial reports and Board advice. Guy Thorburn, the Australian Government Actuary, was nominated as Reviewing Actuary, starting in February 2020.

Consistent with the NDIS Act, the AFSRs produced by the Scheme Actuary are reviewed by the Reviewing Actuary.

The NDIS Act requires the Board to provide a summary of each AFSR in the Agency Annual Report. In addition, the Board released the 2021 AFSR and Report of the Reviewing Actuary in full and will continue doing so in future years.

## **NDIS insurance-based principles**

In 2013, the NDIS was founded on insurance principles in line with the recommendations of the 2011 Productivity Commission report *Disability Care and Support*. The NDIS was designed as an insurance scheme to address the 'underfunded, unfair, fragmented, and inefficient' system that preceded it.<sup>8</sup> The insurance-based approach, which was agreed to by all governments, is based upon a lifetime approach to disability support that utilises early investment to achieve better outcomes for people with disability and Australian society more broadly. This insurance-based approach is embedded in the legislative framework and governance structures of the NDIS and NDIA, and underpins the NDIA's actions to achieve the objectives of the NDIS Act.

Consistent with subsection 3(2) of the NDIS Act, the NDIS is founded on 5 insurance principles:

1. Evidence-based decision making
2. Consistency in decision making
3. Regular monitoring of experience to manage emerging risks
4. Lifetime and person-centric approach
5. Early investment to drive lifetime participant outcomes.

Using these principles, the Agency makes evidence-based decisions on access and funding by drawing on the data that is collected on all participants.

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<sup>8</sup> Productivity Commission Inquiry Report 'Disability Care and Support' (2011)

The NDIA takes a lifetime, person-centric approach to funding supports for people with disability, where early investment in disability related supports is expected to drive better outcomes for participants, their family and carers over their lifetime.

An insurance model is based on data and evidence. The NDIS draws heavily on the practices of commercial insurance companies, utilising inputs from a database that has quickly become unparalleled in its scope and depth on disability in Australia.

The NDIA also develops, commissions and publishes research and evaluations that provide participants, their families and carers, as well as the NDIA with information, evidence and tools for sound decision-making. The insights generated through this work support positive participant outcomes and inform best practice policy and program activities.

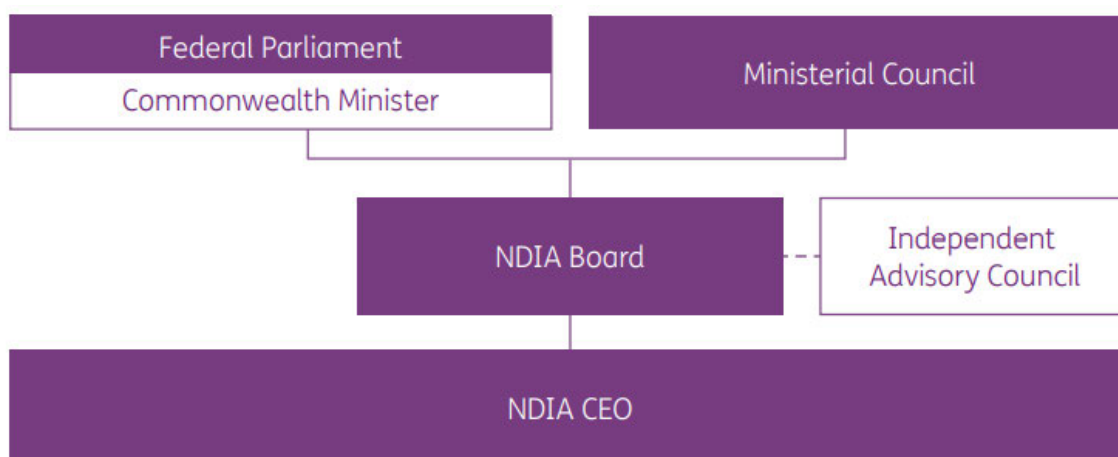
Like other insurance schemes, NDIS performance data is monitored closely, emerging risks are identified and remediation strategies are implemented.

The NDIS Insurance Principles and Financial Sustainability Manual (the Manual) details the insurance approach and the manner in which the NDIS is monitored and managed using this approach. The Manual sets out in detail the concepts of insurance principles and sustainability for the NDIS, as well as a framework for the Agency's monitoring and reporting on financial sustainability. The Manual is available at [www.ndis.gov.au/media/833/download](http://www.ndis.gov.au/media/833/download).

