



# *Towards an ordinary life*

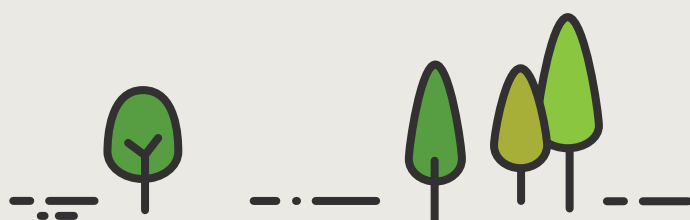
Annual Report 2015-16

**ndis**

Delivered by the  
National Disability  
Insurance Agency



Please note: Aboriginal and Torres Strait Islander people should be aware that this report may contain images or names of deceased persons.



## An ordinary life

It's not about having a life better than anyone else in the world, but there are things everyone takes for granted, and it is those things that are ordinary that ought to be ordinary for people with disability too.

**Prof. Rhonda Galbally AO, NDIS  
Independent Advisory Council  
Principal Member**

People with disability that I know, and that I talk to, don't want anything special. They want to get a job, they want to go to the movies, they want to go to the beach — they just want the same kind of opportunities as everybody else.

**Kirsten Deane, NDIA employee and  
mother of prospective participant, Sophie.**



**Mark, Geelong**



**Stephanie and Sandy,  
Palm Island**



**Stella, Tennant Creek**



**Frank, Hobart**



**Finnlai, Adelaide**

## About this report

This report is a summary of performance and operations of the National Disability Insurance Agency ('the Agency') for the 2015-16 financial year as required by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). It presents the key actions, initiatives and key performance

indicators around the implementation and management of the National Disability Insurance Scheme ('the Scheme') against targets set out in the Department of Social Services 2015-16 Portfolio Budget Statement (PBS), the NDIA 2015-19 Corporate Plan and the NDIA 2013-16 Strategic Plan.



*Mark Smith and his  
grandsons. Mark lives in  
the Barwon region and  
has epilepsy.*



# Introduction



## In this section

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the Scheme

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Chief Executive Officer

# The National Disability Insurance Scheme (NDIS)

**‘For the first time, Australians will have access to a national scheme that will support people with disability, providing certainty, consistency and equity.’**

David Bowen, NDIA Chief Executive Officer

## Why was the Scheme created?

Years of study and discussion about the inadequacy of the Australian disability support system culminated in a major report released by the Productivity Commission on 10 August 2011. Based on the report, a decision was made in the same year by the Council of Australian Governments (COAG) to establish a new disability scheme.

The National Disability Insurance Agency was created in 2013 when the *National Disability Insurance Scheme Act 2013* (NDIS Act) came into force. The Agency was charged with the task of implementing the new Scheme. See page 202 for further details about the enabling legislation and how the Agency meets its legislated objectives.

## NDIS – the Scheme

The National Disability Insurance Scheme (NDIS or ‘the Scheme’) is a new model of funding and social support for people with disability in Australia. It has been hailed as a once in a lifetime opportunity to change the way disability services are provided, with the aim of providing an ordinary life for its participants, and the most significant reform in Australia since Medicare was introduced.

The Scheme aims to increase the capacity of all Australians to play their part. In particular, providers of mainstream health, education and social services, community organisations, businesses and employers will develop new ways of working. It will also positively impact the wider community by highlighting the significant contribution that people with disability make to the nation socially, culturally and economically.

Significantly, the Scheme has a vision to increase the choice and control people with disability have over the supports they require. This will enable their independence and full participation in the broader community.

This is described as creating an opportunity for people with disability to live ‘an ordinary life’.

## NDIA – the Agency

The National Disability Insurance Agency (NDIA or ‘the Agency’) is the organisation responsible for implementing the Scheme.

Figure 1:

## Key features of the Scheme

People with disability are at the centre of the Scheme and are involved in the design process.



It provides participants with choice and control, over the reasonable and necessary support they receive.



It aligns the whole of Australia in its design, where previously funding was state and territory led.



It is based on insurance principles, which fundamentally mean planning early, for supports likely to be required over a whole lifetime.



It uses the planning process to fund supports based on individual need, rather than a one-size-fits-all fixed dollar amount.



It is designed to continually evolve and grow as lessons are learned across the Scheme and as advances are made in areas such as technology.



## Where is the Scheme now?

From 1 July 2016, the full rollout of the Scheme will commence with an anticipated target of 460 000 people participating in the Scheme by 2019.

A three-year trial of the Scheme commenced in 2013. Seven selected sites were launched across Australia, and with the addition of two early transition sites, the Scheme has reached 35 695 participants by July 2016.

From 2020 and beyond, the Scheme will continue to support existing participants and bring on any new participants.

**At 30 June 2016,  
the Scheme is**

**on time**

**on budget**

# A year of achievement

This is the third year of the Scheme which now moves from a three-year trial phase to full Scheme rollout from 1 July 2016.

The following information highlights many of the achievements made over the course of 2015-16 as the Agency drives the Scheme to transition. Many of these activities are discussed further across this report. In particular, Section 1 illustrates some of the strategic background to activities and the remaining sections describe the context of the activities against goals and how performance is measured.

Participant satisfaction with the Scheme has remained very high and the Agency is seeing real evidence of alignment of services and supports in trial sites across Australia.

Coupled with interest from across the world during the trial phase, especially in areas such as technology, the Scheme provides an opportunity for innovation that leverages international expertise and resources.

The final year of trial has provided a diversity of lessons for the Agency and the people it will support. The Agency has been listening and learning from trial to build and deliver the Scheme, to create effective relationships with participants and stronger connections with the community. It follows a cyclical process of continual learning. Further refinements will naturally occur as the Scheme evolves, demonstrating of the fundamental principles that underpin the Scheme to meet the needs of people with disability.

## Independent reviews of the Agency's performance

The Agency is reflective and constantly evaluates its performance using every task and interaction as an opportunity to learn and continually improve its performance.

A review conducted by Graeme Innes AM and Amanda Lawrie Jones, Attract Support Retain: Policy for the employment of people with disabilities, analysed the Agency's record for employment of people with disability. It provided recommendations on how to maximise the effectiveness of the Agency's Attract Support Retain policy so that the successful record of employment of people with disability could be maintained and increased.

As the Agency continues to learn and develop, it remains open to all feedback and welcomes any future reviews that will inform the Agency's delivery of the Scheme.

*Assistant  
Minister for  
Social Services and  
Disability Services,  
the Hon. Jane  
Prentice MP.*





At 30 June 2016

**35 695**

participants

**30 281**

participants with an approved plan

**3519**

service providers NDIS registered

**95%**

participant satisfaction

**\$2.4** bill.

committed in support

**\$36 049**

average annual participant package cost (excluding large residences)

**16%**

of Agency staff identify as having a disability

**6%**

participants are Aboriginal or Torres Strait Islander

**4%**

participants are from Culturally and Linguistically Diverse communities

# Year three trial highlights

The following information is a summary of activities and highlights across the Scheme for the final year of trial (1 July 2015 – 30 June 2016).

Over the year, the Agency has followed the ‘**Listen Learn Build Deliver**’ approach to the trial and this report provides insight into activities that fall under each of those areas.



## Listening

- to participants, carers and families, in the continuous co-design of the Scheme
- to strong input from the Independent Advisory Council (IAC or the Council), particularly in areas of capacity building, safeguards and vulnerable groups
- to evidence-based input from expert panels, such as the National Mental Health Sector Reference Group (MHSRG) and the Intellectual Disability Reference Group (IDRG)
- to Agency staff with disability or direct caring responsibility on the ground, through the Staff Participant Network (SPN).



## Learning

- from seven trial sites who provided vital lessons to the Scheme
- from two regions that signed agreements for an early transition to full Scheme based on trial successes
- from data collection carried out by the Agency’s actuarial team who have started building a significant knowledge base, with three years’ worth of information
- from people with additional support needs, enabling development of strategies for people
  - from rural and remote areas
  - from Culturally and Linguistically Diverse (CALD) backgrounds
  - from Aboriginal and/or Torres Strait Islander communities
  - from people identified with mental health needs.



## Building

- a more refined catalogue of supports renamed the NDIS Price Guide
- the basis of reference packages to benchmark equity in support to match equity of need
- an Outcomes Framework, developed to measure the Scheme's success based on feedback and data from participants, families and carers
- market growth, accelerating services to become increasingly more confident in the Scheme through the trial phase, including international interest in some areas
- market confidence with the development of market position statements in many states and territories
- on new technology with the development of participant and provider portals for release from 1 July 2016
- a strong actuarial culture, stimulating a deeper understanding across the sector of 'evidence-based need'
- the Service Delivery Operating Model (SDOM) which was refined in 2015 and will continue to guide how the 'full Scheme' rolls out from July 2016
- an Information, Linkages and Capacity building (ILC) program for release in August 2016
- capacity in a number of areas, including in individuals, families, peer support networks, communities and service providers.



## Delivering

- ongoing public outreach and education via cutting edge social media, in particular the NDIS Ready campaign
- the trial phase of the Scheme on time and on budget
- participant satisfaction which remains high, with 95 per cent of participants rating their planning process as 'good' or 'very good' as at 30 June 2016
- an easier way to self-manage plans, reflecting growing confidence in the Scheme for trial
- innovation and refinement of Information and Communication Technology (ICT) platforms
- innovative supports, including funding for new Assistive Technologies (AT)
- a new culture of ability, with more participants using transport, undertaking education and getting employment.

Many of these activities are described in more detail in Section 1, the performance measures are detailed in Section 2 and the full financial and sustainability report can be found in Section 4.

# Letter of transmittal

Bruce Bonyhady AM  
Chair

3 October 2016

The Hon Christian Porter MP  
Minister for Social Services  
Parliament House  
CANBERRA ACT 2600

## Dear Minister

On behalf of the National Disability Insurance Agency, I present to you the Annual Report for the reporting year 1 July 2015 to 30 June 2016.

The report provides a detailed description of the Agency's operations during the year as well as financial statements and the Auditor-General's report on those financial statements.

The report has been prepared in accordance with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the *National Disability Insurance Scheme Act 2013* (the NDIS Act).

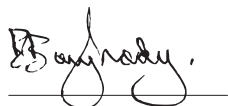
In accordance with section 39 of the PGPA Act the report includes annual performance statements that provide information about the Agency's performance in achieving its purposes.

The report includes a copy of the Agency's annual financial statements and the Auditor-General's report as prescribed by subsection 43(4) of the PGPA Act.

The report is made in accordance with a resolution on 3 October 2016 of the directors, who are responsible for its preparation and content and is being provided to you as the responsible Minister under section 46 of the PGPA Act.

I am satisfied that the incorporated summary of the Annual Financial Sustainability Report 2015 16 and the inclusion of the reviewing actuary's report fulfils the Agency's obligations under subsection 172(4) of the NDIS Act.

Yours sincerely



**Bruce Bonyhady AM**

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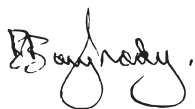
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# Message from the Chair and Chief Executive Officer

It is our pleasure to present the third Annual Report of the National Disability Insurance Agency (the Agency).

A handwritten signature in black ink, appearing to read 'Bonyhady'.

Bruce Bonyhady AM  
**Chairman**

A handwritten signature in black ink, appearing to read 'David Bowen'.

David Bowen  
**Chief Executive Officer**

The last 12 months have represented another period of significant progress and achievement. The trial phase has been completed—on time, on budget and with a very high rate of participant satisfaction. The Scheme has been refined and improved—as part of the Agency’s philosophy of learning while building. And an enormous effort has gone into preparing for the transition to full Scheme which commenced on 1 July 2016.

Very importantly, the full trial results indicate that the Productivity Commission’s financial forecast of full Scheme costs of \$22 billion in 2019-20 remains the most reliable estimate. By continuing to embed a strong insurance approach across the organisation, the Agency will remain well placed to manage the Scheme’s long-term performance and ongoing sustainability.

Bilateral agreements have been signed by the Commonwealth Government with all jurisdictions for the full implementation of the Scheme, with the exception of Western Australia (WA). In WA the trial period will be extended for another 12 months, while the results from the comparison between the Scheme and WA NDIS are evaluated.

As at 30 June 2016 more than 35 000 people had become participants in the Scheme with more than 30 000 participants having approved plans.

Over the next three years it is anticipated that a further 425 000 participants will enter the Scheme. This is a major transformation, with a large number of people joining the Scheme during a short period of time, and is being introduced in stages to ensure it is successful and sustainable.



Implementing the Scheme will require strong partnerships between the Agency and people with disability, families, carers, service providers, Local Area Coordinators, communities, as well as governments at all levels, because the NDIS is based on mutuality.

The Scheme is expected to create around 60 000 to 70 000 new jobs on a full-time equivalent basis by 2020 and will be a vital source of new employment. The Agency has developed and continues to share our detailed Market Position Statements helping the sector and new organisations anticipate and respond to expected future participant needs.

In the lead up to the start of transition to full Scheme, the Agency undertook an enormous amount of work, drawn from the experiences during the trial phase, to develop a new Service Delivery Operating Model, agree new partnerships for Local Area Coordination and develop a new IT system.

In the first two months of operation of the new payments portal, Myplace, there were a number of issues which blocked payments and we apologise for the stress and hardship this has caused to disability service providers and participants. Payments are now being processed successfully.

This experience has been a timely reminder of the need to work closely at all times and communicate effectively with the disability sector. This will be especially important in the context of ongoing enhancements to the IT platform, including the development of an e-market.

During the transition phase there will undoubtedly be many new challenges, because the size and complexity of the NDIS mean that we will not get everything right, first time.

However, our track record of agile, measured and highly effective responses to the challenges thus far should give confidence that we are building the NDIS successfully.

Our loyal and dedicated staff and partners are our greatest asset and as an employer—we are proud that nearly 16 per cent of the Agency workforce identified as having a disability and over 50 per cent of our staff have a lived experience of disability.

Compared to other public service agencies we are performing well when it comes to the recruitment and retention of people with disability.

However, we are striving to do more to employ people with disability and to model inclusive workplace practices.

We know that high performing teams embrace and are strengthened by their diversity, whether it be differences of opinion, personality, gender, age, race or ability.

We thank participants, their families and carers, service providers, peak bodies and the Australian community for your ongoing support of the Scheme. Your confidence, trust and support is essential.

Finally, we would like to thank our staff and partners for their dedication and commitment.

Together, through shared vision, purpose and actions, we are confident we will deliver the NDIS successfully in the years ahead.

# Section 1

# Getting NDIS Ready

## In this section

An ordinary life

Insurance principles

Listening

A culture of empowerment

Learning

A process of discovery and innovation

Building

Setting the scene through trial phase

Delivering

Rollout and continuous improvement

The Agency's people



*Finnlai from  
South Australia.  
Through the support  
of the NDIS Finnlai is gaining  
greater independence  
and mobility.*



# An ordinary life

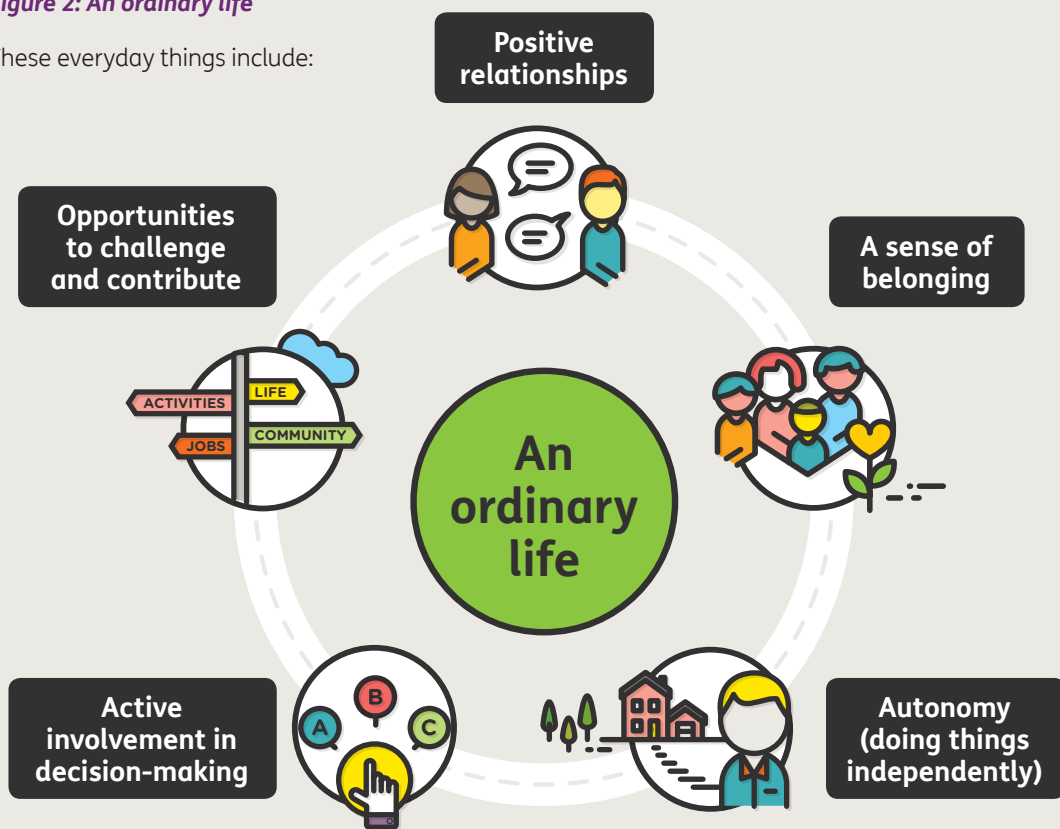
It might sound straightforward, but the concept of ‘an ordinary life’ should not be taken for granted.

There are many people who only dream of a life where they can do seemingly simple things like talk to a friend, go to work, or choose where to live. For these people, those ‘ordinary’ things can take a lot of effort, or are just not possible.

The Independent Advisory Council (the Council) of the National Disability Insurance Scheme carried out significant research that highlights some everyday things that contribute to ‘an ordinary life’ for everyone.

**Figure 2: An ordinary life**

These everyday things include:



Based on this research, the NDIS Act defines ‘an ordinary life’ as that which ‘enable(s) people with a disability to exercise choice and control in the pursuit of their goals, and the planning and delivery of their supports’.

# An ordinary life for Mark Smith

Mark Smith feels his life is back on track after becoming a participant in the Scheme in 2014 and gaining a fresh outlook on life.

‘The NDIS has just opened up doors for me’, says Mark.

‘There were so many people wanting to help me, it is just amazing. Now I can get up and go outside and run around the park with the grandkids, which is just the best thing. Without the NDIS getting involved, I wouldn’t be able to pick up my new grandbabies, because I was too reliant on a walking frame. It’s just made such a big impact on day-to-day living.

My life before the NDIS revolved around having seizures nearly every day and having brain operations because of the fluid build-up in my head. I wasn’t able to go anywhere so I was pretty much a hermit. There wasn’t any light at the end of the tunnel. It wasn’t a life; it was just this constant waiting for something to happen—the next downside of my life.

Now, I can get up and I don’t need bed ropes to get out of bed. Life is just back on track. My whole independence is back.

If my wife has an appointment and I need to have somebody come with me to my own appointment, I can quickly ring up the Carer Support Group that will come out and take me.

My next goal is to work—it’s going to give me a purpose doing something else. After going through the difficulties that I’ve gone through, nothing really should be taken for granted any more. Returning to work would be the biggest thing, because I’m not one of those people that would just normally sit at home.’

*Story adapted from video Ordinary Life*



*Mark Smith and his grandson. Mark lives in the Barwon region and has epilepsy.*





# The new way to an ordinary life

Most disability support in Australia was previously based on a system where services were funded to a fixed dollar value per person. The National Disability Insurance Scheme offers a new, more flexible system, where funding is determined by an assessment of an individual's needs, support choices and actual circumstances to achieve outcomes.

The Scheme has many great features in its design but there are two things that make it truly innovative.



## People with disability are at the core of its decision-making

Previously, people with disability were not able to exercise choice and control when accessing funding and support services



## It is based on insurance principles

The funding and support model listens to the individual needs and experience of each participant, planning for supports that might be required throughout a person's life. It provides a long term approach and a vision of continual improvement through reviews of the lived experience of the individual, plus research and innovation across the Scheme.

Essentially, it is an insurance model, not a welfare model.

## Insurance principles in detail

The following four key principles have been developed by the Sustainability Committee of the Board for the Agency, in conjunction with the Scheme Actuary:

- actuarial evidence
- a lifetime approach
- investment in research and innovation
- capacity building.



### Actuary

An Actuary is a person who collects and analyses information (like statistics and data) and uses them to evaluate risks. Actuarial evidence is the information they collect.

The Agency has adopted these insurance principles for the Scheme and makes decisions about supports, based on:

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

A critical feature of the insurance approach adopted by the Scheme is early intervention and early investment in support and planning. This can enable an ordinary life for participants, while potentially decreasing support costs required later in life. Over the long term, this approach has potential to increase workforce participation by people with disability and their families and carers—both factors that contribute to a healthy national economy.

This early investment in support and planning means that in some instances, if early intervention assists significantly, participants may no longer need to access funds from the Scheme.

The Scheme will create inclusive communities that benefit everyone, including those people with disability who are not eligible for the Scheme.



# Listening

A culture of  
empowerment

# The Agency's vision, mission and goals

A culture of empowerment remains a driving force for the Agency to support this positive transformation of Australia's disability sector. A dedicated workforce and the effective use of resources underpin the vision, mission and goals.

The central tenets of the Scheme are that people with disability are at the centre of all that the Agency does and they can exercise choice and control in living their life.

## Vision

Optimising social and economic independence and full participation for people with disability.



## Mission

Building and managing a world leading National Disability Insurance Scheme for all Australians.



## Goals

- 1** People with disability are in control and have choices, based on the UN Convention on the Rights of Persons with Disabilities.
- 2** The National Disability Insurance Scheme is financially sustainable and is governed using insurance principles.
- 3** The community has ownership, confidence and pride in the National Disability Insurance Scheme and the National Disability Insurance Agency.



The Agency's performance against these goals are discussed in more detail in Section 2 commencing page 94.



# How is the Agency implementing the Scheme?

## Service Delivery Operating Model

The Service Delivery Operating Model (SDOM) guides how the Scheme will be implemented.

It defines:

- to whom the Agency provides services
- what services the Agency provides
- what service provider channels the Agency uses
- what business processes and procedures the Agency uses
- how the Agency enables these business processes and procedures to work.

The Service Delivery Operating Model includes four key services that the Agency offers to people with disability, their families and their carers:

- referral to supports
- planning of supports
- coordination of supports
- payment of Scheme funded supports.

## Benchmarking of service delivery operating models

In 2015 Agency partner The Australian Centre for Social Innovation (TACSI) completed significant work on finding a standard, or benchmark, for service delivery models in the disability and adjacent sectors. The purpose of the work would enable measurement of the quality of how services, like the Scheme, are delivered to users. The Agency has adopted many of the recommendations from this work in the design of the Scheme's Service Delivery Operating Model.

## A co-design approach

The Scheme is built on a co-design approach involving collaboration between many people (participants, community, NDIS Planners, Agency partners). Co-design is a strong factor in participation in the Scheme, providing users of the system choice and control over services, rather than being just passive recipients of those services.

Involving people with disability in the design of the Scheme has helped to embed the objectives and principles of the NDIS Act. It informs the ongoing development of how the Scheme is delivered, refined and improved, and how innovation is promoted and enacted.

In addition to collaboration between people, the Service Delivery Operating Model also considers:

- market competition (accessing the best support for the best value in the marketplace)
- insurance principles, enabling a 'lifetime view' of supports that may be required for participants.

Simply, the model aims to ensure participants receive appropriate support, at the right time and through the right channel, to interact with the Scheme to ensure their experience is smooth and seamless.

For this reason, the Agency has developed a co-design framework as a means to inform the design and ongoing development of the Service Delivery Operating Model.

# The Australian Centre for Social Innovation

The advent of the Scheme is requiring service providers to change quickly. They have realised the need to develop services that are more attractive to people with disability, and to adapt their business models so they can thrive in a consumer directed environment.

The Australian Centre for Social Innovation (TACSI) was engaged by the Agency to undertake co-design activities to validate, refine and provide further advice on the current design of the Service Delivery Operating Model (SDOM).

Their engagement also included contributing to the iterative development of the Agency's co-design framework, and capacity building relating to co-design for internal staff.

TACSI is a non-government organisation that helps other organisations better understand these problems and opportunities by encouraging innovation to build the capability of individuals, organisations and sectors. They offer advice, design and trial innovative business solutions and services.

More than one in five people in South Australia live with a disability so it is important that the services on offer meet the wants and needs of these people. It is also important that services do not go out of business because they do not have a viable business model under the Scheme. Historically, because of over subscription to models, service providers have focused on meeting people's basic needs rather than their aspirational goals.

In work funded by the Fay Fuller Foundation, TACSI has been working with 20 South Australian organisations directly affected by the changes, along with other TACSI partners, in co-designing the capacity-building support model that will then be implemented and tested with four organisations. The organisations will seek to understand what support they need to be successful under the Scheme, what success looks like for capability building and how they can best maximise positive impacts for people with a disability.

TACSI values the opportunity to help local organisations rise to that challenge and has already contributed to the creation of the Provider Toolkit, for use right across Australia from 1 July 2016.

Ultimately, this project is about helping service providers make the most of the opportunity the Scheme creates and provide the greatest benefits for people with disability themselves to live meaningful, independent lives.

*Information supplied by The Australian Centre for Social Innovation.*





# Working with participants

The primary mission underpinning the Scheme is to increase the choice and control that participants have over the supports and services they use. There has been significant work over 2015-16 to refine the planning process for participants.

## Who are the participants?

People under 65 years of age with significant and permanent disability, who meet the Australian residency requirements may be eligible for participation in the Scheme. There are more details on the NDIS website about how to access the Scheme.

The Scheme funds supports that are reasonable and necessary for participants to achieve their goals. The main objective is to enable each participant to build skills and capacity so they can participate in the community and the economy and live an ordinary life.

The Scheme helps participants:

- maintain informal support arrangements
- access community services and supports
- receive reasonable and necessary funded supports
- access mainstream services and supports.

## Co-design with participants in 2015-16

The Agency has continued to listen and learn from participants to ensure that the processes designed to give them access to supports work.

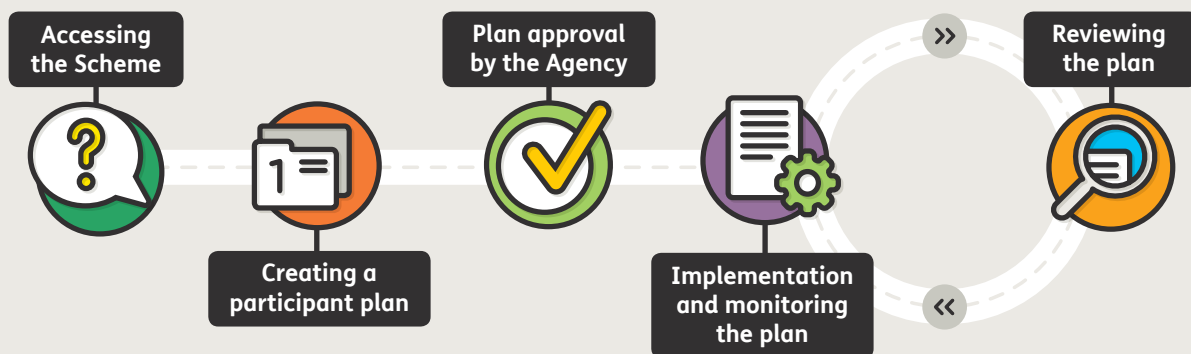
Based on feedback from participants that the pathway was too complex, the Agency has been working hard to refine the process to allow participants to achieve choice and control.

Five guiding steps have been developed to follow with each participant through the Scheme.

## The participant pathway

Once the full Scheme is rolled out, a participant's journey will involve five stages:

**Figure 3: The participant pathway**







## Participant portal

The participant portal was developed in 2015-16 to assist participants with their plan. The portal is an online tool available through the myGov website that keeps all of a participant's documents together. Participants can access their plan on the participant portal and if they choose to self-manage their funding, they can also process payments through the portal. The Agency can still help manage payments to providers.



### Choice and control includes:

- Access to information, knowledge and experience to inform people with disability about the choices and options available to them
- Power over resources and relationships
- Opportunity to think and dream about alternatives to the current services and resources on offer
- Support in decision making from trusted others.

### A reasonable and necessary support must:

- be related to the participant's disability
- not include day-to-day living costs that are not related to a participant's disability support needs
- represent value for money
- be likely to be effective and beneficial to the participant
- take into account informal supports given to participants by families, carers, networks, and the community.

## Brad Connelly 52, Scheme participant

Brad Connelly is a committed husband and father of two, and has been living with disability for 16 years. As a participant in the trial phase of the Scheme, Brad and his family now have access to supports that have helped them take steps towards a more ordinary life.

'I've been with the NDIS for over two years now', Brad says.

Over the next couple of months I've got to do some investigations about what I want to study, how much further I want to go, whether I want to just go to an RTO (Registered Training Organisation) or I'm considering going to uni, which I've never been to.

Psychologically, it's really good for my mind. My biggest problem with studying is not the academic side of it, that's difficult but I can get through that, I feel confident that I can nail that. It's the logistics of actually getting to the class; my body cooperating, and workers [being] available when I need them. Working with the service providers and the coordinators within the service providers.

When the plan comes together it works great. It gives Pam [Brad's wife] the opportunity to go and do what she wants to do, with the kids, by herself.

I'm on to my third review of my plan and I feel that I've got the security and reassurance from the NDIS to know that I'm going to be supported.'

*Story adapted from video  
Living My Plan 2*



# Working with the community

Over this year, considerable work has been completed on refining the planning process for participants but the Scheme has also other areas that have undergone significant development this year:

- 1 Individual plans** for eligible people with disability
- 2 Information, Linkages and Capacity building (ILC)** activities that connect people with disability, their families and carers to the wider community.

## Information, Linkages and Capacity Building

One of the most important goals of the Scheme is making sure that people with disability have a stronger connection with their community. The Scheme represents a unique opportunity to change the conversation around inclusion. People with disability will not just be present in the community—they will be able to become active participants in it. The Agency is working to achieve this through individual plans and through Information Linkages and Capacity building or ILC.

There has been a major focus in 2015-16 to prepare ILC for release after the trial phase—and within that focus there have been two main areas of effort:

- **personal capacity building** – making sure people with disability have the information, skills and confidence they need to get involved in the community.
- **community capacity building** – improving the ability of the community to include people with disability.

A system of grant funding called Community Inclusion and Capacity Development (CICD) will sit within ILC. These activities are described in more detail in Section 2 under Program 1.2 on page 102.

In July 2015, all governments in Australia agreed to a policy framework for ILC. The ILC policy outlines five kinds of activities that will be included in ILC in the future:

1. **information, linkages and referrals**
2. **capacity building of mainstream services**
3. **community awareness and capacity building**
4. **individual capacity building**
5. **Local Area Coordination (LAC).**

It is important to remember that the fifth area, Local Area Coordination is being implemented by the Agency separately.

More information about Local Area Coordinators can be found on page 15.

The Department of Social Services (DSS) has provided the Agency with the ILC policy to implement from August 2016. This is being done through the ILC commissioning framework.

The ILC commissioning framework is the Agency's action plan for ILC. The framework explains the role of ILC in the Scheme, the outcomes expected for ILC, how ILC activities will be selected and funded and how performance will be measured and managed.

In late 2015 more than 1000 people took part in workshops to talk about the outcomes expected from ILC, as well as priorities for funding. The Agency heard how important ILC was to people and what they hoped it would achieve.

In December 2015 the Agency released a consultation draft of the ILC commissioning framework. A series of consultation sessions were held across the country to provide information on the ILC and receive feedback from stakeholders. More than 1000 people attended one of the consultation sessions and the Agency received 135 submissions on the Framework.

All of this feedback has been incorporated into the next version of the ILC commissioning framework, which will be released in late 2016.

ILC will not commence nationally in 2016–17. Each state and territory will transition to ILC at a point that is consistent with its broader transition to the Scheme. The first territory to start ILC will be the Australian Capital Territory (ACT) on 1 July 2017.

## **The budget for ILC will build up slowly over the next few years to approximately \$132 million when full rollout of the Scheme is complete in 2019-20.**

To learn more about ILC and the way the ILC grant process will work in the future, please read the ILC commissioning framework on the NDIS website ([www.ndis.gov.au](http://www.ndis.gov.au)).



### **How will the Information, Linkages and Capacity building work?**

ILC funding will be distributed through grants. Organisations with a project or activity proposal that fits into the activity areas described in the ILC policy and delivers one or more of the outcomes identified for ILC may submit an application for a funding grant, to make that activity or project come to life. ILC will focus on activity that may benefit many people, rather than just individual needs.

An example might be a project that connects young people with disability in a rural area with each other via multimedia, or a website that provides information about a particular disability or condition such as Down syndrome, autism or vision impairment.

# NDIS CICD grant helps Colac get a sensory garden

Plans are underway to build a sensory garden, featuring native plants and an Indigenous story wall, at the Colac Neighbourhood House in Victoria.

Funded by an NDIS Community Inclusion and Capacity Development (CICD) grant, the garden will feature a gazebo and wheelchair-suitable pathways to ensure everyone has access. The garden is designed to enhance the wellbeing and outdoor experiences of people who use the facility.

Another CICD grant will help to build an Indigenous story wall, telling the story of the local Indigenous people. Colac NDIA Engagement and Community Strategy team member, Amber Yarde, said NDIA staff had worked closely with Colac Neighbourhood House Co-ordinator, Bev Rimmer, to bring this idea to life.

‘From day one when the NDIS arrived in Colac, staff approached the community to tell them about the CICD grants and to ask if they had any ideas to help make local areas more accessible and enjoyable for people with disability,’ Ms Yarde said.

‘Ms Rimmer came back to us with a great proposal to build a sensory garden and Indigenous story wall in the grounds of the Colac Neighbourhood House.’ The sensory garden is the first of its kind in the local area, and will benefit the many people with disability who use this facility, as well as the wider community.



NDIA's Amber Yarde (left) and Colac Neighbourhood House's Bev Rimmer are both looking forward to seeing the Sensory Garden and Indigenous story wall become a reality.

# Working with partners

Partnerships with others are vital to the success of the Scheme. In 2015-16 many new relationships have commenced and other partnerships have evolved in line with this significant reform.

Partners will in many cases be the face of the Scheme. They will be involved in the Agency's governance and planning for the Scheme.

There has been development in how partners are trained to ensure that the Scheme is delivered seamlessly across both the Agency and service providers. They will bring strong skills, experience and ideas that the Agency will explore and integrate where appropriate. As the Agency learns to work with new partners, it will embrace their ideas and innovation to improve services and outcomes.







## Local Area Coordination

Local Area Coordination (LAC) is another part of the Scheme that relies on partner organisations to supply a workforce who are experts in local knowledge of services and community.

Local Area Coordinators from partner organisations will work in local communities across Australia to:

- assist Scheme participants connect to their community
- provide short-term help to people with disability who are not eligible for the Scheme
- work with the community to make it more inclusive.

Within the first five years of the Scheme it is expected that LAC will:

-  **support 60-70 per cent of all participants**
-  **provide assistance to connect to and build informal and natural supports**
-  **provide assistance with the planning process and effective implementation**
-  **work with people who are not participants of the Scheme as part of Information Linkages and Capacity Building**
-  **work with community, providers and mainstream to build inclusion**
-  **provide some outreach by being visible and active in the community**

## Local area coordination in action

During November 2015 and March 2016 the Agency in Tasmania worked with LAC partners to conduct 85 information sessions across the State. The majority of these sessions were held in rural and regional areas and over 480 people attended. Sessions provided basic information about the trial site and access requirements in Tasmania. A number of potential participants were identified as part of these sessions and have since accessed the Scheme for planning.



## Working with partners

(Continued)

### Community Connectors

Community Connectors operate in the Nepean Blue Mountains and Queensland. Their role is to connect potential participants with the Scheme. They have a deep cultural understanding of the community they are working with, as well as knowledge of the Scheme. Community Connectors build awareness and understanding of the Scheme, assist people to access the Scheme and assist participants and their families to scope their goals and prepare for a planning conversation with an NDIA Planner or LAC.

### Early Childhood Early Intervention partners

People who work within the field of Early Childhood Early Intervention (ECEI) are also often referred to as ‘partners’ as they are employed by partner organisations.

The ECEI approach was developed over 2015-16 in response to higher than expected numbers of children looking to access the Scheme during the trial phase in South Australia, Victoria and the Australian Capital Territory.

Prior to the introduction of the Scheme, the approach to providing support to children with developmental delay or disability varied among the states and territories. Given the national responsibility of the Scheme, a single, best-practice approach to early childhood intervention to meet individual needs was required.

## Partners prepare the local community for Scheme rollout

Agency partner Uniting’s team of Local Area Coordinators in the Nepean Blue Mountains district have been working to develop participant knowledge of the Scheme and to support them in transferring from their state funded disability supports to the Scheme. The team has also been working on creating greater awareness in the local community about the Scheme by gaining local area knowledge.

By developing a database that lists all community and mainstream local services and funded supports, the LAC team has a comprehensive

understanding of the services available to participants in the region. The LACs have meetings with participants, their family and carers, as well as service providers in the local area to prepare them for the transition to the Scheme.

Participants and service providers now consistently express that they feel more informed and prepared after meeting with the LAC team.



The Agency has worked with some of Australia's leading early childhood intervention practitioners and researchers to design a best-practice approach that is family-centred and, importantly, supports children to achieve good individual outcomes.

The Early Childhood Early Intervention (ECEI) approach is the Agency's design for young children aged 0 to 6 and their families. It has been developed to ensure that families have timely access to advice and early intervention supports. Providing quality intervention early in a child's life can reduce the need for longer-term intervention and help them achieve the best possible outcomes to live an ordinary life.

### **Early Childhood Early Intervention through trial phase in 2015-16**

The ECEI approach was first introduced in the Nepean Blue Mountains (for new children aged 0 to 6 years) over the Scheme trial period.

It has also been introduced in the Queensland early transition sites, in Townsville and Charters Towers, from late April 2016 (for all children aged 0 to 6 years). From mid-August 2016 the ECEI approach will be adopted across urban areas and urban outskirts of South Australia.

The approach will be rolled out around the rest of Australia in line with the arrangements in the bilateral agreements between the Commonwealth and state and territory governments.

## **Early Childhood Early Intervention makes a difference**

Through Early Childhood Early Intervention, Faith has been able to achieve some much needed support for her son Nate which has helped him to participate in everyday activities.

Six-year-old Nate had a number of behaviours that were challenging for his mother, Faith. She believes that the Early Childhood Early Intervention approach has had a changing impact on Nate's future.

'If this did not exist, I'm not sure where my son's future would be. By doing all that hard work now, later on in life it'll be easier for him.'

Faith was initially advised to contact one of the Scheme's early childhood partners in Nepean Blue Mountains for advice and support for Nate.

'We were getting to the point where we were feeling quite lost. We weren't really sure where else to go with Nate. Some of his behaviours were quite extreme and constant,' Faith said.

Through the support of the early childhood partner she says life is looking better. 'We have finally got to a point where we now feel supported. When you have been lost and had no help for six months, to get someone to give you that help quickly, it's immeasurable.'

*Nate,  
Nepean Blue  
Mountains.*







# Working with service providers

## Service provider readiness

Over the past year, the Agency has registered a multitude of new organisations, or service providers, who have joined the Scheme for the first time. As at 30 June 2016, just over 3500 providers were registered to deliver supports under the Scheme. This represents an increase of more than 1500 providers over the 2015-16 financial year.

Providers are individuals or organisations that deliver a support or product to a participant of the Scheme. Participants have choice and control over the providers they engage to deliver supports in their plan, regardless of how their plans are administered. However, supports provided for participants whose plans are administered by the Agency ('Agency managed' plans) are claimed directly from the Agency and must be supplied by a registered provider in the Scheme.

The Scheme creates new and expanded opportunities for providers to be able to supply innovative and personalised supports to people with disability in an open market.

Historically, disability funding has been provided directly to providers by governments or services delivered by governments directly. Central to the Scheme is a shift to directing funding and resources to Scheme participants who will then drive and shape the market (just as in many other commercial markets) through their individual choices of the providers to deliver the supports in their plans. This fundamentally changes the funding relationships that have characterised the disability support system in the past and delivers purchasing power to consumers.

Once the Scheme is fully implemented in 2019, the level of expenditure on disability supports will more than double the current level, reaching approximately

**\$22 billion  
per year,  
supporting  
around 460 000  
participants.**

This means that the market will expand dramatically in the coming years, creating significant opportunities for existing service providers and for new entrants.

In 2015-16 the Agency continued its ongoing engagement and active consultation with existing and prospective Scheme service providers. The Agency further developed pricing and Scheme design work including the *Specialist Disability Accommodation (SDA) Decision Paper* on Pricing and Payments on 1 June 2016.

