



Annual Report
2018-19

ndis

NDIS Growth

117,307

participants received an approved plan in 2018–19. Of those:

60,771

were previously supported by state and territory disability programs

11,801

were previously supported by Commonwealth disability programs

44,735

received disability supports for the first time

8.4%

of total Scheme participants identify as Culturally and Linguistically Diverse, compared to 7.5% last year

62%

increase in the number of participants from last year

298,816

eligible Australians with a permanent and significant disability have benefited from the Scheme, as at 30 June 2019

Participant Outcomes



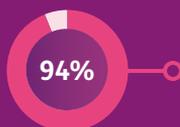
of participants rated their **overall satisfaction** with the NDIS planning process as either good or very good



of participants said their **planner listened to them** and **94%** of participants said they had **enough time to tell their story**



of participants said their **planning meeting** had gone well



of parents and carers of children aged 0 years to before starting school, thought the NDIS **improved their child's development**

Participants in the Scheme for two years show significantly improved outcomes. These include:

- ↑ 9% increase in independence for children aged 7 to 14 years
- ↑ 7% increase in assistance with daily living for participants
- ↑ 7% increase in choice and control for participants aged 25 years and over
- ↑ 11% increase in accessing community and social activities for participants aged 15 and over



Lacey Amos

Lacey Amos, from Barcaldine, Queensland, recently attended a family wedding with her parents. Lacey receives NDIA funding for support workers to help with her cerebral palsy, and therapy to help with her breathing, posture and speech. The extra support has fostered independence for Lacey, and strengthened the relationship between her and her mum, Sharon.



Pamela East

Pamela East used to live in an aged care residence with much older residents. NDIS funding helped her move to more age-appropriate care. “It’s been a massive achievement,” Pamela said, “I look forward to enjoying a more independent and fulfilling life.”

Introduction

The National Disability Insurance Scheme (NDIS or the Scheme) is a fundamental shift in the way Australians with a significant and permanent disability access supports. The Scheme continues to focus on providing all eligible Australians who enter the Scheme under the age of 65 years, and who have a permanent and significant disability, with the reasonable and necessary supports they need.

The Scheme provides specialist disability supports that complement mainstream services provided by the Australian Government and state and territory governments. It is founded on insurance principles, making evidence-based decisions on individuals' access to the Scheme.

This insurance approach is underpinned by four key principles:

1. Develop actuarial estimates of the *reasonable and necessary* support needs of participants
2. Focus on lifetime value for Scheme participants
3. Invest in research and encourage innovation
4. Support the development of community capability and social capital.

With this new market-based approach, participants work closely with Local Area Coordinators (LAC) or Early Childhood Early Intervention (ECEI) providers to help develop a plan that focuses on their individual goals. Participants can choose their providers, rather than having providers selected for them.

The Scheme forms an important part of the Australian Government's *National Disability Strategy 2010–2020*, a 10-year policy framework for improving the lives of Australians with disability, their families and carers. The current and future strategy is the cornerstone of Australia's implementation of the United Nations Convention on the Rights of Persons with Disabilities, enabling people with disability to participate in all areas of Australian life and fulfil their potential as equal citizens.

NDIA purpose

The purpose of the National Disability Insurance Agency (NDIA) is to increase the ability of individuals with a significant and permanent disability (participants) to be more independent, and engage more socially and economically, at the same time as delivering a financially sustainable Scheme that inspires community and stakeholder confidence.

Drawing on the Council of Australian Governments (COAG) Disability Reform Council (DRC) expectations, the NDIA's purpose is supported by four aspirations, as outlined in the NDIA Corporate Plan 2018–22, and illustrated in Figure 0.1.

The four aspirations are:

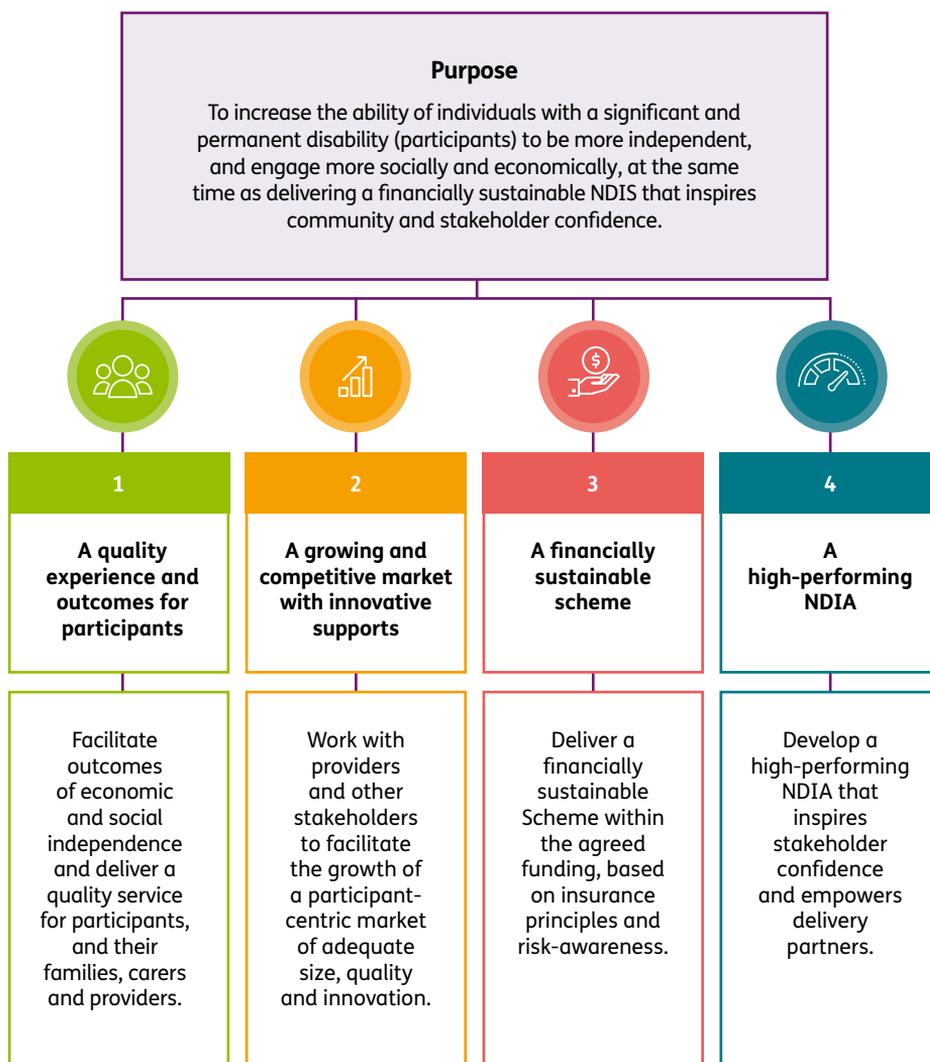
1. A quality experience and outcomes for participants
2. A growing and competitive market with innovative supports
3. A financially sustainable scheme
4. A high-performing NDIA.

The COAG DRC's expectations for participant and community outcomes, supporting market development, and safeguarding the sustainability of the NDIS are reflected in Aspirations 1, 2 and 3. The expectations for developing a high-performing NDIA, building and maintaining stakeholder confidence, and identifying risks early and managing risks well are reflected in Aspiration 4.

The new NDIA Corporate Plan for 2019–23 includes an additional aspiration that articulates the Agency's recognition of the importance of a connected and engaged stakeholder sector. Further information on stakeholder engagement activities conducted in 2018–19 is provided in Chapter 1.4.

To view the NDIA Corporate Plan, go to www.ndis.gov.au.

Figure 0.1: NDIA purpose and aspirations, 2018-19



About this report

This annual report is prepared in accordance with legislative requirements. It summarises the NDIA's financial and social activities from 1 July 2018 until 30 June 2019. This includes how the NDIA fulfilled the principles set out in the *National Disability Insurance Scheme Act 2013* (NDIS Act).

This report provides information on the NDIA's four primary stakeholders:

- our participants
- our providers
- our Commonwealth, state and territory governments, and
- our people.

It also acknowledges the critical role played by the disability sector.

Report structure

Introduction: Includes an overview of the NDIS, the purpose and aspirations of the NDIA, messages by the Chairman and Acting Chief Executive Officer (CEO) highlighting key achievements and challenges, and directions for the coming year.

Part 1: Focuses on participants and progress made in 2018–19 in improving the lives of Australians with disability, their families and carers. It also provides information on the NDIS during transition.

Part 2: Details the governance arrangements of the NDIA, its structure and core management processes.

Part 3: Presents reports required by the *Public Governance, Performance and Accountability Act* (PGPA Act) and the NDIS Act, including a summary of the NDIS financial sustainability report, 2018–19 annual performance statements and financial statements.

Part 4: Provides additional information about the NDIA's performance including specific statutory provisions that have not been addressed within the body of the annual report.

Acknowledgements

The NDIA acknowledges the objectives of the Convention on the Rights of Persons with Disabilities.

The NDIA acknowledges the Traditional Owners and Custodians of the country throughout Australia, and their continuing connection to land, sea and community. We pay our respects to their Elders, past, present and emerging.

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Letter of transmittal

13 September 2019

The Hon Stuart Robert MP
Minister for the National Disability Insurance Scheme
Minister for Government 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 2018 to 30 June 2019.

The report provides a detailed description of the Agency's operations during the year and has been prepared in accordance with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the *National Disability Insurance Scheme Act 2013* (NDIS Act).

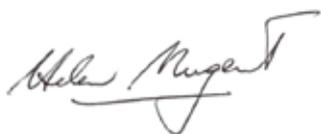
In accordance with section 39 of the PGPA Act, the report provides information about the Agency's performance in achieving its purposes.

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 of the Board of Directors, on 13 September 2019, 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.

The incorporated summary of the Annual Financial Sustainability Report 2018–19 and the inclusion of the reviewing actuary's report fulfils the Agency's obligations under subsection 172(4) of the NDIS Act.

Yours sincerely



Dr Helen Nugent AO
Chairman, National Disability Insurance Agency

Chairman's review

2019 has been a year of significant achievement and growth for the NDIS. Almost 300,000 participants are now in the Scheme, with close to 100,000 receiving supports for the first time. This is an unprecedented 10-fold uplift from just over 30,000 participants who had a plan at the beginning of Transition on 1 July 2016. We are also starting to see the impact of the Scheme on participants' lives through improved outcomes, particularly in relation to choice and control, social engagement and support with daily living.



This year, the Board and management have been unwavering in their commitment to getting it right for participants, each time, every time. While much has been achieved, we know more needs to be done to make dealing with the Scheme easier for participants and families, and to ensure participants are realising the benefits of this visionary social reform.

Central to this is delivering quality plans that produce high-quality outcomes. This is why we undertook the 'pathways' work, engaging with more than 1,200 participants and disability organisations to design improvements in the delivery of the Scheme. The changes to the pathways, which are currently being rolled out across Australia, are designed to provide more empathetic and simplified interactions from a participant's perspective, delivered by more skilled and experienced staff. As part of this work and with the help of the sector, we also developed more specialised approaches, recognising that one shoe does not fit all. This includes the complex pathway, a stream for those with acute hearing loss, and a stream for those with a psychosocial disability.

We are seeing the benefits of this work, with participant satisfaction rates high (90 per cent at June 2019) and improving. But far more satisfying is analysis of participant outcomes over two years demonstrating the positive long-term impact of the NDIS. For example, 94 per cent of parents of and carers for children aged 0 to before starting school thought the NDIS had helped improve their child's development, compared to 91 per cent in their first year. Seventy-four per cent of participants aged 25 and over considered the NDIS had helped them have more choice and more control over their lives in their second year of participation in the NDIS, compared to 66 per cent in their first year. While we take pride in these outcomes, we know there is much more to do to get it right for all participants.

To this end, we are focused on improving the timeliness of planning decisions and plan reviews, and on eliminating backlogs for children receiving NDIS plans. We know that providing early intervention at the earliest possible stage is critical to helping children. Consistent with the Board and management's strategy, the Minister for the NDIS, Stuart Robert, announced in June 2019 a plan to resolve delays and backlogs for children with disability in accessing Early Childhood Early Intervention supports through the NDIS. The remediation plan includes six-month interim NDIS plans for children experiencing wait times greater than 50 days between an access decision and getting an NDIS plan.

We know that providers are central to the quality of the participant experience. As this new market for disability supports under the NDIS grows and evolves, ensuring an adequate supply of quality providers is critical. Much has already been done to ensure providers are able to offer participants services that increase their choice and control. This includes releasing enhanced information through the NDIS demand map, providing up to date forecasts of NDIS demand by postcode across Australia, and additional data on market demand in the COAG Quarterly Reports. The Provider Finder is also helping connect participants to providers. Data cubes that allow providers and others to undertake their own analyses are also being released.



In addition, we are committed to ensuring prices encourage market supply. Following extensive research and consultation, we announced price increases in therapy supports, attendant care and community participation, as well as putting in place a temporary transformation payment, and increasing prices as part of the annual price review. We know this is a journey, and we are working proactively with providers to support them in the difficult transition from block funding.

Recent reforms to Specialist Disability Accommodation (SDA) are further strengthening and improving the market, providing investors with the confidence to deliver varied and innovative housing for participants eligible for SDA. We are also supporting quicker and more consistent decision-making about eligibility for SDA so it is more readily included in participants' plans. These reforms are driving a rapid increase in the SDA market, with a 121 per cent growth in the year to June 2019 in active SDA providers.

We are committed to continuing strong engagement with participants, providers and the sector. To this end, we have established working arrangements with groups such as the NDIS Participant Reference Group, and the Autism Advisory Group. The SDA Reference Group is another example from a provider perspective.

We know that the Scheme must continue to be financially sustainable. This is critical to ensuring ongoing public confidence in the Scheme and that it is sustained for the benefit of future generations of participants. Each year to date we have delivered the Scheme under budget, including this year. We are committed to ensuring this continues.

On a personal note, I would like to thank my colleagues on the Board and in management for their significant contributions to the achievements of the NDIS over the past year. I also want to recognise and applaud staff and partners for all they have done to get the Scheme right for participants and make a difference in their lives. It is they for whom we are all there, and it is they for whom we must deliver.

On behalf of the Board and management, I would like to acknowledge the significant support we receive from the Commonwealth, along with state and territory governments. I am truly grateful to Minister Robert for the energy and passion he has shown in working with us to deliver this Scheme, and before him this year, Minister Fletcher and Minister Tehan.

I also wish to acknowledge the NDIA's former CEO, Robert De Luca, and thank him for his leadership during a period of significant growth for the NDIA. We are grateful to Vicki Rundle for her taking the reins as Acting CEO after Mr De Luca's unexpected resignation.

We are unwavering in our commitment to getting it right for each participant, every time in a sustainable and engaging way. And with the goodwill of participants, providers and the sector more broadly, we will deliver this world-leading Scheme for the benefit of all participants.



Dr Helen Nugent AO
Chairman



Jeremiah Bender-Christian

Two weeks after becoming an NDIS participant, Jeremiah (JJ) Bender-Christian, from Norfolk Island, learnt some sign language and it taught him to communicate his needs for the first time in his life. The non-verbal 13-year-old, who has autism, is now receiving regular therapy sessions at home and at school.

Photo courtesy of Elite Photography Norfolk Island

Chief Executive Officer's review



It is my pleasure to present the 2018–19 National Disability Insurance Agency (NDIA) Annual Report.

This past year we have welcomed the largest number of participants to the National Disability Insurance Scheme (NDIS) so far.

This report outlines the extraordinary progress made in delivering the NDIS, and demonstrates our commitment to ensuring the Scheme improves participants' capacity to get more involved in the community and the workplace, and achieve their goals. The report includes a number of achievements and challenges the Agency has faced in the past year.

We know we must continue to improve the Scheme in a number of areas, and will continue to do so with participants at the centre of all we do.

I would like to take this opportunity to highlight a number of significant milestones we have reached in 2018–19.

This has been the largest year of growth for the NDIS, and the Scheme is now available right across Australia¹. As at 30 June 2019, 298,816 participants had entered the NDIS. There are also now 21,510 registered providers across Australia.

The growth of the Scheme represents better outcomes for individuals—adults and children—and families from right across our country. But there are still challenges and issues for us to address. I am enormously proud of the NDIA's achievements and the ongoing work of our Partners in the Community, and grateful for the continued support of the broader Australian disability community.

Better participant outcomes

The aim of the NDIS is to ensure participants have choice and control over their lives and disability supports. We achieve this by putting participants at the heart of everything we do, ensuring we continue to provide a high-quality experience for participants, and recognising and respecting the important roles played by carers and advocates, providers and disability groups.

Given the Scheme has only been rolling out at speed in the past three years of transition, we know there are areas where we can improve the NDIS experience for participants, families and carers. To that end, we continued to roll out the participant pathway reforms this year to provide a more consistently high-quality experience for people with disability, their families and carers. This includes dedicated support for participants with particular needs or backgrounds to ensure we are working with them in the most appropriate way.

¹ Excluding Christmas Island and the Cocos (Keeling) Islands.

A growing market of innovative supports

A vibrant market is critical for participants to be able to exercise choice and control over their disability supports. The provider market continues to grow across Australia. In 2018–19, 4,755 new providers registered to deliver services to NDIS participants across the country.

In 2018–19, the Agency proceeded to implement the recommendations from the Independent Pricing Review and has undertaken significant pricing reviews into therapy, attendant care, Western Australia and SDA, as well as the Annual Pricing Review, which resulted in significant price increases from 1 July 2019. In addition, as a result of the Western Australia Pricing Review, remote and very remote price limits were also increased materially.

These increases are the result of comprehensive work commissioned by the NDIA Board and management following extensive consultation with the sector, and will support the ongoing delivery of support services right across Australia. We understand that price is not the only factor in encouraging the provision of services and supports and are looking at innovative ways to ensure the ongoing development and growth of the NDIS market.

The NDIS Quality and Safeguards Commission began operations on 1 July 2018. The Agency has worked closely with the Commission to ensure a smoother process for providers registering with the Scheme.

A financially sustainable Scheme

Importantly, we are working hard to make sure the NDIS will be there to meet the needs of Australians into the future. The Scheme's introduction is an unprecedented social reform. After six years of operation, a significant amount of experiential data has now been gathered. This includes data on participant numbers, cohorts, plan values, plan utilisation and participant outcomes. This level of maturity allows us to develop models which provide more accurate estimates of ongoing and ultimate Scheme costs than the Productivity Commission had access to when designing the Scheme.

In 2018–19 the NDIA delivered the Scheme within budget. The NDIS is expected to remain within the Productivity Commission's estimated budget. While some challenges to the longer-term financial sustainability of the Scheme have been identified, the Scheme's insurance approach enables us to proactively take steps to address them.

With improved data and modelling, the Agency is proactively designing strategies to address anticipated future cost pressures. This helps us secure the future financial sustainability of the Scheme while using the information available to improve participant outcomes.

A high-performing NDIA

I am proud to lead the NDIA—an organisation made up of committed individuals, all working to deliver and improve the NDIS. We know it is the passion to make a difference for people with disability that motivates NDIA employees. Results from the recent Australian Public Service (APS) Employee Census show that 90 per cent of the Agency’s staff, including contractors, feel their work contributes to making a difference to improve the lives of people with disability.

This passion is manifest in our commitment to building a diverse and inclusive workplace. This year we continued to lead the APS in disability employment with 11.85 per cent of our staff identifying as having a disability. We also recognise that while diversity may be achieved through representation, true inclusion is achieved by making sure everyone is heard and able to make a contribution. That is why the NDIA is committed to making sure our workplace represents the communities we serve, and that we continue to learn from a wide variety of experiences.

Acknowledgements

I would like to acknowledge Robert De Luca who was our Chief Executive Officer from 29 August 2017 to 30 April 2019. Under Rob’s direction, the Agency’s leadership was significantly strengthened, our processes were matured, and significant progress was made toward full Scheme.

I would also like to recognise the NDIA Board and Independent Advisory Council for their support, guidance and advice. Our work is also crucially informed by the ongoing advice and support the NDIA receives from participants, carers and providers who contribute regular feedback, attend groups such as the Participant Reference Group, and push us to do better.

Standing here in 2019 and running a truly national NDIA would not have been possible without our staff, Partners in the Community and the communities that have welcomed us. Thank you for your hard work, passion and commitment to the Scheme. Australia is a better place for the work you do.

Finally, I pay my respects to the Australian disability community and thank them all—people with disability, families, carers, and representative groups. Thank you for your dedication to the NDIS, for advocating for the Scheme and for supporting us to deliver this world first initiative.



Vicki Rundle PSM
Acting Chief Executive Officer



Charlotte

Since joining the Scheme in April 2018, NDIS participant Charlotte, from Bundaberg, enjoys greater independence, as well as more quality time with her family. "Supports like the car modifications have opened up a world of possibilities for us," Charlotte's Dad, Nathan, said. "We can drive to the shops as a family, we can go to the movies. I can be her dad and we can do fun stuff together."

Part 1:

Delivering to NDIS participants

Chapter 1.1: A quality experience and outcomes for participants

Chapter 1.2: A growing and competitive market with innovative supports

Chapter 1.3: A financially sustainable Scheme

Chapter 1.4: A high-performing NDIA

Chapter 1.1

A quality experience and outcomes for participants

Scheme roll-out

As at 30 June 2019, 298,816 people with disabilities, including children in the Early Childhood Early Intervention (ECEI) approach, have been supported by the NDIS. Nearly 100,000 participants have never before received disability supports from governments. Over 117,000 people with disability entered the Scheme in 2018–19. The scale and complexity of the Scheme roll-out has been unprecedented. The accelerating pace of the roll-out has delivered NDIS funding to a rapidly increasing number of participants. Almost all eligible Australians now have geographic access to the NDIS. From 1 July 2019 the NDIS is available in every region of Australia except for Christmas Island and the Cocos (Keeling) Islands, which will transition on 1 July 2020.

Importantly, the Scheme is supporting people from existing state, territory and Commonwealth systems as well as people who have not previously received support. Of the 298,816 participants who have been supported by the Scheme, 193,967 previously received support from existing state, territory or Commonwealth programs and 99,537 received support for the first time.

Quality participant experience

The NDIA recognises that it is not yet getting it right the first time for each and every participant. As a result, the NDIA is delivering a series of improvements, as part of the roll-out of the participant pathway. Starting in 2017, the NDIA Board and management team undertook a redesign of the participant pathway to provide more empathetic and simplified interactions from a participant's perspective, delivered by more skilled and experienced staff.

Significant ongoing work has been undertaken to improve the participant experience, in consultation with participants, families, carers, providers and sector representatives. Key improvements include:

- The Complex Support Needs Pathway, which provides specialised support for people who require additional assistance to access and engage with the NDIS and who have a greater need for coordination of multiple services, for example people leaving custodial settings or an acute rehabilitation environment or who are in hospital. The Complex Support Needs Pathway is also focused on providing support to young people in residential aged care settings.

The Complex Support Needs Pathway commenced in March 2019 and is progressively being expanded across all states and territories. Existing participants assessed as having complex support needs will transition to the Complex Support Needs Branch over the remainder of 2019.

- On 26 June 2019, the Minister for the NDIS announced a plan to address delays and backlogs for children with disability accessing ECEI supports through the NDIS. This is being undertaken in line with recommendations by the NDIA Board and management team.
- There has been a continuing focus on improving supports for people with psychosocial disability. From 30 April 2019, streamlined access for people with psychosocial disability became available to prospective participants from state programs in all states and territories.
- The NDIA has continued its work to develop further hearing streams for participants aged seven to 64 years, including by consulting with key external stakeholders in the deaf community to provide input across key life transition points.
- The NDIA has developed further training focused on improving the service delivery experience for diverse groups of people with disability, including for Aboriginal and Torres Strait Islander peoples, people from culturally and linguistically diverse groups, people living in remote or very remote communities, and participants identifying as lesbian, gay, bisexual, transgender, intersex, queer, asexual and other sexualities (LGBTIQ+).

Participant outcomes

Analysis of participant outcomes over two years demonstrates the positive long-term impact of the NDIS.

To assess the longitudinal impact of the NDIS, participants who entered in 2016–17 were asked ‘Has the NDIS helped?’ after one and two years in Scheme, allowing the NDIA to gain a better understanding of the longer-term impact. The results support the trend that outcomes continue to improve as participants spend more time in the Scheme.

From transition to 30 June 2019, participants who have been in the Scheme for two years have recorded the following outcomes:

For children aged 0 to before starting school:

- 94 per cent of parents and carers thought the NDIS improved their child’s development, compared to 91 per cent in their first year.
- 85 per cent of parents and carers thought the NDIS helped increase their child’s ability to communicate what they want, compared to 82 per cent in their first year.

For children starting school to 14 years:

- 65 per cent of parents and carers felt their child had become more independent as a result of the NDIS in their second year of participation, compared to 56 per cent in their first year.
- 50 per cent of parents and carers felt the NDIS had improved their child’s relationship with family and friends in their second year of participation, compared to 45 per cent in their first year.

Similar improvements for other cohorts have also been reported.

Social and economic participation

Social and economic participation in the community improves the wellbeing of people with disability, and lowers the long-term costs of care and support. The inclusion of people with disability in the community also benefits the wider community and promotes a more inclusive and diverse society.

For people who entered the Scheme between 1 July 2016 and 30 June 2017, participation in community and social activities has increased with time spent in the Scheme. There was a 12 per cent increase in the number of participants aged 15 to 24 years participating in community and social activities, from 31 per cent at baseline to 43 per cent as at 30 June 2019. For participants aged 25 years or over, the increase was 11 per cent from 36 per cent to 47 per cent. The average across both cohorts is an 11 per cent increase from 25 per cent to 46 per cent.

There is continued progress for participants in work for people who entered the Scheme in the same period. There was a nine per cent increase in the number of participants aged 15 to 24 years in work, from 13 per cent baseline to 22 per cent in the current period. For participants aged 25 and over, there was a fall of 1 per cent from 26 per cent to 25 per cent. The average across both cohorts was 24 per cent, 1 per cent higher than the baseline result.

There is a strong commitment from the Agency and the Department of Social Services to implement an employment strategy to improve job opportunities for people with disability. The NDIA is acutely aware of the

benefits employment brings to participants and the economy and has prioritised employment options in planning discussions. In November 2018, the Department of Social Services and the NDIA formed a Participant Employment Taskforce to recommend measures to improve employment outcomes for NDIS participants.

Since January 2019 the Taskforce has engaged a range of stakeholders who are active in the delivery of NDIS employment supports or invested in improving participant employment outcomes. The Taskforce has met with more than 250 people through this process, using these consultations as an opportunity to identify, test and refine ideas that will help more people with disability participate in the Australian economy.

The insights from these stakeholder consultations are informing the development of an NDIS Participant Employment strategy. This strategy will guide the NDIA over the next three to five years to become a leader and advocate for disability employment, improving employment outcomes for participants and people with disability more broadly.

The NDIA Corporate Plan 2018–2022 uses metrics and performance targets to measure achievements against aspirations. The *'a quality experience and outcomes for participants'* aspiration is measured by the percentage of participants currently in work, and the number of participants involved in community and social activities, with initial results collected as participants enter the Scheme. These results are detailed in Chapter 3.2 of this report.

Participant satisfaction

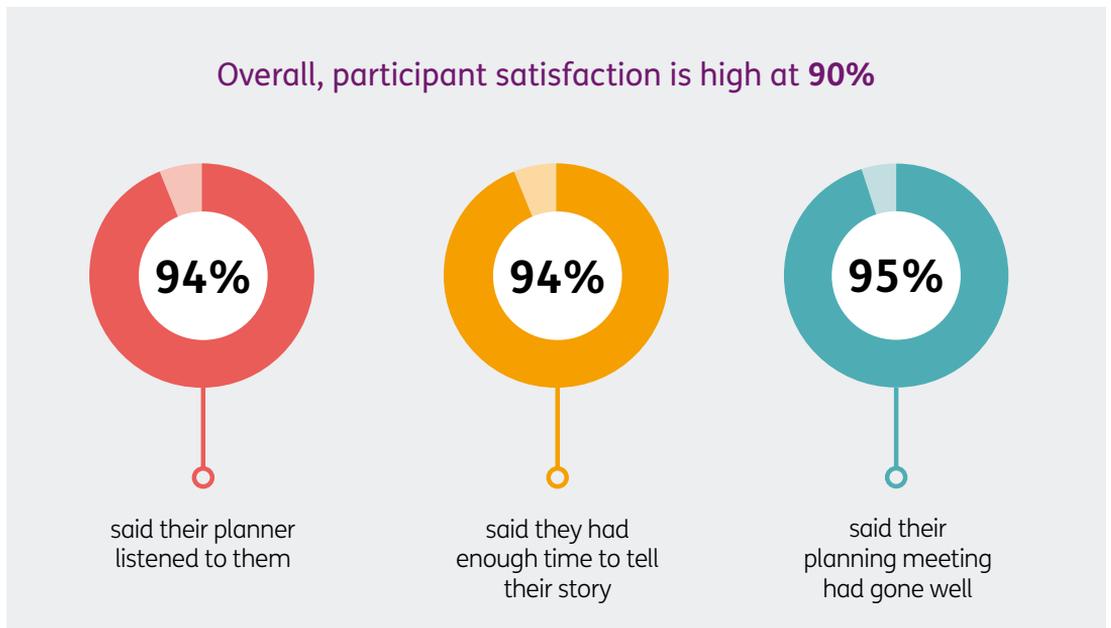
The development of an NDIS plan is a key milestone on the participant pathway. To better understand the impact of the NDIS on participants and their families and carers, the Agency conducts satisfaction surveys during the planning process each quarter. Figure 1.1.1 highlights some of the statistics relating to participant satisfaction during the planning process.

The proportion of participants who rated their overall experience with the planning process as either ‘Good’ or ‘Very Good’ increased from 88 per cent at 30 June 2018 to 90 per cent at 30 June 2019. Ninety-four per cent felt that

their planner listened to them, 94 per cent considered that they had enough time to tell their story, and 95 per cent reported that their planning meeting went well. Eighty-one per cent felt that planners helped them think about their future.