## Financial and actuarial modelling and forecasting of the scheme

The NDIA operates within a multifaceted governance structure, in accordance with the NDIS Act and other Commonwealth Acts such as the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The NDIS Act provides a framework for the financial management of the Scheme, including prescribing how and when the Scheme Actuary must provide actuarial advice regarding Scheme sustainability. This governance framework, which is set out below, determines how the NDIA Board, CEO and Scheme Actuary prepare and present advice to Disability Reform Ministers regarding the progress of the Scheme. The NDIA Board, as the governing body of the NDIA, is committed to ensuring transparency of data and information about the NDIS, and measures undertaken to promote transparency are addressed below.

The NDIA is a Corporate Commonwealth entity under the PGPA Act with statutory authority under the NDIS Act. The governance model for the NDIA is set out in the NDIS Act and reflected below.



### *The NDIA Board*

The NDIA Board is the governing body of the NDIA. The NDIS Act describes the functions of the Board as:

- ensuring the proper, efficient and effective performance of the Agency's functions
- determining objectives, strategies and policies to be followed by the Agency, and
- any other functions conferred on the Board by or under the NDIS Act or any other law of the Commonwealth (note: at this time no other functions have been conferred by any other law).

The NDIS Act also specifies that in performing its functions, the Board must have regard to relevant actuarial analysis and advice as well as relevant advice and reports provided by the Agency's audit committee. The charter of the audit committee is available on the NDIS website at:

[www.ndis.gov.au/about-us/governance/board](http://www.ndis.gov.au/about-us/governance/board).

As such, the Board sets the strategic direction of the Agency and develops and maintains relationships with other entities including the IAC. The Board ensures compliance by the NDIA with statutory requirements and sets the risk appetite for the Agency. The Board consists of the Chair and up to 11 members.

The Board has wide ranging powers to ensure the Agency is able to deliver the Scheme. The Board is also responsible for monitoring the performance of the NDIA and reporting to the Standing Council on Disability Reform and the Commonwealth Ministers (now referred to as Disability Reform Ministers), as set out in the NDIS Act and intergovernmental agreements.

The NDIA Board is also the accountable authority for the NDIA under the PGPA Act, with obligations as set out in that Act, including for the development of an annual corporate plan for the NDIA which is published on the NDIS website.

A number of committees, councils and groups are in place to support the Board in ensuring the Agency meets its statutory requirements. Details of these governance arrangements are contained within the NDIA Annual Reports, which can be accessed at [www.ndis.gov.au/about-us/publications/annual-report](http://www.ndis.gov.au/about-us/publications/annual-report).

The Chief Executive Officer (CEO) is responsible for the day-to-day administration of the Agency under the NDIS Act. Supported by the Executive Leadership Team (ELT), the CEO executes the Board-approved strategic objectives and policies, in line with the agreed risk appetite.

Actuarial and prudential advice about the NDIS is provided to the NDIA Board for the NDIS in accordance with the framework set out in the NDIS Act and associated Agency policies and manuals. Part 6A of the NDIS Act sets out the legislative framework for actuarial assessment of the Scheme's financial sustainability, including the requirement for the Scheme Actuary to prepare an Annual Financial Sustainability Report (AFSR) and quarterly estimates of future expenditure.

After 30 June each year, the NDIA Scheme Actuary produces the AFSR for the Board.

The Agency prepares Quarterly Reports, which are required to be provided to the Disability Reform Ministers by the NDIA Board. The Quarterly reports provide Disability Reform Ministers with information (including statistics) about participants in each jurisdiction and the funding or provision

of supports by the NDIS in each jurisdiction. The NDIA provides these reports to Disability Reform Ministers following the end of each quarter.

The quarterly reports are also made available online at [www.ndis.gov.au/about-us/publications/quarterly-reports](http://www.ndis.gov.au/about-us/publications/quarterly-reports) along with performance dashboards for each jurisdiction.

## **Annual Financial Sustainability Reports**

The AFSR uses historic experience to inform forward-looking assumptions as to participant numbers, exit rates, and growth in spend per participant. It also contains detailed commentary on Scheme risks, while providing a range of scenarios on possible financial outcomes.

The Scheme Actuary is required to produce an AFSR under section 180B of the NDIS Act, which provides an assessment of the financial sustainability of the NDIS. The AFSR discusses scheme projections, sustainability pressures and management responses to address these. As required under section 180E of the NDIS Act, the AFSR is independently peer-reviewed by the Reviewing Actuary. The 2020-21 AFSR and independent actuary peer review report are available at [www.ndis.gov.au/about-us/publications/annual-financial-sustainability-reports](http://www.ndis.gov.au/about-us/publications/annual-financial-sustainability-reports).

