

## Statement of Intent

The Board of the National Disability Insurance Agency (NDIA) is pleased to provide the Commonwealth Assistant Minister for Social Services and his State and Territory colleagues with our Statement of Intent for the launch period of 1 July 2013 to 30 June 2016. The Statement of Intent is provided in response to the Statement of Strategic Guidance and in accordance with section 125 of the *National Disability Insurance Scheme Act 2013* (the NDIS Act).

The Statement of Intent commits the Board to meet the expectations of Ministers to the extent possible while exercising its statutory functions. The Board acknowledges the shared national governance of NDIA, and the fiscal and reputational stake that all participating governments have in the National Disability Insurance Scheme (NDIS).

### *Strategic, Corporate and Business Plans*

The Board and NDIA finalised the Corporate Plan in September 2013, in accordance with section 177 of the NDIS Act, and in doing so had regard to this Statement of Intent.

The Corporate Plan will sit within a three year strategic planning framework. The strategic process will, importantly, include consultations with stakeholders and the Strategic Plan will be consistent with the Corporate Plan. Annual Business Plans will then be derived from the Strategic Plan.

### *Principles*

The Board and NDIA will exercise the following principles in all aspects of its work:

- respect the rights of people with disability to exercise informed choice about matters that affect them
- support people with disability in all their dealings and communications with the NDIA so that their capacity to exercise choice and control is optimised
- ensure carers and families where appropriate are engaged as partners in care, and
- build trust with the community by ensuring the NDIA is accessible, its processes are timely, communication with clients is transparent, and the application of eligibility criteria is consistent.

In addition, the Board and NDIA will seek to maximise local decision making within a consistent national framework and be equitable, efficient and firm, as well as fair, in order to safeguard the NDIS's sustainability.

### *Financial sustainability*

The Board acknowledges that financial sustainability is a critical aspect of the NDIS in order to provide certainty to people with disability, their families and carers, and to maintain community support for the NDIA. Within the parameters of the funding arrangements negotiated between governments prior to the Board's establishment, the Board will manage the long term sustainability of the NDIS, closely manage costs and balance risk with the NDIS's objective to enable people with disability to exercise choice and control in the pursuit of their goals.



In particular, the Board will manage the Scheme's financial sustainability having regard to: the NDIS's long-term focus; the need for investment in the capacity of participants to minimise lifetime support costs, including through early intervention; and, learning from the launch period and creating a culture of continuous improvement, co-design and evidence-based best-practice.

In balancing the NDIS's immediate costs and long term financial sustainability, the NDIA will:

- use actuarial analysis and advice to inform decision-making
- ensure actuarial analysis and advice is a core element of performing its functions, taking into account the complex environment in which the NDIA will be operating, to identify and manage risks and issues relevant to the financial sustainability of the NDIS
- monitor emerging experience annually and over time, including the number and distribution of participants entering the NDIS, and their approved support packages
- advise on the extent to which the emerging experience deviates from the expected experience underlying the actuarial model for the NDIS, and adjust and advise on the expected future expenditure accordingly, including both short-term cash flows and long term sustainability, and
- identify risks to the NDIS costs exceeding the cash flows of the actuarial model.

All of these issues are important and will be carefully assessed and balanced by the Board and management.

To give effect to these commitments, an immediate priority of the Board, since its appointment on 1 July 2013, has been to obtain early actuarial advice. It is based on Census Survey of Disability and Carers (SDAC) data, particular characteristics of the lower launch sites and cohorts, such as the presence of large institutional facilities (in Barwon and Hunter) and the expected costs of supporting children in South Australia and the phasing of launch in each site based on the bilateral agreements between the Commonwealth and host jurisdictions.

These estimates have been provided by the Scheme Actuary, and have been reviewed by the Australian Government Actuary, in his role as Reviewing Actuary.

This analysis indicates that the current cash flow estimates over the period of the forward estimates are unlikely to be sufficient to meet the agreed intake schedules. These deficiencies in the short term cost estimates appear to reflect different assumptions being used in the bilateral agreements. They will not affect the projected or financial sustainability of the NDIS, as they reflect timing issues rather than differences in long-term costs.



The Board further notes that governments in the launch phase are giving effect to the recommendation of the Productivity Commission to refine and improve the NDIS prior to roll out of the full NDIS. Over time, as more and more data becomes available, increasingly more reliable estimates of the costs of the full NDIS will become available, thus providing better indications of long term budget impact.

Insurance schemes seek to minimise costs and maximise opportunities over peoples' lifetimes. Consistent with this, the Board will give priority to managing the long term sustainability of the NDIS. This will involve a number of key strategies, including developing and implementing an insurance governance framework and investment through evidence-based early intervention.

The Board is also committed to: continuing to consult regularly with the NDIS Actuary and Reviewing Actuary; ensuring that management controls the parameters of the NDIS within its control, consistent with a well-managed insurance approach; advising on the best way to ensure financial sustainability of the NDIS; and, providing early advice to shareholder governments should other pressures on immediate costs or financial sustainability of the NDIS emerge.

