

# **BILATERAL AGREEMENT BETWEEN THE COMMONWEALTH AND VICTORIA**

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Transition to a National Disability Insurance  
Scheme

## Part 1 — Preliminaries

1. The Commonwealth of Australia (the Commonwealth) and the State of Victoria (Victoria) are committed to the implementation of a National Disability Insurance Scheme (NDIS) in Victoria.
2. This Agreement covers the roles and responsibilities for the transition to full coverage of an NDIS in Victoria, building on the lessons learned in trials conducted in New South Wales, Victoria, Western Australia, South Australia, Tasmania, the Australian Capital Territory and the Northern Territory.
3. The Parties agree to continue work through the Council of Australian Governments (COAG) Disability Reform Council, or equivalent multilateral forum, to refine and further develop the NDIS over time.

### Definitions

4. The following definitions are applicable throughout this Agreement and all schedules to the Agreement.

Transition	The time period from 1 July 2016 to 30 June 2019.
Full scheme	The time period from 1 July 2019 onwards.
Barwon clients	The initial 5,102 clients in the Barwon trial.
Budget Neutral Adjustment	The net funding adjustment reflecting the transfer of responsibilities as at 1 July 2016 in accordance with the Bilateral Agreement between the Commonwealth and Victoria on Transitioning Responsibilities for Aged Care and Disability Services in Victoria.
Disability Supported Accommodation and Individual Support Packages clients	<p>Any participant currently receiving any or a combination of the following state funded services (other than Barwon clients):</p> <ol style="list-style-type: none"><li>a. Supported Accommodation;</li><li>b. Residential Institution; and</li><li>c. Individual Support Packages (ISPs).</li></ol>
Other Victoria existing clients	<p>Any other eligible participant receiving a state funded service who:</p> <ol style="list-style-type: none"><li>a. is currently on the Victorian Disability Support Register or the Early Childhood Intervention Services waitlist; or</li><li>b. is currently accessing Early Childhood Intervention Services, School Attendant Care, and Disability Student Transport; or</li><li>c. has accessed other disability services funded by Victoria in the previous 12 months; or</li><li>d. has accessed in the previous 12 months Mental Health Community Support or Home and Community Care (HACC) services.</li></ol>
Residential Aged Care clients	NDIS eligible people in aged care facilities who have been funded by the Commonwealth in the 12 months prior to transition.

New and other  
Commonwealth participants

All other eligible participants except for Barwon clients,  
Disability Supported Accommodation and ISPs clients,  
Other existing clients and Residential Aged Care clients.

## **Part 2 — Parties and Operation of Agreement**

### **Parties to this Agreement**

5. This Agreement is between the Commonwealth and Victoria.

### **Commencement and duration of the Agreement**

6. The Agreement will commence as soon as the Parties have signed the Agreement.

7. This Agreement will cover transition during which all existing clients of Victorian specialist disability services are moving into the NDIS and other transitional arrangements are being implemented.

8. The Agreement will expire on 30 June 2019, or until replaced by an ongoing agreement for the NDIS in full scheme before 30 June 2019.

9. *The Intergovernmental Agreement for the NDIS Launch (IGA)* and its associated appendices and Memorandum of Understanding, will continue to apply to the Local Government Areas of City of Greater Geelong, the Colac-Otway Shire, the Surf Coast Shire and the Borough of Queenscliffe until 30 June 2016.

### **Interoperability**

10. This Agreement is to be considered in conjunction with:

- a. *The National Disability Insurance Scheme Act 2013* (the NDIS Act 2013);
- b. *The Heads of Agreement between the Commonwealth and Victorian Governments on the National Disability Insurance Scheme*; and
- c. *The Bilateral Agreement between the Commonwealth and Victorian Governments on the Transfer of Responsibilities for Aged Care and Disability Services*; and
- d. *The National Partnership Agreement on the DisabilityCare Australia Fund*.

11. The terms of the *Heads of Agreement between the Commonwealth and Victorian Governments on the National Disability Insurance Scheme* override the terms of this agreement and schedules to the extent of any inconsistencies unless otherwise specified.

12. This Agreement is also to be considered in conjunction with the following Victorian legislation:

- a. *The Disability Act 2006*;
- b. *The Guardianship and Administration Act 1986*;
- c. *The Mental Health Act 2014*;
- d. *The Charter of Human Rights and Responsibilities Act 2006*;

- e. *Information Privacy Act 2000*;
  - f. *Privacy and Data Protection Act 2014*;
  - g. *Health Records Act 2001*;
  - h. *Children and Young Persons Act 2005*; and
  - i. *Education and Training Reform Act 2006*.
13. This Agreement is separate to the Operational Plan that sets out implementation arrangements in Victoria as agreed by the Secretary of the Commonwealth Department of Social Services and the Secretary of the Victorian Department of Health and Human Services and the CEO of the National Disability Insurance Agency (NDIA).
14. The Victorian Operational Plan will be developed as soon as possible following the finalisation of this Agreement and will be reviewed and updated throughout the period of the Agreement.
15. Schedules to this Agreement will include, but not be limited to:
- a. Participant Transition Arrangements;
  - b. Financial Contributions for Transition;
  - c. Cross Billing and Budget Neutrality Arrangements;
  - d. Continuity of Support Arrangements;
  - e. Sector and System Readiness;
  - f. Quality and Safeguards
  - g. Performance Reporting;
  - h. Workforce;
  - i. Mainstream Interfaces; and
  - j. Supports for Specialist Disability Housing.
16. Nothing in this Agreement affects arrangements under the National Disability Agreement unless otherwise specified.
17. Arrangements for implementation of a National Injury Insurance Scheme are outlined in the *Heads of Agreement between the Commonwealth and Victorian Governments on the National Disability Insurance Scheme*.

## **Part 3 — Role and Purpose of the Agreement**

18. This Agreement builds on the NDIS trial in Victoria. It outlines how the NDIS is expected to expand over the period from July 2016 to July 2019.
19. The Agreement details the arrangements for transition to the NDIS in Victoria.

## Part 4 – Roles and Responsibilities

### Shared Roles and Responsibilities of the Parties

20. In addition to its roles and responsibilities outlined in existing frameworks outlined in clause 10, and consistent with the detail agreed in the Operational Plan, during the life of this Agreement, the Parties will, to the best of their endeavours:

- a. work together to minimise risks to the other party and assist the other party to manage unexpected risks through developing jointly agreed response strategies as issues arise, in accordance with the *Heads of Agreement between the Commonwealth and Victorian Governments on the National Disability Insurance Scheme*;
- b. continue to work collaboratively, consulting with the NDIA, on ongoing refinement of the policy settings of the NDIS and settle operational matters as needed;
- c. engage with people with disability, their families and carers to provide input into ongoing refinements of the policy settings of the NDIS;
- d. report on progress, results and outcomes to inform ongoing refinement of the policy settings of the NDIS, including through input to and consideration of the NDIS evaluation, and by identifying where arrangements are having unintended impacts;
- e. share information to assist with policy development and scheme administration, subject to privacy requirements;
- f. prepare for the phasing of clients into the NDIS by providing the NDIA with access to available data on potential participants;
- g. prepare Commonwealth and Victorian programmes that are in scope for the NDIS for transition into the NDIS by aligning the service offers with the COAG Principles to Determine the Responsibilities of the NDIS and Other Service Systems;
- h. facilitate local implementation of the NDIS by preparing existing providers and clients to transition into the scheme, consistent with the phasing agreed at Schedule A and the Operational Plan agreed between the Parties and the NDIA;
- i. facilitate the implementation of the NDIS by maintaining support for people with disability prior to the full roll-out of the NDIS in their area;
- j. support the NDIA to deliver Information, Linkages, and Capacity Building by coordinating and promoting links between the NDIS and mainstream services and non-government and community based support; and
- k. provide continuity of support for existing clients of disability services in accordance with Schedule D.

