



National Disability Insurance Scheme

# Consultation paper: Planning Policy for Personalised Budgets and Plan Flexibility

November 2020 | Version 1.0 | [ndis.gov.au](https://www.ndis.gov.au)



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# 1. Introduction

We want to strengthen the National Disability Insurance Scheme (NDIS). Community and sector consultation is important to us.

In our [Participant Service Charter](#), we committed to empowering participants by including people with disability and the community to help us develop and test our processes.

The National Disability Insurance Agency (NDIA) has released a suite of discussion papers. We want your feedback about these papers:

1. Consultation paper: access and eligibility policy for independent assessments
2. **Consultation paper: planning policy for personalised budgets and plan flexibility**
3. Consultation paper: supporting young children and their families early, to reach their full potential

A full project consultation report outlining the research, recommendations and background on the Early Childhood Early Intervention (ECEI) reset is also available for stakeholders interested in understanding the detailed project activities.

The Department of Social Services (DSS) has also released an Information Paper to explain the proposed changes to the *National Disability Insurance Scheme Act 2013* (the NDIS Act) and what these changes will mean for participants. This paper is called '[Improving the National Disability Insurance Scheme – DSS information paper](#)'.

We look forward to hearing your views on the future of the NDIS.

We want to hear from participants, their families and carers, and the disability sector on how we can deliver a more consistent and fairer approach to planning and personalised participant budgets.

This paper explains how NDIS planning and personalised budgets will work with the introduction of independent assessments.

The new **Planning Policy for Personalised Budgets and Plan Flexibility** will deliver a more consistent and fairer experience for all participants receiving supports through the NDIS.

Starting in late 2021, this policy will progressively apply to all participants over 7 years old in line with the gradual rollout of independent assessments and subject to the passage of legislative amendments.

Separately, we are considering our policy approach to children under 7 years of age, who are supported through the ECEI Approach. We are also considering raising the age of children able to access NDIS ECEI support to 9 years old. You can read more about our approach to early childhood intervention in our paper on [Supporting young children and families early, to reach their full potential](#).

Under the new policy, we want to deliver fair plan budgets to all NDIS participants. We will do this by using consistently gathered information from a holistic independent assessment to inform a participant's reasonable and necessary level of funding. This means plan budgets will be clearly aligned with a participant's level of functional capacity, including the impact of their environment.

This policy will enable us to provide greater plan flexibility by shifting to a plan that is based on a total reasonable and necessary level of funding for each participant, rather than building a plan based on funding for each individual item or support.

Plans with personalised budgets will be more flexible, with funds released at intervals. The core, capacity building and capital budget structure with up to 15 categories will be replaced with a flexible and fixed budget structure. Funds will continue to be separated by the participant's plan management arrangements (self-managed, plan managed or Agency managed).

Check-ins will be conducted to support participants to implement their plan in pursuit of their goals. This will also provide an opportunity to see if there has been a significant change in circumstances or functional capacity that may require changes to their plan.

## 1.1 How you can help

Before we make changes to policies, procedures and operational guidelines, we want to ensure the proposed changes generate the best outcomes and experience for participants.

### 1.1.1 Sharing your feedback

This consultation paper outlines how the new planning policy for personalised budgets and plan flexibility will work for NDIS participants.

We are looking for feedback on this policy and have developed a series of consultation questions that focus on the areas where consultation is most valuable. Feedback is welcomed from individuals, organisations and states and territories. You can either respond to these consultation questions, or provide your own feedback based on the content of this paper. Feedback can be submitted via the [NDIS website](#) up until 10.00am ADST Tuesday 23 February 2021.

We hope to hear from all people, including those from culturally and linguistically diverse communities, people who identify as LGBTIQ+, Aboriginal and Torres Strait Islander peoples or people living in remote locations. Your perspective will be valuable feedback to inform our policy.

We will also conduct other engagement and consultation activities over the next six months on the range of improvements we are making to the NDIS.

To help you understand some of the key terms and concepts in this paper, you can find a glossary at the end of this document.

## 2. Improving the NDIS

The NDIS is a single, national approach to provide funding for people with disability, their families and carers. It is designed to provide funded support for people with a significant and permanent disability. The NDIS gives people choice and control over how their disability related services and supports are delivered so that they can pursue their goals.

### 2.1 Current challenges

We have heard many examples of frustration with current NDIS planning processes. The 2019 [Review of the National Disability Insurance Scheme Act 2013](#) completed by Mr David Tune AO PSM (the Tune Review) found that some participants reported:

- the NDIS was confusing and frustrating
- they were frustrated about delays and lack of transparency around how the NDIA made decisions
- they wanted to have more support to become informed and effective consumers
- they felt the NDIS was too complex and difficult to navigate
- they felt they were not recognised as the experts in their disability
- they felt NDIA staff did not understand the nature of their disability or appreciate the challenges they encountered in everyday life.

The current process for building plan budgets, based on a need to assess whether every individual support is reasonable and necessary, has resulted in inconsistent decision-making and a high volume of reviews. Currently, participants with similar levels of functional capacity and environments may have very different levels of NDIS funding. Significantly, evidence exists that the current approach to assessing a person's functional capacity is leading to inconsistent and inequitable plan budgeting decisions.

Participants in the highest socio-economic cohorts are receiving more funds in their plans than those who are most disadvantaged. Payments differ by socio-economic areas for both children and adults, with participants living in higher socio-economic areas receiving higher payments on average. As show in the latest [NDIS Quarterly Report](#), payments are 23% higher in the highest socio-economic decile for children, compared with the lowest and 13% higher for adults.

Currently there isn't one standard way to provide evidence on the impact of a person's disability or disabilities. This includes how the impact of their environment is considered and how the person's functional capacity is assessed. The nature of the information available needs to be consistent to enable fairer decision making processes. Independent assessments will provide this consistency.

