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Corporate Plan 2013-2016

1 Chairman and CEO's Foreword

Every Australian understands the importance of the National Disability Insurance Scheme (NDIS) and we have the opportunity, based on the community's overwhelming support, to achieve one of the best disability systems in the world. The Board and the Management of the National Disability Insurance Agency (NDIA) are here to deliver on this opportunity. To this end a clear and simple plan that meets the objectives of stakeholders ie. Governments, participants, business and community, and delivers the goals for the Scheme's success is critical.

But it's important also to remember that the world won't change immediately. It won't change from a broken dysfunctional system, to a smoothly operating, well-oiled machine benefiting all Australians overnight. It's also possible that things will go wrong, that things won't be entirely smooth. But we are confident that the staff of NDIA have prepared for this moment to the very, very best of their abilities.

So we give you this assurance, everyone within NDIA, including the Board, are all committed to making sure that this Scheme is the best possible one for Australia. And by starting on a small scale, by building up our knowledge and expertise over time, by listening to participants and by sustaining and improving the Scheme's foundations, we will contribute to a fairer, more inclusive community where people with disability are empowered and enabled to have the lives that they yearn for.

Critical to achieving all of this, will be the good governance of NDIA. There are four key areas where the board will focus its attention and these are reflected in our Mission and Goals. They are in one way separate but in others they are linked to make up a picture of total risk management and create a total risk management framework.

The four areas are:

- Scheme sustainability - ensuring that the commitment to achieving the full social and economic participation of people with disabilities
- upholding the UN Convention - that people have control and choice and that the mission of NDIA is achieved
- that the insurance model that lies at the heart of the Scheme and NDIA is implemented well and then maintained, and
- that the support for the Scheme across all governments, all political parties, the disability sector and the community more generally is maintained and nourished in the years ahead as the Scheme is fully implemented.

NDIA is a company established under the *Commonwealth Authorities and Company (CAC) Act 1997*. This is often termed a *CAC Act*, the directors of a *CAC Act* company have very clear and overriding fiduciary responsibilities. These responsibilities are in many ways more onerous than for a normal company. As directors of a CAC company, financial sustainability is a vital objective, an essential objective.

However, the importance of financial sustainability goes well beyond the legal requirements of the *CAC Act* because in the absence of financial sustainability and ensuring that the NDIS is fiscally affordable and operates efficiently, the overwhelming support that the Scheme enjoys today throughout Australia will evaporate, and without community support for the full funding of the NDIS, people with disabilities will again be pushed to the margins of Australian society.

The Board and Agency will need to monitor and ensure that the legislation and rules which are contained in the *National Disability Insurance Scheme Act 2013*and the associated regulations are fully implemented at all times. This requires us to take a firm and fair stand in order to ensure that the boundaries of eligibility, the boundaries of fair and reasonable support, are maintained and not widened in ways which will undermine sustainability of the Scheme. We will also need to ensure that other complementary systems which people with disability need to access to achieve full and complete lives, health and education, play their part and do not shift costs on to the NDIS, thereby undermining its viability.

Further, while initially NDIA will set the prices for the services that people will buy, over time it will move to a marketplace and so NDIA will need to take an active interest in ensuring that the sector develops, that the workforce develops in order to make sure that the Scheme is not undermined by inflation.

Responsibility for the financial sustainability of the NDIS, however, does not just rest with the Board and management of NDIA. NDIA fits within a much broader community agenda of participation, productivity and inclusion. And with rights come responsibilities. NDIA is neither designed nor funded to improve the health, education or other systems that people with disability must access to have quality lives. It's therefore also the responsibility of those sectors, every participant, their families, their carers, disability service providers and advocates to also ensure and look at the services that NDIA is asked to provide through the lens of fairness and sustainability. We are committed to ensuring that NDIA holds true to its mission, to give people with disability control and choice in their lives, and to put people with disability, their families and carers at the very centre of the Scheme.

This ongoing philosophy is clearly stated in the legislation and in the regulations, as well as set out in the objectives and principles of the Act. Control and choice is also central to the UN Convention on the rights of people with disability which is listed as the first object of the Act.

Control and choice is so important because people who are in control feel empowered and therefore enjoy much more fulfilled lives. Control and choice is also essential if a new marketplace is going to emerge which encourages innovation and creativity and choice. Control and choice will emerge gradually over time as it will take time for people to make informed choices and therefore to take control.