## **Part 5 — National Disability Insurance Scheme — Transition to a Full Scheme**

### **Aims of the Transition**

21. In addition to the objects and principles outlined in the NDIS Act 2013, the Victorian transition will have the following further specific aims:

- a. build upon the evidence from trial sites;
- b. ensure the transition is implemented in a way that does not inflate the cost of the full scheme;
- c. develop an environment where people with disability can exercise choice and control over the supports they choose by supporting a and innovative workforce and market to grow and better meet the needs of its client base;
- d. ensure that carers and the families of people with disability are active partners with the scheme, and are fully involved in decisions that affect them; and
- e. ensure that people with disability are not disadvantaged by the transition to the full roll out of the NDIS.

### **Participant Phasing**

22. The Parties agree to priorities for transitioning people from the existing Victorian and Commonwealth specialist disability systems to the NDIS in accordance with Schedule A.

23. Detailed implementation phasing arrangements will be contained in the Victorian Operational Plan to be finalised as soon as possible following finalisation of this Agreement.

24. Detailed phasing arrangements will be outlined in a legislative rule under the NDIS Act 2013.

### **Portability of Supports**

25. Governments agree that once the NDIS is fully implemented as a national scheme, NDIS supports will be fully portable across Australia.

26. During the transition, portability will apply in all sites transitioning to the NDIS consistent with existing qualifying and ongoing residence requirements in the *National Disability Insurance Scheme (Becoming a Participant) Rules 2013*. This rule will be amended to ensure qualifying and ongoing residence requirements reflect transitioning sites and cohorts.

### **Continuity of Support**

27. Arrangements for Continuity of Support are outlined in Schedule D.

### **Sector and System Readiness**

28. Key elements for readiness of the disability services market, including providers, broader sector, workforce and participants, and existing systems for transition are outlined in Schedule E. The Operational Plan agreed between the Parties and the

NDIA will detail implementation arrangements including arrangements to support readiness of the disability services market, including providers, broader sector, workforce and participants.

### **Workforce**

29. Arrangements for the first offer of employment to the NDIA for materially affected Victorian Government staff who are appropriately skilled are outlined in Schedule H.

### **Quality and Safeguards**

30. The Commonwealth and jurisdictions are working together with the NDIA on the agreed design of a nationally consistent quality and safeguarding system to be agreed by the Disability Reform Council by early 2016.
31. Existing State, Territory and Commonwealth quality assurance arrangements will apply until an approach, including agreed roles and responsibilities and any associated impact on funding contributions to the NDIS, is implemented.
32. Arrangements for quality and safeguards, during transition in Victoria are outlined in Schedule F.
33. These arrangements will be reviewed by June 2016 to ensure they reflect the outcomes of Minister's decisions.

### **Consultation**

34. The Parties, in conjunction with the NDIA, will jointly use existing consultative forums involving people with disability, families, carers and sector and community representatives to advise on refinements to, and further development of, the NDIS over time.

### **Collection and Management of Data**

35. The Parties agree that during the transition period qualitative and quantitative data and information on any issues relevant to the roll-out of the NDIS, taken together with the outcomes from other jurisdictions, will be shared with all governments to facilitate national data collection and consolidation that will contribute to the analysis of costs, liabilities, service interventions, service delivery models and implementation strategies.
36. The data management approach, including data collection, storage and transfer, will be consistent with the information protocols to be developed between the Parties and the NDIA by December 2015.
37. The Parties agree to share client and provider information and data during the transition to manage continuity of support, financial accountability and effective interactions with supports and services outside the NDIS, subject to privacy and other requirements.

### **Performance and Financial Reporting**

38. The Parties agree to the Performance Reporting arrangements at Schedule G.
39. The NDIA will provide to a nominated official a download from the database (de-identified as appropriate) of participant data at client unit record and aggregate level.

40. The NDIA will provide access to a nominated number of officials in Victoria, with the capacity for this access to be delegated to additional officials for a defined purpose or period of time, to the case management and financial management systems in real time on a read only basis. The officials will need to abide by the NDIA's confidentiality and privacy requirements.
41. Any reporting additional to that set out in the NDIS Act 2013 and this part of this Agreement may be negotiated with the NDIA on a fee-for-service basis and cost neutral changes to reporting may be agreed between the NDIA and the Parties at any time.
42. The NDIA will be required to provide state-specific reports on Commonwealth and Victorian funding, covering funding, expenditure and in-kind services provided to participants, at the end of every financial year.
43. The NDIA will provide receipts for funding contributed by Victoria and report on the use of Commonwealth and Victorian services on a monthly reporting schedule.

### **Evaluation and Review**

44. The Parties agree to provide input into the NDIS evaluation and jointly monitor its progress, results and outcomes to inform arrangements for full scheme.

### **Management of Risk**

45. Consistent with clauses 28 – 33 of the *Heads of Agreement between the Commonwealth and Victorian Governments on the NDIS*, the Parties agree that the management of risk and unexpected costs to either Victoria and/or the Commonwealth is a vital part of ensuring that the NDIS is sustainable.
46. The Parties agree that Victoria and the Commonwealth will continually monitor and review risks including, but not limited to:
- a. market, sector and system readiness to transition to the NDIS in accordance with Schedule E;
  - b. the implementation of the principles agreed by COAG in April 2013 (Schedule I) which determine the responsibilities of the NDIS and other service systems, particularly in terms of any gaps in services that may occur for individuals; and
  - c. cash flow pressures on the Commonwealth, Victoria and the NDIA during the transition to full scheme.
47. If financial or other risks, including those outlined between clauses 45 and 46 emerge at any time for either party, the party with primary responsibility for the risk will work with other parties including the NDIA to develop agreed mitigation proposals. Response strategies could include:
- a. actions to improve provider and participant readiness, including targeted investment from the Sector Development Fund and initiatives that can be taken within existing programmes run by Victoria and/or the Commonwealth; and/or
  - b. changes to the participant phasing arrangements outlined in Schedule A, but other strategies will be fully pursued prior to considering this option. Should the agreed strategies include changes to participant phasing, the Parties will jointly assess the need to adjust financial contributions outlined at Schedule B.
48. The Parties agree to use the escalation process outlined in clauses 55– 57 to resolve issues, including issues that may arise relating to clauses 44 – 46.



## **Part 6 — Financial Contributions**

### **Funding Contributions**

49. The Parties agree to contribute to the NDIS in accordance with Schedule B and with regard to the commitment in the *Heads of Agreement between the Commonwealth and the Victorian Governments on the National Disability Insurance Scheme*.
50. The Parties agree to the long-term arrangements for Cross Billing and Budget Neutrality in accordance with Schedule C and with regard to the Bilateral Agreement between the Commonwealth and Victoria on Transitioning Responsibilities for Aged Care and Disability Services in Victoria and the *National Health Reform Agreement 2011*.
51. Both parties agree that if the review of mainstream interfaces changes the scope of the NDIS, Victoria's contribution to the scheme will be adjusted accordingly.

### **Auditing Arrangements**

52. The Commonwealth will request the Commonwealth Auditor-General to ensure the financial audit of the NDIA undertaken annually by the Australian National Audit Office under the *Auditor General Act 1997* (Cth) includes certification from him or her that funds paid by host jurisdictions to the NDIA have been acquitted consistently with this Agreement, including the schedules.

## **Part 7 — Governance of the Agreement**

### **Variation of the Agreement**

53. This Agreement may be amended at any time by agreement in writing by the Victorian Premier and the Commonwealth Assistant Minister for Social Services.