Since September 2018, the Agency has been testing and refining a new participant satisfaction survey that allows for a more comprehensive understanding of the participant experience at each stage of the pathway. It gathers responses at the four primary stages of the participant pathway—access, pre-planning, planning and plan review—whereas the original survey gathered responses at the planning stage only.

Figure 1.1.1. Key statistics related to participant satisfaction



The Report to the COAG DRC for Quarter 4, 2019 includes the survey results. Highlights as at 30 June 2019 include:

- Stage 1 (Access): 95 per cent of respondents described their NDIS contact as respectful.
- Stage 2 (Pre-planning): 78 per cent of respondents understood the next stage in their NDIS process.
- Stage 3 (Planning): 88 per cent of respondents believed their NDIS contact understood how disability impacts their life.
- Stage 4 (Plan review): 84 per cent of respondents felt prepared for their plan review meeting.

The COAG DRC's Quarterly Reports are available online at www.ndis.gov.au.

Improvements for participants

Consistent with the strategy of the NDIA Board and management, the Minister for the NDIS announced a plan for more children to get faster access to NDIS supports. The higher proportion of children entering the Scheme in the last quarter is a strong start to implementing this plan. The NDIA is working with ECEI Partners to secure additional resources to ensure children receive early childhood supports in a timely manner. For those children who have been found eligible for the NDIS, but who are likely to experience a wait time of greater than 50 days between an access decision and receiving a plan, the NDIA will provide a standardised interim plan for six months. These interim plans will be replaced by a full NDIS plan no later than six months after being issued. Participants with complex support needs will be streamed to an NDIA early childhood specialist to develop their plan and appropriate funding package.

The number of people in residential aged care receiving support from the NDIS increased by 1,599 over the past year. Of the 4,721 active participants in residential aged care at 30 June 2019, 177 were under the age of 45 (3.7 per cent), 760 were aged between 45 and 54 (16 per cent), 2,855 were aged between 55 and 64 (61 per cent), and 929 were aged 65 or over (20 per cent). On 22 March 2019, the then Minister for Families and Social Services announced a plan to reduce the number of younger people with disability living in aged care facilities. In support of this, the NDIA is expediting access to the Scheme for those who are eligible. Planners in the Complex Support Needs pathway will then, as a priority, work with

eligible NDIS participants and their families to look at housing options, which may include funding for home modifications or SDA where required. Key to the success of this plan is the availability of facilities for participants to move into.

There is a continuing focus on improving supports for people with psychosocial disability. Foundational psychosocial disability training for planners and LACs was completed in June 2019. This training focused on making sure staff are better able to support participants with psychosocial disability. Nationally around 3,460 staff and partners have received this training. All new staff complete this as part of their standard induction training.

The NDIA has also been developing further training focused on improving the service delivery experience for diverse groups of people with disability including Aboriginal and Torres Strait Islander peoples, people from culturally and linguistically diverse groups, people living in remote and very remote communities and participants identifying as LGBTIQ+.

The NDIA is implementing improved processes to reduce wait times for participants requiring assistive technology including immediate approval of assistive technology under \$1,500.

The Commonwealth and state and territory governments, at the DRC, endorsed a new policy position regarding the roles and responsibilities of the NDIS and the states and territories for disability-related health supports. As a result of the agreement, the NDIS will start funding disability-related health supports from 1 October 2019, where

these supports directly relate to an NDIS participant's disability and are required on a regular basis. This agreement supports the NDIA Board's 'participant-centred' approach to the provision of NDIS supports.

Improved outcomes for families and carers

In addition to the benefits of increasing the rate of employment for participants in the Scheme, there is also benefit in increasing the employment rate for families/carers of participants. The employment rate for families and carers of participants under 25 years, in the Scheme over the first year, has increased by 3.1 percentage points, and hours worked have also increased, with the proportion of family members/carers working 30 or more hours per week rising from 41 per cent to 43 per cent.

When comparing families/carers or participants in the Scheme who are working with the general population who are working, there are some key differences. Families/carers of NDIS participants work fewer hours on average compared to the general population, and are more likely to be in casual employment. The average number of hours worked per week has increased slightly between baseline and review. However, the percentage of families/carers in casual employment has remained constant.



Sarah Mamalai

Sarah Mamalai has an NDIS plan that's centred around social and community participation. It also provides a support worker who assists with activities and jobs, including taking her to volunteering shifts with the Red Cross. "That's something I'd recommend—it's such a nice way to use my support and still feel useful," Sarah said.

Chapter 1.2

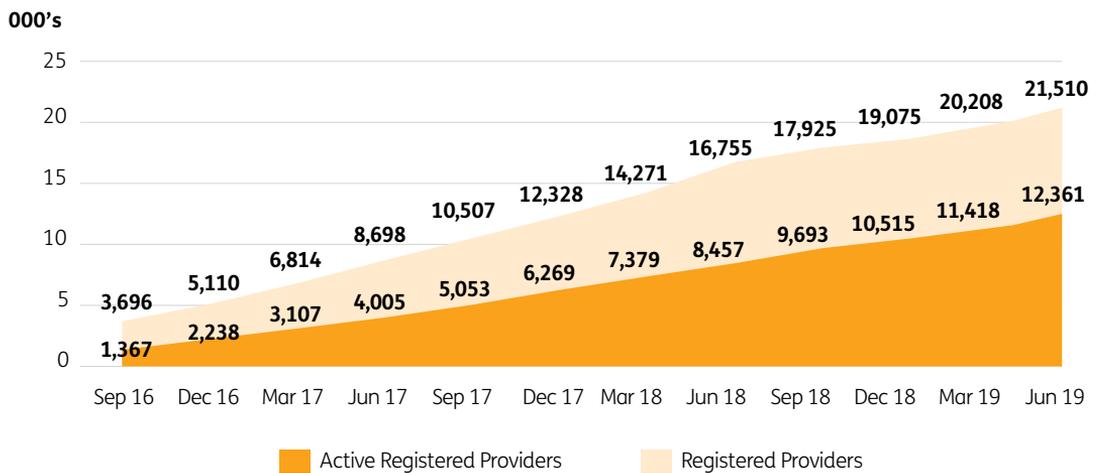
A growing and competitive market with innovative supports

Available market of supports and services

The provider network continues to grow, increasing participants' capacity to exercise choice and control. Access to a growing, vibrant and competitive provider market is vital to participants achieving their goals. As Figure 1.2.1 shows, as at 30 June 2019, there were a total of 21,510 registered providers, compared with 16,755 registered providers as at 30 June 2018, or growth of 28 per cent. Of the total number of providers, 57 per cent (or 12,361) were active as at 30 June 2019.

The NDIA recognises the integral role a safe and competitive provider market plays in the success of the Scheme. From 1 July 2019, the NDIS Quality and Safeguards Commission, which regulates providers, will operate in all Australian states and territories except Western Australia. The Commission will commence operations in Western Australia from 1 July 2020.

Figure 1.2.1: Growth in registered and active registered providers



Revisions to pricing

Price increases are designed to help increase the availability of supply for the benefit of participants. To ensure participants can better utilise their NDIS plans, the NDIA is committed to building market confidence by encouraging market development, particularly in thin markets.

While the longer-term goal of the NDIA is to deregulate prices for disability supports, this has not always been possible given the rapid growth of the market and current areas of immaturity.

Rapid market growth has presented challenges to the longer-term goal of deregulating prices for disability supports. In response, three main pricing approaches have been adopted:

- No regulation: this approach is adopted in highly competitive markets, such as transport
- Price limits: the maximum allowable price payable is defined for developing high-growth markets, such as attendant care
- Quotable supports: quotations are used for highly specialised differentiated supports, where there is no significant competition, such as supported independent living, home modifications and some forms of assistive technology

Over the past year, the NDIA has undertaken extensive work on pricing following significant consultation with the sector. There have been five major initiatives, as follows.

Independent Pricing Review

The 25 recommendations of the Independent Pricing Review continue to be rolled out. These relate to both pricing and broader market settings.

Therapy Services Review

Following consultation meetings with 52 organisations and over 125 individuals, receipt of 32 submissions, and the endorsement of the Pricing Reference Group, the NDIA implemented significant increases in therapy prices from 1 July 2019.

Attendant Care Pricing Review

After a more comprehensive data base becoming available, the testing of assumptions with key sector and provider representatives, and the endorsement of the Pricing Reference Group, the NDIA Board approved significant price increases in base rates for attendant care. Providers of attendant care were also made eligible for a temporary transformation payment to assist providers cover the costs associated with transitioning to the NDIS. The new price limits outlined became effective on 1 July 2019. In 2019–20, the conditional loading will be 7.5 per cent, reducing 1.5 per cent each year thereafter.

Western Australia Market Review

Recognising that Western Australia (WA) had not joined the NDIS when the Independent Pricing Review was undertaken, a separate review was undertaken to determine the appropriateness of pricing for WA participants. Recommendations developed following extensive market consultation were endorsed by the Pricing Reference Group, before gaining Board approval and announced by the Minister on 25 June 2019, for implementation from 1 July 2019.

The following recommendations are being implemented:

- Therapy and attendant care prices recommendations will apply to WA, recognising that it is classified as a 'small state' for the purpose of therapy pricing.
- 'Remote' and 'Very Remote' loadings will be increased from 20 per cent and 25 per cent to 40 per cent and 50 per cent respectively. They will apply nationally.
- Geographical classifications will be amended so that towns currently classified as 'Outer Regional' which are surrounded by 'Remote' or 'Very Remote' areas will be classified as 'Remote'. For instance, this applies in the case of Kalgoorlie.

In addition, other issues will continue to be worked on over the coming months with the WA Government and market to ensure the pricing remains appropriate.

Annual Pricing Review

Recommendations in relation to the Annual Pricing Review were made after receipt of over 170 submissions, and widespread provider engagement (up to 300 providers—including the WA Market Review).

As a consequence, price limits were indexed effective on 1 July 2019, by:

- 4.5 per cent for the categories of Assistance with Daily Activities and Social and Community Participation, in line with movements in the Fair Work Commission's Minimum Wage Case and the Equal Remuneration Order
- 2.1 per cent for capacity building supports, including support co-ordination and therapy, in line with the movement in the Australian Bureau of Statistics (ABS) Wage Price Index
- 1.3 per cent for supports in the Consumables, Assistive Technology and Home Modification and Specialised Disability Accommodation support categories, in line with the movement in the ABS Consumer Price Index.

In addition, the following changes have been made:

- Providers of Community and Centre based supports will be eligible for the Temporary Transformation Payment (TTP) announced in March 2019 if they meet the TTP eligibility criteria.

- Billing rules for cancellations and provider travel will be modified so that providers can bill a participant’s plan for short notice cancellation when the cancellation happens
 - without two clear business days’ notice, when the support is for less than eight continuous hours and worth less than \$1,000
 - without five clear business days’ notice in all other cases.

The maximum amount of travel time that providers can bill to a participant’s plan in respect of each support will be increased from 20 minutes to 30 minutes for travel in Modified Monash Model (MMM) Areas 1–3, and from 45 minutes to 1 hour in MMM Areas 4–5.

Information to encourage market supply

The supply of information on market demand is important to encourage supply. The NDIA is active in providing such information. Additional information is being provided in the following ways:

- Enhancements to the Provider Finder to assist in connecting participants and providers
- Release of additional data through Demand Mapping, a project which has been undertaken with the Department of Social Services
- The provision of additional data through the COAG Quarterly Report. This includes more local data in relation to Supported Disability Accommodation, as well as data on thinner markets

- The release of more granular market data through the provision of data cubes that will allow providers to undertake their own deeper analysis based on the NDIA’s data sharing policy.

Specialist Disability Accommodation (SDA)

Specialist Disability Accommodation (SDA) is a fast growing and significant provider registration group that experienced a 19 per cent growth in the last quarter for active SDA providers. This coincided with the number of participants with SDA in their plans increasing by 8 per cent. The number of enrolled dwellings grew by 9.5 per cent in the last quarter.

The NDIA continues to work with the Department of Social Services on delivering a package of reforms to SDA, following a review of the SDA Pricing and Payments Framework by the Disability Reform Council (DRC) in 2018. The reform includes several key initiatives underway which will further strengthen and improve the SDA market, provide investors with confidence and enable varied and innovative market growth for participants requiring SDA.

These key initiatives include:

- Finalisation of the SDA Limited Cost Assumption Review, which aims to identify and address any price disincentives for investment in particular regions, SDA design categories, or building types
- Stand-alone Design Standards, which provide improved clarity of SDA design requirements



Harry Mezger

Harry Mezger, aged 20, from South Yarra, Victoria, competes at the INAS Global Games, a global sports event for people with an intellectual disability. “The NDIS has been really beneficial, it’s allowed me to be more independent with my living, and travel,” Harry said.

- An SDA Innovation Plan under development to increase participants’, providers’ and supporting stakeholders’ understanding and adoption of innovative SDA models. Some activities of the Innovation Plan include the commission and publication of research on innovative SDA design, the sharing of aggregated data on participant dwelling preferences and establishing a program of innovation showcases.

To support these initiatives, as well as the development of the SDA market more broadly, the NDIA has convened an SDA Reference Group. Membership of the Reference Group includes 15 representatives from across the disability sector, including SDA providers, investors, financiers, developers and research and policy organisations. The Reference Group also includes participants and government representatives. Feedback from the Reference Group has been invaluable to the progress of each of the initiatives and activities described above and will continue to inform their implementation.

Plan utilisation

The NDIA shares with states and territories' concerns that participants are constrained in their ability to utilise their plans. Detailed analysis is being undertaken by the Agency to better understand the nature and causes of lower utilisation. More specifically, the Chairman and the Acting CEO are discussing specific state and regional data within states to develop action plans to address this issue. As a background to those discussions, the NDIA has released far more granular information in the COAG Quarterly Report. This is backed up by significantly increased other data that has been released by the Scheme Actuary.

More specifically, efforts are underway within each jurisdiction and each region within a state/territory to understand the extent to which underutilisation is driven by one or a combination of the following factors:

- The availability of information to encourage providers to enter the market
- Pricing issues, particularly in remote and very remote areas, while recognising that significant price increases have been introduced from 1 July 2019 for therapy and attendant care, as well as for increased travel allowance, particularly in remote and very remote areas, over and above the Annual Pricing Review
- The proportion of participants with first versus subsequent plans, recognising that the utilisation of plans rises significantly (on average from 47 per cent for a first plan to 75 per cent for a later plan)
- The extent of support coordination in a participant's plan
- The nature of LAC and ECEI providers' engagement with participants in assisting them to utilise their plan
- The simplicity of the planning document to allow participants to better understand their available committed funding
- Issues associated with being able to gain timely access to assistive technology (AT): from the NDIA making AT available in a plan through to a provider delivering AT
- Issues with being able to gain access to SDA, recognising that much work has been done to encourage growth in SDA and to make eligibility for SDA available in participant plans
- The degree of flexibility in a participant's plan, particularly between core and capability building supports (but not capital items).

Chapter 1.3

A financially sustainable Scheme

Scheme costs within funding envelope

The NDIS has operated within budget each year of its operation and remained within budget for 2018–19. States and territories have entered the Scheme on time and according to schedule, together with a large number of new participants who have not received funding before. As Table 1.3.1 shows, payments increased from \$5,387.2 million in 2017–18; to \$9,289 million in 2018–19.

As at 30 June 2019, the NDIA was 83,000 state/territory and Commonwealth actionable records short of the transition bilateral estimate. However, an additional 27,000 new participants compared with the bilateral estimate have requested access to the Scheme. This results in the NDIA being 57,000 short of the bilateral estimate when both state/territory, Commonwealth and new people are considered together.²

Addressing Scheme pressures

Pressures on the NDIS have been identified and are being responsibly managed. The drivers of costs to the NDIS include the number of participants, the amount of support allocated to each plan, how that allocated amount will change over time, the utilisation of individual supports, and the rate at which participants exit the Scheme.

It is the responsibility of the NDIA to monitor primary pressures, detect any associated risks and manage them appropriately, using the insurance-based structure as a means to evaluate emerging experience against expectations.

The current primary financial pressures relate to eligibility and participant costs. The number of children in the Scheme is higher than expected, and the number of participants transitioning out of the Scheme who entered under the early intervention criteria is lower

Table 1.3.1: Payments by financial year, compared to committed supports

	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19
Total committed (\$M)	132.7	496.8	939.3	3,236.5	7,746.9	14,537.2
Total paid (\$M)	85.8	370.9	704.1	2,181.4	5,387.2	9,289.0
% utilised to date	65%	75%	75%	67%	70%	64% ³

² The difference between bilateral estimates and actionable records includes duplicates, deceased individuals, and information that did not allow the NDIA to identify or contact an individual. Post-transition bilateral agreements are currently being negotiated with the states and territories.

³ There is a delay between when support is provided and when it is paid, and hence utilisation will increase.

than expected. Plan budgets continue to grow by more than expected solely due to inflation and ageing. This is particularly the case for participants in supported independent living, where costs are higher than expected.

Specific and appropriate management responses are being developed to address the two primary sustainability pressures. The NDIA is working on strengthening the outcomes focus of the Participant Pathway Review to improve participant satisfaction and enable individuals to reach their goals and aspirations, while also increasing the consistency and reliability of access and plan budget decisions.

To better align a participant's support package with their level of function, the NDIA introduced the reference package and guided planning process, which works to ensure that the right assessment questions and tools are being used to inform plan decisions. A review has commenced to incorporate new learnings since the reference package and guided planning process was first implemented. New and innovative approaches to enable participants to have a better life are also being encouraged.

The NDIA is working on consistent and equitable decisions for those seeking access to supported independent living, which constitutes a large proportion of NDIS costs.

The NDIA continues to monitor and address emerging pressures and implement strategies where required. Projects are targeted at improving consistency and equity in decision-making (for example, the independent assessment pilot and the guided planning process), improving plan flexibility and monitoring individual participant goal attainment.

Using this insurance approach, the Scheme continues to remain financially sustainable and invested in the experience and outcomes of its participants.

Chapter 1.4

A high-performing NDIA

Engaged and capable NDIA

The NDIA aspires to be a high-performing service delivery organisation with the systems, people and capabilities to deliver the Scheme's goals in a participant-centric and operationally excellent way.

Build and enhance the NDIA's workforce, systems and processes to support successful delivery of the Scheme

Workforce

The NDIA has continued to grow its workforce as a mix of ongoing and non-ongoing staff, community partners as Local Area Coordinators (LACs), and Early Childhood Early Intervention (ECEI) Partners and a small number of specialist advisers. The NDIA is growing in a way that balances the need for short-term growth and projects and the need to build capability that will endure well into full Scheme. On 1 July 2018 the NDIA implemented a functional organisation structure to better support the delivery of the NDIS.

Systems and processes

There were a number of challenges associated with creating the support required to transition from trial to full Scheme. The NDIA recognised the need to address these issues with the participant and provider portals. More specifically, those issues included a lack of appropriate functionality and usability in the immediate period following the move from trial to transition.

The NDIA's Information, Communication and Technology (ICT) Strategy was endorsed in August 2018 and provides the basis for investment in technology assets within the NDIA over the next five years in a way that is consistent with the Agency's overall approach in relation to participants and providers. The strategy assists the Agency to meet its objectives in the NDIA Corporate Plan 2019–23 and the underlying business strategies that will deliver quality outcomes for participants.

The NDIA is committed to working with service providers and participants in designing enhancements to the portals. The Agency has established participant and provider reference groups through the Pathways program to assist with planned changes to the portals.



Vanetta Masso

Fifty-six year old mother of seven Vanetta Masso, from Townsville, Queensland, has been able to engage NDIS provider Open Minds to support five of her adult children who all have an intellectual disability. “The community garden would have to be one of their favourite things to do,” Vanetta said.

Photo courtesy of KZ Photography

A review conducted of the current design and development approach used for the portals highlighted the importance of increasing the focus on the user interface and user experience. As a result, the Participant Reference Group (PRG) has been expanded to assist with the redevelopment of the participant portal. This approach ensures the needs of the end-users are understood and met.

The functionality of our core Customer Relationship Management (CRM) system has been improved and relevant features expanded throughout the year. Additional features have been enabled allowing an increase in on-system processing and moving off-system processes into the system. As more processes are supported by the CRM, the NDIA is able to optimise workflow and other features to improve general efficiency and improve service levels to participants and providers. A particular focus has been improving ICT support to Agency staff who use assistive technology.

The Data Stabilisation program continues to provide greater control and flexibility for the Actuarial team allowing the development of an operational reporting platform so that the NDIA's frontline teams have the data and insights to support the management of their service delivery.

Embed refreshed NDIA values and behaviours

In March 2018, the NDIA commenced a values refresh to set and reshape the culture of the organisation. These values guide the Agency in decision-making and delivering on the purpose of the NDIS. Following consultation with NDIA staff and Partners in the Community, the NDIA announced a refreshed set of values in July 2018. These values sit under the umbrella purpose 'making the difference'.

A prioritised set of behaviours has been developed to show what living the values looks like, sounds like and feels like. The NDIA values behaviour statements are:

- We value people —We put participants at the heart of everything we do
- We grow together—We work together to deliver quality outcomes
- We aim higher—We are resilient and always have the courage to do better
- We take care—We own what we do and we do the right thing

The NDIA behaviours support the values and help shape the Agency for today and into the future.

The NDIA Staff Health and Wellbeing Strategy 2019–2021 was launched on 27 March 2019. The introduction of the strategy serves to create and strengthen a safe working environment that values and supports its workforce, contributing to a high-performing NDIA and becoming a leading employer of choice. The outcomes of the Strategy also align with the Agency's organisational values and contribute to building a positive, participant-centred culture.

Invest in leadership, capabilities and training and skills development

The NDIA has developed an organisation-wide capability framework aligned with business priorities and differentiated by level. ‘Success Profiles’ detailing skills, knowledge, experience, behavioural competencies and personal attributes for successful performance were introduced in July 2018 for key service delivery roles. The Success Profiles are used to support the Agency in the recruitment, selection, development, succession and performance management of employees.

In July 2018, the refreshed New Starter Induction Program was deployed. This program now consists of 19 face-to-face modules and eight e-learning modules, with e-assessments to assess planners’ and Local Area Coordinators’ knowledge and understanding prior to engagement with participants. The Agency’s service delivery specific training covers disability awareness, types of assistive technology available, options for supported independent living, customer aggression de-escalation, and customer relationship management systems training.

Further new training deployed during the year included modules on family and gender based violence prevention (White Ribbon), bullying and harassment, human relations delegations, work health and safety for supervisors, fraud awareness, and risk awareness.

In addition, the NDIA ‘Just Brilliant’ leadership series was launched in May 2019 with ‘Learning to Lead’, the first of three flagship leadership development offerings. Learning to Lead is a 12-month leadership readiness journey, designed for frontline and emerging leaders.

The NDIA has also refreshed its Graduate Development Program, with the next intake due to commence in February 2020. The refreshed program offers graduates the opportunity to gain experience across both the NDIA and a wide range of public service environments through an 18-month program that now includes a greater emphasis on leadership development.

Refresh the NDIA’s performance review framework

The NDIA Performance Development Framework assists the Agency to improve the performance and capability of its staff. The Framework consists of five elements: Probation, Performance Development (100 Day Plans), End of Cycle Reviews, Recognising Outstanding Performance (Rewards and Recognition) and Improving Performance (Performance Support Process). The Framework applies to all employees covered by the NDIA Enterprise Agreement (EA). However, all SES staff, contractors and state government seconded employees are also encouraged to participate in the 100 Day Planning and End of Cycle Review processes. Any changes to the Framework will form part of the negotiations for the new EA scheduled to commence in 2019–20.

The focus this year has been on a refresh of the Rewards and Recognition program (Light Up—Celebrating Brilliance) deployed in February 2019. The Light Up—Celebrating Brilliance program is built on the NDIA values and highlights how individuals and teams in the Agency demonstrate the values through behaviours, actions and work. Since February 2019, 169 nominations from across the Agency were received for the Quarterly Light Up Awards—57 in Quarter 3 increasing to 112 in Quarter 4. Nominations for the Annual Light Up Awards opened in June 2019.

In addition, a refresh of the Senior Executive Service Performance Development Framework ensures that it now balances behaviours with delivery against the NDIA's Corporate Plan. The new rating scale also ensures that performance reviews will result in a stronger alignment between the NDIA's corporate aspirations and individual goals.

Stakeholder confidence and sentiment

Engaging key stakeholders remains critically important to the success of the NDIS. In 2018–19 the NDIA continued to emphasise the need to deliver on its purpose and aspirations by building confidence and trust among its stakeholders, through information and genuine engagement. In particular, the NDIA worked to harness the expertise of participants, their families and carers and the disability sector to build a scheme for all Australians.

Ensure responsive and transparent communication with participants, their families, carers and the disability services market

The NDIA has a strong and dedicated approach to engaging with key stakeholders, providers and the community. This is designed to provide a nationally consistent engagement approach which seeks to provide participants with quality and timely information regarding the NDIS.

In 2018–19 the Agency continued previously established engagements with key reference groups, including the PRG, in which participants provide feedback and advice for continuous improvements to the NDIS pathways work.

In April 2019, the Agency piloted an online version of the participant satisfaction survey so that participants could provide further feedback on their experience with the NDIA via the myplace portal. More than 500 responses were received during the pilot.

In 2018–19, the Agency released a series of materials to help support participants, families and carers through each stage of their NDIS journey. This included a three-part booklet series developed in consultation with participants, carers, providers, NDIA staff, Partners in the Community and advocates from the disability community. The booklets break down the complexities of the scheme, supporting participants to understand and navigate the NDIS.

The booklets are supported by additional NDIS booklets released in 2018–19, including:

- Guide to Self-Management, which supports participants who manage their own plan
- Let's Talk about Work, which encourages participation in the workforce
- Early Childhood Early Intervention, used by Partners in the Community delivering Early Childhood Early Intervention services.

To simplify access to and use of interpreting services for participants who use languages other than English, the Agency released a practice guide for staff and partners, a glossary of NDIS terms to support conversations between interpreters and our participants, a fact sheet for participants to outline when they are entitled to a language interpreter, and also provider work instructions to support registration with Translating and Interpreting Services (TIS) National to book NDIA-funded interpreters.

During the Pathway Review, the Agency also heard from participants that a new, easily understood plan was needed. As a result, a plan designed to improve the link between participant goals and the funding they received, which was communicated in plain English, was released in November 2018.

New NDIS website

In January 2019 the NDIA launched a new NDIS website to improve users' experience online. The launch followed a six-week public testing phase which commenced in December 2018, with consultations being conducted with participants, families, carers, providers and sector representatives. The website was developed in partnership with external provider Icon, and won a Gold Stevie Award for Innovation in Government Websites in the prestigious Stevie Awards Asia-Pacific in May 2019. The new NDIS website was the Agency's most popular communication channel, with over 1.5 million page views per month.

Video

The NDIA continues to profile NDIS participants, families, carers and providers through its video platform NDIS TV. NDIS TV stories allow individuals to share their NDIS stories and what they have been able to achieve with the support of the Scheme. The NDIA invested in short animated videos, using a practical, peer storytelling approach to explain key operational components of the Scheme, such as how to prepare for a planning meeting or learn more about assistive technology.

In 2018–19 the NDIA received over 1.4 million views of video content posted on the NDIS Facebook profile, including NDIS TV videos and third party content made accessible by the Agency.

The NDIA is a leader in developing accessible video content, sharing our lessons learned with other Commonwealth and state and territory governments to ensure more video content on social media platforms is accessible and easy to understand for all Australians.

NDIS webinars

Our NDIS webinars on Self-Management (August 2018), Employment ('Let's talk about work', February 2019), and Assistive Technology ('Wheelchairs, Aids and Devices', June 2019) each had over 2,000 people register to watch live, with thousands more viewing the recorded versions once published on the NDIS website. Viewers were able to ask questions in real time, and hear responses from experts.

NDIA National Contact Centre

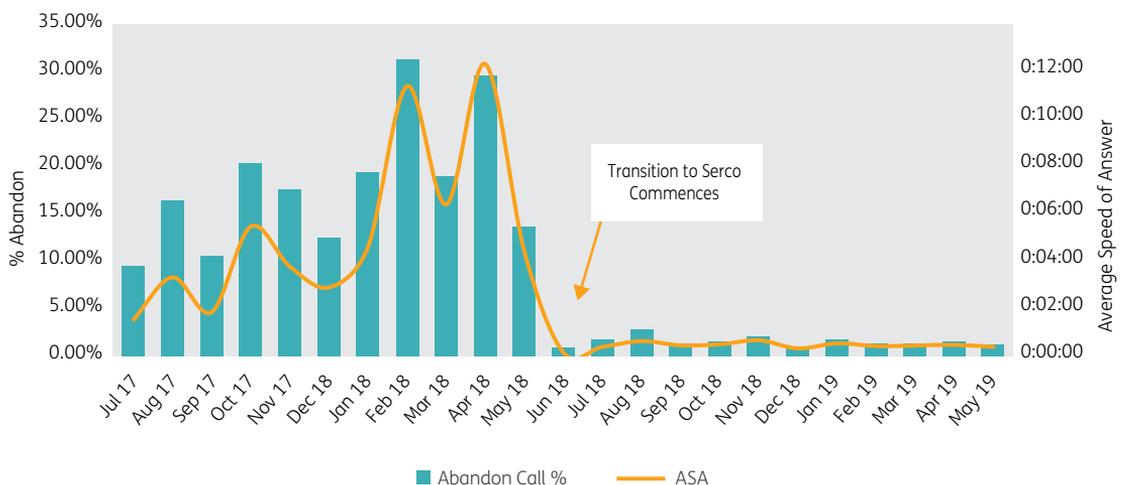
The NDIA National Contact Centre (NCC) delivers personalised and high-quality contact services about the NDIS for people with disability, their families and carers, service providers and organisations.

From July to September 2018, the NDIA NCC transitioned to a new service delivery partner, Serco Citizen Services Pty Ltd (Serco). Prior to July 2018, contact centre services were delivered for the Agency by the Department of Human Services (DHS). As at 30 June 2019, Serco had a workforce of 415 staff providing NDIS services and significantly reducing average call wait times.