We cannot lose sight of the central importance of control and choice. It's also essential to always keep central the primary purpose of the Scheme, to change the lives of people with disability, their families and carers for the better; to enable people with disability to fully participate in the social and economic life of the nation and to live ordinary lives.

An insurance approach also must be at the heart of this Scheme and always reflected in the operations of disability care. That is in part built into the legislation which specifies the Scheme needs to appoint an actuary and a reviewing actuary. But there are other insurance aspects that are equally important. Insurance companies are forward looking and much better align the needs of people with disabilities and carers with the Scheme than the existing welfare model. It's therefore in my view going to be important to continue to use the term "National Disability Insurance Scheme" alongside the term "National Disability Insurance Agency" to remind ourselves that this is an insurance scheme and to similarly remind the Australian community more generally.

The fourth issue to which the Board will need to pay continuing attention is maintaining the confidence of stakeholders including all governments, all political parties, all parts of the disability sector and the broader community. This approach will need to be maintained as the Scheme rolls out across the country.

The gap between success and failure can be small and very small things can make a very big difference so the Board is going to need to be strong and firm in all its risk management activities.

The opportunity to lastingly transform the disability sector system is in the hands of NDIA. It's an opportunity that must be turned into success. There never will be a better chance.

Bruce Bonyhady AM
Chairman

David Bowen
CEO

2 Governance

The Board of NDIA is responsible for the performance of the functions of the National Disability Insurance Scheme (NDIS) and the strategic direction of NDIA. The Board consists of a Chair, Bruce Bonyhady AM and eight other members, appointed by the Commonwealth Minister on the basis of skill and expertise in relevant fields, including disability services, financial management and corporate governance. Board members have responsibilities under the *Commonwealth Authorities and Companies (CAC) Act 1997*, relating primarily to NDIA's performance and strategies as well as reporting and conduct.

Responsibility for the day-to-day management of NDIA resides with the David Bowen, Chief Executive Officer (CEO), appointed under the *National Disability Insurance Scheme Act 2013* (the *NDIS Act*), who reports to the Board.

The NDIA Board is advised by an Independent Advisory Council ('the Advisory Council'). The Advisory Council, established by the *NDIS Act*, is comprised of thirteen members, including people with disability, carers, and those with skills, experience or knowledge of disability in rural and remote areas service provision or supply of equipment or provision of services to people with disability. The Advisory Council consists of a maximum of thirteen members, including the Principal Member.

3 Objectives, Strategies and Policies

The Board of NDIA has provided a Statement of Intent in response to the Statement of Strategic Guidance which was issued by the Commonwealth Minister for Disability Reform in accordance with section 125 of the *National Disability Insurance Scheme Act 2013*.

The Statement of Intent acknowledges the shared national governance of NDIA, and the fiscal and reputational stake that all participating governments have in the Scheme.

In the interest of transparency both the Statement of Strategic Guidance and the Statement of Intent will be published on the NDIA's website.

3.1 Statement of Intent

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

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

Strategic, Corporate and Business Plans

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

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

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Principles

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

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

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

Financial sustainability

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

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

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

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

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

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

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

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

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

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

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

Stakeholder relationships and engagement

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

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

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Key Deliverables

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

1. meet all statutory obligations including:
    - reporting to the Ministerial Council (section 174 of the *NDIS Act* and Reporting Framework Schedule to the Intergovernmental Agreement for the NDIS Launch)
    - maintaining best practice standards of corporate governance
    - operating in accordance with relevant legislation including the *NDIS Act* and the *CAC Act*, and
    - agree to a Corporate Plan, as per section 177 of the *NDIS Act*, to be put in place for 2013-16
2. monitor the use of discretionary powers set out in the legislation and rules to ensure effective controls are in place and operate consistently
3. embed a culture of decision making which is informed by actuarial advice and learning, through an insurance-based governance cycle
4. report achievements of time specific deliverables as set out below in NDIA's Quarterly Report to the Ministerial Council and the Annual Report (sections 172 and 174 of the *NDIS Act*), and
5. develop a Risk Management Strategy, as per the National Disability Insurance Scheme - Risk Management Rules 2013.