### **Variation to Schedules to the Agreement**

54. The Parties agree that any amendments to the schedules can be made at any time by agreement in writing between the Victorian Premier and the Commonwealth Assistant Minister for Social Services.

### **Escalation of Issues**

55. Any Party may give notice to other Parties of a dispute under this Agreement.
56. Officials of relevant Parties will attempt to resolve any dispute in the first instance, through bilateral steering committees for transitioning sites and relevant multilateral officials groups.
57. If the issue cannot be resolved by officials, it may be escalated to the relevant Ministers and, if necessary, the Disability Reform Council or equivalent Ministerial Council and COAG.

### **Termination of the Agreement**

58. In exceptional circumstances, either of the Parties may withdraw from this Agreement by giving 12 months' notice of intention to do so, in writing, to the Disability Reform Council, or equivalent Ministerial Council and COAG.

59. Following notification of a Party's intention to withdraw from this Agreement, the terms of the withdrawal, including the date on which the Party will cease to be a Party, and any legislative changes and other arrangements that may be necessary as a consequence of the withdrawal will be negotiated in good faith and agreed between the Parties, on a basis which ensures continuity of support to participants.
60. The withdrawal of a Party shall not release that Party from meeting its agreed funding commitment to the NDIS unless this is otherwise agreed by COAG through the process outlined in clauses 55 – 57 above.

The Parties have confirmed their commitment to this Agreement as follows:

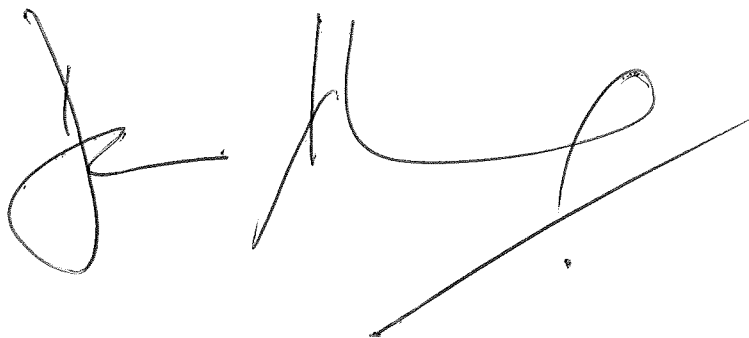
**Signed** *for and on behalf of the  
Commonwealth of Australia by*

**The Hon Malcolm Turnbull MP**  
Prime Minister

A handwritten signature in black ink, appearing to read 'Malcolm Turnbull', with a period at the end.

**Signed** *for and on behalf of  
Victoria by*

**The Hon Daniel Andrews MP**  
Premier

A handwritten signature in black ink, appearing to read 'Daniel Andrews', with a long horizontal line extending from the end.

16 SEP 2015

## **Schedule A**

# **Participant Transition Arrangements in Victoria**

1. This Schedule is to be read in conjunction with:
  - a. Schedule B: Financial Contributions for Transition in Victoria ; and
  - b. Schedule D: Continuity of Support Arrangements in Victoria.
2. The transition to the National Disability Insurance Scheme (NDIS) in Victoria will commence on 1 July 2016. The transition of all existing Victorian specialist disability clients will be completed by July 2019 and is expected to benefit around 105,000 people with disability when full scheme is implemented.
3. The arrangements in this Schedule will be implemented by the CEO of the National Disability Insurance Agency (NDIA) in accordance with phasing rules agreed by the Parties which will set out the obligations of the CEO.
4. The participant phasing schedule has been designed with regard to the following considerations:
  - a. the advice of the NDIA on operational matters;
  - b. the readiness of the market and disability sector to transition to the NDIS in Victoria as outlined at Schedule E: Sector and System Readiness in Victoria;
  - c. the transition of existing disability systems managed by the Parties;
  - d. experience to date from the NDIS trials; and
  - e. the balance of high and low cost support packages, existing clients of Victorian specialist disability services and other clients, in order to manage funding flows and fiscal risk to the scheme.
5. In Victoria, by July 2019, it is estimated that 105,000 people will transition to the NDIS, including around 78,000 from the existing Victorian specialist disability and mainstream systems that will be replaced by the NDIS.
6. The Parties agree that the transition will be implemented on a staged geographical basis, based on existing Victorian disability areas (refer Appendix A). In addition to the Barwon area, eligible participants will transition in the following sequence:
  - a. North East Melbourne will commence transition to the NDIS from 1 July 2016;
  - b. Central Highlands will commence transition to the NDIS from 1 January 2017;
  - c. Loddon will commence transition to the NDIS from 1 May 2017;

- d. Inner Gippsland, Ovens Murray and Western District will commence transition to the NDIS from 1 October 2017;
  - e. Inner Eastern Melbourne and Outer Eastern Melbourne will commence transition to the NDIS from 1 November 2017;
  - f. Hume Moreland will commence transition to the NDIS from 1 March 2018;
  - g. Bayside Peninsula will commence transition to the NDIS from 1 April 2018;
  - h. Southern Melbourne will commence transition to the NDIS from 1 September 2018;
  - i. Brimbank Melton and Western Melbourne will commence transition to the NDIS from 1 October 2018; and
  - j. Goulburn, Mallee and Outer Gippsland will commence transition to the NDIS from 1 January 2019.
7. Existing Victorian clients are defined as people who are receiving specialist disability services funded or administered by Victoria at the time they are due to transition to the NDIS. For phasing and funding purposes, clients will be categorised in one of the following cohorts:
- a. Supported Accommodation, Individual Support Package (ISP) or Victorian Residential clients; or
  - b. Other existing Victorian Clients, include eligible clients:
    - i. currently on the Victorian Disability Support Register or the Early Childhood Intervention Services waitlist;
    - ii. currently accessing Early Childhood Intervention Services, School Attendant Care and Disability Student Transport;
    - iii. currently accessing other disability services funded by Victoria; and
    - iv. currently accessing Mental Health Community Support or Home and Community Care (HACC) services.
8. Existing Victorian clients as described in Clause 7 will progressively enter the scheme over a six to 12 month period from the commencement of intake in each disability area.
9. In addition, eligible clients who have the most urgent need for supports and who are on the Victorian Disability Support Register or who are on the Early Childhood Intervention Services waitlist will enter the scheme over the first two years of the transition and, ahead of the schedule as described in Clause 6. Access to a package of supports will be provided no earlier than 1 July 2016.
10. To enable Victoria to transition all specialist disability funding into the scheme by the end of the transition period, the Parties agree to transition clients of existing disability services as seamlessly as possible, with streamlined eligibility and intake.

11. The Parties agree that dealing with unmet need during the transition period is an important part of this Agreement and the participant transition schedule includes the capacity for other participants to access the scheme including:

- a. people not previously accessing any Victorian specialist disability supports;
- b. people currently accessing Commonwealth specialist disability or Aged Care supports; and
- c. new incidence of disability.

12. The Parties agree that detailed planning of transition will be developed following the finalisation of this Agreement through the Operational Plan developed by Victoria, the Commonwealth and the NDIA.