The 2020-21 AFSR includes the following explanation of the projection model utilised:

*In projecting future Scheme costs, assumptions on both the number of participants in the Scheme and the average payment per participant are required. The number of participants each year is derived based on assumptions on both the number of participants entering and the number of participants exiting the Scheme. Average payments are based on current payment levels which are then inflated each year.*

*Participant characteristics and levels of support need differ substantially amongst participants in the Scheme. Therefore, assumptions on participant numbers and average payments are calibrated by different participant cohorts. Specifically, assumptions are derived by age group, disability, level of function, gender, and whether the participant resides in Supported Independent Living (SIL). This results in approximately 2,000 unique cohorts.*

*Assumptions have been set using both past Scheme experience and expectations of future Scheme performance. That is, the best estimate projection in this report is not simply an extrapolation of past Scheme trends; rather, a forward-looking approach is taken, which assumes operational initiatives undertaken by the NDIA will result in past trends not necessarily continuing to the same extent.*

*As with any projection, there is uncertainty in the results. As the Scheme continues to mature, Scheme experience can change, perhaps materially, resulting from the decisions and actions of the Agency and governments, and this would affect the eventual trajectory of participant costs.*

As described in the AFSR, released by the NDIA Board on 8 October 2021, estimates for total expenditure for reasonable and necessary support costs increased from \$23.3 billion in 2020-21 to \$29.2 billion this year, and are forecast to reach \$41.4 billion by 2024-25. The 2020-21 AFSR is based on actual scheme data to June 2021. The Commonwealth's budget estimates contained in the 2021-22 Mid-Year Economic and Fiscal Outlook (MYEFO) align with these projections.



Part of this cost is met by contributions from states and territories. These contributions are as set out in the bilateral agreements with each jurisdiction.

As described in the 2021-22 MYEFO, and also in the AFSR, these most recent estimates represent an increase of \$26.4 billion over the period 2021-22 to 2024-25, compared to the estimates contained in the 2021-22 Budget released in May 2021.

The Scheme Actuary had previously forecast scheme expenditure to exceed the 2021-22 budget estimates by \$22.5 billion over 2021-22 to 2024-25 in its Annual Financial Sustainability Report – Interim Update, released on 3 July 2021 (and based on data to December 2020); therefore the latest AFSR represents an increase of \$3.9 billion from this earlier update. A summary of the various recent projections, since Budget 2020-21 (October 2020) is contained in the table below.

<b>Total expenses (\$b)</b>	2020-21	2021-22	2022-23	2023-24	2024-25	Total (excl 2020-21)
2020-21 Budget (October 2020)	21.7	23.8	24.0	24.3	N/A	N/A
2021-22 Budget (May 2021) (A)	23.3	26.5	28.3	29.4	31.9	116.1
NDIS AFSR – Interim Update (released July 2021)	23.3	28.1	32.9	36.9	40.7	138.6
NDIS AFSR (released October 2021) (B) - Estimates incorporated into 2021-22 MYEFO (December 2021)	N/A	29.2	33.9	38.0	41.4	142.5
Difference (B – A)	-	2.7	5.6	8.5	9.5	26.4
Contributions from States and Territories*	10.5	11.1	11.5	12.1	12.6	47.3
* The Net cost to the Commonwealth is total expenses less contributions from the States and Territories. Note: Figures may not add up due to rounding.						

## Financial Sustainability

The Commonwealth is committed to ensuring the NDIS is fully funded, and recognises the importance of a financially sustainable scheme in providing certainty for participants and providers, and improving long-term outcomes for Australians with disability. Commonwealth, state and territory Disability Reform Ministers are committed to develop a shared understanding of cost drivers and underpinning assumptions in the AFSR. On 3 July 2021, the interim update to the AFSR was publically released, and subsequently discussed at the July 2021 Disability Reform Minister's Meeting. Ministers agreed they needed to form a unified understanding of financial matters to inform a path forward. To achieve this, Ministers commissioned officials to:

- verify the projections presented in the 2020-21 AFSR;
- understand why scheme costs are greater than previously estimated in the Productivity Commission's reports; and

- understand the drivers contributing to the Scheme Actuary's forecast that scheme costs will reach over \$40 billion by 2024-25;

As part of this work, the actuarial firm Taylor Fry was commissioned to undertake an independent review of the NDIA's 2020-21 AFSR. In December 2021, the findings of Taylor Fry's Report (the Report) were presented to Ministers, which found:

- based on the current operating model of the NDIA, projections of NDIS expenditure on participant supports reaching \$41.4 billion in 2024-25 and \$59.3 billion in 2029-30 were reasonable and may be a moderate underestimate of future costs, noting there is significant uncertainty in projections for 2029-30
- there has been a large increase in projected future scheme costs compared to previous estimates, and some of the higher scheme costs are effectively 'locked in'. That is, even if hypothetically there were no new participants entering the scheme and no change in the real value of plans, costs of participant supports would still reach \$32 billion in 2024-25
- the Report suggests the key elements of growth in scheme costs to 2024-25 include higher average costs per person due primarily to increased volumes of support in recent years, notably in capacity building and community participation, and continued growth in participant numbers, though Taylor Fry notes overall participant numbers by themselves are not a proportionate driver of scheme costs, as many are low cost, rather it depends on the mix of types of disabilities, especially those requiring high levels of support.