Under the contract with Serco, services are delivered for the NDIA according to an agreed performance framework, including a grade of service of 80 per cent of calls answered within 60 seconds.

Figure 1.4.1. shows the significant telephony performance improvements since the transition to Serco as contact centre service provider.

Figure 1.4.1: NDIA Contact Centre telephony performance July 2017 to May 2019



Haya Dagher

NDIS participant Haya Dagher, from Parramatta, receives visits from Guide Dogs Australia and Vision Australia, who have helped ensure her vision impairment doesn't prevent her from navigating the world around her. "Haya really wants to work when she grows up, and is already chatting about what she wants to do and how she will do it," Haya's mum, Nour, said.



Engage thoughtfully and constructively with stakeholders

The NDIA has a strong and dedicated approach to engaging with key stakeholders, providers and the community. This helps ensure a nationally consistent engagement approach which seeks to provide stakeholders with quality and timely information regarding the NDIS, as part of building trust and credibility with stakeholders. The NDIA is shifting to a more effective evidence-based stakeholder engagement and communications approach underpinned by common principles for engaging with different stakeholder groups to ensure that its practices align with its values and behaviours.

In June 2019, the Prime Minister and Minister for the NDIS hosted the first of a number of roundtable meetings with NDIS participants, families and a representative from the advocate organisation Inclusion Australia, at an NDIS office in New South Wales. This private roundtable discussion provided an opportunity for these delegates and senior NDIA representatives to meet with and learn first-hand from the attendees about their experiences with the Scheme.

The NDIA supported the delivery of 35 MP-led information sessions, engaging with participants, their families and carers, and providers in electorates across Australia. Hundreds of people attended these information sessions, with an opportunity to ask questions, and share their experience with the Scheme with their local member and representatives from the NDIA.

The Executive Leadership Team (ELT) held monthly roving roundtables with participants, Partners in the Community, providers and staff to understand a variety of experiences with the Scheme and inform decisions on the design and implementation of solutions to challenges.

Reference groups

The NDIA has a number of reference groups, advisory groups and small working groups drawn from stakeholders who provide advice to the Agency on the design, development and implementation of aspects of the Scheme. These groups have clear terms of reference and deliverables that link to the current NDIA Corporate Plan. Current reference groups include:

- Autism Advisory Group (AAG)
- CEO Forum
- Industry Reference Group (IRG)
- National Mental Health Sector Reference Group (NMHSRG)
- Participant Reference Group (PRG)
- Specialist Disability Accommodation (SDA) Reference Group
- Pricing Reference Group.

Autism Advisory Group

The AAG was established in July 2018 to provide a strong voice on behalf of people with autism who are participating in the NDIS. The group includes autism experts, service providers and people with lived experience of autism. The AAG met eight times during 2018–19.

CEO Forum

In 2018–19, the NDIS CEO Forum continued to be a platform for the disability sector to engage, discuss and collaborate directly with the Agency on important areas of work relating to the operation and implementation of the NDIS. Membership consisted of 24 CEOs from national peak and advocacy organisations. CEO Forum members met quarterly in person with senior executives from the Agency and participated between meetings in purposeful, action-focused working groups as relevant.

Industry Reference Group

The purpose of the IRG is to advise on improvements to the NDIS which support the development of a competitive market of innovative supports and services that empower participants to achieve their goals in inclusive communities and workplaces. The IRG meets three times per year.

National Mental Health Sector Reference Group

The NMHSRG was established to develop a strong working partnership between the mental health sector and the NDIA. The group meets quarterly and consists of consumers, carers, peak associations, NDIS Independent Advisory Council (IAC) members and key government representatives, including mental health commissions.

Participant Reference Group

The NDIS PRG continued to be a vital asset to the Agency, with 20 members representing participants and carers, including people from culturally and linguistically diverse communities and Aboriginal and Torres Strait Islander communities.

In 2018–19, the PRG met every six weeks and considered ways to improve the participant experience, including through:

- simplifying the participant employment booklet and making it more accessible
- improving the NDIS Access Form to make it more user friendly
- making payment systems easier for participants and providers to use
- defining simpler and more consistent language to be used across the portal, in plans and in conversations with NDIS staff
- recurring work between members and the Agency to improve the look and feel of the portal and communication products and resources.



PARTICIPANT REFERENCE GROUP

Front Row: Lisa McLeish*, Daniel Staunton*, Peter Gurr*, Jason East*, Anita Gamba*, Sue Matthews*, Jenny Macpherson*, Trevor Harris**

Second Row: Cheryl Staunton**, Tanette Just**, Laura Naing*, Cathy Nang**, Judy Courtney+, Sue Ham+, Martin Stewart*, Lisa Hickey**

Back Row: Justine Holmes+, Andrew Stewart*, Judith Drake*, Nicolas Wilson**, Gavin Burner*, David Jones*, Craig Townsend*, Jesse Wilkinson+, Sarah Sutton*

Absent: Stephanie Travers*, Charmaine Sinclair*, Jake Briggs*, Roslyn Wyburn*, Sylvana Mahmic (IAC representative)

*Member **Carer/support worker +NDIA staff

Specialist Disability Accommodation Reference Group

In February 2019, the NDIA established the SDA Reference Group. The SDA Reference Group supports the development of the SDA market by increasing choice and control for participants and ensuring the long-term viability of SDA investments under the NDIS. Members were selected through an open expression of interest round and appointed based on their ability to represent the views of stakeholders most effectively. The SDA meets every two months.

Pricing Reference Group

The Pricing Reference Group was established in 2018 in response to the Independent Pricing Review commissioned by the NDIA Board to address pricing issues raised by participants and providers.

Through the Pricing Reference Group, the NDIA has a formal process to review NDIS pricing arrangements, conduct robust market reviews and determine how to consult and engage with sector stakeholders. This process includes evaluation and endorsement of the Annual Price Review outcomes, culminating in the release of the updated NDIS Price Guide 2019–20, effective from 1 July 2019.

Disability sector expertise

The NDIA worked with Disability Advocacy Network Alliance (DANA) to develop resources to improve staff training and awareness of disability and aim to put participants, their families and carers at the centre of all

conversations. These resources have been developed to provide NDIA staff and partners with an overview of some common disability types, common symptoms and impacts on a participant's life, and some ways we can adjust our service approach to ensure optimal engagement and outcomes for both participants and the NDIA.

Ensure strong engagement with the Independent Advisory Council

The IAC was established in 2013 through the NDIS Act to bring the views of participants, carers and experts to the heart of the NDIS. The IAC provides the Board with independent advice, which the Board must consider when performing its duties. The IAC meets quarterly.

From the inception of the IAC in 2013 to April 2019, Professor Rhonda Galbally AC held the position of Principal Member. In April 2019, Mr John Walsh AM was appointed as the new Acting Principal Member following Professor Galbally's resignation from the role to take up her role as a Commissioner with the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability.

During 2019, the IAC maintained its focus on a number of priorities through its expert reference groups, which continue to help inform the Agency and provide valuable advice. These are the:

- Intellectual Disability Reference Group
- Self-Management Reference Group
- Contemporary and Innovative Approaches Reference Group.



Nathan Runyan-Tait

Nathan Runyan-Tait, 29, from the Gold Coast, Queensland, has a severe form of cerebral palsy, and needs 24/7 care. Nathan's NDIS funding goes towards support workers who provide daily care and help increase his independence and engagement in his community. "All the extra activities have been great for him," Nathan's mother, Val, explains. "He's not a spectator anymore. He's part of the action. He's included, and he's doing things of value to him and the community."

Part 2:

Our structure and accountability

Chapter 2.1 Our governance and structure

Chapter 2.2 Our Board

Chapter 2.3 Our executive

Chapter 2.4 Risk management

Chapter 2.5 Workforce management

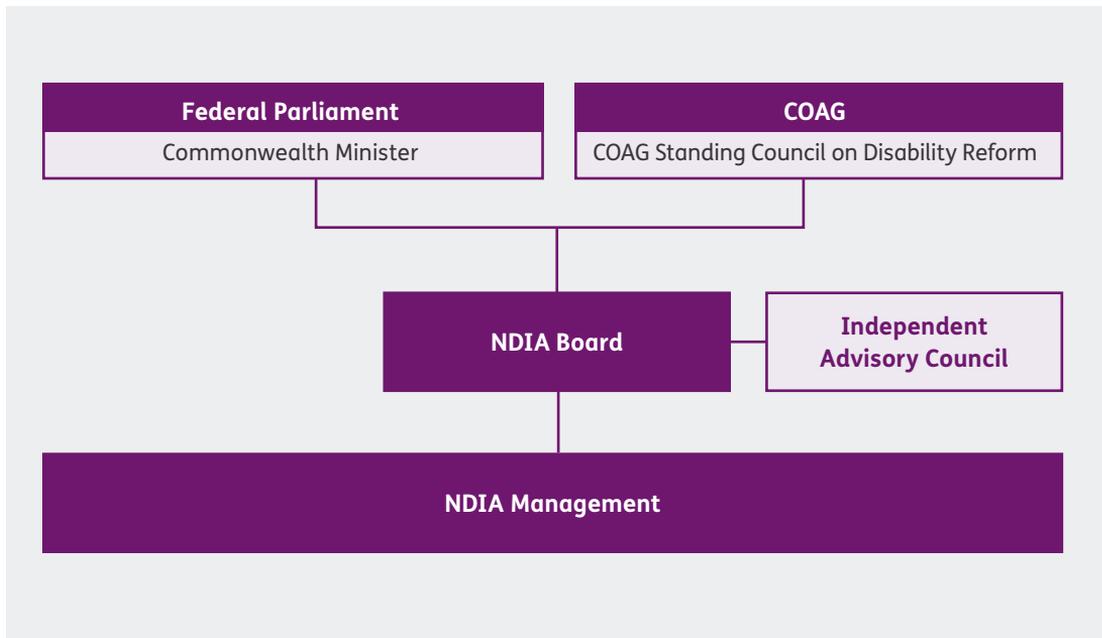
Chapter 2.1

Our governance and structure

The governance model for the NDIA is set out in the NDIS Act.

Key elements of the governance model as shown in Figure 2.1.1 are outlined below.

Figure 2.1.1: NDIA governance



Responsible Commonwealth Minister

The Minister for the NDIS is responsible for administering the NDIS Act and, with the agreement of states and territories, exercises statutory powers including the power to make delegated legislation in the form of NDIS Rules and the power to direct the NDIA.

At 30 June 2019, the Hon Stuart Robert MP, as Minister for the NDIS, had ministerial responsibility for the NDIA, including the exercise of specific powers under the NDIS Act. Minister Robert was appointed as Minister for the NDIS on 29 May 2019. Previous Ministers who had ministerial responsibility for the NDIA during the year were:

- the Hon Paul Fletcher MP, as Minister for Families and Social Services, from 28 August 2018 to 29 May 2019
- the Hon Dan Tehan MP, as Minister for Social Services from 20 December 2017 to 28 August 2018.

Council of Australian Governments Standing Council on Disability Reform

The COAG DRC is a ministerial council composed of Australian Government and state and territory treasurers and ministers responsible for disability. The COAG DRC provides a forum for member governments to discuss matters of mutual interest and progress key national reform in disability policy, including the NDIS. The COAG DRC is the principal decision-maker for Scheme policy issues.

NDIA Board

The Board has responsibility for setting the strategic direction of the NDIA, ensuring the proper, efficient and effective performance of the NDIA's functions and developing and managing relationships with stakeholders. Board membership is determined by the responsible Commonwealth Government Minister in consultation with the states and territories.

Independent Advisory Council

The IAC provides the Board with independent advice, which the Board must consider when performing its duties. The IAC, formally appointed by the Minister, is composed of people with disability, service providers and carers, and brings the crucial perspectives of these stakeholders to the work of the NDIA and the design of the NDIS.

NDIA Management

The responsibility of the NDIA Management, collectively referred to as the Executive Leadership Team (ELT), is to provide oversight of and make decisions on the execution of the Board-approved strategic objectives for the Agency, in line with the agreed risk appetite. The ELT implements the policy and strategy adopted by the Board and deals with the operational management of the Agency.

Significant activities and changes

The NDIA had one significant change during the year. On 30 April 2019, the NDIA Board accepted the resignation of former CEO Mr Roberto De Luca. At the time, the NDIA Board appointed Ms Vicki Rundle PSM to the role of Acting CEO.

Chapter 2.2

Our Board

The Board is responsible for setting the Agency’s strategic direction and for the performance of the NDIA functions under the NDIS Act. The Board has obligations as the accountable authority under the PGPA Act.

Board members are non-executive members and are independent of NDIA Management. They are not employees of the NDIA. More than half of the Board have family experience of living with disability.

“I would like to thank my colleagues on the Board and in Management for their significant contributions to the achievements of the NDIS over the past year.”

—Helen Nugent, Chairman



Dr Helen Nugent AO, Chairman

Dr Helen Nugent is a highly experienced Chairman and Non-Executive Director, who has a strong background in growing businesses and in transformational change including in banking, insurance, energy, the arts and education. She is also currently Chairman of Ausgrid and the National Portrait Gallery and is a Non-Executive Director of IAG and the Garvan Institute of Medical Research.

Previously, Dr Nugent was a Non-Executive Director of Macquarie Group for 15 years, and prior to that, as a Partner at McKinsey & Company, played a major role in establishing their platform for growth. At Westpac Banking Corporation, she was Director of Strategy, reporting to the CEO, she was a member of the Executive Team responsible for a \$2.4 billion turnaround in the performance of the bank.

As Chairman of the Major Performing Arts Inquiry (Nugent Inquiry) she established and then implemented (as Chairman of the Major Performing Arts Board and Deputy Chairman of the Australia Council) a blueprint for the success of Australia's major performing arts companies that has been critical for the past 20 years.

In education, as Professor in Management and Director of the MBA Programme at the Australian Graduate School of Management, Dr Nugent brought about a major transformation and grew the program. At Bond University, as Chancellor for seven years, she helped lead a transformation that has established it as one of the world's leading small universities.

Dr Nugent holds a Doctorate in History from the University of Queensland and an MBA (with Distinction) from the Harvard Business School. She has been awarded Honorary Doctorates from both the University of Queensland and Bond University. She was made an Officer of the Order of Australia for her services to business, the arts and education.

Dr Nugent is a member of the Risk, People and Remuneration and Sustainability Committees and also attends all Committee meetings.



Ms Sandra Birkenleigh

Ms Sandra Birkenleigh is an experienced Non-Executive Director, bringing extensive experience in the financial service and insurance industries to the Agency. She currently holds board positions with MLC Insurance Ltd, Auswide Bank Limited, Horizon Oil Limited, 7-11 Holdings Limited (and its subsidiaries) and Sunshine Coast Children’s Therapy Centre. She chairs the Audit Committee for each of these organisations.

Ms Birkenleigh is also a member of the Council for the University of the Sunshine Coast and an independent member of the Audit Committee of the Reserve Bank of Australia, and the Chair of the Audit and Risk Committee for the Public Trustee of Queensland. She was formerly a partner with PricewaterhouseCoopers, including its governance, risk and compliance practice.

Ms Birkenleigh is Chairman of the Board Audit Committee, and routinely attends the Risk Committee meetings.



Mr Glenn Keys AO

Mr Glenn Keys AO has been a member of the NDIA Board since the NDIS’s inception. He 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. Mr Keys has a background in the health sector as the co-founder and Executive Chairman of Aspen Medical, and the Founder and Chairman of Project Independence, a unique initiative offering home ownership to people with disability.

Mr Keys was awarded an Officer in the General Division (AO) in the 2017 Queen’s Birthday Honours list for his distinguished service to disability, business and commerce and as an advocate for corporate social responsibility. He was also named 2015 Australian Capital Territory Australian of the Year.

Mr Keys is a member of the Board’s ICT Committee.



Ms Robyn Kruk AO

Ms Robyn Kruk AO AM has extensive experience as the Chief Executive of national and state policy, regulatory and service delivery agencies, including the New South Wales departments of Health and Premier and Cabinet. She established and served as inaugural CEO/Commissioner of the National Mental Health Commission.

Ms Kruk is currently Chair, a Board Director or a member of international, national and state statutory, non-government and private entities in food standards, healthcare, environment/planning, quality and safety, governance and mental health.

Ms Kruk is the Chair of the Board's People and Remuneration Committee and a member of the Board's Risk Committee.



Mr John Langoulant AO

Mr John Langoulant AO has extensive experience across many areas of public policy development and implementation including as the Western Australian Under Treasurer, Chairman of a number of government statutory authorities, and the leader of several government inquiries. Mr Langoulant also chairs several private and not-for-profit organisations.

Mr Langoulant is a member of the Board's Audit Committee and its Sustainability Committee.



Dr Martin Laverty

Dr Martin Laverty commenced in September 2019 as the Secretary General of the Australian Medical Association. Prior to this, he served as the Chief Executive of the Royal Flying Doctor Service of Australia for five years. Before that, he served as Chief Executive of the hospital and aged care group Catholic Health Australia for seven years.

Dr Laverty is the Deputy Chair of the Australian Charities and Not-for-Profits Commission Advisory Board. He is also a Director of HealthDirect. He chairs the Institute of the Sisters of Mercy Australia and Papua New Guinea's Future Governance Working Group.

Dr Laverty is a former Chair of Unisson Disability and Challenge Southern Highlands, and remains a life member of both charitable organisations. He is a fellow and former Chair of the National Heart Foundation, is a former member of the New South Wales Public Service Commission Advisory Board, and a former Director of the NSW Muscular Dystrophy Association.

Dr Laverty is a lawyer by training with a PhD in corporate governance. He is an Adjunct Professor at the University of Western Australia's Not-for-Profits Initiative.

Dr Laverty is a member of the Board's Audit Committee and its Risk Committee.



Mr Jim Minto

Mr Jim Minto is a Non-Executive Director of Singapore based Dai-ichi Life Asia Pacific, a Non-Executive Director (Deputy Chair) of Equity Trustees Limited, Independent Chairman of New Zealand-based life insurer Partners Life Limited, director of Swiss Re Life & Health Australia Ltd and member of Advisory Board of Swiss Reinsurance Company Ltd, Australia.

Mr Minto is the former Group CEO and Managing Director of life insurer TAL (formerly TOWER Australia) and prior to that was Group CEO of the Trans-Tasman TOWER Limited Group.

Mr Minto has extensive experience in the financial services sector. A Chartered Accountant, he is the former Chair of the Association of Superannuation Funds of Australia and was a panel member of the Australian Government's Natural Disaster Insurance Review.

Mr Minto is Chairman of the Board's Risk Committee and is a member of the Sustainability Committee. He also routinely attends the Audit Committee meetings.



Mr Paul O'Sullivan

Mr Paul O'Sullivan has been Chairman of Optus since October 2014 and is a member of the Board of Commissioners of Telkomsel —Indonesia's largest mobile communications company. He is a Director of Coca-Cola Amatil Limited and HOOQ Pte Ltd, a joint venture between Singtel, Warner Bros and Sony Pictures Entertainment. Mr O'Sullivan is also a member of the Board of the St George and Sutherland Medical Research Foundation, St Vincent's Health and is Chairman of the Western Sydney Airport Corporation.

Mr O'Sullivan is Chairman of the Board's ICT Committee and a member of the Risk Committee and the People and Remuneration Committee.



Ms Estelle Pearson

Ms Estelle Pearson has extensive experience in the insurance and injury compensation sector, having worked as an actuary and consultant in this sector since 1989. She is currently a Director of Finity Consulting Pty Limited, and was previously on the Council of the Actuaries Institute, including a term as President in 2015.

Ms Pearson is Chairman of the Board's Sustainability Committee and a member of the Audit Committee.



Ms Andrea Staines OAM

Ms Andrea Staines OAM is a Non-Executive Director with 13 years’ experience on listed, private, government and for-purpose boards in retail service and transport arenas. Specifically in the area of care, Ms Staines is on the Board of UnitingCare Queensland, and was previously on the boards of Goodstart Early Learning and Early Learning Services.

Ms Staines previously had an executive career in airlines. She was a member of Qantas ExCo—as CEO Australian Airlines (Mark II), an international subsidiary which she co-launched—while a sole parent of two small children. Previously, Ms Staines worked in finance and strategy at Qantas and at American Airlines’ Dallas headquarters.

Ms Staines is a member of the Board’s ICT Committee.



Mr John Walsh AM

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. Mr Walsh is also a member of the Board of the Australian Commission for Safety and Quality in Healthcare. He was appointed Acting Principal Member of the Independent Advisory Council (IAC) in April 2019.

Mr Walsh is a member of the Board’s Sustainability and ICT Committees.



Professor Rhonda Galbally AC

Professor Rhonda Galbally AC was a member of the Board since its inception and was heavily involved in the creation of the Scheme. 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. She was previously a CEO, Chair and Board Director, working in government, non-government and private entities.

Professor Galbally was a member of the Board's Sustainability Committee and People and Remuneration Committee, and Principal Member of the Independent Advisory Council. Professor Galbally resigned from the Board on 7 April 2019 to take up an appointment as a Commissioner with the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability.

Board committees

A number of committees, councils and groups are in place to support the Board in ensuring the NDIA meets its statutory requirements and manages risk effectively. The following table provides the title and role of each committee and lists their committee members as at 30 June 2019.⁴

Table 2.2.1: Board committees and members at 30 June 2019

Committee	Role	Members
Audit Committee	The Audit Committee was established in compliance with section 45 of the PGPA Act and assists the Board in the management and oversight of the quality and integrity of the accounting, auditing and financial reporting of the NDIA. The Australian National Audit Office (ANAO) attends Audit Committee meetings as external auditor, along with the Chief Internal Auditor.	Ms Sandra Birkenleigh (Chair) Mr John Langoulant Dr Martin Laverty Ms Estelle Pearson
Information, Communication and Technology Committee	The ICT Committee assists the Board in the management and oversight of the NDIA's ICT solutions including providing input to the Board on the design, development, delivery and performance of the ICT strategy and systems.	Mr Paul O'Sullivan (Chair) Mr Glenn Keys Ms Andrea Staines Mr John Walsh
People and Remuneration Committee	The People and Remuneration Committee's role includes supporting the NDIA to attract, retain and develop high-performing employees, overseeing strategies, frameworks and programs related to people and remuneration and providing recommendations to the Board on CEO succession planning.	Ms Robyn Kruk (Chair) Ms Sandra Birkenleigh ⁵ Mr Glenn Keys Dr Helen Nugent Mr Paul O'Sullivan
Risk Committee	The Risk Committee assists the Board in the management and oversight of the NDIA's approach to risk management. The role of the Risk Committee is to advise the Board in relation to the development and implementation of the NDIA's overall risk management approach.	Mr James Minto (Chair) Mr John Langoulant Dr Martin Laverty Dr Helen Nugent ⁶ Mr Paul O'Sullivan
Sustainability Committee	The Sustainability Committee's objective is to provide advice in assessing, monitoring, reporting on and managing the financial sustainability of the NDIS.	Ms Estelle Pearson (Chair) ⁷ Mr John Langoulant ⁸ Mr James Minto Dr Helen Nugent ⁹ Mr John Walsh

⁴ On 7 April 2019, Professor Galbally resigned from the NDIA Board and sub-committees upon her appointment as a Commissioner to the Royal Commission on the Violence, Abuse, Neglect and Exploitation of People with Disability.

⁵ On 30 April 2019, the board appointed Ms Sandra Birkenleigh to the People and Remuneration Committee.

⁶ On 30 April 2019, the board appointed Dr Helen Nugent to the Risk Committee.

⁷ Ms Estelle Pearson became Chair of the Sustainability Committee on 9 July 2018 following Mr John Walsh's resignation as the Chair of that committee from that date. Mr Walsh remains a member of the Sustainability Committee.

⁸ On 30 April 2019, the board appointed Mr John Langoulant to the Sustainability Committee.

⁹ On 30 April 2019, the board appointed Dr Helen Nugent to the Sustainability Committee.

Independent Advisory Council

The IAC plays an integral role in bringing the views of participants, families and disability sector experts to the heart of the NDIS by providing independent advice on the experience of its members and expert advisers, and their networks.

During 2018–19, the IAC continued to produce papers relating to the themes of self-determination, capacity building, independence, social and economic participation and inclusion, reducing vulnerability and enabling positive risk, and equity.

The term of the inaugural IAC expired on 30 June 2017. The three-year term of the current council expires on 30 June 2020. The current membership of the IAC consists of:

- Mr John Walsh AM (Acting Principal Member)¹⁰
- Ms Jennifer Cullen^{*11}
- Ms Sylvana Mahmic*
- Ms Janet Meagher AM*
- Prof Anne Kavanagh
- Ms Kerry Allan-Zinner
- Mr Kevin Cocks AM
- Mr Maurice Corcoran AM
- Ms Judy Huett
- Mr James Manders
- Ms Leah van Poppel
- Ms Liz Reid
- Ms Sue Salthouse.

Professor Galbally resigned as Principal Member of the IAC, and NDIA Board Director, on 7 April 2019 upon her appointment as a Commissioner to the Royal Commission on the Violence, Abuse, Neglect and Exploitation of People with Disability.

The IAC continues to be supplemented by five Expert Advisers engaged to provide advice to the IAC from the perspective of the key national peak bodies:

- Mr David Moody, Acting Chief Executive of National Disability Services
- Ms Ara Cresswell, CEO Carers Australia
- Mr Ross Joyce, CEO Australian Federation of Disability Organisations
- Dr Ben Gauntlett, Disability Discrimination Commissioner
- Ms Therese Sands, Director Disabled People's Organisations Australia.

¹⁰ Mr John Walsh AM, Acting Principal Member of the IAC, was appointed from 9 April 2019 for a 12-month period.

¹¹ *Members of the inaugural IAC from 2013–2017 and reappointed for a second term from 1 July 2017.

Chapter 2.3

Our executive

The responsibility of the NDIA's Executive Leadership Team (ELT) is to provide oversight of, and make decisions on, the execution of the Board-approved strategic objectives for the NDIA, in line with the agreed risk appetite. The ELT implements the policy and strategy adopted by the Board and deals with the operational management of the NDIA.

The ELT reports to the CEO and is responsible for:

- delivery of the NDIA's Corporate Plan
- monitoring of the operational and financial performance of the NDIA
- ownership of the identification and management of risk across the NDIA
- optimisation and allocation of NDIA resources
- the integrity of management information and financial reporting systems
- ensuring the NDIA meets its statutory requirements
- ensuring the NDIA meets its statutory requirements.



Chief Executive Officer (CEO)

Ms Vicki Rundle PSM (A/g)

Ms Vicki Rundle was appointed acting CEO on 30 April 2019, and is responsible for the day-to-day administration of the Agency.

Prior to this, Ms Rundle held the positions of Deputy CEO, Government, Communications and Stakeholder Engagement; and Deputy CEO for the Markets and Supports Group.

Ms Rundle moved to the NDIA in October 2015 from the then Department of Employment. She led the early roll-out of the NDIS for New South Wales, the Australian Capital Territory, South Australia and Tasmania.

Ms Rundle has worked in senior executive roles across the Commonwealth and state governments in a range of health and human services policy, service delivery reform and corporate areas. She was awarded a Public Service Medal in the 2013 Australia Day Honours List for her work on the COAG national early childhood quality reforms.



*Deputy CEO Corporate Services and
Chief Financial Officer*

Mr Victor Walter

Mr Victor Walter joined the NDIA as Deputy CEO Corporate Services and Chief Financial Officer in March 2018.

Mr Walter was previously the Group Finance Chief Operating Officer and Chief Financial Officer (CFO) for Australia and New Zealand for the QBE Insurance Group. He has also previously been the CFO of the Metropolitan Ambulance Service Victoria.

Mr Walter is an experienced CFO with more than 20 years in the financial services industry, specifically in fast-growing and acquisitive organisations. He has successfully implemented a number of finance transformation and large technology projects to deliver efficient systems, processes and controls.

Mr Walter holds a Bachelor of Commerce and a Bachelor of Accountancy and is also a chartered accountant. He has a strong belief in working with the community and does so through his involvement in sport and education.



*Deputy CEO Participants and
Planning Experience*

Mr Michael Francis

Mr Michael Francis is the Deputy CEO of the Participants and Planning Experience Group of the NDIA. His remit encompasses the operational arms of the NDIA, including LACs and ECEI Partners.

Mr Francis has a strong belief in building a strong, responsive service culture that is consistent and quality assured. He joined the NDIA through a belief in what the NDIA was established to achieve and how an insurance-based approach with a strong focus on service can underpin the delivery of the Scheme's objectives.

Mr Francis' previous role was General Manager of Insurance at ReturnToWorkSA.

Mr Francis resigned from his position at the NDIA effective 6 September 2019 to become CEO of ReturnToWorkSA.



Deputy CEO Government, Communications and Stakeholder Engagement

Mr Scott McNaughton (A/g)

Mr Scott McNaughton is the acting Deputy CEO of Government, Communications and Stakeholder Engagement. Prior to 30 April 2019, Mr McNaughton was the General Manager Government Division. He has been with the NDIA for nearly five years, and was previously the General Manager of Regional Operations and the Branch Manager of Full Scheme Implementation.

Mr McNaughton joined the NDIA from DHS, where he was 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. Mr McNaughton had previously headed up the Innovation and Digital Design Branch in DHS, as well various operations branches in DHS.



Deputy CEO Strategy Development and Chief Risk Officer

Mr Anthony Vella

Mr Anthony Vella joined the NDIA as Deputy CEO of Strategy Development and Chief Risk Officer in January 2018.

Mr Vella previously worked with the Commonwealth Bank Group, where he was Head of Strategy and Transformation for Bankwest, and Head of Operational Risk and Assurance for the Business and Private Bank, and CommSec.

Mr Vella has a background in the financial services sector in risk management, strategy, sales leadership and project/change management roles.

Mr Vella holds a Bachelor of Business from the University of Technology, Sydney. He resigned from the Agency on 30 June 2019.