13. The agreed annual participant intake (with approved plans), based on paragraphs 5-10 above is outlined at Tables 1-3 below:

**Table 1:** Agreed 2016-17 Participant Intake (end period)

<b>Client Cohort</b>	<b>2016-17 Q1</b>	<b>2016-17 Q2</b>	<b>2016-17 Q3</b>	<b>2016-17 Q4</b>	<b>2016-17 Total</b>
Supported Accommodation ISP and Residential clients	1,101	1,295	311	504	3,209
Other Existing Victorian Clients	185	2,142	1,262	4,755	8,344
<b>Sub-total Existing Victorian clients</b>	<b>1,286</b>	<b>3,437</b>	<b>1,573</b>	<b>5,259</b>	<b>11,553</b>
New and Other Commonwealth Participants	839	549	1,000	1,162	3,549
<b>Total Intake</b>	<b>2,124</b>	<b>3,985</b>	<b>2,573</b>	<b>6,420</b>	<b>15,103</b>
<b>Total Cumulative Intake<sup>1</sup></b>	<b>7,226</b>	<b>11,211</b>	<b>13,784</b>	<b>20,205</b>	

Note: Discrepancies in total due to rounding.

<sup>1</sup>Includes 5,102 participants carried forward from trials.

**Table 2:** Agreed 2017-18 Participant Intake (end period)

<b>Client Cohort</b>	<b>2017-18 Q1</b>	<b>2017-18 Q2</b>	<b>2017-18 Q3</b>	<b>2017-18 Q4</b>	<b>2017-18 Total</b>
Supported Accommodation, ISP and Residential clients	548	1,605	3,072	1,557	6,781
Other Existing Victorian Clients	1,736	5,752	5,311	3,406	16,205
<b>Sub-total Existing Victorian clients</b>	<b>2,284</b>	<b>7,356</b>	<b>8,383</b>	<b>4,963</b>	<b>22,986</b>
New and Other Commonwealth Participants	1,197	2,597	1,577	2,135	7,507

<b>Total Intake</b>	<b>3,481</b>	<b>9,953</b>	<b>9,960</b>	<b>7,098</b>	<b>30,493</b>
<b>Total Cumulative Intake<sup>1</sup></b>	<b>23,686</b>	<b>33,639</b>	<b>43,599</b>	<b>50,697</b>	

Note: Discrepancies in total due to rounding.

<sup>1</sup>Includes 20,205 participants carried forward from trials and 2016-17.

**Table 3:** Agreed 2018-19 Participant Intake (end period)

<b>Client Cohort</b>	<b>2018-19 Q1</b>	<b>2018-19 Q2</b>	<b>2018-19 Q3</b>	<b>2018-19 Q4</b>	<b>2018-19 Total</b>
Supported Accommodation, ISP and Residential clients	1,190	1,322	1,338	422	4,272
Other Existing Victorian Clients	4,813	12,294	5,747	12,275	35,128
<b>Sub-total Existing Victorian clients</b>	<b>6,003</b>	<b>13,616</b>	<b>7,085</b>	<b>12,697</b>	<b>39,400</b>
New and Other Commonwealth Participants	1,978	2,721	6,066	4,462	15,227
<b>Total Intake</b>	<b>7,981</b>	<b>16,337</b>	<b>13,150</b>	<b>17,159</b>	<b>54,627</b>
<b>Total Cumulative Intake<sup>1</sup></b>	<b>58,678</b>	<b>75,015</b>	<b>88,165</b>	<b>105,324</b>	

Note: Discrepancies in total due to rounding.

<sup>1</sup>Includes 50,697 participants carried forward from trials and 2017-18.

14. The total agreed annual intake of participants (with approved plans), is outlined at Table 4 below:

**Table 4:** Agreed Annual Intake of Participants

<b>Client Cohort</b>	<b>Trial</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Total</b>
Existing Victorian	4,350	11,553	22,986	39,400	78,289
New and Other Commonwealth Participants	752	3,549	7,507	15,227	27,035
<b>Total Intake</b>	<b>5,102</b>	<b>15,103</b>	<b>30,493</b>	<b>54,627</b>	<b>105,324</b>
<b>Total Cumulative Intake</b>	<b>5,102</b>	<b>20,205</b>	<b>50,697</b>	<b>105,324</b>	

15. Should the cumulative intake level of participants be reached underpinning Tables 1-4, any additional participants will be prioritised into the NDIS in the following month.

16. The estimated number of people who turn 65 and choose to remain in the scheme, for which the Commonwealth is fully responsible, is outlined at Table 5 below, and are in addition to the number of participants outlined at Table 4 above:

**Table 5:** Agreed Number of People Aged 65 and Over

<b>Client Cohort</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Cumulative Participants Aged 65 and Over <sup>1</sup>	645	1,609	3,596

<sup>1</sup>Includes 261 participants carried forward from trials.

17. The agreed participant intake does not include an allowance for replacing participants who exit the scheme, or turn 65 and become the full funding responsibility of the Commonwealth. In setting the state funding cap for 'new' participants, the Commonwealth and Victoria agree to set the state funding cap for 'new' participants at the number of Commonwealth-only clients plus an allowance for unmet need, excluding 'churn/newly eligible'. The Commonwealth and Victoria could then agree to direct the Agency to identify the number of participants during the transition phase who have either left the scheme or have aged in the scheme; and identify the level of additional 'new' participants (over and above the state funding cap for 'new' participants) who can be brought into the scheme. These additional new participants will be included in the scheme without an additional funding contribution from Victoria.
18. The Parties agree that detailed planning of transition will be developed following finalisation of this Agreement through the Operational Plan developed by Victoria, the Commonwealth and the NDIA.
19. To facilitate the smooth transition of participants into the NDIS, the NDIA will commence Local Area Coordination functions six months in advance of the scheduled phasing of a service district.
20. Where possible, the Parties agree to provide appropriate available data to the NDIA prior to the commencement of transition, to support the transfer of clients to the NDIS and consistent with Schedule E: Sector and System Readiness in Victoria.
21. The Parties agree that the estimates in these tables will be monitored or reviewed as necessary in light of transition experience as per clause 62 of this Agreement.



## **Appendix A**

# **Victoria Service Regions by Local Government Authority**

### **Bayside Peninsula**

Bayside  
Frankston  
Glen Eira  
Kingston  
Mornington Peninsula  
Port Phillip  
Stonnington

### **Brimbank Melton**

Brimbank  
Melton

### **Central Highlands**

Ararat  
Ballarat  
Golden Plains  
Hepburn  
Moorabool  
Pyrenees

### **Goulburn**

Greater Shepparton  
Mitchell  
Moir  
Murrindindi  
Strathbogie

### **Hume Moreland**

Hume  
Moreland

### **Inner Eastern Melbourne**

Boroondara  
Manningham  
Monash  
Whitehorse

### **Inner Gippsland**

Bass Coast  
Baw Baw  
Latrobe  
South Gippsland

### **Loddon**

Campaspe  
Central Goldfields  
Greater Bendigo  
Loddon  
Macedon Ranges  
Mount Alexander

### **Mallee**

Buloke  
Gannawarra  
Mildura  
Swan Hill

### **North Eastern Melbourne**

Banyule  
Darebin  
Nillumbik  
Whittlesea  
Yarra

### **Outer Eastern Melbourne**

Knox  
Maroondah  
Yarra Ranges

### **Outer Gippsland**

East Gippsland  
Wellington

### **Ovens Murray**

Alpine  
Benalla  
Indigo  
Mansfield  
Towong  
Wangaratta  
Wodonga

### **Southern Melbourne**

Cardinia  
Casey  
Greater Dandenong

**Western District**

Corangamite  
Glenelg  
Hindmarsh  
Horsham  
Moyne  
Northern Grampians  
Southern Grampians  
Warrnambool  
West Wimmera  
Yarriambiack

**Western Melbourne**

Hobsons Bay  
Maribyrnong  
Melbourne  
Moonee Valley  
Wyndham

**Barwon**

Colac-Otway  
Greater Geelong  
Surf Coast  
Queenscliffe

## **Schedule B**

# **Financial Contributions for Transition in Victoria**

1. This schedule is to be read in conjunction with:
  - a. Schedule A: Participant Transition Arrangements in Victoria;
  - b. Schedule C: Cross Billing and Budget Neutrality Arrangements in Victoria; and
  - c. Schedule D: Continuity of Support Arrangements in Victoria; and
  - d. Agreement between the Commonwealth Department of Social Services and the Victorian Department of Premier and Cabinet on the NDIS funding mechanism in transition.