## The service provider pathway

In 2014-15 a provider pathway was developed which references the administrative interactions between the Scheme and providers. This framework is outlined through the NDIS Provider Toolkit that was developed and delivered in 2015-16 in preparation for full Scheme rollout. The NDIS Provider Toolkit assists individuals and organisations that want to become a registered provider under the Scheme. The Agency recognises that the expectations of providers and the systems that they need to navigate are changing dramatically under the Scheme. The NDIS Provider Toolkit includes answers to the most frequently asked questions from providers about aspects of the Scheme and has a focus on systems and processes. It also references key elements of the Agency's operational policy, which providers also need to understand.

**The primary relationship will be between participants (as consumers) and the providers they choose within a vibrant and competitive market.**

The NDIS Provider Toolkit which is regularly updated contains important information about:

- how the Scheme operates
- how to register as a provider
- how to engage with and manage the supports provided to participants (including how to claim for payment)
- how to manage registration including relevant quality and safeguard arrangements
- changes to key provider processes within the full Scheme, which is of particular importance to providers that have participated in the Scheme during the trial

Through engagement with the provider market, the feedback received by the Agency is that there is strong optimism about the Scheme, and that the majority of providers are planning for significant growth. In addition, a range of providers in adjacent and broader markets intend to operate under the Scheme, for the first time.



# Supporting diverse communities

The Agency has been busy over 2015-16 to prepare the Scheme for full rollout and has gained deeper knowledge of how to improve access for people and communities with additional barriers to accessing supports and services.

These strategies are to be released later in 2016 but there has been considerable work over 2015-16 on strategies specific to four cohorts in particular:

- people living in rural and remote areas of Australia
- Aboriginal and Torres Strait Islanders
- Culturally and Linguistically Diverse (CALD) communities
- people with identified mental illness and psychosocial disability.

## Overcoming challenges for specific communities

Wherever possible the Agency will use the existing strengths and potential of specific communities to assist in implementing and managing the Scheme, including:

- the skills and experience of people in the community
- resources from local organisations, schools and businesses.

In some instances the following will also be considered

- local council land, property, buildings and parks,
- arts, culture and stories of the community.

The following sections focus on the specific needs of each of the cohorts.



## Stephanie and Sandy in Palm Island

The Scheme is giving individuals and families in rural and remote communities access to better support. In Palm Island, Stephanie cares for her brother Sandy and is already seeing the benefits of having the Scheme in her community.

'I've been caring for my brother for 11 years. Communication is the most important thing—I am always communicating with the NDIS. They come out with a lot of great things, help-wise and activities. He goes to Men's Group fortnightly, it's a great help and he is excited when he goes because he's among all the men. I'm not stressing how I used to stress and it has taken a load off my shoulders. I'm ready to do a lot of active things!'

*Story adapted from video NDIS Ready: Carers*

## Assisting rural and remote Australians with disability

To overcome the unique challenges of delivering a comparable level of supports and services to rural and remote participants as those available in Australia's major cities, the Agency is developing the Rural and Remote strategy 2016-19. The strategy will be publicly released in late 2016.

The strategy's vision is to ensure that people with disability in rural and remote Australia, are supported to:

- participate in social and economic life to the extent of their ability
- contribute as valued members of their community, and
- achieve good life outcomes.

Recognising that one type of disability service model or delivery will not be successful for all rural and remote communities, the Agency's approach in these regions will require time and flexible solutions to the challenges for each community.



### Disadvantages

People with disability living in rural and remote areas sometimes experience greater disadvantages, including lower incomes, poorer housing and higher unemployment. Sometimes there may be few or no suppliers in these communities. In these circumstances, the Agency will need to focus its approach to ensure that appropriate and useful supports are available for participants.



### Advantages

Two advantages that rural and remote communities frequently have are strong community networks and successful local solutions. These can be used to help people with disability, as well as their families and carers to organise and access other supports and services.



## Supporting diverse communities

(Continued)

### Supporting Aboriginal and Torres Strait Islander people with disability

In 2015-16, the Agency has worked directly with Aboriginal and Torres Strait Islander communities to inform the development of a specific strategy to improve services for people with disability.

With more than 500 different identified Indigenous groups (or clans) across Australia, each with varying cultural, community governance and knowledge systems, there are many implications for how the Agency engages with Aboriginal and Torres Strait Islander peoples. In effect, addressing disability in Aboriginal and Torres Strait Islander communities requires walking in multiple worlds.

The Aboriginal and Torres Strait Islander Engagement strategy will be a statement of the Agency's commitment to work with Aboriginal and Torres Strait Islander communities in delivering the Scheme across Australia. This strategy will be released in the second half of 2016.

Centrality of country, culture and community will underpin the strategy and examples of the conversation in 2015-16 include focus on engagement and building trust. Within this year, an Aboriginal and Torres Strait Islander Reference Group has been established. The following information illustrates just two of the areas explored by the reference group toward the strategy development.

#### Engaging in the 'proper way'

The Agency recognises that the process of establishing relationships with Aboriginal and Torres Strait Islander people begins with a process of establishing trust with the community. The Agency will be judged by the manner in which they propose to do business, before the community considers the nature of the business.

The 'proper way' is a phrase used to describe a way of doing business in a manner that is compatible with the community's values and customs.

The Agency will provide cultural competency training and consider recruitment and retention of staff to reflect the diversity of our clients and to improve service delivery, productivity, and staff and participant satisfaction.

## Relationships and engagement processes

To effectively deliver disability support and services to Aboriginal and Torres Strait Islander participants, the Agency recognises it must respect established community processes. One of these is that starting a relationship with an individual and their family must include building a relationship with the relevant community for that person. The Agency is adopting an 'I' model approach (figure 4) for initiating a sustainable relationship with Aboriginal and Torres Strait Islander communities.

**Figure 4: 'I' model approach to engagement**



Cultural competency is an ongoing process that aims to be demonstrated by all Agency staff, Local Area Coordinators, suppliers, providers and contractors.

## Aboriginal and Torres Strait Islander strategy in action

The Aboriginal and Torres Strait Islander strategy has been developed using real life experiences. The South Australian (SA) trial site engaged Aboriginal stakeholders as a matter of priority including the First Peoples Disability Network, the Ngaanyatjarra Pitjantjatjara Yankunytjatjara Women's Council, senior women from Anangu Pitjantjatjara Yankunytjatjara (APY) Lands communities and Tullawon Health Service to assist Aboriginal participants across metropolitan, regional and remote South Australia to access the Scheme.



## Supporting diverse communities

(Continued)

### Supporting Culturally and Linguistically Diverse people with disability

People from Culturally and Linguistically Diverse (CALD) backgrounds with disability, and their families and carers, face numerous unique barriers in accessing supports. These barriers exist across and between individual, community and organisational levels, impacting service access, degrees of support and experiences.

Over the past year, the Agency has done considerable work to inform the CALD strategy.

The Agency has established the Cultural and Linguistic Diversity Stakeholder Advisory Group (the Advisory Group) to provide overarching, strategic advice and guidance for the development of the CALD strategy. The Advisory Group first met in August 2015 and has since met in October 2015 and March 2016. The Advisory Group has been instrumental in providing subject matter expertise on CALD matters at national and local levels as well as strategic and service delivery levels.

The strategy will respond to these issues and provide an overview of how it intends to ensure the needs of people from diverse backgrounds with disability, and their families and carers are met in the design, development and implementation of the Scheme. The strategy will be released in the second half of 2016.

The CALD strategy tackles many challenges, including:

- **Attitudes and knowledge:** which may influence whether or not individuals access, or see the need for, formal disability supports.
- **Demography and geography of communities:** factors such as language, duration of time in Australia and geographic location can affect access to disability supports.
- **Access to information:** the availability of easily understood information in a person's preferred language and format about disability services.
- **Capacity and knowledge of mainstream services:** to provide supports for people from CALD backgrounds.
- **Evidence of need and participation:** to allow accurate measuring and reporting of the participation of these communities in the Scheme.



# Better care for Kezia and her family

Parents Aldrin and Maria were so caught up providing the best care for nine-year-old daughter Kezia, who has profound disability, that they could not visit family overseas and found it increasingly difficult to see friends or even leave their home.

Feeling there was no option but to give up their own lives to provide Kezia with adequate care, the family felt confined to their home with no significant help in sight. Kezia and her family are now enjoying more support and better lives with the Scheme.

With Kezia now a participant in the Scheme, Aldrin cannot believe how good life is for his whole family compared to two years ago.

Receiving appropriate equipment such as a hoist and funding for two support workers has been life changing.

'After eight and a half years, I finally got to visit my family and friends in India,' Aldrin said.

Most importantly, Aldrin said, Kezia is much happier now, which is evident through her attention span and smiles.

'Kezia gets a lot of regular therapy, including physio, and I've even got the physios teaching her carers the exercises so they can continue to do them with her when the physio is not there.'

'I'm able to go to work without worry and Maria can too. We've built up a great support network and thanks to the NDIS life is so much better now compared to before', he said.



*Kezia and her mother Maria.*



## Supporting diverse communities

(Continued)

### Mental health strategy

Traditionally the disability and mental health sectors have been distinct, involving different systems of support and terminology.

In 2019-20 the total number of expected participants is approximately 460 000, of which around 64 000 participants are estimated to be those with a primary psychosocial disability (13.9 per cent).

Alongside the Scheme rollout, the mental health sector is undergoing significant parallel reform. In particular, the National Mental Health Commission's *Review of Mental Health Programmes and Services* (the 'Review') produced 25 recommendations to rebuild the mental health system across nine strategic directions. The Commonwealth response to the Review was released on 26 November 2015 with reforms to be rolled out over a three-year period to 2019. The Commonwealth is working with states and territories to develop the *Fifth National Mental Health Plan*. The Agency, through the work of the National Mental Health Sector Reference Group (NMHSRG), has been identified as a key 'plank' for consultation on the development of the *Fifth National Mental Health Plan*. The Agency is actively engaged in this process to ensure the smooth integration of reforms.

### Key points

People living with psychosocial disability are progressively accessing the Scheme and improved opportunities. As at 30 June 2016, 3615 (10 per cent) of all scheme participants have a psychosocial disability, and 2747 participants (8 per cent) recorded their psychosocial disability as their primary disability. It is important to note that this is based on participants in trial and early launch sites in the scheme. This therefore does not reflect the proportion of participants expected at full Scheme. For example, the South Australian trial site is focused on children so would have very small numbers of psychosocial disability during trial phase compared to full rollout after 1 July 2016.

Although psychosocial disability is still being progressively phased into the Scheme, there is a continuing trend of alignment between emerging trial site data and the Productivity Commission's initial estimates of overall percentages.

The Agency has established a robust plan (*NDIA Mental Health Work Plan 2015-16*) to systematically address emerging policy and operational issues. People with psychosocial disability, their families and carers are a critical reference group in the development and implementation of the plan. The plan includes five overarching streams, addressing:

- Scheme access
- design of supports
- mental health sector engagement
- development of reference packages for people with psychosocial disability
- program transition, data, and mainstream interfaces and reforms.

Initiatives of the plan aim to enhance the Agency's administrative arrangements and capacity to respond to people with psychosocial disability, their families and carers. As at 30 June, many of these have been completed or are now in the implementation phase, examples include the development of an engagement strategy, communications products and suite of recovery training to be rolled out to all Agency staff.

### **The future**

The Agency continues commitment to the initiatives identified in the NDIA Mental Health Work Plan. The plan is rigorously reviewed on a yearly basis with expert input from the NMHSRG. Progress of the plan is reported through the Agency's key governance bodies including the NDIS Independent Advisory Council and the Agency Board. Upcoming work includes:

- strengthening the links and clarifying the interface between the mental health sector and mainstream services and supports
- strengthening the links and clarifying the interface between the Scheme and mental health reforms including the establishment of Primary Mental Health Networks (PMHNS)
- deepening engagement across the mental health sector. In particular, with Aboriginal and Torres Strait Islander peoples and the Royal Australian and New Zealand College of Psychiatrists (RANZCP)
- building a catalogue of accessible products and resources to inform the community about mental health and the Scheme.

### **National Mental Health Sector Reference Group**

The engagement stream of the plan includes the establishment and continuance of an NDIA National Mental Health Sector Reference Group (NMHSRG). The purpose of the NMHSRG is to ensure a strong working partnership between the mental health sector and the Agency. Members of the NMHSRG provide expert advice from a cross-section of the mental health sector to the Agency about the national work required to integrate mental health into the Scheme. NMHSRG member representatives include: consumers, carers, mental health commissions, Commonwealth Departments of Health and Social Services, the NDIS Independent Advisory Council, Mental Health Australia (MHA), Community Mental Health Australia (CMHA) and the Mental Health Drug and Alcohol Principal Committee (MHDAPC).



# Learning

A process of  
discovery through  
trial phase

# Market readiness

Alongside work with service providers over the past year, a number of actions have been taken to address a need for a more active approach to market stewardship.

These actions are supported by the Integrated Market Sector and Workforce strategy, endorsed by the COAG Disability Reform Council (DRC) and released in June 2015. This strategy guides the Agency's approach to market stewardship and the development of a robust, open, competitive consumer-led market for disability supports that provides value for money for participants. As part of its market stewardship role the Agency oversees the marketplace and its impact on participants and providers, monitors whether markets are working as intended and seeks to identify ways to drive improvements where these are needed.

The actions discussed here are just a few that demonstrate how the objectives of the Integrated Market, Sector, and Workforce strategy are being followed in the field.

## Housing Innovation showcases

To encourage innovation in housing and attract new suppliers into the housing market—the first Housing Innovation showcase was held in Sydney in April 2016 and a second was held in Victoria in May 2016. Over 1300 people attended these two events.

## Remote disability service provider forum

As part of the development of the Rural and Remote strategy to improve provision of supports in 'thin markets', a remote disability service provider forum was held in Adelaide in March 2016 to share views on the range of disability service delivery models and responses that work best in remote and very remote regions. There is further detail about the Rural and Remote strategy on page 21.

## Publication of market position statements

Another important piece of feedback over the trial phase included action by the Agency to provide assurance about the market. This led to the development of market position statements for each state and territory over 2016.

The market position statements aim to help providers, as well as participants and intermediaries understand the developing local markets they operate in, so that they can make informed decisions now and identify challenges and opportunities for the future. The market position statements provide information down to regional or local government area level and include information on the estimated demand for supports, a picture of market supply, and incorporate insights from providers operating in these local markets.

In 2016, market position statements were released for the following states:

- New South Wales 14 March
- Victoria 22 April
- Queensland 10 May
- South Australia 16 June

Market position statements for other states and territories that have signed bilateral agreements for transition are currently being developed. These can be found on the NDIS website as they are released ([www.ndis.gov.au](http://www.ndis.gov.au)).



## Market readiness

(Continued)

# Phillip Young, father of participant Joshua Young discusses The Junction Project

The Junction Project has been underway for four years providing Josh, Michael and Fraser with shared accommodation.

The Junction started out as a trial project to see how the participants got along together in a rental house and to also track any issues that could occur in such a change.

These three young men amazed their families so much with their skills and ability to learn and grow, that in June of 2015 the project moved to a final stage, with the families looking to buy a house in Newcastle.

‘NDIS have been really wonderful. The project coordinator, Sam, has understood our situation because I think we’re a little bit different to the others. So we’ve got three young men who divide up the funds in equal proportions,’ explains Josh’s father Phillip.

‘I think the biggest handicap that any of our sons and daughters have is ourselves. I find it extremely hard when I’m at the gym with Josh, and rather than driving him home myself, which I really loved and enjoyed doing, I now have to pull back and allow a car to take Josh home. Because this is his independence. It’s not up to me. This is for Josh’s life, not my life.

‘At some stage, I’m not going to be here. I know that the skills that Josh is developing now, through me withdrawing, will allow him to have a better life when I’m not here. Don’t ever think that they can’t do it, because they can. They only need you to withdraw and allow them to do it.’

*Story adapted from video Living My Plan 2*





## Pricing

In the lead up to 1 July 2016, the Agency reviewed and updated pricing arrangements for supports in four key areas:

- **pricing arrangements** were updated for key supports, including: personal care, community participation and supported independent living
- **price loadings** for remote and very remote locations were also updated: 2016-17 prices will be 18 per cent higher for remote areas and 23 per cent higher for very remote, reflecting the most up-to-date loadings from the Independent Hospital Pricing Authority
- new supports and price arrangements are in place for support provided by **intermediaries** - in particular plan managers, support coordinators and other emerging brokerage models
- **Specialist Disability Accommodation (SDA)** that will fund SDA providers for the first time under the Scheme.

These actions were supported by the publication of a *Specialist Disability Accommodation (SDA) Decision Paper* on Pricing and Payments on 1 June 2016, which sets out the benchmark pricing and payments approach for funding of the land and built elements of SDA under the Scheme. This followed the release of the SDA Pricing and Payments framework in November 2015 and was informed by significant input from market stakeholders through regional forums, targeted workshops, individual discussions and responses to discussion papers.

## A new catalogue of supports

Over the year there was an extensive redesign of the Catalogue of Supports (Support Clusters and Pricing document) which was renamed the NDIS

Price Guide. The redesign is supported by a simpler and shorter price list, which will make it easier for providers to claim funds. The new catalogue also aims to reduce confusion amongst participants and providers about the array of supports that can be funded through the Scheme.

### Introduction of a new Information and Communications Technology system

Each time the Scheme experiences challenges, it is important that lessons are learnt and findings implemented quickly to reduce any potential impact on people with disability. The Australian Government announced in the 2015-16 Budget that \$143 million will be invested for the Department of Human Services (DHS) to deliver the Agency's full Scheme Information and Communications Technology (ICT) solution. On 1 July 2016, the Scheme will move from trial to full Scheme transition.

This will include the introduction of the ICT system to support the roll out of the Scheme over the next three years. The Agency will also be introducing a cross-governments initiative to develop a new NDIS Myplace online payment portal for stakeholders which will be a significant undertaking for the Agency. The Agency will be working hard to introduce the portal while working closely with participants, providers and partners to ensure they are financially supported and to resolve any issues.

The Agency experienced issues with the Myplace Portals post 1 July 2016. The Agency apologises for any inconvenience to participants and providers. Payments are now being processed successfully.





# Assistive Technology

Assistive Technology (AT) is an umbrella term for the large and diverse group of products, systems, services, devices and technologies used by people with a disability to support and enhance their economic and social participation.

The Agency has been working hard over the trial period to refine this large area of support to ensure sustainability and equity into the future. Over 2015-16 the Agency has been working on initiatives to support the overarching vision for AT.

Assistive technologies cover the full spectrum of technology from new and sophisticated (specialised apps on smartphones) to the simple but effective (tactile maps and walking sticks). Better design and accessibility features are increasingly making universal technologies (e.g. tablet computers) an important assistive technology for people with disability in their daily lives. AT enables people with disability to live a better, more independent and more inclusive life. It enables people with disability to maximise their independence at home, in the community and in the workplace, ensuring greater economic and social participation.

The Agency's overarching vision for Assistive Technology is:

**'To build an empowering, sustainable and consistent approach to ensuring Scheme participants have choice in, and access to, individualised assistive technology solutions that enable and enhance economic and community participation.'**

In support of the vision, the Agency has outlined the following proposed initiatives:

- support and stimulate a vibrant and innovative supply-side market, by providing a conduit for innovation and promoting the take-up of technology solutions,
- support and stimulate informed, active, participant-led demand by empowering participants to choose technology that best supports their needs,
- deliver a financially robust, sustainable Scheme that generates economic and social value with the Agency only intervening to optimise outcomes for participants and economic value for the Scheme.

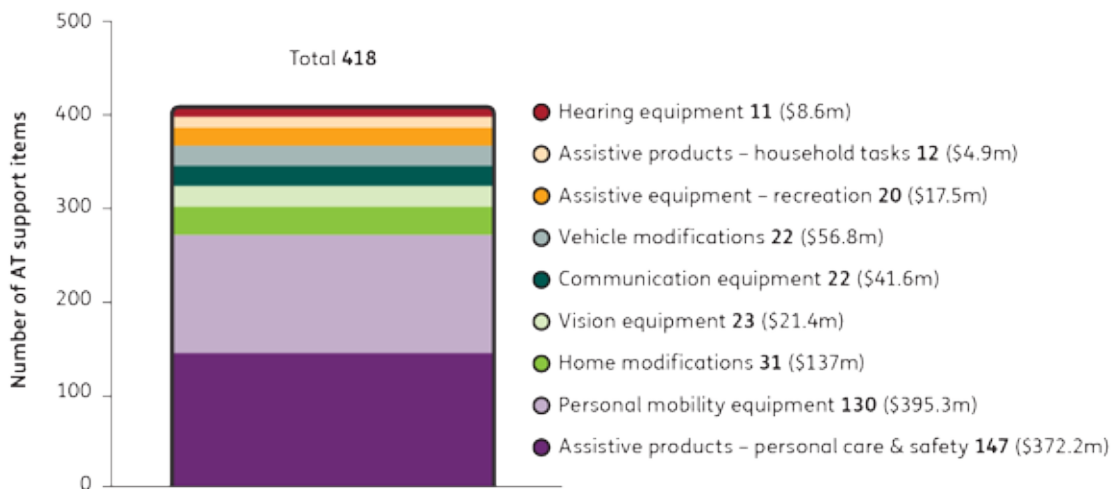
It is important to note that strong evidence of need and the benefit that will be delivered will still be required for AT to be supplied, like any other support, in participant plans and applications for individualised support packages.

## The release of the Assistive Technology strategy

The AT strategy was released in October 2015 to support the development of an empowering, sustainable and consistent approach to ensure Scheme participants have choice in, and

access to, individualised assistive technology solutions that enable and enhance their economic and community participation.

**Figure 5: AT supports and expected expenditure by cluster at full Scheme**



Note: values in brackets total \$1b, and represent full Scheme funding estimates for AT in 2019-20, based on NDIA actuarial forecasts, BCG analysis, World Health Organisation.

## The Agency's investment in Assistive Technology

Spending on AT will be considerable as the Scheme is fully rolled out in 2019-20.<sup>1</sup> It is anticipated that the Scheme's rollout will stimulate the AT market in Australia, encouraging investment and the development of emerging technology solutions.

As knowledge of this increasing demand filters through the Australian and global technology community, the expectation is that Australia could become a hub of AT innovation.

<sup>1</sup> | Excludes special assessment setup and worn-hearing devices in the hearing equipment category. Figures based on NDIA actuarial team data on participants and plans, as at April 30 2015



# Assistive Technology

(Continued)

## Demonstrated importance of Assistive Technology in trial sites

As AT evolves it will provide more opportunities for people with disability. Experiences from the trial sites indicated that AT will be very important as the Scheme rolls out nationally from July 2016.

At the Scheme trial sites by the end of May 2016, AT is included in 35 per cent of participants' broader plans, rising to over 55 per cent for participants who are over 45 years old. Of over 400 AT support item types, the two largest value clusters coming out of the trial sites are assistive products for personal care and safety, and for personal mobility (Figure 5, page 33). Personal care and safety products include consumables such as home enteral nutrition (HEN) and continence products, as well as capital items such as bathroom and bedroom equipment. Personal mobility equipment includes capital items such as wheelchairs, walkers, hoists and transfer equipment.

The highest committed AT expenditure is for participants with 'other neurological disability' (approx. \$15.6m), followed by 'cerebral palsy' (approx. \$11.7m), 'other physical' (approx. \$7.6m), and 'intellectual disability' (approx. \$4.4m). People with intellectual disability and autism combined make up over 50 per cent of Scheme participants. AT spend in this area has historically been low, but new technologies—many used in the mainstream, such as tablet and smartphone applications—are offering opportunities to enhance independence, confidence and participation outcomes for this group.

## NDIS New World Conference: Disability in the 21st Century

There is already evidence of interest about the Scheme's AT potential from global technology companies.

Attendants at the *NDIS New World Conference: Disability in the 21st Century*—which focused on the role of technology in bettering the lives of people with disability—included representatives and Chief Accessibility Officers from leading technology companies such as Apple, Microsoft, and IBM. The global AT market will increasingly see the Australian market as a potential incubator for new technologies and will explore the market opportunities presented by the Scheme.

**‘..technological advancements, digital disruption and innovation are already transforming the lives of people with disability and creating a world with unlimited possibilities and opportunities.’**

**Bruce Bonyhady AM, Chairman,  
National Disability Insurance Agency**  
NDIS New World Conference – Brisbane  
27 October 2015

Agency Chairman, Bruce Bonyhady AM, opened the conference and spoke about how technology has a leading role in the Scheme.

At full Scheme, the Agency expects participants in the Scheme will spend \$1 billion a year on AT, so it was important for the Agency to bring together people with disability, disability service providers, technology experts, entrepreneurs and policy makers at the conference in Brisbane.



New World  
Conference  
presenter  
Dr Jeffrey Cole



# Assistive Technology

(Continued)

## Conference highlights include:

- Dr Jeffrey Cole, Director of the Centre for the Digital Future, University of Southern California, delivered a keynote address at the conference. Dr Cole is a world authority on technology and the influence it has on our attitudes and behaviour. He has been at the forefront of media and communication technology policy issues in the United States and internationally for the past 25 years.
- ‘Digital dreams’ – people with disability explained their technology needs and presented their technology ‘dreams’ to the technology vendors and service providers.
- Christopher Hills, an Apple ‘Accessibility Ambassador’, impressed the audience with his story about how Assistive Technology (or as he likes to call it ‘inclusive’ technology) has made his career possible. Christopher is a highly regarded editor and video producer who lives with cerebral palsy and quadriplegia.
- Top accessibility officers from IBM, Apple and Microsoft giving an outline of their future plans for assistive technology and how this will enable people with disability to participate in a more inclusive community and access an ordinary life.

**Academy Award winner, Dr Mark Sagar who developed the technology for characters in *Avatar*, *King Kong* and *Spiderman 2* discussed developing an artificial nervous system and further future developments that will directly impact the lives of people with disability.**

More than 1500 delegates attended and there was a great sense of optimism and hope throughout the three days.

The Agency collaborated with Social Traders to create the Pitch Competition at the conference to uncover Australia’s top technology start-ups that are inspired to improve the lives of people with disability. Shortlisted start-ups pitched their ideas in less than one minute. The competition winner was AbilityMate, entrepreneurs behind 3D-printable assistive devices.



# Building

Setting the  
scene through  
trial phase

# From trial to transition

The past three years have provided insights and time for the Agency, participants and providers to listen, learn and build through real life experience. Significant relationships and agreements have been established and grown throughout the Scheme trial, culminating in a broad and enthusiastic readiness for full Scheme rollout from July 2016.

This section describes some of those significant relationships, the activities carried out across the nation during this time and many of the performance highlights per region.

*Seven-year-old participant Ben from South Australia. His favourite thing is monsters, werewolves, vampires and telling stories about them.*





# Trial and early transition sites key dates

## Trial sites

### Year one from 1 July 2013

The Scheme trial sites in New South Wales (NSW), Victoria, South Australia (SA) and Tasmania have been operating since 1 July 2013.

- the Hunter trial site – Newcastle, Lake Macquarie, and Maitland Local Government Areas in NSW
- the Barwon trial site – Greater Geelong, Surf Coast, Queenscliffe and Colac-Otway Local Government Areas in Victoria
- the SA trial site for 0 to 14 year olds
- the Tasmanian trial site for 15 to 24 year olds.

### Year two from 1 July 2014

The trial sites in the Northern Territory (NT), Western Australia (WA) and the Australian Capital Territory (ACT) have been operating since 1 July 2014:

- all of the ACT, based on ‘ages and stages’. This means that people with disability enter the Scheme according to either their date of birth or, for school-age children, their academic year.
- the Perth Hills trial site – Swan, Kalamunda and Mundaring local government areas in WA.
- the Barkly region trial site in the NT.

## Early transition sites

Based on the positive experience in trial sites, both the NSW Government and the Queensland Government decided to transition into the full Scheme before the end of the trial phase in certain locations

The early transition of the Scheme in NSW Nepean Blue Mountains commenced in four local government areas on 1 July 2015; the Blue Mountains, Hawkesbury, Lithgow and Penrith; for up to 2000 children and young people under 18 years of age who met Scheme eligibility criteria.

Also in year three, on 27 October 2015, the Commonwealth and the Queensland Government signed the Memorandum of Understanding (MoU) for the early transition of the Scheme for children and young people in the Townsville City and Charters Towers Regional Council Local Government Area and all participants in the Palm Island Aboriginal Shire Local Government Area. Planning commenced from 1 April 2016 for up to 600 participants in the early transition sites in Queensland.



# Bilateral agreements



## What are bilateral agreements?

Bilateral agreements outline roles and responsibilities between state governments and the Agency, as well as high-level arrangements for the transition to full Scheme.

The bilateral agreements will support the transition from 35 000 participants in the Scheme trial sites to the full rollout and an estimated 460 000 eligible people.

Bilateral negotiations have focused on a range of key issues including participant phasing aligned with the agreed funding envelope, workforce transition, continuity of support and market and sector issues.

The bilateral agreements are a critical requirement for the Agency as they underpin a range of service delivery issues, including office locations, recruitment of Agency staff, and communications and engagement.

The Agency's Perth Hills trial site opened on 1 July 2014 for people with disability aged up to 65 living in the local government areas of Swan, Kalamunda and Mundaring.

On 16 September 2015, both New South Wales (NSW) and Victoria signed bilateral agreements for the rollout of the Scheme. The agreements give certainty to around 140 000 people with

disability in NSW and around 105 000 people with disability in Victoria. They also give certainty to their families and carers. NSW and Victoria transition will occur on a geographic rollout.

The Tasmanian and South Australian (SA) bilateral agreements were signed on 11 December 2015. Both transition arrangements build on the extensive lessons learned from the same approach taken during trial of the Scheme, with SA moving to a geographic rollout.

The Queensland bilateral agreement was signed on 16 March 2016, and supports a total of 91 000 people with disability, also based on a geographic rollout.

On 28 April 2016, the Commonwealth Government announced the Perth Hills trial site would be extended by 12 months to 30 June 2017. The trial area is also being expanded from 1 January 2017 to the local government areas of Bayswater, Bassendean, Chittering, Toodyay, York and Northam, covering more than 1200 people by 30 June 2017.

The Northern Territory (NT) bilateral agreement was signed on 16 May 2016. The rollout for NT will also be geographic with initial focus on continuing to build experience in remote communities.

Negotiations are continuing between the Commonwealth and Western Australian (WA) government on full transition arrangements.

Governments have agreed that operational plans will be signed off shortly after signing of the bilateral agreement for each respective jurisdiction.

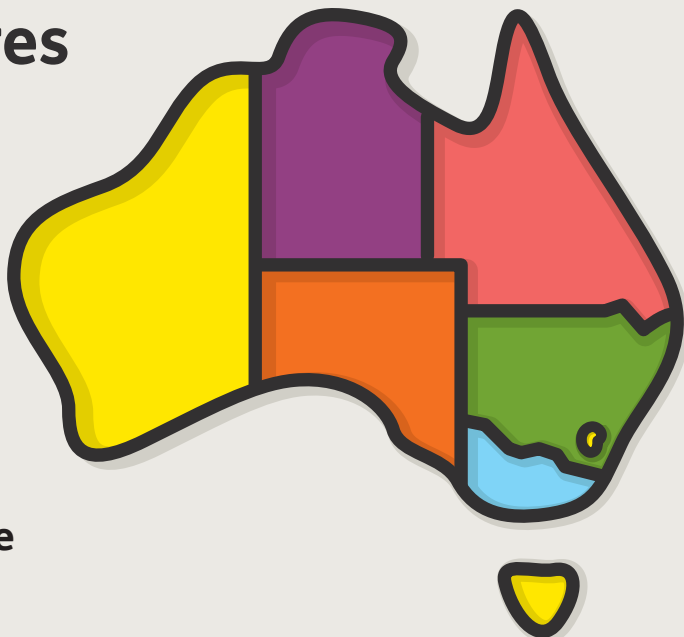
The operational plans for NSW, Victoria, SA and Tasmania have all been signed. The Queensland and NT operational plans are progressing well and are expected to be signed shortly. Operational plans are also discussed in Section 2 Performance.

The Agency’s Chief Executive Officer (CEO) has facilitated meetings with senior officials of state and territory governments to provide oversight of the Agency’s preparedness for operational plan implementation.

Table 1: Full Scheme Status Report – June 2016

ACT	Bilateral agreements – signed	Operational plans – signed
NSW	Bilateral agreements – signed	Operational plans – signed
NT	Bilateral agreements – signed	Operational plans – developing
QLD	Bilateral agreements – signed	Operational plans – negotiating
SA	Bilateral agreements – signed	Operational plans – signed
TAS	Bilateral agreements – signed	Operational plans – signed
VIC	Bilateral agreements – signed	Operational plans – signed
WA	Bilateral agreements – not started	Operational plans – not started

# Headline figures from trial and early transition sites



## National performance

**36 307**

expected participants

**35 695 (98%)**

participants

**30 281 (83%)**

participants with approved plans

**\$36 049** annualised average package cost (excluding large residential centres (LRC))

**\$39 065** annualised average package cost (including LRCs)

### Western Australia - NDIS

Trial commenced July 2014 in the Perth Hills region.

#### Performance to date

4250 expected participants

2681 (63%) participants

2494 (59%) participants with approved plans

\$51 276 annualised average package cost

### Northern Territory

Trial commenced July 2014 in the Barkly region.

#### Performance to date

154 expected participants

161 (105%) participants

155 (101%) participants with approved plans

\$39 894 annualised average package cost

### South Australia

Trial commenced July 2013 state-wide.

#### Performance to date

8500 expected participants

9482 (112%) participants

7118 (84%) participants with approved plans

\$17 742 annualised average package cost



### Victoria

Trial commenced July 2013 in the Barwon region.

#### *Performance to date*

5289 expected participants

5884 (111%) participants

5284 (100%) participants with approved plans

\$35 655 annualised average package cost  
(excluding Colanda large residential centre)



### New South Wales – the Hunter Region

Trial commenced July 2013 in the Hunter region.

#### *Performance to date*

10 111 expected participants

8348 (83%) participants

7805 (77%) participants with approved plans

\$43 400 annualised average package cost  
(excluding Stockton and Kanangra LRC)



### Tasmania

Trial commenced July 2013 state-wide.

#### *Performance to date*

1125 expected participants

1358 (121%) participants

1162 (103%) participants with approved plans

\$58 744 annualised average package cost



### New South Wales – Nepean Blue Mountains

Trial commenced September 2015 in the  
Western Sydney region.

#### *Performance to date*

2000 expected participants

2015 (101%) participants

1804 (90%) participants with approved plans

\$19 231 annualised average package cost



### Queensland

Trial commenced April 2016 in Townsville,  
Charters Towers and Palm Island.

#### *Performance to date*

600 expected participants

537 (90%) participants

361 (60%) participants with approved plans

\$24 983 annualised average package cost



### Australian Capital Territory

Trial commenced July 2014 territory-wide.

#### *Performance to date*

4278 expected participants

5229 (122%) participants

4098 (96%) participants with approved plans

\$47 992 annualised average package cost



# Highlights across trial and early transition sites in 2015-16

The Agency has continued to listen and learn from feedback about real life experiences from participants, partners and providers. There is no doubt that 2015-16 has been a year of innovation and discovery across many parts of the Scheme, as the Agency prepares for full Scheme rollout.

The following information provides more detailed insight into some of the highlights across all trial and early transition sites for 2015-16.

## ***Trial sites***

### **South Australia (SA)**

With Scheme participants across the whole of SA, the Agency continues to work closely with the SA Government regarding transition arrangements, and working through a range of mainstream interface arrangements.

The SA Youth Advisory Group was established in 2015 and continues to listen to young people with disability in SA, to understand how the Agency can improve access, information and engagement for children and young people.

The Agency hosted the inaugural Remote Disability Service Provider reference group in Adelaide in April 2016. This brought together experienced service providers from remote regions across Australia.

Consultation workshops regarding Information, Linkage and Capacity Building (ILC) and the Specialist Disability Accommodation (SDA) pricing and payment framework also took place in SA during April and May 2016.

The Agency in SA provided *Accessing the NDIS workshops* to support families with the access process as a priority. The Agency is working to develop a network of access partners nationally.

In 2016 an Early Childhood Early Intervention (ECEI) team has been established in SA. The Scheme's ECEI approach will be implemented progressively as the Agency works with families to determine the supports required to ensure that the best outcomes are achieved for children. In addition the Agency has identified staff with early childhood experience in identifying and determining supports for young children.

Read how the SA trial site worked with Indigenous stakeholders on page 23.

## Northern Territory (NT)

One major activity in the NT this year was the set up of a Project Officer role as part of the Anyinginyi Health Aboriginal Corporation Community Inclusion and Capacity Development (CICD) initiative.

This role was designed to promote awareness of the Scheme and to support Anyinginyi build its capability around the provision of additional Allied Health services - both quantity of Allied Health services and the range of Allied Health services.

The Agency awarded a CICD grant to fund the renowned Barkly Desert Harmony Festival, held from 31 July to 5 August 2015. The theme for the 2015 Festival was 'Let NDIS Be Light', with a focus on the skills and capabilities of people with disability. The events curated all displayed a strong recognition of the capability of people with disability, including the feature event of the festival, a performance by the Australian Opera.

Another major event was hosted on International Day of People with Disability on 3 December 2015 with local participants invited to discuss the progress of the Scheme in the Barkly region. Local service providers also attended to display their services which included a large display of Assistive Technology (AT) products. Local Elders were also invited and the day included a luncheon and local entertainment. Messages about disability were also provided in local language (Warrumungu).

The Agency supported two local football matches in the local Barkly AFL competition on 2 August 2015 and 25 June 2016. The first match in 2015 was so successful that a follow up game was held again in 2016. Local radio broadcast the events live, interspersed with promotion about the Scheme and the impact it has already had



on many people across the Barkly region, and their families and carers. Scheme participants attended the events as VIPs. Participating players and officials also played in purple socks and with a special Scheme branded match day football.

The Barkly trial site continued to focus on people who have chosen not to enter the Scheme and worked with providers to jointly reach out to encourage testing their eligibility to access the Scheme. A project is currently being developed with a local Indigenous community-controlled organisation to specifically work with these people.

A CICD funded project is currently being negotiated to develop, trial and evaluate an accredited training package to support building skills and capabilities in remote Indigenous communities to support the delivery of the Scheme.

While the trial continued across the Barkly region, with the office located in Tennant Creek, the Darwin Regional Hub was also established in preparation for the rollout of the Scheme in the NT.





## Highlights across trial and early transition sites in 2015-16

(Continued)

### Victoria West (Barwon)

With many participants now on their second and third plans, the Barwon trial site represents an opportunity for the Agency to assess how the Scheme works in 'business as usual' mode.

The Barwon trial site has also implemented a local engagement strategy to ensure participants are invited to explore mainstream and community options, prior to their planning appointment.

The Barwon trial site is establishing a number of local initiatives to better understand the efficiency of interventions with specific cohorts. These include working with therapists and providers to support participants with complex behaviours in supported decision-making, youth transition, shared planning for young children in school, employment and volunteering. The site has made a significant contribution to formal strategies created for Assistive Technology (AT), the Rural and Remote strategy, the Aboriginal and Torres Strait Islander Engagement strategy, and the Culturally and Linguistically Diverse (CALD) strategy.

The national Service Delivery Operating Model (SDOM) underwent a design and validation exercise in Barwon with local partner The Australian Centre for Social Innovation (TACSI) engaged to conduct research and workshops for this initiative. See page 9 for more information about this exercise.

Barwon Agency staff also contributed to the local region by volunteering at the Having a Say Conference conducted by Valid, bringing together self-advocates and adults with disability from all over Australia and overseas.

International Day of People with Disability 2015 was celebrated over a ten-day period involving

many community partners, initiated by Barwon Agency staff.

Barwon Agency staff volunteered for *Give Where You Live*, an initiative designed to raise awareness within government and business of the importance of contributing to the work of local not for profit organisations that support socially disadvantaged members of our community.

### Tasmania

Tasmania was the first region to have outsourced arrangements for Local Area Coordination (LAC) and many lessons from this have informed the national approach.

The Tasmanian trial site has also had ongoing rounds of forums for providers. These sessions were to update providers on Scheme developments and also targeted providers in rural and regional areas of the state. The forums were well attended and provided an opportunity for providers to discuss information and raise issues related to the delivery of service. At the commencement of the trial in Tasmania there were 86 registered providers. This number has now increased to approximately 260.

Tasmania has trialled three approaches of national significance in relation to integrated planning in education and employment: Into Work pilot, which resulted in two young adults finding permanent work in the community; Integrated Planning in high schools; and the School Leaver Employment Supports (SLES).

Read how the Agency in Tasmania worked with LAC partners to conduct information sessions on page 15.

## The Hub in Launceston, Tasmania

The Hub in Launceston is a place where young men, most on the autism spectrum, meet, learn and laugh. It is a place that is building confidence and friendships.

The Hub came to life when a coordinator of support groups, David Hammersley, saw a common thread in the young men he worked with; severe isolation.

'To see them really come alive and come out of their shell has been really great. We have roughly 12 guys, give or take, on a Monday, Wednesday and Friday that we work with. We run group sessions that help them prepare for gaining more independence. These people who are supporting these young fellows are mentors. They support them not only in activity-based things but also they help them emotionally. They educate, they provide opportunities for social skills and engagement and they bring people together.

I think this works because a lot of these guys were in the situation where they don't really view themselves as having a disability but they also still need some form of support. So it is really cool to see that little gap where we might be able to step in and help them out in that way and it's been really great.