To give effect to its obligations the Board has already:

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

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

September 2013	• Agreed Corporate Plan in place for 2013-16. *The draft Corporate Plan was considered by the Board in September 2013 and approved prior to 30 September 2013.* • Transition plan for participant phasing in accordance with the NDIS Rules and bilateral schedules; • Transition plan agreed with each host jurisdiction for management of in-kind programs; and • Transition participants into the NDIS in accordance with the client phasing schedules agreed with all jurisdictions *Transitional plans for in-scope programs and existing clients have been agreed with each jurisdiction. Participants are being progressively transitioned in accordance with the bilateral agreements.*

	• Support the implementation of national communications protocols (as set out in the Intergovernmental Agreement for the NDIS launch); and • Effectively communicated with potential participants and providers to ensure that they understand how the roll-out of the NDIS will affect them. *A multi-pronged communication strategy has been undertaken in line with the agreed communication protocols established prior to 1 July 2013. While early signs are encouraging, it is too early to say how effective this strategy has been. We will seek on-going participant and stakeholder feedback on its effectiveness to inform communications strategies.* • Initial implementation risks have been identified to governments. *An Independent Program Assurance role has been established for launch and an initial three month stabilisation phase to September 2013, in order to identify initial implementation risks. This work will now be built on by the Audit and Risk Committee, which will develop a comprehensive risk management framework. Should significant risks emerge these will be highlighted to the Board and identified to governments.*
June 2014	1. Transitioned and/or is transitioning participants into the NDIS in accordance with the client phasing schedules agreed with all jurisdictions, and 2. Implemented a program of sectoral support to build organisational and workforce capabilities to meet expected current and future demands and expectations.
September 2014	1. Transitioning participants into the NDIS in the Northern Territory, Western Australia and ACT in accordance with the client phasing schedule agreed with the Northern Territory, Western Australia and ACT, and 2. Initial implementation risks have been identified to governments.
June 2015	1. Agreed project plan for the transition to full Scheme in jurisdictions where there is a funding agreement in place.
June 2016	1. Agreed national quality framework has been presented for agreement to all jurisdictions, and 2. Fully implement the NDIS for all launch sites in accordance with implementation schedules.

4 Risk Management Strategy

4.1 Strategy

NDIA applies insurance principles as a tool to manage the risk to Australians with a disability of not sustaining support over their lifetime. In designing the Scheme to use self-directed funding, the government is essentially adopting a risk managed approach where responsibility and accountability for ensuring that appropriate support is received rests with the individual clients.

In this context, NDIA's approach to risk management is not to be risk averse, but instead to explicitly acknowledge risks and seek to understand and manage them in a balanced way.

We are prepared to take risks and pursue opportunities, in a lawful and cost effective manner, that are likely to enhance the quality of life for people with disability and their carers. Equally, we acknowledge that uncertainties are inherent within our operational environment and therefore it is critical to develop strategies to manage those uncertainties. Adopting a systematic approach to identifying and managing risks will help demonstrate accountability and transparency in decision-making.

Often, the level of risk that is right for us to accept is a matter for judgment in the circumstances. Applying a considered risk assessment process can assist in exercising that judgment and NDIA's risk assessment matrix (outlined in the Risk Management Framework) provides some guidance on how we interpret certain levels of risk events.

Overall NDIA:

- will not accept a low satisfaction rating from its stakeholders and will promptly take action to address the concerns of our Scheme participants and stakeholder complaints
- will not tolerate any material breaches of our enabling legislation or other applicable government legislation or regulation
- may accept a high risk when working towards business solutions to improve our performance;
- has a low appetite for prudential risk exposure
- has a low appetite for reputational risk exposure
- has zero appetite for internal fraud risk and a low appetite for external fraud;
- has a low risk appetite for information technology outages which have a direct impact on our service obligations
- has a low risk appetite for breaches of procedure that would impact the fairness or transparency of the treatment of Scheme participants
- has zero risk appetite for breaches in the security of private information, and
- has zero appetite for risks that compromise the safety of our staff or Scheme participants on our premises.

Finally, and most importantly, the Scheme has been established to meet the long term needs of eligible participants, while remaining fiscally sustainable. Our risk management processes therefore support the ongoing integrity of the Scheme and its long term sustainability.

4.2 Risk Management Framework

The set of processes and structures which will give effect to the Risk Management Strategy are collectively called our Risk Management Framework. This Framework enables us to demonstrate that we have a systematic and comprehensive process in place to ensure that we manage our risks effectively.