An accessible version and an Easy English Summary of the Taylor Fry Report are available on the Disability Reform Ministers pages on the DSS website (at [www.dss.gov.au/disability-and-carers-programs-services-government-international-disability-reform-ministers-meetings/reports-and-publications](http://www.dss.gov.au/disability-and-carers-programs-services-government-international-disability-reform-ministers-meetings/reports-and-publications)).

A critical element of this work is engagement with people with disability and disability representative organisations on ways that Scheme delivery can be improved without compromising outcomes for NDIS participants. To facilitate this, Ministers directed officials to continue to actively engage with representatives of people with disability on the projected growth in the scheme, and undertake qualitative analysis which might assist understanding how levels of supports through the scheme have changed over time for different kinds of participants. This work has commenced and will continue during 2022.

## **Other data and information transparency**

Consistent with the Participant Service Charter, the NDIA is committed to providing a service to participants that is transparent. All data releases are made in accordance with the NDIA's Public Data Sharing Policy which is available at <https://data.ndis.gov.au/public-data-sharing>.

Public data sharing and open data allow people with disabilities, and their families and carers to benefit more from the Scheme. Transparency of these data will drive continuous improvement in participant outcomes and support a financially sustainable NDIS.

Data sharing has the potential to drive relevant policy development and enable programs to be properly assessed. It can promote innovation and contribute to economic growth, which supports the NDIS in improving social and employment results for people with disabilities, and their families.

Financial data, modelling and forecasting information is presented publically primarily through the following documents, all of which are available from the NDIS website [www.ndis.gov.au](http://www.ndis.gov.au):

- The NDIA's Corporate Plan and Annual Reports, which are released annually in line with the requirements under the PGPA Act.
- The NDIA's Portfolio Budget Statements, and Portfolio Additional Estimates Statements, contained within the documentation available at [www.dss.gov.au](http://www.dss.gov.au).
- The NDIA's Quarterly Reports to Disability Ministers. These provide the disability ministers with information (including statistics) about participants in each jurisdiction and the funding or provision of supports by the NDIA in each jurisdiction. The NDIA provides these reports to disability ministers following the end of each quarter. The Quarterly Reports include very substantial statistical data tables by jurisdiction.
- The AFSR, which provides an assessment of the financial sustainability of the NDIS. The first of these releases was the Interim Update released on 3 July 2021, with the full update being released on 8 October 2021. A summary of the AFSR is also included in the NDIA's Annual Report.
- The NDIA Outcomes Framework surveys, which measure how the lives of participants, families and carers have changed from when they first joined the NDIS. The most recent of these was released on 9 December 2021.
- Other reports such as monthly summary reports, NDIS Market Dashboards, and data downloads that are available from the NDIS website in .csv format.

The NDIA also regularly releases analyses and reports on specific aspects of the Scheme. The Agency has released the following “deep dive” reports and analyses on the NDIS Data website:

#### Participant groups

- participants with autism spectrum disorder (ASD)
- people with a psychosocial disability in the NDIS
- people with an intellectual disability in the NDIS
- participants with acquired brain injury, cerebral palsy or spinal cord injury
- participants with a neurodegenerative condition in the NDIS
- participants with sensory disabilities in the NDIS
- Aboriginal and Torres Strait Islander participants
- CALD participants
- analysis of participants by gender
- young people in the NDIS
- participants by remoteness classification

#### Outcomes and goals

- outcomes report for participants, and an outcomes report for families/carers (30 June 2018, 30 June 2019, 30 June 2020 and 30 June 2021)
- Employment outcomes for NDIS participants (31 December 2020), employment outcomes for families and carers of NDIS participants (31 December 2020), and employment outcomes (30 June 2018)

- people with disability and their NDIS goals
- COVID-19 impact on participants and family/carer outcomes

#### The NDIS market

- the NDIS Market (30 June 2019, 31 December 2019, 30 June 2020, 31 December 2020 and 30 June 2021)
- the NDIS Market by Local Government Area (LGA) (31 December 2019, 30 June 2020, and 31 December 2020)

Full reports and analyses are available at: <https://data.ndis.gov.au/>.

As set out in the NDIS Service Improvement Plan 2020-21 (SIP), NDIS guidelines, procedures and communications with participants are being made easier to understand and will be written in plain English with less jargon. The NDIA also provides a range of resources in numerous languages other than English, to support people to understand and navigate the NDIS.