The Hub wouldn't have happened without the NDIS, absolutely no way. The NDIS has had a massive impact for us as a provider. It's given us a great lot of scope in the work we are able to provide to young people in the community. We've developed a lot of programs out of that'.

***An extract from a video created about a group of young men in Launceston, Tasmania.***

***It was one of the Agency's most viewed, shared and liked videos on social media.***

***By the end of June 2016 about 25 000 people watched this video and the Facebook post reached more than 105 000 people.***



## Australian Capital Territory (ACT)

The ACT region continues to have the highest level of self-managed participants in the Scheme. The finance team and Local Area Coordination (LAC) team work closely with these participants to support their choice and control over their individual funding plans.

The Agency office in the ACT has worked closely with a range of providers funded through the Sector Development Fund to raise awareness of the Scheme in the ACT as well as support hard-to-engage groups to engage in the planning process. Joint engagement in the community is undertaken including joint stalls at events and regular meetings to progress access and planning for individuals and families. This includes working with Gudan Gulwan, an Aboriginal Youth

Corporation which provides an outreach service to promote understanding and awareness about the Scheme among Aboriginal and Torres Strait Islander people across the ACT community; *Your Voice Your Choice*, a partnership of *Wellways* (Mental Illness Fellowship), *Imagine More* and *Community Connections*.

*Your Voice Your Choice* offers targeted and innovative support to communities and individuals that might find it difficult to access information about the Scheme and supports them to navigate the process, including Aboriginal and Torres Strait Islander peoples, Culturally and Linguistically Diverse (CALD) communities, members of the gay, lesbian, bisexual, transgender and intersex (LGBTI) communities, families with young children and those that speak English as a second language.



## Highlights across trial and early transition sites in 2015-16

(Continued)

The ACT has also successfully piloted the SLES program contributing to the development of the initiative for it to roll out across the country in 2015-16. The SLES program has supported many young people to think differently about their life after school and brought new providers to the employment arena in the ACT.

### Western Australia (WA)

There has been significant focus on people living in psychiatric hostels in WA. Up to 135 people with psychosocial disability who are currently residing in five psychiatric hostels are being assisted to enter the Scheme. The project is supported by a collaboration of organisations working in the mental health sector.

A pilot project, the WA Planning Alliance, was implemented in the Perth Hills trial site during the second year of the trial offering greater choice to participants of providers who may assist them develop their NDIS Plans. The pilot project involved outsourcing components of the planning process to five service providers coordinated by lead agency Valued Lives. The Alliance project will finish in July 2016 and lessons will be documented and shared.

The collaboration assists the trial site to engage with potential participants, determine access and develop and implement NDIS Plans. Almost two-thirds of potential participants have accessed the Scheme at 30 June 2016 and are now being supported to develop and implement their plans. The project will continue to bring people into the Scheme during 2016 and the lessons from this project will inform full Scheme rollout.

There has been considerable work on support coordination with participants and providers in WA. The development of Support Coordination as a funded support type within NDIS Plans, to assist

people to implement their plan and manage their resources to effectively achieve their goals, is an important strategy to promote choice and control and build capacity.

An outreach strategy has been implemented to provide information about the Scheme to eligible people living in the trial site area who have not previously been connected to disability services and offer assistance to access the Scheme.

### New South Wales (NSW) – the Hunter

In 2015-16 there has been a focus on attracting and supporting new providers to become registered providers, with particular focus on Indigenous communities.

There was also a significant focus in the Hunter trial site on bringing new and phasing participants in to the Scheme and ensuring plan approvals were completed in a timely manner in order to meet the NSW bilateral target for the trial period.

Additional resources have been allocated to participant engagement including connecting with people at mental health facilities, community services and shopping centres.

The Agency's Market Provider engagement team has been working with registered providers in Hunter New England and Central Coast to prepare for 1 July 2016 rollout in these areas. The team has also conducted monthly capacity building workshops for providers of support coordination since November 2015 and approximately 800 attendees participated in these workshops prior to 30 June 2016.

Provider registration workshops have been held in Tamworth, Armidale, Glen Innes, Moree, Narrabri, Taree, Gosford and Woy Woy.

## Early transition sites

### Queensland

The Early Childhood Early Intervention (ECEI) approach was implemented in Townsville and Charters Towers at the commencement of the early transition of the Scheme. The Agency commissioned Uniting to be the ECEI partner and they have been delivering supports through a family-centred approach, which builds on family and carer strengths in order to improve the child's developmental trajectory and overall quality of life.

The Agency recognises and respects that there are unique challenges within Indigenous communities and has approached the implementation of the Scheme on Palm Island in a culturally appropriate and sensitive way in line with the experience from the Barkly trial site. This has resulted in the recruitment of a trusted and respected member of the Palm Island Community to the Local Area Coordination (LAC) role and a personalised approach to engagement, participant readiness and planning. Recruitment of the Community Connector to support the LAC and build on the existing strengths of the community will complement this approach.

A number of participant information forums were held in late 2015 in Townsville and Charters Towers. These sessions were jointly facilitated by Department of Communities, Child Safety and Disability Services (DCCSDS) and the Agency. These sessions provided a foundation for future pre-planning activities driven by the Agency to increase awareness of the Scheme. Following on from these sessions, the LACs facilitated a number of small group family readiness workshops in Townsville and Charters

Towers in January 2016. Participants provided positive feedback including that the sessions were informative, the group size was good and people were more prepared to commence planning conversations.

A local market assessment has been (May 2016) undertaken across the three local government areas by the Agency's Market and Providers Division. Market capacity in Charters Towers and Palm Island is expected to be limited and may require further support from the Agency.

Service provider registration has commenced with a broad range and scope of providers now registered across local government areas. The assessment also includes Queensland market data collection and engagement with Queensland service providers. The review areas were chosen because of their potential impact on participants and service providers and are:

- supported independent living services
- the suitability of current measures to recognise different support intensity and complexity requirements for individual participants as part of pricing arrangements
- prices and rules for group community-based and centre-based support activities
- specialist disability accommodation
- pricing in remote areas.

Significant engagement and communication activities have commenced with participants, providers, mainstream organisations and government agencies including community meetings, information sessions and provider registration forums.



## Highlights across trial and early transition sites in 2015-16

(Continued)

# Carers in Charters Towers and Townsville (Queensland) discuss getting NDIS Ready

### Catherine

'My name is Catherine, and I'm a kinship carer and a carer for my three brothers, my niece and nephew, and my son. The support I've been getting to guide me through the NDIS plan is from the neighbourhood centre. With the NDIS you're able to choose who you want. Being a carer and being a sister, a mother, and an auntie, my life is so busy. And now I've got the NDIS, I can relieve a little bit—still do what I have to, but I have that support. Because everyone is being looked after, I'm going to think about myself. My goal and my vision years ago was to become a nurse, a registered nurse. I left that nursing career to look after my family, and now I can get it back and start doing it. My big hope and my wish for them is to be looked after in the future. I'm ready to take back my career.'



### Jo

'My name is Jo and I'm Emma's mother, and I am very proud of Emma. Emma is locally known as the 'master shredder'. Emma has her own small business where she shreds confidential documents. When I first heard about the NDIS, the very heart of the NDIS was about inclusion; about being where people belonged, in their communities, working in it, living in it, engaging in it. So for me, I was like, wow! This is where we're supposed to be! So as far as the NDIS ready goes, we've got a rough draft laid out. And for me, as her mum, I'm going to do whatever it takes to ensure that happens. I'm ready to get a life, when Emma's life's on track. We're NDIS ready, we sure are!'



## New South Wales (NSW) – Nepean Blue Mountains

Cooperation, collaboration and focus on the needs of 0 to 17 year old age groups of participants were the ingredients of success for Nepean Blue Mountains. Potential gaps in service provision were identified early and an improved approach to early childhood intervention was formulated, in particular for those under six years old.

The Early Childhood Early Intervention (ECEI) approach was delivered through four contracted service providers in each of the local government areas, allowing children to be referred directly to a provider. This meant that the majority of the 335 children offered these services did not have direct contact with the Agency. The children integrated into mainstream early childhood settings and their parents were supported to assist the development of their child in natural environments.

The success of this venture is evidenced by the immediate outcomes for the children and their families and the intended introduction of a similar model across Australia as the Scheme rolls out during 2016-17.

In addition to the work in ECEI and early childhood generally, Early Childhood Intervention Australia (ECIA) NSW was assisted to obtain funding through the Sector Development Fund to undertake action research, to test what worked and where additional assistance was required for providers to adapt their business and service models to meet the needs of participants in the Scheme.

The Social Policy Research Centre at the University of NSW undertook the work on behalf of ECIA. With the cooperation of service providers, the medical profession and educational and health personnel, they were able to produce a seminal piece of research to assist early childhood providers to transition to Scheme in the coming years.

Contracted arrangements for Community Connectors were trialled in the Nepean Blue Mountains. Uniting employed Community Connectors to assist families to apply for access, undertake pre-planning and then ensure that children's plans were implemented. Many of the lessons from this initiative are being built in to the LAC arrangements nationwide for 2016-17.

In addition to working closely with the Department of Family and Community Services NSW (FACS NSW), the Agency also worked closely with NSW Health, School Education, Juvenile Justice and Aboriginal Affairs. This resulted in a transition path being created for children on discharge from Westmead Children's hospital. An experienced and suitably qualified Community Connector was available to assist families in accessing the Scheme where their child acquired a disability or had surgical intervention that required different disability supports post hospitalisation. This is a likely future model for the transition of Scheme participants post diagnosis or treatment for the conditions that result in permanent significant disability.

The early work with Aboriginal Affairs will be built on in 2016-17 as staff from both Agencies work with the community to assess the potential impact of the Scheme on employment opportunities for local Aboriginal people.



# **Delivering**

Growth and rollout



# A year of transition

The Agency has also spent time this year expanding in other ways to enable transition to full rollout.

## NDIS Ready

**In May 2016, the Agency launched a communications campaign called NDIS Ready to raise community awareness about the Scheme and prepare people with disability, their families, carers, providers and the community for the full rollout from 1 July 2016.**

The initiative also celebrated the successes of the Scheme to date and created a platform for people to publicly express their support for the new system.

NDIS Ready delivered and achieved outcomes across a range of key communication areas, including government relations, traditional media, social media and internal communications.

### NDIS Ready activities in 2015-16 included:

- A launch at Parliament House in Canberra with support from the Prime Minister, the Hon Malcolm Turnbull MP, and the Minister for Social Services, the Hon Christian Porter MP. This coincided with a briefing on the Scheme for Federal Government Members of Parliament whose electorates cover sites that transitioned into the Scheme from 1 July 2016.
- The development and promotion of key communication products, including animations, factsheets and booklets to help build awareness about the Scheme and prepare people to join the Scheme from 1 July 2016. These resources were also promoted by community and disability organisations across the country.

*Prime Minister Malcolm Turnbull was on hand for the launch of #ndisready.*





## A year of transition

(Continued)

- Production of eight videos profiling participants and people getting ready to join the Scheme. Videos were promoted on the Agency's social media YouTube channels and shared extensively. When combined, the top three videos released as part of NDIS Ready were watched around 50 000 times. Many of these stories have been retold in this report.
- Strong and targeted community engagement through social media – individuals, organisations and community leaders from across Australia showed their support for the Scheme by posting photos of themselves holding the #ndisready sign and adding the 'I love the NDIS' image to their photos on social media. #ndisready was also used when posting information and tips about the Scheme online. This activity created a conversation about the Scheme on social media platforms, and helped reach more than 400 000 people in June 2016.
- Development of an NDIS Ready communications toolkit to provide individuals and organisations with communication materials that can help spread the word about the Scheme across a range of communication channels.
- NDIS Ready information sessions for potential participants and providers were held in all new sites transitioning into the Scheme from 1 July 2016.
- NDIS Ready events such as the Housing Innovation showcase in Melbourne and Sydney. There is more detail about these showcases on page 29.
- A briefing on NDIS Ready for CEOs of peak disability bodies and the development and distribution of a CEO's NDIS Ready information pack.
- Targeted internal communications, including an Agency staff photo competition, which received more than 100 entries from across Australia. The competition was a successful team-building exercise in a growing organisation.
- NDIS Ready will continue to be used to raise awareness as new sites across Australia transition into the Scheme.



## Getting NDIS Ready

Future participant family Kathryn and Jamie Koay (Hobart, Tasmania) are planning for Jamie to enter the Scheme.

‘We are at the planning stage, working out the right thing to put in the plan for Jamie’, said Kathryn.

‘In the future we hope Jamie’s going to have enough independent living skills to be able to go to a supported living house.

‘We think it’s important as a young adult to have the opportunity for her to live in her own house, have her own friends, and hopefully one day she will have her own job—and to be satisfied with the way her life is going. She deserves the right to have her own life and friends—and deserves to have support navigating it.

‘The NDIS is the enabler of that navigation. I’m hopeful that Jamie’s future will be much brighter because of what we will be able to access through NDIS.

‘Opportunity will help decrease stress and anxiety in our family, we won’t be so worried about what’s happening, or the next thing that we will have to apply for, because we will have it planned out well ahead.’

Kathryn and Jamie Koay are planning for Jamie to enter the Scheme.

## Building for the future

It is important to remember that at this point in time, the Scheme is just beginning the important task of rollout across Australia.

As a result of strong governance, considerable review and reporting mechanisms exist to ensure the Agency continues to deliver the Scheme in a way that truly and positively impacts people with disability.

With a view to engaging 460 000 participants by 2020, the Agency will continue to listen to and learn from lived experience of the Scheme, and continually refine and improve the experience for participants and partners, as has already been demonstrated through the trial period.

In the meantime, there will be an ongoing focus on:

- the ways that supports can be provided to participants through new technologies
- data gathering to measure and report on social and economic outcomes
- market position statements and other demand research to encourage market development
- progressively removing price and other transitional market controls where possible
- opportunities to enhance the employment market nationally.

As participants access the supports they need to live an ordinary life or join the workforce, they will consequently rely less on families and carers—who will then also have greater opportunity to participate in employment. Jobs will be created in the disability sector and its partner organisations. Mainstream businesses and organisations will also have greater capacity and understanding of the benefits of this important reform.



# A process of continuous improvement

Two pieces of work developed over 2015-16 that will continue to assist with achieving participant outcomes and financial sustainability are the development of the reference packages, first planning and an Outcomes Framework.

## Reference packages and first plans

Reference packages are being developed to assist with detailed monitoring of Scheme experience, including analysis of potential cost drivers. Reference packages will also allow a referential link between resource allocation to individual participants (that is, the amount of funded support provided to each individual participant) and the overall funding envelope.

A pilot of the reference packages commenced in February 2015 and data has now been collected for around 16 500 participants.

Reference package amounts depend on age, disability type, and level of function, as measured by the chosen assessment tools.

Piloting of the reference package tools will inform the work that is being undertaken to refine the tools, and help with resource allocation. The first plan process builds on the reference packages. The first plan process asks questions across eight domains to refine the reference packages to form each participant's first plan.

## Reference packages progress in 2015-16

### Expert Reference Panel

The Expert Reference Panel met for the first time in May 2016 and significant progress has been made on the development of reference groups and typical support packages for participants with psychosocial disability. A second meeting of the Expert Reference Panel is to be scheduled when further data analysis is complete.

### Level of function data collection

Planning teams have been trained to use tools and processes for collecting information about participants' level of function. Where information on new participants is difficult or not possible for the access teams to collect, planners will collect and enter the data at the planning stage. In addition, NDIS Planners are also collecting data at the time of a scheduled plan review for existing participants.

At 30 June 2016, data had been collected for around 16 500 participants about their level of function—or perhaps more accurately, severity of impairment. This will allow these participants to be placed in a reference group and their plan compared with the reference package. These participants represent around 46 per cent of those registered in the Scheme to-date.

Training in PEDI-CAT tool was completed in 2016 to assist in the capture of function information for participants aged 0 to 20 years. The rate of collection for participants with developmental delay and global developmental delay should increase with the use of the PEDI-CAT.

### Introduction of the PEDI-CAT tool for children

The Paediatric Evaluation of Disability Inventory (PEDI) is a wide-ranging assessment used by physical and occupational therapists, including rehabilitation and educational professionals. The assessment is conducted through an interview with the child's caregiver and/or other significant individuals, such as a teacher.

The PEDI-CAT is a new computer adaptive testing version of the PEDI. The PEDI-CAT software uses a computer algorithm that aims to minimise the number of questions required to estimate a child's abilities. It is done on an iPad or computer and typically takes around 15 minutes, making it significantly shorter than other functional assessments, reducing the impact on parents and care-givers.

As at 30 June 2016, PEDI-CAT data had been collected for 4142 participants, ranging from 0 to 18 years of age, from SA, Victoria, ACT, NSW (Hunter and Nepean Blue Mountains) and WA sites. This sample will be used to determine PEDI-CAT's appropriateness for the assessment of participants in the Scheme—in particular, its ability to provide a spectrum of level of function to use in monitoring Scheme participants and their costs. In addition, it was hoped that the PEDI-CAT could provide a means of evaluating the effectiveness of support over a participant's lifetime and help to determine the appropriate support to suit their needs.

## A process of continuous improvement

(Continued)

### Outcomes Framework

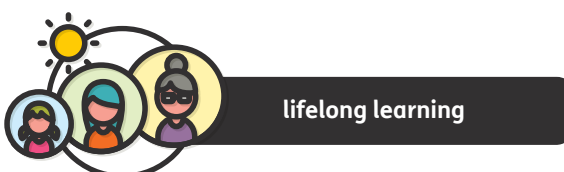
Considerable work has been done over 2015-16 to develop an Outcomes Framework for measuring the outcomes of the support experienced by participants and their carers. The development of the Outcomes Framework considers how outcomes can be measured at a broader level of the Scheme, as well as at the individual level.

The development of this framework has involved consideration of a number of domestic and international frameworks, and has included consultations with a range of experts and stakeholders, including the Independent Advisory Council (IAC or the Council).

Once finalised, the Outcomes Framework will include eight specific areas of participant experience (known as participant domains) as well as outcomes related specifically to families.

**Figure 6: Outcomes Framework participant domains**

The eight participant domains are:



The Outcomes Framework was piloted in the first three months of 2015. The results of the pilot, along with feedback from consultation with the disability sector, are being used to improve the framework.

### **Measuring outcomes of the Scheme for people with disability**

A key aim of the Scheme is to assist people with disability to live ‘an ordinary life’. That is to fully realise their potential, to participate in and contribute to society, and to have a say in their own future—similar to other members of Australian society. The Scheme also involves families and carers, respecting their role whilst supporting them to achieve their goals by providing certainty of support for people with disability. These aims are embedded in the Scheme’s legislation. The Agency is responsible for measuring and reporting on the Scheme’s success against these aims.

The Scheme’s new Outcomes Framework has been developed to measure the medium and long-term benefits of the Scheme to participants, families and carers.

**The Outcomes Framework is based on information from participants and families and carers on how they are progressing in different areas of their lives through a series of questions, or surveys.**

The Outcomes Framework will allow tracking of participant and Scheme progress over time, and demonstrate how participants are faring relative to other Australians and other OECD countries. It will also contribute to an understanding of what types of supports lead to good outcomes for people with disability, their families and carers.

While the primary purpose of the pilot study of the Outcomes Framework was to assess the validity of the questions used in the surveys, some early trends were observed.

For example, the study showed that the Scheme is making a difference to the lives of participants and their families and carers, particularly in the areas of choice and control and daily living activities.

The Agency will also use the Outcomes Framework to identify areas that need targeted strategies to ensure the Scheme continues to deliver for people with disability.

### **Development of the Outcomes Framework**

Development of the Outcomes Framework was guided by some basic principles, including that the indicators should be meaningful, informative, and feasible to collect and report.

A comprehensive review of other national and international frameworks was undertaken, together with an extensive consultation and co-design process that involved people with disability, IAC and CEO forum (CEOs of major providers, peak bodies and advocacy groups), disability researchers, experts working with specific cohorts (such as Aboriginal and Torres Strait Islanders and Culturally and Linguistically Diverse (CALD) communities), and intellectual disability experts.

Almost 400 interviews were conducted during the pilot study, and the information collected was used to refine the questionnaires and inform implementation strategies. Once refined, the questionnaires were called short form versions, and these were used for the pilot study of the Outcomes Framework.



# A process of continuous improvement

(Continued)

## An example of key results from the pilot study of the Outcomes Framework

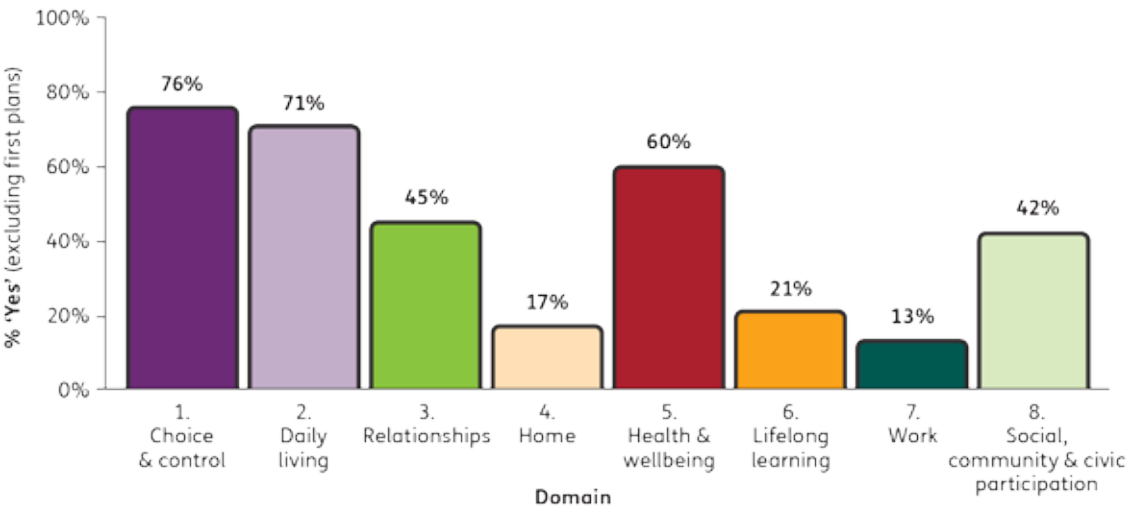
Collection of the short form Outcomes Framework questionnaire for all participants commenced in November 2015 and by 26 June 2016, 13 290 questionnaires had been received for participants and 10 566 for family members or carers. These questionnaires are currently being analysed.

The graph following details key results from the 25 to 55 year age group analysis. The graph summarises responses to the final question from each domain. For example, for the adult choice and control domain, the final question was ‘Has the Scheme helped you have more choices and more control over your life?’ Possible responses were ‘It’s my first plan’, ‘Yes’ or ‘No’. Since the Scheme would not have had a real opportunity to help participants in their first plan, results show the percentage of respondents who thought the Scheme had helped, after excluding those who said they were in their first plan.

### Participants aged 25 to 55

Responses to this question were most positive for Domain 1 (choice and control), where 76 per cent believed the Scheme had helped, followed by Domain 2 (daily living) and Domain 5 (health and wellbeing).

**Figure 7: Example key result from pilot study Outcomes Framework. Participants aged 25-55 answering ‘Has the NDIS helped?’**



A full report has been prepared detailing analysis of the responses to each question in the Outcomes Framework questionnaires and this can be viewed on the NDIS website ([www.ndis.gov.au](http://www.ndis.gov.au))

**Vanessa McCallum,  
mother of participant  
Tayla McCallum  
explains her family's  
hopes and dreams  
within the Scheme.**

'Last year as a family we were trying to work out what our 'normal' was. Now, we have a sense of what our 'normal' is, it is our character', said Vanessa.

'And, a lot of that has been brought about by Tayla's increased independence and she contributes to the family in ways that we didn't realise she could. Tayla's had some amazing strides in her walking.

'When Tayla now gets on a school bus or goes to school holiday programs, she actually walks out the house, very happy and confidently. She steps into the car herself, which for Tayla is a very strong feeling of being able to do something herself.

'One of the things NDIA have put in place for us is funding to have a case coordinator. It's really important having a coordinator like Val as ultimately when Tayla enters adulthood we want her plan driven directly by herself. And, we're not going to live forever!

'A very long term goal, but we really believe in it for Tayla, is talking.

'No matter how much our carers and therapists and schools try and learn some key signs, there's nothing quite like if Tayla can actually explain her needs through speech, instead of having some cards for people to know.

'That would be wonderful.'



*Tayla McCallum  
and her mother  
Vanessa McCallum.*



# **The Agency's people and culture**

# A strong network

The Agency recognises that a strong network of staff and business partners will contribute to its success.

Agency staff and partners work across state and territory boundaries and throughout rural and remote regions. People are recruited, supported and valued for their unique skills and experiences. The Agency is building on its strong culture of people working together and values learning, collaboration and professionalism. United leadership and consistent messages help to support Agency staff and partners to clearly understand how they are contributing to the delivery of the Scheme's goals and outcomes.

The Agency has a commitment to invest in people working together to deliver quality service and foster a culture of high performance. The Agency will:

- establish a capable, national network and support skillful, passionate, positive leaders where people understand their role and impact

- be the employer of choice for people with disability, demonstrating to the community the value and insight that people with disability can bring to an organisation
- link performance and values through an empathic service culture to improve outcomes and participant experiences
- ensure integrated people, processes and technology deliver value and better respond to meet community expectations.

The way the Agency's people and partner staff approach their work and interact with each other and the community they serve is important. The Agency's values and behaviours reflect the expectation that everyone involved in the delivery of the Scheme will act with integrity, respect and empathy.

## Sharyn Craven, Agency employee and Scheme participant

Sharyn became a quadriplegic after a pool diving accident in 1989 but is determined to live an ordinary life, both personally and professionally.

Sharyn says, 'For me an ordinary life is being able to access employment and being able to get around the workplace independently. So, that's just like anyone else, who can come into work and make themselves a cup of coffee and go to their desk, log onto their computer and do their work—that's the exact expectation that I have when I come to work.'

'It's about choice and control as well, of doing what I want to do, when I want to do it. Just like anyone else who has a choice to go to a work function or participate in a community activity, or go to the football or go to the tennis, or go to a concert or whatever.'

'That, for me, is an ordinary life.'





# Values

The Agency's values align to the values that apply to all Australian public servants.

The Agency's values help it to shape how its people individually and collectively behave across the Agency.

**1**

## Assurance

The Agency is committed to certainty of funding for high quality, equitable and effective supports that respect the diversity of all people with disability.

**2**

## Empowerment

The Agency works locally and in partnership with participants, their families and carers to ensure they have choice, control and a voice in determining the supports, services and community activities they need in their lives.

**3**

## Responsibility

The Agency shares a mutual responsibility with participants, the community and providers in providing high quality supports, which maximise potential, independence, integration and inclusion in the community.

**4**

## Learning

The Agency sees every task and interaction as an opportunity to learn and continually improve performance. The Agency is reflective, asks for and acts on feedback, and constantly evaluates its performance.

**5**

## Integrity

The Agency is fair and transparent, does as it says and says what it does, so as to build trust and respect among people with disability, their families and carers, employees, providers and the community.

## The Agency's people and culture

(Continued)

### Creating a values-based organisation

The Agency's workplace culture focuses on placing people with disability at the centre of everything the Agency does. During 2015-16 the Agency continued to build a consistent, cohesive and values-led culture.

This included the development of a variety of strategies including the Reconciliation Action Plan 2016-17 and the NDIA Narrative designed to focus on the future culture of the Agency.

### Building a workforce to develop a national presence

A focus of 2015-16 was establishing the Agency's workforce to ensure it was NDIS Ready across Australia.

The Agency has been working collaboratively with states and territories to ensure a service delivery workforce can be established with the knowledge and skills that can be incorporated into a national approach.

Both the Agency and the states and territories have recognised and value the skills of state and territory based disability staff and that these skills will make a valuable contribution to the successful implementation of the Scheme.

To enable the Agency to deliver service and support from day one of transition to full Scheme, 19 new sites opened in 2015-16 and the service delivery workforce increased by 485 employees.

To ensure the Agency's service delivery workforce is fully supported and can deliver the Scheme nationally, the National Office based in Geelong, Victoria, which incorporates various corporate, strategic and enabling functions, has also grown from a workforce of 303 (1 July 2015) to 419 (30 June 2016).

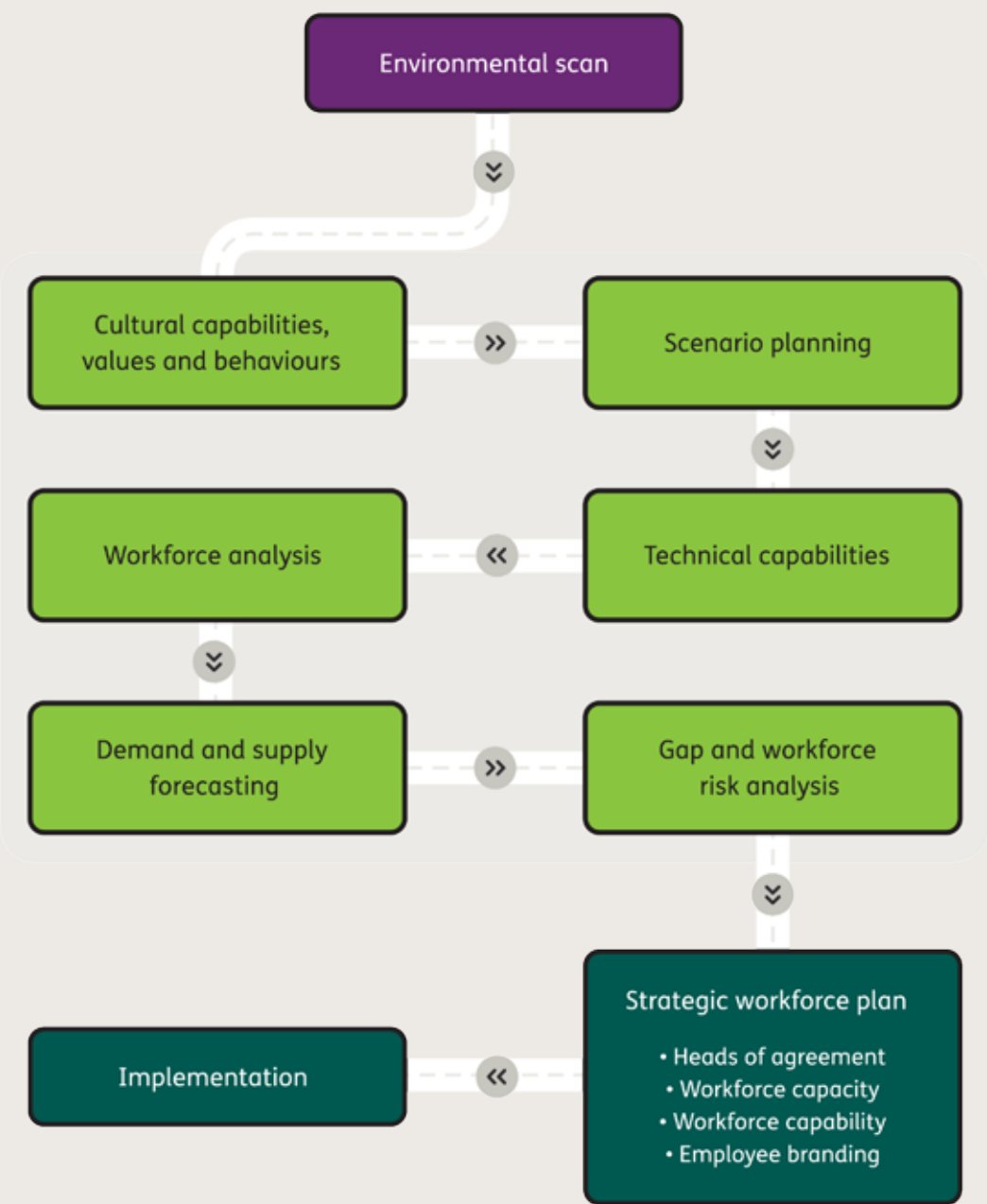
In 2015-16, achievements made in creating the Agency as a values-based organisation include:

- Implementation of a Rewards and Recognition program to recognise outstanding staff performance. Awards are aligned with the Agency's Values of Assurance, Empowerment, Integrity, Learning and Responsibility.
- Embedding the Agency's Values in the Agency's recruitment practices.
- Aligning the Agency's recruitment model with the learning and development framework and performance development framework set out in the Values, Capabilities and Behaviours Statement.
- Maintaining the Staff Participant Network (SPN) for participant, family and carer employees to share their insights, experiences and ideas. The SPN protects and provides support for staff with disability and captures their experiences in a safe, supported environment.
- Holding its first all SES/Director leadership forum, focused on building a united leadership team with a consistent understanding of the Agency's value proposition and strategic priorities.

# The Agency's people and culture

(Continued)

Figure 8: NDIA Strategic workforce planning process



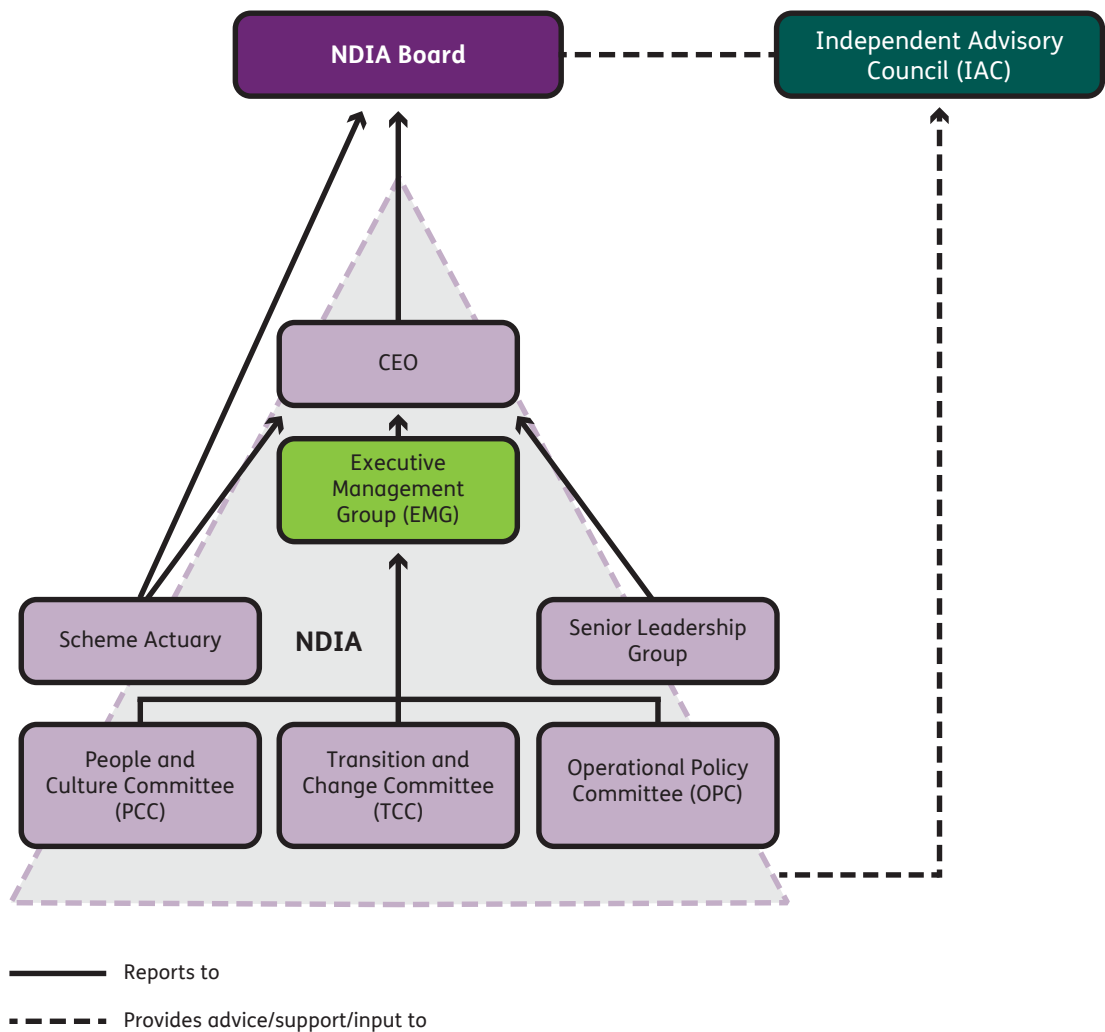


# The Agency structure

The Agency is an independent statutory agency whose role is to implement the Scheme. The Agency manages Scheme funds, administers access to the Scheme and approves the payment of individualised support packages.

**Figure 9: Agency governance structure**

Sub groups of the Board and the IAC have been removed to simplify this diagram.





# The Agency Board

The Agency's Board is responsible for setting the strategic direction of the Agency and for the performance of the Agency's functions under the NDIS Act.

The Board has obligations as the accountable authority for the Agency under the *Public Governance, Performance and Accountability (PGPA) Act 2015*. The Board is responsible for preparing the Agency's Corporate Plan 2016-19 which can be found on the Agency's website ([www.ndis.gov.au](http://www.ndis.gov.au)).

The inaugural Board consisted of the Chair and eight members. Commonwealth legislation was passed in May 2016 to increase the size of the Board by three members, to be constituted of the Chair and 11 members. Board members are appointed on a part-time basis for up to three years. Appointments are made by the Commonwealth Minister for Social Services and the appointment process is coordinated by the Department of Social Services. All appointments are made through consultation with the jurisdictions.

The Board is currently constituted of the Chair and seven members, with four vacant positions. Each of the inaugural Agency Board members commenced their appointments on 1 July 2013 for a period of three years. Membership of the inaugural Board expired on 30 June 2016, with the Disability Reform Council granting extensions to all current members (refer Table 2).

Under the PGPA Act Board members are required to disclose to the Minister any material personal interest in a matter that relates to the affairs of the authority. Board members are asked at each meeting whether a conflict arises between standing interests and the interests of the Agency, and to make a declaration of any interest.

## Agency Board Committees

The Board is advised by three committees

- the Audit, Risk and Finance Committee (ARFC)
- the Sustainability Committee and
- the Information and Communication Technology Committee (ICT).

### Audit, Risk and Finance Committee (ARFC)

The ARFC (the Committee) was established in compliance with section 45 of the PGPA Act. As a committee of the Board, the ARFC helps the Board meet its responsibilities under the NDIS Act and the PGPA Act.

The Committee's objective is to provide independent assurance and advice to the Board on

- the Agency's risk management;
- control and compliance framework;
- and financial statement responsibilities.

Board members on the Committee are Mr John Hill PSM (Chair), Ms Geraldine Harwood and Mr Martin Laverty. The ARFC also has two independent members, Ms Marian Micalizzi and Ms Helen Williams AO. The Australian National Audit Office (ANAO) attends ARFC meetings as the Agency's external auditor, along with the Agency's appointed internal auditors.

## Sustainability Committee

The Sustainability Committee was established to assist the Board in fulfilling its function of sustainability oversight. This involves assessing, monitoring, reporting on and managing the financial sustainability of the Scheme.

The Sustainability Committee's objective is to provide advice to the Board arising from analysis of the Scheme Actuary's reports regarding

- access to the Scheme by participants
- the costs of reasonable and necessary supports
- cost shifting or price inflation within mainstream services.

Board members on the Committee are Mr John Walsh AM (Chair), Professor Rhonda Galbally, Mr John Hill PSM and Ms Fiona Payne. The committee includes two external members, Mr Tom Karp and Mr Peter Whiteford.

## Information and Communication Technology Committee (ICT)

The role of the ICT Committee is to contribute expert perspectives on ICT strategy and systems. The ICT Committee provides advice to the Agency and the Board on:

- the quality, effectiveness and implementation of the ICT strategy
- the quality and directions indicated in the ICT business case to deliver full Scheme operations capability from 1 July 2016
- the adequacy of progress against key deliverables and ICT project timelines
- the cost effectiveness of alternate systems
- alignment between the ICT strategy and the Agency Strategic Plan
- general integrity and functioning of ICT across the Agency.

Board members on the ICT Committee are Mr Glenn Keys (Chair), Ms Fiona Payne and Mr John Walsh AM. The committee has three independent members, Mr Serdar Avsar, Mr Chris Bennett, and Ms Helen Williams AO.

There is more information about ICT on page 31.



# Board members

The Agency's Board members have extensive experience in the disability sector, insurance, financial management and corporate governance.

A person is eligible for appointment as a Board member only if the Minister is satisfied that the person has skills, experience or knowledge in the provision or use of disability services; the operation of insurance schemes, compensation schemes or schemes with long-term liabilities; financial management; or corporate governance.



**Mr Bruce Bonyhady AM  
(Chair)**

B AppEc (Hons) (UNE), M Ec (ANU), LLD (Hon) (Melb), Litt D (Hon) (UWS).

The Inaugural Chair of the Board is Mr. Bruce Bonyhady AM. Mr. Bonyhady has worked for over 25 years to improve the lives of people with disability and is widely regarded as one of the driving forces behind the creation of the Scheme. He has two sons with disability.