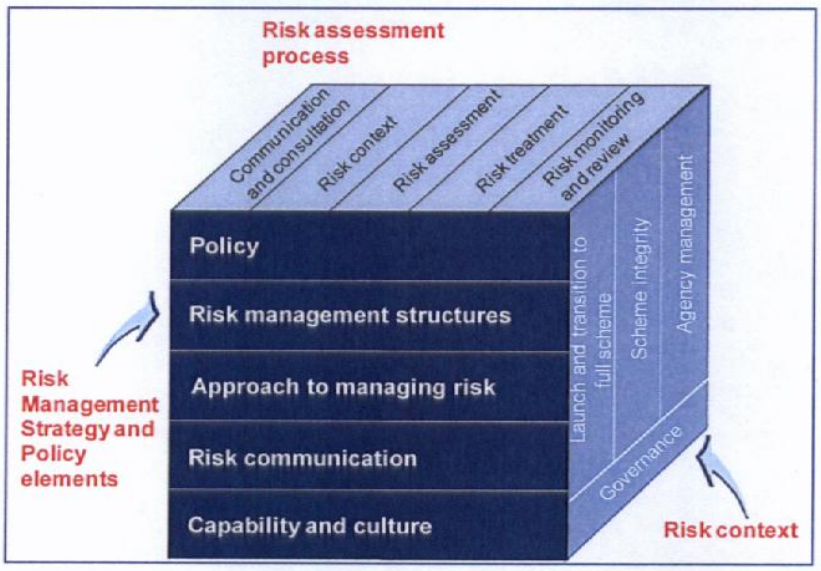
The Risk Management Framework sets out the tools, processes and structures that assist us in actively considering the threats and opportunities we face, allowing us to plan ahead more effectively to deal with them.

The framework also develops a shared understanding among the people with whom we work about the risks we face and the way we intend to deal with those risks.

The framework (illustrated in Figure 1) comprises the following three elements which together assist staff to identify, assess and manage risks in an effective and consistent manner:

- risk Management Strategy and Policy are drawn from relevant standards and benchmarking of risk frameworks from similar organisations in the private and public sectors
- risk context considerations are developed based on the key risk management planning requirements over the first three years following our establishment, and
- risk assessment tools support the risk management process applied in NDIA which is based on the ISO 31000 standard for risk management.

The Risk Management Framework is illustrated in Figure 1 below:



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5 Integrated Performance Reporting Framework

5.1 Background

The Integrated Performance Reporting Framework was developed to give effect to the reporting provisions in the legislation and in the Intergovernmental Agreement signed by COAG on 7th December 2012. The Framework has three levels:

- reporting on Scheme performance
- reporting on operational performance, and
- reporting for individual jurisdictions.

By consolidating the regular reporting requirements from all host jurisdictions (including the Commonwealth) into this Framework, the Standing Council sought in part to reinforce the unique governance arrangements under which NDIA operates, where all participating governments are equal partners.

5.2 Scheme Performance

Reporting requirements at this level are designed to meet the accountability requirements of the Standing Council. It comprises agreed outcomes, key performance indicators (KPIs) and measures designed to assess the extent to which the Scheme is achieving the outcomes intended by Governments, as set out in the legislation and in the Intergovernmental Agreement (IGA) signed by all Governments on 7 December 2013.

Because of the longer term focus on Scheme outcomes, reports at this level will be provided annually to the Standing Council by the Agency Board.

Table 1: Scheme Outcomes, Key Performance Indicators and Performance Measures

Outcome	Key Performance Indicators (KPIs)	Performance Measures
1. People with disability lead lives of their choice	1. People with disability achieve their goals for independence, social and economic participation	- Proportion of participants achieving their life goals as specified in their plan - Proportion of participants achieving their plan goals (total) - Proportion of participants achieving their plan goals in one or more specific domains: o Economic o Social o Education o Health and well-being o living arrangements - Proportion of participants participating in the labour force - Proportion of participants who participate in social and community activities - Proportion of young people with disability (aged 5 – 25 years) accessing additional opportunities to participate in family, social and community activities - Proportion of carers with increased opportunities for economic or social participation
	2. Increased mix of support options and innovative approaches to provision of support in response to assessed need	– Level of investment in innovation (NPV) – Delivery of agreed supports as planned (%) – Availability of provider services (%) – Proportion of participants with early intervention supports