## **Funding Arrangements**

2. The Parties agree that, during the transition period, funding responsibilities are consistent with arrangements under the *Heads of Agreement between the Commonwealth and Victoria on the National Disability Insurance Scheme (NDIS)*; with:
  - a. Victoria responsible for providing an agreed, fixed per client contribution for each existing client that has transferred from State specialist disability services to the NDIS, and other participants, based on actuals up to an agreed number of participants under the age of 65 (Indigenous Australians under the age of 50), that amounts to 59.4 per cent of agreed package costs;
  - b. the Commonwealth responsible for an agreed, fixed per client contribution for each existing client that has transferred from State specialist disability services to the NDIS; other participants under the age of 65; participants 65 years and over; and 100 per cent of National Disability Insurance Agency (NDIA) operational and administration costs (including Information, Linkages and Capacity Building funded within the NDIS and NDIA operational costs);
  - c. the Commonwealth responsible for meeting 100 per cent of the risk of cost overruns above the contributions outlined above; and
  - d. Victoria and the Commonwealth sharing the risks of higher than expected clients under the age of 65 transitioning from State specialist disability services.
3. Table 1 details the estimated contribution to package costs of Victoria and the Commonwealth. The agreed funding contribution by client cohort reflects an average estimated funding contribution and not the cost of individualised plans. The weighted average funding contribution is based on the entire Victorian population under 65 that is expected to transition to the NDIS and, therefore, is not representative of the expected average package cost at any point in time during the transition period.

**Table 1:** Agreed annualised funding contribution to the NDIS for participants under the age of 65

	2016-17	2017-18	2018-19
Barwon	\$39,677	\$41,383	\$43,163
Supported Accommodation, Individual Support Packages (ISP) and Residential clients	\$100,000	\$104,300	\$108,785
Other Victorian Existing clients	\$32,159	\$33,542	\$34,984
Residential Aged Care	\$86,324	\$90,036	\$93,907
New and Other Participants <sup>1</sup>	\$18,641	\$20,037	\$21,799
<b>Weighted Average</b>	<b>\$39,677</b>	<b>\$41,383</b>	<b>\$43,163</b>

<sup>1</sup>Other Participants include people currently receiving support from a Commonwealth Home Care package.

4. The Parties agree that Victoria will contribute funding on a monthly basis in arrears, based on the actual number of existing clients (including trial participants) and new and other participants entering the NDIS each month, multiplied by the agreed per client funding contribution. The number of existing and new or other participants who will enter into the scheme during transition and the sequencing is detailed in Schedule A.
5. Victoria is contributing its existing available funding for specialist and other disability services and supports, therefore:
  - a. Victorian contributions are based on the actual intake of existing clients who have transitioned to the NDIS;
  - b. Victorian contributions are based on an agreed per client funding contribution for different cohorts, and may increase or decrease based on actual participant intake;
  - c. the agreed per participant funding contribution for different cohorts, is a weighted cost based on a full scheme national average cost per participant;
  - d. Victorian contributions for participants are limited to the total estimated intake of existing and the quarterly intake of new and other participants, as outlined in Schedule A: Participant Transition Arrangements in Victoria; and
  - a. for the purpose of Victoria making a contribution, an existing Victorian client is assessed as having transitioned to the NDIS at the time of plan approval.

6. The Parties agree that if the number of participants in the Barwon region is above the 5,102 participants agreed in the *Bilateral Agreement for NDIS Launch between the Commonwealth and Victoria*, then except for ordinary population growth, consistent with paragraph 2(c) above Victoria will not be expected to make an additional contribution for the number of participants in Barwon above 5,102 and the Commonwealth will work with the NDIA to ensure that it has sufficient resources to support the additional participants. The Parties commit to making all contributions in respect of the trial period prior to 1 July 2016. Victoria will process all unpaid invoices in trial by the end of August 2016 and allow unspent cash for the Barwon trial to remain in the scheme to be counted as part of Victoria's contribution to the ongoing cash ceiling outlined below.
7. The Parties agree that:
  - a. The NDIA is responsible for funding all support costs associated with the plan once a participant has an approved plan in place; and
  - b. administrative details of this arrangement will be finalised through the Operational Plan developed by Victoria, the Commonwealth and the NDIA.
8. The anticipated phasing means that the expected average cost during transition will not equate to the full scheme national average. The indicative average cost of participants during transition is outlined in Table 2.

**Table 2:** Agreed annualised funding contribution to NDIS package costs for participants under the age of 65 at the end of the financial year.

	2016-17	2017-18	2018-19
Weighted Average Package Cost during transition <sup>1</sup>	\$46,485	\$45,499	\$46,118

<sup>1</sup>The average funding contribution is based on the agreed transition arrangements as outlined at Schedule A: Participant Transition Arrangements in Victoria, and therefore does not reflect the expected long term average funding contribution.

9. The Parties will separately agree, by December 2015, the method of calculating invoices to enable the provision of the required contribution by each party, with estimates of contributions outlined in Tables 3 and 4 by service type. The invoice will include additional contributions, including the repayment of Intergovernmental payments on the Commonwealth's behalf, as outlined at Table 6.
10. As Victoria will contribute funding on a monthly basis in arrears during transition, the Commonwealth may need to make earlier cash contributions to address any cash flow issues associated with this arrangement. The Commonwealth will ensure that the NDIA has access to cash equivalent to a floor of one month of agreed annual funding contributions for participants in the scheme at the end of the previous month less in-kind contributions for the participants in the scheme. These early payments, if made by the Commonwealth to address cash flow issues, will be offset against later payments once cash has built in the scheme and before the end of the financial year in which they are made. At the commencement of full scheme Victoria will pay all outstanding invoices for the transition period in addition to its contribution to full scheme.

11. The Parties will allow cash to build up in the scheme up to a ceiling. The cash ceiling will be equivalent to three months of total agreed annualised funding contributions in respect of those participants in the scheme with an approved plan as at the end of each month. Calculations of the cash ceiling will be updated each month by the NDIA. Where the level of cash that has built in the scheme approaches the cash ceiling, the NDIA invoicing will limit contributions by the parties to the level of the cash ceiling, as calculated at the end of that month.
12. The Parties agree that cash that builds in the scheme can be used by the NDIA to manage cash flow risks and to manage costs back to the agreed total funding, if commitments in plans are higher than expected. If the NDIA cannot manage costs back to the agreed total funding then consistent with the responsibilities in paragraph 2(c) the Commonwealth will work with other parties, including the NDIA, to develop agreed mitigation proposals which could include changes to participant phasing arrangements to allow the Commonwealth to supplement the NDIA so that it can meet its commitments.
13. The NDIA will issue all invoices within 15 days of the end of every month. Victoria will pay all invoices issued by the NDIA within 30 days of the end of each month. This allows for sufficient time for the NDIA to calculate an invoice based on actual participant numbers, and for Victoria and the Commonwealth to agree the value of the invoice.
14. The estimated funding contribution from Victoria is outlined at Table 3, subject to the client phasing in Schedule A and the agreed annualised funding contribution in Table 1 above:

**Table 3:** Estimated Victorian funding contribution for participants under the age of 65

	2016-17 (m)	2017-18 (m)	2018-19 (\$m)	Total (m)
Existing Victorian participants, including Supported Accommodation, ISP and Residential clients	\$266.7	\$790.4	\$1,750.6	\$2,807.6
New and other Commonwealth participants, including Residential Aged Care	\$40.0	\$127.0	\$301.2	\$468.2
<b>Estimated Victorian contribution<sup>1</sup></b>	<b>\$306.6</b>	<b>\$917.4</b>	<b>\$2,051.8</b>	<b>\$3,275.8</b>

<sup>1</sup>Victoria's contribution is based on the actual intake of clients multiplied by the agreed per client funding contribution and therefore may be lower than the estimated total contribution outlined in this table.