Scheme Actuary
Ms Sarah Johnson

Ms Sarah Johnson joined the NDIA as Scheme Actuary in 2013. Prior to joining the Agency, she was a Director at PricewaterhouseCoopers.

Ms Johnson has worked within the disability sector and broader health and human services sector for more than 10 years. She assisted the Disability Investment Group in costing an NDIS in the Way Forward report, and worked with the Productivity Commission on the Disability Care and Support Inquiry. She has also undertaken actuarial work in accident compensation, housing, child protection, health and aged care.

In 2016, Ms Johnson was awarded Actuary of the Year by the Actuaries Institute in recognition of her significant contributions to the success of the NDIS and the introduction of actuarial techniques into new areas of social policy.



Head of Markets, Provider and Sector Development
Ms Antonia Albanese

Ms Antonia Albanese joined the NDIA as Head of Markets, Provider and Sector Development in December 2017.

Prior to joining the NDIA, Ms Albanese worked as General Manager Small Business and Head of Broker and Acquisition at Bankwest.

Ms Albanese is an experienced general manager with skills in change management, national leadership, commercial lending, business transformation, banking and credit risk. Ms Albanese resigned from the Agency on 30 June 2019.



Head of People and Culture

Mr Hamish Aikman

Mr Hamish Aikman joined the NDIA as Head of People and Culture in April 2018. Prior to joining the Agency, he worked as General Manager Human Resources at Kmart for three years. Mr Aikman is an experienced human resources leader, and has previously worked in supply chain management and management consulting.

Mr Aikman is passionate about creating inclusive environments, inspiring people and energising teams to enable superior business performance and outcomes.

Mr Aikman has a Bachelor of Arts (Economics) and a Bachelor of Business.



Chief Information Officer (CIO)

Mr Ian Frew

Mr Ian Frew joined the NDIA as CIO in early January 2018 after a 16-year career in General Insurance working for Suncorp, Allianz and the Insurance Australia Group (IAG). At IAG Mr Frew was the CIO for CGU Insurance. He had deep involvement in workers compensation across Australia when working with IAG and Allianz.

Mr Frew is a qualified chemical engineer, spending the first half of his career in global industrial automation roles, where he worked in a variety of industries from refining and manufacturing through to building automation. He also loves building and empowering multifunctional teams that deliver measurable benefits to the business and customers.



Head of Participant Focus Group

Ms Tracy Muddle

Ms Tracy Muddle joined the NDIA as Head of the Participant Focus Group in June 2019, on secondment from DHS, where she most recently held the role of General Manager, Modernisation, within Service Delivery Operations.

Ms Muddle is a highly skilled leader with strong business intelligence gained from her experience working within the private and public sectors. She delivers high-quality services, improving productivity by energising people, and positively influences organisational culture. She draws on academic qualifications including a Master of Dispute Resolution, Master of Business Administration, Bachelor of Management and Professional Studies, Bachelor of Health Science, and Certificate IV in Training and Assessment, and is a Graduate of the Australian Institute of Company Directors.

Ms Muddle has adopted an enterprise view to improve the NDIA's response to feedback, complaints, escalations and internal reviews. She is committed to providing the best possible resolutions for NDIS participants, their carers, families and other important stakeholders.

Executive Leadership Team (ELT) committees

Figure 2.3.1: Governance structure—Board and Executive Leadership Team (ELT) committees as at 30 June 2019



ELT Risk Committee

The ELT has established a Risk Committee to help it in fulfilling its risk-related responsibilities and obligations and reporting to the Board’s Risk Committee.

The ELT Risk Committee’s purpose is to assist the ELT in ensuring the NDIA has in place robust risk management systems, policies and procedures to promote compliance with the Risk Management Rules and to provide advice to the ELT in relation to risk across the NDIA.

ELT Audit Committee

The ELT has established an Audit Committee to assist the ELT in fulfilling its responsibilities and obligations in monitoring and responding to audit activities as well as to assist in its reporting responsibilities to the Board’s Audit Committee. The ELT Audit Committee’s purpose is to promote and monitor audit activities across the NDIA.

ELT Strategic Portfolio Committee

The ELT has established the Strategic Portfolio Committee to assist the ELT in fulfilling its governance responsibilities for the alignment of the programs of work for the execution plan of its business strategy to meet the objectives of the NDIA’s Corporate Plan.

People and Culture Committee

The ELT has established a People and Culture Committee to assist the ELT in fulfilling its people and culture related responsibilities and obligations. The ELT People and Culture Committee’s purpose is to assist the ELT in ensuring the NDIA has in place systems, policies and procedures that will deliver a workforce with the right capabilities, in the right locations and supported by the right equipment in line with scheme roll-out and ongoing effective operations.

NDIA organisational structure

As at 30 June 2019 there were four groups, three divisions and the Scheme Actuary reporting directly to the NDIA Chief Executive Officer, Vicki Rundle (Acting).

Their areas of responsibility were structured as follows:

- 1. Participants and Planning Experience Group** comprising four divisions, which had responsibility for 18 branches and five State Managers
- 2. Markets, Provider and Sector Development Division** comprising one division, which had responsibility for seven branches
- 3. Government, Communications and Stakeholder Engagement Group** comprising five divisions, which had responsibility for nine branches, and five Strategic Advisors
- 4. People and Culture Division** comprising four branches
- 5. Corporate Services and Chief Financial Officer Group** comprising four divisions, which had responsibility for 10 branches
- 6. Chief Information Officer Division** comprising three branches
- 7. Strategy Development and Chief Risk Officer Group** comprising one division and 11 branches
- 8. Scheme Actuary** comprising three branches.

Partners in the Community

As part of the NDIS Partners in the Community (PITC) Program, the NDIA works with suitably experienced and qualified partner organisations to deliver LAC and ECEI services to Australians with disability.

LAC Partners help eligible participants navigate the Scheme and connect with community and other government services. LACs also provide support in planning and pre-planning activities and work with communities to improve accessibility and inclusion of people with disability.

ECEI Partners support children aged 0–6 years with a developmental delay or disability (and their families/carers) to develop the skills they need to participate in daily activities and achieve the best possible outcomes throughout their life.

Our partners are often the first touchpoint for participants, making them the face of the Scheme in many communities. Reaching full national coverage in May 2019, the PITC Program has 25 partner organisations operating in all Australian states and territories.

Chapter 2.4

Risk management

The NDIA has a structured approach to identifying and managing risks, with a focus on escalating and communicating key risks early. This is critical to the effective and efficient delivery of the NDIS.



The proactive use of risk management within the NDIA has allowed the Agency to support effective business planning with an evidence-based approach within the appetite and tolerances set by the NDIA Board.

The NDIA has identified the risk systems, capabilities and culture needed to align with the scale, speed and roll-out of the NDIS. An understanding of risk is embedded in every aspect of the organisation, from business planning processes to day-to-day operations.

The Chief Risk Officer (CRO) assists the Board and the NDIA's executives by providing objective risk reviews, oversight, monitoring and reporting. The CRO reports directly to the NDIA's CEO in line with the Australian Prudential Regulatory Authority (APRA) standards for independence and reporting.

Risk Management Strategy

The Board has formulated a risk management strategy, which outlines managerial responsibilities and controls in relation to risk, including the risk governance relationship between the Board, Board committees and senior management of the NDIA. The risk management strategy is approved by the COAG DRC and is reviewed at least annually.

The Board has adopted *Prudential Standard CPS 220*—the same standard applied by APRA to banks and insurers.

Managing fraud risk

The Auditor-General tabled the ANAO performance audit report on the NDIS Fraud Control Program on 25 June 2019. The ANAO concluded that the NDIA is compliant with the requirements of the Commonwealth Fraud Rule and with best practice directions from the Australian Government Investigations Standards. The audit recognised the NDIA's ongoing investment to improve the response to fraud and non-compliance.

The NDIA is delivering the Fraud and Compliance Roadmap, a detailed two-year capability-building plan which includes implementation of a rolling program to undertake fraud risk assessment activities and update the Agency's Fraud and Corruption Risk Register. Much progress was made to enhance the fraud and compliance capability in 2018–19. The Fraud and Compliance Roadmap is due to be fully implemented in 2020. Embedding this more mature capability will support the Agency and the accountable authority to meet its obligations to government.

An important aspect of the NDIA's capability building was the establishment in July 2018 of the NDIS Fraud Taskforce, a partnership between NDIA, the Australian Federal Police and DHS. The Fraud Taskforce identifies and investigates potential serious fraud within the NDIS and will strengthen longer-term fraud prevention and detection activity and capability within the NDIA.

The NDIA Fraud Control Plan was developed with a focus on the sustainability of the Scheme, to refresh the NDIA's fraud risk profile and to strengthen fraud control governance and responsibilities. The Fraud Control Plan aligns with the Commonwealth Fraud Control Framework 2017.

Increasing organisational capability, fraud awareness and improving the management of fraud risks have been areas of focus in 2018–19. Internal risk experts have worked with key stakeholders to identify controls, assess control effectiveness and where necessary introduce additional mitigating treatments to better control the fraud risk.

Building on the Agency's effectiveness in handling reports of suspected fraud received from the public or other stakeholders continues to be important. Improved workflows have enhanced efficiency and effectiveness in the NDIA's management of tip-offs. Appropriately assessing, investigating and responding to allegations of suspected fraud is a key element in maintaining the confidence of the NDIA's stakeholders including governments and the Australian community.

Fraud control management within the NDIA continues to be refined. In 2018–19 the Agency's ability to identify fraud risks and opportunities continued to improve. The NDIA's fraud control arrangements are supported by ongoing fraud risk assessment processes and the implementation and expansion of the control testing regime.

Business continuity management

The NDIA is committed to ensuring that, if a significant outage, incident or crisis occurs, participant supports and other critical business functions are continued or quickly restored.

As a part of the NDIA's risk management strategy, a robust Business Continuity Management Framework has been established and tested, to guide the rapid resumption of participant and provider services and critical business activities.



Poppi McCarthy

NDIS participant Poppi McCarthy made lanterns for the Lismore annual lantern parade at workshops run by lightnUp Inc. Mum Tarlai says the workshops have been “incredibly beneficial and inclusive” for Poppi.

Chapter 2.5

Workforce management

To deliver the NDIS, the NDIA requires a capable and committed workforce that reflects the society we work and operate within. Identification and forecasting of skills mix changes to support an evolving operational environment and attracting top talent are critical to ensure NDIA attracts and retains the required workforce.

As at 30 June 2019, the NDIA workforce comprised 3,495 Australian Public Service (APS) employees, 2,278 labour hire contractors and secondees, and 5,288 Partners in the Community (PITC).

NDIA People Strategy

The NDIA's first People Strategy was developed in 2017 and guided the NDIA and our PITC through the early years of the Scheme transition. During this time, the size and composition of the NDIS workforce has grown and changed. This year, the NDIA has refreshed its People Strategy as the organisation moves through transition.

The People Strategy 2022 includes four key pillars built on the foundation of a solid people infrastructure. The four pillars are:

- **Workforce**—Establish an NDIA workforce that reflects the community it serves with the capability and capacity to deliver the NDIS
- **Capability**—Support the NDIA workforce to deliver consistent and positive participant experience performance
- **Performance**—Provide clarity of performance expectations and reward for outcomes
- **Engagement**—Build and embed a culture that cares about safety and staff wellbeing and drives for high performance.

Disability and diversity employment

The NDIA is committed to ensuring the Agency is accessible and inclusive of everyone, particularly people with disability, and that they are supported in their employment with the Agency and have opportunities to advance their careers. As part of this commitment and as an outcome of the NDIA Disability Strategy and Action Plan 2018–20, the NDIA launched the National Employee with Disability Network (EDN)¹² on International Day of People with Disability (3 December 2018). The EDN provides a forum for employees with disability to raise and discuss their concerns and issues, acting as a consultation forum and an opportunity to provide advice on policies, procedures and strategic direction in relation to all aspects of the employment of people with disability.

For the third consecutive year, the NDIA participated in the Australian Network on Disability's Access and Inclusion Index, an organisational assessment and benchmarking tool that measures organisational access and inclusion maturity across 10 key areas. In 2018, the Agency ranked third out of 23 participating organisations. While this illustrates the Agency's strong performance in a range of access and inclusion activities, there is still much more to be done. The establishment of the EDN is an important

part of the Agency's continued journey. In November 2018, the Agency was a finalist in the annual Australian HR Institute awards for the Graeme Innes Disability Employment award category, recognising excellence in disability employment initiatives and programs. Uniting, an NDIS Partner in the Community, was the winner of the award for its outstanding disability employment efforts.

Since its establishment in 2016, the Aboriginal and Torres Strait Islander Employee Network has continued to provide a forum for Aboriginal and Torres Strait Islander employees to connect with each other on a national basis. In May 2019, the NDIA launched the NDIA Innovate Reconciliation Action Plan (RAP). As the Agency's second RAP, the Innovate RAP outlines the Agency's ongoing commitment to develop respectful and inclusive relationships with Aboriginal and Torres Strait Islander peoples and communities. The NDIA has continued to deliver on actions outlined in the Aboriginal and Torres Strait Islander Employment Strategy 2018–20. Key achievements delivered so far include the launch of Aboriginal and Torres Strait Islander cultural awareness training for all employees, launching an Aboriginal and Torres Strait Islander Buddy Program, and continued participation in the Indigenous Apprenticeships Program and the Indigenous Australian Government Development Program.

¹² The NDIA Staff Participant Network (SPN) was replaced by the EDN in December 2018. The EDN adopted the SPN's primary function, to continue to have a focus on influencing policy and practice for employees who are participants of the Scheme, as one of its specific roles. Membership of the EDN is open to all NDIA employees with disability regardless of whether they are participants in the Scheme.

Performance management

The NDIA Performance Development Framework (PDF) assists our people to have greater role clarity, connect with our Agency's strategic direction and align with our values and behaviours. The PDF focuses on developing our employees' performance and capability; having quality conversations between the employee and their manager; helping employees understand how their role aligns to the Agency's goals; helping employees understand what they are doing and how they can improve; and aligning our values and behaviours with performance.

Ethics policies

The NDIA promotes ethical standards and behaviours relating to its workplaces and employment. Material published on the NDIA intranet includes information on the APS Values, the APS Employment Principles, the APS Code of Conduct and the Ethics Advisory Service, which is available to all APS employees who wish to discuss or seek advice on ethical issues that occur in the workplace.



Liz Ellis

NDIS participant Liz Ellis, from Fairfield, Victoria used her Specialist Disability Accommodation (SDA) funding to secure a suitable property. The 33-year-old wheelchair user is now enjoying all the accessible features her apartment has to offer. "SDA is such a wonderful achievement," Liz said. It's been an aspiration of mine for so long I now think, 'I've achieved it. What do I do next?'"



Jake Budge

Jake Budge has been working for the NDIA for three years now. The 25 year old, who has a mild intellectual disability, enjoys working in a federal government environment on a reform he is passionate about. “The NDIA is a great place to work. Everyone is good at different things, we all help each other and we are getting the job done,” Jake said.

Part 3:

Sustainability and performance

Chapter 3.1 Summary of the NDIS financial sustainability report 2018–19

Chapter 3.2 Annual performance statements

Chapter 3.3 Financial statements

Chapter 3.1

Summary of National Disability Insurance Scheme Annual Financial Sustainability Report 2018–19

Sarah Johnson BCom FIAA, September 2019

Introduction

An annual financial sustainability report is required under section 180B of the NDIS Act and provides an assessment of the financial sustainability of the NDIS. At 30 June 2019, the NDIS had been in operation for six years, of which the last three years saw rapid growth in the Scheme, following the three-year trial period.

The Scheme at 30 June 2019

The NDIS is available to the majority of eligible Australians as at 30 June 2019.¹ The Scheme has continued to experience rapid growth in the year to 30 June 2019, increasing the number of participants with active plans from 172,333 to 286,015, a growth rate of 66 per cent. A total of \$14.5 billion was committed in participant plans for the 2018–19 support year and \$10.0 billion in payments was made to providers engaged by participants to meet their support needs. Utilisation of plans has been steadily increasing since the start of the Scheme's transition period, from 68 per cent for the 2016–17 support year

and 70 per cent for the 2017–18 support year. An ultimate utilisation rate of 72 per cent is projected for the 2018–19 support year. One of the main drivers of lower utilisation is the high proportion of participants entering into the Scheme, because first plans typically have materially lower utilisation rates than subsequent plans.

Monitoring changes in participants' economic and social participation is an important financial sustainability indicator. Better outcomes for people with disability maximise their opportunities for independence as well as reducing their long-term costs of disability support. The first longitudinal study of changes in outcomes for participants who have been in the Scheme for at least two years has shown early positive results, with increases in participant employment outcomes² and social and community participation outcomes³ between the baseline and second plan review for participants over 15 years old. Further, there have been increases in employment rates for families/carers of participants in the Scheme.⁴

1 Some regions in Western Australia (Midwest Gascoyne, Great Southern, Central North Metro and South East Metro) commence phasing on 1 July 2019. Christmas Island and Cocos (Keeling) Islands will transition on 1 July 2020.

2 A one percentage point increase in paid employment.

3 An eleven percentage point increase in social and community participation.

4 A three percentage point increase in employment rates for families/carers of participants aged under 25 years over a one year time period.

Scheme projections

Projections of the number of Scheme participants, payments for supports and the operating costs of the Scheme have been made using the actual Scheme experience to date as the basis for assumptions about the future. These projections can be considered as the best estimate, based on the evidence available to date, of the cost trajectory for the Scheme.

The Scheme is projected to continue to grow rapidly and by 30 June 2023 to reach about 500,000 participants, of which about 478,000 are expected to be aged 0 to 64. This is equivalent to a prevalence rate of 2.1 per cent of the projected Australian general population aged 0 to 64, consistent with the original estimate by the 2011 Productivity Commission. It is expected that participant intake from 30 June 2023 would mainly represent new incidence of disability.

Scheme costs for all participants are projected to be about 0.9 per cent of GDP for 2019–20, 1.2 per cent in 2022–23, and 1.4 per cent for 2029–30. This includes participants who remain in the Scheme past 65 years, noting that the Commonwealth has committed to funding these participants.⁵ This projection is in line with last year’s annual financial sustainability report and is also in line with the estimates shown in the 2017 Productivity Commission report on National Disability Insurance Scheme Costs⁶ at 2022–23, after allowing for costs not included in the Productivity Commission estimate, such as the introduction of school transport,

personal care in schools, developmental delay and the incomplete implementation of the National Injury Insurance Scheme.

Current sustainability pressures

While the Scheme cost has been within Productivity Commission estimates for the first six years, there are some current pressures which require management responses. In particular, these pressures relate to:

i. Operational challenges.

The focus on the timely transitioning of people with disability into the Scheme has led to some operational challenges such as eligibility reassessment, recovery of compensation amounts, and the timely provision of assistive technology supports. There has also been evidence of inconsistency in decision making for access decisions and plan budget levels. Improvements are possible in decision-making consistency, operational stability, and controls around aspects of the participant pathway and plan budget determinations.

ii. Scheme coverage scope creep.

The Scheme is facing a number of pressures in entry and funding decisions, particularly in relation to how the Scheme interfaces with mainstream services, and community and informal supports. This is testing the boundaries of who can access the Scheme⁷ and what constitutes “reasonable and necessary” supports. These cost pressures will require

⁵ Participants aged over 65 years exit the Scheme either through mortality or by entering residential aged care (which is no longer funded by the NDIS). As the Scheme continues to mature, the number of participants aged over 65 years who remain in the Scheme increases, which contributes to the increasing cost over time.

⁶ Productivity Commission 2017, *National Disability Insurance Scheme (NDIS) Costs*, Study Report, Canberra (Table 2.3).

⁷ For example, people with a support need solely related to chronic health conditions were not assumed to enter the Scheme in the Productivity Commission estimates.

management responses so that the Scheme does not become a “funder of last resort”, especially where other arrangements may be better suited to provide the required supports.

iii. Participant cost pressures.

Plan budgets and support payments made to participants continue to grow by more than would be expected solely due to normal inflation and ageing. For example, the support costs for participants in supported independent living are a material component of Scheme cost that is continuing to increase significantly above normal inflation. Management of these cost pressures, while ensuring participant outcomes, will be important for financial sustainability.

NDIS insurance approach

The NDIS insurance approach allows pressures on the Scheme to be identified early and management responses to be put in place to respond to these pressures. More specifically, the monitoring of Scheme experience allows the implementation of more refined strategies to respond to emerging experience. It is not unreasonable that some emerging pressures are evident in the NDIS after three years of trial and a further three years of transition. This is common in any statutory insurance or social welfare reform, and also reflects the fast-paced implementation of the NDIS over the past three years.

Management response

Specific management responses are being developed to address the sustainability pressures listed above:

- The **Insurance Support Program** aims to provide a consistent approach to assess Scheme eligibility and determine equitable plan budgets that help support a participant’s goals. A key input to inform decision making is consistent and equitable functional assessments which will lead to fairer outcomes. The Program also aims to support plan flexibility and introduce a goal attainment framework to improve the monitoring of progress against plan goals and measurement of plan effectiveness.
- **Supported independent living (SIL)** forms a large proportion of Scheme costs with average SIL costs increasing beyond normal inflationary levels. Ensuring SIL costs are both appropriate and deliver support outcomes is a key management priority. The Agency is also exploring innovative ways of delivering supports to people with significant needs.
- The Agency’s **participant and provider pathway review** continues to be rolled out to improve people’s individual experience with the Scheme. A key area of focus is the rollout of the complex pathway, including following hospital discharge. In addition, the psychosocial stream and ECEI pathway are both being enhanced, joint planning is being delivered, and a single point of contact for participants to improve their interactions with the Scheme is being put in place.

These management responses are intended to result in the Scheme remaining both financially sustainable and delivering positive outcomes for participants.

Peter Martin
9 Beedham Place
Lyons ACT 2606
pmactuarial@gmail.com

06 September 2019

Dr Helen Nugent AO
Chairman
National Disability Insurance Agency
GPO Box 700
CANBERRA ACT 2601

Dear Dr Nugent

REVIEW OF FINANCIAL SUSTAINABILITY REPORT SUMMARY

As required under section 180E of the *National Disability Insurance Scheme (NDIS) Act 2013* I have reviewed the summary of the annual Financial Sustainability Report (FSR), dated September 2019.

The FSR summary presents a projection of the scheme cost trajectory using assumptions that are substantially experience-based.

I am satisfied that the projection is realistic.

The FSR summary identifies a number of emerging sustainability pressures and highlights the importance of progressing initiatives which form part of an insurance-based approach to scheme management.

Finally, I note that the Agency has taken the necessary steps for me to undertake this review.

Yours sincerely



Peter Martin
Reviewing Actuary



Tammy Murray

NDIS participant Tammy Murray, from Forbes, was becoming increasingly isolated, living with Devic's disease, which led to progressive weakening of the legs and hands, and vision impairment. Now Tammy has enough support to stay in her home, she's hoping to get back to work. "With help from my physiotherapist, I'm also hoping to regain at least some mobility. But mostly, I'm just very happy feeling safe and secure in my own home," she said.

Chapter 3.2

Annual performance statements

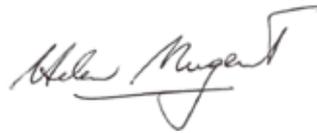
National Disability Insurance Agency— performance statement authority

I, Helen Nugent, as Chairman of the accountable authority of the National Disability Insurance Agency (NDIA), present the NDIA's 2018–19 annual performance statements, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The performance statements acquit the performance criteria as published in both the NDIA Corporate Plan 2018–22 and Portfolio Budget Statements 2018–19, Budget Related Paper No 1.15A.

In the opinion of the Board, the annual performance statements have been appropriately prepared and presented in compliance with subsection 39(2) of the PGPA Act and are based on properly maintained records and accurately reflect the performance of the NDIA for 2018–19.

The data included in the annual performance statement should be read in conjunction with the performance commentary provided at Part 1 of this annual report.

A handwritten signature in black ink, appearing to read 'Helen Nugent', with a stylized flourish at the end.

Dr Helen Nugent AO

Introduction

The Commonwealth performance framework is a comprehensive framework for corporate planning and performance reporting for Commonwealth entities including the NDIA.

The annual performance statements are one of three core elements of this performance framework. The NDIA Portfolio Budget Statements 2018–19 (PBS), which are published in Budget Related Paper No 1.15A, and the NDIA’s Corporate Plan constitute the remaining two components.

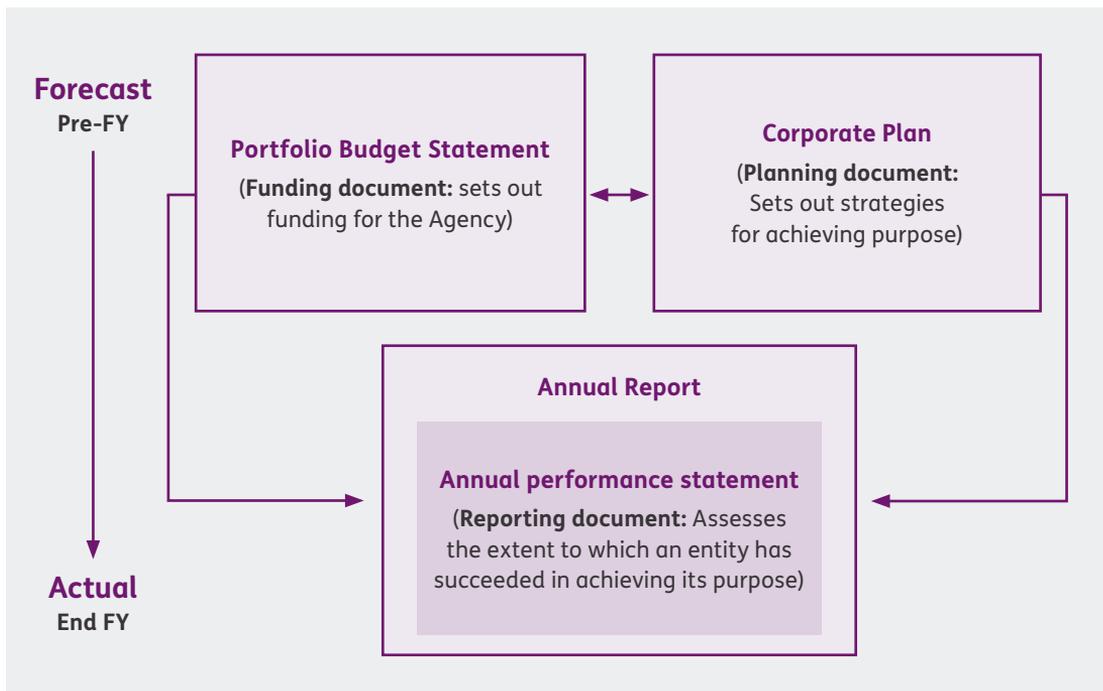
Structure and content

The annual performance statement begins by identifying the NDIA’s purpose, as described in the NDIA Corporate Plan 2018–22, with a cross-reference to the related outcome published in the PBS.

The report then provides actual results against each performance metric or target with supporting comments, where relevant, on the NDIA’s results. Where additional information is available in other parts of this annual report, the relevant page number is included.

The report concludes with an analysis of factors that have contributed to the NDIA’s performance.

Figure 3.2.1: Commonwealth performance framework



NDIA purpose and aspirations

Purpose:

To increase the ability of individuals with a significant and permanent disability (participants) to be more independent, and engage more socially and economically, at the same time as delivering a financially sustainable NDIS that inspires community and stakeholder confidence. (PBS Outcome 1)

Aspirations:

1. **A quality experience and outcomes for participants**—Facilitate outcomes of economic and social independence and deliver an exceptional service for participants, and their families, carers and providers
2. **A growing and competitive market with innovative supports**—Work with participants and other stakeholders to facilitate the growth of a market of adequate size, quality and innovation
3. **A financially sustainable scheme**—Deliver a financially sustainable Scheme within the agreed funding, based on insurance principles and risk-awareness
4. **A high-performing NDIA**—Develop a high-performing, operationally excellent NDIA that inspires stakeholder confidence and empowers delivery partners

Aspiration 1: A quality experience and outcomes for participants

The 2018–2022 NDIA Corporate Plan uses metrics and performance targets to measure achievements against aspirations. The ‘*a quality experience and outcomes for participants*’ aspiration is measured by the percentage of participants currently in work and the number of participants involved in community and social activities, with initial results collected as participants enter the Scheme.

Table 3.2.1 shows continued progress against the metric in the 2018–22 NDIA Corporate Plan for ‘participants in work’. The results below are for people who entered the Scheme between 1 July 2016 and 30 June 2017 (baseline), participating in work versus their result two years later:

- There was a 9 per cent increase in the number of participants aged 15 to 24 years old in work, from the 13 per cent baseline to 22 per cent
- For participants aged 25 years or over, there was a fall of 1 per cent, from 26 per cent to 25 per cent¹³
- The average across both cohorts was 24 per cent, 1 per cent higher than the baseline result.

¹³ The 2018–19 target for participants who entered the Scheme between 1 July 2016 and 30 June 2017 for ‘participants in work’ was 26 per cent. The target is only relevant for participants aged over 25 years.

Table 3.2.1: Participants in work compared with the 2018–19 target (participants who entered the Scheme between 1 July 2016 and 30 June 2017)¹⁴

Participants in work	At Scheme entry (baseline)	After two years in the Scheme	2018–19 Target
Aged 15 to 24 years	13%	22%	
Aged 25+	26%	25%	26%
Aged 15+ (average)	23%	24%	

Table 3.2.2: Participants in community and social activities

Participants in community and social activities	At Scheme entry (baseline)	After two years in the Scheme	2018–19 Target
Aged 15 to 24 years	31%	43%	
Aged 25+	36%	47%	41%
Aged 15+ (average)	35%	46%	

Table 3.2.2 shows continued progress against the NDIA's Corporate Plan metrics for 'participants in community and social activities'. The results below are for people who entered the Scheme between 1 July 2016 and 30 June 2017 (baseline), participating in community and social activities versus their result two years later:

- There was a 12 per cent uplift in the number of participants aged 15 to 24 years participating in community and social activities, from 31 per cent at baseline to 43 per cent

- For participants aged 25 years or over, the uplift was 11 per cent, from 36 per cent to 47 per cent¹⁵
- The average across both cohorts was an 11 per cent increase, from 35 per cent to 46 per cent.