	3.	People with disability are able and are supported to exercise choice	– Participant satisfaction – Families and carers satisfaction – Trends in proportion of participants using different approaches to decision supports – Trends in proportion of participants using each or a combination of plan management options – Proportion of carers receiving additional support
2. NDIS is a financially sustainable, insurance-based scheme	1.	Effective estimation and management of short-term and long-term costs	Actuarial measures: – Comparison of actual expenditure against projected expenditure (including population projections) – Changes in long term (>5 years) expenditure projections – Estimated future lifetime costs of support for current clients (npv) o Including disaggregation for new clients by client group – Proportion of provider fees within expected ranges – Comparison of actual approved packages against reference packages – Long term cost trends against population, price and wages growth Other measures – Comparison of projected expenditure and revenue over the medium term (3 years) – Management of prudential risk – Agency operating expenses ratio
	4.	Benefits are realised from targeted investment strategies in enhanced disability support	– Real, average and median costs of individual support packages for different client sub-groups (NPV) – Effectiveness of early intervention in reducing estimated lifetime costs of support – Estimated return on early intervention
3. Greater community inclusion of people with disability	5.	People with disability are able to access support from mainstream services	– Successful referrals to mainstream services (Tier 2 and Tier 3) – Proportion of participants accessing mainstream services
	6.	Community awareness of people with disability	– Increased community awareness of the issues that affect people with disabilities (%)
	7.	Effectiveness of LAC and other funded community capacity building	– Increased community capacity to interact with people with disability

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5.3 Agency Operational Performance

Reporting at this level has two purposes. First, it satisfies the requirements specified in the legislation and in the IGA for the Agency Board to report on expenditure and activities in relation to the Scheme. Secondly, it provides information on various aspects of Agency operations that will contribute directly to the achievement of Scheme Outcomes and KPIs. This will give the Standing Council insight through the year on progress towards achieving the outcomes of the Scheme.

Reports at this level will be provided quarterly by the Agency Board to the Standing Council, and will be disaggregated to jurisdictional levels, as well as providing national totals.

Table 2: Quarterly Reporting from the Agency Board to the Standing Council

Outcome	Key Performance Indicators (KPIs)	Agency Performance Measures and Legislative Requirements
1. People with disability lead lives of their choice	1. People with disability achieve their goals for independence, social and economic participation	– Information about participants o CALD o Indigenous o Age o Gender o Geographic location o Primary disability type – Support needs for participants – Proportion of participants achieving their life goals as specified in their plan – Proportion of participants achieving their plan goals (total) – Proportion of participants achieving their plan goals in one or more specific domains: o Economic o Social o Education o Health and well-being o Living arrangements – Planning and goal setting completed on time (%) – Plans requiring early review (%)
	2. Increased mix of support options and innovative approaches to provision of support in response to assessed need	– Active participants (Tier 2 and Tier 3 – Availability of provider services (%) – Delivery of agreed supports as planned – Proportion of participants with support packages within expected ranges (reference+/- x %) – Supports funded by type – Tier 2, Tier 3 – Access to support – Agreed support received / not received by support type – Service provider characteristics & market profile o Number of registered disability care / allied health / disability equipment / plan management providers o Footprint of providers (Local – state – national) o Organisation type : NGO / SME / other private / public o Number of support providers not previously providing disability support services
	3. People with disability are able and are supported to exercise choice	– Trends in proportion of participants using different approaches to decision supports – Trends in proportion of participants using each or a combination of plan management options – Access requests made – Access requests accepted for funding – Reviews of decisions o Total number of reviews requested o Average time to decision o Review outcome: affirm or revise previous decision

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Outcome	Key Performance Indicators (KPIs)	Agency Performance Measures and Legislative Requirements
		– Appeals – Total number of appeals – Appeal numbers by subject / category – Average appeal processing time – Appeal outcome – Complaints o Number of complaints lodged o Complaint outcomes – resolved, escalated, appeals o Complaint type ▪ About agency – behaviour; administration ▪ To agency about support provider – behaviour; administration – Client experience o Client satisfaction with agency o Carer satisfaction with agency – Client / carer satisfaction with experience
2. NDIS is a financially sustainable, insurance-based scheme	1. Effective estimation and management of short-term and long-term costs	– Growth in future commitments – Total payments ($, in kind) – Operating Expenses Ratio (% total costs) – Average support package growth rate (%) – Average length of time from application to commencement of services – Management of prudential risk – Provision of supports o Value of cash payments to support providers by support type o Value of payments to participants by support type o Value of and number of approved packages by client group o Number of participants receiving cash payments and/or in-kind supports by client group o Ratio of cash to in kind services by client group o Average cost of supports per assessor – Number of plans with single supports – Financial sustainability o Current and future funding resources o Current expenditure compared to projections o Projected expenditure compared to projected revenue o Long term cost trends (population, price and wage growth) o Real, average and median costs of individual support packages o Average client lifetime cost of support – Client outcomes o Client numbers (Tier 2 and Tier 3) o Total cost of supports funded – Tier 2, Tier 3 o Number of Tier 2 supports with LAC funding and purpose of funding o Total number of Tier 3 plans developed – Reviews o Average cost of internal reviews – Appeals – Average cost of appeals
	2. Benefits are realised from targeted investment strategies in enhanced disability support	– Proportion of participants with reduced needs after intervention supports – Proportion of participants with early intervention supports – Investment in research and innovation o Average cost of investment in research and innovation – Total cost of investment in research and innovation