Once a participant receives a plan, we have heard that the current support budget categories and sub-categories in plans are confusing and inconsistently named across key NDIA products (including the plan, participant portal, price guide and NDIS website). In practice, these categories have placed restrictions on how participants can use their budget by restricting funding for use on these supports.

This policy will introduce new ways of working that will address these issues, improve equity and consistency in planning decisions and provide more choice and control for participants.

## 2.2 Summary of planned improvements

We are working towards a future NDIS that is simpler and fairer. That will empower participants to exercise greater choice and control over their lives and ensure the NDIS remains sustainable.

We are working to:

1. Replace processes developed during transition with more consistent and fairer approaches to determining NDIS eligibility.
2. Introduce independent assessments to better understand an individual's functional capacity and environment, to support objective and fair access and funding decisions.
3. Change the way we do planning to deliver personalised plan budgets and support participants to have greater flexibility in using their funding in a way that best suits them.
4. Ensure we're spending time with participants when it matters the most and supporting them to use their approved budget effectively.

### 2.2.1 Independent assessments

An independent assessment is an assessment of functional capacity, including environmental and individual circumstances, undertaken by qualified health care professionals for the purposes of NDIS decision making.

Independent assessments will be free for participants and people with disability applying to access the NDIS. We will pay for all independent assessments.

Independent assessments will use recognised and standardised tools in accordance with our [Independent Assessment Framework](#).

Under this framework, the independent assessment will build an overall picture of how a person functions in different areas of their life. This is in line with the World Health Organisation's International Classification of Functioning, Disability and Health, and the activity domains described in the NDIS Act. These are communication, social interaction, learning, mobility, self-care and self-management.

The framework has provided the foundation for the [selection of assessment tools](#) to be used in independent assessments. These tools are used to assess functional capacity in the activity domains.

Independent assessments will be done by trained experts, for example occupational therapists, physiotherapists, psychologists and other health and allied health professionals.

You can [read more about independent assessments on the NDIS website](#).

### 2.2.2 Independent assessments and access

We will be replacing existing processes that are used to decide if someone is eligible for the NDIS with a more transparent and consistent approach. We have released a separate paper that outlines how this new approach to [access and eligibility](#) will work.

A person who applies for the NDIS will provide information on their age, residency and evidence of their disability, including if their impairment is, or is likely to be, permanent. If these criteria are met, we will then ask them to complete an independent assessment. An independent assessment will not be requested if age, residency, disability and permanency criteria are not met. In some circumstances other information may be needed to determine if a person is eligible for the NDIS. If required we will request this information, which may be provided by the person's treating health professional.

### 2.2.3 Independent assessments, personalised budgets and plan flexibility

Once a person is found eligible for the NDIS, information from their independent assessment will be used to develop a personalised budget. Using information that is consistently gathered will ensure each participant's personalised budget reflects their functional capacity, including the impact of their environment. This paper outlines how this new approach will work.

We understand participants' lives and situations change. There are significant things that happen in life that can impact on a person's environment and capacity. Information about participants and their functional capacity, including environmental factors, will need to be kept up to date. Participants will need to complete an independent assessment at different stages of their lives and at least every five years, to make sure they continue to get the right funding in their NDIS plans.

The NDIA will record information about a participant's full range of disabilities and health conditions. This is for privacy-compliant research and analytical purposes. The recording of additional disabilities will not impact on the plan funding level, because the independent assessment process is designed to capture the full impact of disabilities on functional capacity which together with environment factors determines the overall reasonable and necessary funding level.

We are also introducing greater flexibility in how a participant chooses to use their NDIS funding. Participants will be able to exercise increased choice and control over their plan and use their funding in ways that best suit them.

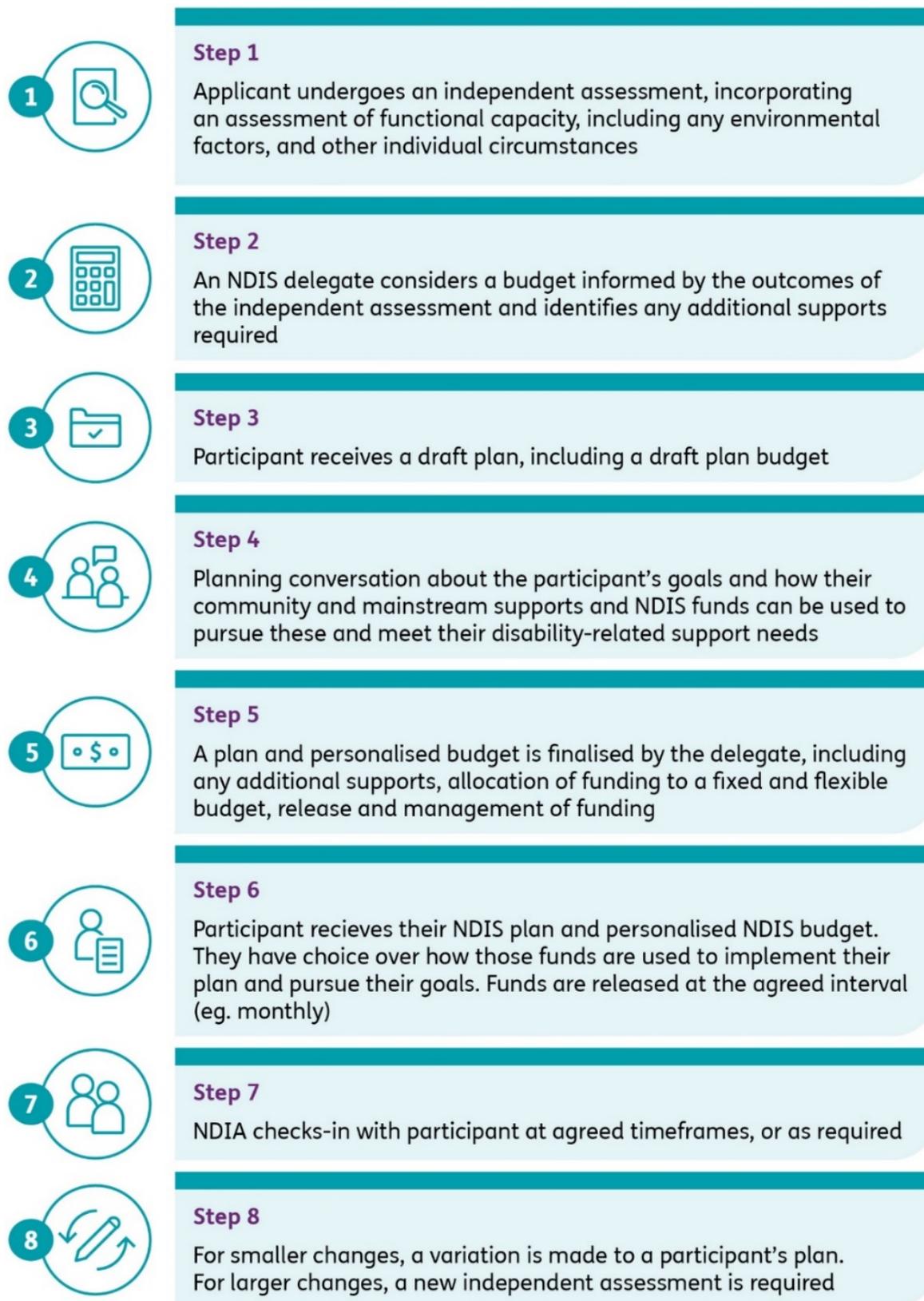
For most people the majority of their funds will be flexible. Some supports like Specialist Disability Accommodation (SDA) or other high cost capital supports will continue to be fixed in plans. We will clearly explain situations where funds can't be used flexibly.