To improve transparency of decision-making, in 2020 the NDIA implemented the Participant Information Access scheme (PIA), which provides NDIS participants with an easier and faster way to access their personal information, without the need to submit a Freedom of Information request. Participants can make a request online via a webform to receive information regarding their access to the NDIS or their NDIS plan or plan review. The information is provided at no cost and during 2020-21 the NDIA received 2,863 PIA requests. Further information is available at [www.ndis.gov.au/about-us/policies/access-information/participant-information-access](http://www.ndis.gov.au/about-us/policies/access-information/participant-information-access).

## **Terms of reference G & H - Ongoing measures to reform the NDIS and other matters**

### **NDIS legislative reform**

On 28 October 2021, the Government introduced the National Disability Insurance Scheme Amendment (Participant Service Guarantee and Other Measures) Bill 2021 (the Bill) into Parliament. On the day of its introduction, the Bill was referred to the Senate Community Affairs Legislation Committee for inquiry and report. The Senate Community Affairs Legislation Committee reported on the Bill on 25 November 2021, making a single recommendation that the Bill be passed, and including a Dissenting Report by the Australian Greens, recommending that the Bill not be passed in its current form and that “further consultation and genuine co-design” occur in relation to any future reforms to the NDIS. On 3 December 2021, Labor Senators also tabled a Dissenting Report to the Report on the Bill, with a recommendation that the Bill not be passed in its current form, and a recommendation that Government engage in “genuine co-design and consultation” on the Bill and its associated NDIS rules before either proceed.

The Bill, if passed by Parliament, will amend the NDIS Act to improve the experience of participants and prospective participants within the NDIS.

The Bill together with NDIS rules to be made by the Minister, will give legislative effect to the Participant Service Guarantee, improving responsiveness of the NDIS to participants, fixing parts of the NDIS legislation that are not clear or out-of-date, improving access to the scheme for people with psychosocial disability, and enabling better support for people where services are not readily available, or there is a need to ensure prompt access to early intervention for young children. The proposed changes in the Bill and associated NDIS Rules are directly informed by the outcomes of the 2019 Independent Review of the NDIS Act, conducted by Mr David Tune AO PSM. Mr Tune made numerous recommendations to improve the participant experience, all of which were supported or supported in principle by the Government.

The Bill and associated NDIS Rules will give effect to 13 of Mr Tune’s recommendations, in whole or in part. The Bill is the result of significant stakeholder consultations, and prior to its introduction was revised to include many suggestions put forward by stakeholders during a four-week consultation period on its exposure draft from 9 September 2021 to 7 October 2021. On 10 February 2022, the Government also circulated amendments to address issues relating to plan variations and episodic and fluctuating impairments raised by the Joint Parliamentary Committee on Human Rights and the Senate Community Affairs Legislation Committee.

### **NDIS Early Childhood Approach**

Children younger than seven are an important cohort of the NDIS. To ensure a nationally consistent approach to support young children and their families, the NDIA has engaged Early Childhood Partners around Australia to deliver the early childhood approach (formerly early childhood early intervention (ECEI)).

These partners are appointed by the NDIA to assist families understand their child's support needs and the potential role of the NDIS. Early Childhood Partners focus on delivering family-centred supports using a best-practice model, to provide early connections through linking children and their families into mainstream supports and through providing parents and carers information to support them to make informed decisions regarding the best supports for their child. Early Childhood Partners also provide early supports to build family capacity and to promote everyday learning for children younger than six with developmental concerns and their families.

Early childhood intervention is about giving children with significant developmental delay or disability, and their families, supports to enable the child to have the best possible start in life. Through early childhood intervention, infants and young children as well as their families, can get specialised supports and services to promote the child's development, improve the family and child's wellbeing and increase opportunities for the child to take part in their community. Evidence shows that early intervention may also reduce a child's support needs across their lifetime.<sup>9</sup>

On 11 October 2021 the NDIA released a progress update about changes to improve the way the NDIS is supporting young children and their families. Following a three-month consultation on proposed recommendations to reset the early childhood early intervention approach, the NDIA is now making changes to deliver a better and fairer experience for young children and their families seeking support, guidance or access to the NDIS. Feedback from the consultation has strengthened the NDIA's approach to ensure it supports families and young children to experience everyday life, in a way that best promotes their development. The NDIA is now implementing improvements to the approach and has already delivered four recommendations, including:

- Renaming the approach to supporting children younger than 7 and their families (now 'early childhood approach');
- Publishing new, simple to understand operational guidelines and strengthened information about best practice in early childhood intervention
- Clarifying the interpretation and application of the developmental delay criteria; and
- Developing an early connections guideline to explain supports provided through Early Childhood Partners.