The NDIA is committed to supporting participants, their families and carers to implement plans that deliver social outcomes and promote linkages for people with disability to mainstream and community supports. This result exceeded the NDIA Corporate Plan target for 2018–19 of 41 per cent.

¹⁴ The corporate target is only relevant for participants aged over 25 years.

¹⁵ The 2018–19 target for participants who entered the Scheme between 1 July 2016 and 30 June 2017 for 'community and social participation' was 41 per cent. The target is only relevant for participants aged over 25 years.

Target and results

Table 3.2.3 below illustrates the 2018–19 targets for Aspiration 1 from the NDIA Corporate Plan 2018–22 and the results achieved as at 30 June 2019.

Table 3.2.3: Aspiration 1—A quality experience and outcomes for participants

Metric	Target	Baseline and Result	Comment
Participants in work (%) ¹⁶	26%	Baseline: Scheme actuarial reporting. Result: 25%	There is a strong commitment from the Agency and the DSS to improve job opportunities for people with disability. In November 2018, both agencies formed a participant employment taskforce to recommend measures to improve employment outcomes for NDIS participants. Since January 2019 the Taskforce has been engaging with a range of stakeholders who are active in the delivery of NDIS employment supports or invested in improving participant employment outcomes. As at 30 June 2019, 25% of participants aged 25 and over were employed.
Participants involved in community and social activities (%) ¹⁷	41%	Baseline: Scheme actuarial reporting. Result: 47%	The NDIA is increasing community and social participation, with more participants included after two years in the Scheme. For participants aged 25 years and over, there was an increase in the number of participants participating in community and social activities from 36% in 2017–18 to 47% in 2018–19. The overall result of 47% exceeds the NDIA target of 41%.
Operational bilateral estimates (% met)	90%	Baseline: Agency % of operational bilateral estimate met at 30 June 2019. ¹⁸ Result: 93%	298,816 people with a disability have had an approved NDIS plan (including ECEI). The Agency achieved 93% of its operational target across 2018–19, with 108,478 of 116,862 actionable record being processed. ¹⁹
Participant satisfaction (%)	85%	Baseline: Participant satisfaction is currently measured at the time of the plan approval. Result: 90%	The proportion of participants who rated their overall experience with the planning process as either good or very good increased from 88% at June 2018 to 90% at June 2019.

Further information on Aspiration 1 is provided in Chapter 1.1.

16 Measures people who have been participants for two years or more. Data collection commenced from 1 July 2016 on people entering the Scheme. The corporate target was set for participants aged over 25 years.

17 Measures people who have been participants for two years or more. Data collection commenced from 1 July 2016 on people entering the Scheme. The corporate target was set for participants aged over 25 years.

18 The operational bilateral estimate is the number of participants who could progress to a plan. That is, the operational bilateral estimate takes into account the number of clients provided to the NDIA by state/territory and Commonwealth governments and the number of people who previously did not receive services approaching the Scheme. It also excludes people who do not meet the access criteria, could not be contacted, or declined to phase into the Scheme.

19 This excludes people who transferred across from WA NDIS.

Aspiration 2: A growing and competitive market with innovative supports

In line with the metrics and performance targets used in the NDIA Corporate Plan 2018–2022 the ‘a growing and competitive market with innovative supports’ aspiration is measured by the total number of registered providers and the total number of active registered providers. In 2018–19, 4,755 new providers registered to deliver services to NDIS participants across the country.

In 2018–19, the Agency welcomed the Independent Pricing Review and established the Pricing Reference Group. The NDIS Quality and Safeguards Commission began operations on 1 July 2018.

Chapter 1.2 of this report provides further details about the revisions to pricing and consequent pricing reviews undertaken in 2018–19.

Target and results

Table 3.2.4 illustrates the 2018–19 targets for Aspiration 2 from the NDIA Corporate Plan 2018–22 and the results achieved as at 30 June 2019.

Table 3.2.4: Aspiration 2—A growing and competitive market with innovative supports

Metric	Target	Baseline and result	Comment
Total registered providers ²⁰	26,143	Baseline: COAG DRC report. Result: 21,510	There was a total of 21,510 registered providers at 30 June 2019. In 2018–19 4,755 new providers registered to deliver NDIS participants across the country.
Total active registered providers ²¹	13,518	Baseline: COAG DRC report. Result: 12,361	Of the total number of providers, 57% (or 12,361) were active at 30 June 2019. To encourage more providers, prices have been increased and more information is being released.

Further information on Aspiration 2 is provided in Chapter 1.2.

²⁰ Number of registered providers as at 30 June 2019.

²¹ Number of active registered providers as at 30 June 2019.

Aspiration 3: A financially sustainable scheme

A financially sustainable Scheme focuses on outcomes that will support participants now and across their lifetime. In line with the metrics and performance targets used in the NDIA Corporate Plan 2018–2022 the ‘a financially sustainable Scheme’

aspiration is measured by Scheme support costs, community inclusion and capacity development grant costs and Agency operating costs.

Table 3.2.5 illustrates the 2018–19 targets for Aspiration 3 from the NDIA Corporate Plan 2018–22 and the results achieved as at 30 June 2019.

Target and results

Table 3.2.5: Aspiration 3—A financially sustainable scheme

Metric	Target	Baseline and Result	Comment
Scheme Support Costs (\$m)	15,139	Baseline: Based on PBS 2018–19 (Program 1.1) Result: \$10,460M	The NDIS has been within budget each year of its operation and remained within budget for 2018–19. States and territories have entered the Scheme on time and according to schedule together with a large number of new participants who have not received funding before. Lower costs primarily reflect fewer participants entering the Scheme because of the shortfall in actionable records Scheme support costs increased by 142% between 2016–17 and 2017–18 and then by another 93% between 2017–18 and 2018–19 due to similar levels of growth in participant numbers.
Community inclusion and capacity development grant costs (\$m)	114	Baseline: Based on PBS 2018–19 (Program 1.2) Result: \$111M	Grant costs increased by 84% between 2016–17 and 2017–18 and then by another 55% between 2017–18 and 2018–19 including to lay foundations for the new Information, Linkages and Capacity Building (ILC) Investment Strategy.
Agency operating costs (\$m)	1,478	Baseline: Based on PBS 2018–19 (Program 1.3) Result: \$1,310M	In 2018–19 the NDIA continued to manage its budget closely to ensure taxpayer funds are not spent unnecessarily on Agency operations, particularly while participant numbers remain below expectations. Agency operating costs increased by 44% between 2017–18 and 2018–19 at the same time that Scheme costs increased by 93% as per above.
TOTAL (\$m)	16,731	Result: \$11,881M	See above.

Further information on Aspiration 3 is provided in Chapter 1.3.

Aspiration 4: A high-performing NDIA

The NDIA invests in staff training to support Agency growth. In line with the metrics and performance targets used in the NDIA Corporate Plan 2018–2022 the ‘a high-performing NDIA’ aspiration is measured by employee engagement.

Target and results

Table 3.2.6 illustrates the 2018–19 targets for Aspiration 4 from the NDIA Corporate Plan 2018–22 and the results achieved as at 30 June 2019.

Table 3.2.6: Aspiration 4—A high-performing NDIA

Metric	Target	Baseline and result	Comment
Employee engagement ²²	63%	<p>Baseline/Future state: NDIA staff survey.</p> <p>Result: 76%</p>	<p>Overall, the Agency saw improvements in most areas of the APS Census. The NDIA maintains strong engagement on purpose, with 95% of respondents happy to ‘go the extra mile’ at work when required and 95% of respondents believing strongly in the purpose and objectives of the Agency.</p> <p>Overall highlights:</p> <ul style="list-style-type: none"> • Engagement score increased from 74% in 2017–18 to 76% in 2018–19 • Wellbeing index increased from 61% in 2017–18 to 65% in 2018–19 • Innovation Index increased from 65% in 2017–18 to 68% in 2018–19 • 16% of respondents identified as having ongoing disability • 3% of respondents identified as Aboriginal or Torres Strait Islander

Further information on Aspiration 4 is provided in Chapter 1.4.

²² Percentage of employees positive about working at the NDIA.



Grace Dowton

NDIS support helped Grace Dowton move into her new home and access support workers to assist with some household tasks. Grace, who has mild cerebral palsy, a mild intellectual disability and epilepsy, attends day programs at a local disability service provider, and does work experience at a local early education centre. “I want to work with little kids and I’ll be starting my TAFE Certificate III in Childcare next year,” she said.

Targets and results: Portfolio Budget Statements 2018–19

Table 3.2.7 reflects the 2018–19 targets for Program 1.1 (Reasonable and necessary support for participants) from the NDIA PBS and the results achieved as at 30 June 2019. The objective of Program 1.1 is to provide funding for reasonable and necessary support to eligible people with disability through

consistent, high-quality plans, and to ensure they are in control and have choices to appropriately support their independence and social and economic participation.

This program contributes to the delivery of financially sustainable funding for participants' reasonable support, enabling participants to source services in their plans to achieve their goals.

Table 3.2.7: Program 1.1—Reasonable and necessary support for participants

Metric	Target	Result	Comment
Number of participants	Number of participants entering the Scheme as per bilateral agreements and actuarial forecasts	As at 30 June 2019, a total of 298,816 participants had received a plan or connected with an ECEI Partner. A further 55,577 persons were available to be actioned towards a plan approval.	The 30 June 2019 bilateral estimates across the states and territories was 377,000, which exceeds the 354,393 records which the Agency has provided or is progressing towards a plan.
Scheme support costs ²³	Costs are within expected amounts as per bilateral agreements and actuarial forecasts	For the year ending 30 June Scheme costs were \$10,460M compared to the Budget of \$15,139M.	Scheme costs were lower than projected in the 2018–19 Budget due to the slower phasing of participants into the Scheme than anticipated in the bilateral agreements, reflecting the availability of actionable records. In addition, plan expenses have been adjusted on review by the Scheme Actuary to reflect a lower utilisation rate of committed supports than the rate anticipated in the Budget.
Participant satisfaction	85%	Baseline: Participant satisfaction is currently measured at the time of the plan approval. Result: 90%	The proportion of participants who rated their overall experience with the planning process as either good or very good increased from 88% at June 2018 to 90% at June 2019.

²³ The measure ratio of operating expenses to Scheme costs has been replaced with Agency operating costs from 2018–19 onwards for consistency with the NDIA's Corporate Plan.

Table 3.2.8 below reflects the 2018–19 targets for Program 1.2 (Community inclusion and capacity development grants) from the NDIA PBS and the results achieved as at 30 June 2019. The objective of Program 1.2 is to provide funding to organisations to assist them to increase social and community participation for people with disability.

Table 3.2.9 reflects the 2018–19 targets for Program 1.3 (Agency costs) from the NDIA PBS and the results achieved as at 30 June 2019. Program 1.3 is the primary delivery mechanism for the implementation of the NDIS.

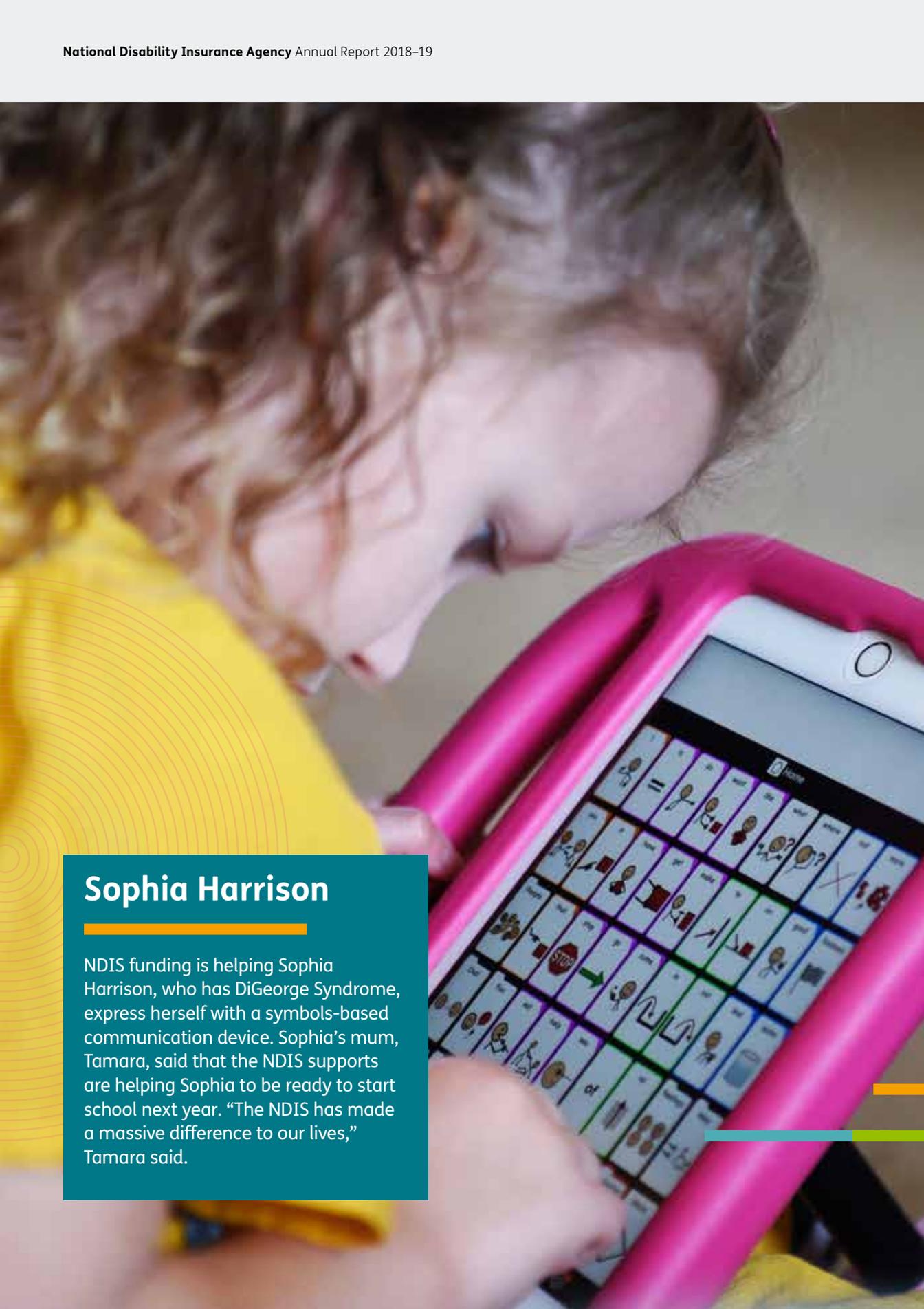
Table 3.2.8: Program 1.2—Community inclusion and capacity development grants

Metric	Target	Result	Comment
Number and nominal value of grants provided	All grants successfully delivered in accordance with the program agreed with the Commonwealth and state and territory jurisdictions	Number of grants issued in 2018–19: 252 \$111M	During 2018–19, 127 grants were delivered to Disabled Peoples and Families Organisations to enable organisations run by and for people with disability to play an expanded role in community inclusion and capacity development.

Table 3.2.9: Program 1.3—Agency costs

Metric	Target	Result	Comment
NDIA operating costs ²⁴	NDIA operating costs are within budget	For the year ending 30 June 2019, scheme costs were \$1,310M compared to the Budget of \$1,478M.	NDIA operating costs were lower than projected in the 2018–19 Budget due primarily to lower supplier and community partnership costs, linked to a lower than anticipated level of participant inflow and overall participant numbers.
The NDIA is able to successfully achieve delivery of service network across Australia	Required service network across Australia is operational as per bilateral agreements	NDIS is available in every region of Australia except for Christmas Island and the Cocos (Keeling) Islands.	From 1 July 2019 the NDIS is available in every region of Australia except for Christmas Island and the Cocos (Keeling) Islands. The Great Southern, Central North Metro, Midwest-Gascoyne and South East Metro regions of Western Australia transitioned on 1 July 2019. Christmas Island and Cocos (Keeling) Islands will transition on 1 July 2020.

²⁴ The measure ratio of operating expenses to Scheme costs has been replaced with Agency operating costs from 2018–19 onwards for consistency with the NDIA's Corporate Plan.



Sophia Harrison

NDIS funding is helping Sophia Harrison, who has DiGeorge Syndrome, express herself with a symbols-based communication device. Sophia's mum, Tamara, said that the NDIS supports are helping Sophia to be ready to start school next year. "The NDIS has made a massive difference to our lives," Tamara said.

Chapter 3.3

Financial statements

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INDEPENDENT AUDITOR’S REPORT

To the Minister for National Disability Insurance Scheme

Opinion

In my opinion, the financial statements of the National Disability Insurance Scheme Launch Transition Agency (‘the Entity’) for the year ended 30 June 2019:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2019 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following statements as at 30 June 2019 and for the year then ended:

- Statement by the Chairman of the Board, Chief Executive Officer, Chief Financial Officer and Chair of the Audit 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.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How the audit addressed the matter
<p>Accuracy and occurrence of participant plan expenses</p> <p><i>Refer to Note 1.1G Participant plan expenses</i></p> <p>I focused on this area due to the rapid growth in participant numbers entering the National Disability Insurance Scheme</p>	<p>The audit procedures I undertook to address this included:</p> <ol style="list-style-type: none"> 1. testing the effectiveness of key controls related to the assessment of whether a participant meets the Scheme eligibility requirements, provider registration, participant plan approvals

GPO Box 707 CANBERRA ACT 2601
 19 National Circuit BARTON ACT
 Phone (02) 6203 7300 Fax (02) 6203 7777

(the Scheme), the high volume of transactions and the significance of the balance to the financial statements. Decisions as to the appropriate level of support and therefore the associated expenses are complex as the Scheme participants have varying needs.

For the year ended 30 June 2019, participant plan expenses were \$10.460 billion.

Key audit matter

Valuation of participant plan provision

Refer to Note 2.4 Participant plan provisions

The Entity recognises a liability to pay disability service providers or participants when a service under a participant plan is delivered. As there can be a time lag between provision of services and lodgment of a claim, the financial statements include an amount that is the best estimate of the expenditure required to settle the obligations at the end of the reporting period.

I focused on this area due to the reliance on accounting estimates based on relatively limited long-term data, the complexity of estimating the pattern of supports claimed by participants or providers and the significance of the balance to the financial statements.

For the year ended 30 June 2019, the participant plan provision was \$1.381 billion.

Key audit matter

Completeness, occurrence and accuracy of in-kind revenues and expenses

Refer to Note 1.2C Other gains

In-kind revenue relates to contributions provided by the Commonwealth or States and Territories directly to organisations providing disability services.

I focused on this area due to its significance to the financial statements. In-kind revenue and expenses may be misstated if contributions from the Commonwealth or States and Territories are not appropriately allocated to individual participants plans.

For the year ended 30 June 2019, in-kind revenue was \$1.259 billion.

and claim validation and processing;

2. testing a sample of claims back to participant plans; and
3. examining quality assurance implemented by the Entity including the development and rollout of a compliance program over payment integrity.

How the audit addressed the matter

The audit procedures I undertook to address this included:

1. evaluating the reasonableness of the judgements and assumptions made on the advice of the Scheme Actuary in the estimation of the provision; and
2. assessing the data used in the estimation process for accuracy and reliability.

How the audit addressed the matter

The audit procedures I undertook to address this included:

1. assessing the effectiveness of controls over the appropriate utilisation of cash and in-kind contribution in a participant's plan; and
2. testing the data matching between information provided by the Commonwealth or States and Territories with details in participants' plans.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the directors are responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The directors are also responsible for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The directors are also responsible for disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Australian National Audit Office



Rebecca Reilly
Executive Director

Delegate of the Auditor-General

Canberra
13 September 2019

**National Disability Insurance Scheme Launch Transition Agency
STATEMENT BY THE CHAIRMAN OF THE BOARD, CHIEF EXECUTIVE OFFICER,
CHIEF FINANCIAL OFFICER AND CHAIR OF THE AUDIT COMMITTEE**

In our opinion, the attached financial statements for the year ended 30 June 2019 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.

This statement is made in accordance with a resolution of the directors.

Signed..... 
Helen Nugent AO
Chairman
13 September 2019

Signed..... 
Melissa Woodburn
A/g Chief Financial Officer
13 September 2019

Signed..... 
Vicki Rundle PSM
A/g Chief Executive Officer
13 September 2019

Signed..... 
Sandra Birkenleigh
Chair, Audit Committee
13 September 2019

National Disability Insurance Scheme Launch Transition Agency
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2019

		2019	2018	Original Budget 2019
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	312,082	235,252	294,342
Suppliers	1.1B	528,402	370,552	1,163,064
Community partnership costs	1.1F	451,786	288,846	-
Grants	1.1C	111,218	71,783	114,044
Participant plan expenses	1.1G	10,459,927	5,418,066	15,138,870
Depreciation and amortisation	2.2A	16,556	10,751	20,268
Finance costs		1,308	763	-
Impairment loss allowance on financial instruments	1.1D	13	600	-
Write-down and impairment of other assets	1.1E	-	8	-
Total expenses		11,881,292	6,396,621	16,730,588
OWN-SOURCE INCOME				
Own-source revenue				
Rendering of services	1.2A	9,776,306	5,177,658	13,193,421
Interest		58,682	32,359	-
Other revenue	1.2B	4,196	6,641	-
Total own-source revenue		9,839,184	5,216,658	13,193,421
Gains				
Other gains	1.2C	1,258,834	1,086,548	2,059,493
Total gains		1,258,834	1,086,548	2,059,493
Total own-source income		11,098,018	6,303,206	15,252,914
Net (cost of)/contribution by services		(783,274)	(93,415)	(1,477,674)
Revenue from Government		1,477,674	1,050,979	1,477,674
Surplus/(Deficit)		694,400	957,564	-
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve		11,145	5,436	-
Total other comprehensive income		11,145	5,436	-
Total comprehensive income/(loss)		705,545	963,000	-

The above statement should be read in conjunction with the accompanying notes.

National Disability Insurance Scheme Launch Transition Agency
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2019

Budget Variances Commentary

Statement of Comprehensive Income

Affected line items	Explanations of major variances
Expenses <i>Suppliers, Community partnership costs</i>	The Budget aggregates supplier expenses and community partnership costs. The variance to Budget for supplier and community partnership costs is linked to a lower level of participant activity resulting in lower organisational costs and a slower than expected provision of Local Area Coordinator (LAC) and Early Childhood Early Intervention (ECEI) services by partners.
Expenses <i>Participant plan expenses</i>	Participant plan expenses are lower than projected in the Budget due to the slower phasing of participants than anticipated in the Bilateral Agreements. The delays experienced in transitioning participants into the Scheme impacted on participant expenses. In addition, plan expenses have been adjusted on advice from the Scheme Actuary to reflect a lower utilisation rate of committed supports than the rate used in the Budget.
Expenses <i>Depreciation and amortisation</i>	The Agency has adopted whole-of-government policies in regard to co-locating service delivery sites within existing Commonwealth property infrastructure, where feasible. These policies, plus unexpected delays in lease negotiations, have resulted in investment in leasehold improvements and related depreciation expenses being lower than projected in the Budget.
Own-source revenue <i>Rendering of services</i>	The Budget anticipated faster phasing of participants in accordance with Bilateral Agreements. The delays experienced in transitioning participants from existing state and territory programs have resulted in slower phasing and reduced the revenue received.
Own-source revenue <i>Interest revenue</i>	Interest revenue is derived from the Agency investing cash in short-term deposits. The Budget assumed that cash on hand would not be in excess of immediate requirements, whereas a significant amount of surplus cash was held and invested during the year.
Own-source revenue <i>Other revenue</i>	Other revenue is primarily compensation recoveries made by the Agency during the year that were not anticipated by the Agency during the annual Budget process.
Gains <i>Other gains</i>	Other gains primarily comprise in-kind contributions made to the Scheme by Commonwealth, state and territory governments. In-kind contributions are lower than Budget due to the slower phasing of participants in the Scheme resulting in the actual in-kind services utilisation being below the targeted amounts agreed in the Bilateral Agreements.
Other Comprehensive Income <i>Changes in asset revaluation reserve</i>	For the year ended 30 June 2019, the Agency undertook a valuation exercise and leasehold improvement assets were revalued upwards to reflect their estimated fair value. The revaluation increment was not anticipated in the Budget. Revaluation increments were primarily driven by revision to useful lives for leasehold improvements and movements in market values.

National Disability Insurance Scheme Launch Transition Agency
STATEMENT OF FINANCIAL POSITION
as at 30 June 2019

		2019	2018	Original Budget 2019
	Notes	\$'000	\$'000	\$'000
ASSETS				
Financial assets				
Cash and cash equivalents	2.1A	3,859,860	2,323,192	1,341,808
Trade and other receivables	2.1B	592,887	397,728	210,909
Total financial assets		4,452,747	2,720,920	1,552,717
Non-financial assets				
Leasehold improvements	2.2A	96,474	61,364	101,733
Plant and equipment	2.2A	46	87	62
Other non-financial assets	2.2B	5,833	22,891	4,596
Total non-financial assets		102,353	84,342	106,391
Total assets		4,555,100	2,805,262	1,659,108
LIABILITIES				
Payables				
Suppliers	2.3A	140,327	218,931	153,591
Other payables	2.3B	2,293	1,917	8,132
Total payables		142,620	220,848	161,723
Unearned revenue				
Unearned revenue		430,000	-	-
Provisions				
Employee provisions	3.1	63,684	47,594	54,192
Participant plan provisions	2.4	1,380,845	706,401	505,604
Provision for restoration obligations	2.4	6,880	4,893	64,563
Total provisions		1,451,409	758,888	624,359
Total liabilities		2,024,029	979,736	786,082
Net assets		2,531,071	1,825,526	873,026
EQUITY				
Contributed equity		205,733	205,733	205,733
Asset revaluation reserve		22,137	10,992	5,556
Retained surplus		2,303,201	1,608,801	661,737
Total equity		2,531,071	1,825,526	873,026

The above statement should be read in conjunction with the accompanying notes.

National Disability Insurance Scheme Launch Transition Agency STATEMENT OF FINANCIAL POSITION

as at 30 June 2019

Budget Variances Commentary

Statement of Financial Position

Affected line items	Explanations of major variances
<i>Cash and cash equivalents</i>	Cash and cash equivalents are higher than Budget, which assumed higher cash utilisation. The Agency has increased cash holdings due to lower than forecast participants entering the Scheme, as well as the underutilisation of committed supports. 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 Budget did not anticipate significant timing differences in the collection of cash from accounts receivable. As at 30 June 2019, the majority of the receivables balance represents Commonwealth, state and territory Scheme cash contributions outstanding. These amounts are recoverable and in line with the principles as outlined in Commonwealth, state and territory government funding arrangements.
<i>Other non-financial assets</i>	Other non-financial assets comprises prepaid expenses. The major component of this balance relates to participant plan prepayments. This balance is assessed by the Scheme Actuary and is driven by the timing of receipts and payments of claims from providers.
<i>Other payables</i>	Liabilities arising from lease commitments have been remapped from this line item to suppliers payables but were included against this line in the Budget.
<i>Unearned revenue</i>	Under the full Scheme agreements, which commenced for the majority of states and territories from 1 July 2019, jurisdictions are billed quarterly in advance for their contributions to the Scheme, rather than in arrears as occurred under the transitional arrangements. The Agency therefore billed all states and territories in June for quarter one of the 2019-20 financial year. Contributions were received from some jurisdictions for 2019-20 quarter one. The Budget did not anticipate jurisdictions paying contributions in advance.
<i>Employee provisions</i>	The Agency's employee provisions are assessed annually by the Australian Government Actuary. The decrease in interest rates post Budget have resulted in the actuary using a lower discount rate in the actual provision calculation to that used in Budget calculation.
<i>Participant plan provisions</i>	The participant plan provision is considerably higher than the amount projected in the Budget due to differences in actual versus forecast phasing profiles, support utilisation rates and timing of payments.
<i>Provision for restoration obligations</i>	The Agency has adopted whole-of-government policies for co-locating service delivery sites within existing Commonwealth property infrastructure, where feasible. As a consequence, investment in property is less than projected in the Budget, with resultant lower than anticipated provisions for restoration obligations on leasehold property.
<i>Asset revaluation reserve</i>	For the year ended 30 June 2019, the Agency undertook a valuation exercise and leasehold improvement assets were revalued upwards to reflect their estimated fair value. The revaluation increment was not anticipated in the Budget. Revaluation increments were primarily driven by revision to useful lives for leasehold improvements.
<i>Retained surplus</i>	Major variances for the retained surplus are detailed in the Budget Variances Commentary for the Statement of Comprehensive Income.

National Disability Insurance Scheme Launch Transition Agency
STATEMENT OF CHANGES IN EQUITY
as at 30 June 2019

	Retained Surplus		Asset Revaluation Reserve		Contributed Equity		Total Equity		
	2018	Original Budget 2019	2018	Original Budget 2019	2018	Original Budget 2019	2018	Original Budget 2019	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Opening balance	1,608,801	651,237	661,737	10,992	5,556	205,733	205,733	1,825,526	873,026
Comprehensive income									
Surplus/(Deficit) for the period	694,400	957,564	-	-	-	-	-	694,400	957,564
Other comprehensive income	-	-	11,145	5,436	-	-	-	11,145	5,436
Total comprehensive income/(loss)	694,400	957,564	11,145	5,436	-	-	-	705,545	963,000
Closing balance	2,303,201	1,608,801	661,737	22,137	10,992	205,733	205,733	2,531,071	1,825,526

The above statement should be read in conjunction with the accompanying notes.

National Disability Insurance Scheme Launch Transition Agency
STATEMENT OF CHANGES IN EQUITY
as at 30 June 2019

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) requires 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.