Funds will still need to be spent only to purchase supports to assist with a participant's disability. NDIS funds are not intended to be an alternative source of general income.

#### 2.2.4 Proposed NDIS planning process

While this paper focuses on key changes to policy, these changes will impact participant's experience of the planning process. Figure 1 outlines the proposed NDIS planning process.

**Figure 1: Proposed planning process for new and existing participants aged 7 to 65 (from late-2021)**



## 3. NDIS Planning Policy for Personalised Budgets and Plan Flexibility

The new NDIS Planning Policy for Personalised Budgets and Plan Flexibility will deliver a more consistent planning experience and fairer funding for all participants. The results of independent assessments will be used to inform personalised budgets, which provide increased flexibility to participants.

These changes will be progressively introduced following the passage of legislative amendments. Following this consultation period, a new planning Operational Guideline will be developed and published to explain the new planning process.

### 3.1 Principles

The principles of this policy are that people with disability experience a planning process which upholds the intent of the NDIS Act and associated international conventions. This includes a commitment that the new process will:

- a) provide personalised budgets which balance individual circumstances and the sustainability of the NDIS
- b) recognise participants as experts in their own lives and maximises flexibility and participant control over their personalised plan budget
- c) maximise the opportunities for community participation with support from mainstream and community services, and/or funded supports
- d) recognise the participant's autonomy and independence in decision making processes that affect them, and support them to make decisions for themselves
- e) maximise the participant's opportunities for informed decision-making based on the best available evidence about supports and recognises the dignity of risk
- f) be as accessible as possible, holistic and strength-based, where participants can adapt their supports to their life circumstances and environment
- g) acknowledge and respect the role of families, carers and other significant persons in the individual's life where applicable
- h) be inclusive and have safeguards to ensure the individual's respect and dignity are upheld.

## 3.2 Personalised budgets

A person with disability who is found eligible under the NDIS Act (known as a participant) will receive a personalised budget after they complete an independent assessment.

A personalised budget is a participant's final, approved budget which represents the reasonable and necessary level of funding they will receive in their NDIS plan. It is the total amount of funding included in a participant's NDIS plan, with funds allocated to flexible and fixed budget categories. The personalised budget is determined by an NDIS delegate after meeting with a participant and discussing a draft budget.

The funding provided in a personalised budget will be informed by the participant's individual circumstances, such as their age and where they live, and their functional capacity, including any relevant environmental factors, such as available informal supports. The outcomes of the participant's independent assessment will inform their personalised budget.

This means that in the future, a participant's plan will no longer be based on individual decisions about each and every support based on the current reasonable and necessary criteria of Section 34 of the NDIS Act.

The personalised budget will continue to provide funding to purchase supports and services to meet a participant's disability related support needs. NDIS funds are not income replacement. A personalised budget is not designed to cover ordinary living costs that are not directly related to the participant's disability. The personalised budget is also not designed to cover supports more appropriately funded or provided by other mainstream service systems, such as the health, education, justice and mental health systems. This is described in the [Applied Principles and Tables of Support](#). NDIS participants will be supported to ensure their plan funding is not eroded through being charged for supports better provided by other service systems. These are all current requirements of the NDIS.

The NDIS is also designed to complement, not replace, existing compensation arrangements for personal injury. This means the NDIS won't duplicate funding for the types of supports provided for in compensation payments.

NDIS funds from a personalised budget must not be used to purchase items or services that:

- are likely to cause harm to the participant or pose a risk to others; or
- are not related to the participant's disability; or
- duplicate other supports delivered under alternative funding through the NDIS; or
- relate to day-to-day living costs that are not additional living costs incurred as a direct result of the participant's disability support needs, or ancillary to another support and is a cost the participant would not otherwise incur; or
- are not most appropriately funded by the NDIS; or
- are contrary to Commonwealth, State or Territory law.

Personalised budgets will provide participants with greater choice and control over how their NDIS funds are used to implement their plan and pursue their goals.