The NDIA will continue engaging with stakeholders on a range of improvements to the early childhood approach. This process will help inform the design of the reset, with changes implemented from late 2021 and expected over the next two years.

Priority recommendations to be implemented over the next 12 months include:

- creating a planner/delegate workforce for young children
- working with the Commonwealth, state, and territory governments to find gaps and strengthen the role of mainstream services
- delivering tailored supports for families in remote and very remote areas

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<sup>9</sup> Teager, W., Fox, S. and Stafford, N. (2019) How Australia can invest in children and return more: a new look at the \$15b cost of late action. Early Intervention Foundation, The Front Project and CoLab at the Telethon Kids Institute, Australia.

- giving families more information and support when they are transitioning from the Scheme
- focussing on best practice early intervention by making scheme access decisions under section 25 in the NDIS Act
- making the ‘provider outcomes report’ mandatory for providers to evaluate the effectiveness of their supports and services.

#### *Early childhood approach and children with autism*

As at 31 December 2021 there were 167,111 NDIS participants with a primary diagnosis of Autism spectrum disorder (autism), making autism the largest primary disability category (33% of all participants) in the NDIS.

In May 2020, the NDIA commissioned the Autism Cooperative Research Centre to analyse existing research evidence about interventions without medication for children on the autism spectrum who were younger than 13 years. The report and report summaries are available at: [www.ndis.gov.au/community/research-and-evaluation/early-childhood-interventions-our-research/autism-crc-early-intervention-report](http://www.ndis.gov.au/community/research-and-evaluation/early-childhood-interventions-our-research/autism-crc-early-intervention-report).

In March 2021 NDIA released a consultation paper to seek input from participants, their families and carers, as well as providers and the disability sector on how the NDIA could best make reasonable and necessary decisions on funding of intervention supports for children on the autism spectrum.

Consultation occurred over six weeks and included 12 public information sessions, four virtual sessions for providers, a series of focus groups, and engagement with the Independent Advisory Council and Autism Advisory Group. NDIA representatives also held discussions with national peak bodies, academic experts and other stakeholders. The NDIA received 448 unique submissions in response to the consultation paper, with the majority of responses from individuals.

In December 2021 the NDIA released a consultation summary report which detailed the next steps for the Agency to take in response to feedback received. Improvements in progress for release in 2022 include:

- guides to understanding supports on interventions for children on the autism spectrum which draw on the best available research evidence
- a digital resource to support participants and their families to best use their plans.

The consultation summary report is available at: [www.ndis.gov.au/community/we-listened/interventions-children-autism-spectrum-consultation-summary-report](http://www.ndis.gov.au/community/we-listened/interventions-children-autism-spectrum-consultation-summary-report).

The NDIA will continue to work with the sector to understand emerging evidence and best practice interventions, and what long term outcomes can be achieved for children through different models of support.

As part of its commitment to ensuring the early childhood approach is evidence-based and supports best practice, the NDIA is currently leading a comprehensive systematic review and

meta-analysis of behavioural interventions informed by or based on Applied Behaviour Analysis (ABA) in children 7 years or younger with autism. Following feedback from leading autism researchers from the Autism CRC and LaTrobe University, the review is expected to include data from hundreds of clinical studies and to be completed in 2022.

## **NDIA decision making**

The NDIA is committed to delivering consistency and equity in access and planning outcomes for participants. As agreed by disability ministers on 9 July 2021, the Agency is working together with the Independent Advisory Council (IAC) and the disability community to develop a person-centred assessment model through a comprehensive co-design process. It is expected the new assessment model will provide high quality information to support consistent access and planning decisions and reduce socio-economic and regional variations in plan budgets.

In addition to the co-design of a new person-centred assessment process with the disability community, the NDIA has implemented a range of measures to ensure consistency and quality in decision making. In October 2020, the Auditor-General presented the ANAO's report on Decision-making controls for NDIS Participant Plans (Auditor-General Report No. 14). The audit made three recommendations, relating to policies and processes, continuous improvement processes, and performance monitoring and reporting. The NDIA agreed to all three recommendations and has fully implemented two of the recommendations, with the third (relating to ICT improvements) underway.

Further detail is included in the NDIA's submission to the Joint Committee of Public Accounts and Audit's Inquiry into Commonwealth investments achieving policy objectives based on Auditor-General Reports 14, 26, 28 & 47 (2020-21), which is available at:

[www.aph.gov.au/Parliamentary\\_Business/Committees/Joint/Public\\_Accounts\\_and\\_Audit/Commonwealthinvestments/Submissions](http://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Public_Accounts_and_Audit/Commonwealthinvestments/Submissions).