15. The estimated financial contribution from the Commonwealth is outlined at Table 4:

**Table 4:** Estimated Commonwealth funding contribution for participants

	2016-17 (\$m)	2017-18 (\$m)	2018-19 (\$m)	Total (m)
Existing Victorian participants including Supported Accommodation, ISP and Residential clients	\$182.1	\$539.8	\$1,195.5	\$1,917.4
New and other Commonwealth participants, including Residential Aged Care	\$34.8	\$94.6	\$213.9	\$343.3
Participants aged 65 and over	\$25.5	\$66.2	\$159.2	\$250.9
<b>Estimated Total Commonwealth contribution<sup>1</sup></b>	<b>\$242.4</b>	<b>\$700.6</b>	<b>\$1,568.7</b>	<b>\$2,511.6</b>

<sup>1</sup>Does not include administration and other costs not associated with a participants plan. The Commonwealth's contribution is based on the actual intake of clients multiplied by the agreed per client funding contribution and therefore may be higher or lower than the estimated total contribution outlined in this table.

### **Intergovernmental Payments**

16. The Parties agree that the Intergovernmental payments currently provided by the Commonwealth to Victoria for the purpose of providing disability services to individuals should be paid to the NDIA on behalf of the Commonwealth by Victoria, in line with clients transitioning to the NDIS.

17. Intergovernmental payments include:

- a. the National Disability Specific Purpose Payment (NDSPP);
- b. the relevant portion of the National Partnership Agreement on Pay Equity for the Social and Community Services Sector (SACS NP); and
- c. Cross-billing arrangements for older people aged 65 and over and Indigenous Australians aged 50 to 64 years in specialist disability services as set out in Schedule C: Cross Billing and Budget Neutrality Arrangements in Victoria.

18. The Parties agree that:

- a. repayment of Intergovernmental Payments will be calculated based on the actual number of existing state specialist disability clients that transfer to the NDIS, with payments arrangements consistent with paragraph 4 above; and
- b. Victoria will provide the Budget Neutral Adjustment to the Commonwealth as an additional payment administered via the NDSPP, to be provided in even monthly instalments to NDIA over the transition period, as outlined in Schedule C: Cross Billing and Budget Neutrality Arrangements in Victoria.

19. Repayment of funding under the SACS NP is subject to the extension of the current National Partnership, which is due to expire on 30 June 2016.

20. The Parties agree that the Commonwealth will no longer provide Intergovernmental payments to Victoria, relating to Specialist Disability Services, from 1 July 2019.

21. The agreed annualised repayment by client cohort for each Intergovernmental payment is outlined at Table 5:

**Table 5:** Annualised repayment of Intergovernmental payments for NDIS participants

	2016-17	2017-18	2018-19
Existing Victorian participants including Supported Accommodation, ISP and Residential clients	\$9,853	\$10,388	\$10,979
Other existing Victorian clients	\$3,169	\$3,341	\$3,531
<b>Weighted Average</b>	<b>\$4,470</b>	<b>\$4,713</b>	<b>\$4,981</b>

22. The estimated repayment of Intergovernmental payments is outlined at Table 6:

**Table 6:** Estimated repayment of Commonwealth Intergovernmental payments for participants

	2016-17 (\$m)	2017-18 (\$m)	2018-19 (\$m)
Repayment of Commonwealth Intergovernmental payments	\$47.6	\$136.0	\$301.1
Budget Neutral Adjustment, via NDSPP <sup>1</sup>	\$71.8	\$74.3	\$76.9
<b>Total</b>	<b>\$119.4</b>	<b>\$210.3</b>	<b>\$378.0</b>

<sup>1</sup>Additional repayment of the NDSPP as outlined in Schedule C: Future Arrangements for Cross-Billing and Budget Neutrality.

### **Cash and In-Kind Contributions**

23. The Parties agree to minimise in-kind contributions to the NDIS, and where possible cash out in-kind programmes to accelerate the transition from in-kind services to cash contributions. The Parties agree that where it is not possible to cash out programmes before they transition to the NDIS, they will:

- a. ensure that contracts with providers can be adjusted to facilitate the cashing out of programmes once the transition to the scheme has commenced, where reasonable; and
- b. consider whether the remainder of the contract can be novated to the NDIA and, where contract novation occurs, provide funding to the NDIA at the value of the novated contract on a monthly basis (or as otherwise agreed with the NDIA) until the contract terminates.

24. The estimated Commonwealth cash and in-kind contribution is outlined at Table 7:



**Table 7:** Commonwealth cash and in-kind contributions

	2016-17 (\$m)	2017-18 (\$m)	2018-19 (\$m)
In-kind: Continence Aids Payment Scheme	\$0.6	\$1.8	\$3.8
In-kind: Disability Employment Assistance: Australian Disability Enterprises	\$4.6	\$17.3	\$38.1
In-kind: Hearing Services Program	\$1.8	\$6.0	\$15.5
In-kind: Partners in Recovery	\$0.6	\$6.9	\$19.8
In-kind: Support for Day to Day Living in the Community	..	\$0.3	\$0.7
In-kind: Repayment of Intergovernmental Payments via Victoria	\$22.0	\$55.9	\$107.7
<b>Total Commonwealth In-kind Contribution</b>	<b>\$29.6</b>	<b>\$88.3</b>	<b>\$185.6</b>
Cash	\$187.2	\$532.2	\$1,189.7
Cash - Repayment of Commonwealth grants via Victoria	\$25.6	\$80.1	\$193.4
<b>Total Commonwealth Cash Contribution</b>	<b>\$205.3</b>	<b>\$604.4</b>	<b>\$1,374.8</b>
<b>Total Commonwealth Contribution</b>	<b>\$242.4</b>	<b>\$700.6</b>	<b>\$1,568.7</b>

.. represents an amount of less than \$50,000.

25. In-kind contributions during transition will be based on the current cost of delivering the services. The pricing and value of any in-kind contributions at full scheme will be separately agreed by June 2019.

26. The estimated Victorian cash and in-kind contribution is outlined at Table 8:

**Table 8:** Victorian cash and in-kind contributions

	2016-17 (\$m)	2017-18 (\$m)	2018-19 (\$m)
Victoria In-kind supports	136.0	353.4	696.4
Victoria Cash <sup>1</sup>	170.6	564.0	1,355.4
<b>Estimated Total Victorian Contribution</b>	<b>306.6</b>	<b>917.4</b>	<b>2,051.8</b>

### Full scheme arrangements

27. If Victoria continues to provide in-kind contributions to the NDIS from Intergovernmental payments at full scheme, adjustments to funding arrangements will be made to allow the Intergovernmental payments to be ceased by 1 July 2019 and to ensure that overall funding to the NDIS is unchanged.

28. Full scheme funding arrangements for Victoria will commence from 1 July 2019. From 2019-20, Victoria will contribute its fixed \$2.51 billion (indexed at 3.5 per cent per annum) to the NDIS but if the transition of existing clients into the scheme is not complete:
- a. Victoria will recover from the NDIA all costs associated with existing clients who have not entered the scheme; and
  - b. the Commonwealth may also make adjustments to its full scheme contribution to reflect ongoing support needs outside of the NDIS.