The personalised budget will have funds allocated between flexible and fixed budget categories. We want a participant's personalised budget to be as flexible as possible within the requirements described above. Only in specific circumstances will a personalised budget include a fixed budget that specifies how a participant should spend part of their NDIS funding. We are seeking input on these circumstances, but examples may include high cost capital items such as assistive technology and home modifications, as well as Specialist Disability Accommodation.

A participant's personalised budget may vary up and down from plan to plan. It may change:

- as their circumstances change
- as they start or finish life stages
- as their capacity grows or diminishes
- after they have purchased one-off capital items like assistive technology or completed home modifications.

Participants will need to complete an independent assessment at different stages of their lives and at least every five years. This will ensure participants continue to get the right funding in their NDIS plans and that information about their functional capacity, including the impact of their environment and circumstances is kept up to date.

An independent assessment may be needed when a plan needs to be updated due to a significant change in a participant's life, functional capacity and/or their support needs.

The final decision in relation to a personalised budget will be made by the delegate appointed by the CEO under the NDIS Act. These decisions will continue to be reviewable.

### 3.3 Determining reasonable and necessary funding

The results from an independent assessment are the starting point for determining an overall level of reasonable and necessary funding. You can [read more about independent assessments on the NDIS website.](#)

The outcomes of the independent assessment are aligned to the six activity domains in section 24 and section 25 of the NDIS Act:

- self-care
- mobility
- learning
- communication
- social interaction
- self-management

Independent assessments also help identify individual circumstances, such as the level of informal supports available to the participant from family and friends. When combined with other information such as a participant's age and location (e.g. if they live in a rural or remote area), this information will be used to determine a draft budget.

This budget will reflect the expected costs of providing a reasonable and necessary package of supports for a participant with a similar level of functional capacity, support need and environmental context.

The personalised budget approach will replace the current practice of using Typical Support Packages (TSP) as a reference along with participant information gathered in planning to develop a participant budget. Unlike the TSP, the personalised budget will ensure a stronger link between a participant's level of functional capacity, including their environmental and personal context, and their level of plan funding.

The draft budget will be considered by the delegate before it is provided to a participant. The delegate will make sure no errors have been made and assess whether any specific additional supports were identified during the independent assessment, and whether additional assessments, evidence or information is required to include them in a plan.

A change to the draft budget will only be made in specific circumstances, including where:

- a participant has extensive and/or complex support needs (for example where a participant has substantial behavioural support needs, a plan is expected to be of extreme high value, or a participant requires increased temporary support in response to an emergency)
- there are additional high-cost supports required that are not accounted for in the independent assessment. These supports include Specialist Disability Accommodation, high-cost or complex assistive technology and home modifications.

Following consideration by the delegate, and combined with any additional supports as outlined above, the personalised budget will be considered the total reasonable and necessary level of funding for a participant.

After the delegate has reviewed the draft budget, a draft plan will be developed, which includes the draft budget. The draft plan with the draft budget will be shared with the participant ahead of their planning meeting.

While the independent assessment is holistic, the reasonable and necessary level of funding included in the personalised budget will not cover supports more appropriately funded or provided by other mainstream service systems, such as the health, education, justice and mental health systems. Detailed guidance, in line with the Applied Principles and Tables of Support, will be provided to prevent participants paying or being charged for services where they should not be.

## 3.4 Planning

The personalised budget, informed by the independent assessment, will mean that planning will no longer need to focus on the negotiation and agreement of each individual support. Planning will focus on how a participant can best use community and mainstream supports, combined with their NDIS funding to pursue their goals and aspirations and meet their disability-related support needs.

In line with existing processes, the planning process will be inclusive for all people with disability. To learn about how the independent assessment process will be made inclusive please see our separate paper on our new approach to [access and eligibility](#).

### 3.4.1 Pre-planning and sharing of information

Participants will be able to view and take time to consider their draft plan before their planning meeting.

A draft budget will be provided as part of the draft plan. While plans will be up to 5 years long, the draft budget will be described in the draft plan as a 12 month amount.

Additional supports for things like Specialist Disability Accommodation or home modifications may be described separately to the draft budget without allocated funding. This will allow the participant to understand what is included and what still needs to be added. It will also allow a participant to understand what additional assessments, evidence or information is required prior to these additional supports being included in their plan.

Information provided to the participant with the draft plan and their independent assessment results will clearly explain:

- the status of the plan (for example the budget is not approved for use until the planning meeting has been completed and the plan has been approved by the delegate)
- which supports, if any, have not been included in the draft budget or may be included in the planning meeting (for example Specialist Disability Accommodation)
- why the budget has been shared ahead of the planning meeting
- the next steps to approve the participant's plan including the budget.

Sharing the draft plan with the participant ahead of their planning meeting means the participant can start thinking about the supports that will best meet their disability-related support needs and help pursue their goals.

It also gives participants greater choice over who supports them through the planning process. For example, the participant may wish to review their draft plan with someone who has expertise and a deep understanding of their disability, or who shares their social and cultural background, or they may choose to do it themselves.

The participant and their NDIA planner and/or Local Area Coordinator can attend the planning meeting with a shared understanding of the person's functional capacity, strengths and the draft budget to plan within.