Declared personal interests:

- Director, Dexu Wholesale Property Ltd
- Life membership of Association for Children with a Disability
- Chairman, Advisory Panel, Solve@RCH, Centre for Developmental Medicine Research at the Royal Children's Hospital, Melbourne
- Associate Investigator, Centre for Research Excellence on Cerebral Palsy
- Honorary Specialist Consultant to the Chain Reaction Foundation Ltd, (which works with disadvantaged young people and families in the Learning Ground at Mt Druitt)
- Family members are potential participants in the Scheme



**Ms. Fiona Payne**

B AppSc, M Sc (Physio) (CU), ASDA, GAICD

Ms. Fiona Payne has more than 25 years experience on boards and committees in the community sector. She has worked directly with children with disability and their families, as a physiotherapist and manager of health and disability services as well as in systemic change roles. Ms. Payne is a member of the Board's Sustainability Committee and ICT Committee and has a son with a vision impairment.

Declared personal interests:

- Director, 360 Health + Community
- Co-lead, Disability Health Network, Department of Health
- Project Consultant, Fiona Payne Pty Ltd
- Member, NDIS Perth Hills Local Advisory Group
- Member, WA NDIS 'MyWay' Reference Group
- Member, VisAbility Consumer Advisory Committee
- Board Member, Margaret Court Community Outreach Inc.
- Family member is a potential participant in the Scheme



### **Ms. Geraldine Harwood**

B A, Dip Ed, Grad Dip ASOS (Hons) UTAS,  
GAICD

Board member Ms. Geraldine Harwood brings many years of expertise across the disability sector in Tasmania to the Scheme. Prior to 2012, she was the long-term CEO of Optia Incorporated, a large innovative specialist disability service provider. She was highly active in the creation of the Scheme, serving in a number of related board and committee roles, of particular note involvement with workforce issues and planning, ageing and disability and transition across various life span touchpoints. Ms. Harwood is a member of the Board's Audit, Risk and Finance Committee (ARFC).

#### Declared personal interests:

- Director, Scouts Australia Institute of Training
- Manager-Consumer Engagement, Anglicare Tasmania
- Life member, Optia
- Branch Commissioner Special Needs, Tasmania (Scouts Australia)



### **Mr Glenn Keys**

B E (Mech) UNSW

Board member Mr Glenn Keys has long been involved in efforts to improve the lives of people with disability, including through his involvement in the Special Olympics, the Down Syndrome Association and the disability housing sector. He has a background in the health sector as the

co-founder and Co-Executive Chairman of Aspen Medical, and the Founder and Chairman for Project Independence, an initiative offering home ownership to people with disability.

Mr Keys was named 2015 Australian Capital Territory Australian of the Year. He is the chair of the Board's ICT Committee and has a child with an intellectual disability.

#### Declared personal interests:

- Adjunct Professor, University of Canberra
- Co-Executive Chairman, Aspen Medical Pty Ltd and subsidiaries (various international)
- Director, Aspen CMO Pty Ltd (trading as Aspen Corporate Health)
- Director, Remote Area Health Corps Pty Ltd
- Chairman, AMV Australia Pty Ltd
- Director, Peak Recruitment Pty Ltd
- Director, National Ambulance Company (NAC)
- Director, Canberra Business Council
- Chairman, Canberra Business Chamber
- Director, Australian Health Ministers' Advisory Council
- Board Member, National Capital Authority
- Member, University of NSW (Canberra) Advisory Council
- Member of Expert Panel for the Australian Capital Territory Disability Expert Panel
- Board Member, Capital Region Primary Healthcare Network
- Founder of Project Independence
- Family members are potential participants in the Scheme



## Board members

(Continued)



**Mr John Hill PSM**

B Ec (Adel.)

Board member Mr. John Hill PSM is a former Deputy Under Treasurer with the South Australian Department of Treasury and Finance who brings extensive knowledge of government and financial matters to the Scheme. Mr. Hill is the Chair of the Board's Audit, Risk and Finance Committee, and a member of the Board's Sustainability Committee.

Declared personal interests:

- Board Member, Meals on Wheels (South Australia) Inc.
- Member Audit Committee, University of Adelaide
- Member Audit Committee, Department of Treasury and Finance (South Australia)
- Member Audit Committee, Department of State Development (South Australia)
- John Hill Rounds Service, filing service for law firms
- Family member is a potential participant in the Scheme
- Family member is a potential service provider to the Scheme



**Mr John Walsh AM**

B Sc (Syd), FIAA

Mr John Walsh AM is one of Australia's leading actuaries. He is a retired Partner of PricewaterhouseCoopers, where he worked for over 20 years in the areas of social policy and funding across accident compensation, health and disability. He has personal experience of disability, having lived with quadriplegia following a rugby league accident in his early-twenties. He is currently Chair of the Board's Sustainability Committee and a member of the ICT Committee.

Declared personal interests:

- Deputy Chair, National Health Performance Authority
- Retired Partner, PricewaterhouseCoopers
- Actuary, Magoo Actuarial Consulting Pty Ltd
- Scheme Actuary, New South Wales Lifetime Care and Support Authority
- Peer review actuary, South Australian Lifetime Support Scheme
- Adjunct Professor, University of Sydney School of Medicine



**Mr Martin Laverty**

LLM (NTU), PhD cand (UNE)

Mr Martin Laverty is the CEO of the Royal Flying Doctor Service of Australia. Previously, he was CEO of the hospital and aged care group, Catholic Health Australia. Mr Laverty is a former Board chair of both the New South Wales disability service organisations, Sunshine and Challenge Southern Highlands, and former Board member of the New South Wales Muscular Dystrophy Association. Mr Laverty is a member of the Board's Audit, Risk and Finance Committee.

Declared personal interests:

- CEO, Royal Flying Doctor Service of Australia
- Board Director, New South Wales Public Service Commission
- Council Member, National Rural Health Alliance
- Council Member, Commonwealth Department of Infrastructure and Regional Development Aviation Industry Consultative Council
- Advisory Board Member, Australian Charities and Not-for-Profit Commission
- Life Member, Challenge Southern Highlands
- Life Member, Lorna Hodgkinson Sunshine Home



**Professor Rhonda Galbally AO**

B Ec, DipEd (Monash), M A Prelim (La Trobe), Dip Remedial (Hawthorn Institute) (Melb), D SocSc (Hon) (RMIT), D HSc (Hon) (La Trobe).

Professor Rhonda Galbally AO is a member of the NDIA Board, a member of the Board's Sustainability Committee, and Principal Member of the Independent Advisory Council. Professor Galbally has vast experience in health development, disability, and social and housing policy, having in the past served as Chair of the National People with Disabilities and Carer Council. Previously a CEO, Chair Board Director or member of government, non-government and private entities, she too was heavily involved in the creation of the Scheme.

Declared personal interests:

- Director, Australian Psychoanalytic Foundation
- Patron, National Youth Homelessness Commission
- Ambassador, Dying with Dignity
- Chair, International Evaluation Board for the Thai Health Promotion Foundation
- Patron, Compassionate Friends
- Adjunct Professor in the Faculty of Health Sciences and Development at Deakin University





## Board members

(Continued)

**Table 2: Board members' positions, terms and meetings attended**

Board member	Position	Date of appointment	Term expiry	Meetings attended 2014–15	Eligible to attend 2014–15	Meetings attended 2015–16	Eligible to attend 2015–16
<b>Mr Bruce Bonyhady AM</b>	Chair	1 July 2013	30 June 2016, reappointed to 31 December 2016	10	10	9	9
<b>Professor Rhonda Galbally AO</b>	Member	1 July 2013	30 June 2016, reappointed to 30 June 2017	9	10	9	9
<b>Ms Geraldine Harwood</b>	Member	1 July 2013	30 June 2016, reappointed to 31 December 2016	10	10	9	9
<b>Mr John Hill PSM</b>	Member	1 July 2013	30 June 2016, reappointed to 31 December 2016	10	10	9	9
<b>Mr Glenn Keys</b>	Member	1 July 2013	30 June 2016, reappointed to 30 June 2017	8	10	8	9
<b>Mr Martin Laverty</b>	Member	1 July 2013	30 June 2016, reappointed to 30 June 2017	10	10	8	9
<b>Ms Fiona Payne</b>	Member	1 July 2013	30 June 2016, reappointed to 31 December 2016	10	10	9	9
<b>Mr John Walsh AM</b>	Member	1 July 2013	30 June 2016, reappointed to 30 June 2017	10	10	8	9

### Board training and performance evaluation

A review of the Board's performance and effectiveness is planned for later in 2016. The Board and the Agency are subject to significant reporting arrangements, beyond those normally required by the PGPA Act. The Board is required to comply with a range of reporting obligations, and on an annual basis, the Board should conduct a formal evaluation of its performance, under a process to be agreed by the Board. It may occur through the Chair consulting with Board members on a group

or individual basis. An independent expert could be used to facilitate this process.

The Board receives advice from the Independent Advisory Council (IAC) established by the NDIS Act and made up of people with disability, carers, and those experienced in service provision and disability in rural and remote areas. The Advisory Council provides the Board with independent advice on matters relating to the delivery of the Scheme and how it meets the objectives of the Agency.

## Graduate and Intern programs

The agency's first cohort of graduates commenced in January 2016. The cohort includes twelve graduates of mixed disciplines, with ten located in the National Office and two located in Sydney with the Office of the Scheme Actuary.

Within this group, five graduates have identified as having a disability.

The graduates undertake two work placements during their 10 month program, while the two actuarial graduates continue to work for the Office of the Scheme Actuary. Work placements are designed to allow graduates to apply their university qualifications within a professional setting and provide opportunities for them to build upon their understanding of the Scheme.

The graduates attend the Australian Public Service Commission's (APSC) Graduate Development Program as a part of their formal development, which includes the completion of Agency specific projects aimed at resolving challenges and/or areas of opportunity for the Agency.

Each graduate has been provided with extensive development opportunities, such as the chance to experience 'A Day in the Life of a Deputy CEO' by undertaking a day of shadowing with Ian Maynard, Deputy CEO Operations and Carolyn Smith, Deputy CEO Organisational Capability.



The Agency also operates an intern program via The Australian Network on Disability's *Stepping Into* program, which places a student/graduate with a disability into the workplace for 152 hours of paid work. The program allows managers and supervisors the opportunity to develop skills in managing people with disability in the workplace, and also becomes a source of pipeline talent for Agency graduate programs.

In 2015-16, ten interns held placements across a broad spectrum of functions such as legal, governance, actuarial and planning support activities. Interns have been located in NSW, Victoria, South Australia and Western Australia.

The intern program can be a life-changing experience for the participating interns, with the program proven to close the gap in employment after graduation for students with disability. Teams within the Agency that have hosted an intern through the program have had enormous benefit, with it resulting in future employment for the interns and also graduates successfully placed internally.



# Independent Advisory Council

## Three years of independent advice to the Agency Board

The Independent Advisory Council (IAC or the Council) is an integral part of the Agency's structure. It provides independent advice to the Agency Board on how the Agency performs its functions. The Council includes members with a disability.

The Council embodies the principle of co-design through its membership and strong connections with the community. The Council strives to ensure the vision and values of the NDIS Act are used in all areas of the Scheme – for the Scheme to contribute to people with disability becoming more independent, more included in mainstream social and economic participation and more self directing.

In its first three years the Council has visited the majority of the Agency's seven sites and held meetings and roundtables with participants, providers and Agency staff. The Council draws from these round tables to provide feedback to the Agency and the Board.

### Significant contributions in its first two years include:

- conceiving the concept of 'an ordinary life' that has been the basis for key concepts such as choice and control, reasonable and necessary supports, capacity building and personal safeguards and risk
- contribution to the development of the Agency's Outcomes Framework detailed on page 58
- revised and more flexible catalogue of supports
- contribution to the development of reference packages detailed on page 56.



*L to R: Board member Geraldine Harwood and Council members Dale Reardon, Sylvana Mahmic and Dean Barton-Smith.*

Silvana Gant is a representative member from the Agency's Intellectual Disability Reference Group (IDRG). Silvana wanted to be involved in the reference group as she believes in its ability to make a difference.

'The reference group is a good thing as many of the people who will benefit from the NDIS will be people with lived experience of intellectual disability, so it's really important to get a true picture of their current experience,' she said.

'The Scheme is about people living good lives in the community and they can only do this if NDIS truly understands from them what that looks like. It's really important for the NDIS to think through what services and supports people are going to need and to look at new ways of doing things'.



*Silvana Gant.*

### **More recently in 2015-16 the Council has provided focus on:**

- capacity building and early intervention—significant strategies that can change people's aspirations, goals and decisions to become part of the mainstream world
- concepts of safeguards and risk enabling people with disability to exercise choice and control, while balancing personal safety with the dignity of risk
- analysing what is effective in capacity building so that capacity can be built over time through a variety of methods, including peer to peer support and Agency funded reasonable and necessary support
- refining the participant planning process
- refining strategies on how the Agency is designing the Scheme for people with psychosocial and intellectual disability. This work has had a significant impact and has led to the creation of a Mental Health Reference Group (MHRG) as well as the development of a mental health work plan
- creating an Intellectual Disability Reference Group (IDRG). There are a significant number of people in the Scheme who have an intellectual disability.

### **Intellectual Disability Reference Group**

In 2015 the Council set up the Intellectual Disability Reference Group to advise on the effectiveness of the Scheme design and how to engage and connect better with people with intellectual disability to enable them to live an ordinary life.

The group has so far discussed many topics, including:

- promoting equity of access to the Scheme
- planning and implementing support where participants lack effective informal support
- decision-making and participants with cognitive impairment
- participants with complex behaviour
- creating a positive vision for participants with intellectual disability
- information, linkages and capacity building
- participants in large residential centres
- parents who have an intellectual disability.

## Independent Advisory Council

(Continued)

### The future with IAC

The future work program will examine how the Agency can strengthen its focus on innovation. The Council will collect and analyse examples of models of support in housing, work and leisure that build participants' independence, social and economic participation and self management and provide examples of innovative ways in which segregated service models can transition to open inclusive models. This work will be co-sponsored by market and actuarial areas so that different models can be costed, and market levers will be developed to promote them. New innovations in living, working and recreation from Australia and globally will also be analysed and disseminated.

As the Scheme rolls out across Australia from July 2016, the Council will continue to provide advice to the Agency Board so that at every step central to the design and delivery of the Scheme is the goal of people with disability, families and carers living an ordinary life participating fully in Australian society.

The members of the IAC are:

- Professor Rhonda Galbally AO
- Dr Ken Baker
- Mr Dean Barton-Smith AM
- Ms Jennifer Cullen
- Mr Kurt Fearnley OAM\*
- Ms Sylvana Mahmic
- Ms Janet Meagher
- Ms Joan McKenna-Kerr
- Dr Gerry Naughtin
- Mr Michael Taggart
- Mr Dale Reardon

\*Mr Fearnley resigned from the Independent Advisory Council on 5 May 2016.





# Management committees

## Executive Management Group

The Executive Management Group (EMG) is the peak decision-making body in the Agency's internal governance model.

The purpose of the EMG is to:

- advise the Chief Executive Officer (CEO) on overall strategic direction, priorities, management and performance
- oversee the Agency's financial position by allocating resources and monitoring performance and risk
- oversee EMG governance committees
- ensure that the Agency meets its regulatory requirements.

The EMG is made up of the Agency's CEO and each of the Deputy CEOs and is the primary forum for operational decision making in the Agency.

The Agency has refocused EMG membership, governance and priorities in 2015–16, to better align with the accountabilities of the Deputy CEOs. This demonstrates the importance of EMG on internal governance; ensuring decision-making processes are clear and supported by evidence and the expertise of the appropriate people within the Agency.

## Internal committees

The Agency's internal committees provide coordinated decision-making on matters relating to people and culture, operational policy and transition to full Scheme.

The internal governance structure allows the committees to provide advice and assurance to the EMG and, if needed, ensures that change is endorsed and monitored by the appropriate subcommittee.

In 2015–16, the Agency's focus shifted from monitoring trial to preparing for the transition to full Scheme. This meant the Agency was able to direct resources and focus to the priority areas to ensure preparedness for the transition to full Scheme on 1 July 2016.

# The NDIA organisation

## The Executive



**Chief  
Executive  
Officer**

*Mr David Bowen*

Mr David Bowen is the inaugural CEO of the Agency. He was appointed by the Commonwealth Minister as the CEO in May 2013. As CEO, Mr Bowen is responsible for the day-to-day administration of the Agency.

Mr Bowen has been actively involved in developing the disability reform program both as a member of the independent panel advising the Productivity Commission in its inquiry into the feasibility of a National Disability Insurance Scheme, and as initial chair and ongoing member of the National Injury Insurance Scheme Advisory Group.



**Deputy Chief  
Executive Officer,  
Stakeholder Relations**

*Ms Louise Glanville*

Ms Louise Glanville joined the Agency in February 2014 and is currently in the role of Deputy CEO Stakeholder Relations.

In this role Ms Glanville leads the areas of Scheme Transition, Media, Communications and Engagement, Market and Providers and Community Linkages.

Ms Glanville brings a vast range of public sector experience to the Agency and the Scheme including three years at the Commonwealth Attorney-General's Department. She has also

worked at the Victorian Department of Justice, and in local government, academia, the private sector and ministerial offices. As a lawyer and a social worker, Ms Glanville is interested in the intersection between public policy and the law. Much of her work has focussed on the areas of human rights and social reform.



**Deputy Chief  
Executive Officer,  
Organisational Capability**

*Ms Carolyn Smith*

Ms Carolyn Smith commenced as Deputy Chief Executive Officer, Organisational Capability with the Agency in October 2015.

Ms Smith has wide ranging experience in complex structural change, policy development and implementation, program management and regulation. Most recently, Ms Smith led Commonwealth property management and consolidation in the Department of Finance. Prior to that as Acting Deputy Secretary and Division Head in the Department of Social Services, Ms Smith was responsible for ageing and aged care. This included responsibility for implementation of major aged care reform. Ms Smith's responsibilities over many years in aged care spanned policy, program management and regulation of the aged care system.

Prior to her work in aged care, Ms Smith worked in a number of senior executive roles within the Department of Health and Ageing, including responsibility for the National Immunisation Program and the introduction of a Bowel Cancer Screening Program. She was also a senior health negotiator on the Australian United States Free Trade Agreement, with particular focus on pharmaceutical issues.





**Deputy Chief  
Executive Officer,  
Operations**

*Mr Ian Maynard*

Mr Ian Maynard joined the Agency in October 2015 as the Deputy Chief Executive Officer, Operations. Mr Maynard's previous role was Director-General of Queensland Health and prior to this the Commission Chief Executive of the Queensland Public Service Commission.

Mr Maynard has held senior executive positions in diverse industries across both private and public sectors in Australia and New Zealand, and has significant experience in the areas of change management and business improvement initiatives. His preceding roles include Chief Executive Officer of Queensland Urban Utilities, Chief Operating Officer for the Brisbane City Council, senior risk management and strategic procurement roles with Fonterra Ltd, the world's leading exporter of dairy products, and Fletcher Challenge Ltd, in New Zealand.

Mr Maynard has a Bachelor of Science (First Class Honours) from the University of Queensland and has undertaken the INSEAD Advanced Management Program (France). He also holds directorships on the Boards of Hope Centre Services Pty Ltd and Scripture Union Queensland Pty Ltd.



**Scheme  
Actuary**

*Ms Sarah Johnson*

Ms Sarah Johnson was appointed as the Scheme Actuary of the Scheme in November 2013 for a period of three years. In this role, she is responsible for assessing and reporting on the financial sustainability of the Scheme so that management and the Board can make informed decisions about the Scheme's continuing sustainability and direction. Prior to this appointment, she was a Director at PricewaterhouseCoopers.

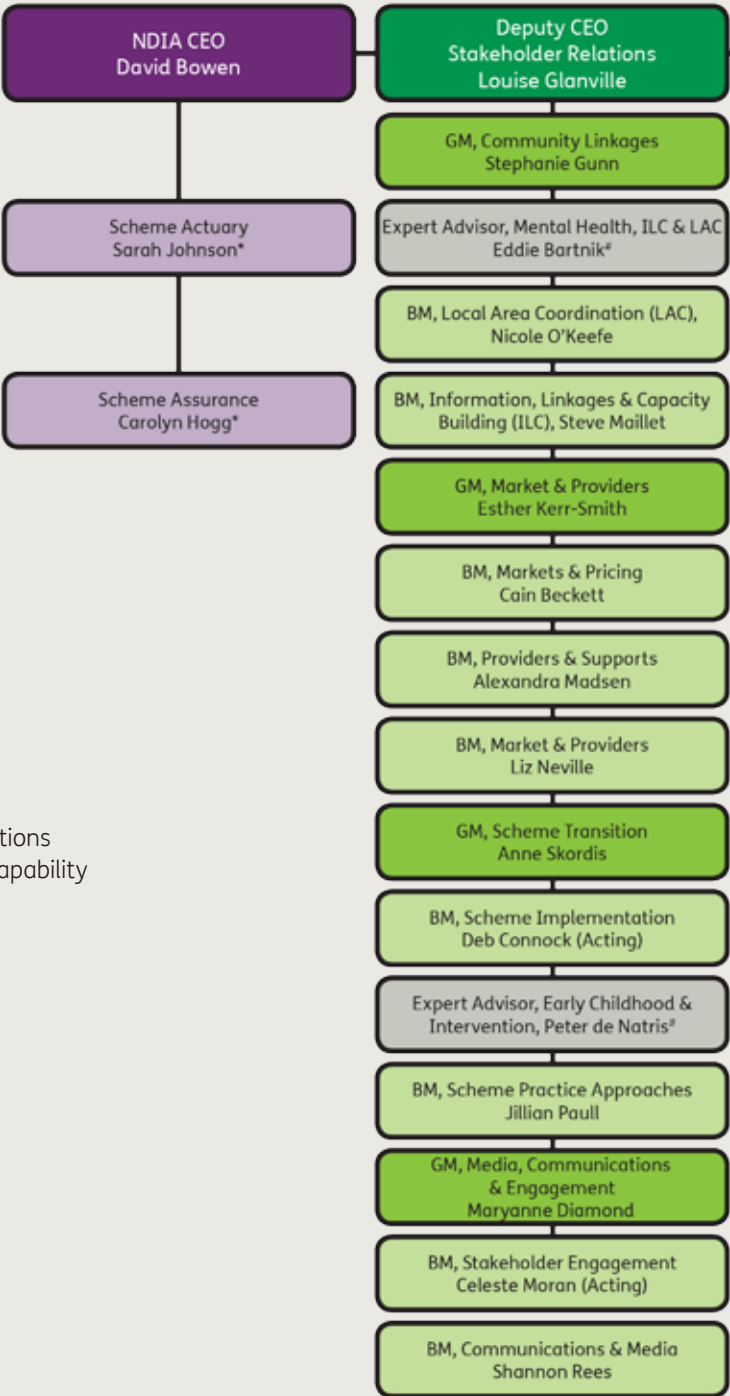
Ms Johnson is a Fellow of the Institute of Actuaries of Australia and has a Bachelor of Commerce (Actuarial Studies and Financial Economics) from the University of New South Wales.

# The NDIA organisation

(Continued)

## Senior Management

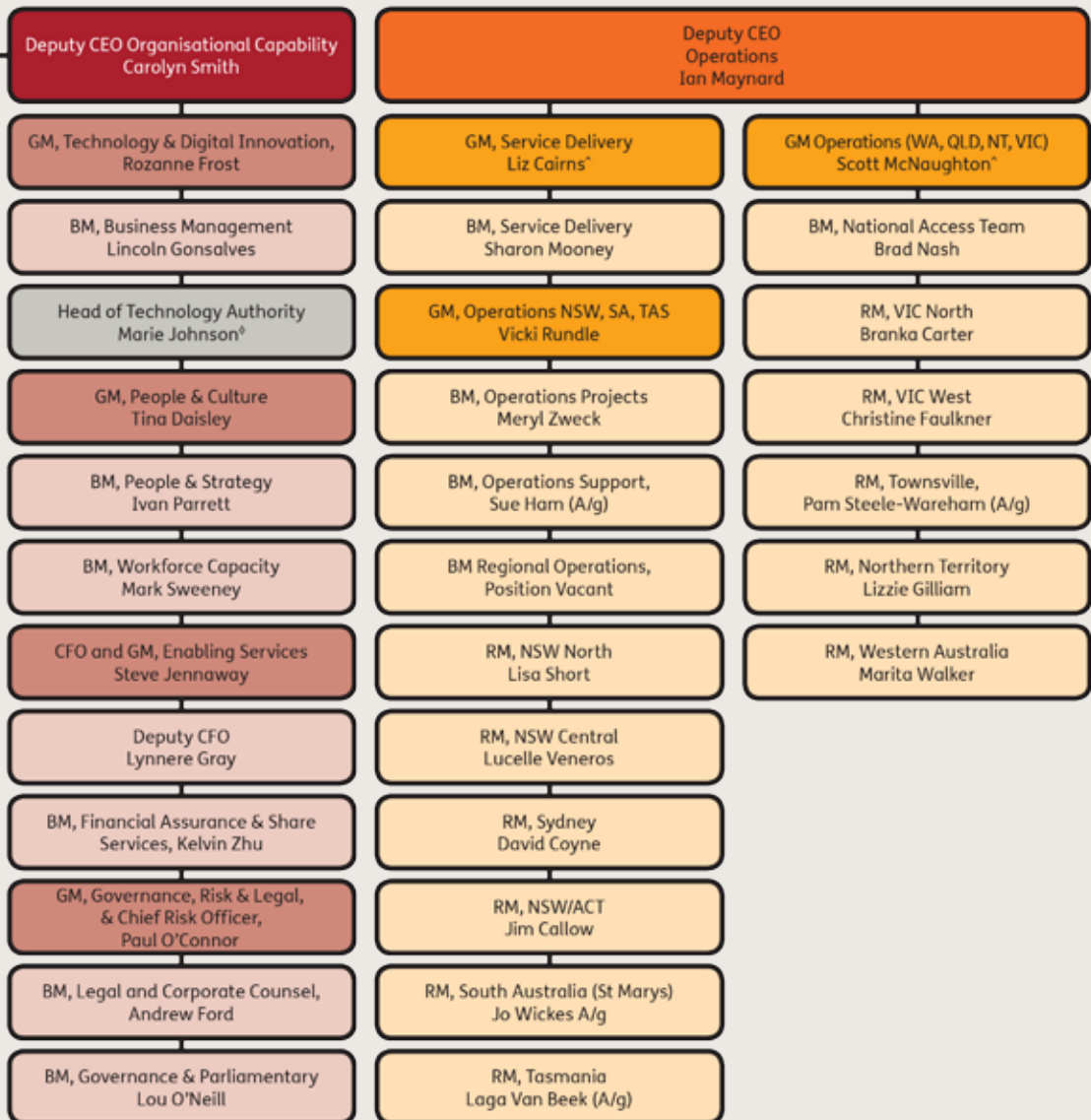
Figure 10: Senior Executive structure as at 30 June 2016



### Key

- GM - General Manager
- BM - Branch Manager
- RM - Regional Manager

- \*Reports to the CEO
- # Reports to DCEO, Stakeholder Relations
- ◊ Reports to DCEO, Organisational Capability





## The NDIA organisation

(Continued)

### Agency staff

At 30 June 2016, the Agency had 1505 employees across the 28 sites and National Office. Agency staff are employed under the *Public Service Act 1999* (PS Act).

### Workplace diversity

The Agency strongly values a workforce comprising people from diverse backgrounds and experiences, and in 2015-16 continued to build an inclusive workplace to reflect their views and those of the community it serves.

The Agency strives to be a leader in accessibility and inclusion, and continues to implement the Accessibility Action Plan 2013-17 including taking steps to include diversity and inclusion considerations within the People and Culture Committee.

The Agency established three Deputy CEO Culture Champions for reconciliation, disability and diversity to promote and support a diverse and inclusive workplace.

In 2015-16 the Agency developed its inaugural Reconciliation Action Plan 2016-17.

The Agency continued to deploy specific strategies including the use of intern positions for people with disability and identified positions, to encourage people with disability, Aboriginal and Torres Strait Islander people and women to apply for leadership roles.

### People with disability

**In 2015-16, nearly 16 per cent of the Agency workforce identified as having a disability. The Agency has already exceeded its target of 15 per cent of its workforce identifying as having a disability by June 2016.**

To achieve this goal, the Agency:

- included a person with disability on each selection panel for service delivery roles
- partnered with the Australian Network on Disability (AND) to deliver disability confidence training to National office staff at induction. AND were contracted to create a bespoke Agency training package titled 'Working in an Inclusive Environment' for delivery to every Agency employee
- commissioned an independent consultant Graeme Innes to undertake a review of the Agency's Attract Support Retain Policy for the employment of people with disability
- commenced first NDIA Program with intake of 12 graduates, with just under 50 per cent identifying as having a disability
- participated in an intern program—'Stepping Into'—to provide up to 10 intern positions for people with disability across the National Office and trial sites.

## Aboriginal and Torres Strait Islander employment

The Australian Government has set a target to increase Aboriginal and Torres Strait Islander employment levels to a minimum of three per cent across the public sector by 2018. As at 30 June 2016, nearly two per cent of the Agency's employees identified as Aboriginal and Torres Strait Islander.

The Agency has participated in a number of activities specific to Aboriginal and Torres Strait Islander employment:

- an integrated employment and development program—the Indigenous Australian Government Development Program (IAGDP)
- an agency staff member participated in the Jawun Program, providing skills and expertise to an Indigenous community for a period of six weeks
- creation of Aboriginal and Torres Strait Islander Cultural Awareness online training package designed to raise awareness of Indigenous culture.

- participated in activities to observe National Reconciliation Week, as well as NAIDOC Week
- the Agency developed its Reconciliation Action Plan, endorsed by Reconciliation Australia.

## Women

In June 2016, 74.42 per cent of the Agency workforce was female. The proportion of women in the Agency declines the more senior the position. Women comprise 65.91 per cent of ongoing senior executives compared with an Australian Public Service (APS) average of 41.8 per cent of women in senior executive services (at 31 December 2015).

## Staffing statistics

The Agency has a higher-than-average number of non-ongoing employees because of the need to meet the surge in workload and project requirements for specific time periods.

**Table 3: NDIA staff by employment type and level, 2014–15 and 2015–16**

Staff	Headcount 2014-15	Headcount 2015-16	FTE 2014-15	FTE 2015-16
Ongoing	748	1118	714.20	1072.08
Non-ongoing	104	378	94.64	364.73
Irregular, intermittent, casual	2	9	0	0
SES*	22	44	22	44
EL 1 and 2 equivalent*	202	280	195.91	275.86
APS 1–6 equivalent*	630	1181	590.93	1125.96
<b>Total</b>	<b>854</b>	<b>1505</b>	<b>808.84</b>	<b>1436.81</b>

\*Classifications based on substantive positions, as at 30 June 2016



## The NDIA organisation

(Continued)

**Table 4: NDIA staff by substantive classification (headcount), 2014-15 and 2015-16**

Classification	2014-15			2015-16		
	Ongoing	Non-ongoing	Total	Ongoing	Non-ongoing	Total
APS 1	0	0	0	0	4	4
APS 2	4	8	12	5	11	16
APS 3	44	10	54	47	85	132
APS 4	74	18	92	152	124	276
APS 5	196	19	215	295	88	383
APS 6	240	13	253	336	25	361
EL 1	107	13	120	156	19	175
EL 2	54	19	73	81	13	94
Legal Officer	2	0	2	2	0	2
Senior Legal Officer	3	0	3	3	2	5
Principal Legal Officer	2	1	3	3	0	3
Public Affairs Officer	3	0	3	1	0	1
SES Band 1	14	1	15	23	6	29
SES Band 2	5	1	6	11	0	11
SES Band 3	0	1	1	3	1	4
<b>Total</b>	<b>748</b>	<b>104</b>	<b>852</b>	<b>1118</b>	<b>378</b>	<b>1496</b>

Note: casuals are excluded

**Table 5: NDIA staff attributes, 2014-15 and 2015-16**

Staff	2014-15	2015-16
Average age	42	42
Average length of service in Agency (months)	13.81	15
How long the Agency has been established as at 30 June (months)	24	36
Female (per cent)	75	74
Male (per cent)	25	26
Part-time (per cent)	17	15

**Table 6: NDIA employees who identify as Aboriginal and Torres Strait Islander (headcount), 2014-15 and 2015-16**

Staff identifying as Aboriginal and Torres Strait Islander	2014-15 (headcount)	2015-16 (headcount)
Non-ongoing part-time	0	0
Non-ongoing full-time	5	12
Ongoing part-time	2	1
Ongoing full-time	8	16
<b>Total</b>	<b>15</b>	<b>29</b>

## Ethical standards

The Agency promotes ethical standards of behaviour by providing extensive information to staff and by developing policies and procedures to support the Agency's expanding workforce.

The Agency strengthened its ethical approach to service delivery in 2014-15 by consolidating the Agency-specific values of assurance, empowerment, responsibility, learning and integrity.

The Agency's internal staff intranet contains information on:

- the APS Values and Code of Conduct
- bullying and harassment
- acceptance of gifts and benefits
- conflict of interest and outside employment
- ethical behaviour in practice
- social media policy
- links to relevant external websites.

The Agency has included the following mandatory training to reinforce ethical standards and requirements for all staff. Mandatory training topics include:

- Work Health and Safety for employees
- fraud awareness at NDIA
- security awareness
- APS Value and Employment Principles and Code of Conduct
- information handling and the NDIA
- *Public Interest Disclosure Act 2013* (PID Act), with information about the legislation also published on the Agency's intranet.





## The NDIA organisation

(Continued)

### Expanding the Scheme's property footprint

As the spirit of collaboration permeates the Scheme, 'working with others' has proved key in another area, property. This area relates to the offices, centres and shopfronts from which Agency staff and partners work.

Co-location has been a key strategy to ensure property locations are within the required area for maximum support coverage. Standalone sites were chosen only when co-location options were not available.

The Agency is expanding its physical presence across the country through the acquisition and establishment of 11 standalone regional hubs, 11 standalone service delivery sites and 12 co-location service delivery sites in 2015-16, in line with the bilateral agreements signed with state and territory governments.

When identifying these sites, the Agency worked collaboratively with the Department of Human Services (DHS), Australian Taxation Office, Department of the Prime Minister and Cabinet and other Commonwealth, state and territory government agencies to maximise the co-location opportunities.

These sites will meet the Agency's remit to support ongoing operational requirements and projected capabilities to provide services to participants.

Planning is also well underway with DHS for sites required for Year Two of the full Scheme rollout, in 2017-18.



# Workforce planning

## Recruitment

The Agency needs to place the right people with the right skills in the right jobs at the right time to ensure the transition to full Scheme is a success. This year was a particularly busy time in recruitment:

**311**

external recruitment processes were conducted

**522**

new employees from a non-APS background started with the Agency\*

**125**

new employees identified with disability

**721**

employment offers were made\*\*

**14 465**

applications for recruitment were received

**48.27 per cent**

of employment offers made were on a non-ongoing basis

**the largest number**

of new starters was employed in the Agency's Operations Group

## Retention

To attain a stable workforce, the Agency must motivate, develop and retain its employees.

The Agency offers flexible working arrangements, opportunities for staff to gain experience in other parts of the Agency via temporary transfers and rotations, conducts exit interviews, and learns from employee feedback.

## Separation

The separation rate for ongoing employees was 7.61 per cent.

## Absences

The unscheduled absence rate over 2015-16 was 7.49 days per FTE; this is a significant reduction when compared with the Agency absence rate of 2014-15 (11.60 days) and compares well against the APS overall rate of 12 days.

\*this is based on the number of non-ongoing and ongoing engagements. The data does not differentiate if from a non-APS background.

\*\*Includes contract extension data.



# Workforce planning

(Continued)

## Employment arrangements

The FaHCSIA Enterprise Agreement (EA) 2012-14 continued to be applied to non-Senior Executive Services (SES) Agency staff for the duration of 2015-16. The agreement allows for Individual Flexibility Arrangements (IFAs) for working hours, leave and remuneration. At 30 June 2016, 1505 employees were covered by the agreement of which 31 were the subject of IFAs.

In December 2015 the Agency's proposed EA was put to vote with an unsuccessful result. The Agency has continued to undertake extensive employee consultation including bargaining representatives and the Agency Consultative Network (ACN). The Agency continued to review and update the draft EA, including the supporting policies and related documentation. The Agency is working towards returning to bargaining and progressing to vote as soon as practical in the 2016-17 year. It will be a modern and simplified agreement, with conditions that are important to employees and build an agile, innovative and high performing workforce.

## Senior Executive Service remuneration

SES employees are offered a remuneration and employment conditions package according to a determination under section 24(1) of the *Public Service Act 1999*. Remuneration includes salary, an executive vehicle benefit, and may include additional salary payments and other remuneration benefits approved by the CEO in accordance with this policy.

Table 7: SES salary ranges

Classification	Salary range
SES band 1	\$161 723 – \$187 949
SES band 2	\$208 711 – \$232 751
SES band 3	\$256 791 – \$280 831

At 30 June 2016, there were 44 SES employees covered by section 24(1) determinations.

The CEO reviews SES salary levels annually, after completing performance appraisals. Recommendations on remuneration increases for SES employees are in accordance with the increases that apply to all Agency employees.

The remuneration and employment conditions package offered under this policy complies with the requirements of the Australian Public Service Commission (APSC) Executive Remuneration Management Policy.

## Learning and development

The Agency is committed to developing the capability of its workforce through a multi-channel delivery approach. Employees are provided opportunities to grow their capabilities through a mix of on-the-job, collaborative and more structured learning approaches.

To support the Agency to transition to full Scheme from 1 July 2016, key development areas in 2015-16 were:

- **Induction and onboarding** – all new staff attended induction, introducing them to the Agency and our participants, building their disability confidence, and reinforcing priority public service capabilities.
- **Business systems** – as the Agency transitioned to the new Customer Relationship Management (CRM) business system, extensive support was provided to staff via on-the-job, peer support and structured development approaches.
- **Participant pathway** – all Agency staff are made familiar with the participant experience through participation in learning that builds a general knowledge of the initial assessment of eligibility through to information gathering, pre-planning, plan approval, implementation, monitoring and review. This foundational learning is provided to both Agency staff and partner agency Local Area Coordinators.
- **Regional hub roles** – to support the establishment of Regional Hubs across Australia, a number of learning programs have been delivered to ensure critical functions and services can be delivered from the commencement of full Scheme.

- **Mandatory learning program** – from June 2016 all staff are required to complete mandatory learning courses aimed at building knowledge in key aspects of being a public servant. These courses included APS Values, Code of Conduct and Employment Principles, Fraud Awareness, Information Handling, Security Awareness and Work Health and Safety for Employees and Public Information Disclosure (PID).

In 2015-16 more than 16 143 structured learning courses were completed via the Agency's learning management system (LEAP), across 61 course types. In addition to these internally delivered structured learning opportunities, many staff accessed external learning opportunities through organisations such as the Australian Public Service Commission (APSC), Australian Human Resources Institute (AHRI), Australian and New Zealand School of Government (ANZSOG), Institute of Public Administration Australia (IPAA) and Jawun.

The Agency also supported the APSC Graduate Development Program, recruiting and supporting twelve graduates through a year-long development program. The Agency also supports the Government and APSC's commitment to building Aboriginal and Torres Strait Islander workforce engagement, engaging three participants in the Indigenous Australian Government Development Program (IAGDP) in 2015-16.



## Workforce planning

(Continued)

### Assistive Technology for the Agency workforce

The Agency provides Assistive Technology (AT) to its staff and contractors with disability. AT refers to any technology such as hardware or software that a user with disability or impairment can use to perform their role effectively.

The Agency identifies the need for AT when a new employee or contractor joins the Agency. Once determined, the Agency works with the Department of Human Services (DHS) and consults with users to assess the requirements for the user and provide the most appropriate solution to ensure the user is able to access technology and successfully undertake their duties.

The Agency has 46 staff accessing 72 different licenses from eight different assistive technology software products. These products assist staff with blindness or low vision, mobility, dexterity, cognitive and learning impairments.

For further information on the AT strategy see page 32.

### Employee engagement

This year, Agency staff members were invited to participate in the 2016 APS Employee Engagement Census. The Census is an important tool aimed at measuring staff attitudes and satisfaction with the Agency's values, leadership and management principles, and employee engagement.

2016 participation achieved an Agency response rate of 72.4 per cent.

### Performance pay

No performance pay arrangements apply in the Agency.

### Performance management

The Agency has now fully implemented a new approach to Performance Development within the Australian Public Service incorporating less reliance on annual plans and more on 100 day planning cycles.

### Performance Development Framework

The Performance Development Framework (PDF) is electronically accessible to staff through the intranet and assists the Agency to improve the performance and capability of everyone in the Agency.

As part of performance development, every employee needs to have a 100 day plan:

- the employee leads the establishment of their 100 day plan based on the team direction set by their manager
- plans incorporate business outcomes and personal development
- plans can start at any time
- plans have between three to five outcomes with a minimum of two core business outcomes and one stretch outcome
- senior leaders are required to include a corporate contribution.

## Work health and safety performance

The Agency acknowledges its employer responsibilities under the *Work Health and Safety Act 2011* (WHS Act), the *Safety, Rehabilitation and Compensation Act 1988* and anti-discrimination legislation.