**Payments from the DisabilityCare Australia Fund**

29. The minimum annual payment to Victoria from the DisabilityCare Australia Fund is outlined at Table 9:

**Table 9:** Payments to Victoria from the DisabilityCare Australia Fund

	2015-16 (\$m)	2016-17 (\$m)	2017-18 (\$m)	2018-19 (\$m)
Payments to Victoria	\$21.3	\$44.0	\$45.6	\$129.7

30. The final payment schedule will be agreed by the end of 2015 and reflected in the National Partnership on the DisabilityCare Australia Fund or through revision of Table 9 above.

## **Schedule C**

# **Cross-Billing and Budget Neutrality Arrangements in Victoria**

1. This Schedule is to be read in conjunction with:
  - a. Schedule A: Participant Phasing Arrangements in Victoria;
  - b. Schedule B: Financial Contributions for Transition in Victoria;
  - c. Schedule D: Continuity of Support Arrangements in Victoria; and
  - d. The Bilateral Agreement between the Commonwealth and Victoria on Transitioning Responsibilities for Aged Care and Disability Services in Victoria.
2. The Parties agree that the roles and responsibilities outlined in Schedule F of the National Health Reform Agreement will be implemented in Victoria from 1 July 2016. The Commonwealth will have financial responsibility for aged care and specialist disability services for older people aged 65 years and over (and Indigenous Australians aged 50 years and over). In addition, the Commonwealth will progressively take over service delivery responsibility for specialist disability services for older people as the National Disability Insurance Scheme (NDIS) continues to rollout.
3. Victoria will have financial responsibility for disability and aged care services for younger people aged under 65 years (Indigenous Australians aged under 50), until such time as those people transition to the NDIS. This Schedule does not change existing responsibilities outside the scope of these services, including health and hospital services, and the supply of aids and equipment to people not eligible for the NDIS.
4. This Schedule covers the cross-billing arrangements for transition in 2016-17, 2017-18 and 2018-19 financial years. Budget neutrality arrangements will continue beyond 2018-19.
5. The Parties agree that the change in roles and responsibilities will be made cost neutral as at 1 July 2016 through a Budget Neutral Adjustment payment.

### **Cross-billing**

#### Younger People in Commonwealth Residential Aged Care and Home Care Packages

6. Victoria agrees to pay the Commonwealth for the estimated costs of younger people aged under 65 (Indigenous Australians aged under 50 years) in residential aged care and Home Care Packages for the period 2016-17 to 2018-19.
7. The agreed amount that Victoria will pay the Commonwealth will be calculated by multiplying the agreed number of younger people in residential aged care and Home Care Packages by an agreed average unit cost for each of these services, with:

- a. the agreed average unit cost calculated by growing the estimated unit cost for 2016-17 by 3.5 per cent per annum;
- b. the agreed number of younger people each year equal to the number of Younger People in Residential Aged Care and Home Care Packages identified in 2016-17 to 2018-19 less the number of younger people that are estimated to transition to the NDIS (or that have otherwise exited), as outlined in Schedule A to this Agreement: Participant Transition Arrangements in Victoria; and
- c. where a younger person transitions during the year, part year effects are taken into account.

8. The agreed unit costs for cross-billing are outlined at Table 1:

**Table 1:** Agreed Cross-billing Unit Costs

<b>Cohort</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Younger People in Residential Aged Care	\$68,787	\$71,195	\$73,686
Younger People with Home Care Packages	\$24,115	\$24,959	\$25,832

9. The agreed number of people subject to Cross-billing arrangements is outlined at Tables 2 and 3:

**Table 2:** Cross-billing Population (at 30 June)

<b>Cohort</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Younger People in Residential Aged Care	1,301	496	0
Younger People with Home Care Packages	416	170	0

**Table 3:** Cross-billing Population (full year equivalent)

<b>Cohort</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Younger People in Residential Aged Care	1,326	912	146
Younger People with Home Care Packages	425	296	55

10. The agreed Victorian cross-billing payment to the Commonwealth for younger people in Aged Care is outlined at Table 4, and is the product of multiplying Tables 1 and 3:

**Table 4:** Total Victorian Cross-billing contributions

<b>Cohort</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Younger People in Residential Aged Care	\$91.2	\$64.9	\$10.7
Younger People with Home Care Packages	\$10.2	\$7.4	\$1.4
<b>Total Victorian Contribution</b>	<b>\$101.5</b>	<b>\$72.3</b>	<b>\$12.1</b>

Older People in Victorian Specialist Disability Services

11. The Commonwealth agrees to pay Victoria for the cost of delivering Specialist Disability Services to Older People (aged 65 years and over, or Indigenous Australians aged over 50), for the period 2016-17 to 2018-19, less:
  - a. the agreed amount of funding provided to Victoria through the National Disability Specific Purpose Payment (NDSPP) for Older People in Victorian Specialist Disability Services; and
  - b. the agreed amount of funding provided to Victoria through the National Partnership Agreement on Pay Equity for the Social and Community Services Sector for Older People in Victoria Specialist Disability Services, subject to the extension of the current National Partnership which is due to expire on 30 June 2016.
12. The total agreed amount that the Commonwealth will pay Victoria will be calculated by growing the estimated cost of Specialist Disability Services for 2016-17 by 3.5 per cent per annum.

**Table 5:** Total Commonwealth Cross-billing Contributions to Victoria

<b>Cohort</b>	<b>2016-17 (\$m)</b>	<b>2017-18 (\$m)</b>	<b>2018-19 (\$m)</b>
Older People in Specialist Disability Services (Aged 65 and Over)	\$68.5	\$70.9	\$73.4
Older People in Specialist Disability Services (Indigenous Australians Aged 50-64)	\$3.0	\$3.1	\$3.2
<b>Total Commonwealth Contribution</b>	<b>\$71.5</b>	<b>\$74.0</b>	<b>\$76.6</b>

13. As the Commonwealth is progressively taking administrative responsibility for Older People in Specialist Disability Services, Victoria will repay the Commonwealth the costs associated with older people who transition to Commonwealth continuity of support arrangements.

14. Where an Indigenous Australian aged 50-64 transitions as a participant of the NDIS, Victoria will transfer funding to the National Disability Insurance Agency (NDIA), as a Commonwealth contribution, as outlined in Schedule B: Financial Contributions for Transition in Victoria.

### **Funding Arrangements**

15. The funding arrangements for Cross-billing will be consistent with the NDIS, as outlined in Schedule B: Funding Contributions for Transition in Victoria , with:
- a. Victorian payments to the Commonwealth for Younger People in Residential Aged Care and Home Care Packages to be provided on a monthly basis in arrears based on the actual number of people who have yet to transition to the NDIS; and
  - b. contributions from Victoria capped at the total estimated value of older people in Victorian Specialist Disability Services and Younger People in Residential Aged Care and Home Care Packages, as at 30 June 2016, grown by 3.5 per cent per annum.
16. Parties agree that all cross-billing payments will cease on 30 June 2019.

### **Budget Neutral Adjustment**

17. The Parties agree that during transition a Budget Neutral Adjustment is calculated for 2016-17 to offset the additional cost to the Commonwealth of net additional financial responsibilities taken on as part of the Bilateral Agreement Bilateral Agreement between the Commonwealth and Victoria on Transitioning Responsibilities for Aged Care and Disability Services in Victoria (i.e. the additional cost to the Commonwealth of Home and Community Care (HACC) for older people, and the cost of specialist disability services for older people including specialist disability services transitioning to the Commonwealth Home Support Programme, less the costs of responsibilities transferred to Victoria for younger people in aged care).
18. The Parties agree that the Budget Neutral Adjustment is fixed at the 2016-17 amount and grown by 3.5 per cent per annum.
19. The Budget Neutral Adjustment over the period 2016-17 to 2018-19, which reflects a net contribution to the Commonwealth, is outlined in Table 6.