### ***Planning case study: Stevie, 25 years old, New South Wales***

*Stevie is 25 years old and lives in Sydney. She has cerebral palsy and a moderate hearing impairment. Stevie has been a NDIS participant for a number of years.*

*Stevie lives with her parents and brother who assist her with many things she does every day. Stevie also uses technology including lights, fans, music, computer and social media, which she occasionally requires some assistance with. Stevie has paid support on a regular basis for personal care and going to things she likes to do in her community, like her photography class.*

*Stevie has just joined a new community group, grown in confidence and is now ready to pursue her goal of getting a job. Because her life is changing and to inform her new plan, Stevie had an independent assessment with an organisation appointed by the NDIA to provide independent assessments in her area.*

*After her independent assessment, the NDIA provided Stevie with her draft plan and budget, including a summary of her independent assessment results.*

*The draft plan highlights that Stevie may also require a powered wheelchair to support her independence and that funding for this item has not been included in the draft budget. Together with her mum, Sue, Stevie has reviewed her draft plan and thought about what she would like to do with the funding for her disability support needs. Stevie wants to continue with her photography and hanging out with her friends. She wants to get a job and one day a place of her own.*

*Stevie and Sue go to the planning meeting and talk about the things Stevie wants to do with the funding in her draft budget. During the meeting, Stevie's planner and Local Area Coordinator also talk about other activities or services Stevie might like to think about joining so she can improve her confidence and photography skills and make some more friends.*

*As part of the planning meeting the next steps for providing a quote for the powered wheelchair and how this will be added to Stevie's plan are discussed and agreed. They agree that the funding for Stevie's powered wheelchair will be included in the fixed component of Stevie's budget.*

*Stevie and her mum confirm that none of Stevie's remaining budget needs to be fixed and she will have flexible use of this part of her budget to pursue her goals. Sue also confirms that they would like to continue with their existing self-managed arrangements and would like Stevie's funding to be released monthly to assist them with budgeting.*

### ***Planning case study: Stevie, 25 years old, New South Wales continued...***

*The planner and Local Area Coordinator let Stevie and Sue know that there is more information available from the NDIS to help them make decisions in implementing Stevie's plan if they need it. This includes a participant decision guide about how Stevie might get and keep a job.*

*Stevie and Sue know there will be some change over the next little while, so they agree that the first check in will occur in three months and then they will decide how often the NDIS will check in with Stevie to see how her plan is going.*

*Stevie's plan is approved (with her personalised budget) shortly after the meeting and Stevie continues with many of her existing supports while she starts looking for a job.*

#### **3.4.2 Planning meeting**

The planning meeting will be held after an independent assessment and once the participant has their draft plan, including a draft budget. At the planning meeting the participant and their planner will confirm:

- the participant's statement, including any goals and aspirations they wish to pursue
- the general supports that will be provided to the participant to assist them in implementing their plan and connecting with other services in their community
- the budget and reasonable and necessary level of funding, including any specifically identified supports and why funds for this support/s were fixed
- how the participant will manage their plan and funding (Agency managed, plan managed or self-managed)
- when, or the circumstance in which, the plan will be re-assessed (when a new independent assessment will be required to ensure the level of funding remains reasonable and necessary)
- an agreed check in frequency, including how and why the participant and/or the NDIA may initiate a check in at other times.

A participant can choose to bring a trusted person with them to the planning meeting. There is no change to this as a result of this policy.

The delegate will approve a participant's plan and the personalised budget during, or shortly after, the planning meeting. This includes the allocation of funds into the fixed and flexible budgets.

While funding for certain fixed items may be added by the delegate during the planning meeting, planning will not primarily focus on the budget. Rather, the reasonable and necessary level of funding provided before the meeting will allow planning to focus on the participant's goals and how their personalised budget is used to pursue them. This includes the allocation of fixed and flexible funds, as well as what the best available information and evidence says will lead to the best outcomes.

### 3.4.3 Participant goals

A participant's goals and aspirations will remain an important part of a participant's plan. A participant's goals and aspirations are to be considered in accordance with the requirements of the NDIS Act.

The NDIS Act does not provide that a participant's goal or aspirations determine their reasonable and necessary supports, or that a particular support must be linked to particular goals in the plan, or vice versa.

The link between goals and the plan budget is that a participant will use their personalised budget to pursue their goals, and meet their disability-related support needs. The planning meeting will focus on how NDIS funds can be used alongside informal, community and mainstream supports to get the best outcomes.

As part of the planning process, goals will still be determined by the participant and captured in their own words. Participants will be able to change their goals at any time, either on the participant portal or by speaking to their NDIS contact. Participants will be supported to exercise choice and control over how they use their personalised budget to pursue their goals.

We can support participants to develop clear, realistic and attainable goals, in their own words, if they request this assistance.

### 3.4.4 Additional information

The suite of assessment tools used in the independent assessment will enable us to make fair plan budget decisions for the majority of people. There may be times when it will be necessary for delegates to request specialised reports and assessments, ask more questions, or source extra information.

Additional information provided by the participant, such as reports prepared by their current providers, can be used during planning to:

- inform discussion about how a participant wishes to use their plan budget
- help identify which mix of supports is most effective for meeting the participant's disability-related support needs and pursuing their goals
- add funds to a plan for certain supports for which an independent assessment is not required, such as assistive technology or home modifications

- consider the fixed budget. For example, funds can be moved from the flexible budget to the fixed budget to set aside funding for particular kinds of supports if the participant requests.

Clinical information and reports from the participant's treating health professionals can provide an understanding of the supports or interventions that have and haven't worked in the past, as well as any barriers and proposed supports for the future.

Independent assessments provide a holistic view of functional capacity at a point in time, and do not replace the clinical relationship and expertise that are important for achieving outcomes and supporting a participant throughout their life.

We require information on functional capacity to be consistently gathered, through the independent assessment, to inform planning decisions. Our [Independent Assessment Framework](#) sets out the information required, and the assessment tools selected to provide this information in a consistent and holistic way aligned with the NDIS Act. You can read more about this in the [Selection of Assessment Tools paper](#).

Information provided using other functional capacity assessment tools or reports can be used to support the planning discussion, but will not be required. This means that the participant does not have to spend time and money gathering additional information on functional capacity.

### 3.5 Flexible and fixed budgets

The structure of a personalised budget clearly sets out how a participant can use their funds.