## **NDIA staff training**

As outlined in the NDIA Annual Report 2020-21, the NDIA has developed training to provide planners and Local Area Coordinators (LAC) with the confidence and skills to ensure participants have the right supports in their plans. The Agency is also delivering training programs to help frontline staff with participant check-ins and to have more effective and meaningful conversations with participants. Additional work is being undertaken to ensure staff have the right capabilities through the continuous design and delivery of mandatory eLearning training and induction programs.

The NDIA's commitment to uplifting planner capability is set out in the Corporate Plan 2021-25. Aspiration 4 of the Corporate Plan specifically sets out how the NDIA will build the capability of the Agency workforce to deliver on strategic and operational goals now and into the future.

## **NDIA planner guidance**

The NDIA undertakes rolling annual reviews of all guidance provided to staff. Updated guidance material is distributed to staff on a monthly basis as part of Monthly Improvement Packs, with major changes accompanied by mandatory training, and minor changes accompanied by refresher training as needed.



In addition to regular reviews of internal guidance, the NDIA is reviewing all Operational Guidelines to make them clearer and easier to understand. The new guidelines are written in plain English and include more information about how the NDIA makes decisions. The new format and structure were designed based on research with participants, and set out the NDIA's processes in a simple, logical way for both participants and planners, as well as providing practical examples and explanations for supports the NDIS does and does not fund. The new Operational Guidelines form part of the NDIA's commitment to enhance the efficiency and effectiveness of systems, in line with its Corporate Plan 2021-25. All new Operational Guidelines are made public and are available at <https://ourguidelines.ndis.gov.au/>.

The NDIA has also worked with the Disability Advocacy Network of Australia (DANA) to develop the Agency's Disability Navigator, which helps NDIA staff and partners improve their awareness and understanding of the lived experience of people with disabilities. The Disability Navigator includes short videos of people with disability and disability snapshots on 20 disabilities, as well as links to further information.

### **Plan flexibility and budgets**

More flexible personalised budgets was a proposed approach associated with independent assessments and which are not progressing as proposed following the 9 July 2021 decision by Disability Reform Ministers. The NDIA will continue working with the disability community to co-design a new person-centred assessment model, that will deliver consistency and equity in access and planning outcomes, and support improved plan flexibility.

The NDIA is continuing to make the plan and plan review process simpler, easier and more efficient. Participants now have the option to adopt longer term plans, meaning not all participants will have to undergo a full plan review every 12 months. Participants report that full plan reviews can be time consuming and unnecessary, especially when their disability or support needs are stable. Since March 2021 the number of adult participants who have chosen a 13-month or longer plan has increased from 20% to nearly 50% each week. Participants can still request a review of their plan at any time.

As more participants move to longer term plans, the NDIA will continue to embed the participant check-in approach which puts participants in regular contact with their planner or Local Area Coordinator to discuss if their supports are working for them.

While the NDIA continues to progress improvements to make the Scheme more accessible and user-friendly for participants, the Agency must operate within the NDIS Act. The current legislation requires planning based on consideration of individual reasonable and necessary supports, which has driven an increasingly complex, rules based decision-making process.

The National Disability Insurance Scheme (Participant Service Guarantee and Other Measures) Bill 2021, if passed by the Parliament, will implement significant improvements for participants, their families and carers by reducing red tape, increasing flexibility and clarifying timeframes for decision-making by providing for the Participant Service Guarantee. The Bill aims to improve the experience and outcomes of people with disability engaging with the NDIS and deliver improved plan flexibility.

## Cohort strategies

### Aboriginal and Torres Strait Islander people

As of 31 December 2021 the NDIS was supporting 35,773 Aboriginal and Torres Strait Islander people with disability, constituting 7.1% of all participants. Of the 7,693 participants living in remote and very remote areas, 48.7% are Aboriginal or Torres Strait Islander.

The NDIA remains committed to supporting Aboriginal and Torres Strait Islander participants. In July 2021 the NDIA released a progress update on the Agency's Aboriginal and Torres Strait Islander Engagement Strategy. The update details progress against the priorities identified in the Strategy and actions to further drive the implementation of the Strategy. Information is available at: [www.ndis.gov.au/about-us/strategies/aboriginal-and-torres-strait-islander-strategy](http://www.ndis.gov.au/about-us/strategies/aboriginal-and-torres-strait-islander-strategy).

In late 2021, the NDIA commenced initial engagement in line with its commitment to refresh the CALD and Aboriginal and Torres Strait Islander strategies through co-design with culturally and linguistically diverse and Aboriginal and Torres Strait Islander participants and sectors respectively. In 2022 there will be opportunities to shape and inform each refresh via culturally appropriate traditional and digital engagement, focus groups and forums. The refreshes are expected to take 12 months each.