The Agency takes all reasonably practicable measures to protect the health, safety and welfare of its staff while at work, including providing a safe work environment: The Agency's Work Health and Safety Policy, and Health and Safety Management Arrangements promote consultation, prevention and early intervention and are aligned with the Agency's belief in looking after and valuing its people. The Agency recognises that effective health and safety management systems are good business practice and reduce work-related injury and illness costs. The Agency supports access to information about overall health and wellbeing for its people.

Further information on work health and safety performance is available on page 135.

### Specific actions taken in 2015–16 included:

- engagement of independent auditors to audit both the work health and safety management system and the rehabilitation management system to assist the Agency to identify where further growth of these systems is required ensuring continued compliance with legislative requirements
- due diligence training for NDIA Officers was rolled out
- health, wellbeing, injury and illness management webpages including a suite of documents to support both managers and staff were added to the WHS intranet page
- Health and Safety Representative Network was consolidated and supported by the endorsement of the Work Health and Safety Arrangements
- implementation of the Work Health and Safety e-learning package
- Wellbeing Champions Network launched
- prevention of psychosocial injury training delivered nationwide
- 176 workstation assessments were undertaken
- rollout of the Agency's Early Intervention Program inclusive of training
- over 376 staff participated in the influenza vaccination program.

The Agency will develop an evaluation framework to assess the efficiency of its current and future workplace health and safety initiatives.







# Section 2

## Performance report

*Tasmanian mum, Megan, is self-managing her son Frank's plan and she said it has changed her family's life for the better.*

### In this section

#### Government outcome

Outcome 1

#### Program 1.1

Reasonable and necessary care and support for participants

#### Program 1.2

Community Inclusion and Capacity Development (CICD) Grants

#### Program 1.3

Agency costs

#### The Agency's goals

#### Goal 1

Financial sustainability and insurance principles

#### Goal 2

Choice and control

#### Goal 3

Community satisfaction

#### Financial performance



# Performance statements authority

I, as the accountable authority of the National Disability Insurance Agency, present the 2015–16 annual performance statements of the National Disability Insurance Agency, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the National Disability Insurance Scheme Act 2013 (NDIS Act). In my opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of the entity, and comply with subsection 39(2) of the PGPA Act.

**Bruce Bonyhady AM, Chairman**

This section of the 2015-16 Annual Report provides details of the Agency's performance as measured against targets and objectives outlined in the Department of Social Services 2015-16 Portfolio Budget Statement (PBS) and the 2015-19 Corporate Plan.

# Performance report

The primary outcome, or Outcome 1 for the National Disability Insurance Agency (the Agency) is:

**To implement a National Disability Insurance Scheme that provides individual control and choice in the delivery of reasonable and necessary care and supports to improve the independence, social and economic participation of eligible people with disability, their families and carers, and associated referral services and activities.**



**Government outcomes** are the intended results, impacts or consequences of actions by the government on the Australian community.

**Commonwealth programs** are the primary vehicle by which government entities like the Agency, achieve the intended results of their outcome statements. This means the Agency is required to report on the programs which contribute to the primary government outcome (Outcome 1) for the Agency over the 2015-16 Budget and forward years.

## Outcome 1 strategy overview

The Agency was committed to working closely with the Commonwealth and the states and territories to ensure the successful implementation of the final year of the trial phase of the Scheme in 2015-16. When full national rollout of the Scheme is implemented, it is expected to cost around \$22 billion, of which around half will be funded by the Australian Government, with the remaining funding to be provided by the states and territories.

The Agency has been focused on continuing to build its capability to ensure that it is ready to transition to full Scheme from July 2016 and begin rolling out across Australia once the trial phase is complete.

One example over 2015-16 has been to develop an Information and Communications Technology platform for the Agency to eventually be integrated into all aspects of the Agency's business. It has been critical to enabling the Agency to meet the timeframe for the full rollout of the Scheme that has been agreed between the Commonwealth and the states and territories.

The Agency values the lessons that have been learned during the trial phase and will continue to make improvements in response to Scheme experience to ensure that the Agency's operating model is fit for purpose and scalable for full Scheme.

The Agency will also continue to work closely with all governments to lay the foundations for the Scheme including through the development of operational plans as each jurisdiction transitions to full Scheme.

## Performance report

(Continued)

In this annual report for 2015-16, the programs that will be reported on are:



### Program 1.1

Reasonable and necessary care and support for participants



### Program 1.2

Community inclusion and capacity development grants



### Program 1.3

Agency costs

The following analysis of these programs is based on the *Australian Government Portfolio Budget Statement (PBS) 2015-16*. The PBS included changes to the reporting requirements of the Agency for the programs, to better reflect the context of the Agency in the final year of trial.

Also, from 1 July 2015, performance reporting requirements in the PBS sit alongside those required under the enhanced Commonwealth Performance Framework.

For the first time the performance criteria (or activities that sit under specific programs designed to measure success) described in the PBS will be read with broader information and goals provided in the Agency's Corporate Plan 2015-19. This details the Agency's complete performance story. For this reason, some of the measures against goals and programs, which do share parallel measures, are detailed in both areas.

The success of the Agency's performance in delivering the Scheme can broadly be measured against three main goals:



### Goal 1

The Scheme is financially sustainable and governed using insurance principles



### Goal 2

People with disability are in control and have choices, based on the UN Convention on the Rights of Persons with Disabilities



### Goal 3

Community satisfaction. The community has ownership, confidence and pride in the National Disability Insurance Scheme and the National Disability Insurance Agency

This report will first explore the status of success for the Agency over 2015-16 within the three programs, followed by reports on the three goals discussed above.



## Program 1.1

# Reasonable and necessary care and support for participants

A participant's reasonable and necessary supports take into account any informal supports already available to the individual as well as other formal supports, such as health and education. Reasonable and necessary supports are financial or social supports funded by the Scheme in a range of areas, which may include education, employment, social participation, independence, living arrangements and health and wellbeing.

These supports will help participants to:

- pursue their goals, objectives and aspirations
- increase their independence
- increase social and economic participation, and
- develop their capacity to actively take part in the community.

The following information outlines the objectives, deliverables and results for Program 1.1 for the 2015-16 financial year, which relate to the provision of reasonable and necessary supports.

## Objective

To provide funding for reasonable and necessary care and support to eligible people with disability, and to ensure they are in control and have choices to appropriately support their independence and social and economic participation.

## Deliverables

- Eligible people with disability in trial sites are provided with funding to purchase reasonable and necessary supports
- Eligible people with disability in trial sites are supported to exercise choice and control



**Achieved**



**Achieved**

## Key performance indicator summary

- Number of people with support through the Scheme
- Cost of participant plans in comparison to expected cost
- Proportion of participants self-directing the supports in their participant plan
- Proportion of participants partially or fully self-managing the funding in their participant plan



**Achieved**



**Achieved**



**Achieved**



**Achieved**

# Program 1.1

(Continued)

## Expenses

Expenses for reasonable and necessary care and support for participants increase over the forward estimates as existing trial sites continue to transition eligible cohorts into the Scheme in 2015-16. Further, a new site in the Nepean Blue Mountains area of Western Sydney was established to provide early access to transition to the Scheme for approximately 2000 individuals aged 0 to 17 years old.

From 2016-17 onwards the Agency will be transitioning to full Scheme which will involve a significant increase in both eligible cohorts and the geographic coverage of the Scheme. Subsequently, the increase in expenses for reasonable and necessary care and support for participants over the forward estimates is driven by the increase in the number of participants that are expected to transition into the Scheme.

## Key performance indicator detail

### Key performance measure

Number of people with support through the NDIS.

### Results



- It was projected that there would be under 36 307 participants supported by the Scheme in 2015-16. Note, these estimates reflect preconditions for rollout including state and territory agreement and funding, Agency capacity and gradual transition to support people with disability to move across to the Scheme.

### Key performance measure

#### Cost of participant plans in comparison to expected cost.

##### Results

- As at 30 June 2016, 30 281 participants (active and inactive) have approved plans, and \$2404.3 million of support has been committed to these participants.

Of this \$2404.3 million:

- It is estimated that \$141.0 million (6 per cent) was provided in 2013-14, around 95 per cent of the funding envelope.
- \$505.3 million (21 per cent) is estimated to have been provided in 2014-15, around 111 per cent of the funding envelope for 2014-15.
- \$915.7 million (38 per cent) is estimated to have been provided in 2015-16; 105 per cent of the funding envelope for 2015-16.
- \$842.3 million (35 per cent) is expected to be provided in 2016-17 and beyond.

##### Notes

- Committed support exceeds the funding envelope in 2014-15 and 2015-16. However, as not all committed support is being utilised, an actual deficit will not arise. That is, the Scheme will be within the budget for the three years of trial. Further, due to the phasing of participants into the Scheme during the trial period, comparing committed support with the bilateral agreement does not reflect full Scheme costs.

### Key performance measure

#### Participants self-directing the supports in their participant plan.

##### Results

- Participants are able to choose their supports and who provides their supports.
- Measured participants' progress through an outcomes framework.

### Key performance measure

#### Proportion of participants partially or fully self-managing the funding in their participant plan.

##### Results

- Most plans are solely Agency managed (58 per cent). There are 35 per cent which use a combination of Agency management and self-management, and 7 per cent are solely self-managed. Note: the management of the plan in this instance refers to the financial management of the plan. Participants can self-direct their supports whilst the agency manages the financial side of the plan. Further, in-kind supports cannot be self-managed which also impacts these figures.





## Program 1.2

# Community Inclusion and Capacity Development (CICD) Grants

Community Inclusion and Capacity Development (CICD) Grants are awarded based on the Agency's vision to increase social and community participation for people with disability.

Funding for 2015-16 met the objective of funding not-for-profit organisations to support programs that looked at ways to increase social and community participation. With the Agency moving towards an open grant process for information linkages and capacity building, a number of projects also looked at raising awareness of available resources to support increased participation.

Programs were also funded to assist organisations realign their current activities to increase their focus on inclusion. The Agency ensured the funded projects also supported organisations to prepare for the upcoming open grants process for ILC.

There are other grants awarded by the Agency during 2015-16 for Local Area Coordination (LAC), although these grants are operated and awarded under a separate LAC program. The Agency also provides grants under the School Leaver Employment Services (SLES) grants program and Remote Community Disability Workers grants program.

## Objective

To provide funding to not-for-profit and community organisations to assist them to increase social and community participation for people with disability.

## Deliverables

- Grants to not-for-profit and community organisations to increase social and community participation for people with disability.



Achieved

## Key performance indicators

- Community inclusion and capacity development activities undertaken by the Agency.



Achieved

## Expenses

Expenses for the CICD grants component of Program 1.2 increased in 2015-16 as existing trial sites expanded in accordance with the bilateral agreements between the Commonwealth and state and territory governments and a new site established in the Nepean Blue Mountains region of Western Sydney.

From 2016-17 onwards the Agency will be transitioning to full Scheme which will see a significant increase in both eligible cohorts and the geographic coverage of the Scheme. CICD grant expenses will be tailored to meet the needs of the local community and will increase in line with the expanded coverage of the Scheme.

**Table 8: Grants entered into in 2015-2016**

Grant recipient	Purpose	Grants Program	Value GST exclusive
<b>Action for More Independence and Dignity in Accommodation Inc.</b>	Increase the number of people with cognitive disability sitting on boards, committees and advisory groups within government, service providers and community organisations at a local, state and national level.	CICD	\$48 990
<b>Anyinginyi Health Aboriginal Corporation</b>	Raise awareness of available disability and health supports, identify training gaps, identify other community service needs, identify and encourage the entrance of new disability service providers.	CICD	\$90 000
<b>Arlpwe Artists Aboriginal Corporation</b>	To use the medium of art to engage with three remote Indigenous communities, improve understanding of the Scheme and promote community.	CICD	\$20 000
<b>Barkly Regional Arts Inc.</b>	Sponsorship of Desert Harmony Festival to promote the Scheme in the wider Indigenous community.	CICD	\$65 000
<b>Community Services Directorate–ACT Government</b>	Support not-for-profit organisations in the ACT to provide community supports for people with disability and adjust to the new disability services environment.	CICD	\$1 304 406
<b>DADAA Limited (trading as DADAA)</b>	Develop a cost effective arts workshop program for hostel residents who experience severe and persistent psychosocial disability and additional barriers to their inclusion in community and social life.	CICD	\$59 518
<b>Deakin University</b>	Health Interface project to examine and mitigate boundaries that exist between the disability and health sectors. The project will help to increase the understanding of the health sector on the NDIS, the legislative framework of the NDIS and key NDIS concepts including reasonable and necessary supports.	CICD	\$148 500
<b>Department of Family and Community Services, Ageing, Disability and Home Care–NSW Government</b>	Support not-for-profit organisations in NSW to provide community supports for people with disability in the new expanded disability services environment.	CICD	\$1 723 379

## Program 1.2

(Continued)

Grant recipient	Purpose	Grants Program	Value GST exclusive
<b>Department of Health and Human Services– Victorian Government</b>	Support Victorian Government disability programs to work effectively in the new disability services environment.	CICD	\$700 000
<b>Early Childhood Intervention Victorian Chapter (trading as ECIA Victorian Chapter)</b>	Development of Early Childhood Early Intervention outcomes framework.	CICD	\$40 000
<b>Early Childhood Intervention Australia</b>	To support service providers to work with families to develop their capacity to enhance their child's learning and development (aged 0 to 8 years in SA) which may delay or prevent the need for ongoing specialist disability funded supports.	CICD	\$250 000
<b>Early Childhood Early Intervention Australia</b>	To expand an existing Regional Development Australia project to enable rural and remote families to develop capacity to enhance their child's learning and development which may delay or prevent the need for ongoing specialist disability funded supports.	CICD	\$100 000
<b>Employers Making a Difference</b>	Develop and implement an Access and Inclusion Index that will assist businesses to understand effective access and inclusion for people with disability.	CICD	\$110 000
<b>Geelong Ethnic Communities Council (trading as Diversitat)</b>	Develop an alternate approach to engaging the homeless and those living in Supported Residential Services (including those who do not recognise their own disability or maintain evidence of disability).	CICD	\$150 000
<b>Hawkesbury Early Childhood Intervention Services Inc</b>	Enable families to develop capacity to enhance their child's learning and development which may delay or prevent the need for ongoing specialist disability funded supports.	CICD	\$170 000
<b>Independent Living Centres WA Inc</b>	Upgrade and make available to the general public a database providing advice on assistive technology options.	CICD	\$122 400
<b>Julalikari Council Aboriginal Corporation</b>	Improve Agency engagement with this remote Indigenous community.	CICD	\$90 000
<b>Julia Farr Association Inc (trading as JFA Purple Orange)</b>	NDIS capability and confidence workshops.	CICD	\$41 879

Grant recipient	Purpose	Grants Program	Value GST exclusive
<b>Julia Farr Housing Association Inc.</b>	Arrange open-house exhibitions of contemporary housing designed for people with disability so that accommodation options can be considered by people with disability and their families.	CICD	\$46 200
<b>Lapstone Preschool Kindergarten Association Inc</b>	Enable families to develop capacity to enhance their child's learning and development which may delay or prevent the need for ongoing specialist disability funded supports.	CICD	\$187 500
<b>Lifestart Cooperative Limited</b>	Enable families to develop capacity to enhance their child's learning and development which may delay or prevent the need for ongoing specialist disability funded supports.	CICD	\$187 500
<b>Mundaring Arts Centre</b>	Promote community inclusion and access for people with disability into mainstream community based creative activities.	CICD	\$61 850
<b>National Disability Services Ltd</b>	Establish Ticket-to-Work employment network and resources to support the employment aspirations of school leavers with disability.	CICD	\$50 000
<b>Papulu Apparr-Kari Aboriginal Corporation</b>	Development of Scheme engagement tools.	CICD	\$90 000
<b>Peedac Pty Ltd</b>	Increase the engagement and registration of people with disability in the Perth Hills trial site with a focus on the Aboriginal and Torres Strait Islander community.	CICD	\$50 000
<b>Prader-Willi Syndrome Association of Australia (Inc. in Victoria)</b>	Develop a community resource to assist in the better understanding, responses and management of people with Prader Willi Syndrome.	CICD	\$30 000
<b>Print Handicapped Radio</b>	Broadcast information about the Scheme to people who are unable to use printed materials.	CICD	\$39 340
<b>SDN Child and Family Services Pty Ltd</b>	Enable families to develop capacity to enhance their child's learning and development which may delay or prevent the need for ongoing specialist disability funded supports.	CICD	\$55 000
<b>Social Ventures Australia Ltd</b>	Development of a capacity building toolkit to support the transformation of the disability sector to the new disability services environment including a National Disability Insurance Scheme.	CICD	\$450 000

## Program 1.2

(Continued)

Grant recipient	Purpose	Grants Program	Value GST exclusive
Summer Foundation Ltd	Research best practice in the provision of housing that meets the needs of people with complex support needs to provide options for young people currently residing in residential aged care facilities.	CICD	\$76 873
Therapy Focus	Develop and implement training program to therapists and Allied Health professionals in the disability sector to improve toilet training and associated skills.	CICD	\$36 026
Tullawon Health Service Inc	To promote the Scheme in remote Indigenous communities to encourage increased NDIS access and pre-planning by Indigenous children in remote communities.	CICD	\$80 000
Uniting NSW.ACT trading as Uniting Church in Australia Property Trust (NSW)	Provide housing facilitation and matching service for people with disability.	CICD	\$100 000
The Uniting Church in Australia Property Trust (Q.) trading as UnitingCare Community	Early Childhood Intervention services in Townsville and Charters Towers.	CICD	\$270 774
Urapuntja Aboriginal Corporation	Development of NDIS engagement tools.	CICD	\$25 000
VALID-The Victorian Advocacy League for individuals with Disability Incorporated	Determine best practice for the supporters of people with disability to support decision making by people with impaired decision making.	CICD	\$446 132
Young People in Nursing Homes Alliance	Establish a mechanism for formal engagement with mainstream service providers (Health, Housing, Aged Care, Education and Justice) to work collaboratively with the National Disability Insurance Agency and improve their member provider's capacity to include people with disability.	CICD	\$77 033
Youth Network of Tasmania	Development of youth advisory network framework.	CICD	\$23 930



## Program 1.3

# Agency costs

## Agency costs program

Ongoing financial sustainability is vital to the Agency's long term ability to deliver the Scheme to people with disability around Australia. For the Scheme to remain economically viable it is governed using strict insurance principles.

Management of cost drivers is a key component of the insurance approach, requiring strong monitoring of Scheme experience, including actuarial analysis, which compares actual experience with expected experience. This comparison allows cost pressures to be identified and addressed in a timely manner.

The Agency costs program ensures efficient and effective use of the operating resources to implement the outcomes of the Agency.

The Agency costs program contributes to the outcome as it is the primary delivery mechanism for the implementation of the Scheme. The Agency is responsible for assessing applicants to the Scheme and developing plans for those who are eligible in a manner that is based on insurance principles. The Agency administers the payments made under Program 1.1. to provide funding for reasonable and necessary care and support to eligible people with disability, and to ensure they are in control and have choices to appropriately support their independence and social and economic participation.

The Agency develops and maintains the strategies and frameworks to be used in the transition of the Scheme from trial to full Scheme. These strategies and frameworks include the process for assessment and planning, disability services market development and community engagement and communications. The actions of the Agency are expected to impact all Australians with a particular focus on people with a disability, their carers and families.

## A note on Agency costs during launch

The Agency's resourcing during the early years of the Scheme's full launch includes a significant investment in infrastructure, including the development of a national ICT system and the establishment of service delivery centres in line with bilateral agreements.

The Agency has made, and will continue to make, significant investment in project management capability and capacity to support the rollout of full Scheme and avoid cost overruns. This includes the establishment of an Enterprise Program Management Office to support project delivery across the Agency.

To deliver the full Scheme rollout, the Agency has increased staffing and other resources progressively in line with a significant increase in participant numbers and geographical expansion of the Scheme. The Agency is committed to delivering these resources in line with bilateral agreements.

A number of mechanisms are in place to manage this growth including:

- a prioritised resource allocation model in line with Agency strategy (including early investment in critical Agency functions)
- comprehensive and nationally consistent financial policies and processes
- regular internal reporting and analysis of financial results and non-financial indicators
- a formal approach to financial risk mitigation, with oversight from the CEO and the Board.

# Program 1.3


(Continued)


## Objective


To ensure efficient and effective use of the Agency operating resources to implement the outcomes of the Agency.


## Deliverables

- Eligible people with disability are supported to transition into the Scheme. 

 **Achieved**
- Implementation of intergovernmental agreements and bilateral agreements between the Commonwealth and the states and territories for transition to the Scheme. 


 **Partially achieved**
- Monitoring of and refinements to the Agency’s service delivery model to reflect experience with trial sites. 


 **Achieved**
- Estimation and management of short-term and long-term Scheme costs. 


 **Achieved**


## Key performance indicator summary

- Participant/carer/family satisfaction with the Agency 

 **Achieved**
- Number of participants transitioned into the Scheme and progress against targets from bilateral agreements 

 **On track**
- Transition Operational Plans are agreed with all jurisdictions transitioning to full scheme 

 **Partially achieved**
- Ratio of operating expenses to expenses 

 **Achieved**

## Expenses

Expenses for agency costs increased in 2015-16 due to the expansion of existing trial sites and the establishment of a new site in the Nepean Blue Mountains area of Western Sydney which will provide early access to transition to the Scheme to 2000 individuals aged 0 to 17 years old. To meet this increased demand the Agency will need to expand its service delivery operations and as such will incur additional expenses.

From 2016-17 onwards the Agency will be transitioning to full Scheme which will see a significant increase in the eligible cohorts and the geographic coverage of the Scheme. Expenses for Agency costs over the forward estimates will increase in line with the expansion of the Scheme as the Agency engages additional service delivery staff and establishes a national service delivery footprint.



## Key performance indicator detail

### Key performance measure

Participant/carer/family satisfaction with the Agency.



- Participant satisfaction remains high, with 95 per cent of participants rating their planning process as 'good' or 'very good' as at 30 June 2016
- Participant satisfaction is rated on a scale of very poor (-2) to very good (+2), with neutral being 0. Participant satisfaction remains high at 1.62. This is consistent with previous years.

### Key performance measure

Number of participants transitioned into the Scheme and progress against targets from bilateral agreements.



- 35 695 participants were eligible for the Scheme (98 per cent of the combined bilateral agreements expectations).

### Key performance measure

Transition Operational Plans are agreed with all jurisdictions transitioning to full Scheme.



- Operational Plans detailing implementation activities, roles and responsibilities have been signed with NSW, Victoria, SA and Tasmania. The Commonwealth, Queensland and Northern Territory governments continue to work collaboratively to progress planning towards Scheme rollout. There is more information on bilateral agreements on page 40.

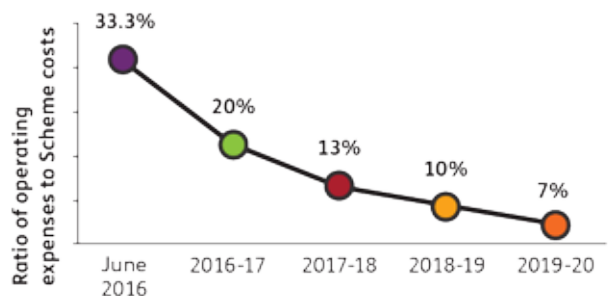
### Key performance measure

Ratio of operating expenses to Scheme costs.



- Based on budgets and projections in the forward estimates the ratio of operating expenses to Scheme costs is trending downwards.

**Figure 11: Ratio of operating expenses to Scheme costs**



Note June 2016 ratio is actual. future years are projected.



## Goal 1

# The National Disability Insurance Scheme is financially sustainable and governed using insurance principles

## Delivery strategy

- **Base** governance and operations on strong insurance principles using comprehensive and reliable data.
- **Invest**, including early intervention in a lifetime approach.
- **Drive** support services and workforce to be high quality, effective, efficient and responsive to the diversity of Scheme participants, so as to create a new dynamic and non-inflationary market for disability supports.

## Goal 1 overview

The experience from the trial sites has helped to inform the financial sustainability of the full Scheme once it begins rollout from 1 July 2016. Four of the Scheme trial sites have operated for three full years (1 July 2013 to 30 June 2016), providing the Agency with a reliable base from which to make accurate projections for full Scheme participant numbers and costs, ultimately helping to assess financial sustainability.

Factors contributing to the financial sustainability of the Scheme include:

- participant numbers
- the distribution of packages committed to participants
- the actual payments for supports provided.

The Agency conducted a detailed analysis of the Barwon trial site in Victoria and the Hunter trial site in NSW (as at 30 June 2016), including estimates of the eventual participant numbers and cost for these sites.

The analysis suggests that costs to date will be close to the expected full Scheme cost for the trial sites, based on the original Productivity Commission report.

There are two areas that require further investigation in the future to enable a more accurate understanding of financial impact. These are:

- the rate at which new participants will enter the Scheme
- the level of functional impairment within some disability cohorts.

These will be discussed in further detail in future annual reports.

## Key performance indicators

These indicators are measured against the Agency's 2015-19 Corporate Plan.

### Key performance measure

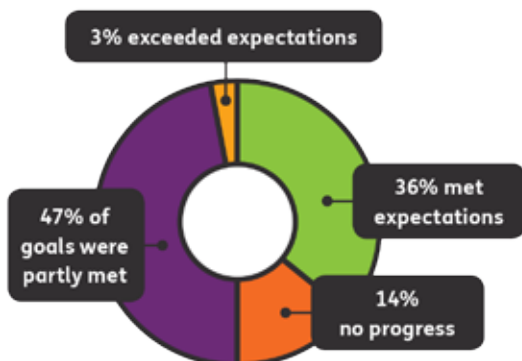
Participants achieve outcomes in line with goals and aspirations specified in their approved plans – as measured through the Outcomes Framework

### Results



- Successfully introduced the Outcomes Framework pilot.
- The first wave of benchmarking of the long form survey has commenced, with participants being engaged as they enter the Scheme from transitioning disability programs.
- Collection of the short form Outcomes Framework for all participants commenced in November 2015 and as at 26 June 2016, 13 290 questionnaires had been received for participants and 10 566 for family members/carers.
- At 30 June 2016, 199 675 individual goals were recorded against active participants with approved plans. At 30 June 2016, of goals that had been reviewed with participants:

**Figure 12: Participant goal satisfaction**



### Key performance measure

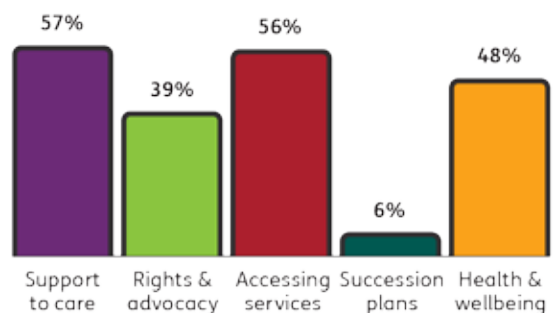
The Scheme effects positive change on the lives of families and carers of people with disability, as measured through the Outcomes Framework, with the outcomes of 2015-16 to inform the baseline for future years.

### Results



- As part of the Outcomes Framework pilot, the proportion of families/carers of participants aged 25 and over answered that the Scheme had helped:

**Figure 13: Outcomes framework pilot results**



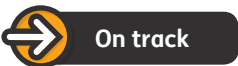
# Goal 1: Financial sustainability

(Continued)

## Key performance measure

Cost of reasonable and necessary supports measured against bilateral agreements and Scheme Actuary forecasts.

## Results



- Committed support in trial exceeds the funding envelope in 2014-15 and 2015-16. However, as not all committed support is being utilised, an actual deficit will not arise. That is, the Scheme will be within the budget for the three years of trial.

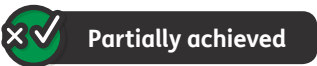
## Notes

- The trial site projection is highly sensitive to the assumptions on utilisation of committed support.
- It is important to consider the number of Scheme participants, the distribution of packages committed to these participants and actual payments for supports provided. All of these factors contribute to the overall cost.

## Key performance measure

Number of eligible participants who access the Scheme measured against bilateral agreements and Scheme Actuary forecasts.

## Results



- Overall, plan numbers are at 83 per cent of the bilateral target. However, some sites have exceeded 100 per cent of the target (ACT, SA, TAS, NT and VIC).

## Key performance measure

Establishment of a framework for measuring market sustainability, diversity and efficiency.

## Results



On track

- Development of NDIA Market Stewardship framework near finalisation.
- Program of local markets assessments in place for year one rollout locations.
- Release of the Specialist Disability Accommodation Position Paper on Draft Pricing and Payments.
- At 30 June 2016, 3519 service providers were registered with the Scheme.

## Notes

Other activities include:

- Intermediaries project implementation plan in place.
- Roles and responsibilities around implementation of Integrated Market, Sector and Workforce strategy confirmed.

## Summary of progress

Overall, while committed support is higher than revenue from the bilateral agreements in some trial sites, there is no impact on full Scheme costs, which are expected to be within the funding envelope. The reasons for the difference between committed support and revenue is due to the different assumptions in the bilateral agreements compared with the actuarial model for the trial sites. Bilateral agreements are explained in more detail on page 40.



## Goal 2

# People with disability are in control and have choices, based on the UN Convention on the Rights of Persons with Disabilities

## Delivery strategy

- **Build** the capacity of people with disability to exercise choice and control in the pursuit of their goals.
- **Promote** the independence and social and economic participation of all people with disability and especially those who are vulnerable or marginalised.
- **Recognise**, nurture and uphold informal support and care arrangements, especially for children and vulnerable adults.

## Goal 2 overview

Over the trial period the Agency piloted the Outcomes Framework to measure the medium and long term benefits of the Scheme for participants and their families. This framework specifically measures the degree of choice and control people with disability have over the supports they receive. The Agency collected information from participants, families and carers on how they are progressing in different areas of their lives.

The introduction of bundled supports from 1 July 2014 has increased participant flexibility. Additionally, from 1 August 2015 the catalogue of supports has been simplified.

## A snapshot of participants and their plans

- During the 2015-16 reporting period, the overall proportion of Aboriginal and/or Torres Strait Islander participants in the Scheme increased from 4.4 per cent at 30 June 2015 to 6.0 per cent at 30 June 2016. The proportion of Aboriginal and/or Torres Strait Islander participants increased in all trial and early launch sites—with the exception being the Northern Territory site, where it has fallen slightly.
- Overall, the proportion of participants with approved plans who are classified as Culturally and Linguistically Diverse (CALD) has remained at 4 per cent, in line with 30 June 2015.
- Participants with Autism and related disorders represent the highest proportion of approved plans overall, at 31 per cent.
- The second highest participant group is those with intellectual disability (including Down syndrome) at 23 per cent.
- Since 1 July 2013, the support category most commonly funded is 'Assistance with daily life', followed by 'Improved daily living skills'.
- The proportion of registered providers operating in only one state or territory increased slightly from 96 per cent to 97 per cent over the year. As of 30 June 2016, individual/sole traders are the most common provider type (36 per cent), followed by private companies (27 per cent).

- From 30 June 2015 to 30 June 2016, the proportion of participant plans that are Agency managed decreased from 62 per cent to 58 per cent, plans managed in combination rose from 33 per cent to 35 per cent, and self-managed plans increased from 6 per cent to 7 per cent.
- Up to 30 June 2016, 84.5 per cent of people who have submitted an access request have been found eligible and a further 5.2 per cent are in progress. Around 6.8 per cent of access requests have been deemed ineligible.

## Key performance indicators

These indicators are measured against the 2015-19 Corporate Plan.

### Key performance measure

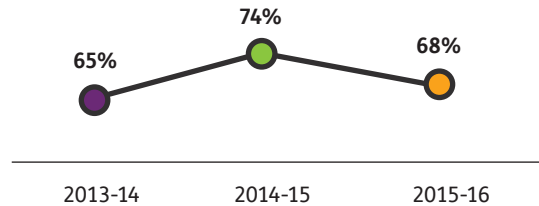
Participants have choice and control over the supports they access, and how and when these supports are accessed, as measured by reference to the utilisation of reasonable and necessary supports in plans and the Agency's Outcomes Framework, with the outcomes of 2015-16 to inform the baseline for future years.

### Results



Improving

**Figure 14: The amount of committed support utilised by support year**



**Note:** these figures reflect actual payments to date, and may continue to increase over time, particularly for the 2015-16 year.

- 79 per cent of participants with approved plans in place for at least three months had payments against their plan. This varied by jurisdiction with 42 per cent in the Northern Territory and 89 per cent in Victoria.

**Note:** in-kind support means this figure will be an underestimate.

### Notes

- Participants are utilising more support on average in their second plans compared with their first plans. This may indicate an increasing capacity to implement funded supports, or increasing market capacity and preparedness for NDIA supports.

### Key performance measure

Participants have access to a range of relevant service providers and social and economic opportunities, as measured by reference to the utilisation of reasonable and necessary supports in plans and the Agency's Outcomes Framework, with the outcomes of 2015-16 to inform the baseline for future years.

### Results



Partially achieved

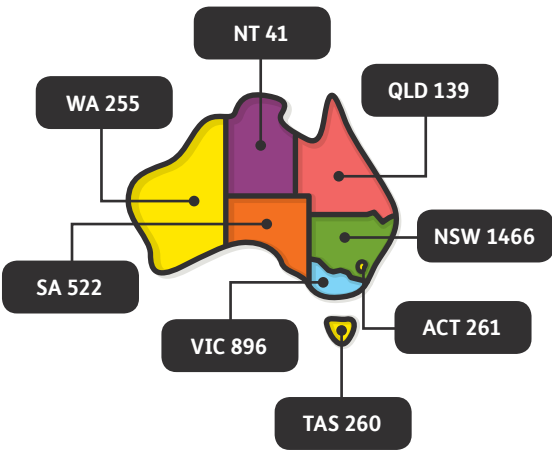


# Goal 2: Choice and control

(Continued)

Figure 15: At 30 June 2016

- 3519 service providers were registered with the Scheme. For each state and territory the following numbers of providers were registered:



## Notes

Providers are able to register nationally as well as across multiple states. As a result, the sum total of service provider numbers in each state and territory does not reflect the total number of service providers.

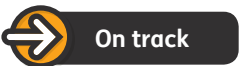
Other activities include:

- provider toolkit available online
- program of provider readiness activity underway in preparation for year one rollout
- eMarkets scan and options evaluation completed.

## Key performance measure

Establishment of a framework for measuring access to a range of informal and mainstream supports for people with disability.

## Results



- Work is underway to understand the level of informal support provided to participants (as part of the first plan approach). The Outcomes Framework domains–health and wellbeing, home, lifelong learning, and education–will provide insight into the extent to which participants are accessing mainstream services.

## Notes

Other activities include:

- National consultations on the ILC Commissioning Framework are complete. Feedback provided has been reviewed and incorporated into the next draft of the Framework to be released shortly. ILC Program Guidelines will be released by the end of the 2016.

## Summary of progress:

Overall, significant progress has been made on activities relating to people with disability having choice and control, with improving utilisation and progress on the Outcomes Framework.



## Goal 3

# Community satisfaction: The community has ownership, confidence and pride in the National Disability Insurance Scheme and the National Disability Insurance Agency

## Delivery strategy

- **Respect** and actively seek the views of people with disability, their families, carers and the community.
- **Work** constructively with governments.
- **Raise** community awareness and knowledge of how to support people with disability.

## Goal 3 overview

Of the 2153 participants who have been surveyed for their level of satisfaction, 95 per cent responded that their experience was either good or very good, with slightly lower levels of satisfaction in SA, the ACT, and WA. The overall satisfaction rating is calculated as a weighted average of the satisfaction ratings of each participant surveyed. A member of the engagement team contacts participants after their plan is agreed with their planner; however not all participants choose to complete and submit their survey. Participants' responses remain anonymous to their planners.

To date, there have been 83 appeals with the Administration Appeal Tribunal (AAT)—20 due to access issues (0.06 per cent of all access requests), and 63 due to plan issues (0.21 per cent of all active and inactive participants with an approved plan). Of these appeals, 58 have reached a resolution; 26 have been varied (participant won the appeal) and the other 32 have been dismissed, withdrawn or affirmed (the original decision confirmed).

772 decisions have been reviewed internally after being formally requested. This is compared with 41 523 access requests and 30 281 approved plans.

# Goal 3: Community satisfaction

(Continued)

## Key performance indicators

These indicators are measured against the 2015-19 Corporate Plan.

### Key performance measure

Participants are satisfied with the Agency as measured by satisfaction surveys.

### Results



- At 30 June 2016, of the 2153 participants surveyed for their satisfaction, the majority are highly satisfied with the Agency—with an overall rating of 1.62 on a scale of -2 (very poor) to +2 (very good), with slightly lower levels of satisfaction in SA, the ACT and WA.



participant  
satisfaction

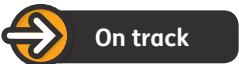
1.62

on a scale of -2 (very poor)  
to +2 (very good).

## Key performance measure

Participants and the community are satisfied with their level of engagement in the design of the Scheme and the framework for delivery of the Scheme.

### Results



- Continued to implement recommendations from Citizen's Jury scorecard.
- Co-design session on the First Plan process.
- Sites regularly engage with advisory groups, including participant and community groups.

### Citizens' Jury

The Agency invited participants to speak about their experience as part of an innovative Citizens' Jury held in February in Sydney this year.

The Citizens' Jury is an innovative model based on some processes of a courtroom jury, targeting people who are not advocates and encouraging them to have a say on important issues.

The Jury assessed the extent to which the Agency is performing to achieve the objectives of the Scheme.

### Key performance measure

Responsive and effective engagement with the COAG Disability Reform Council and Joint Standing Committee, as measured through their satisfaction with the Agency.

### Results



On track

- There was one COAG Disability Reform Council meeting in the reporting period (4 March 2016 in Adelaide).
- The Parliamentary Joint Standing Committee on the National Disability Insurance Scheme (Joint Standing Committee) held one private briefing in this reporting period in Canberra on 2 March 2016. The Agency was represented by the Chairman, the Chief Executive Officer and the three Deputy CEOs.
- The Joint Standing Committee conducted several site visits and public hearings in trial and early launch sites in 2015-16, travelling to the NT, NSW and Qld.
- The Government's response to the *Joint Standing Committee second progress report* on the implementation and administration of the Scheme was tabled in March 2016.
- The Department of Social Services took the lead in preparing the Government's response to the report with input from the Agency.

### Key performance measure

The community is satisfied that the Agency has the capacity and capability to deliver the transition to full Scheme effectively and efficiently as measured by the successful implementation of new service delivery centres in line with bilateral agreements and the recruitment of staffing resources.

### Results



Partially achieved

- The Agency is continuing to work with the Queensland Government to progress implementation of the early transition sites in Townsville, Charters Towers and Palm Island, consistent with the Memorandum of Understanding (MOU). Local Area Coordinators have been deployed to build participation and community readiness.
- Bilateral agreements for transition have been signed between the Commonwealth and NSW, Vic, Tas, Qld, NT and SA governments.
- Operational Plans detailing implementation activities, roles and responsibilities have been signed with NSW, Vic, SA and Tas. The Commonwealth, Qld and NT governments continue to work collaboratively to progress planning towards Scheme rollout.

## Goal 3: Community satisfaction

(Continued)

- On 28 April 2016, the Commonwealth Government announced the Perth Hills trial site would be extended by 12 months to 30 June 2017 to ensure people with disability continue to receive supports while a full Scheme approach is finalised.
- As at 30 June 2016 the Agency had 18 operational sites with a view to having 32 operational sites open for 1 July 2017 in line with the bilateral agreements.
- People and Culture recruitment services are a mix of outsourced and in-house provision. Recruitment, induction, training and workforce planning continue for all jurisdictions. As at 31 March 2016, staffing levels are at 90 per cent of planned average staffing level of 1220 for the end of the financial year 2015-16, which is expected to be complied with.
- ICT system build planning is continuing with strong internal and external governance oversight (including Gateway review).
- Continued to implement recommendations from Citizen's Jury scorecard.

### Summary of progress:

Overall, progress towards rollout of the Scheme remains on track with continuing high levels of stakeholder engagement and positive feedback.



Tina Gulino.

**Tina Gulino has been a participant in the trial phase for three years. Here she discusses her satisfaction with the Scheme.**

'Over the past 12 months I have contemplated starting studying again; a Certificate for Training and Assessment. But unfortunately in the last three months I've been unwell and pretty much in bed,' said Tina.

'The positive side of this is, because of the NDIS, it hasn't been a struggle to get the additional support that I've required.

'It was an interesting experience because I didn't end up needing to go to hospital; I didn't end up needing to go into an aged care facility either.

'Those shifts that I have every day, the three core shifts I have every day, mean that I can plan my life, to do things with friends or family, and sometimes that means having a support worker when I'm within the community; like when I go to the footy. Without her I wouldn't be able to attend, to actually even eat a pie or get through the crowd.

'Two and a half years ago, when the NDIA wasn't in existence, I wasn't going to any football matches. There's nothing quite like being in the crowd and watching sport live.

'With my disability, you have peaks and troughs and that's okay, because it's now supported in a way that's right'.

# Financial performance

**Table 9: Actual costs for 2015-16**

Program	2015-16 \$M
Reasonable and necessary care and support for participants	800.5
Community inclusion and capacity development grants	7.0
Agency Costs	266.7
<b>Total</b>	<b>1 074.20</b>

Note: Discrepancies in totals may exist due to rounding. The estimates include notional costs of transition to full Scheme over the forward estimates period. State and territory contributions to the trial phase of the Scheme have been agreed in the context of the Intergovernmental Agreement on the National Disability Insurance Scheme Launch. Negotiations on transition to full Scheme are ongoing.