- The **flexible budget** includes funds for all supports not specifically identified. Participants are able to flexibly use these funds for any different type of disability-related supports.
- Where required, a **fixed budget** will include funds for supports that have been specifically identified. It identifies funding for a particular use so it can't be used for any other purpose. The reason for including funds in the fixed budget will align to the NDIS Act, Rules and Operational Guidelines and be clearly explained to the participant.

NDIS funds will be flexible, except in specific circumstances. Participants will be able to use their flexible budget for the duration of their plan in ways that allow them to meet their disability-related support needs and pursue their goals.

Funds in the flexible budget will not be allocated to a particular category, like core or capacity building. Participants will be able to choose which disability-related supports they purchase, and can change the mix of supports whenever they wish. For example, if an opportunity comes up to attend a capacity building program, or undertake an activity on the weekend (which means hiring a support worker when they wouldn't usually at that time) a participant can 'swap' around their usual supports.

We will provide guidance to help participants use their plan and support participant decision making. This includes the proportion of flexible funds they might consider using for particular categories of support.

Additional supports may be identified for a specific purpose in a participant's fixed budget if:

- a participant chooses to have a particular support that will help them manage their budget or supports specified in their fixed budget (for example, a participant may choose to fix a portion of their budget for employment or home and living supports)
- a specialist, evidence-informed support is required to be provided by a particular person
- the NDIA has directly funded services to support participants to access services in circumstances where this is needed (this may include in areas where there is a thin disability services market or limited specialist services)
- the NDIA has entered into an agreement to deliver support that is most efficiently and effectively provided to the participant by a particular provider.

Additional supports identified by the delegate following the independent assessment as outlined in section 3.3 above will always be fixed. For example, Specialist Disability Accommodation, high cost assistive technology and home modifications.

Not all specifically identified supports are limited to just the fixed budget. This means the participant can spend further flexible funds on that type of support. For example, if a particular service, such as provider travel, was specified by the delegate, or if a participant chose to put some funds aside for their therapy, they can 'top up' these supports using the flexible budget. If there are urgent repairs needed to a higher cost assistive technology item, this can be paid for from the flexible budget.

In the planning meeting the delegate will clearly explain how the participant can flexibly use their plan within the boundaries of the NDIS.

Further guidance about specifying particular supports in a fixed budget will be provided in Operational Guidelines. For example, this may include:

- For some specified support models, such as employment support, funding may be placed in the fixed budget, and providers cannot draw on additional flexible funds for this support model.
- Certain disability related health supports must be described separately, where these manage life threatening risks.
- Some funds may be fixed for provider travel for early intervention supports for children so that services are delivered in natural settings such as the home (encouraging delivery in line with best practice).
- Home and living exploration and design support may be specified to assist the participant to achieve their long-term housing goal.
- Extensive behaviour supports may be specified which involve the use of reportable restrictive practices.

## 3.6 Plan implementation

Participants, their families and carers are best placed to make decisions about the kinds of supports they need to pursue their goals. Information and guidance available during and after the planning meeting will ensure participants understand how their flexible and fixed budgets can be used.

Over time, we will publish participant decision guides and accessible information on best practice evidence. This will help participants and their families make more informed decisions when choosing high-quality and innovative services to help them achieve their goals.

Participants will receive relevant prompts through the participant portal and participant app (in development) to support them to implement and use their plan.

### 3.6.1 Release of funds

While plans will be up to 5 years long, funds will be allocated into the plan for participants to purchase supports on a scheduled basis. Funds will be released in monthly or quarterly intervals. This is a decision a delegate makes during or after the planning meeting and once options have been discussed with the participant.

Payments will continue to be made in accordance with the NDIA payment platforms. The NDIS Price Guide will apply in the same way it applies to existing plan management arrangements. For example, for any Agency managed funds in their plan, participants will be required to use registered providers and pay for services in line with the NDIS Price Guide.

If additional funds are required in the first month of a plan, or a participant wants to make a bulk purchase, a higher initial allocation may be arranged and then be offset by smaller monthly allocations. The monthly release won't apply for certain supports with funds allocated into the fixed budget, such as assistive technology or home modifications, where funds for the whole support will be released into the plan.

Funds can't be over-drawn above the funding level released into a plan at each interval.

Where funds are not used, the unspent funds will rollover into the next month or quarter. Participants will be able to rollover unspent funds up to a certain threshold of their annual funding amount. Unspent funds can continue to roll over from one period to the next for up to 12 months.

The ability to roll over unspent funds will mean participants can save additional funds for future planned expenses such as additional support required for an event, or when informal supports are not available. This provides participants with choice and control to live an ordinary life and creates an incentive to seek value for money.

Determining how often funds are released (for example monthly or quarterly) is a delegate's decision. The delegate will consider any risk factors and participant preference for using their plan and managing their personalised budget. Risk factors, such as bankruptcy status, may stop the use of longer release durations. The reason for the delegate's decision will be clearly explained to the participant. Options for the release of funds may initially be limited by what is possible within technology systems, but are expected to grow over time.

Participants will be able to choose to amend the interval release of funds in circumstances where no risks have been identified (for example, from monthly to quarterly). They will also be able to request to amend the interval of fund release using the participant portal.

Any unspent funds will not carry over to a new personalised budget after a new independent assessment. This is because the new level of funding resulting from the new independent assessment will be the reasonable and necessary budget in accordance with the NDIS Act that will account for all support requirements going forward.

### 3.6.2 Check-ins

Check-ins provide an ongoing way to support participants and ensure they are happy with their plan and are able to implement it as intended.

Check-ins will occur at regular intervals. The frequency of check-ins will be discussed at the participant's planning meeting and be decided by the delegate. The delegate will base their decision on any risks or vulnerabilities identified and the participant's preference.

A participant may initiate a check in. We may also identify that a check-in is required sooner (for example, if no or very little funding has been used).