Outcome	Key Performance Indicators (KPIs)	Agency Performance Measures and Legislative Requirements
3. Greater community inclusion of people with disability	1. People with disability are able to access support from mainstream services	– Proportion of participants accessing mainstream services – Successful referrals to mainstream / generic disability services (Tier 2 and Tier 3)
	2. Community awareness of people with disability	– Community awareness activities undertaken within the period
	3. Effectiveness of LAC community capacity building activities	– Community capacity building activities undertaken by LACs within the period – Community capacity building activities undertaken by funded NGOs within the period

5.4 Scheme Activity in Jurisdictions

Reporting at this level is designed to provide jurisdictions with the information they require to meet their own individual statutory accountability requirements, especially in the budgetary reporting context.

The requirements of the Commonwealth and each host jurisdiction will be agreed at officials' level. This information will be provided monthly by the Agency to a nominated official in each jurisdiction.

This information will be provided in datasets accessed through the data warehouse, rather than in written reports. Consistent with the provisions in Part 6, paragraph 68 of this IGA, this will include de-identified participant data at the level of client unit record and aggregate level for all services provided in the launch area, if so specified by individual jurisdictions.

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6 Financial Statement

NDIA is a body corporate under the *CAC Act* and will hold amounts for expenditures directly related to NDIA.

Financial estimates of Scheme expenses, including Commonwealth and State contributions for participant support, Agency operating costs and capital costs, are as follows:

2013-14 ($M)	2014-15 ($M)	2015-16 ($M)	2016-17 ($M)
332.0	689.5	1,177.5	4,518.4

The estimates include notional costs of transition to full Scheme over the forward estimates period. State and Territory contributions to the launch of the Scheme have been agreed in the context of the Intergovernmental Agreement on the National Disability Insurance Scheme Launch. Negotiations on full Scheme transition are on-going.

Agency resourcing in the early years of launch includes a significant investment in infrastructure, to implement a national IT system and establish offices in each regional location. As transition to full Scheme progresses and client numbers increase, the proportion of resourcing attributed to participant support costs increases, from 44 per cent in 2013-14 to more than 91 per cent in 2019-20.

Stakeholder reporting of actual expenses against estimates will be provided in line with the Integrated NDIS Performance Reporting Framework. The framework provides for quarterly and annual reports to the Standing Council on outcomes and performance and monthly reports to host jurisdictions on Scheme and financial activity.

The Board will manage any short term differences in funding requirements within the overall long term funding envelope agreed by stakeholders, utilising flexibilities available through the Commonwealth Budget process for management of cost variations between financial years.

The financial framework of NDIA is defined under the *CAC Act* and the *NDIS Act*. The requirements include:

- reporting and audit requirements
- compliance with general government policies in certain circumstances,
- banking and investment powers
- entering into contracts and acceptance of gifts, devises, bequests and assignments,
- charging of fees (but not from participants or in relation to access requests)
- receipt of money from host jurisdictions for the purpose of funding supports
- recovery of compensation amounts and incorrect payments from participants and financial institutions, and
- exemption from income tax and State taxes and charges.

In addition, two rules have been prescribed under the *NDIS Act* that affect how the Board will fulfil some aspects of its financial management responsibilities: one on the conduct of actuarial work, and the other on risk management.

Management control within this framework will be supported through comprehensive nationally consistent financial policies and processes, a hierarchy of decision-making delegations based on risk, regular internal reporting and analysis of financial and non-financial indicators and monitoring of trends and outcomes to ensure nationally consistent and accountable decision-making.