## Ratio of operating expenses to Scheme costs

The ratio of operating expenses to Scheme costs is trending downwards towards target. See page 109 for details.

## Financial performance

The Agency received an unqualified audit report on the 2015-16 financial statements from the Australian National Audit Office.

## Funding

The Agency is funded through a combination of cash and in-kind contributions as agreed between Commonwealth, state and territory governments.

In 2015-16, states and territories contributed \$276.6 million for care and support for participants and the Commonwealth contributed \$638.8 million. The Commonwealth's contribution included \$267.5 million for care and support for participants, \$10.7 million for grants, \$302.8 million for Agency operating costs and \$57.8 million in capital funding.

The Agency also received \$197.3 million of in-kind (non-cash) income from governments in the form of existing programs that are transitioning into the Scheme.

In addition, in 2015-16 the Victorian Government contributed \$13.5 million towards the cost of relocating the Agency's National Office to Geelong.

## Financial performance 2015-16

The Agency ended 2015-16 with an operating surplus of \$15.8 million, compared to a surplus of \$0.4 million in 2014-15.

Highlights:

- \$800.5 million related to providing reasonable and necessary care and support including \$722.7 million for participant plan expenses and \$77.8 million write-off impairment of Scheme related receivables considered doubtful of recovery
- \$264.8 million in operating expenses for the Agency, which includes \$21.5 million in local area co-ordination costs
- \$9 million for grant programs (CICD and other).

# Financial performance

(Continued)

## Forward position

In 2016–17 total expenses are forecast to exceed \$4.2 billion including \$3.5 billion of payment for Scheme participants.

## Statement of financial position

### Equity

The total equity of the Agency at 30 June 2016 was \$125.6 million, representing contributed equity of \$89.5 million, reserves of \$1.9 million and retained surplus of \$34.2 million.

### Assets

Total assets increased by 54.8 per cent to \$396.3 million at 30 June 2016. The Agency has sufficient cash reserves to fund its debts as and when they fall due.

### Liabilities

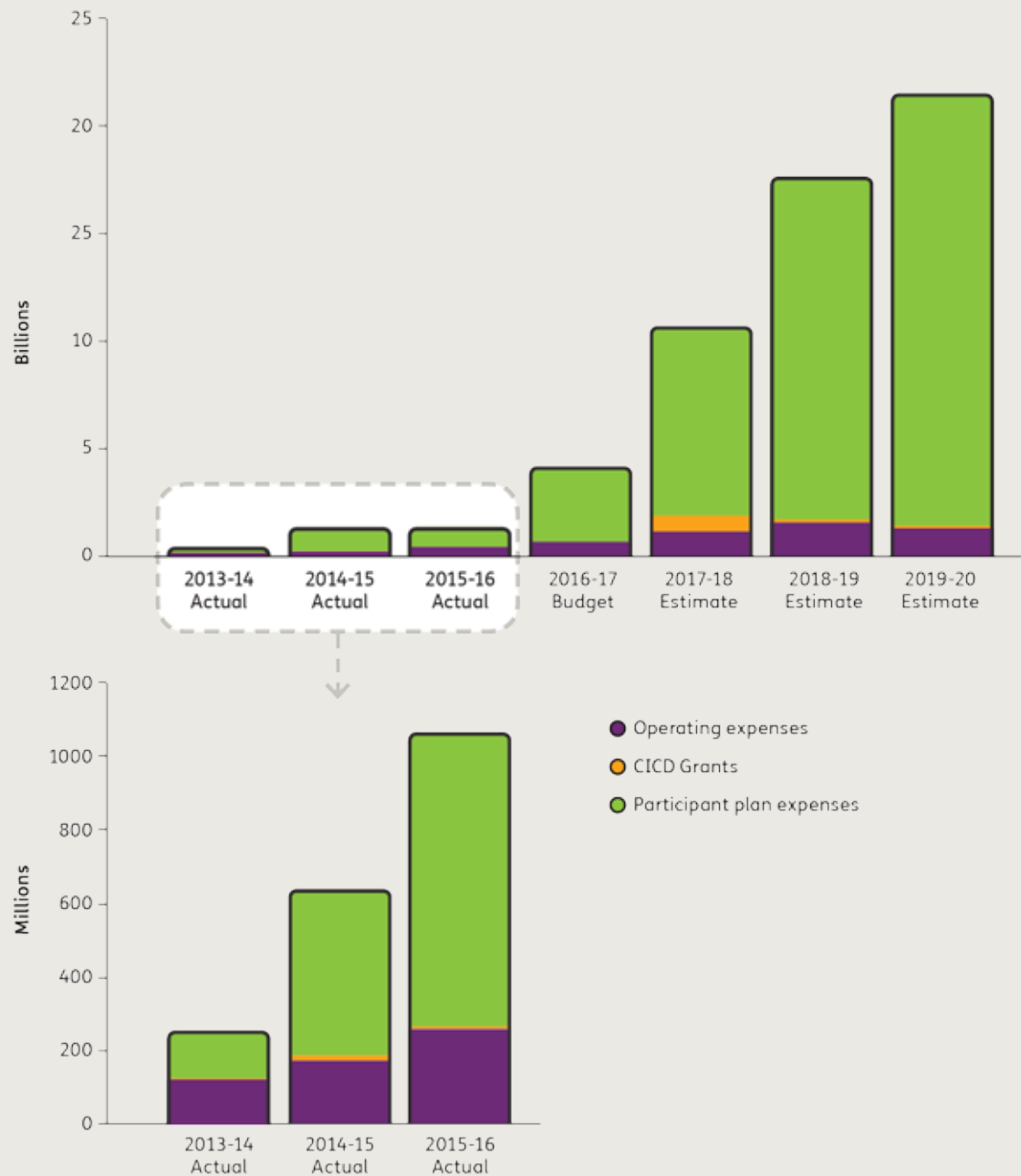
The Agency’s total liabilities increased by 31.5 per cent to \$270.7 million at 30 June 2016.

Table 10: Expenses and grants

	Operating Expenses \$000	CICD Grants \$000	Participant Plan Expenses \$000
2013-14 Actual	123 180	4 515	130 861
2014-15 Actual	169 841	14 928	451 293
2015-16 Actual	266 709	7008	800 520
2016-17 Budget	691 801	33 284	3 486 713
2017-18 Estimate	1 160 785	73 514	8 813 232
2018-19 Estimate	1 591 781	113 539	15 905 452
2019-20 Estimate	1 308 570	131 130	20 076 677



Figure 16: NDIA Operating Expenses 2013-14 to 2019-20



# Section 3

## Governance



### **In this section**

Key governance  
arrangements

The NDIS and the National  
Disability Strategy

The Agency and its  
legislated objectives

External scrutiny

Facilities and Workplace  
Health and Safety

Reportable items



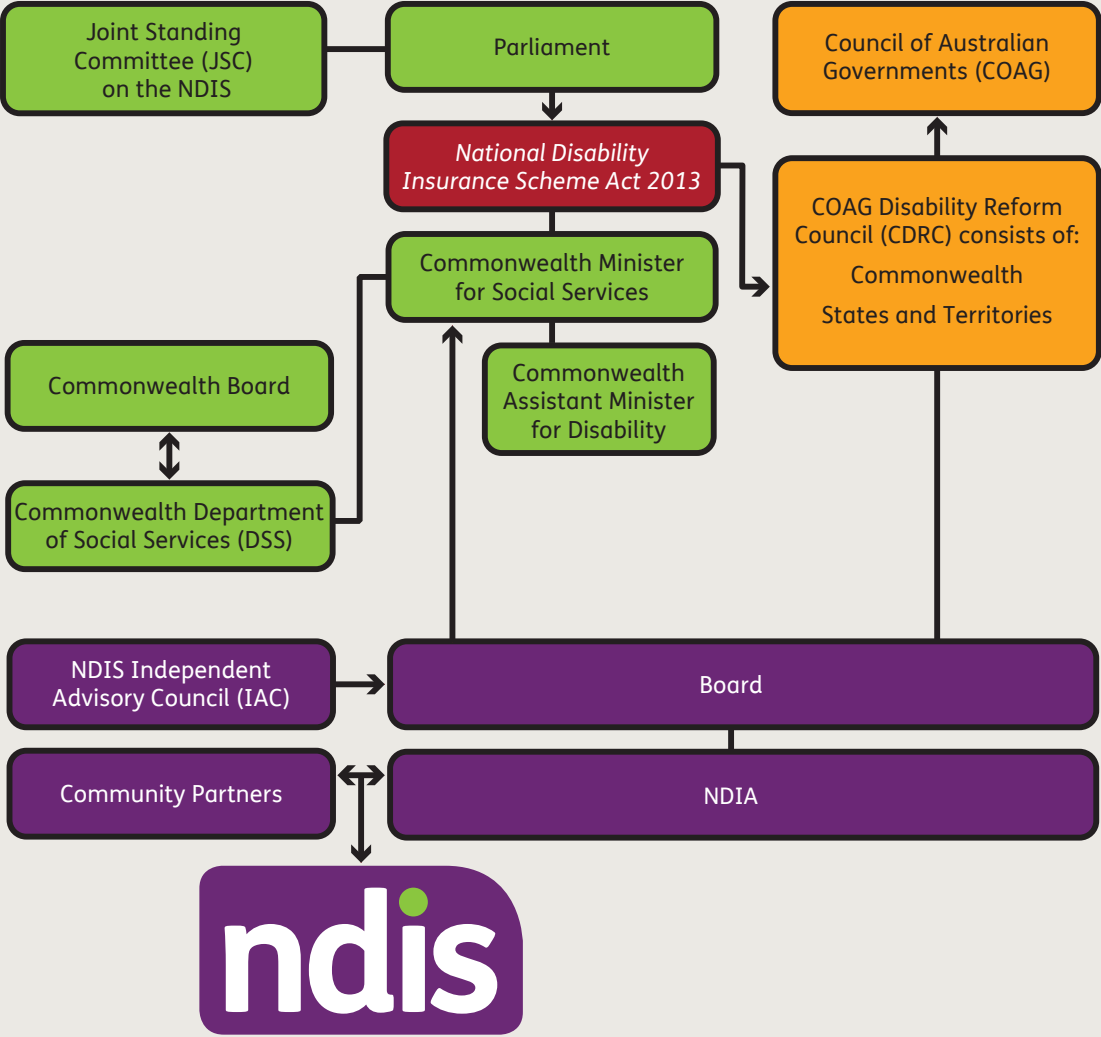
*Jack and mother Bree from WA. Thanks to the Scheme's focus on early intervention Jack is 'skyrocketing ahead'.*



# What are the key governance arrangements?

- The Scheme is administered by the National Disability Insurance Agency (the Agency), which has been established under Commonwealth legislation, the *National Disability Insurance Scheme Act 2013* (NDIS Act) and is governed by a Board.
- The Board of the Agency is responsible for the performance of these functions and strategic direction of the Agency. The Board manages its costs and liabilities from year to year including through the development of a reserve and investment of funds.
- The Board is advised by the National Disability Insurance Scheme Independent Advisory Council (IAC).
- The Commonwealth Minister, The Hon. Christian Porter MP, Minister for Social Services, is responsible for administering the NDIS Act, and exercises statutory powers with the agreement of states and territories, including a power to make the NDIS Rules and direct the Agency.
- The Disability Reform Council (DRC), a Council of Australian Governments (COAG) Ministerial Council made up of Treasurers and Ministers responsible for disability from the Commonwealth and each state and territory is the decision-maker on the Scheme policy issues.
- The Agency holds all funds contributed by the Commonwealth, states and territories in a single pool, manages Scheme funds, administers access to the Scheme and approves the payment of individualised support packages.

Figure 17: National Disability Insurance Scheme Governance framework





# How does the NDIS fit into the National Disability Strategy?

The Scheme fits within the framework of the National Disability Strategy which supports Australia's commitments to the UN Convention on the Rights of Persons with Disabilities. It recognises that people with disability have varied lives, not all of which should be impacted through support delivered through the Scheme.

Mainstream services are those that all people generally use, including people with disability. These services may include government-funded services and services provided by the private sector. Mainstream service systems are obliged to provide services to all Australians and the Agency will work with all governments, and community and mainstream systems to influence their capacity to better respond to the access and inclusion needs of people with disability.

Plans for Scheme participants need to consider how broader community and mainstream services contribute to, and work alongside, Scheme funded supports to maximise outcomes for the person with disability. Local Area Coordinators and funded support coordinators will also work directly with participants within their local communities to support participants' access to the Scheme and mainstream services. This will ensure the interface between the Scheme and mainstream services is managed efficiently and effectively at the local level, taking into account the jurisdictional context.

The considerations that the Agency must take into account when deciding whether a support is most appropriately funded through the Scheme are outlined in the Supports for Participants Rules. These have been agreed to by the Council of Australian Governments (COAG) with a set of principles established related to the following systems areas:

1. health
2. mental health
3. early childhood development
4. child protection and family support
5. school education
6. higher education, vocational education and training
7. employment
8. housing and community infrastructure
9. transport
10. justice and
11. aged care.

The Principles to determine the responsibilities of the Scheme and other service systems, agreed to by COAG, outline the respective responsibilities of the Agency and various mainstream service systems for the funding and delivery of supports.

However, identifying responsibility for providing supports for participants can be complex. The Agency continues to work with parties to assist with understanding the practical implementation of the COAG Applied Principles and differentiate between the roles of the Scheme and mainstream services.

- The parties continue to develop national working arrangements for access by Scheme participants to mainstream services, to be implemented at the jurisdictional regional level as part of Trial Transition Plans.
- The parties will further consider the implementation of the intersections between the mainstream interface principles. Governments will work with the Agency to ensure the interface is managed effectively and efficiently in line with COAG policy decisions.
- The parties continue to develop and implement specific communication strategies for each mainstream interface area consistent with COAG principles.
- The parties will determine governance arrangements and escalation processes to resolve mainstream interface policy and practice issues to support transition to the Scheme.



# How is the Agency meeting its legislated objectives?

The Agency is meeting its legislated objectives in two broad ways through the *National Disability Insurance Scheme Act 2013*:

- by creating the Scheme, which is based on insurance principles; and
- by increasing the capacity of the entire Australian community, including providers of mainstream health, education and social services, community organisations, businesses and employers, to play its part. The Agency's functions include developing and improving the disability sector by encouraging innovation, research and contemporary best practice.

## Governance framework

### Responsible Minister

The Hon. Christian Porter MP, Minister for Social Services, has ministerial responsibility for the Agency, including the exercise of specific powers under the NDIS Act. Minister Porter was appointed as Minister for Social Services on 21 September 2015, with responsibility for disability.

The Hon. Scott Morrison MP was the Minister for Social Services directly prior to Minister Porter.

The Hon. Jane Prentice MP is the Assistant Minister for Disability Services, appointed on 18 February 2016. Senator the Hon. Mitch Fifield was the Assistant Minister for Social Services prior to the appointment of Minister Prentice.

### Council of Australian Governments (COAG) Disability Reform Council (DRC)

The DRC is made up of Commonwealth, state and territory treasurers and ministers for disability, a representative from the Local Government Association, and is chaired by the Minister for Social Services. It is the decision-making body on Scheme policy issues.

The DRC oversees the trial and implementation of the Scheme. It makes recommendations to COAG on the transition to full Scheme.

### **Parliamentary Joint Standing Committee on the National Disability Insurance Scheme**

The Parliamentary Joint Standing Committee on the National Disability Insurance Scheme was established on 2 December 2013. The Committee's role is to review the implementation and administration of the Scheme. It can also review any Scheme related matter referred to the Committee by a resolution of either House of Parliament. The Committee is made up of six members of the House of Representatives and six senators. The Committee is required to present an annual progress report to Parliament on the activities of the Committee during the year.

The Committee's *Second progress report on the implementation and administration of the National Disability Insurance Scheme* was tabled on 12 November 2015. The report, and the Australian Government's response to the report, is published on the Australian Parliament House website ([www.aph.gov.au](http://www.aph.gov.au)). As part of its ongoing inquiry into the Scheme, the Committee continued to visit trial sites and conduct hearings to gather evidence. The second progress report commends the Agency on its achievements since the commencement of the Scheme trial but also highlights the need for continued work to address service provider and workforce readiness, communication and Agency stakeholder engagement.

The Australian Government tabled its formal response to the second progress report in January 2016.

In 2015–16, the Agency continued to work towards implementing the recommendations made by the Parliamentary Joint Standing Committee.

The Committee conducted several site visits and public hearings in trial and early launch sites in 2015–16, travelling to the Northern Territory, New South Wales and Queensland.

# External scrutiny

## Human rights complaints

The Australian Human Rights Commission (AHRC) received two complaints in which the Agency was named as a party. The complaints have now been concluded.

## Administrative Appeals Tribunal

The Administrative Appeals Tribunal (AAT) can, in response to applications, review decisions made by the Agency under the NDIS Act, including decisions about whether a person meets the access criteria to become a participant in the Scheme, the supports provided under the Scheme and the registration of providers of support.

During 2015–16, the AAT received 46 applications for review of Agency decisions of which ten related to access, 33 related to supports funded under plans and three related to a decision to not conduct a plan review. By comparison, during 2014–15, the AAT received 19 applications for review of Agency decisions of which seven related to access and 12 related to the supports funded under plans. During 2013–14 the AAT received 18 applications for review of Agency decisions, of which nine related to access and nine related to supports.

As at 30 June 2016, 21 of the 46 applications for review received in 2015–16 had been finalised, and 25 matters remained undecided. Two of the undecided matters have been to hearing and had a decision pending as at 30 June 2016.

Of the 21 finalised matters, eight were varied by the AAT with the agreement of the Agency and the applicant, two were dismissed by agreement of the Agency and the applicant, four were dismissed by the AAT because they were outside the AAT's jurisdiction, and seven were withdrawn by the applicant.

As at 30 June 2016 the AAT had published reasons for its decisions in five of the seven matters that went to hearing in this financial year, as shown in Table 11. The remaining two matters have decisions pending.

Table 11: AAT reviews 2015–16

Matter	Decision under review	AAT decision
<b>McCutcheon and National Disability Insurance Agency [2015] AATA 624 (21 August 2015)</b>	Supports in a plan—whether the funding of chiropractic treatment is a reasonable and necessary support (s 34(1))	Agency decision set aside—the AAT held that chiropractic treatment will be, or will likely be, effective and beneficial for the applicant having regard to current good practice, and is most appropriately funded by the Scheme
<b>Fear by his mother Vanda Fear and National Disability Insurance Agency [2015] AATA 706 (14 September 2015)</b>	Supports in a plan—whether the funding of a pulse oximeter and a bedside and a portable oral suctioning machine, are reasonable and necessary supports (s 34(1))	Agency decision affirmed—the AAT held that these supports are not reasonable and necessary, on the grounds that they are not most appropriately funded under the Scheme, and are more appropriately funded under the general health system
<b>PNMJ and National Disability Insurance Agency [2015] AATA 866 (11 November 2015)</b>	Supports in a plan—whether the funding of full-time in-home care is a reasonable and necessary support (s 34(1))	Agency decision varied—the AAT held that funding for full-time care for a period of six months is reasonable and necessary having regard to what is reasonable to expect families, carers, informal networks and the community to provide
<b>Mulligan and National Disability Insurance Agency [2015] AATA 974 (17 December 2015)</b>	Access—whether the applicant satisfies the disability requirements to meet the access criteria (s 24)	Agency decision affirmed—the AAT held that the applicant did not meet the disability requirements because it was not satisfied that the applicant had an impairment that was, or was likely to be, permanent that results in substantially reduced functional capacity
<b>QQNH and National Disability Insurance Agency [2016] AATA 220 (23 February 2016)</b>	Jurisdiction—whether the Agency made a decision that the AAT has the jurisdiction to review	The AAT held that it does not have jurisdiction to review a decision because no decision had been made of the sort that could be reviewed by the AAT

There were no Federal Court appeals in this financial year, compared to one in 2014–15.



## External scrutiny

(Continued)

### Freedom of information

Under the *Freedom of Information Act 1982* (FOI Act), the Agency is required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is set out in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report. The Agency has displayed on its website a plan showing what information it publishes in accordance with the IPS requirements. The Agency's IPS can be accessed on the NDIS website.

The FOI Act gives any person the right to access copies of documents held by the Agency, ask for information the Agency holds about them to be changed or annotated and to seek review of the Agency's decision not to allow the person access to a copy of a document. Where the Agency does not provide full access to a requested document, a person can ask the Agency to review its decision or ask the Office of Australian Information Commissioner (OAIC) to review the Agency's decision. A person may also complain to OAIC about how the Agency handled their request and OAIC may investigate the complaint and make recommendations about how the Agency should handle requests.

During 2015–16, the Agency received 31 requests for access to copies of documents. There was one request for internal review of an access decision. There were no requests for OAIC to review the Agency's access decisions or complaints to OAIC.

### Ombudsman complaints

The Commonwealth Ombudsman received 26 complaints about the Agency during 2015–16. The Agency provided file material and responses to the Ombudsman's questions. The Ombudsman closed 16 of the matters. Of the 26 complaints 16 were finalised without further action.

### Privacy Act

The Agency complies with its privacy obligations as required under both the *Privacy Act 1988* and the *National Disability Insurance Scheme Act 2013* (NDIS Act).

Compliance includes the Agency ensuring its practices and procedures are consistent with requirements under the Australian Privacy Principles, such as having an established privacy policy and maintaining a privacy incident and complaints register.

The Agency actively promotes privacy awareness through the appointment of a Privacy Contact Officer and through the ongoing development of training materials for Agency staff. Advice is also provided to staff regarding the Agency's privacy obligations under law, particularly as it relates to ensuring promotion of one of the general principles guiding actions under NDIS Act, which is to ensure that people with disability have their privacy and dignity respected.

# Facilities and Workplace Health and Safety

## National Office

The Agency is currently conducting the tender selection process for the new National Office in Geelong, Victoria.

The design specifications for the new National Office will deliver the highest standard of accessibility and bring to life a modern building with the capacity to accommodate the required workforce for delivery of a government agency service to the entire country.

## Work health and safety performance

The Agency acknowledges its employer responsibilities under the *Work Health and Safety Act 2011* (WHS Act), the *Safety, Rehabilitation and Compensation Act 1988* and anti-discrimination legislation.

The Agency takes all reasonably practicable measures to protect the health, safety and welfare of its workers while at work, including providing a safe work environment. The Agency's Work Health and Safety Policy, and Health and Safety Management Arrangements promote consultation, prevention and early intervention and are aligned with the Agency's belief in looking after and valuing its people. The Agency recognises that effective health and safety management systems are good business practice and reduce work-related injury and illness costs. The Agency supports access to information about overall health and wellbeing for its people.

### Specific actions taken in 2015–16 included:

- Engagement of external auditors to audit both Work Health and Safety (WHS) and rehabilitation management systems to assist the agency to identify where further growth of these systems is required ensuring continued compliance with legislative requirements.
- Due diligence training for Agency officers rolled out.
- Health and wellbeing and injury and illness management webpages including a suite of documents to support both managers and staff was added to the WHS intranet page.
- Health and Safety Representative Network was consolidated and supported by the endorsement of the Work Health and Safety arrangements.
- Implementation of the Work Health and Safety e-learning package.
- Wellbeing Champions Network launched.
- Prevention of psychosocial injury training delivered nationwide.
- 176 workstation assessments were undertaken.
- Rollout of the Agency's Workplace Health and Safety Early Intervention Program inclusive of training.
- Over 376 staff participated in the influenza vaccination program.

The Agency will develop an evaluation framework to assess the efficiency of its current and future workplace health and safety initiatives.

# Reportable items

In 2015–16, the Agency reported zero incidents pursuant to section 38 of the WHS Act. The Agency undertook no investigations under Part 10 of the WHS Act.

The WHS Act requires the Agency to provide statistics of any notifiable incidents of which it became aware of during the year that arose out of the conduct of business or undertakings by the entity, and any investigations conducted and notices given. Table 16 provides a summary in accordance with the WHS Act.

Table 12: Summary of incidents pursuant to section 38 of the WHS Act

Action	Number
Death of a person that required notice to Comcare under s 35	0
Serious injury or illness of a person that required notification to Comcare under s 35	0
Dangerous incident that required notification to Comcare under s 35	0
Investigation conducted under Part 10	0
Notice given to NDIA under s 90 (provisional improvement notice)	0
Notice given to NDIA under s 191 (improvement notice)	0
Notice given to NDIA under s 195 (prohibition notices)	0
Directions given to NDIA under s 198 (non-disturbance)	0

The Agency’s workers’ compensation premium for 2015–16 was \$2.1 million.

## Ecological sustainable development

The Agency has continued to introduce ecological and sustainable measures that reduce energy and consumption costs at each of its sites including:

- installing energy-efficient T5 fluorescent lights and LEDs for open-plan areas and meeting rooms together with motion sensor control for the lighting
- installing energy-efficient variable refrigerant flow (VRF) air-conditioning systems that are operated via time clock
- installing low-flow sanitary fixtures
- supplying general waste and recyclable waste bins to suit the size of the tenancy.



No energy or green ratings have yet been awarded to any Agency site. The Agency will endeavour to achieve energy or green ratings for stand-alone sites in the future.

In addition, the Agency has commenced changing its vehicle fleet to hybrid vehicles. The environmentally friendly vehicles will

be transitioned in over the coming year. The vehicles use both a conventional engine and electric motor to achieve significantly better fuel efficiency than their non-hybrid counterparts. In terms of greenhouse emissions, the hybrid vehicles selected reduce tailpipe CO<sub>2</sub> emissions and stationary noise and will considerably reduce annual fuel costs.

## Consultancies, contracts and purchasing policies

During 2015–16, 54 new consultancy contracts were entered into involving total actual expenditure of \$4.7 million (GST inclusive).

In addition, 30 ongoing consultancy contracts were active during 2015–16, involving total actual expenditure of \$10.9 million (GST inclusive) in 2015–16.

In total, during 2015–16, the Agency spent \$15.7 million (GST inclusive) on consultancy contract costs. In the 2014–15 financial year, the Agency spent \$12.3 million (GST inclusive) on consultancy contracts.

This comparison is represented in Table 13.

**Table 13: Consultancy contract costs 2014–15 and 2015–16**

Matter	2014–15	2015–16
<b>New consultancy contracts</b>		
Number of new consultancy contracts	63	54
Actual expenditure for new consultancy contracts (GST inclusive)	\$8 945 746.75	\$4 708 476.80
<b>Ongoing consultancy contracts</b>		
Number of ongoing consultancy contracts	13	30
Actual expenditure for ongoing consultancy contracts (GST inclusive)	\$3 378 035.35	\$10 950 350.31



## Reportable items

(Continued)

As the Agency rolls out full Scheme, there is a continuing requirement for specialised services from consultants to support this transition. Contracts for consultancy services provided to the Agency included:

- the Scheme Actuary role and actuarial advisory services
- internal auditing services
- assistance and support for building the ICT platform
- strategic planning and advice on risk management, property design and documentation services
- strategic analysis for rolling out full Scheme
- external legal services.

Consultancy contracts are undertaken in line with the Agency's commitment to conduct procurements in accordance with the Commonwealth Procurement Rules (CPRs). The Agency has procurement policies that govern procurement of all goods and services. The Agency is committed to achieving value-for-money outcomes for all procurement activities. This includes encouraging competition, ensuring efficient, effective, economical and ethical use of resources and ensuring accountability and transparency in decision-making.

The Agency undertakes a range of procurement and contract management activities in accordance with Agency policies but does not report these contractual arrangements via AusTender as this is not a requirement for a non-prescribed corporate Commonwealth entity.

The Agency supports small business participation in the Commonwealth Government procurement market through its commitment to undertake

procurement activities in line with the CPRs. Small and medium enterprises and small enterprise participation statistics are available on the Department of Finance's website: [www.finance.gov.au/procurement/statistics-oncommonwealth-purchasing-contracts](http://www.finance.gov.au/procurement/statistics-oncommonwealth-purchasing-contracts).

Additional ways the Agency's procurement practices support small businesses include:

- encouraging credit card payment for purchases under \$10 000
- communicating with vendors in clear, easily understood language and providing access to information in a consistent, accessible format
- providing a rolling training program to support awareness for Agency staff who conduct procurement activities.

The results of the Survey of Australian Government Payments to Small Business are available on the Treasury website: [www.treasury.gov.au](http://www.treasury.gov.au).

## Australian National Audit Office Access clauses

The Agency does not have any contracts let during the reporting period, which do not provide for the Auditor-General to have access to the contractor's premises.

## Advertising and market research

The Agency placed advertising for staff recruitment totalling \$15 963 (GST inclusive) through Adcorp Recruitment Advertising, via the Whole of Government arrangement.

## Grants Programs

Three sets of grants were administered by the Agency in the 2015-16 financial year:

- Community Inclusion and Capacity Development (CICD) grants
- grants to support Local Area Coordination (LAC) Activities
- miscellaneous NDIA grants.

The individual CICD grants awarded in 2015-16 are listed within Program 1.2 Community Inclusion and Capacity Development Grants page 102.

Following an extended community consultation process, the Agency has developed the Information, Linkages and Capacity Building Framework that will inform the grants provided under the Community Inclusion and Capacity Development Grants Program from 1 July 2016.

## Australian National Audit Office

The ANAO conducts an annual audit of the Agency's financial statements under the PGPA Act and their audit report is included in Section 4 of this annual report. During 2015-16, the ANAO has also conducted a performance audit on market transition activities, however the report has not yet been released.

In developing and monitoring the Agency's operating model and financial management framework, the Agency has regard to the ANAO's publications and reports including better practice guides on various topics of administration and internal control, as well as other examples of best practice in the Commonwealth, including resource management guides in support of the Commonwealth Resource Management Framework.

## Internal audit

The Agency had an internal audit program in place throughout 2015-16. The program is based on identified areas of significant financial or operational risk and contributes to the effectiveness of controls and governance processes in place to manage those risks.

The objectives of the Agency's internal audit program are to provide assurance to the CEO and Board that the Agency's financial and operational controls are functioning efficiently, effectively, economically and ethically whilst assisting management in improving the Agency's business performance.

The Board's ARFC has overall responsibility for the internal audit program, including determining the audits to be conducted, receiving reports, and monitoring management action taken to address audit findings. The ARFC has endorsed a two-year internal audit plan covering 2016 to 2018, which is reviewed and updated annually.

The 2015-16 internal audit program focused on transition to full Scheme, and included the Agency's participant self-management processes, property management, readiness for transition, and fraud control processes.

## Reportable items

(Continued)

### Purchaser-provider arrangements

The Agency has a Memorandum of Understanding (MoU) with the Department of Social Services (DSS) for the provision of corporate and ICT services, which ended on 30 June 2016. DSS will continue to provide a range of other services to the Agency. During the 2015–16 financial year, the provision of ICT services (e.g. End User Computing) was transferred to the Department of Human Services (DHS). From 1 July 2016, the majority of the Agency's corporate services will be provided by the DHS through a shared services arrangement.

The Agency also has bilateral agreements with states and territories that outline how the Scheme is expected to operate in sites including the roles and responsibilities of the Commonwealth and respective state and territory governments.

### Risk management

The approach adopted by the Board is set out in the Agency's risk management strategy that has been developed to comply with the NDIS Risk Management Rules 2013 (RMR). Consistent with the RMR, and reflecting the insurance basis of the Scheme, the Board uses the Australian Prudential Regulation Authority's Prudential Risk Standard (CPS220) as the standard by which risk management activities are assessed in the Agency.

The risk management strategy:

- outlines the risk governance relationship between the Board, committees of the Board and Agency senior management
- sets out specific risk management roles and responsibilities
- describes the processes for identifying and assessing risks, for how the Agency raises staff risk awareness and develops an appropriate risk culture, and for the annual review process by which the Agency assesses the effectiveness of its risk management framework.

The Board and the Agency focus extensively on risk identification, monitoring and mitigation, in particular for strategic risks that could materially impact on the success of the Scheme.

The Agency has in place a Chief Risk Officer and associated Risk and Assurance Team, who are operationally independent and are responsible for implementing the risk management strategy.

- The Board regularly considers advice from management on how the Agency tackles risks to the delivery of the corporate plan. This includes oversight of the status and progress of major projects and service delivery operations.
- The Board has established an Audit, Risk and Finance Committee to provide relevant assurance and advice.
- The Board has also established a Sustainability Committee to assess, monitor, report and manage Scheme financial sustainability. This role of the committee includes oversight of Scheme sustainability risks.
- The Scheme legislation (NDIS Act) establishes the role of the Scheme Actuary who is responsible for financial sustainability and risk management. The Scheme Actuary produces regular financial sustainability reports and has implemented a continuous evaluation framework of Scheme performance.
- In addition, the Agency has appointed a Chief Risk Officer to assist the Board and its executive by providing objective risk review, oversight, monitoring and reporting. This oversight role has independent reporting access to the Board through the Audit, Risk and Finance Committee.

## Operational implementation

Operational and project risks are monitored and managed by the Agency's senior executives regularly. Senior executives are supported in this task by an Agency wide framework which facilitates the rigorous identification and reporting of risks for consideration and action.



*Dion Beasley, 25,  
is a talented Tennant  
Creek artist who recently  
launched his second  
children's book Go Home  
Cheeky Animals.*

# Section 4

## Scheme sustainability and financial performance



#ndisready

### **In this section**

Sustainability summary

Financial statements



# Annual financial sustainability report 2015-16

Sarah Johnson BCom FIAA | **Scheme Actuary**

## Introduction

This annual financial sustainability report is required under section 180B of the NDIS Act. This report provides an assessment of the financial sustainability of the NDIS after the three year trial period.

## The Scheme at 30 June 2016

At 30 June 2016, 30 281 participants have had approved plans. Comparison between the revenue received during the trial from both the Commonwealth and state and territory governments (the “funding envelope”) and the amount of support used by participants, results in a small surplus over the three years (approximately 1.5 per cent of the funding envelope).

## Current pressures

Whilst the Scheme was within the funding envelope for the three years of trial, there are some current pressures which are requiring management responses. These pressures are:

- higher than expected numbers of children entering the Scheme
- increasing package costs over and above the impacts of inflation and ageing (“super-imposed” inflation)
- potential participants continuing to approach the Scheme
- lower than expected participants exiting the Scheme
- a mismatch between benchmark package costs and actual package costs.



## NDIS insurance approach

The NDIS insurance approach allows pressures on the Scheme to be identified early and for management responses put in place to respond to these pressures. Specifically, data is collected on participants (including the characteristics of the participants, costs and outcomes), and this actual experience is compared with the baseline projection. This actuarial monitoring occurs continuously and allows management to put in place strategies as required.

It is not unreasonable that some emerging pressures are evident after three years of the Scheme. This is common in any statutory insurance or social welfare reform, and also reflects the fast implementation of the NDIS. The current pressures are a reflection of the original implementation, and learning from this implementation has assisted with the management responses.

## Management responses

Importantly the data and evidence is available to understand what is driving these pressures and operational responses are underway to address the cost pressures. All else being equal, if these responses are as effective as expected then the trends identified should be mitigated, and it is reasonable to expect financial sustainability throughout transition and full Scheme.

Two specific initiatives are the Early Childhood Early Intervention (ECEI) approach and the reference package and first plan approach.

- The ECEI approach is being progressively rolled out. The ECEI approach provides a gateway to the Scheme for children 0-6 years, which aims to ensure only children meeting the eligibility criteria for the NDIS enter as a participant. The gateway also provides support for children to access mainstream and community services when they do not meet the criteria, but need some support to access these services.
- The reference package and first plan process is a method for better aligning the level of function and need with support packages for participants when they first enter the Scheme. This process is now underway, but ongoing refinement of this process to ensure the right assessment tools and questions are used is critical. This method for allocating funds should also be a focus at plan review. Importantly, this process assists in determining the reasonable and necessary support package from which participants can then plan their supports to meet their goals.

In addition to these two initiatives, NDIA management has put in place a Sustainability and Liability Review Working Group led by the CEO to oversee the initiatives addressing the cost pressures identified above. Further initiatives include:

- Analysis of reasonable and necessary costs across the lifespan with emphasis on levels of community participation and supports to live outside of the family home (including supported independent living). This analysis leverages work undertaken by the Independent Advisory Council (IAC or the Council) on reasonable and necessary support.



- Development of guidelines on reasonable levels of family support across the lifespan.
- Analysis of the possibility of a gateway for people with psychosocial disability to make sure that the right people with psychosocial disability enter the Scheme and that people are supported to access mainstream and community services. Further, work on reference packages for people with psychosocial disability is also underway.
- Further guidance on chronic health conditions and the role of other support systems in supporting people with chronic health conditions.
- Investment in the School Leavers Employment Support (SLES) initiative to assist school leavers into employment. This initiative also has the potential for wider economic benefits, such as reduced reliance on income support.

A change management strategy is required to ensure these initiatives are implemented successfully. Specifically:

- training for staff and ECEI partners in the new approaches, along with appropriate support
- communication to the sector on the approaches, along with working with the sector to achieve the intended outcomes of the Scheme
- project management to oversee the implementation of the initiatives.

It will also be critically important to collect appropriate data and carefully monitor these change initiatives and the implementation of the change management strategy. The actuarial team will work closely with management to provide ongoing reporting and feedback on the process and outcomes of the above measures.



Australian Government  
Australian Government Actuary

Ref No.:

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E-mail: peter.martin@aga.gov.au

14 September, 2016

Mr Bruce Bonyhady  
Chair  
National Disability Insurance Agency  
GPO Box 700  
CANBERRA ACT 2601

Dear Mr Bonyhady

#### REVIEW OF FINANCIAL SUSTAINABILITY REPORT SUMMARY

I have reviewed the summary of the annual Financial Sustainability Report (FSR) dated September 2016 as required under section 180E of the *National Disability Insurance Scheme (NDIS) Act 2013*.

The scheme actuary's key finding is that, although the NDIS trials came in on budget, a number of cost pressures have emerged during the trials which, if they were to persist, would make it difficult for the scheme to continue to meet its financial targets. I have considered the analysis undertaken by the scheme actuary and I am satisfied that it supports this finding.

I note that the scheme actuary has reported that several management initiatives are underway in response to these pressures. This is a good example of the NDIS insurance-based approach in action. However, I draw your attention to the scheme actuary's comments regarding the need for a focussed and disciplined change management agenda to ensure the initiatives are effectively implemented and culturally embedded. This is especially important in the context of a rapidly expanding scheme. I also draw your attention to the need to ensure that the ICT system is capable of delivering timely, accurate and comprehensive reporting during this phase.

Finally, I note that the Agency has taken the steps necessary for me to undertake this review.

Yours sincerely

  
Peter Martin  
Australian Government Actuary



## INDEPENDENT AUDITOR'S REPORT

### To the Minister for Social Services

I have audited the accompanying annual financial statements of the National Disability Insurance Scheme Launch Transition Agency for the year ended 30 June 2016, which comprise Statement by the Chairman of the Board, Chief Executive Officer, Chief Financial Officer and Chairman of the Audit, Risk and Finance Committee; Statement of Comprehensive Income; Statement of Financial Position; Statement of Changes in Equity; Cash Flow Statement; and Notes to and forming part of the financial statements comprising significant accounting policies and other explanatory information.

### *Opinion*

In my opinion, the financial statements of the National Disability Insurance Scheme Launch Transition Agency:

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the National Disability Insurance Scheme Launch Transition Agency as at 30 June 2016 and its financial performance and cash flows for the year then ended.

### *Directors' Responsibility for the Financial Statements*

The directors of the National Disability Insurance Scheme Launch Transition Agency are responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act and are also responsible for such internal control as the directors determine is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### *Independence*

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Australian National Audit Office

A handwritten signature in black ink, appearing to read 'Rebecca Reilly', with a long, sweeping flourish extending from the end of the signature.

Rebecca Reilly  
Executive Director

Delegate of the Auditor-General

Canberra  
21 September 2016

**National Disability Insurance Scheme  
Launch Transition Agency**


# **Financial statements**

for the period ending 30 June 2016

## Statement by the Chairman of the Board, Chief Executive Officer, Chief Financial Officer and Chairman of the Audit, Risk and Finance Committee

In our opinion, the attached financial statements for the period ended 30 June 2016 comply with subsection 42(2) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the National Disability Insurance Scheme Launch Transition Agency will be able to pay its debts as and when they fall due.