Check-ins may be needed if a number of events or circumstances happen, including:

- participant contact through the participant portal, their planner or Local Area Coordinator, the National Contact Centre, and in future, mobile app
- milestones and significant things that happen in life, like leaving school, moving house or starting a new relationship
- a change in circumstances like living arrangements, informal support arrangements or a compensation claim outcome
- participants who are identified as being at risk or vulnerable, (for example, if a participant has profound/severe disability, a critical incident history, is living alone or working with only one support provider)
- under or unusual spending of funds are identified.

Participants are able to book and re-book the time for their check-in, but not cancel it. The check-in must occur within a reasonable period of the original date. The timing of the next check-in will be agreed at each check-in.

Outcomes from a check-in may include:

- no change to the ongoing plan
- a plan variation
- a referral to an independent assessment to inform a plan reassessment.

If a participant requests additional funds, the first consideration in a check-in will be whether the identified need might be able to be managed by using the existing plan flexibly. This will minimise unnecessary independent assessments.

An emergency situation may require an ongoing change to the reasonable and necessary level of funding. When a participant requires temporary or immediate supports to assist with their disability in response to an emergency the delegate can add funds to a plan without an independent assessment.

## 3.7 Making changes to your plan

### 3.7.1 Plan variations

Plan variations will sometimes be made to an ongoing plan, without the need for a new independent assessment. Variations will include:

- adding funds to a plan for certain supports for which an independent assessment is not required, such as in response to receipt of a specialist assessment for assistive technology or home modifications
- moving funds from the flexible to the fixed budget, for example to keep funds for a specifically identified support, such as housing exploration
- moving funds from the fixed to flexible budget, when a specified support is no longer required noting:
  - funds can be returned to the flexible budget where funds were moved from the flexible budget to 'fix' this support in the first place
  - funds cannot be moved to the flexible budget where a fixed support is no longer required, for example the support was for Specialist Disability Accommodation, or custom assistive technology or home modifications.
- changing the plan management arrangement (Agency managed, plan managed or self-managed funds)
- changing the interval for the release of funds, such as from monthly to quarterly
- changing the frequency of check-ins
- making a change from a review, which does not impact the total budget value
- updating goals or aspirations when determined by the participant
- fixing any errors in the plan (for which no delegation is required).

Specialist reports and assessments will be required when a plan variation is being undertaken to add funds for certain supports for which an independent assessment is not required, such as high cost assistive technology or home modifications.

Where the total reasonable and necessary level of funding may no longer be sufficient to meet a participant's support needs a plan reassessment including a new independent assessment will be required.

### 3.7.2 Plan reassessment

The outcome of the independent assessment will help to inform the delegate's decision about the reasonable and necessary level of funding in a participant's plan.

An updated independent assessment helps ensure the reasonable and necessary level of funding continues to meet the participant's disability-related support needs. This includes where there is a significant change in the participant's circumstances or functional capacity, such as:

- approaching a new life stage like starting school, entering the workforce or moving out of home
- a reduction in functional capacity related to a degenerative condition.

We may require an updated independent assessment after:

- a check-in where a significant change in circumstances or functional capacity is identified
- consideration of a participant's request to review a plan where a significant change in circumstances or functional capacity has been identified
- at the date or circumstance described in the participant's plan.

The time between independent assessments should be appropriate to the individual's circumstances. If a participant's disability and life circumstances are stable, a longer time between independent assessments will be appropriate. Under this policy, the maximum time between independent assessments will be 5 years and the minimum will be 3 months.

If there has been no change in functional capacity an independent assessment would generally not result in a change to the participant's personalised budget. If there has been a change in functional capacity an independent assessment will inform any budget change that may result.

Where an independent assessment shows improvement in functional capacity, this may lead to a reduction in the level of funding consistent with the NDIS insurance principles. This may be particularly relevant for participants who entered the NDIS under the early intervention requirements, where receipt of early intervention supports are intended to increase functional capacity over time. This can also support a conversation that celebrates milestones towards more independence and participation in social and economic life being achieved.

Where an independent assessment indicates a significant improvement in functional capacity, a participant may be referred for an eligibility reassessment, consistent with the current provisions of the Act. The eligibility reassessment will use the information obtained in the independent assessment. More information on the eligibility reassessment process is included in the [access and eligibility policy consultation paper](#).

### 3.8 Starting the new planning process

Over time, existing participants will be supported to move from their current plan to a new plan with a personalised budget and increased plan flexibility. This will occur after an independent assessment.

It is likely to take a number of years for all existing participants to start the new planning process, from the time the policy takes effect. A participant's existing plan will remain in effect until they complete an independent assessment.

Changes from plan to plan are an ordinary part of the NDIS. For some participants, for example where there was limited information available on their functional capacity, the outcomes of an independent assessment may suggest a significant change to the level of funding available in their current plan. In these circumstances, arrangements will be made to avoid a sudden and significant change. The participant will be supported to move to their new level of funding more gradually, to reach the reasonable and necessary level of funding informed by the outcomes of an independent assessment over a reasonable period of time. .

### 3.9 Exemptions from independent assessments

Please refer to section 3.8 of the [access and eligibility policy consultation paper](#) for information on how a person may be exempted from undertaking an independent assessment.

Where a person is granted an exemption, they will still be required to provide other information and evidence that demonstrates their level of substantially reduced functional capacity. This information and evidence will need to be consistent with our assessment framework, in order for the delegate to determine the total reasonable and necessary level of funding.

Consistent with the NDIS Act, where a participant refuses to attend an independent assessment and none of the exemptions apply, the delegate may:

- request another person provide information that is reasonably necessary for the purposes of reviewing the participant's plan and the reasonable and necessary level of funding, or
- not make a decision to determine a new plan until such time that an independent assessment is undertaken.