National Disability Insurance Scheme Launch Transition Agency
CASH FLOW STATEMENT
for the year ended 30 June 2019

	2019	2018	Original Budget 2019
Notes	\$'000	\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Receipts from Government	1,477,674	1,050,979	1,477,674
Rendering of services	10,021,896	4,936,183	13,085,399
Interest received	56,697	30,492	-
GST received	103,853	61,213	105,679
Other	4,184	6,614	-
Total cash received	11,664,304	6,085,481	14,668,752
Cash used			
Employee benefits	295,787	222,768	285,863
Supplier expenses	662,239	300,512	1,138,549
Community partnership costs	484,210	333,840	-
Participant plan expenses	8,533,165	4,128,335	13,079,377
Grant payments	115,941	75,482	113,530
Total cash used	10,091,342	5,060,937	14,617,319
Net cash from / (used by) operating activities	1,572,962	1,024,544	51,433
Cash used			
Purchase of leasehold improvements	36,294	29,639	60,501
Total cash used	36,294	29,639	60,501
Net cash from / (used by) investing activities	(36,294)	(29,639)	(60,501)
Net increase / (decrease) in cash held	1,536,668	994,905	(9,068)
Cash and cash equivalents at the beginning of the reporting period	2,323,192	1,328,287	1,350,876
Cash and cash equivalents at the end of the reporting period	3,859,860	2,323,192	1,341,808

The above statement should be read in conjunction with the accompanying notes.

National Disability Insurance Scheme Launch Transition Agency CASH FLOW STATEMENT

for the year ended 30 June 2019

Budget Variances Commentary

Cash Flow Statement

Affected line items	Explanations of major variances
Operating activities <i>Rendering of services</i>	Cash from the rendering of services is lower than predicted in the Budget. The Budget anticipated the phasing of participants in accordance with Bilateral Agreements, however, delays have been experienced in transitioning participants from existing state and territory programs and these have reduced actual cash receipts.
Operating activities <i>Interest received</i>	Interest received is derived from the Agency investing cash in short-term deposits. The original Budget assumed that cash on hand would not be in excess of immediate requirements, whereas a significant amount of surplus cash was held and invested during the year.
Operating activities <i>Participant plan expenses</i>	Participant plan payments are less than projected in the Budget, primarily due to lower than projected utilisation of committed supports and delays in the timing of claims. This is reflected in the increase in the participant plan provision.
Investing activities <i>Purchase of leasehold improvements</i>	The Agency has adopted whole-of-government policies for co-locating service delivery sites within existing Commonwealth property infrastructure, where feasible. In addition, unexpected delays in lease negotiations have meant that some lease outlays have commenced later than anticipated in the Budget. As a consequence, cash outlays for property are less than Budget.

National Disability Insurance Scheme Launch Transition Agency NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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National Disability Insurance Scheme Launch Transition Agency 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 is an Australian Government controlled not-for-profit entity.

The Scheme 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, social and economic participation of people with a disability.

The Agency is structured to meet a single Government outcome (Outcome 1):

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

The Agency supports participants in the Scheme to exercise individual choice and control in respect to the delivery of reasonable and necessary supports. This allows people with disabilities, their families and carers to achieve improved outcomes in their lives. It also works to support the wider disability sector to promote better outcomes for people with a disability, in areas such as research and building community awareness.

The Agency makes 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 Agency also regularly reports on the sustainability of the Scheme.

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); and
- b) Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements 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. The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars, unless otherwise specified.

New Accounting Standards

Adoption of New Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. There have been no other new, revised or amended standards or interpretations issued by the Australian Accounting Standards Board prior to the sign off date that are applicable to the current reporting period that have a material effect, or that are expected to have a future material effect, on the Agency's financial statements.

Future 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, and are expected to have a financial impact on the Agency's financial statements for future reporting periods:

**National Disability Insurance Scheme Launch Transition Agency
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Standard/Interpretation	Application date for the Agency	Nature of impending change/s in accounting policy and likely impact on initial application
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 a right of use asset/(s) and associated 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 a significant impact on the Agency's financial statements, as the majority of the Agency's current leases meet the AASB 16 criteria for recognition as right of use assets and associated liabilities.</p>
<p>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></p>	1 July 2019	<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 minimal impact on the Agency's financial statements as the Agency's contracts with customers relate either to financial instruments or leases both of which are outside the scope of AASB 15.</p>

**National Disability Insurance Scheme Launch Transition Agency
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Standard/Interpretation	Application date for the Agency	Nature of impending change/s in accounting policy and likely impact on initial application
<p>AASB 1058 <i>Income of Not-for-Profit Entities</i> and AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i></p>	<p>1 July 2019</p>	<p>Nature: AASB 1058 and AASB 2016-8 clarify and simplify the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15 <i>Revenue from Contracts with Customers</i>. They supersede all income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 <i>Contributions</i>. The requirements of AASB 1058 more closely reflect the economic reality of NFP entity transactions that are not contracts with customers (as defined in AASB 15). The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.</p> <p>Likely impact: Expected to have a minimal impact on the recognition, measurement and disclosure of income recognised, as the current treatment of all income streams is consistent with the requirements of AASB 1058.</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.

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

There are no known events occurring after the reporting period that could have a material impact on the financial statements.

National Disability Insurance Scheme Launch Transition Agency NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. Financial Performance

This section analyses the financial performance of the Agency for the year ended 30 June 2019.

1.1. Expenses

	2019	2018
	\$'000	\$'000
Note 1.1A: Employee benefits		
Wages and salaries	240,453	182,704
Superannuation		
Defined contribution plans	33,647	23,886
Defined benefit plans	7,734	6,688
Leave and other entitlements	29,834	21,642
Separation and redundancies	414	332
Total employee benefits	312,082	235,252

Accounting Policy

Accounting policies for employee related expenses are contained in Section 3. People and Relationships.

Note 1.1B: Suppliers

Services rendered

Travel	15,938	11,302
Service providers	318,042	180,500
Memorandum of Understanding costs ¹	90,490	95,399
Information technology expenses	3,055	1,492
Property operating expenses	24,709	13,975
Staff recruitment and relocation	802	1,810
Comcover	4,537	4,348
Other	34,727	28,872
Total services rendered	492,300	337,698

Other suppliers

Operating lease expenses	33,438	30,704
Workers compensation expenses	2,664	2,150
Total other suppliers	36,102	32,854
Total suppliers	528,402	370,552

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within 1 year	39,154	22,281
Between 1 to 5 years	105,615	57,406
More than 5 years	25,757	9,821
Total operating lease commitments (inc. GST)	170,526	89,508
Less GST recoverable on operating lease commitments	(15,502)	(8,137)
Net operating lease commitments	155,024	81,371

¹ The Agency has in place Memoranda of Understanding that cover the provision of various administrative and operational support services provided by Services Australia (formerly the Department of Human Services) and the Department of Social Services.

National Disability Insurance Scheme Launch Transition Agency NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Leasing Commitments

The Agency has operating leases over the following assets:

- 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.
- 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

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.

	2019 \$'000	2018 \$'000
Note 1.1C: Grants		
Public sector		
State and territory governments	60,601	35,965
Local governments	317	-
Private sector		
For profit organisations	1,570	3,163
Not for profit organisations	48,730	32,655
Total grants	111,218	71,783

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: Impairment loss allowance on financial instruments

Impairment of financial instruments	13	600
Total impairment loss allowance on financial instruments	13	600

Note 1.1E: Write-down and impairment of other assets

Property, plant and equipment	-	3
Participant Advances	-	5
Total write-down and impairment of other assets	-	8

Note 1.1F: Community partnership costs

Early Childhood Early Intervention costs	120,059	76,902
Local Area Coordination costs	331,727	211,944
Total Community partnership costs	451,786	288,846

Early Childhood Early Intervention Costs

This reflects the costs incurred by the Agency by engaging early childhood partners across the nation with the intention of providing supports to children aged between 0-6 years who have a disability or where there are concerns regarding their development.

Local Area Coordination Costs

This reflects the costs 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:

National Disability Insurance Scheme Launch Transition Agency NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

- provision of support to the community and prospective participants to engage with the Scheme, including community awareness;
- support Scheme participants with the implementation of their plans; and
- support Scheme participants with full scheme planning and plan reviews.

Accounting Policy

The costs associated with early childhood early intervention and community partnerships are recognised in accordance with contractual arrangements.

	2019	2018
	\$'000	\$'000
Note 1.1G: Participant plan expenses		
Claims received from participants and providers	8,542,350	4,138,060
Cost of services received in-kind	1,243,133	1,079,208
Other changes to participant plan provisions	<u>674,444</u>	<u>200,798</u>
Total participant plan expenses	<u>10,459,927</u>	<u>5,418,066</u>

Accounting Policy

The costs associated with participant plan expenses are recognised as and when the Agency receives claims from participants and providers. Accounting policies for expenses resulting from adjustment to the participant plan provision are contained in Section 2.4 – Provisions.

Participant plan expenses

The Agency makes payments to registered providers and self-managed participants for supports delivered in line with a participant's approved plan. Registered providers and self-managed participants are able to access NDIS portals to submit payment claims for delivered supports.

Claims from providers and self-managed participants can lead to payments that are inconsistent with Agency guidance, even where no deliberate fraud is intended by the claimant. To mitigate this risk the Agency has progressively rolled out a compliance and assurance program aimed at substantiating a statistically selected sample of claims lodged by providers and self-managed participants. Errors identified can be either critical (having a potential negative financial impact) or non-critical (having no, or a potential positive, financial impact).

Provider payment accuracy

The review conducted in 2018-19 has identified 40 provider payment critical errors (2018: 48). After extrapolating the 40 critical errors over the total value of provider payments made in 2018-19 the accuracy rate in payments made to providers was 99.5 per cent (2018: 95 per cent). The estimated overall financial impact of the provider error rate is \$34.6m compared to \$179.6m in 2017-18. This significant decrease in the financial impact can be attributed to: improvements in payment processing; having a full year of data to base the estimate on; plus a lower number and value of individual identified errors.

Self-managed participant payment accuracy

In 2018-19, the review also included a full year of self-managed participant payments for the first time with 19 critical errors identified. After extrapolating the 19 critical errors over the total population of self-managed participant payments made in 2018-19 the accuracy rate was 96.2 per cent. The estimated overall financial impact of the self-managed participant error rate was \$32.5m.

All critical errors are subject to further validation, with recovery action undertaken where required and considered economical, in accordance with the Agency's Debt Management Procedures. The Agency's compliance and assurance processes are in addition to the NDIS Fraud Taskforce established by the Commonwealth in 2018-19 to prevent fraudulent claims being lodged.

National Disability Insurance Scheme Launch Transition Agency NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.2. Own-Source Revenue and Gains

OWN SOURCE REVENUE	2019	2018
	\$'000	\$'000

Note 1.2A: Rendering of services

Rendering of services in connection with

Related parties - contributions from Department of Social Services	4,021,400	2,245,220
External parties - contributions from state and territory governments	5,754,906	2,932,438
Total revenue from the rendering of services	9,776,306	5,177,658

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 the Commonwealth, state and territory governments are recognised as revenue when they become payable to the Agency under a signed agreement. These include cash contributions outlined in the bilateral agreements for the funding of the Scheme.

Note 1.2B: Other revenue

Compensation receipts	4,086	3,012
Cost recoveries	1	2,997
Rental income	108	392
Other miscellaneous revenue	1	240
Total other revenue	4,196	6,641

Compensation

The Agency has powers set out in the Act and the NDIS Compensation Rules to recover compensation settlements that have been made to participants in certain circumstances. This legislation and its interaction with general compensation law is highly complex, as a result the value of compensation revenue cannot be reliably determined until payment is received from participants. Compensation revenue is therefore recognised on receipt of participant payments.

Further discussion on the recognition and valuation of compensation recoveries is included in Section 4 Managing Uncertainties.

National Disability Insurance Scheme Launch Transition Agency NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2019	2018
	\$'000	\$'000
Note 1.2C: Other gains		
Contributions in-kind from Commonwealth, state and territory governments	1,258,834	1,086,308
Reversal of impairment losses	-	240
Total gains	1,258,834	1,086,548

Accounting Policy

Contributions in-kind from Commonwealth, state and territory governments

Contributions in-kind from Commonwealth, state and territory governments, which are received free of charge are recognised as own-source income 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.

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 on-going provision of these agreed 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 unit cost provided by the jurisdiction which is based on what the jurisdiction has paid under its funding arrangements with the provider.

Other resources received free of charge

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.

Key judgements and estimates

Contributions in-kind from Commonwealth, state and territory governments

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. In this circumstance, 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.

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.

Revenue from Government for 2019: \$1,477.67M (2018: \$1,050.98M)

National Disability Insurance Scheme Launch Transition Agency 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.

Leasehold improvements and plant and equipment are carried at fair value in accordance with AASB 13 *Fair Value Measurement*. The remaining assets and liabilities disclosed in the statement of financial position do not apply the fair value hierarchy.

Employee related information is disclosed in Section 3. People and Relationship.

2.1. Financial Assets

	2019	2018
	\$'000	\$'000
Note 2.1A: Cash and cash equivalents		
Cash on hand	2,273,663	1,509,272
Term deposits	1,586,197	813,920
Total cash and cash equivalents	3,859,860	2,323,192

Accounting Policy

Cash is recognised at its nominal amount. This includes cash on hand and term deposits in bank accounts with an original maturity of three months or less that are readily convertible to cash and subject to insignificant risk of changes in value. Term deposits with maturity greater than three months are classified as other financial assets. As at reporting date, the Agency did not hold any term deposits with a maturity date greater than three months.

Note 2.1B: Trade and other receivables

Goods and services receivables

Good and services receivables	567,652	382,908
Total goods and services receivables	567,652	382,908

Other receivables

GST receivable from the Australian Taxation Office	17,940	9,297
Participant and provider receivables	1,539	1,827
Other	6,262	4,143
Total other receivables	25,741	15,267
Total trade and other receivables (gross)	593,393	398,175

Less impairment loss allowance

Goods and services receivables	506	447
Total impairment loss allowance	506	447
Total trade and other receivables (net)	592,887	397,728

During 2018-19 credit terms for goods and services were within 30 days (2018: 30 days).

Accounting Policy

Financial assets

Trade receivables and other receivables are held for the purpose of collecting the contractual cash flows, where the cash flows are solely payments of principal and interest that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

The Agency classifies all of its financial assets according to their nature and purpose at the time of recognition. Financial assets are recognised and derecognised upon trade date.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

National Disability Insurance Scheme Launch Transition Agency NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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 are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the simplified approach. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a de-recognition event where the write-off directly reduces the gross carrying amount of the financial asset.

National Disability Insurance Scheme Launch Transition Agency 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 leasehold improvements and plant and equipment 2019

	Leasehold improvements	Plant & equipment	Total
	\$'000	\$'000	\$'000
As at 1 July 2018			
Gross book value	63,501	2,387	65,888
Accumulated depreciation and impairment	(2,137)	(2,300)	(4,437)
Net book value 1 July 2018	61,364	87	61,451
Additions			
Purchase or internally developed	40,482	-	40,482
Depreciation expense	(16,515)	(41)	(16,556)
Revaluations in other comprehensive income			
Revaluations in OCI - gross value	(5,762)	-	(5,762)
Revaluations in OCI - accumulated depreciation	16,907	-	16,907
Disposals			
Other movements – gross value	(3)	(567)	(570)
Other movements – accumulated depreciation	1	567	568
Other changes			
Other changes - gross value	(138)	-	(138)
Other changes - accumulated depreciation	138	-	138
Net book value 30 June 2019	96,474	46	96,520
Net book value as of 30 June 2019 represented by:			
Gross book value	98,080	1,820	99,900
Accumulated depreciation and impairment	(1,606)	(1,774)	(3,380)
	96,474	46	96,520

All items of leasehold improvements and plant and equipment were assessed for indications of impairment as at 30 June 2019 and no indicators of impairment were found.

No leasehold improvements or plant and equipment are expected to be sold or disposed of within the next 12 months.

Leasehold improvements and property, plant and equipment are measured at their estimated fair value in the financial statements and are classified as level 3 assets.

National Disability Insurance Scheme Launch Transition Agency 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.

Asset recognition threshold

Purchases of leasehold improvements, 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 leasehold improvements, plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying value of items does 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 2019 were performed by Jones Lang LaSalle (JLL), independent valuers. JLL have appropriate qualifications and 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 reversed 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 is restated to the revalued amount.

Depreciation

Depreciable leasehold improvements, plant and equipment assets (other than leasehold improvements 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
Plant and equipment	3 to 10 years
Leasehold improvements	Lesser of 10 years or the lease term

Impairment

All assets are assessed for impairment annually. 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.

Fair Value

All leasehold improvements and plant and equipment are measured at their estimated fair value in the Statement of Financial Position. All leasehold improvements and plant and equipment held by the Agency are categorised under Level 3 in accordance with the hierarchy listed in AASB 13.

Level 3 measurements use inputs to estimate fair value where there are no observable market prices for the assets being valued. The future economic benefits of the Agency's leasehold improvements and plant and equipment are not primarily dependent on their ability to generate cash flows. The Agency has not disclosed quantitative information about the significant unobservable inputs for the level 3 measurements in these classes.

De-recognition

An item of leasehold improvements or 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 leasehold improvements or plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

National Disability Insurance Scheme Launch Transition Agency NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Accounting Policy (continued)

Key judgements and estimates

The estimated fair value of leasehold improvements and plant and equipment is determined annually by an independent valuer using the Cost Approach and is subject to management assessment.

The Cost Approach seeks to estimate the amount required to replace the service capacity of an asset at its highest and best use and is determined as either the Replacement Cost of New Assets (RCN) or the Depreciated Replacement Cost (DRC).

Assets Under Construction are valued as RCN determined as the amount a market participant would pay to acquire or construct a new substitute asset of comparable utility and relevant to the asset's location. Inputs including current local market prices for asset components such as materials and labour costs are utilised in determining RCN.

Leasehold improvements, plant and equipment are valued using DRC. Under DRC the replacement costs of new assets are adjusted for physical depreciation and obsolescence such as physical deterioration, functional or technical obsolescence and conditions of the economic environment specific to the asset. For leasehold improvements, the consumed economic benefit/asset obsolescence deduction is determined based on the term of the associated lease.

	2019	2018
	\$'000	\$'000
Note 2.2B: Other non-financial assets		
Participant advances ¹	5,775	5,833
Impairment Allowance - participant advances	<u>(4,996)</u>	<u>(5,054)</u>
Total participant advances (net)	<u>779</u>	<u>779</u>
Participant plan prepayments ²	4,664	3,000
Other prepayments	<u>390</u>	<u>19,112</u>
Total other non-financial assets	<u>5,833</u>	<u>22,891</u>

No indicators of impairment were found for other non-financial assets.

¹ Participant advances represent payments that have been made to self-managed participants in the Scheme in advance of support being provided.

² Participant plan prepayments represent payments that have been made to providers in advance of supports being utilised by participants.

National Disability Insurance Scheme Launch Transition Agency NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

2.3. Payables

	2019	2018
	\$'000	\$'000
Note 2.3A: Suppliers		
Trade creditors and accruals	130,910	212,409
Operating lease liabilities	<u>9,417</u>	<u>6,522</u>
Total suppliers	<u>140,327</u>	<u>218,931</u>

Settlement is usually made for suppliers within 30 days (2018: 30 days).

Note 2.3B: Other payables

Salaries and wages	1,833	1,587
Superannuation	335	253
Other	<u>125</u>	<u>77</u>
Total other payables	<u>2,293</u>	<u>1,917</u>

Accounting Policy

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.

National Disability Insurance Scheme Launch Transition Agency NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

2.4. Provisions

Reconciliation of provisions

	Participant plan provision \$'000	Provision for restoration obligations \$'000	Total \$'000
Carrying amount 1 July 2018	706,401	4,893	711,294
Additional provisions made	1,355,455	2,405	1,357,860
Amounts reversed	(226,403)	(407)	(226,810)
Amounts used	(454,608)	(1,319)	(455,927)
Unwinding of discount or change in discount rate	-	1,308	1,308
Closing balance 30 June 2019	1,380,845	6,880	1,387,725

The valuation of the participant provision was undertaken as at 30 June 2019 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.

The Agency has 48 (2018: 34) 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.

Accounting Policy

The Agency makes a provision for the reasonable and necessary support provided to participants 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

The Agency recognises a liability for the costs of reasonable and necessary 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 and necessary support provided to participants during the period but not yet notified to the Agency based on its best estimate of the outstanding liability. Accounting standards, information on committed supports contained within participant plans, the claims received by the Agency over time relating back to committed supports and the expected utilisation of committed supports within participant plans are used as guidance.

As at 30 June 2019, the expected utilisation of committed support provision raised by financial years is as follows:

2013-14: 64.66%

2014-15: 74.65%

2015-16: 74.97%

2016-17: 67.55%

2017-18: 70.24%

2018-19: 72.95%

Given the rapid growth of the Scheme and the changing patterns of participant payments over time, the estimates of the participant plan provision includes an allowance for uncertainty. This allowance has been based on historical variations in payments to the Scheme and may require adjustment in future accounting periods. The weighted average term to settlement is between four and eight months and no allowance has been made for discounting these costs.

National Disability Insurance Scheme Launch Transition Agency NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3. People and Relationships

This section describes a range of employment and post-employment benefits provided to our employees and our relationships with other key people.

3.1. Employee Provisions

	2019	2018
	\$'000	\$'000
Note 3.1: Employee provisions		
Leave	<u>63,684</u>	<u>47,594</u>
Total employee provisions	<u>63,684</u>	<u>47,594</u>

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 salary 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 annual and long service leave has been determined by reference to the work of an actuary as at 30 June 2019.

Superannuation

Agency 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's administered schedules and notes.

The Agency makes employer contributions to employee superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government. The Agency accounts for these contributions as if they were contributions to defined contribution plans in accordance with AASB 119.

The liability for superannuation recognised as at 30 June represents outstanding contributions.

Key Accounting judgements and estimates

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2019. 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. The estimate of future costs requires management and independent actuarial assessment of assumed salary growth rates, future on-cost rates and the experience of employee departures. The future costs are then discounted to present value using market yields on government bonds in accordance with AASB 119 *Employee Benefits*.

National Disability Insurance Scheme Launch Transition Agency NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3.2. Board and Other Key Management Personnel Remuneration

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Agency, directly or indirectly. From 1 July 2018, the Agency has determined the key management personnel to be Board Members, the Chief Executive and other members of the Executive Leadership Team. The comparatives reflect the prior year Key Management Personnel definition, i.e. Board and Independent Members, the Chief Executive and all Senior Executive Service Band 2 personnel (or equivalent) and above. Despite the formal definition of Key Management Personnel, Board members are independent of management.

Key management personnel remuneration is reported in the table below:

	2019	2018
	\$'000	\$'000
Note 3.2: Board and Key Management Personnel Remuneration¹		
Short-term employee benefits ^{2,3}	4,771	8,123
Post-employment benefits	534	769
Other long-term employee benefits	38	535
Termination benefits	-	188
Total Board and Key Management Personnel remuneration expenses	5,343	9,615

The total number of Board members and Key Management Personnel that are included in the above table is 22 (2018: 52).

¹ All remuneration in the table above and reported in Appendix E of the annual report is calculated on an accrual basis.

² Employee benefits include salary and vehicle allowances.

³ Where the Agency engages Key Management Personnel through direct contract arrangements the total contract costs for those individuals are reflected as short-term employee benefits.

3.3 Related Party Disclosures

Related party relationships:

The Agency is an Australian Government controlled entity, which is governed by an independent Board. For reporting purposes the Agency's related parties are the Department of Social Services (DSS), Services Australia, the Board Members and Key Management Personnel. The definition of Key Management Personnel for both the current and prior year is included in Note 3.2.

There were no loans to any Board members, Key Management Personnel or other related parties during the period (2018: Nil).

Transactions with related parties:

Given the scope of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. These transactions have not been separately disclosed in this note. Where the Agency has had interactions with DSS and Services Australia, the financial impact of such interactions have been disclosed in sections 1 and 2 of the financial statements.

The following cash payments were made to parties related to the Board members and KMP executive members during the financial year:

National Disability Insurance Scheme Launch Transition Agency NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

		2019 \$'000	2018 \$'000
Board Member	Related party and payments for services rendered by the related party¹		
Ms Sandra Birkensleigh	Council member at the University of the Sunshine Coast (USC). UCS was engaged for consultancy, review and co-design services.	-	36
Ms Andrea Staines OAM	Board member of UnitingCare Queensland (service group within the UnitingCare Community). UnitingCare Community provided ECEI services in Queensland.	6,944	4,727
Prof Rhonda Galbally AC	Adjunct Professor at Deakin University. Deakin University received grants and payments for staff learning and development.	32	43
Mr Glenn Keys AO	Member of the University of NSW (Canberra) Advisory Council. The University of NSW received payments for scholarships, training placements and conferences.	168	-
Ms Estelle Pearson	Director of Finity Consulting Pty Ltd which provides actuarial staff secondments to the Agency.	259	-
Mr John Walsh AM	Member of the Innovative Workforce Fund Independent Advisory Group at National Disability Services. National Disability Services was engaged for communication and engagement project activities for service providers.	2	70
Key Management Personnel Executive Members	Related party and payments for services rendered by the related party		
Ms Sarah Johnson <i>Scheme actuary</i>	Proprietor of Sarah Consulting Pty Ltd. Sarah Consulting provided scheme actuarial services to the Agency.	388	426

None of the above Board members or Key Management Personnel played any role in Agency decisions in relation to their related party transactions noted above.

¹ All payments in the table above are calculated on a cash rather than accrual basis and therefore may differ from any amounts reported in Note 3.2 and Appendix E of the annual report.

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 either the Agency or the NDIS Quality and Safeguards Commission. All applications are 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 any decisions to accept or reject applications to register as a service provider.

Several Board Members 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 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 payments made during the period.

National Disability Insurance Scheme Launch Transition Agency NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

4. Managing Uncertainties

This section analyses how the Agency manages financial risks within its operating environment.

4.1. Contingent Assets and Liabilities

Quantifiable Contingencies

As at 30 June 2019, the Agency had no quantifiable contingent assets or liabilities (2018: \$nil).

Unquantifiable Contingencies

Contingent asset – Compensation recoveries

There are provisions set out in the Act and the NDIS Compensation Rules that allow the Agency to recover amounts of compensation that have been paid to, or given up by, Scheme participants. These provisions apply to a number of Scheme participant plans, for which compensation recoveries have not yet been made at 30 June 2019. A number of potential compensation cases are in progress at 30 June 2019, which may result in future compensation recoveries by the Agency. Due to the unique circumstances of each case, the Agency is currently unable to estimate the amount that may be recoverable from these cases. These amounts will be recognised as income in future periods when the relevant recognition criteria are met. The accounting policy for compensation receipts is included in Note 1.2B.

Contingent liabilities

As at 30 June 2019 the Agency had no unquantifiable contingent liabilities (2018: \$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.

4.2 Financial Instruments

	2019	2018
	\$'000	\$'000
Note 4.2A: Categories of financial instruments		
Financial Assets under AASB 139		
Loans and receivables		
Cash and cash equivalents		2,323,192
Other receivables		7,960
Total loans and receivables		<u>2,331,152</u>
Financial Assets under AASB 9		
Financial assets at amortised cost		
Cash and cash equivalents	3,859,860	
Other receivables	9,755	
Total financial assets at amortised cost	<u>3,869,615</u>	
Total financial assets	<u>3,869,615</u>	<u>2,331,152</u>
Financial liabilities		
At amortised cost		
Supplier and other payables	140,542	220,848
Total financial liabilities	<u>140,542</u>	<u>220,848</u>

National Disability Insurance Scheme Launch Transition Agency NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Classification of financial assets on the date of initial application of AASB 9

Financial assets class	Notes	AASB 139 original classification	AASB 9 new classification	AASB 139 carrying amount at 1 July 2018 \$'000	AASB 9 carrying amount at 1 July 2018 \$'000
Cash and cash equivalents	2.1A	Loans and receivable	Amortised Cost	2,323,192	2,323,192
Other receivables	2.1B	Loans and receivable	Amortised Cost	7,960	7,960
Total financial assets				2,331,152	2,331,152

Reconciliation of carrying amounts of financial assets on the date of initial application of AASB 9

	AASB 139 carrying amount at 1 July 2018 \$'000	Reclassification \$'000	Re-measurement \$'000	AASB 9 carrying amount at 1 July 2018 \$'000
Financial assets at amortised cost				
Loans and receivable				
Cash and cash equivalents	2,323,192			2,323,192
Other receivables	7,960			7,960
Total amortised cost	2,331,152	-	-	2,331,152

2019
\$'000

2018
\$'000

Note 4.2B: Net gains or losses on financial assets

Financial assets at amortised cost

Interest revenue	58,682	32,359
Impairment	(13)	(600)
Net gains/(losses) on financial assets at amortised cost	58,669	31,759
Net gains/(losses) on financial assets	58,669	31,759

Accounting Policy

With the implementation of AASB 9 *Financial Instruments* on 1 July 2018, all of the Agency's financial assets have been classified as financial assets measured at amortised costs. Financial assets at amortised costs must be:

- held in order to collect the contractual cash flows; and
- their cash flows must be solely payments of principal and interest (SPPI) on the principal outstanding amount.

Comparatives have not been restated on initial application.

The accounting policy for financial assets is contained in Note 2.1B Trade and other receivables.

**National Disability Insurance Scheme Launch Transition Agency
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

5. Other Information

5.1 Aggregate Assets and Liabilities

	2019	2018
	\$'000	\$'000
<u>Note 5.1: Aggregate Assets and Liabilities</u>		
Assets expected to be recovered in:		
No more than 12 months	4,458,580	2,743,811
More than 12 months	<u>96,520</u>	<u>61,451</u>
Total assets	<u>4,555,100</u>	<u>2,805,262</u>
Liabilities expected to be settled in:		
No more than 12 months	1,974,005	944,146
More than 12 months	<u>50,024</u>	<u>35,590</u>
Total liabilities	<u>2,024,029</u>	<u>979,736</u>



Ben Hunter

NDIS funding helped Toowoomba resident Ben Hunter start Ben & Co, Bakers with Purpose. The 20 year old now makes and sells muffins, biscuits and slices at local markets. “We want young people with intellectual disability to further the skills they learnt at school, then develop and consolidate them,” Ben’s mum explained. “Ultimately it will help them to secure a job in hospitality or retail.”