Signed.....  
Bruce Bonyhady AM  
Chairman  
21 September 2016

Signed.....  
Steve Jennaway  
Chief Financial Officer  
21 September 2016

Signed.....  
David Bowen  
Chief Executive Officer  
21 September 2016

Signed.....  
John Hill PSM  
Director  
Audit, Risk and Finance Committee Chairman  
21 September 2016



# Statement of Comprehensive Income

## for the period ended 30 June 2016

		2016	2015	Original Budget 2016
	Notes	\$'000	\$'000	\$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Employee benefits	1.1A	115,464	73,368	126,151
Suppliers	1.1B	114,490	82,923	73,952
Local area coordination costs	1.1E	21,514	5,498	-
Grants	1.1C	8,958	14,928	6,730
Participant plan expenses		722,679	451,293	857,322
Depreciation and amortisation	2.2A	8,886	8,032	14,769
Finance costs		167	-	-
Write-down and impairment of assets	1.1D	82,078	20	-
<b>Total expenses</b>		<b>1,074,236</b>	<b>636,062</b>	<b>1,078,924</b>
<b>OWN-SOURCE INCOME</b>				
<b>Own-source revenue</b>				
Revenue from rendering of services	1.2A	286,907	141,674	304,575
Interest	1.2B	6,219	4,705	-
Other revenue	1.2C	18,315	55,075	-
<b>Total own-source revenue</b>		<b>311,441</b>	<b>201,454</b>	<b>304,575</b>
<b>Gains</b>				
Other gains	1.2D	197,507	126,584	300,514
<b>Total gains</b>		<b>197,507</b>	<b>126,584</b>	<b>300,514</b>
<b>Total own-source income</b>		<b>508,948</b>	<b>328,038</b>	<b>605,089</b>
<b>Net (cost of)/contribution by services</b>		<b>(565,288)</b>	<b>(308,024)</b>	<b>(473,835)</b>
Revenue from Government		581,070	308,433	473,835
<b>Surplus/(Deficit)</b>		<b>15,782</b>	<b>409</b>	<b>-</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items not subject to subsequent reclassification to net cost of services</b>				
Changes in asset revaluation surplus		1,881	-	-
<b>Total comprehensive income</b>		<b>1,881</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss)</b>		<b>17,663</b>	<b>409</b>	<b>-</b>

The above statement should be read in conjunction with the accompanying notes.

# Statement of Comprehensive Income

## for the period ended 30 June 2016

### Budget Variances Commentary

#### Statement of Comprehensive Income ('SoCI')

Affected line items	Explanations of major variances
Expenses <i>Employee benefits, Suppliers, Local area coordination</i>  Revenue from Government	<p>As part of the Mid-Year Economic and Fiscal Outlook ('MYEFO'), the Agency adopted a Service Delivery Operating Model (SDOM). SDOM effectively reduced the Agency's required average staffing level ('ASL') by using non-government outsourced models to achieve the same outcomes. This was part of a broader strategy by the Government to control growth in public sector staffing levels. The original 2016 budget anticipated an ASL of 1,220 employees. Actual ASL for the year ended 30 June 2016 was 1,063 employees, reducing employee benefit expenses.</p> <p>The Agency's reliance on contractors, consultants, and local area coordination also consequently increased, for which additional costs were not included in the original budget.</p> <p>In order to fund the adoption of SDOM, the Agency has received additional support from the Australian Government through MYEFO.</p>
Expenses <i>Grant expenses</i>  Own-source revenue <i>Other revenue</i>	<p>Grant expenses anticipated in the original budget include \$6.7 million, allocated for Community Inclusion and Capacity Development ('CICD'). This was subsequently revised to \$10.7 million as part of MYEFO.</p> <p>For the year ended 30 June 2016, CICD grants totalled \$7.0 million.</p> <p>Grants expenses also include \$2.0 million of Sector Development Fund costs. These costs were reimbursed to the Agency as Other revenue.</p>
Expenses <i>Participant plan expenses</i>	<p>Participant plan expenses are less than projected in the original budget, primarily due to underutilisation of committed supports. Participant plan expenses in the 2016 SoCI reflect the Agency's actual and expected claim experience.</p>
Expenses <i>Depreciation and amortisation</i>	<p>The Agency has adopted whole-of-government policies in regard to co-locating service delivery sites within existing Commonwealth property infrastructure, where feasible. As a consequence, investment in Property, Plant and Equipment and related depreciation and amortisation expenses are less than projected in the original budget.</p>
Expenses <i>Write-down and impairment of assets</i>	<p>Write-down and impairment of assets for the year ended 30 June 2016 primarily relates to amounts invoiced and accrued relating to states and territories for Scheme related funding that is considered not recoverable in accordance with accounting standards and were not anticipated in the original budget. The assessment was made in light of the ongoing negotiations between the Department of Social Services ('DSS') and the states and territories.</p>
Own-source revenue <i>Revenue from rendering of services, Other revenue</i>	<p>The original budget for revenue from rendering of services reflects a \$13.5 million contribution from the Victorian Government to fund the set-up costs of the Agency's National Office. In the 2016 SoCI, this is disclosed as 'Other revenue'.</p>
Own-source revenue <i>Interest revenue</i>	<p>Interest revenue is derived from the Agency investing cash in short-term deposits. The original budget does not assume that cash on hand will be in excess to immediate requirements.</p>
Gains <i>Other gains</i>	<p>Other gains primarily reflect contributions made to the Scheme in-kind from Commonwealth, state and territory governments. Other gains are less than original budget as a result of renegotiations of cash and in-kind contributions resulting in actual in-kind contributions being lower than target amounts agreed in the bilateral agreements.</p>

# Statement of Financial Position

as at 30 June 2016

		2016	2015	Original Budget 2016
	Notes	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	2.1A	306,430	136,482	162,139
Trade and other receivables	2.1B	20,884	83,933	2,478
Other financial assets	2.1C	33,194	-	-
<b>Total financial assets</b>		<b>360,508</b>	<b>220,415</b>	<b>164,617</b>
<b>Non-financial assets</b>				
Buildings (leasehold improvements)	2.2A	24,301	26,463	68,194
Property, plant and equipment	2.2A	1,012	1,456	10,278
Intangibles	2.2A	-	3,416	277
Other non-financial assets	2.2C	10,472	4,274	2,381
<b>Total non-financial assets</b>		<b>35,785</b>	<b>35,609</b>	<b>81,130</b>
<b>Total assets</b>		<b>396,293</b>	<b>256,024</b>	<b>245,747</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Suppliers	2.3A	25,349	14,022	11,194
Participant plan payables	2.3B	-	2,632	-
Other payables	2.3C	2,611	7,961	6,315
<b>Total payables</b>		<b>27,960</b>	<b>24,615</b>	<b>17,509</b>
<b>Provisions</b>				
Employee provisions	4.1A	24,160	15,512	18,065
Participant plan provisions	2.4A	215,852	163,088	100,473
Other provisions	2.4B	2,735	2,642	2,186
<b>Total provisions</b>		<b>242,747</b>	<b>181,242</b>	<b>120,724</b>
<b>Total liabilities</b>		<b>270,707</b>	<b>205,857</b>	<b>138,233</b>
<b>Net assets</b>		<b>125,586</b>	<b>50,167</b>	<b>107,514</b>
<b>EQUITY</b>				
Contributed equity		89,536	31,780	89,536
Reserves		1,881	-	-
Retained surplus		34,169	18,387	17,978
<b>Total equity</b>		<b>125,586</b>	<b>50,167</b>	<b>107,514</b>

The above statement should be read in conjunction with the accompanying notes.

# Statement of Financial Position

as at 30 June 2016

## Budget Variances Commentary

### Statement of Financial Position

Affected line items	Explanations of major variances
<i>Cash and cash equivalents</i>	Major variances for cash and cash equivalents are detailed in the Budget Variances Commentary for the Cash Flow Statement.
<i>Trade and other receivables</i>	The original budget does not anticipate significant timing differences in cash collection from accounts receivable. As at 30 June 2016, the Agency has \$9.2 million in state and territory scheme cash contributions outstanding that are recoverable. The Agency is also owed \$11.9 million from DSS for services rendered relating to Australian Disability Enterprises as at 30 June 2016. The amount has since been paid in early July 2016.
<i>Other financial assets</i>	Other financial assets reflect the Agency's cash invested in term deposits with original maturities over 90 days. The original budget does not assume that cash on hand will be in excess to immediate requirements.
<i>Buildings, property, plant and equipment and other payables</i>	The Agency has adopted whole-of-government policies in regard to co-locating service delivery sites within existing Commonwealth property infrastructure, where feasible. As a consequence, investment in Property, Plant is less than projected in the original budget, as are lease related incentives and payables.
<i>Intangibles</i>	Effective 1 July 2016, the delivery of corporate shared services to the Agency will transition to the Department of Human Services (DHS). As a consequence, the Agency will no longer be utilising its internally generated intangible assets, which have been written down to nil during the year.
<i>Other non-financial assets</i>	The primary drivers for other non-financial assets being higher than the original budget were amounts paid to local area coordination providers in advance of services rendered, and advances made to participants that are self-managed, due to the early closure of Agency systems. Systems were closed early so that data could be migrated to DHS systems, in readiness for 1 July 2016.
<i>Suppliers</i>	The adoption of SDOM, as previously mentioned in the Statement of Comprehensive Income budget variances commentary has consequently increased the Agency's reliance on contractors and consultants, increasing supplier payables. Supplier payables at 30 June 2016 has also increased due to the additional contractor and consultant effort required for full Scheme launch.
<i>Employee provisions</i>	An increase in the number of Agency staff, particularly in the latter half of the year, has driven the variance in employee leave entitlements. A significant number of these employees had previous experience in the Australian Public Service, therefore transferring any existing leave balances upon commencement.
<i>Participant plan provisions</i>	The participant plan provision was greater than the amount projected in the original budget due to lower than forecast utilisation rates and delays in the timing of claims.
<i>Asset revaluation reserve</i>	For the year ended 30 June 2016, the Agency's leasehold improvement assets were revalued upwards to reflect their estimated fair value, determined by an independent valuer. This was not anticipated in the original budget.
<i>Retained surplus</i>	Major variances for the retained surplus are detailed in the budget variances commentary for the Statement of Comprehensive Income.

# Statement of Changes in Equity

## for the period ended 30 June 2016

	2016 \$'000	2015 \$'000	Original Budget 2016 \$'000
<b>CONTRIBUTED EQUITY</b>			
Opening balance	31,780	38,690	31,780
<b>Contributions by owners</b>			
Equity injection			
Corporate Commonwealth entity payment	57,756	23,349	57,756
Transfers to/from other entities <sup>1</sup>	-	(30,259)	-
<b>Sub-total contributions by owners</b>	<b>57,756</b>	<b>(6,910)</b>	<b>57,756</b>
<b>Closing balance</b>	<b>89,536</b>	<b>31,780</b>	<b>89,536</b>
<b>RETAINED SURPLUS</b>			
Opening balance	18,387	17,978	17,978
<b>Comprehensive income</b>			
Surplus/(Deficit) for the period	15,782	409	-
<b>Total comprehensive income/(loss)</b>	<b>15,782</b>	<b>409</b>	<b>-</b>
<b>Closing balance</b>	<b>34,169</b>	<b>18,387</b>	<b>17,978</b>
<b>ASSET REVALUATION RESERVE</b>			
Opening balance	-	-	-
<b>Comprehensive income</b>			
Other comprehensive income	1,881	-	-
<b>Total comprehensive income/(loss)</b>	<b>1,881</b>	<b>-</b>	<b>-</b>
<b>Closing balance</b>	<b>1,881</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY</b>			
Opening balance	50,167	56,668	49,758
<b>Comprehensive income</b>			
Surplus/(Deficit) for the period	15,782	409	-
Other comprehensive income	1,881	-	-
<b>Total comprehensive income/(loss)</b>	<b>17,663</b>	<b>409</b>	<b>-</b>
<b>Contributions by owners</b>			
Equity injection			
Corporate Commonwealth entity payment	57,756	23,349	57,756
Transfers to/from other entities <sup>1</sup>	-	(30,259)	-
<b>Sub-total contributions by owners</b>	<b>57,756</b>	<b>(6,910)</b>	<b>57,756</b>
<b>Closing balance</b>	<b>125,586</b>	<b>50,167</b>	<b>107,514</b>

The above statement should be read in conjunction with the accompanying notes.

<sup>1</sup> The Sector Development Fund transferred to the Department of Social Services effective 9 December 2014.

# Statement of Changes in Equity

for the period ended 30 June 2016

## **Accounting Policy**

### Equity injections

Amounts received which are designated as 'equity injections' for a year (less any formal reductions) are recognised directly in contributed equity in that year.

### Transfer to/from other entities

Net assets received from or transferred to another Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

### Other distributions to owners

The Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR) require that distributions to owners be debited to contributed equity unless it is in the nature of a dividend.

## **Budget Variances Commentary**

### **Statement of Changes in Equity**

Major budget variances for balances contained in the Statement of Changes in Equity have been included in the budget variances commentary for the Statement of Comprehensive Income and the Statement of Financial Position.

# Cash Flow Statement

## for the period ended 30 June 2016

		2016	2015	Original Budget 2016
	Notes	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>				
<b>Cash received</b>				
Receipts from Government		581,070	309,320	494,940
State and territory government contributions		268,650	112,368	307,971
Interest received		5,035	4,963	-
Other		17,762	7,655	-
Net GST received		9,909	7,492	-
<b>Total cash received</b>		<b>882,426</b>	<b>441,798</b>	<b>802,911</b>
<b>Cash used</b>				
Employee benefits		107,611	64,018	126,963
Supplier expenses		114,573	82,522	72,820
Local area coordination costs		23,774	5,498	-
Participant plan expenses		479,680	234,953	577,913
Net GST paid		-	-	90
Grant payments		10,441	15,912	6,730
<b>Total cash used</b>		<b>736,079</b>	<b>402,903</b>	<b>784,516</b>
<b>Net cash from operating activities</b>	3.1	<b>146,347</b>	<b>38,895</b>	<b>18,395</b>
<b>INVESTING ACTIVITIES</b>				
<b>Cash received</b>				
Proceeds from sales of financial instruments		219,375	-	-
<b>Total cash received</b>		<b>219,375</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>				
Purchase of property, plant and equipment, and intangibles		961	17,828	57,756
Purchase of financial instruments		252,569	-	-
<b>Total cash used</b>		<b>253,530</b>	<b>17,828</b>	<b>57,756</b>
<b>Net cash used by investing activities</b>		<b>(34,155)</b>	<b>(17,828)</b>	<b>(57,756)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Cash received</b>				
Corporate Commonwealth entity payment		57,756	23,349	57,756
<b>Total cash received</b>		<b>57,756</b>	<b>23,349</b>	<b>57,756</b>
<b>Cash used</b>				
Transfer to other entities		-	30,259	-
<b>Total cash used</b>		<b>-</b>	<b>30,259</b>	<b>-</b>
<b>Net cash from / (used by) financing activities</b>		<b>57,756</b>	<b>(6,910)</b>	<b>57,756</b>
<b>Net (decrease) / increase in cash held</b>		<b>169,948</b>	<b>14,157</b>	<b>18,395</b>
Cash and cash equivalents at the beginning of the reporting period		136,482	122,325	143,744
<b>Cash and cash equivalents at the end of the reporting period</b>	2.1A	<b>306,430</b>	<b>136,482</b>	<b>162,139</b>

The above statement should be read in conjunction with the accompanying notes.

# Cash Flow Statement

## for the period ended 30 June 2016

### Budget Variances Commentary

#### Cash Flow Statement

Affected line items	Explanations of major variances
Operating activities <i>State and territory government contributions, Other cash received</i>	Revenue from rendering of services is lower than anticipated in the original budget. The difference primarily relates to lower than expected recovery of outstanding state and territory scheme cash contributions from 30 June 2015. In addition, the original budget reflects a \$13.5 million contribution from the Victorian Government to fund the set-up costs of the Agency's National Office in Geelong. In the 2016 cash flow statement, this has been disclosed as 'other' cash received.
Operating activities <i>Interest received</i>	Interest received is derived from the Agency investing cash in short-term deposits. The original budget does not assume that cash on hand will be in excess to immediate requirements.
Operating activities <i>Net GST received</i>	The original budget does not estimate the impact of GST on existing cash flows from operating activities.
Operating activities <i>Employee benefits, Supplier expenses, Local area coordination costs</i>	As stated previously in the budget variances commentary to the Statement of Comprehensive Income, the Agency adopted SDOM reducing employee benefit payments and increasing supplier and local area coordination payments compared with the original budget.
Receipts from Government	Receipts from Government also increased in order to fund the adoption of SDOM.
Operating activities <i>Grant payments</i>	Grant payments anticipated in the original budget include \$6.7 million, allocated for Community Inclusion and Capacity Development ('CICD'). This was subsequently revised to \$10.7 million as part of the MYEFO. For the year ended 30 June 2016, CICD grants totalled \$7.0 million. Grants payments also include \$2.0 million of Sector Development Fund costs, not anticipated in the original budget.
Operating activities <i>Participant plan expenses</i>	Participant plan payments are less than projected in the original budget, primarily due to lower than projected utilisation of committed supports and delays in the timing of claims.
Investing activities <i>Proceeds from sales of financial instruments, Purchase of financial instruments</i>	Proceeds and purchases of financial instruments reflect the Agency's investment of cash in term deposits with original maturities over 90 days. The original budget does not assume that cash on hand will be in excess to immediate requirements.
Investing activities <i>Purchase of property, plant and equipment and intangibles</i>	The Agency has adopted whole-of-government policies in regard to co-locating service delivery sites within existing Commonwealth property infrastructure, where feasible. As a consequence, purchases of Property, Plant and Equipment are less than projected in the original budget.



# Notes to and forming part of the financial statements

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# Notes to and forming part of the financial statements

## Overview

### General information

The National Disability Insurance Scheme Launch Transition Agency ('the Agency') was established on 29 March 2013 by the *National Disability Insurance Scheme Act 2013* ('the Act'). The Agency became financially independent on 1 July 2013 and is an Australian Government controlled not-for-profit entity.

From 1 July 2013, arrangements were put in place to ensure that the National Disability Insurance Scheme ('the Scheme') could be introduced gradually, ensuring a smooth transition for people with disability and support providers. The Scheme now has operations in all States and Territories of Australia with full access to the Scheme commencing progressively from 1 July 2016.

### Objectives of the Agency

The objective of the Agency is to operate under the Act, and in conjunction with other legislation, to give effect to Australia's obligations under the *Convention on the Rights of Persons with Disabilities*. In doing so, the Agency supports the independence and social and economic participation of people with a disability.

The Agency is structured to meet a single Government outcome, outlined in Note 6.1. The Agency enables each participant in the Scheme to exercise individual choice and control in respect to the delivery of reasonable and necessary care and support and undertakes to support people with disabilities, their families and carers. It also works to support the wider disability sector in order to promote better outcomes for people with a disability, in areas such as research and building community awareness.

The Agency is also responsible for reporting on the sustainability of the Scheme, including regularly making and assessing estimates of current and future expenditure as well as identifying and managing financial risks and issues relevant to the financial sustainability of the Scheme. This is achieved by adopting an insurance-based approach, informed by actuarial analysis, to the provision and funding of support for people with a disability.

The continued existence of the Agency in its present form and with its present programs is dependent on Commonwealth Government policy, continuing funding by Parliament for the Agency's administration and programs and agreement with state and territory governments.

### The Basis of Preparation

The financial statements are general purpose financial statements as required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR) for reporting periods ending on or after 1 July 2015; and
- b) Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities which are recorded at fair value.

Except where stated, no allowance is made for the effect of changing prices on the results or the financial position of the Agency. The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars, unless otherwise specified.

### New Australian Accounting Standards

#### Adoption of New Australian Accounting Standard Requirements

The Agency has adopted AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities* earlier than the application date stated in the standard. AASB 2015-7 provides relief from disclosing quantitative information about significant unobservable inputs used in determining fair value, where property, plant and equipment is held for its current service potential rather than to generate net cash flows. The standard has been applied and the effect is that these disclosures are no longer made.

There have been no other new, revised or amended standards or interpretations that were issued by the Australian Accounting Standards Board prior to the sign off date that are applicable to the current reporting period that had a material effect, or that are not expected to have a future material effect, on the Agency's financial statements.

## Notes to and forming part of the financial statements

### *Future Australian Accounting Standard requirements*

The following new, revised and amending standards and interpretations were issued by the Australian Accounting Standards Board prior to the signing of the statement by the Accountable Authority and Chief Financial Officer, which are expected to have a material financial impact on the Agency's financial statements for future reporting periods:

Standard/Interpretation	Application date for the Agency	Nature of impending change/s in accounting policy and likely impact on initial application
AASB 15 <i>Revenue from Contracts with Customers</i> ; AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i> ; AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	1 July 2018	<p>Nature: The revised Standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers, replacing AASB 111 <i>Construction Contracts</i>, AASB 118 <i>Revenue</i>, Interpretation 13 <i>Customer Loyalty Programmes</i>, Interpretation 15 <i>Agreements for the Construction of Real Estate</i>, Interpretation 18 <i>Transfers of Assets from Customers</i>, and Interpretation 131 <i>Revenue-Barter Transactions Involving Advertising Services</i>. The core principle is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the expected consideration in exchange for those goods or services.</p> <p>Likely impact: Expected to have an impact on the recognition, measurement and disclosure of revenue for exchange transactions. AASB 1004 <i>Contributions</i> continues to apply to non-exchange transactions, including contributions by Government, until the Income from Transactions of Not For Profit Entities project is completed by the Australian Accounting Standards Board and a new standard is issued.</p>
AASB 16 <i>Leases</i>	1 July 2019	<p>Nature: The revised standard replaces AASB 117 <i>Leases</i> and provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with AASB 16's approach to lessor accounting substantially unchanged from its predecessor, AASB 117.</p> <p>Likely impact: Expected to have an impact on the recognition, measurement and disclosure of leases.</p>

All other new, revised and amending standards and interpretations that were issued prior to signing date and are applicable to future reporting periods are not expected to have a material impact on the Agency's financial statements.

## Notes to and forming part of the financial statements

### Taxation

The Agency is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

### Events after the Reporting Period

No subsequent events have been identified that have potential to significantly affect the ongoing structure or financial activities of the Agency.

# Notes to and forming part of the financial statements

## 1. Financial Performance

This section analyses the financial performance of the Agency for the period ended 30 June 2016.

### 1.1. Expenses

	2016	2015
	\$'000	\$'000
<b>Note 1.1A: Employee benefits</b>		
Wages and salaries	88,342	56,070
Superannuation		
Defined contribution plans	10,965	7,226
Defined benefit plans	4,059	2,344
Leave and other entitlements	11,909	7,337
Separation and redundancies	189	391
<b>Total employee benefits</b>	<b>115,464</b>	<b>73,368</b>

### Accounting Policy

Accounting policies for employee related expenses is contained in Section 4 – Governance, Employees and Relationships.

### Note 1.1B: Suppliers

#### Services rendered

Travel	5,382	3,904
Contractors and consultants	61,972	33,382
Memorandum of Understanding costs <sup>1</sup>	12,771	25,602
Information technology expenses	5,402	1,523
Property operating expenses	3,241	2,202
Staff recruitment and relocation	2,892	1,440
Other	10,656	7,252
<b>Total services rendered</b>	<b>102,316</b>	<b>75,305</b>

#### Other suppliers

Operating lease rentals in connection with		
Minimum lease payments	10,793	6,157
Workers compensation expenses	1,381	1,461
<b>Total other suppliers</b>	<b>12,174</b>	<b>7,618</b>
<b>Total suppliers</b>	<b>114,490</b>	<b>82,923</b>

#### Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within 1 year	6,776	6,534
Between 1 to 5 years	14,289	13,028
More than 5 years	7,267	10,008
<b>Total operating lease commitments (inc. GST)</b>	<b>28,332</b>	<b>29,570</b>
Less GST recoverable on operating lease commitments	(2,576)	(2,688)
<b>Net operating lease commitments</b>	<b>25,756</b>	<b>26,882</b>

<sup>1</sup> The Agency has in place a Memorandum of Understanding that covers the provision of various administrative and operational support services by the Department of Social Services and the Department of Human Services.

## Notes to and forming part of the financial statements

### Leasing Commitments

The Agency has operating leases over the following assets:

- a) Property leases – lease payments subject to increases in accordance with CPI or other agreed increment with initial periods of between 1 and 10 years. Some leases have options to extend.
- b) Motor Vehicles – operating leases over periods up to 36 months that do not have contingent rentals and do not have purchase options available at the end of the lease.

The Agency does not have any significant leasing arrangements in its capacity as a lessor.

### Accounting Policy

#### Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease and where the lessor effectively retains substantially all such risks and rewards. The Agency has not entered into any leasing arrangements that are required to be classified as finance leases.

Operating lease payments are expensed on a straight-line basis over the life of the lease, which is representative of the pattern of benefits derived from the leased assets.

	2016 \$'000	2015 \$'000
<b>Note 1.1C: Grants</b>		
Public sector		
State and territory governments	1,939	5,272
Private sector		
Not for profit organisations	7,019	9,656
<b>Total grants</b>	<b>8,958</b>	<b>14,928</b>

The Agency provides a range of grants to the disability sector and the community in order to promote improved outcomes for people with a disability, their families and their carers. These grants relate to a range of projects including disability research, increased social and community participation, innovation and education.

### Note 1.1D: Write-down and impairment of assets

Trade and other receivables - scheme related	78,693	-
Intangible assets	3,102	-
Property, plant and equipment	283	20
<b>Total write-down and impairment of assets</b>	<b>82,078</b>	<b>20</b>

## Notes to and forming part of the financial statements

	2016 \$'000	2015 \$'000
<b>Note 1.1E: Local area coordination costs</b>		
Local area coordination costs	21,514	5,498
<b>Total Local area coordination costs</b>	<b>21,514</b>	<b>5,498</b>

### Local Area Coordination Costs

Local Area Coordination costs consists of the expenses incurred in funding selected providers of Local Area Coordination services. Arrangements with providers will differ in form and content, according to the Agency's needs.

Local Area Coordinators are required to deliver several types of services including:

- Provision of support to prospective participants to engage with the Scheme, including community awareness;
- Support scheme participants with implementation of their plans; and
- Support scheme participants with full scheme planning and plan reviews.

### Accounting Policy

The costs associated with Local Area Coordination are recognised as the services are provided to the Agency.

## 1.2. Own-Source Revenue and Gains

### OWN SOURCE REVENUE

#### Note 1.2A: Revenue from rendering of services

##### Rendering of services in connection with

Related parties - contributions from Department of Social Services	10,231	1,625
External parties - contributions from state and territory governments	276,676	140,049
<b>Total revenue from the rendering of services</b>	<b>286,907</b>	<b>141,674</b>

### Accounting Policy

#### *Rendering of services – contributions from Commonwealth, state and territory governments*

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date and is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits associated with the transaction will flow to the Agency.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Cash contributions to the Agency from state and territory governments are recognised as revenue when they become payable to the Agency under a signed agreement with the Commonwealth. These include cash contributions outlined in the bilateral agreements for the funding of the National Disability Insurance Scheme.

#### *Unearned revenue*

Amounts invoiced in advance are recognised as unearned income in the Statement of Financial Position until the relevant revenue recognition criteria are met.

#### *Compensation*

The Agency has powers set out in the NDIS Act and the NDIS Compensation Rules to recover amounts of compensation that have been paid to or given up by participants in certain circumstances. The Agency recognises compensation revenue when, and only when both the amount of the compensation can be reliably determined, and the receipt of the compensation is probable.

## Notes to and forming part of the financial statements

	2016 \$'000	2015 \$'000
<b>Note 1.2B: Interest</b>		
Cash and Deposits	6,219	4,705
<b>Total interest</b>	<b>6,219</b>	<b>4,705</b>

### Accounting Policy

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

### Note 1.2C: Other revenue

Contribution by Victorian Government <sup>1</sup>	13,500	7,500
Additional Scheme contributions (Note 2.1B)	-	47,327
Other	4,815	248
<b>Total other revenue</b>	<b>18,315</b>	<b>55,075</b>

<sup>1</sup> The Victorian Government has contributed an amount to fund the establishment costs of the Agency's National Office located in Geelong under an agreement with the Commonwealth Government.

### Key judgements and estimates

#### Additional Scheme contributions

The Agency recognises additional Scheme contributions receivable from Commonwealth, state and territory governments in respect of differences between the amount of agreed in-kind contributions and the actual in-kind services provided during the year where it is probable that the future economic benefits will flow to the Agency and the amount can be measured reliably. These amounts are disclosed in Note 2.1B and reflect the Agency's expectation that these additional contributions will be required to fund reasonable care and support for participants as outlined above. At 30 June 2016, the Agency has not recognised any additional Scheme contributions receivable. Any amounts recognised as a receivable in future periods will be reviewed in future periods in line with Agency estimates of the participant plan provision.

Given that only limited historical information is available in relation to participant claims history and the fact the Scheme is not yet available to all areas of Australia, estimates of the additional Scheme contributions may require material adjustment in future accounting periods.

No other accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months.



## Notes to and forming part of the financial statements

	2016 \$'000	2015 \$'000
<b>Note 1.2D: Other gains</b>		
Contributions in-kind from Commonwealth, state and territory governments	197,364	126,378
Assets first found	143	206
<b>Total gains</b>	<b>197,507</b>	<b>126,584</b>

### Accounting Policy

#### In-kind contributions

Prior to the commencement of the Scheme, the Commonwealth and each state and territory government had committed to provide (directly or by engaging service providers) items such as disability services, health, family support, education, employment, transport and/or housing to people with a disability. The provision of these services on behalf of the Agency is regarded as an in-kind contribution under Australian Accounting Standards and is accounted for as income from the contribution of services at the date when the services are provided. The fair value of these contributions is the notional unit value provided by the jurisdiction which is based on what the jurisdiction has paid under its funding arrangements with the provider.

#### Resources Received Free of Charge (Contributions in-kind from Commonwealth, state and territory governments)

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been contributed. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements.

#### Gains and Losses from Disposal of Assets

Gains and losses from the disposal of assets are recognised when control of the asset has passed to the buyer.

### Key judgements and estimates

#### In-kind contributions

The Agency records income in relation to non-cash or in-kind contributions from Commonwealth, state and territory governments at the time when the services are provided to participants. In some cases, the Agency may not have been formally notified that the Commonwealth or a state or territory government has provided or funded a contribution to a participant and in this case the Agency makes an estimate of the amount of in-kind contributions provided to participants during the period but not yet notified to the Agency based on available evidence.

Given that only limited historical information is available in relation to participant claims history and the fact the Scheme is not yet available to all areas of Australia, estimates of the in-kind contributions may require material adjustment in future accounting periods.

### Accounting Policy

#### Revenue from Government

Funding received from the Department of Social Services (received by the Agency as a Corporate Commonwealth entity payment item) is recognised as Revenue from Government unless the funding is in the nature of an equity injection or a loan.

# Notes to and forming part of the financial statements

## 2. Financial Position

This section analyses the Agency's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the Governance, Employees and Relationships section.

### 2.1. Financial Assets

	2016 \$'000	2015 \$'000
<b>Note 2.1A: Cash and cash equivalents</b>		
Cash on hand	145,294	37,482
Term deposits	161,136	99,000
<b>Total cash and cash equivalents</b>	<b>306,430</b>	<b>136,482</b>

#### Accounting Policy

Cash is recognised at its nominal amount and recorded in the Statement of Financial Position. Cash and cash equivalents include cash on hand and term deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Term deposits with original maturity greater than three months are classified as other financial assets (refer to note 2.1C).

#### Note 2.1B: Trade and other receivables

##### Goods and services receivables in connection with

Related parties	12,421	2,757
External parties	23,362	32,814
<b>Total goods and services receivables</b>	<b>35,783</b>	<b>35,571</b>

##### Other receivables

Statutory receivables (GST)	1,317	778
Additional Scheme contributions <sup>1</sup>	-	47,327
Other	1,455	257
<b>Total other receivables</b>	<b>2,772</b>	<b>48,362</b>
<b>Total trade and other receivables (gross)</b>	<b>38,555</b>	<b>83,933</b>

##### Less impairment allowance

Goods and services	17,671	-
<b>Total impairment allowance account</b>	<b>17,671</b>	<b>-</b>
<b>Total trade and other receivables (net)</b>	<b>20,884</b>	<b>83,933</b>

##### Trade and other receivables expected to be recovered

No more than 12 months	20,884	83,933
<b>Total trade and other receivables (net)</b>	<b>20,884</b>	<b>83,933</b>

<sup>1</sup> Under the Intergovernmental Agreement for the NDIS Launch, the Agency is able to seek additional cash contributions from Commonwealth, state and territory governments in respect of differences between the amount of agreed in-kind contributions and the actual in-kind services provided during the year. This reflects the fact that the Agency will be required to source equivalent services from other providers and pay for those services.

The additional cash contributions recognised at 30 June 2015 were subsequently written-off, reflecting the experience of a lower level of participant claims received in 2015-16 compared to the expected claims at 30 June 2015. Accordingly, the Agency believes recovery of the additional cash contributions previously recognised will no longer be required to fund participant support costs. A corresponding reduction in the participant plan provision has also been made during the year of \$120.2 million.

## Notes to and forming part of the financial statements

	2016 \$'000	2015 \$'000
<b>Trade and other receivables aged as follows</b>		
Not overdue	15,415	51,371
Overdue by		
0 to 30 days	3,700	9,165
31 to 60 days	365	9,091
61 to 90 days	144	8,399
More than 90 days	18,931	5,907
<b>Total trade and other receivables (gross)</b>	<b>38,555</b>	<b>83,933</b>
<b>The impairment allowance aged as follows</b>		
Overdue by		
More than 90 days	17,671	-
<b>Total impairment allowance account</b>	<b>17,671</b>	<b>-</b>

### Reconciliation of the Impairment Allowance Account:

Movements in relation to 2016			
	Goods and services \$'000	Additional Scheme contributions \$'000	Total \$'000
<b>Opening balance</b>	-	-	-
Amounts written off	(13,695)	(47,327)	(61,022)
Increase recognised in net surplus	31,366	47,327	78,693
<b>Closing balance</b>	<b>17,671</b>	<b>-</b>	<b>17,671</b>

## Notes to and forming part of the financial statements

	2016	2015
	\$'000	\$'000
<b>Note 2.1C: Other financial assets</b>		
Deposits	33,194	-
<b>Total other financial assets</b>	<b>33,194</b>	<b>-</b>
Total other financial assets - are expected to be recovered in:		
No more than 12 months	33,194	-
<b>Total other financial assets</b>	<b>33,194</b>	<b>-</b>

### Accounting Policy

The Agency classifies all of its financial assets owing to their nature and purpose at the time of recognition. Financial assets are recognised and derecognised upon trade date.

#### Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables' and are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

#### Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Agency has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis. The Agency classifies other investments as held-to-maturity.

The Agency held-to-maturity investments are recognised in the Statement of Financial Position as other financial assets and are made up of negotiable certificates of deposit. At 30 June 2016 there are three certificates of deposit maturing at different dates within the next 12 months. Interest rates range from 3.03% to 3.13%, payable upon maturity.

#### Effective interest method

Interest income is recognised on an effective interest rate basis. The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period.

#### Impairment of financial assets

*Financial assets impairment* - financial assets are assessed for impairment at the end of each reporting period.

*Financial assets carried at amortised cost* - if there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an impairment allowance. The loss is recognised in the Statement of Comprehensive Income.

## Notes to and forming part of the financial statements

### 2.2. Non-Financial Assets

#### Note 2.2A: Reconciliation of the opening and closing balances of property, plant and equipment and intangibles for 2016

	Buildings (leasehold improvements)	Property, plant & equipment	Computer software internally developed	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2015</b>				
Gross book value	37,747	2,298	3,555	43,600
Accumulated depreciation and impairment	(11,284)	(842)	(139)	(12,265)
<b>Net book value 1 July 2015</b>	<b>26,463</b>	<b>1,456</b>	<b>3,416</b>	<b>31,335</b>
<b>Additions</b>				
Purchase or internally developed	3,829	396	-	4,225
Assets first found	-	143	-	143
Revaluations in other comprehensive income	1,881	-	-	1,881
Depreciation expense	(7,766)	(805)	(315)	(8,886)
Impairment recognised in net cost of services	-	-	(1,589)	(1,589)
Disposals				
Write Offs	(106)	(178)	(1,512)	(1,796)
<b>Net book value 30 June 2016</b>	<b>24,301</b>	<b>1,012</b>	<b>-</b>	<b>25,313</b>
<b>Net book value as of 30 June 2016 represented by:</b>				
Gross book value	43,254	2,403	1,888	47,545
Accumulated depreciation and impairment	(18,953)	(1,391)	(1,888)	(22,232)
	<b>24,301</b>	<b>1,012</b>	<b>-</b>	<b>25,313</b>

All items of property, plant and equipment and intangible assets were assessed for indications of impairment as at 30 June 2016. As part of a transition to the delivery of shared services by the Department of Human Services (DHS), the Agency will no longer be utilising some of its intangible assets. As a result, an impairment expense of \$1.6 million was recorded during the year.

No property, plant and equipment is expected to be sold or disposed of within the next 12 months.

Buildings (leasehold improvements), property, plant and equipment are measured at their estimated fair value in the financial statements. Refer to Note 5.3 for further details.

# Notes to and forming part of the financial statements

## Accounting Policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Non-financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

### Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$5,000 which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the Agency where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Agency's leasehold improvements with a corresponding provision for the 'make good' obligation recognised.

### Revaluations

Following initial recognition at cost, items of property, plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. The Agency's policy is to conduct valuations with sufficient frequency to ensure that the carrying value of items do not differ materially from their fair value at each reporting date. The Agency's leasehold improvements are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation. The fair value measurements of the Agency's leasehold improvements as at 30 June 2016 were performed by Australian Valuation Solutions ('AVS'), independent valuers. AVS have appropriate qualifications and recent experience in the fair value measurement of similar assets in the Government sector.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset was restated to the revalued amount.

### Depreciation

Depreciable property, plant and equipment assets (other than freehold land and properties under construction) are written-off to their estimated residual values over their estimated useful lives using the straight-line method of depreciation. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. The table below outlines the depreciation rates applying to each class of depreciable asset based on the following useful lives:

Asset class	Useful life
Property, plant and equipment	3 to 10 years
Buildings (leasehold improvements)	Lesser of 10 years or the lease term

### Impairment

All assets were assessed for impairment at 30 June 2016. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Agency were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

### Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or its disposal. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales processed and the carrying amount of the asset and is recognised in profit or loss.

### Intangibles

Agency intangibles comprise internally developed software for internal use and purchased software. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Agency's software range between two and seven years (2014-15: between seven and ten years).

All intangible assets were assessed for indications of impairment as at 30 June 2016. See the footnote to table 2.2A above for further information.



## Notes to and forming part of the financial statements

**Note 2.2B: Reconciliation of the opening and closing balances of property, plant and equipment and intangibles for 2015**

	Buildings (leasehold improvements) \$'000	Other property, plant & equipment \$'000	Computer software internally developed \$'000	Total \$'000
<b>As at 1 July 2014</b>				
Gross book value	24,659	1,137	277	26,073
Accumulated depreciation and impairment	(4,198)	(240)	-	(4,438)
<b>Net book value 1 July 2014</b>	<b>20,461</b>	<b>897</b>	<b>277</b>	<b>21,635</b>
Additions:				
By purchase				
Assets first found	13,088	1,179	3,278	17,545
Depreciation and amortisation expense	-	206	-	206
Disposals:	(7,086)	(807)	(139)	(8,032)
Other (net of depreciation)	-	(19)	-	(19)
<b>Net book value 30 June 2015</b>	<b>26,463</b>	<b>1,456</b>	<b>3,416</b>	<b>31,335</b>
<b>Net book value as of 30 June 2015 represented by:</b>				
Gross book value	37,747	2,298	3,555	43,600
Accumulated depreciation and impairment	(11,284)	(842)	(139)	(12,265)
	<b>26,463</b>	<b>1,456</b>	<b>3,416</b>	<b>31,335</b>

Property, plant and equipment and Intangible assets were assessed for recoverable amounts and no indicators of impairment were found.

No items of property, plant and equipment or intangibles are expected to be sold or disposed of within the next 12 months.

## Notes to and forming part of the financial statements

	2016 \$'000	2015 \$'000
<b><u>Note 2.2C: Other non-financial assets</u></b>		
Participant advances <sup>1</sup>	7,060	3,137
Participant plan prepayments <sup>2</sup>	275	328
Other prepayments	3,137	809
<b>Total other non-financial assets</b>	<b>10,472</b>	<b>4,274</b>

<b>Other non-financial assets expected to be recovered</b>		
No more than 12 months	10,472	4,274
<b>Total other non-financial assets</b>	<b>10,472</b>	<b>4,274</b>

No indicators of impairment were found for other non-financial assets.

<sup>1</sup> Participant advances represent payments that have been made to self-managed participants in the Scheme in advance of support being provided.

<sup>2</sup> Participant plan prepayments represent payments that have been made to providers in advance of supports being utilised by participants.

### 2.3. Payables

	2016 \$'000	2015 \$'000
<b><u>Note 2.3A: Suppliers</u></b>		
Trade creditors and accruals	24,912	13,704
Operating lease rentals	437	318
<b>Total suppliers</b>	<b>25,349</b>	<b>14,022</b>

<b>Suppliers expected to be settled</b>		
No more than 12 months	25,000	13,707
More than 12 months	349	315
<b>Total suppliers</b>	<b>25,349</b>	<b>14,022</b>

Settlement is usually made for suppliers within 30 days.