### 3.10 Appeal rights and complaints

Planning decisions, including decisions about what is a reasonable and necessary level of funding, will continue to be reviewable decisions. We will not be changing the review process. Participants can request an internal review, and if dissatisfied with the outcome of that, appeal the internal review decision at the Administrative Appeals Tribunal (AAT). A delegate's decision to approve a plan is reviewable under section 100 of the NDIS Act and, in turn, by the AAT.

Independent assessment results will not be directly reviewable by the AAT. This is because independent assessments are not decisions the delegate makes under the NDIS Act. Rather, the delegate will require a participant to complete an independent assessment for the purposes of informing a personalised budget and making a planning decision under the NDIS Act. The planning decision in response to the independent assessment will continue to be reviewable.

Disagreeing with the results of an otherwise sound and robust independent assessment will not be sufficient for the NDIA to fund another assessment. Participants will be able to request a second assessment where the assessment was not consistent with the independent assessment framework, or if there has been a significant change to their functional capacity or circumstances. In the instance where a new assessment is provided, the initial assessment and outcomes are to be considered invalid for all further decision making processes.

We are developing a quality assurance framework for the delivery of independent assessments. This will ensure assessors meet the standards under relevant professional and regulatory frameworks.

Independent assessor organisations will also be:

- subject to the NDIS Code of Conduct
- required to meet the engagement principles and service standards set out in the Participant Service Guarantee.

We will establish a robust monitoring framework to ensure the way independent assessments are delivered is consistent and reliable, including across different parts of the country and by different assessor organisations.

A complaints process will be available for applicants who are dissatisfied with an independent assessment, their assessor, or the assessor organisation.

## 4. Consultation questions

We are working to finalise the design of the planning policy for personalised budgets and plan flexibility. We're committed to working with people with disability, their families and carers, and the disability community and other stakeholders to get these changes right.

We value your feedback on the following questions. You can respond to all of them or just a few. We welcome any feedback on the policy as it is outlined in this paper.

1. How should a participant's plan be set out so it's easier to understand? How can we make it easy for participants to understand how their funding can be spent?
2. How can we support participants to prepare for a planning meeting? What might be needed to support participant decision-making?
3. Which supports should always be in the fixed budget? What principles should apply in determining when supports should be included in the fixed budget?
4. How can we assure participants that their plan budgets are at the right level? (e.g. panels of the Independent Advisory Council that meet every six-months to review learnings and suggest improvements)
5. What new tools and resources should we provide to support people using their plan and new plan flexibilities?
6. What do we need to consider for children aged 7 and above in the new planning process?
7. What ideas do you have for how people can use their plan more innovatively?
8. How best to handle the timing of the release of funds into plans and rollover of unused funds?
9. How should check-ins be undertaken? Under what circumstances is a check-in needed? Who should be involved in a check-in?
10. How often should we check-in with participants in different circumstances?
11. How can the NDIS ensure positive relationships between participants and planners?
12. How can we best support participants to transition to this new planning model?

## 5. Glossary

### Definitions

<b>Check-in</b>	<p>Two-way communication between the NDIA and a participant, providing a direct way to:</p> <ul style="list-style-type: none"><li>• monitor their wellbeing</li><li>• identify any changes in their circumstances</li><li>• discuss progress</li><li>• celebrate when outcomes are achieved, and</li><li>• ensure their plan continues to meet their needs.</li></ul> <p>A check in may result in one or more of the following:</p> <ul style="list-style-type: none"><li>• no change to the plan budget;</li><li>• a general support referral to a Partner in the Community;</li><li>• a plan variation (including an update to the participant statement of goals and aspirations at the request of the participant);</li><li>• referral for an IA to inform a plan reassessment;</li><li>• creation of a work item for management by another team within the NDIA (such as a request for Specialist Disability Accommodation).</li></ul>
<b>Delegate</b>	<p>An NDIA staff member with delegated authority from the NDIA CEO to make decisions under the NDIS Act.</p>
<b>Environmental Factors</b>	<p>Environmental factors ‘make up the physical, social and attitudinal environment in which people live and conduct their lives’ (Independent Assessment Framework, August 2020).</p> <p>The Framework recognises that a person’s functional capacity is influenced by a dynamic and complex relationship between multiple factors including those in the physical environmental that they live in. Any assessment of functional capacity must consider those factors and their impact.</p>
<b>Functional capacity</b>	<p>‘Functional capacity refers to an individual’s ability to be involved in life situations and to execute tasks or actions, with and without assistance (assistive devices and/or personal assistance). Information regarding impairment(s) and environmental factors, and how they impact the individual’s function is included when assessing functional capacity.’ (Independent Assessment Framework, August 2020)</p>
<b>Interval release of funding</b>	<p>The time-based allocation of NDIS amounts to a participant’s available plan budget for support expenditure.</p>

## Definitions

<b>Ongoing plan</b>	When a participant's plan does not "end" or "cease" but continues until it is replaced by a new plan after a plan reassessment, or if the participant ceases to be a participant of the NDIS.
<b>Participant</b>	A person who meets the NDIS access requirements.
<b>Personalised budget</b>	A participant's final, approved budget which represents the reasonable and necessary level of funding they will receive in their personalised plan. This includes funding for any support exceptions and, where applicable, will have funds allocated between flexible and fixed budget categories. The personalised budget is determined by the delegate after meeting with a participant and discussing the draft budget.
<b>Plan reassessment</b>	A holistic review of a participant's plan, including their personalised plan budget after the NDIA receives a new independent assessment.
<b>Plan variation</b>	A minor adjustment (or amendment) to an approved plan to change one or more of the plan decisions without the needing an independent assessment.
<b>Provider</b>	Someone who has products or services to help participants achieve the goals in their plan.
<b>Support for decision making</b>	Refers to the tools, frameworks and other mechanisms that help a participant directly to make a decision.
<b>Supported decision making</b>	Refers to additional people (such as nominees and guardians) who help a participant make a decision.