The NDIA continues to fund a range of initiatives that support Aboriginal and Torres Strait Islander people to access and benefit from the NDIS. The annual spend on these initiatives is approximately \$20 million, including, \$10.1 million for the Remote Community Connectors (RCCs) program. RCCs are community members who identify and engage people with disability in remote communities. RCCs currently operate in 93 rural or remote local government areas across Australia. Other initiatives include \$3.3 million for Evidence, Access and Coordination of Planning (EACP). These staff assist participants in remote locations, in a culturally appropriate way, to navigate the evidence gathering, access request and planning processes required by the NDIS. The NDIA also funds \$4.1 million under the Aboriginal Disability Liaison Officer (ADLO) program. ADLOs work with urban and large rural indigenous communities to improve understanding of NDIS and to help connect people with disability to NDIS partners and the NDIS.

### Culturally and Linguistically Diverse participants

As of 31 December 2021, the NDIA supported 46,191 participants recorded as Culturally and Linguistically Diverse (CALD), constituting 9.2% of all participants. Following advice from National Ethnic Disability Alliance, the NDIA has done some work to better understand the expected number of CALD participants in the Scheme. Analysis suggests that CALD participants are likely joining the Scheme but are not identifying as CALD. This analysis was reported in the September 2021 Quarterly Report. The introduction of the new NDIA ICT system will allow for the collection of improved data on participants and improved identification of CALD participants.

The NDIA CALD strategy was released in May 2018. The CALD strategy has 5 priority areas, including engagement, making information accessible, increasing community capacity, improving our approach to monitoring and evaluation and enhancing cultural competency with NDIA staff and Partners. The NDIA began work on the CALD strategy refresh in October 2021 using a co-design and engagement approach. As part of the refresh, the Agency held a workshop with Disability Representatives and Carer Organisations (DRCO), and a number of focus groups with participants, families and carers who identify as CALD.

The NDIA's community engagement teams are also engaging locally with the CALD sector and participants, their families and carers, and a roundtable with the Minister's Office and CEO in attendance was held in February 2022. These activities will cumulatively inform the direction of the next phases of the CALD strategy refresh with co-design activities expected to commence later in 2022.

#### Lesbian, Gay, Bisexual, Transgender, Intersex, Queer/Questioning, Asexual + Strategy

The NDIA Lesbian, Gay, Bisexual, Transgender, Intersex, Queer/Questioning, Asexual + (LGBTIQA+) strategy was released in June 2020, with 4 strategic aims and 11 priority actions. The Agency is making steady progress against the commitments in the LGBTIQA+ strategy, with a progress update intended to be released in 2022. While the Agency has already completed some activities, such as training for staff and establishment of an SES LGBTIQA+ champion, other milestones have been delayed, due to COVID-19.

#### Rural, regional and remote communities

The NDIS supports over 502,413 participants living in metropolitan as well as rural, regional and remote communities across Australia. As of 31 December 2021, 7,693 participants lived in remote and very remote areas, constituting 1.5% of all NDIS participants.

Average plan utilisation rates for remote and very remote participants are 62% and 45% respectively, compared against an average plan utilisation rate of 69% for all participants in the Scheme.

Providing services to people in remote and very remote areas is a "whole of government" challenge, as many government entities, as well as the private sector and the NDIA find it hard to reach these more isolated communities. Consultations and feedback from other agencies and trial sites have recognised some of the unique circumstances which may be driving this disparity. People with disability living in rural and remote areas often face additional challenges that are distinctly different from people who live in metropolitan areas. These include limited service choice and availability, the increased need for travel and transportation, issues relating to service/support quality, and difficulties faced by service providers in retaining professional staff.

The NDIA implements market intervention projects nationally to help participants access quality supports. As intervention projects are being completed, insights and learnings are being collected and shared across the NDIA and with other market stewards. Through the intervention projects, the NDIA is learning more about service delivery in rural and remote NDIS markets.

Market intervention strategies in the trials include market facilitation (improving connections between providers and participants through targeted engagement and information), direct commissioning (directly purchasing disability supports on behalf of a group of participants) and coordinated funding packages (participants pooling the funds and consolidating their collective buying power to achieve individual goals).

There are currently 26 market intervention projects underway. A number of market facilitation and intervention projects were recently completed in Queensland, Tasmania and the Northern Territory. The projects included a mix of providers entering the market, including via fly-in-fly-out arrangements and by offering virtual services, to deliver core supports and therapy to participants, many of whom identified as Aboriginal and/or Torres Strait Islander. The projects resulted in participants accessing services, not previously used, in their NDIS plan and increased provider awareness of available NDIS data.