Part 4:

Appendices and indexes

- Appendix A:** Enabling legislation
- Appendix B:** Reports by parliamentary committees
- Appendix C:** Board members' meeting attendance
- Appendix D:** Executive remuneration policy
- Appendix E:** Executive remuneration
- Appendix F:** Judicial decisions and external reviews
- Appendix G:** Administrative Appeals Tribunal (AAT) reviews and decisions
- Appendix H:** Other PGPA reportable items
- Appendix I:** Workforce statistics
- Appendix J:** Work health and safety
- Appendix K:** Advertising and market research
- Appendix L:** Ecologically sustainable development and environmental performance
- Appendix M:** Compliance with Carer Recognition Act
- Appendix N:** Information on other specific statutory provisions
- Appendix O:** Abbreviations and acronyms
- Appendix P:** Glossary of terms
 - Annual report requirements index
 - Tables and figures index
 - Alphabetical index

Appendix A: Enabling legislation

The NDIA is a statutory authority established under the *National Disability Insurance Scheme Act 2013* (NDIS Act) to deliver the NDIS. It is a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The Scheme operates under the NDIS Act. The NDIS Act (in conjunction with other laws) gives effect to Australia's obligations under the United Nations Convention on the Rights of Persons with Disabilities. 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, and
- 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 established the NDIA, which has statutory responsibility for delivering the Scheme. The functions and powers of the NDIA are also prescribed by the NDIS Act.

The NDIS Act was amended by the *National Disability Insurance Scheme Amendment (Quality and Safeguards Commission and Other Measures) Act 2017*, assented to on 13 December 2017.

The NDIA is overseen by a Board, and is accountable as a corporate Commonwealth entity under the PGPA Act.

The Board is responsible for ensuring the proper, efficient and effective performance of the NDIA functions, and for determining the objectives, strategies and policies to be followed by the NDIA.

Appendix B:

Reports by parliamentary committees

In 2018–19 the NDIA was involved in inquiries by the parliamentary Joint Standing Committee on the National Disability Insurance Scheme and the Senate Community Affairs References Committee.

The Joint Standing Committee on the National Disability Insurance Scheme is made up of five members from the House of Representatives and five senators. The committee is tasked with inquiring into:

- the implementation, performance and governance of the NDIS
- the administration and expenditure of the NDIS
- such other matters in relation to the NDIS as may be referred to it by either House of the Parliament

In 2018–19, the committee completed four inquiries, listed in table B1.

The Community Affairs References Committee is a standing Senate committee covering the Health and Social Services portfolios. In 2018–19, the committee completed one inquiry, as shown in table B2.

The reports from the completed inquiries and the Australian Government’s responses are published on the Australian Parliament House website.

Table B1: Joint Standing Committee on the NDIS inquiry reports tabled in 2018–19

Inquiry	Date report tabled
General issues around the implementation and performance of the NDIS	29 March 2019
NDIS ICT systems	21 December 2018
Provision of assistive technology under the NDIS	12 December 2018
Market readiness for provision of services under the NDIS	20 September 2018

Table B2: Community Affairs References Committee inquiry reports tabled in 2018–19

Inquiry	Date report tabled
General issues around the implementation and performance of the NDIS	29 March 2019

Appendix C:

Board members' meeting attendance

Table C1: Number of meetings attended by Board members in 2018–19

Board members	Board meetings		Sustainability Committee meetings		ICT ¹ Committee meetings		Audit Committee meeting		Risk Committee meetings		PR ² Committee meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Helen Nugent ³	11	11	1	9	0	4	0	5	1	4	6	6
James (Jim) Minto ⁴	11	10	9	9	0	1	0	1	4	4	0	0
Estelle Pearson ⁵	11	11	9	9	0	2	5	5	0	1	0	0
Paul O'Sullivan ⁶	11	9	0	4	4	4	0	1	4	3	6	6
Sandra Birkenleigh ⁷	11	9	0	0	0	1	5	5	0	0	4	4
John Langoulant ⁸	11	9	1	3	0	0	5	4	1	2	0	0
Andrea Staines	11	10	0	0	4	3	0	0	0	0	0	0
Robyn Kruk ⁹	11	10	0	0	0	0	0	0	4	4	6	6
Rhonda Galbally ¹⁰	7	7	7	7	0	0	0	0	0	1	1	1
Martin Laverty	11	11	0	0	0	0	5	4	4	4	0	0
John Walsh	11	9	9	8	4	3	0	0	0	1	0	0
Glenn Keys	11	9	0	0	4	2	0	0	0	0	0	0

1 ICT Committee is the Information, Communication and Technology Committee.

2 PR Committee is the People and Remuneration Committee.

3 Chairman of the Board.

4 Chairman of the Risk Committee.

5 Chairman of the Sustainability Committee.

6 Chairman of the ICT Committee.

7 Chairman of the Audit Committee and appointed to the PR Committee.

8 Appointed to the Sustainability Committee.

9 Chairman of the PR Committee.

10 Professor Galbally resigned from the NDIA Board and subcommittees on 7 April 2019.

Appendix D:

Executive remuneration policy

Executive remuneration

Outlined below is information on the NDIA's remuneration practices, as well as the remuneration paid to the NDIA's key management personnel, senior executives and other highly paid staff for the year ended 30 June 2019 in accordance with the Public Governance, Performance and Accountability Rule 2014.

Remuneration policies, practices and governance arrangements

The CEO of the NDIA is remunerated as per the Remuneration Tribunal (Remuneration and Allowances for Holders of Full-time Public Office) Determination 2018 made under subsections 7(3) and (4) of the *Remuneration Tribunal Act 1973*.

The Chairman and members of the Board of the NDIA are remunerated as per the Remuneration Tribunal (Remuneration and Allowances for Holders of Part-time Public Office) Determination 2018 made under subsections 7(3) and (4) of the *Remuneration Tribunal Act 1973*.

NDIA Senior Executive Service (SES) employees are offered a remuneration and employment conditions package through an individual determination under the *Public Service Act 1999* (Section 24.1). Packages follow the principles outlined in the Agencies SES Remuneration and

Conditions Policy, which are developed by the People and Culture Division and approved by the CEO. SES employees, remuneration is based on their classification, with a three increment level structure allocated within each classification.

Remuneration includes salary, superannuation executive vehicle benefit, and may include additional salary payments and/or other remuneration benefits approved by the CEO.

The remuneration and employment conditions at the NDIA comply with the requirements of the Executive Remuneration Management Policy issued by the Australian Public Service Commission.

The NDIA Board established the People and Remuneration Committee (PRC) to assist the Board to fulfil its governance responsibilities for the people and remuneration policies of the Agency, including oversight of remuneration within government policies and frameworks.

Other highly paid staff within the NDIA, excluding SES employees, are remunerated in line with the NDIA Enterprise Agreement 2016–2019. This may include payment of a Higher Duties Allowance as a result of an employee performing higher duties, or an Individual Flexibility Arrangement. Remuneration related policies that underpin the NDIA Enterprise Agreement 2016–2019 include the Allowances Policy and Individual Flexibility Arrangement Principles.

Appendix E:

Executive remuneration

Key management personnel

During 2018–19, in addition to the Board members, the Agency had 10 senior executive or equivalent officials who met the definition of key management personnel (KMP). The name and the length of term for each KMP are summarised in table E1.

Table E1: Key management personnel in 2018–19

Name	Position	Term as KMP
Dr Helen Nugent AO	Board Chairman	Full year
Mrs Sandra Birkenleigh	Board Member	Full year
Professor Rhonda Galbally AC	Board Member	Part year—resigned 7 April 2019
Mr Glenn Keys AO	Board Member	Full year
Ms Robyn Kruk AO	Board Member	Full year
Mr John Langoulant AO	Board Member	Full year
Dr Martin Laverty	Board Member	Full year
Mr James Minto	Board Member	Full year
Mr Paul O’Sullivan	Board Member	Full year
Ms Estelle Pearson	Board Member	Full year
Ms Andrea Staines OAM	Board Member	Full year
Mr John Walsh AM	Board Member	Full year
Mr Robert De Luca	Chief Executive Officer	Part year—resigned 30 April 2019
Ms Vicki Rundle PSM	Acting Chief Executive Officer	Part year—appointed 30 April 2019
	DCEO Government, Communications and Stakeholder Engagement	Part year—appointed Acting CEO on 30 April 2019
Mr Michael Francis	DCEO Participants and Planning Experience	Full year

Name	Position	Term as KMP
Mr Victor Walter	DCEO Corporate Services and Chief Financial Officer	Full year
Mr Anthony Vella	DCEO Strategy Development and Chief Risk Officer	Full year
Mr Ian Frew	Chief Information Officer	Full year
Ms Antonia Albanese	Head of Markets, Provider and Sector Development	Full year
Mr Hamish Aikman	Head of People and Culture	Full year
Ms Sarah Johnson	Scheme Actuary	Full year
Mr Scott McNaughton	Acting DCEO Government, Communications and Stakeholder Engagement and Acting DCEO Participants and Planning Experience	Multiple ¹

1 Scott McNaughton acted in DCEO roles on multiple occasions for a total of 15 weeks during 2018-19. He has been employed as a senior executive of the Agency for the full year.

Information about remuneration of key management personnel

The remuneration received or due to be received for each of the Agency's key management personnel for 2018–19 is summarised in table E2.

Table E2: Information about remuneration for key management personnel in 2018–19

Key management personnel remuneration		Short-term benefits			Post-employment benefits		Other long-term benefits		Termination benefits	Total remuneration
Name	Position title	Base salary (\$)	Bonuses (\$)	Other benefits and allowances (\$)	Superannuation contributions (\$)	Long service leave (\$)	Other long-term benefits (\$)		(\$)	(\$)
Dr Helen Nugent AO	Board Chairman	137,609	-	-	21,192	-	-	-	-	158,801
Mrs Sandra Birkenleigh	Board Member	84,759	-	-	13,245	-	-	-	-	98,004
Professor Rhonda Galbally AC	Board Member	76,407	-	-	9,235	-	-	-	-	85,642
Mr Glenn Keys AO	Board Member	68,810	-	-	10,423	-	-	-	-	79,233
Ms Robyn Kruk AO	Board Member	68,810	-	-	10,597	-	-	-	-	79,407
Mr John Langoulant AO	Board Member	77,795	-	-	11,981	-	-	-	-	89,776
Dr Martin Laverty	Board Member	76,784	-	-	11,693	-	-	-	-	88,477
Mr James Minto	Board Member	74,781	-	-	11,516	-	-	-	-	86,297
Mr Paul O'Sullivan	Board Member	68,810	-	-	10,626	-	-	-	-	79,436
Ms Estelle Pearson	Board Member	88,602	-	-	13,645	-	-	-	-	102,247
Ms Andrea Staines AOM	Board Member	68,810	-	-	10,597	-	-	-	-	79,407
Mr John Walsh AM	Board Member	78,781	-	-	11,704	-	-	-	-	90,485
Mr Robert De Luca	Chief Executive Officer	566,279	-	-	20,962	-	-	-	-	587,241

Key management personnel remuneration		Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
Name	Position title	Base salary (\$)	Bonuses (\$)	Other benefits and allowances (\$)	Superannuation contributions (\$)	Long service leave (\$)	Other long-term benefits (\$)		
Ms Vicki Rundle	Acting Chief Executive Officer and DCEO Government, Communications & Stakeholder Engagement	350,033	-	27,764	45,335	9,036	-	-	432,168
Mr Michael Francis	DCEO Participants and Planning Experience	361,584	-	30,443	52,503	8,921	-	-	453,451
Mr Victor Walter	DCEO Corporate Services and Chief Financial Officer	372,432	-	30,096	20,331	9,113	-	-	431,972
Mr Anthony Vella	DCEO Strategy Development and Chief Risk Officer	342,797	-	29,936	54,982	-	-	-	427,715
Mr Ian Frew	Chief Information Officer	339,162	-	29,460	52,231	-	-	-	420,853
Ms Antonia Albanese	Head of Markets, Provider and Sector Development	364,174	-	32,961	62,985	-	-	-	460,120
Mr Hamish Aikman	Head of People and Culture	379,425	-	27,333	65,133	9,390	-	-	481,281
Ms Sarah Johnson	Scheme Actuary	421,321	-	-	-	-	-	-	421,321

Key management personnel remuneration		Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
Name	Position title	Base salary (\$)	Bonuses (\$)	Other benefits and allowances (\$)	Superannuation contributions (\$)	Long service leave (\$)	Other long-term benefits (\$)	(\$)	(\$)
Mr Scott McNaughton	Acting DCEO Government, Communications and Stakeholder Engagement and Acting DCEO Participants and Planning Experience	84,484	-	9,825	13,340	2,141	-	-	109,791
Total		4,552,449	-	217,818	534,256	38,601	-	-	5,343,125

Notes

- 1 All data is calculated on an accrual basis.
- 2 Scott McNaughton acted in DCEO roles on multiple occasions for a total of 15 weeks during the year. His remuneration for the remainder of the year has been included in the senior executive remuneration.
- 3 The Agency engages some senior executives through contract arrangements that include superannuation and long service leave entitlements. All other contract-engaged senior executives' total contract costs are included as short-term employee benefits.

Senior executives

The Agency's senior executives comprise:

- any official classified as a Senior Executive Band 1, Band 2 or Band 3 under the Public Service Classification Rules 2000; and
- any official with a position equivalent to a Senior Executive Band 1, Band 2 or Band 3, including contractors and consultants prescribed as officials.

The average remuneration received or due to be received for each of the Agency's senior executives who are not key management personnel for the year ended 30 June 2019 is summarised in the table below.

Table E3: Information about remuneration for senior executives in 2018–19

Senior executives remuneration		Short-term benefits			Post-employment benefits		Other long-term benefits		Termination benefits	Total remuneration
Remuneration band	Number of executives	Average base salary (\$)	Average bonuses (\$)	Average other benefits and allowances (\$)	Average superannuation contributions (\$)	Average long service leave (\$)	Average other long-term benefits (\$)	Average termination benefits (\$)	Average total remuneration (\$)	
\$Nil–\$220,000	25	111,641	–	15,549	15,175	1,855	–	–	144,221	
\$220,001–\$245,000	11	173,808	–	24,211	26,680	3,674	–	–	228,373	
\$245,001–\$270,000	23	197,349	–	26,212	30,568	4,343	–	–	258,472	
\$270,001–\$295,000	18	221,224	–	25,232	30,869	2,666	–	–	279,991	
\$295,001–\$320,000	7	235,470	–	27,472	35,372	4,952	–	–	303,266	
\$320,001–\$345,000	4	273,359	–	20,365	33,559	3,154	–	–	330,437	
\$345,001–\$370,000	2	293,940	–	27,826	45,267	–	–	–	367,034	
\$370,001–\$395,000	1	378,049	–	–	–	–	–	–	378,049	
\$470,001–\$495,000	1	383,581	–	29,591	59,072	–	–	–	472,243	

Senior executives remuneration		Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary (\$)	Average bonuses (\$)	Average other benefits and allowances		Average long service leave	Average other long-term benefits		
	Number of executives								
\$495,001–\$520,000	1	188,593	–	1,035	34,614	4,981	–	276,301	505,524
\$570,001–\$595,000	1	246,861	–	27,167	48,168	6,205	–	245,818	574,219

Notes

1 The Agency engages some senior executives through contract arrangements that include superannuation and long service leave entitlements. All direct contract-engaged senior executives' total contract costs are included as short-term employee benefits.

Other highly paid staff

Other highly paid staff are officials, including contractors and consultants prescribed as officials:

- who are neither key management personnel nor senior executives; and
- whose total remuneration exceeds \$220,000.00.

The average remuneration received or due to be received for each of the Agency's other highly paid staff for the year ended 30 June 2019 is summarised in the table below.

Table E4: Information about remuneration for other highly paid staff in 2018–19

Other highly paid staff remuneration		Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary (\$)	Average bonuses (\$)	Average other benefits and allowances (\$)		Average long service leave (\$)	Average other long-term benefits (\$)		
\$220,001–\$245,000	3	154,967	–	40,745	27,328	3,838	–	–	226,878
\$245,001–\$270,000	1	147,359	–	62,107	37,866	3,567	–	–	250,899

Appendix F:

Judicial decisions and external reviews

Judicial and administrative tribunal decisions

The operations of the NDIA and decisions made in the delivery of the NDIS are subject to scrutiny by external entities.

The Australian Human Rights Commission

(AHRC): can investigate and conciliate complaints about breaches of human rights law, including the *Disability Discrimination Act 1992*. In 2018–19 the AHRC received six requests in which the NDIA was named. Of these, three matters remain active.

The Administrative Appeals Tribunal

(AAT): can, in response to applications, review decisions made by the NDIA 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. In 2018–19, 1,220 applications for review were received. The majority were finalised without a substantive hearing required.

The AAT delivered 32 hearing decisions in 2018–19, where the AAT affirmed 12 decisions, varied one decision, and set aside 11 decisions. Seven decisions related to jurisdictional issues and one related to an extension of time application. A summary of decisions delivered by the AAT in 2018–19 is included at Appendix G.

Federal Court of Australia appeals:

The NDIA had one Full Federal Court appeal and one Federal Court appeal withdrawn in 2018–19. The appeal to the Full Federal Court (*National Disability Insurance Agency v SSBV*) was in relation to the interpretation of particular sections of the NDIS Act in the context of planning decisions and was heard on 12 November 2018, with short reasons being handed down on 15 November 2018. An application was made to the Federal Court (*Kerrie Rain and National Disability Insurance Agency*) by a participant regarding whether a particular support was reasonable and necessary; however, this application was withdrawn by the participant before hearing.

Reports by Australian National Audit Office

The ANAO conducts performance audits of the efficiency and effectiveness of the NDIA's operations and financial audits of NDIA financial statements. During 2018–19, the ANAO released one performance audit report involving the NDIA. This was the National Disability Insurance Scheme Fraud Control Program report, tabled in Parliament in June 2019. The NDIA agreed with all six recommendations and implementation of these recommendations is underway.

All ANAO recommendations, from both the performance and financial audits, are actively monitored and addressed within the necessary timelines with both executive and Board oversight.

Commonwealth Ombudsman

The NDIA is a prescribed authority for the purposes of the *Ombudsman Act 1976*. Accordingly, the Commonwealth Ombudsman may investigate complaints from individuals, groups or organisations about the administrative actions of the NDIA. There are four types of primary contact that the NDIA will generally receive from the Commonwealth Ombudsman: complaint transfers, section 7A preliminary inquiries, section 8 investigations, and section 12 finalisations of investigation. More detail on these is provided below.

In 2018–19, the NDIA continued to provide the Office of the Commonwealth Ombudsman (OCO) with information regarding recommendations arising from the OCO report on the NDIA’s handling of reviews, which was published in May 2018.

In some cases, the OCO will decline to investigate a complaint and will transfer it to the NDIA. This decision is made where the OCO believes the matter can be better dealt with by the NDIA and where the complainant needs OCO assistance in raising the matter with the agency. In 2018–19, there were 234 complaint transfers from the Commonwealth Ombudsman to the NDIA.

Section 7A of the Ombudsman Act enables the OCO to conduct preliminary inquiries and request information from the NDIA. The information requested as part of a preliminary inquiry assists the OCO to determine if the matter needs to be investigated or can be resolved in another way. During 2018–19, there were 305 Section 7A preliminary investigations received by the NDIA.

A Section 8 investigation occurs when the OCO initiates an investigation. The OCO will provide the NDIA with background to the complaint, and request that the NDIA respond to a number of questions. The OCO investigated 328 complaints about the NDIA during 2018–19. As at 1 July 2019, 304 of these investigations have been closed.

New South Wales Ombudsman

In 2018–19, the NDIA received 28 inquiries from the NSW Ombudsman. Since July 2016, the NSW Ombudsman’s office has had a standing inquiry into allegations of abuse and neglect of adults with disability in the community, such as in the family home. The New South Wales Ageing and Disability Commission has now been established, and from 1 July 2019 will be the appropriate oversight body to better protect adults with disability and older people from abuse, neglect and exploitation in home and community settings.

NDIS Quality and Safeguards Commission

From 1 July 2018, the NDIS Quality and Safeguards Commission commenced operating in NSW and South Australia (SA). It is now the appropriate oversight body for concerns raised about disability service providers in NSW and SA. In 2018–19, the NDIA received 15 enquiries from the NDIS Quality and Safeguards Commission regarding complaints about providers in NSW, and no enquiries regarding providers in SA.

Office of the Australian Information Commissioner (OAIC)

Under the *Freedom of Information Act 1982* (FOI Act), a person may request access to information that is held by the NDIA. In 2018–19, the NDIA received 836 primary requests under the FOI Act. There were 11 requests for internal review of an access decision. The NDIA received notification that 18 requests were subject to a review by the Office of the Australian Information Commissioner.

Appendix G:

Administrative Appeals Tribunal (AAT) reviews and decisions

Table G1: AAT reviews and decisions 2018–19

Matter	Decision under review	AAT decision
FFVQ and National Disability Insurance Agency [2018] AATA 1968 (2 July 2018)	Whether AAT had jurisdiction to stay the operation of an NDIS plan in circumstances where decision under review is a statement of supports in a plan which has been replaced.	AAT found that did not have jurisdiction to stay an NDIS plan.
Sheldon and National Disability Insurance Agency [2018] AATA 2560 (30 July 2018)	Access decision for applicant with chronic back problem.	AAT affirmed decision on the basis that it did not meet s 24(1)(b) or (e) as permanence was not established because there was still an option of surgery which may be successful, a cardiovascular fitness and a core strengthening program and a pain management clinic which had not been explored.
Rain and National Disability Insurance Agency [2018] AATA 2597 (2 August 2018)	Applicant has borderline personality disorder, anxiety, depression and ongoing symptoms arising from a back injury. Seeking a portable folding wheelchair.	AAT affirmed decision and found wheelchair did not satisfy s 34(1) (a), (b), (c), (d) or Rule 5.1 of Support for Participants Rules—found that wheelchair was required as a result of psychosocial issues not physical injuries and therefore would be harmful as would develop increased dependence.
David and National Disability Insurance Agency [2018] AATA 2709 (8 August 2018)	Applicant is 26 with nemaline myopathy. Seeking increase in transport funding and cost of airline tickets for carer.	AAT set aside decision and found that additional transport and airline tickets for carer to attend interstate sports events twice a year was reasonable and necessary.
Mazy and National Disability Insurance Agency [2018] AATA 3099 (9 August 2018)	Applicant is 53 and has an intellectual disability, is non-verbal, blind and has a hearing impairment. Seeking funding for registered nurse to deliver insulin to applicant 4 times per day.	AAT set aside decision of NDIA in finding that registered nurse delivering insulin to applicant four times per day was reasonable and necessary.

Matter	Decision under review	AAT decision
BIJD and National Disability Insurance Agency [2018] AATA 2971 (10 August 2018)	Applicant is 3 and has severe congenital heart disease. Whether 2 days of in-home care for a child is reasonable and necessary.	AAT affirmed the decision of the NDIA not to provide the 2 days of in-home care. Did not accept that s 34(1)(c) or (e) were satisfied.
Howard-Smith and National Disability Insurance Agency [2018] AATA 3434 (13 September 2018)	Application for extension of time where application made five months after statutory limits.	AAT granted extension of time as acceptable explanation for delay and applicant has merits.
LJJY and National Disability Insurance Agency [2018] AATA 3506 (18 September 2018)	Applicant was a 7-year-old boy with autism. Whether in-home care assistance 3 hours per day, 3 times per week was a reasonable and necessary support.	AAT affirmed the decision of the NDIA not to provide in-home care assistance for the applicant.
Allen and National Disability Insurance Agency [2018] AATA 3851 (15 October 2018)	Applicant with hypermobile Ehlers-Danlos syndrome seeking access.	AAT affirmed the decision of the NDIA to decline access under ss 24 and 25 of the NDIS Act.
Medcalf and National Disability Insurance Agency [2018] AATA 3893 (16 October 2018)	Number of supports in issue including lounge suction pump, oral hygiene devices, nebuliser, generator, power wheelchair, consumables, dietician, team meetings and core funding at \$370,279.00 and respite.	AAT varied the decision of the NDIA. It found that portable suction pump, oral hygiene devices, powered wheelchair and \$374,611.12 for core supports were reasonable and necessary supports. It found that the heavy-duty nebuliser, back-up generator, consumables, quarterly dietician and offsite accommodation for parent respite and quarterly staff meetings were not reasonable and necessary supports.

Matter	Decision under review	AAT decision
<p>McPherson and National Disability Insurance Agency [2018] AATA 4303 (20 November 2018)</p>	<p>Funding for a private motor vehicle.</p>	<p>AAT affirmed the decision of the NDIA. It found that the private motor vehicle was not a reasonable and necessary support—ss 34(1)(c), (e), (f) were not satisfied.</p> <p>Accepted Agency’s submissions about financial sustainability. Respondent provided actuary report as evidence but did not give oral evidence. AAT considered financial sustainability when deciding whether the support met s 34(1)(f).</p>
<p>Sing and National Disability Insurance Agency [2018] AATA 4411 (26 November 2018)</p>	<p>Funding for exercise physiologist sessions (3 x 1 hour per week), funding for tennis coaching (3 x 1 hour per week).</p>	<p>AAT affirmed the decision of the NDIA. It found that neither support was reasonable and necessary because neither support satisfies s 34(1)(c).</p>
<p>Hughes and National Disability Insurance Agency [2018] AATA 4572 (10 December 2018)</p>	<p>Applicant requested internal review of his statement of supports. Agency responded with an email containing ‘advice’. Applicant appealed to the AAT. On the day of the interlocutory hearing, the Agency provided an internal review decision (dated 20 November 2018).</p>	<p>The AAT found that it had jurisdiction to hear the application. The email responding to the applicant’s request for internal review was found to constitute a reviewable decision.</p>
<p>Pavilupillai and National Disability Insurance Agency [2018] AATA 4641 (13 December 2018)</p>	<p>Applicant is a 31-year-old woman with polio affecting her lower limbs. Issue in dispute is whether the high heel foot sections on the applicant’s knee ankle foot orthosis (KAFO) are reasonable and necessary under s 34(1)(c).</p>	<p>AAT affirmed the decision under review that the high heel sections for KAFO’s are not reasonable and necessary under s 34(1)(b), (c) or (d).</p>

Matter	Decision under review	AAT decision
<p>McFarlane and National Disability Insurance Agency [2018] AATA 4727 (17 December 2018)</p>	<p>Access decision for a 36-year-old man with fibromyalgia, chronic pain syndrome, lateral epicondylitis (bilateral arms), De Quervain's tendonitis and right wrist synovitis.</p>	<p>AAT affirmed the decision under review that the applicant does not meet all access requirements.</p>
<p>Milburn and National Disability Insurance Agency [2018] AATA 4928 (20 December 2018)</p>	<p>Applicant has Turner syndrome, borderline personality disorder, fibromyalgia, arthritis and muscular degeneration. Request by applicant for transport and associated carer services, singing lessons, transport and accommodation to visit family, remedial massage, bifocal glasses with prism lenses, and specially compounded prescription medicine.</p>	<p>The Tribunal set aside the Agency's decision and gave directions in relation to the Applicant's statement of supports.</p> <p>The Tribunal directed that the Applicant's current plan be amended to include some but not all of the requested supports.</p>
<p>Ewin and National Disability Insurance Agency [2018] AATA 4726 (21 December 2018)</p>	<p>Applicant is a 51-year-old man with incomplete paraplegia requesting funding for private vehicle travel.</p>	<p>AAT set aside the decision of NDIA varying the statement of participant supports. In substitution, the Tribunal approved a new statement of participant supports.</p>
<p>Howard and National Disability Insurance Agency [2019] AATA 2 (3 January 2019)</p>	<p>Decision by NDIA to refuse access to applicant with partial hearing loss, PTSD, anxiety disorder, major depressive disorder, Achilles tendonosis, meniscal tear in right knee, right hip injury, osteoarthritis, left elbow epicondylitis, essential tremors in hands, fibromyalgia, right shoulder tendonitis, subacromial bursitis, hypertension, migraine headaches and fatty liver.</p>	<p>AAT affirmed the decision under review that the Applicant does not meet all access requirements.</p>

Matter	Decision under review	AAT decision
<p>Schwass and National Disability Insurance Agency [2019] AATA 28 (17 January 2019)</p>	<p>Decision by NDIA to refuse access to applicant with morbid obesity and osteoarthritis. Consideration of whether morbid obesity is an impairment. Consideration of whether morbid obesity and osteoarthritis are permanent or likely to be permanent.</p>	<p>Agency decision affirmed—Tribunal found that morbid obesity is not an impairment. Tribunal also found that this applicant’s morbid obesity and osteoarthritis were not permanent as the applicant had not undertaken all medical treatments to remedy or relieve his conditions.</p>
<p>Ters and National Disability Insurance Agency [2019] AATA 312 (23 January 2019)</p>	<p>Whether the AAT had jurisdiction to review statement of supports or just review a decision not to conduct a plan review.</p>	<p>AAT dismissed application as it was misconceived. Request for internal review of the supports in the plan was made out of time.</p>
<p>Andrew and National Disability Insurance Agency [2019] AATA 249 (6 February 2019)</p>	<p>Whether AAT had jurisdiction to review nominee appointment decision and if there was an internal review.</p>	<p>AAT decided there was no internal review decision made. Tribunal did not have jurisdiction to review a decision not to appoint the participant’s father as a plan and correspondence nominee.</p>
<p>KRBG and National Disability Insurance Agency [2019] AATA 144 (11 February 2019)</p>	<p>Whether a deemed decision exists where there is a failure of the NDIA to make a decision ‘as soon as reasonably practicable’.</p>	<p>The AAT determined that it did not have jurisdiction to review as this was not a deemed decision.</p>
<p>Blattman and National Disability Insurance Agency [2019] AATA 184 (18 February 2019)</p>	<p>Whether Level 3 transport funding is a ‘reasonable and necessary support’ (s 34(1)) and, if not, whether the applicant should receive transport funding under the ‘no disadvantage’ principle as a result of being in receipt of a mobility allowance prior to becoming an NDIS participant.</p>	<p>AAT affirmed the decision under review that Level 3 transport funding is not a reasonable and necessary support.</p>

Matter	Decision under review	AAT decision
FSQQ and National Disability Insurance Agency [2019] AATA 186 (18 February 2019)	Whether the AAT has jurisdiction to review access decision. The access request form did not specify psychiatric conditions.	AAT had jurisdiction to consider the applicant’s psychiatric conditions for access. Review is not limited to the conditions specified in the access request form but extends to all information provided to the reviewing officer.
Hula and National Disability Insurance Agency [2019] AATA 580 (13 March 2019)	Whether the disability requirements were met for bilateral knee osteoarthritis, shoulder pain—cervical spondylosis. Whether the applicant was receiving supports under a prescribed program.	Decision set aside. AAT made the decision that the applicant fulfills all of the criteria in s 21(2) of the NDIS Act as was submitted by the Agency. Therefore there was no need to consider if he met the disability or early intervention requirements.
LQTF and National Disability Insurance Agency [2019] AATA 631 (2 April 2019)	Whether the AAT had jurisdiction to review statement of supports or just review a decision not to conduct a plan review.	AAT decided that a reviewer has made a decision dated 31 July 2018 in accordance with s 100(5) of the NDIS Act reviewing a reviewable decision to approve a statement of participant supports.
Evans and National Disability Insurance Agency [2019] AATA 754 (24 April 2019)	The applicant sought access for hearing impairment. In issue: whether impairments resulted in a substantially reduced functional capacity in one or more relevant activities, whether substantially reduced functional capacity to communicate and whether the applicant required support from the NDIS for a lifetime.	The Tribunal set aside the decision under review and in substitution decided that the applicant satisfies the access criteria, pursuant to s 24 of the NDIS Act, to become a participant of the NDIS.