<b><u>Note 2.3B: Participant plan payables</u></b>		
Participant plan payables expected to be settled within 12 months	-	2,632
<b>Total participant plan payables</b>	<b>-</b>	<b>2,632</b>

<b><u>Note 2.3C: Other payables</u></b>		
Unearned revenue	-	4,350
Salaries and wages	471	1,341
Superannuation	75	-
Lease incentives	2,065	1,863
Other	-	407
<b>Total other payables</b>	<b>2,611</b>	<b>7,961</b>

<b>Other payables expected to be settled</b>		
No more than 12 months	883	6,273
More than 12 months	1,728	1,688
<b>Total other payables</b>	<b>2,611</b>	<b>7,961</b>



## Notes to and forming part of the financial statements

### 2.4. Other Provisions

	2016 \$'000	2015 \$'000
<b>Note 2.4A: Participant plan provisions</b>		
Participant plan provisions	215,852	163,088
<b>Total participant plan provisions</b>	<b>215,852</b>	<b>163,088</b>

The valuation of the participant provision was undertaken as at 30 June 2016 by the Scheme Actuary.

All participant provisions are expected to be settled within 12 months.

No liability is recorded for any participant supports to be provided in future reporting periods as the relevant recognition criteria are not met.

<b>Participant plan commitments payable</b>		
Within 1 year	700,724	332,467
Between 1 to 5 years	141,553	439
<b>Total participant plan commitments payable (inc. GST)</b>	<b>842,277</b>	<b>332,906</b>
Less GST recoverable on participant plan commitments	(958)	(379)
<b>Net participant plan commitments payable</b>	<b>841,319</b>	<b>332,527</b>

#### **Note 2.4B: Other provisions**

Provision for restoration obligations	2,735	2,642
<b>Total other provisions</b>	<b>2,735</b>	<b>2,642</b>

Other provisions expected to be settled

No more than 12 months	1,437	82
More than 12 months	1,298	2,560
<b>Total other provisions</b>	<b>2,735</b>	<b>2,642</b>

The Agency has 16 (2014-15: 17) agreements for the leasing of premises which have provisions requiring the entity to restore the premises to their original condition at the conclusion of the lease. The Agency has made a provision to reflect the present value of this obligation.

	Participant plan provision \$'000	Provision for restoration \$'000	Total \$'000
<b>Carrying amount 1 July 2015</b>	<b>163,088</b>	<b>2,642</b>	<b>165,730</b>
Additional provisions made	206,644	76	206,720
Amounts reversed <sup>1</sup>	(120,169)	(150)	(120,319)
Amounts used	(33,711)	-	(33,711)
Unwinding of discount or change in discount rate	-	167	167
<b>Closing balance 30 June 2016</b>	<b>215,852</b>	<b>2,735</b>	<b>218,587</b>

<sup>1</sup> In line with its accounting policy, during the year the Agency has reviewed the participant plan provision recorded in previous financial years taking into account the claims experience during the 2015-16 year. This resulted in a reduction of \$116.0 million relating to the 2014-15 period and a further reduction of \$4.2 million relating to the 2013-14 period.

## Notes to and forming part of the financial statements

### **Accounting Policy**

The Agency makes a provision for the reasonable care and support for participants provided during the period but not yet notified to the Agency. The provision represents the best estimate of the amount based on available evidence in relation to rates of expenditure by participants and is informed by actuarial analysis.

### **Key judgements and estimates**

#### Participant plan provisions

The Agency recognises a liability for the costs of reasonable care and support at the time that services are provided to participants in the Scheme. Due to the administrative processes associated with receiving and processing claims at the end of an accounting period, the Agency may not have been notified of the full value of all services provided during that period. Therefore, the Agency records a provision for the reasonable care and support for participants provided during the period but not yet notified to the Agency based on its best estimate of the outstanding liability using the guidance in accounting standards and is informed by actuarial analysis including consideration of participant claims history and other relevant factors. The value of this provision is assessed on a regular basis in line with emerging evidence of provider claiming. The provision is reduced where sufficient evidence exists that amounts will not be claimed.

Given that only limited historical information is available in relation to participant claims history and the fact the Scheme is not yet available to all areas of Australia, estimates of the participant plan provision may require material adjustment in future accounting periods.

## Notes to and forming part of the financial statements

### 3. Funding

This section identifies the Agency funding structure.

#### 3.1. Cash Flow Reconciliation

	2016	2015
	\$'000	\$'000
<b>Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement</b>		
<b>Cash and cash equivalents as per</b>		
Cash Flow Statement	306,430	136,482
Statement of Financial Position	306,430	136,482
<b>Discrepancy</b>	-	-
 <b>Reconciliation of net cost of services to net cash from/(used by) operating activities</b>		
Net (cost of)/contribution by services	(565,288)	(308,024)
Revenue from Government	581,070	308,433
 <b>Adjustments for non-cash items</b>		
Assets first found	(143)	(206)
Depreciation and amortisation	8,886	8,032
Net write-down of non-financial assets	3,385	20
Accrued purchase of buildings and plant and equipment	(3,264)	-
GST on investing activities	-	282
 <b>Movements in assets and liabilities</b>		
<b>Assets</b>		
Decrease/(increase) in net receivables	63,049	(80,284)
(Increase)/decrease in other non-financial assets	(6,198)	(3,583)
<b>Liabilities</b>		
Increase/(decrease) in employee provisions	8,648	8,638
Increase/(decrease) in other provisions	93	456
Increase/(decrease) in participant plan provisions	52,764	92,108
Increase/(decrease) in supplier payables	11,327	5,944
(Decrease)/increase in participant plan payables	(2,632)	1,156
(Decrease)/increase in other payables	(5,350)	5,923
<b>Net cash from operating activities</b>	<b>146,347</b>	<b>38,895</b>

## Notes to and forming part of the financial statements

### 4. Governance, Employees and Relationships

This section describes a range of employment and post-employment benefits provided to our employees and our relationships with other key people.

#### 4.1. Employee Provisions

	2016	2015
	\$'000	\$'000
<b>Note 4.1A: Employee provisions</b>		
Leave	24,160	15,512
<b>Total employee provisions</b>	<b>24,160</b>	<b>15,512</b>
Employee provisions expected to be settled		
No more than 12 months	7,957	4,955
More than 12 months	16,203	10,557
<b>Total employee provisions</b>	<b>24,160</b>	<b>15,512</b>

#### Accounting Policy

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits expected within twelve months of the end of the reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

##### Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Agency is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the Agency's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2016. The estimate of the present value of the liability for long service leave takes into account attrition rates and pay increases through promotion and inflation.

##### Superannuation

Agency's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other superannuation funds held outside the Australian Government. The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance administered schedules and notes.

The Agency makes employer contributions to the employees' superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The Agency accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at the balance date represents outstanding superannuation contributions at the end of the period.

## Notes to and forming part of the financial statements

### 4.2. Senior Management Personnel Remuneration

	2016	2015
	\$'000	\$'000
<b>Short-term employee benefits</b>		
Salary	9,535	7,240
Other allowances <sup>1</sup>	1,285	638
<b>Total short-term employee benefits</b>	<b>10,820</b>	<b>7,878</b>
<b>Post-employment benefits</b>		
Superannuation	1,329	851
<b>Total post-employment benefits</b>	<b>1,329</b>	<b>851</b>
<b>Other long-term employee benefits</b>		
Annual leave accrued	884	552
Long-service leave accrued	194	172
<b>Total other long-term employee benefits</b>	<b>1,078</b>	<b>724</b>
<b>Termination benefits</b>		
Voluntary redundancy	-	522
<b>Total termination benefits</b>	<b>-</b>	<b>522</b>
<b>Total</b>	<b>13,227</b>	<b>9,975</b>

<sup>1</sup> Other allowances include vehicle and relocation allowances.

Note 4.2. represents the Agency's actual Board Members and senior executive remuneration expenses on an accrual basis. The total number of senior management personnel that are included in the above table is 67 (2014-15: 45).

### 4.3. Related Party Disclosures

#### Directors or Director-related entities

The Agency is governed by an independent Board of Directors. There were no loans to Directors or Director-related parties during the period (2014-15: Nil).

Bruce Bonyhady AM is a lifetime member of the Association for Children with a Disability. During the financial year the Agency provided grant payments of \$46,500 to the Association for Children with a Disability as part of the Sector Development Fund and the Community Inclusion and Capacity Development programme. During the 2014-15 financial year, \$175,000 was granted to the Association for Children with a Disability from the Sector Development Fund.

Rhonda Galbally AO is an Honorary Professor at Deakin University. During the financial year the Agency provided grant payments of \$4,686 to Deakin University as part of the Community Inclusion and Capacity Development programme. During the 2014-15 financial year, the Agency seconded an employee of Deakin University with the total value of services of \$207,425.

Martin Laverty is a Council Member of the National Rural Health Alliance. During the financial year, the National Rural Health Alliance provided consulting services to the Agency pertaining to the development of its Rural and Remote servicing strategy. The total value of services provided for the year was \$25,120 (2014-15: \$nil).

No Board members played any part in Agency decisions in relation to the transactions noted above.

## Notes to and forming part of the financial statements

### Registered Service Providers

Participants who elect to have their plan managed by the Agency must select a registered service provider to deliver the supports in their plan. To become a registered service provider an organisation must submit an application to the Agency which is assessed against the criteria specified in Part 3 of *National Disability Insurance Scheme (Registered Providers of Supports) Rules 2013*. Directors of the Agency are not involved in decisions to accept or reject applications to register as a service provider.

Several Directors of the Agency play an active role in the disability sector and may have relationships with registered and/or potential service providers. Participants exercise choice and control in selecting service providers for the funded supports in their individualised plans and consequently payments made by the Agency to service providers for participant supports are not considered to be related party transactions.

There were no other related party transactions during the period.

### **4.4. Remuneration of Auditors**

	2016 \$'000	2015 \$'000
<b><u>Note 4.4A: Remuneration of auditors</u></b>		
<b>Fair value of services received</b>		
Financial statement audit services	<u>737</u>	<u>737</u>
<b>Total Remuneration of Auditors</b>	<u>737</u>	<u>737</u>

The Agency's auditor is the Australian National Audit Office (ANAO).

# Notes to and forming part of the financial statements

## 5. Managing Uncertainties

This section analyses how the Agency manages financial risks within its operating environment.

### 5.1. Contingent Assets and Liabilities

#### Quantifiable Contingencies

As at 30 June 2016, the Agency had no quantifiable contingencies (2015: \$nil).

#### Unquantifiable Contingencies

As at 30 June 2016, the Agency had no unquantifiable contingencies (2015: \$nil).

#### Accounting Policy

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

### 5.2. Financial Instruments

	2016	2015
	\$'000	\$'000
<b>Note 5.2A: Categories of financial instruments</b>		
<b>Financial assets</b>		
<b>Held-to-maturity investments</b>		
Term deposits	33,194	-
<b>Total held-to-maturity investments</b>	<b>33,194</b>	<b>-</b>
<b>Loans and receivables</b>		
Cash and cash equivalents	306,430	136,482
Other receivables	1,415	231
<b>Total loans and receivables</b>	<b>307,845</b>	<b>136,713</b>
<b>Total financial assets</b>	<b>341,039</b>	<b>136,713</b>
<b>Financial liabilities</b>		
<b>At amortised cost</b>		
Supplier payables	25,349	14,022
Participant plan payables	-	2,632
Other payables	2,611	7,961
<b>Total financial liabilities</b>	<b>27,960</b>	<b>24,615</b>

No financial instruments have transferred between categories during the period.

The carrying amount of the Agency's financial instruments shown above represents their fair value.

## Notes to and forming part of the financial statements

### Accounting Policy

#### Financial liabilities

Financial liabilities, including supplier and other payables, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

	2016 \$'000	2015 \$'000
<b><u>Note 5.2B: Net gains or losses on financial assets</u></b>		
<b>Held-to-maturity investments</b>		
Interest revenue	2,169	-
<b>Net gain on held-to-maturity investments</b>	<b>2,169</b>	<b>-</b>
 <b>Loans and receivables</b>		
Interest revenue	4,050	4,705
<b>Net gain on loans and receivables</b>	<b>4,050</b>	<b>4,705</b>
 <b>Net gain from financial assets</b>	<b>6,219</b>	<b>4,705</b>

There were no other gains or losses on financial liabilities or assets during the period.

#### **Note 5.2C: Credit risk**

The Agency's primary credit risk exposure arises from the Agency's business interactions on credit with other receivables. The credit quality of receivables is risk assessed by management taking into account their financial position, past experience, other factors and compliance with the Agency's credit terms.

The Agency assessed the risk of the default on payment and has not created an impairment allowance on receivables considered financial instruments as all amounts are regarded as recoverable.

The following table illustrates the Agency's maximum exposure to credit risk, excluding any collateral or credit enhancements.

	2016 \$'000	2015 \$'000
Other receivables	1,415	231
<b>Total</b>	<b>1,415</b>	<b>231</b>

#### **Credit quality of financial instruments not past due or individually determined as impaired**

	Not past due nor impaired	Not past due nor impaired	Past due	Past due
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Other receivables	1,415	231	-	-
<b>Total</b>	<b>1,415</b>	<b>231</b>	<b>-</b>	<b>-</b>



## Notes to and forming part of the financial statements

### **Note 5.2D: Liquidity risk**

The Agency manages liquidity risk by continuously monitoring the forecast and actual cashflows associated with financial assets and financial liabilities. All financial liabilities shown in the Statement of Financial Position as at 30 June 2016 are expected to fall due within 12 months.

### **Note 5.2E: Market risk**

The Agency holds basic financial instruments that do not expose the Agency to certain market risks. The Agency is not exposed to 'currency risk' or 'other price risk'.

The only interest-bearing items on the balance sheet are certificates of deposit. All certificates bear interest at a fixed interest rate and will not fluctuate due to changes in the market interest rate.

	2016 \$'000	2015 \$'000
<b>Note 5.2F: Financial assets reconciliation</b>		
	<b>Notes</b>	
<b>Total financial assets as per Statement of Financial Position</b>	<b>360,508</b>	220,415
<b>Less: non-financial instrument components</b>		
Receivables from Commonwealth, states and territories	(35,783)	(35,058)
Statutory receivables	(1,317)	(778)
Additional Scheme contributions	(47,327)	(47,327)
Other receivables	(40)	(539)
Receivables impairment allowance	64,998	-
<b>Total non-financial instrument components</b>	<b>(19,469)</b>	(83,702)
<b>Total financial assets as per financial instruments</b>	5.2A <b>341,039</b>	136,713

# Notes to and forming part of the financial statements

## 5.3. Fair Value Measurement

The following tables provide an analysis of assets and liabilities that are measured at fair value.

The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### Note 5.3A: Fair value measurements for recurring fair value measurement assets

#### Level 2 and Level 3 fair value measurements - valuation technique and the inputs used for assets and liabilities 2016

	Fair value measurements at the end of the reporting period			For level 2 and 3 fair value measurements	
	2016 \$'000	2015 \$'000	Category (Level 1, 2 or 3)	Valuation Technique <sup>1</sup>	Inputs used
<b>Non-financial assets</b>					
Buildings (leasehold improvements)	24,301	26,463	3	Depreciated replacement cost	Cost prices, depreciation rates
Property, plant and equipment	1,012	1,456	3		
<b>Total non-financial assets</b>	<b>25,313</b>	<b>27,919</b>			

#### Accounting Policy

The Agency deems transfers between levels of the fair value hierarchy to have occurred at the end of the reporting period.

#### Key judgements and estimates

Buildings (leasehold improvements), property, plant and equipment are measured at their estimated fair value in the financial statements.

# Notes to and forming part of the financial statements

Note 5.3B: Reconciliation for recurring level 3 fair value measurements  
Recurring Level 3 fair value measurements - reconciliation for assets

	Non-financial assets				
	Leasehold improvements		Property, plant and equipment		Total
	2016	2015	2016	2015	2016
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	26,463	20,461	1,456	897	27,919
Purchases	3,829	13,088	396	1,179	4,225
Revaluations in other comprehensive income	1,881	-	-	-	1,881
Assets first found recognised	-	-	143	206	143
Write offs	(106)	-	(178)	(35)	(284)
Depreciation	(7,766)	(7,086)	(805)	(791)	(8,571)
Closing balance	24,301	26,463	1,012	1,456	25,313
					27,919

## Accounting Policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

## Notes to and forming part of the financial statements

### 6. Other Information

This section provides other disclosures relevant to the National Disability Insurance Scheme Launch Transition Agency financial information environment for the year.

#### 6.1. Reporting of Outcomes

		Outcome 1
	2016	2015
	\$'000	\$'000
Expenses	1,074,236	636,062
Own-source income	(508,948)	(328,038)
<b>Net (cost of)/contribution of outcome delivery</b>	<b>(565,288)</b>	<b>(308,024)</b>

The Agency is structured to meet a single outcome of implementing a National Disability Insurance Scheme that provides, as per Outcome 1:

Individual control and choice in the delivery of reasonable and necessary care and supports to improve the independence, social and economic participation of eligible people with disability, their families and carers, and associated referral services and activities.

# Shortened forms

**AAA** – Access for All Abilities

**AAT** – Administrative Appeals Tribunal

**AHPA** – Allied Health Professionals Australia

**AHRC** – Australian Human Rights Commission

**AIDIN** – Australian Injury and Disability Insurance Network

**ANAO** – Australian National Audit Office

**AND** – Australian Network on Disability

**APS** – Australian Public Service

**APSC** – Australian Public Service Commission

**APY** (Lands) – Anangu Pitjantjatjara Yankunytjatjara

**ARFC** – Audit and Financial Risk Committee

**AT** – assistive technologies

**CALD** – Culturally and Linguistically Diverse

**CEO** – Chief Executive Officer

**CFO** – Chief Financial Officer

**CICD** – community inclusion and capacity development

**COAG** – Council of Australian Governments

**CPR** – Commonwealth Procurement Rules

**DDA** – Disability Discrimination Act 1992

**DHS** – Department of Human Services

**DRC** – (COAG) Disability Reform Council

**DSS** – Department of Social Services

**EA** – enterprise agreement

**ECEI** – Early Childhood Early Intervention

**EMG** – Executive Management Group

**EPMO** – Enterprise Program Management Office

**FaHCSIA** – Department of Families, Housing, Community Services and Indigenous Affairs

**FASD** – foetal alcohol spectrum disorders

**FPDN** – First Peoples Disability Network

**FTE** – full-time equivalent

**IAC** – Independent Advisory Council

**IAGDP** – Indigenous Australian Government Development Program

**IDRG** – Intellectual Disability Reference Group

**ICT** – information and communications technology

**IFA** – Individual Flexibility Arrangements

**IPS** – Information Publication Scheme

**JSC** – Joint Standing Committee on the NDIS

**KPI** – key performance indicator

**LAC** – local area coordinator

**LCE** – lifetime cost estimator

**MoU** – memorandum of understanding

**NAT** – National Access Team

**NDIA** – National Disability Insurance Agency

**NDIS** – National Disability Insurance Scheme

**NGO** – non-government organisation

**NMHSRG** – NDIA National Mental Health Sector Reference Group

**NPY** (Women’s Council) – Ngaanyatjarra, Pitjantjatjara and Yankunytjatjara

**OAIC** – Office of Australian Information Commissioner

**OECD** – Organisation for Economic Cooperation and Development

**PBS** – Portfolio Budget Statement

**PGPA** – public governance performance and accountability

**RMR** – Risk Management Rules

**SDF** – Sector Development Fund

**SDOM** – Service Delivery Operating Model

**SES** – Senior Executive Service

**SPN** – Staff Participant Network

**TAFE** – technical and further education

**UN** – United Nations

**VALID** – Victorian Advocacy League for Adults with Intellectual Disabilities

**VCBS** – values, capabilities and behaviours statement

**VCE** – Victorian Certificate of Education

**WHS** – work health and safety

# Glossary

**Approved plan** – a participant’s plan that includes the participant’s statement of goals and aspirations and the supports required by the participant to attain their goals— informal, mainstream and NDIA-funded as approved by the CEO

**Assistive Technology (AT)** – the full range of technological solutions that allow people with disability to be more independent, more connected, and provide opportunities for them to realise their potential as active members of their families, schools, workplaces and communities. Beyond the traditional aids and equipment used by people with disability, including home and vehicle modifications, prosthetics and hearing aids, it includes devices used by people without disability (for example, smartphones, tablets and apps) that are offering new ways to form connections and increase participation

**Bilateral agreement** – an agreement between the Commonwealth Government and jurisdictional governments regarding roles and responsibilities for the transition to full coverage of the NDIS

**Bilateral agreement targets** – the number, location and age of participants that enter the Scheme in each site is determined by legislative rules based on bilateral agreements between the Commonwealth and each of the host jurisdictions

**Carer** – someone who provides personal care, support and assistance to a person with disability and who is not contracted as a paid or voluntary worker

**Citizens’ Jury** – a mechanism of deliberative democracy that draws on some processes of a legal trial-by-jury and encourages people who

do not usually have a voice to have a say on important issues

**Co-design** – a design process which empowers, encourages, and guides users to develop solutions for themselves

**Committed support** – funds included for reasonable and necessary supports for participants in approved plans

**Community services** – activities and services such as social, study, sporting or other interests, available from local non-government groups and government entities

**Diversity groups** – sociological categories in a demographic. Those of particular relevance to the NDIS in the Australian community include Aboriginal and Torres Strait Islander people, people with disability, women, and people from non-English speaking backgrounds

**Early intervention** – providing support early in a child’s life or post-onset of disability to reduce the effects of disability and to improve functional capacity

**Efficient price** – a price determined by the Agency as the maximum amount to be included for certain supports in a participant’s plan. This price is built up from the cost of wages, on-costs and organisational overheads and includes a margin for profit or re-investment

**Equivalence participation** – the mechanism by which the Agency recognises that some people with disability who are participating in existing state and Commonwealth disability programs with eligibility criteria matching that of the NDIS Scheme therefore qualify for support under the NDIS Scheme

**Evidence base** – the evidentiary base for decision making by NDIA personnel, including whether a person meets the access criteria for funding for reasonable and necessary supports, as well as the factual information compiled by the Agency from its experience in trial sites, data collection and independent research

**Formal supports** – see reasonable and necessary supports

**Full Scheme** – also known as ‘full rollout’, the dates by which the Scheme will be available to potential participants, specifically, in the Australian Capital Territory by July 2016, in New South Wales and South Australia by July 2018, and in Tasmania, Victoria, Queensland and the Northern Territory by July 2019

**Functional impact** – a description of the nature and extent of a person’s disability and how it affects the things they need to do and the way they do them

**Funded supports** – see reasonable and necessary supports

**Funding envelope** – the Agency funding envelope refers to the monies contributed by state and Commonwealth governments for the operational and participant costs of the NDIS Scheme

**Information, Linkages and Capacity building**

– the term used by governments to describe the activities that will be supported by the NDIS to promote the social and economic inclusion of people with a disability including people not receiving individualised funded support from the NDIS (formally known as ‘Tier 2’). The activities include providing information and

making linkages and referral to community or mainstream services, building the capacity of people with a disability, families and carers, building community capacity, building mainstream service provider capacity, and local area coordination

**Insurance approach** – sharing the costs of disability services and supports across the community

**Insurance culture** – an organisational culture where staff, participants and stakeholders are cognisant of, and work is aligned to, insurance principles

**Insurance principles** – placing emphasis on making up-front investments that reduce participants’ calls on the Scheme into the future, including investments in measuring lifetime costs, research and innovation, and community capability development

**Operational plans** – operational plans set out the key deliverables agreed between the Agency, state and territory governments and the Commonwealth Government to support the rollout of the full NDIS Scheme. Operational plans have been developed in partnership between the parties and serve as the overarching roadmap for transitioning to the NDIS as best achieved in each jurisdiction

**Lived experience of disability** – either personally living with disability or having a close relationship with a person with disability (for example, a family member or partner)

**Longitudinal data** – repeated observations of the same variables over long periods of time



## Glossary

(Continued)

**Mainstream services** – government systems providing services to the Australian population, for example, health, mental health, education, justice, housing, child protection and employment services

**Outcomes Framework** – the Agency’s mechanism for measuring success for people with disability in areas like choice and control, social inclusion, education, employment, health and housing

**Ordinary lives** – lives that include positive relationships, a sense of belonging, autonomy, active involvement in decision-making, and opportunities for challenge and contribution

**Package costs** – the cost to the NDIS Agency of providing funding and support to an individual participant

**Participant** – a person who is assessed as meeting the NDIS Scheme participation criteria under the NDIS Act

**Participant outcomes** – a way of measuring the aggregation of whether or not participants’ goals are achieved combined with whether the Agency is meeting its objectives

**Participant’s plan** – an approved plan consisting of a participant’s statement of goals and aspirations and the reasonable and necessary supports approved by the CEO

**People with disability** – a person who experiences any or all of the following: impairments (abnormalities or changes in body function or structure); activity limitations (difficulties in carrying out usual age-appropriate

activities); participation restrictions (problems an individual may experience engaging in community, social and family life)

**Person-centred approach** – places the person with disability at the centre of decision making in terms of their own care needs

**Planning process** – the process by which the Agency helps a participant to plan for the assistance they need from the Scheme to attain their goals

**Planning workbooks** – provided to participants to help them identify and record their needs, goals and current supports during the planning process

**Psychosocial disability** – the term used to describe the disability experience of people with impairments and participation restrictions related to mental health conditions. These impairments and participation restrictions include loss of or reduced ability to function, think clearly, experience full physical health and manage social and emotional aspects of their lives

**Reasonable and necessary supports** – the supports that are funded under the NDIS Act. The NDIA publishes operational guidelines to assist decisions on what is to be funded as a reasonable and necessary support

**Reference packages** – a benchmark amount of support determined according to different characteristics of the population of NDIS Scheme participants such as age, health condition and ‘severity’ of disability. Reference packages will be used to monitor experience against the benchmarks

**Registered service provider** – a disability support provider that has met the NDIS Scheme requirements for qualifications, approvals, experience and capacity for the approved supports and the quality standards of the jurisdiction in which they operate

**Sector Development Fund** – a grants program designed to assist the disability sector, including people with disability, their families and providers, to transition to the new arrangements for disability supports under the NDIS

**Self-direction** – where an intermediary assists with some aspects (often financial) of management of the support, but where the participant and their family make all the decisions about the what, when, where and who delivers the support

**Self-management** – where funding and supports are managed by the participant and their family

**Separation rate** – the measure of people choosing to leave employment in the Agency

**Significant experience of disability** - persons who have had or currently have a family member with a disability, have cared for or currently care for a person with disability or have three years or more working with or for people with disability

**Support package** – the term used by the Agency to describe the funding for the supports available to an individual participant

**Supports** – assistance that helps a participant to reach their goals, objectives and aspirations, and to undertake activities to enable their social and economic participation

**Trial phase** – the first three years of the NDIS Scheme

**Trial sites** – the NDIA sites at which different operating models for providing services to people with disability are being trialled under the Scheme

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## Appendix 1

# The Agency's Senior Management

## General management

### *General Managers, Operations Group*

#### **General Manager, Service Delivery Ms Liz Cairns**

Ms Liz Cairns was appointed General Manager, Service Delivery in 2014. In this role, she is responsible for all of the Agency's service delivery. Prior to this, she was the Manager of the Agency's Barwon trial site in Victoria. Ms Cairns has also worked with PricewaterhouseCoopers Sydney in its Health and Disability Advisory Team, and for New Zealand's Accident Compensation Corporation where she established the National Serious Injury Service in 2007.

Ms Cairns has worked in disability, health and rehabilitation for 24 years. She has worked in publicly-funded health and disability support services, and in catastrophic injury management. Her disability experience is extensive and includes physical, intellectual, sensory and cognitive disability.

#### **General Manager, Operations Mr Scott McNaughton**

Mr Scott McNaughton has been with the Agency for just over two years, and was previously the Branch Manager Full Scheme Implementation. Mr McNaughton joined the Agency from the Commonwealth Department of Human Services (DHS) where he was previously the Service Zone Leader for West Victoria. He was responsible for the face-to-face services in the Centrelink, Medicare and Child Support Agency offices for all of Western Victoria. He has previously headed up the Innovation and Digital Design Branch in DHS, as well various operations branches in DHS. Mr McNaughton has been in the Australian Public Service for around 20 years, spending time

in various departments in both Canberra and Victoria—including FaHCSIA, the Department of Social Services, the Child Support Agency and DHS. He has extensive experience in social policy, indigenous issues and service delivery environments. Mr McNaughton was also a member of the Bali Bombings taskforce in 2001.

Mr McNaughton has a Masters of Public Administration (Melbourne University) and a Master of Business (Victoria University).

#### **General Manager, Operations Ms Vicki Rundle**

Ms Vicki Rundle began her career in state government and worked in a range of policy and service delivery settings including acute care, primary health, aged care and disability services and intergovernmental roles. Immediately prior to joining the Commonwealth, Ms Rundle led a state-wide division that comprised child protection, youth justice, family violence, supported accommodation for homeless people and maternal and child health services. Ms Rundle moved to the Commonwealth Government in June 2006 and for most of that time worked in early childhood policy and related national reforms. Ms Rundle was awarded a Public Service Medal in 2013 for her work on the COAG national early childhood quality reforms. Prior to coming to the NDIA in October 2015, Ms Rundle was in a corporate role in the Department of Employment. Ms Rundle is also a Graduate Member of the Australian Institute of Company Directors, and a qualified coach recognised by the Institute of Executive Coaching and Leadership.

## *General Managers, Stakeholder Relations Group*

### **General Manager, Scheme Transition Ms Anne Skordis**

As the General Manager, Scheme Transition, Ms Anne Skordis has responsibility for market design, support and services, and full Scheme design and transition to the Scheme. Prior to joining the Agency Ms Skordis held several roles in disability and Home and Community Care policy and service delivery, with her roles in intergovernmental negotiations. Her most recent roles were as the Executive Director, NDIS Design and Transition and Government Relations for the Department of Family and Community Services, New South Wales.

Originally from Victoria, Ms Skordis studied social work and her early career was in income support programs, concessions and customer policy for gas and electricity providers in Victoria. She has also been a board member for ten years for a residential and community aged care provider.

### **General Manager, Markets and Providers Ms Esther Kerr-Smith**

Ms Esther Kerr-Smith has over 15 years of corporate development and strategy experience and has a deep understanding of market dynamics and business model innovation. She has worked in Australia, Asia and Europe in a range of market environments—in emerging and mature markets and in highly regulated and unregulated markets—and across different sectors including infrastructure, consumers/retail and financial services.

Ms Kerr-Smith has worked with management teams and led large projects and consumer facing initiatives, including pricing and contract negotiations and on a number of mergers and acquisitions. She is passionate about the Scheme market place and delivering the vision for full Scheme.

### **General Manager, Community Linkages Ms Stephanie Gunn**

Ms Stephanie Gunn joined the Agency in 2012 with responsibility for the establishment of the core participant facing operational requirements for the Scheme, including representing the Agency at bilateral negotiations and establishing all of initial Trial sites. In January 2014, Ms Gunn moved to the Barwon trial site manager role. This followed a long career at the SES level in the Australian Public Service in responsibilities as diverse as corporate governance, strategic planning, blood sector reform, and business process re-engineering.

The Community Linkages Division sees Ms Gunn returning to her passion for building capability at the local, community and regional level to strengthen economic and social opportunities.

### **General Manager, Media, Communications and Engagement Ms Maryanne Diamond AO**

Ms Maryanne Diamond previously worked at Vision Australia, where she led the Advocacy and Engagement Department that incorporates Advocacy, Client Consultation and Engagement, Government Relations and Policy, and Communications and Marketing. Ms Diamond has had a remarkable career which includes leading the World Blind Union delegation throughout the negotiations and at the Diplomatic conference of World Intellectual Property Organisation (WIPO) for the adoption of the Marrakesh Treaty to Facilitate Access to Published Works for Persons who are Blind, visually Impaired or otherwise print disabled.



## Appendix 1

# The Agency's Senior Management

(Continued)

Ms Diamond has chaired the International Disability Alliance (IDA) where she led the work from the global disability community at the UN that resulted in adoption of the 2030 Global Agenda September 2015.

Ms Diamond was a founding member of the Vision Australia Board following five years on the Board of the Royal Victorian Institute for the Blind (RVIB). She was the inaugural CEO of the Australian Federation of Disability Organisations from 2004 to 2007. Prior to that, she spent four years as the Executive Officer of Blind Citizens Australia.

### **General Managers, Organisational Capability Group**

#### **Chief Financial Officer and General Manager, Enabling Services Mr Steve Jennaway**

Mr Steve Jennaway joined the agency as General Manager, Contracts, Procurement and Property in June 2015. He is responsible for the acquisition and fit-out of agency properties Australia wide, the Agency's strategic sourcing approach, security, financial monitoring and reporting and shared corporate services arrangements with the Department of Human Services. He has a range of reporting responsibilities to EMG, the Audit, Risk and Finance Committee and the Board.

Mr Jennaway has been a senior executive in the APS since 1999 and has wide public sector experience including as Chief Financial Officer in DSS. He has worked in corporate and policy areas of various different departments including the Australian Taxation Office, the Australian Bureau of Statistics, the Department to Families, Housing and Community Services and Indigenous Affairs.

#### **General Manager, People and Culture Ms Tina Daisley**

Ms Tina Daisley joined the NDIA in July 2014 as Branch Manager for People and Culture and was promoted to General Manager People and Culture Division in November 2015. Ms Daisley joined the Agency in July 2014 as Branch Manager for People and Culture and was promoted to General Manager People and Culture Division in November 2015. Prior to joining the Agency Ms Daisley worked extensively throughout the public sector in various Agencies including Centrelink, Comsuper and more recently Department of Education, Employment and Workplace Relations (now Department of Education and Department of Employment).

Ms Daisley's career in the public service spans over 19 years and comprises an extensive background in Human Services Service Delivery, Program Management, Training and Development, HR Operations and Corporate Governance. Her previous roles have seen her leading Organisational Change projects and delivering Leadership Development programs.

**General Manager, Technology and Digital Innovation**  
**Ms Rozeanne Frost**

Ms Rozeanne Frost joined the Agency in September 2015 as the General Manager for Technology and Digital Innovation. In this role Ms Frost is responsible for working with DHS to deliver government as a platform, and using digital innovation to deliver improved services to the disability sector.

Ms Frost brings a vast range of public and private sector, and business and ICT experience to the Agency and the Scheme.

Ms Frost has worked across many industry sectors implementing business transformation through ICT and enterprise wide business processes, merging IT systems, and outsourcing infrastructure services.

**Chief Risk Officer and General Manager Governance, Legal and Risk**  
**Mr Paul O'Connor**

Mr Paul O'Connor joined the Agency in February 2016 bringing a wealth of senior leadership experience in insurance, risk management and business regulation in Australia, the United States and Asia, both in the public and private sectors.

Mr O'Connor has previously served as CEO of Victoria's Transport Accident Commission, Comcare and the Victorian Managed Insurance Authority. He was also Deputy Chair of the Seacare Authority, a federal regulator of the offshore maritime industry. Mr O'Connor was a member of the Military Rehabilitation and Compensation Commission that oversees the work of the Department of Veterans Affairs. He was also a member of the federal Safety Rehabilitation and Compensation Commission. Mr O'Connor is a non-executive director of the Australian Network on Disability, a not-for-profit advancing the inclusion of people with disability in all aspects of business.

Mr O'Connor is a Fellow of the Australian Institute of Company Directors and was elected a national Fellow of the Institute of Public Administration Australia.

## Appendix 2

# Enabling Legislation

The Scheme operates under the *National Disability Insurance Scheme Act 2013*. The NDIS Act (in conjunction with other laws) gives effect to Australia's obligations under the United Nations (UN) Convention on the Rights of Persons with Disabilities, and its objectives include:

- supporting people with disability to pursue their goals and maximise their independence and social and economic participation
- developing the capacity of people with disability to participate in the community and in employment
- providing reasonable and necessary supports, including early intervention supports, for participants
- supporting people with disability to exercise choice and control in pursuit of their goals and in the planning and delivery of their supports
- building a sustainable Scheme that is based on insurance principles
- raising community awareness about the social and economic participation of people with disability and acting to increase their inclusion in the mainstream of Australian society.

The NDIS Act establishes the Agency, which has statutory responsibility for delivering the Scheme. The functions and powers of the Agency are also prescribed by the NDIS Act.

The NDIS Act was amended by the *Acts and Instruments (Framework Reform) (Consequential Provisions) Act 2015* on 5 March 2016, as well as the *National Disability Insurance Scheme Amendment Act 2016* on 4 May 2016.

The Agency is overseen by a Board, and is accountable as a corporate Commonwealth entity under the Public Governance, Performance and Accountability Act 2013 (PGPA Act). The Board is responsible for ensuring the proper, efficient and effective performance of the Agency functions, and for determining the objectives, strategies and policies to be followed by the Agency.

## Appendix 3

# Table 14: Compliance with the Carer Recognition Act 2010

Requirement of the Carer Recognition Act 2010	Response
Ensure that employees and agents have an awareness and understanding of the Statement for Australia's Carers.	The Agency promotes staff awareness and understanding of the principles contained within the Carers Recognition Act and the Statement through online tools and resources, including guides on the support available to employees with caring responsibilities and also those who support people with caring responsibilities.
Ensure internal human resources programs have due regard to the Statement for Australia's Carers.	The Agency complies through the FaHCSIA Enterprise Agreement 2012–14 as well as internal policies. Employees with caring responsibilities are supported through access to personal leave, flexible working arrangements, part-time work, home-based work and the Employee Assistance Program.
Ensure the Agency, its employees and agents take action to reflect the principles of the Statement for Australia's Carers in developing, implementing, providing or evaluating care supports.	Carers are included in the planning process, and are recognised in participant plans through the informal care sections of plans. The role of carers is recognised by the Agency as an important factor in developing participant plans. Participant plans are developed with a focus on capacity building and social and economic inclusion for participants. At the request of the person they care for, carers can help with goal setting, assessment and the planning process. Carers can include a carer statement as part of the participant's plan development, and this statement is recorded in the plan. Increasing the capacity of the community to help people with disability, and increasing the social and economic participation of people with disability, improves the situation of carers. The NDIA's Quality Framework allows feedback from carers to inform improvements to the way the Scheme supports their needs.
Ensure that carers, or bodies that represent carers, are consulted when developing or evaluating care supports.	The Agency held a variety of consultation forums that have included carers and their representatives.

# Compliance index

Table 15: NDIS Act 2013

Reference	Requirement	Notes	Page
172(2)(a)	Ministerial directions	No directions issued in 2015–16	NA
172(2)(b)	Ministerial statements	No statements issued in 2015–16	NA
172(2)(c)	Participant and funding information and analysis	Performance report Financial performance	95-120 121-123
172(3)	Requirements in legislative instruments relating to paragraph 172(2)(c)	No legislative instrument made	NA
172(4)(a)	Scheme Actuary’s report	Scheme sustainability and financial performance	144-146
172(4)(b)	Reviewing Actuary’s report	Scheme sustainability and financial performance	147-149

Table 16: PGPA Corporate Commonwealth Entity Rule 2014

Reference	Requirement	Detail and page location	
17BB	Approval by directors	Letter of transmittal	viii
17BC	Compliance with the guidelines for presenting documents to the Parliament		all
17BD	Plain English and clear design		all
17BE(a)	Enabling legislation, objectives, purposes and functions	Enabling legislation	202
17BE(b)		Performance Report	97-120
17BE(c)	Responsible Minister	Responsible Minister	130
17BE(d)	Ministerial directions	No directions issued	NA
17BE(e)	Government policy orders	No Government policy orders issued	NA
17BE(f)			
17BE(g)	Annual performance statements	Annual Performance Statements	96-120
17BE(h)	Instances of non-compliance to finance law	No instances of non-compliance	NA
17BE(i)			

Reference	Requirement	Detail and page location	
17BE(j)	Information about directors	Board member profiles	70-73
17BE(i)		Governance framework	126-127
		The Board	68-69, 74
		The Agency	67
17BE(k)	Organisational structure and locations of major activities and facilities		67, 135
17BE(l)			
17BE(m)	Statement on governance		126-131
17BE(n)	Related entity transactions	The Board	68-74
17BE(o)		Ethical Standards	87
		Financial Statements	150-187
17BE(p)	Significant activities and changes		i-vii
17BE(q)	Judicial and administrative tribunal decisions	External scrutiny	132-134
17BE(r)	Reports made about the Agency	External scrutiny	132-134
17BE(s)	Obtaining information from subsidiaries	No missing information and no subsidiaries	NA
17BE(t)	Indemnities and insurance premiums for officers	No indemnities applied including premiums paid or agreed to be paid for insurance against the Agency or liability for legal costs	136
17BE(u)	Index of annual report requirements	Compliance index	204-205
17BF	Disclosure requirements for government business enterprises	The Agency is not a government business enterprise	NA

## Table 17: Work Health and Safety Act 2011

Reference	Requirement	Detail and page location	
4(1)	Work health and safety (see also Work Health and Safety Act 2011, Schedule 2)	Work health and safety	135-
4(2)		performance	136

Appendix 4

**Compliance index**

(Continued)

**Table 18: Environment Protection and Biodiversity Conservation Act 1999**

Reference	Requirement	Detail and page location	
516A	Ecologically sustainable development and environmental performance	Ecological and sustainable development	136-137

**Table 19: Freedom of Information Act 1982**

Reference	Requirement	Detail and page location	
8	Information Publication Scheme Statement	Freedom of Information	134





## For more information about this report, please contact:

### National Disability Insurance Agency



Telephone 1800 800 110

### For people with hearing or speech loss



TTY: 1800 555 677



Speak and Listen: 1800 555 727

### For people who need help with English



TIS: 131 450

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