#### ***Stakeholder relationships and engagement***

To meet our priorities and maintain stakeholder relationships, the Board will:

- have regard to the views of people with disability, their families and carers, and the broader disability sector, including through actively seeking and having regard to the advice of the Independent Advisory Council (as detailed in section 144 of the NDIS Act)
- work co-operatively with governments to ensure a smooth transition to the NDIS for participants in host jurisdictions, and facilitate the development of a national NDIS
- ensure engagement with service providers is transparent, with clarity about their role and responsibilities in the NDIS
- approach all public engagements, including with the media, with appropriate consideration of its statutory functions, and
- communicate effectively with people with disability, their families and carers, including in relation to NDIS scope (access criteria and 'reasonable and necessary' support criteria), transitional arrangements for people currently receiving support and portability arrangements.

#### ***Key Deliverables***

The Board acknowledges the key deliverables as set out in the Statement of Strategic Guidance. The Board and NDIA will:

1. meet all statutory obligations including:

- reporting to the Ministerial Council (section 174 of the NDIS Act and Reporting Framework Schedule to the Intergovernmental Agreement for the NDIS Launch)
- maintaining best practice standards of corporate governance
- operating in accordance with relevant legislation including the NDIS Act and the *Commonwealth Authorities and Companies Act 1997* (the CAC Act), and



- agree to a Corporate Plan, as per section 177 of the NDIS Act, to be put in place for 2013-16.
- 2. monitor the use of discretionary powers set out in the legislation and rules to ensure effective controls are in place and operate consistently
- 3. embed a culture of decision making which is informed by actuarial advice and learning, through an insurance-based governance cycle
- 4. report achievements of time specific deliverables as set out below in the NDIA's Quarterly Report to the Ministerial Council and the Annual Report (sections 172 and 174 of the NDIS Act), and
- 5. develop a Risk Management Strategy, as per the NDIS - Risk Management Rules 2013.

To give effect to its obligations the Board has already:

- established an Audit and Risk Committee, as per section 32 of the CAC Act, which will be chaired by Mr John Hill and appointed additional independent and experienced Members to this Committee
- established a Sustainability Committee, which will be chaired by Mr John Walsh, and
- delivered the first Quarterly Report to the Standing Council on Disability Reform.

The Board further acknowledges the specific deliverables as set out in the following table. However, as the Board was only formally established in July 2013 there is some further elaboration required on the deliverables for September 2013 and this has been included in the following table:

September 2013	<ul style="list-style-type: none"> <li>• Agree to the Corporate Plan in place for 2013-16.</li> </ul> <p><i>The draft Corporate Plan was considered by the Board in September 2013 and approved prior to 30 September 2013.</i></p> <ul style="list-style-type: none"> <li>• Transition plan for participant phasing in accordance with the NDIS Rules and bilateral schedules.</li> <li>• Transition plan agreed with each host jurisdiction for management of in-kind programs.</li> <li>• Transition participants into the NDIS in accordance with the client phasing schedules agreed with all jurisdictions.</li> </ul> <p><i>Transitional plans for in-scope programs and existing clients have been agreed with each jurisdiction. Participants are being progressively transitioned in accordance with the bilateral agreements.</i></p> <ul style="list-style-type: none"> <li>• Support the implementation of national communications protocols (as set out in the Intergovernmental Agreement for the NDIS Launch).</li> <li>• Effectively communicated with potential participants and providers to ensure that they understand how the roll-out of the NDIS will affect them.</li> </ul>
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	<p><i>A multi-pronged communication strategy has been undertaken in line with the agreed communication protocols established prior to 1 July 2013. While early signs are encouraging, it is too early to say how effective this strategy has been. We will seek on-going participant and stakeholder feedback on its effectiveness to inform communications strategies.</i></p> <ul style="list-style-type: none"> <li>• Initial implementation risks have been identified to governments.</li> </ul> <p><i>An Independent Program Assurance role has been established for the launch period and an initial three month stabilisation phase to September 2013, in order to identify initial implementation risks. This work will now be built on by the Audit and Risk Committee, which will develop a comprehensive risk management framework. Should significant risks emerge these will be highlighted to the Board and identified to governments.</i></p>
June 2014	<ul style="list-style-type: none"> <li>• Transitioned and/or is transitioning participants into the NDIS in accordance with the client phasing schedules agreed with all jurisdictions.</li> <li>• Implemented a program of sectoral support to build organisational and workforce capabilities to meet expected current and future demands and expectations.</li> </ul>
September 2014	<ul style="list-style-type: none"> <li>• Transitioning participants into the NDIS in the Northern Territory, Western Australia and ACT in accordance with the client phasing schedule agreed with the Northern Territory, Western Australia and ACT.</li> <li>• Initial implementation risks have been identified to governments.</li> </ul>
June 2015	<ul style="list-style-type: none"> <li>• Agreed project plan for the transition to full NDIS in jurisdictions where there is a funding agreement in place.</li> </ul>
June 2016	<ul style="list-style-type: none"> <li>• Agreed national quality framework has been presented for agreement to all jurisdictions.</li> <li>• Fully implement the NDIS for all launch sites in accordance with implementation schedules.</li> </ul>