Matter	Decision under review	AAT decision
<p>MHZQ and National Disability Insurance Agency [2019] AATA 810 (8 May 2019)</p>	<p>The applicant sought access for a bilateral knee condition and borderline personality. Whether the applicant has a disability, whether impairments are permanent and whether substantially reduced functional capacity exists where a psychiatric condition results in substantially reduced functional capacity to socially interact.</p>	<p>Decision under review was set aside and the AAT remitted the matter for reconsideration in accordance with the direction that the applicant meets the access criteria in s 24 of the NDIS Act.</p>
<p>PPFQ and National Disability Insurance Agency [2019] AATA 1092 (31 May 2019)</p>	<p>Applicant has moderate to severe hearing loss, tinnitus and hyperacusis. Request by applicant for high-level technology hearing aids (a pair of GN Resound LiNX 3D 9 hearing aids).</p>	<p>Decision set aside and substituted. AAT made the decision that the recommended hearing aids are the minimum necessary support required and satisfy s 34(1)(c) of the Act.</p>
<p>Burchell and National Disability Insurance Agency [2019] AATA 1256 (4 June 2019)</p>	<p>Whether thickened fluid and food supplements are most appropriately funded by the Scheme, and are not more appropriately funded by the health system (s 34(1)(f)).</p>	<p>Set aside Agency decision—AAT submitted that the support claimed by the applicant of thickened fluid and food supplements as per a custom eating plan was a reasonable and necessary support.</p>
<p>WKZQ and National Disability Insurance Agency [2019] AATA 1480 (24 June 2019)</p>	<p>Whether 18 hours ABA therapy per week paid on the basis of 2 hours senior 1:1 ABA therapy and 4 hours junior 1:2 ABA therapy per day x 3 times a week: amount of \$70,200 to be used flexibly by WKZQ over a period of 12 months; and 2 hours of speech therapy per week: amount of \$18,616 to be used flexibly by WKZQ over a period of 12 months.</p>	<p>Set aside Agency decision with direction that the requested supports were reasonable and necessary.</p>

Matter	Decision under review	AAT decision
<p>FRCT and National Disability Insurance Agency [2019] AATA 1478 (24 June 2019)</p>	<p>Whether 18 hours ABA therapy per week paid on the basis of 2 hours senior 1:1 ABA therapy and 4 hours junior 1:2 ABA therapy per day x 3 times a week: amount of \$70,200 to be used flexibly by FRCT over a period of 12 months; and 2 hours of speech therapy per week: amount of \$18,616 to be used flexibly by FRCT over a period of 12 months.</p>	<p>Set aside Agency decision with direction that the requested supports were reasonable and necessary.</p>

Appendix H:

Other PGPA reportable items

The following information addresses other reportable items required by the PGPA Act.

17BE (d), (e) and (f)—Ministerial directions and government policy orders: In 2018-19 the NDIA did not receive any government policy orders or ministerial directions from the Minister for Social Services

17BE (h) and (j)—Significant non-compliance issues with finance law: No instances of significant non-compliance with finance law were reported to the responsible Minister under paragraph 19(1)(e) of the PGPA Act in 2018-19

17BE (l)—Outline of the location of major activities or facilities: The NDIA continues to expand its presence and property across Australia. As at 30 June 2019, NDIA staff were located in 190 sites, which included 96 sites co-located with other government services and agencies, and 94 sites managed by the NDIA. Co-location of public-facing service delivery centres and non-public-facing offices with other government services and agencies is a key strategy to ensure property locations are in the most appropriate and accessible areas for participants and staff. Standalone NDIS sites have been chosen only when co-location options are not available.

In January 2019, the NDIA's new Geelong national office achieved building practical completion and, following some final fit-outs, NDIA staff occupied the site on 8 April 2019.

17BE (m)—Statement on governance: The NDIA Board undertook two roving visits in 2018-19 to meet with key stakeholders and see the implementation of the NDIS on the ground. The Board visited the NDIA and Brotherhood of St Laurence (LAC Partner) office in Broadmeadows, Melbourne in March 2019 to meet with NDIA and LAC staff, the Victorian mental health sector, an ECEI provider and NDIS participants. In May 2019, the Board visited the NDIA Chermside office in Brisbane to meet with LAC and ECEI partners and Queensland recipients of ILC funding. The Board also visited an SDA development in Albany Creek to meet NDIS participants. The NDIA Board undertook a review of its performance in June 2019 which included a confidential quantitative assessment by individual Directors of the Board's performance, as well as a subsequent discussion by the Board as a whole.

17BE (n) and (o)—Related entity transactions: are addressed in the Financial Statements.

17BE (s)—Obtaining information from subsidiaries: Not applicable—the NDIA has no subsidiaries.

17BE (t)—Indemnities and insurance premiums: The NDIA purchased directors' and officers' liability cover from Comcover (the Commonwealth's self-insurance fund). The premium paid in 2018-19 for this cover was \$586,360.00.

Appendix I: Workforce statistics

Table I1: NDIA ongoing employees 2018–19 as at 30 June 2019

	Male			Female			Indeterminate			Total
	Full-time	Part time	Total male	Full-time	Part time	Total female	Full-time	Part time	Total indeterminate	
NSW	157	14	171	413	93	506	0	0	0	677
Qld	89	4	93	272	53	325	1	0	1	419
SA	45	2	47	129	57	186	0	0	0	233
Tas	14	1	15	29	11	40	0	0	0	55
Vic	243	16	259	524	161	685	0	0	0	944
WA	25	2	27	88	12	100	0	0	0	127
ACT	32	1	33	57	11	68	0	0	0	101
NT	8	0	8	38	1	39	0	0	0	47
Overseas	0	0	0	0	0	0	0	0	0	0
Total	613	40	653	1,550	399	1,949	1	0	1	2,603

Table I2: NDIA non-ongoing employees 2018–19, as at 30 June 2019

	Male			Female			Indeterminate			Total
	Full-time	Part time	Total male	Full-time	Part time	Total female	Full-time	Part time	Total indeterminate	
NSW	47	5	52	162	21	183	0	0	0	235
Qld	32	1	33	134	15	149	0	0	0	182
SA	7	3	10	26	1	27	0	0	0	37
Tas	3	1	4	7	1	8	0	0	0	12
Vic	76	6	82	132	41	173	0	0	0	255
WA	18	0	18	58	8	66	0	0	0	84
ACT	7	0	7	27	2	29	0	0	0	36
NT	15	0	15	34	2	36	0	0	0	51
Overseas	0	0	0	0	0	0	0	0	0	0
Total	205	16	221	580	91	671	0	0	0	892

Table I3: NDIA ongoing employees 2017-18

	Male			Female			Indeterminate			Total
	Full-time	Part time	Total male	Full-time	Part time	Total female	Full-time	Part time	Total indeterminate	
NSW	149	7	156	375	80	455	0	0	0	611
Qld	77	1	78	208	36	244	0	0	0	322
SA	22	2	24	92	43	135	0	0	0	159
Tas	9	0	9	19	8	27	0	0	0	36
Vic	186	6	192	363	79	442	0	0	0	634
WA	8	2	10	32	11	43	0	0	0	53
ACT	26	1	27	38	7	45	0	0	0	72
NT	6	0	6	28	1	29	0	0	0	35
Overseas	0	0	0	0	0	0	0	0	0	0
Total	483	19	502	1,155	265	1,420	0	0	0	1,922

Table I4: NDIA non-ongoing employees 2017-18

	Male			Female			Indeterminate			Total
	Full-time	Part time	Total male	Full-time	Part time	Total female	Full-time	Part time	Total indeterminate	
NSW	34	4	38	98	17	115	0	0	0	153
Qld	29	2	31	104	4	108	0	0	0	139
SA	14	1	15	33	5	38	0	0	0	53
Tas	2	1	3	6	0	6	0	0	0	9
Vic	74	3	77	150	39	189	0	0	0	266
WA	9	0	9	30	3	33	0	0	0	42
ACT	4	0	4	6	1	7	0	0	0	11
NT	13	0	13	25	1	26	0	0	0	39
Overseas	0	0	0	0	0	0	0	0	0	0
Total	179	11	190	452	70	522	0	0	0	712

Appendix J:

Work health and safety

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

Safety Management Arrangements 2017–19 promote consultation, prevention and early intervention, and are aligned with a steadfast commitment to safeguard and value NDIA employees. In 2018–19, the NDIA reported five incidents to Comcare pursuant to section 38 of the WHS Act. Each incident was closed by Comcare without further action being required of the NDIA.

Table J1: Summary of incidents pursuant to section 38 of the *Work Health and Safety Act 2011* in 2018–19

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	4
Dangerous incident that required notification to Comcare under s 35	4
Investigation conducted under Part 10	0
Notice given to NDIA under s 90 (provisional improvement notice)	1
Notice given to NDIA under s 191 (improvement notice)	0
Notice given to NDIA under s 195 (prohibition notice)	0
Directions given to NDIA under s 198 (non-disturbance)	0

Appendix K: Advertising and market research

The following information is provided in accordance with section 311A of the *Commonwealth Electoral Act 1918*, and discloses payments above \$13,800.00 (including GST) for advertising and market research services provided during 2018–19.

Table K1: Payments to media advertising organisations in 2018–19

Organisation	Service provided	Amount paid \$ (including GST)
Universal McCann	NDIS WA Phase One advertising	\$34,927.20
Universal McCann	NDIS recruitment advertising	\$110,033.10
Universal McCann	NDIS public notices advertising	\$32,420.69
Dentsu Mitchell Media Australia Pty	NDIS recruitment advertising	\$33,741.44
Mak Advertising Pty Ltd	NDIS roll-out to Rockhampton and Cairns advertising	\$17,894.59

Table K2: Payments to market research organisations in 2018–19

Organisation	Service provided	Amount paid \$ (including GST)
McNair yellowSquare	Customer Satisfaction Surveys of the National Contact Centre	\$44,971.47
ORIMA Research	Local market research survey	\$17,848.00
ARTD	Development of market insights	\$52,059.00

Table K3: Payments to polling organisations in 2018–19

Organisation	Service provided	Amount paid \$ (including GST)
Nil		

Table K4: Payments to direct mail organisations in 2018–19

Organisation	Service provided	Amount paid \$ (including GST)
Nil		

Table K5: Payments to direct media advertising organisations in 2018–19

Organisation	Service provided	Amount paid \$ (including GST)
Facebook Business Manager	Digital advertising	\$265,675.19

Appendix L:

Ecologically sustainable development and environmental performance

The NDIA 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 light emitting diode (LED) lighting for open-plan areas and meeting rooms together with motion sensor control for the lighting
- installing energy-efficient variable refrigerant flow air-conditioning systems that are operated via time clock
- installing low-flow sanitary fixtures, and
- supplying general waste and recyclable waste bins to suit the size of the tenancy.

The whole-of-Government arrangement for fleet vehicle selection has undergone a significant change as the motor industry no longer builds Australian-made vehicles. The NDIA has been proactive in moving to a wholly hybrid passenger vehicle base where available. The vehicles use both a conventional engine and an electric motor to achieve significantly better fuel efficiency than their non-hybrid counterparts.

In terms of greenhouse emissions, the hybrid vehicles selected reduce tailpipe CO₂ (carbon dioxide) emissions and stationary noise and will considerably reduce annual fuel costs. The selection of four-wheel drive vehicles is still limited to petrol and diesel options as no hybrid option is available. The NDIA's total fleet number has increased from 188 in 2017–18 to 220 in 2018–19.

Appendix M:

Compliance with Carer Recognition Act

Through the *Carer Recognition Act 2010* (CR Act), the Australian Government recognises the exceptional contribution made by unpaid carers. The CR Act stipulates that carers should have the same rights, choices and opportunities as other Australians.

To help achieve this, the CR Act sets out reporting and consultation obligations for APS agencies with responsibilities towards carers. The following information has been prepared in accordance with CR Act requirements.

Subsection 7(1)—Each public service agency is to take all practicable measures to ensure that its employees and agents have an awareness and understanding of the Statement for Australia’s Carers.

The NDIA promotes staff awareness and understanding of the principles contained within the CR Act and the Statement for Australia’s Carers 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.

Subsection 7(2)—Each public service agency’s internal human resources policies, so far as they may significantly affect an employee’s caring role, are to be developed having due regard to the Statement for Australia’s Carers.

The NDIA complies through the NDIA Enterprise Agreement 2016–19 as well as with the application of various 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.

Subsection 8(1)—Each public service care agency is to take all practicable measures to ensure that it, and 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.

The role of carers is recognised by the NDIA as an important factor in developing participant plans. Carers are included in the planning process, and are recognised in participant plans through the informal care sections of 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.

Subsection 8(2)—Each public service care agency is to consult carers, or bodies that represent carers, when developing or evaluating care supports.

As a respected stakeholder of the NDIA, Carers Australia is consulted and engaged through the Agency's Stakeholder Engagement Management model, as a member of the NDIA's CEO Forum, as an Expert Advisor to the IAC, and through a variety of key projects as a trusted expert.

Over the past 12 months, Carers Australia was one of several stakeholders consulted in the development of a series of 'disability snapshots', including one specifically focused on carers. The carer snapshot aims to improve staff and partner awareness of carers, and ultimately improve the participant experience through the planning process. The snapshot series contains a concise summary of information to support LAC Partners and ECEI Partners and planners, and provides a list of references to further detailed information.

In 2018–19, the Agency has provided funding to Carers Australia to continue its peer support project and has supported the recommendations published in the Carers Australia position paper (released in October 2018) in relation to access to services under the NDIS that will allow carers to take a break from caring. The Agency acknowledges the importance of providing carers, like all families, with the opportunity to take a break from time to time, and continues to work with Carers Australia on the implementation of this advice to planners.

Appendix N:

Information on other specific statutory provisions

The following information addresses other reportable items required by specific statutory provisions.

National Disability Insurance Scheme Act 2013

No directions or ministerial statements were given to the NDIA under sections 121 and 125 of the *National Disability Insurance Scheme Act 2013* (NDIS Act), and no legislative instruments were made during 2018–19.

Privacy Act 1988

The NDIA complies with its privacy obligations as required under both the *Privacy Act 1988* and the NDIS Act.

Compliance includes the NDIA ensuring its practices and procedures are consistent with requirements under the Australian Privacy Principles, the Notifiable Data Breaches Scheme and the Australian Government Agencies Privacy Code, such as having an established privacy policy, privacy management plan, and maintaining privacy incident and privacy impact assessment registers.

The NDIA actively promotes privacy awareness through the appointment of a Privacy Champion and Privacy Officer, and through the ongoing development of training materials for NDIA staff. Advice is also provided to staff regarding the NDIA's privacy obligations under law, particularly as it relates to ensuring promotion of one of the general principles guiding actions under the NDIS Act, which is to ensure that people with disability have their privacy and dignity respected.

In 2018–19, the NDIA responded to seven privacy complaints lodged with the Office of the Australian Information Commissioner.

Freedom of Information Act 1982 (FOI Act)

Agencies subject to the *Freedom of Information Act 1982* are required to make information publicly available as part of the Information Publication Scheme (IPS).

Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements. To see the NDIA's plan, go to www.ndis.gov.au.

Appendix O: Abbreviations and acronyms

AAT —Administrative Appeals Tribunal	ELT —Executive Leadership Team
ACT —Australian Capital Territory	GST —Goods and Services Tax
AHRC —Australian Human Rights Commission	IAC —Independent Advisory Council
AM —Member of the Order of Australia	ICT —information, communications and technology
ANAO —Australian National Audit Office	ILC —Information, Linkages and Capacity Building
AO —Order of Australia, Officer in the General Division	IPS —Information Publication Scheme
APS —Australian Public Service	KMP —Key Management Personnel
APRA —Australian Prudential Regulatory Authority	LAC —Local Area Coordinator/Coordination
CALD —culturally and linguistically diverse	LED —Light Emitting Diode
CEO —Chief Executive Officer	LGBTIQA+ —lesbian, gay, bisexual, transgender, intersex, queer, asexual and other sexualities
CFO —Chief Financial Officer	MMM —Modified Monash Model
CIO —Chief Information Officer	NCC —National Contact Centre
COAG —Council of Australian Governments	NDIA —National Disability Insurance Agency
CR Act — <i>Carer Recognition Act 2010</i>	NDIS —National Disability Insurance Scheme
DANA —Disability Advocacy Network Alliance	NDIS Act — <i>National Disability Insurance Scheme Act 2013</i>
DHS —Department of Human Services	NSW —New South Wales
DRC —(COAG) Disability Reform Council	NT —Northern Territory
DSS —Department of Social Services	
ECEI —Early Childhood Early Intervention	
EDN —Employee with Disability Network	

OCO—Office of the Commonwealth Ombudsman

PBS—Portfolio Budget Statements

PDF—Performance Development Framework

PGPA Act—*Public Governance, Performance and Accountability Act 2013*

PITC—Partners in the Community

PRC—People and Remuneration Committee

PRG—Participant Reference Group

PTSD—post-traumatic stress disorder

Qld—Queensland

SA—South Australia

SDA—Specialist Disability Accommodation

SES—Senior Executive Service

SPN—Staff Participant Network

TTP—Temporary Transformation Payment

Tas—Tasmania

Vic—Victoria

WA—Western Australia

WHS—work health and safety

WHS Act—*Work Health and Safety Act 2011*.

Appendix P:

Glossary of terms

Access requirements: the criteria someone must meet to become a participant in the NDIS. The access requirements are age (under 65 years); residency (live in Australia and be an Australian citizen or have paperwork letting you live here permanently); and disability: your disability is permanent (will not go away) and significant or you need early intervention (you require support early to help reduce the future needs for supports).

Administrative Appeals Tribunal (AAT): an independent body that conducts reviews of administrative decisions made under Commonwealth laws.

Attendant care: refers to any paid care or support services delivered at a person's home or in their community to enable them to remain living in the community.

Bilateral agreement: an agreement between the Commonwealth and a state or territory that formalises the commitments of each party during Scheme roll-out.

Bilateral estimates: estimates for the number of people expected to enter the NDIS by quarter in each state and territory over the next three years. These figures are estimates only.

Carer: someone who provides personal care, support and assistance to a person with disability and is not contracted as a paid or voluntary worker.

Choice and control: the NDIA principle which outlines a participant's right to determine how, when and by whom their supports are delivered.

Committed supports: the cost of supports contained within a participant's plan, approved to be provided to support a participant's needs.

Culturally and linguistically diverse (CALD): for the purpose of Scheme estimates, 'culturally and linguistically diverse' is defined as 'country of birth is not Australia, New Zealand, the United Kingdom, the United States of America, Canada or South Africa; or primary language spoken at home is not English'.

Disability: total or partial loss of the person's bodily or mental functions (*Disability Discrimination Act 1992*). Describes a person's impairment of body or function, a limitation in activities or a restriction in participation when interacting with their environment.

Disability sector: refers to organisations and sole traders who deliver disability support services and the peak bodies that represent them.

Early Childhood Early Intervention: providing support early in life to reduce the effects of disability and to improve the person's functional capacity.

Full Scheme: the dates when the NDIS will be available to all eligible residents. In the Australian Capital Territory this is July 2016. In New South Wales and South Australia this is July 2018. In Tasmania, Victoria, Queensland and the Northern Territory this is July 2019. In Western Australia this is July 2020.

Funded supports: see reasonable and necessary supports.

Goals: the aspirational outcomes which a participant has set for themselves.

Information, Linkages and Capacity Building

(ILC): the activities that will be supported by the NDIS to promote the social and economic inclusion of people with disability, including people not receiving individualised funded support from the NDIS. The activities include providing information and making linkages and referrals to community or mainstream services, building the capacity of people with disability and their 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 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.

Local Area Coordinators/Coordination

(LACs/LAC): local organisations working in partnership with the NDIA to help participants, their families and carers access the NDIS. LACs will help participants write and manage their plans and also connect

participants to mainstream services and local and community-based supports.

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).

Mainstream services: the government systems providing services to the Australian public (e.g. health, mental health, education, justice, housing, child protection and employment services).

Market: a medium where buyers and sellers interact to trade goods and services. Under the NDIS, the market for disability supports is where NDIS participants and providers interact to trade for disability supports.

Market and Enablement Framework: articulates how the NDIA monitors and intervenes in markets in our role as market steward, encompassing several internal processes for monitoring and supporting ineffective or developing markets.

Market steward: the role the NDIA will take to promote market development under the NDIS. The role includes monitoring and facilitating the market and intervening when appropriate and necessary.

myplace: a secure website for participants or their nominees to view their NDIS plan, request payments and manage services with providers. Registered providers also use the myplace portal to manage their registration, connect and make service bookings with participants and submit and monitor claims for payment.

National Disability Insurance Agency

(NDIA): the Commonwealth Government organisation administering the NDIS.

National Disability Insurance Scheme

(NDIS): a new way of providing support for Australians with disability, their families and carers. In this report, the NDIS is also referred to as ‘the Scheme’.

Outcomes framework: the NDIA’s mechanism for measuring success for people with disability in areas like choice and control, social inclusion, education, employment, health and housing.

Other stakeholders: includes Partners in the Community, states and territories, other government departments who are stakeholders (e.g. Department of Social Services, Department of Human Services), and non-profit organisations in the disability sector.

Participant: a person who meets the NDIS access requirements.

Participant outcomes: a way of measuring whether participants’ goals are achieved combined with whether the NDIA is meeting its objectives.

Participant/provider experience: the experience of prospective or current NDIS participants (or their families or carers) or providers, during all points of contact with the NDIA and Partners in the Community against the individual’s expectations.

Participant Pathway and Provider Pathway: the processes by which participants, their families, carers and providers interact with the NDIS.

Partners in the Community: suitably experienced and qualified organisations within the community that will deliver Local Area Coordination (LAC) and Early Childhood Early Intervention (ECEI) services. The NDIA will source, manage, support and train, and set standards for their delivery of LAC and ECEI services.

People with disability: people who experience any or all of the following: impairments, activity limitations (difficulties in carrying out usual age-appropriate activities), and participation restrictions (problems a person may have taking part in community, social and family life). People with disability include both participants who receive individualised support packages under the NDIS, and people who have a disability but do not meet access requirements under the NDIS. People with disability who are not participants will benefit from the Information, Linkages and Capacity Building services the NDIS provides.

Phasing / phasing arrangement: refers to the order in which people will enter the NDIS within jurisdictions, as agreed to by the Commonwealth, state and territory governments and the NDIA.

Plan: a written agreement worked out with the participant, stating their goals and needs, and the reasonable and necessary supports the NDIS will fund for them. Each participant has their own individual plan.

Planning process: the process by which the NDIA helps a participant to plan for the assistance they need from the Scheme to attain their goals.

Pricing: guidance on the price to be paid for each support item. For some items, such as personal care and community access, the amount indicates the maximum price that the NDIA will pay for that support.

Provider Finder: tool located in the participant and provider portals (myplace) that operates as a directory for finding providers.

Provider Portal: secure website that enables providers to view and manage the services they provide to a participant. It also provides updates on the status of a prospective provider's registration.

Providers: individuals or organisations that deliver a support or a product to a participant of the NDIS.

Provider Toolkit: a user-friendly online resource for providers and potential providers that takes users through the steps of the Provider Pathway. It includes fact sheets, step-by-step guides, videos and interactive e-learning activities.

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.

Quality and safeguards: quality is about ensuring people receive good supports and safeguarding is about keeping people safe from harm. Features of quality and safeguarding systems generally include systems for handling complaints, staff screening processes and systems for checking that service providers meet the standards expected of them.

Readiness: refers to the preparedness of people with disability, providers and other stakeholders for the transition to the NDIS.

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.

Registered provider: an approved person or provider of supports that has met the NDIS requirements for registration.

Sector: refers to organisations and sole traders who deliver disability support services and the peak bodies that represent them.

Self-management: where funding and supports are managed by the participant and/or their family.

Service bookings: the online agreement between a participant and provider detailing the timeframe and cost of supports. It is completed in the myplace portal.

Services: assistance delivered through a current support provider.

Specialist Disability Accommodation Provider and Investor Brief: the first in a series of planned communications to enable provider and investor understanding of this market.

Support package: the term used by the NDIA 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: a term used to describe the first three years of the NDIS where different ways of working were trialled.

Workforce: refers to people currently working in the disability support sector, or to new members of the disability support workforce. Workforce is also used to describe NDIA employees.

Annual report requirements index

The following index of annual report requirements is provided in accordance with Section 17BE(u) of the *Public Governance, Performance and Accountability Rule 2014*.

List of PGPA requirements

PGPA Act reference	Description	Page/s
17BB	Approval of the Annual Report by the accountable authority	
	Approved by the Board of the NDIA with details of how and when approval was given and statement that the report has been prepared in accordance with section 46 of the PGPA Act.	1
17BD	Plain English and clear design (aids to access)	
	Table of contents	vii–viii
	Index [alphabetical]	169
	Glossary [acronyms and indexes]	159–162
	Contact details and NDIA's website address	Back cover
17B	Contents of the Annual Report	
a.	Details of the legislation establishing the body	124
b.(i)	A summary of the objects and functions of the entity as set out in legislation	iv–v, 76–82, 124
b.(ii)	The purposes of the entity as included in the entity's corporate plan for the reporting period	iv–v, 76–82, 124
c.	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	42–43
d.	Any directions given to the entity by a Minister under an Act or instrument during the reporting period	147
e.	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	147
f.	If, during the period, the entity has not complied with a direction or an order referred to in paragraph (d) or (e), particulars of non compliance	147

PGPA Act reference	Description	Page/s
g.	The annual performance statements for the entity, for the period in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	75–82
h.	A statement of significant issues reported to the responsible Minister under paragraph 19(1)(e) of the Act that relates to non compliance with finance law in relation to the entity	147
i.	If a statement is included under paragraph (h) of this section— an outline of the action that has been taken to remedy the non-compliance	147
j.	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period, including: <ul style="list-style-type: none"> i. the name of the accountable authority or member, and ii. the qualifications of the accountable authority or member, and iii. the experience of the accountable authority or member, and iv. for a member—the number of meetings of the accountable authority attended by the member during the period, and v. for a member—whether or not the member is an executive member or non-executive member. 	44–51
k.	An outline of the organisational structure of the entity (including any subsidiaries of the entity)	54–61
k.(a)	Statistics on the number of employees of the entity (including by reference to ongoing and non ongoing employees), at the end of that and the previous reporting period, in relation to each of the following: <ul style="list-style-type: none"> i. full time employees; ii. part time employees; iii. gender; iv. staff location 	148–149
l.	An outline of the location (whether or not in Australia) of major activities or facilities of the entity	147
m.	Information in relation to the main corporate governance practices used by the entity during the period	62–63

PGPA Act reference	Description	Page/s
n.	The decision-making process undertaken by the accountable authority for making a decision if: <ul style="list-style-type: none"> i. the decision is to approve the entity paying for a good or service from another Commonwealth entity or a company, or providing a grant to another Commonwealth entity or company; and ii. the entity, and the other Commonwealth entity or the company, are related entities; and the value of the transaction, or if there is more than one transaction, the aggregate value of those transactions, is more than \$10,000 (inclusive of GST) 	116
o.	If the annual report includes information under paragraph (n): if there is only one transaction—the value of the transaction; and if there is more than one transaction—the number of transactions and the aggregate of value of the transaction	116
p.	Any significant activities and changes that affected the operation or structure of the entity during the period	42–43
q.	Particulars of judicial decisions or decisions of administrative tribunals made during the period that have had, or may have, a significant effect on the operations of the entity	136–138
r.	Particulars of any reports on the entity given during the period by: <ul style="list-style-type: none"> i. the Auditor General (other than a report under section 43 of the Act), or ii. a Committee of either House, or of both Houses, of the Parliament, or iii. the Commonwealth Ombudsman, or iv. the Office of the Australian Information Commissioner 	125, 136–138
s.	If the accountable authority has been unable to obtain information from a subsidiary of the entity that is required to be included in the annual report, an explanation of information that was not obtained and the effect of not having the information on the annual report	147
t.	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	147
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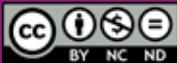
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