**Table 6:** Budget Neutral Adjustment to the Commonwealth:

	<b>2016-17</b> <b>(\$m)</b>	<b>2017-18</b> <b>(\$m)</b>	<b>2018-19</b> <b>(\$m)</b>
Younger People in Residential Aged Care <sup>1</sup>	-\$105.9		
Younger People in Home Care <sup>1</sup>	-\$12.0		
Older People in Specialist Disability Services	\$71.5		
HACC for Older people <sup>2</sup>	\$118.1		
<b>Budget Neutral Adjustment</b>	<b>\$71.8</b>	<b>\$74.3</b>	<b>\$76.9</b>

<sup>1</sup> For the purpose of calculating the BNA, the costs for younger people in residential aged care and home care are based on the full costs of younger people in those programmes in 2015-16 grown by 3.5 per cent.

<sup>2</sup>Includes funding associated with low-intensity specialist disability services transferring to Commonwealth responsibility.

20. The Parties agree that the Budget Neutral Adjustment will be reviewed for HACC by 30 June 2016 in accordance with the Bilateral Agreement between the Commonwealth and Victoria on Transitioning Responsibilities for Aged Care and Disability Services in Victoria. The value of HACC will be determined through the process of splitting contracts to the Commonwealth for older people by 30 June 2016, and applying growth of 3.5%. If this process is not finalised by this date, the HACC component of the Budget Neutral Adjustment will be renegotiated to a value up to the amount at Table 6. Any changes to the Home and Community Care component (and the Budget Neutral Adjustment accordingly) following this review will be reflected as a revision to Table 6 and clause 22.
21. The Parties agree that during NDIS transition period, 1 July 2016 to 30 June 2019, Victoria will provide the Budget Neutral Adjustment to the Commonwealth as an additional repayment of the National Disability Specific Purpose Payment (NDSPP) as outlined in Schedule B: Financial Contributions for Transition in Victoria.
22. As the National Disability Specific Purpose Payment will have fully transitioned to the NDIS by the end of 2018-19, the Parties agree that, from 1 July 2019, Victoria will increase its contribution to the NDIA by \$79.6 million or the 2018-19 Budget Neutral Adjustment as updated following the HACC review (indexed at 3.5 per cent per annum). This contribution will be in addition to the Victorian full scheme contribution of \$2.5 billion as set out in the *Heads of Agreement between the Commonwealth and Victoria on the National Disability Insurance Scheme*.

## **Schedule D**

# **Continuity of Support Arrangements in Victoria**

1. This Schedule is to be read in conjunction with:
  - a. Schedule A: Participant Phasing Arrangements;
  - b. Schedule B: Financial Contributions for Transition in VIC;
  - c. Schedule C: Cross-billing and budget neutrality arrangements; and
  - d. Bilateral Agreement between the Commonwealth and Victoria on Transitioning Responsibilities for Aged Care and Disability Services in Victoria.
2. The Parties agree that it is important that the roll out of the National Disability Insurance Scheme (NDIS) in Victoria is managed so that people are not disadvantaged during the transition to the full roll out of the NDIS.

### **Continuity of Support: Definition and principles**

3. People with disability, their families and carers will be provided with continuity of support that will ensure that the support they receive once the NDIS is introduced will enable them to achieve similar outcomes to the outcomes they were aiming to achieve prior to the introduction of the NDIS.
4. The Parties agree that continuity of support will apply for people resident in an area or part of a cohort that is transitioning to the NDIS if:
  - a. they receive support but do not meet the access requirements outlined in the National Disability Insurance Scheme Act 2013 (NDIS Act 2013), or are receiving supports that do not meet the definition of reasonable and necessary support in the NDIS Act 2013; and
  - b. the funding for this support is attributed to a programme/service, that will cease when the NDIS is introduced.
5. The assistance provided to people through continuity of support will aim to support people to live as independently as possible by working with them to reduce their need for supports or to access supports from other systems, where appropriate. Where a person's support needs are reduced through capacity building work, or are met by other service systems, the assistance through continuity of support will be phased out.
6. The Parties agree that people with significant ongoing needs will be provided with assistance to prevent hardship where this would significantly undermine the person's wellbeing, or social and economic participation.
7. The types of assistance provided through continuity of support should be flexible because the assistance that best builds the person's capacity to live independently may be different from the supports the person was previously accessing. The flexibility could, for example, include up-front investments that assist people to live more independently. If a person receiving continuity of support is under 65 years and has had a change in their



circumstances and they may meet NDIS access requirements, the person can make an access request to the NDIA to become a participant at any time.

**Continuity of Support: People Aged 65 and Over and Indigenous People Aged 50 and Over**

8. The Parties agree that:

- a. administrative responsibility for people aged 65 and over currently receiving specialist disability services will transfer to the Commonwealth consistent with the timeframes for transition of NDIS eligible participants in Victoria; and
- b. administrative responsibility for Indigenous people aged 50 and over currently receiving specialist disability services, and ineligible to participate in the NDIS, will transfer to the Commonwealth, consistent with the timeframes for transition of NDIS eligible participants in Victoria.

9. The Parties agree that the Commonwealth will, in consultation with Victoria, determine the administrative arrangements for providing continuity of support for people aged 65 and over (Indigenous people aged 50-64) referred to in clause 8 above by March 2016. In developing these arrangements, the Commonwealth and Victoria will confirm service delivery data.

10. The schedule to transfer administrative responsibility to the Commonwealth has been designed with consideration of an orderly approach in line with the transition of eligible participants from Victoria specialist disability services to the NDIS.

11. Specialist Disability Services in scope for transition under continuity of support arrangements in this Schedule will include, but are not limited to:

- a. Shared Supported Accommodation; and/or
- b. Individual Support Packages; and/or
- c. other ongoing disability supports and episodic support services such as respite, independent living training, therapy and case management.

12. Specialist Disability Services out of scope for transition under continuity of support arrangements are low intensity services where services are typically episodic. Financial arrangements for these services are outlined in Schedule C: Future Arrangements for Cross Billing and Budget Neutrality in Victoria, with implementation to be detailed outlined in the Bilateral Agreement between the Commonwealth and Victoria on Transitioning Responsibilities for Aged Care and Disability Services in Victoria.

13. In Victoria, it is estimated that a total of 3,034 people currently receiving specialist disability services will transfer to Commonwealth administration through the transition arrangements agreed in this Schedule.

14. The Parties agree that the transfer in Victoria will be implemented on a staged geographical basis in the following sequence<sup>1</sup>:

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<sup>1</sup> References to "on" should be read broadly to include "from" the specified date, as actual dates may vary in line with final arrangements to transfer contractual arrangements to the Commonwealth.

- a. Barwon and North Eastern Melbourne will transfer on 1 July 2016;
- b. Central Highlands will transfer on 1 January 2017;
- c. Loddon will transfer on 1 July 2017;
- d. Ovens Murray, Inner Gippsland and Western District will transfer on 1 October 2017;
- e. Inner Eastern Melbourne, and Outer Eastern Melbourne will transfer on 1 January 2017;
- f. Bayside Peninsula and Hume Moreland will transfer on 1 April 2018;
- g. Southern Melbourne, Brimbank Melton and Western Melbourne will transfer on 1 October 2018; and
- h. Goulburn, Mallee and Outer Gippsland will transfer on 1 January 2019.

15. The Parties agree that detailed planning of transfers will be developed, following the finalisation of this agreement, as part of the Operational Plan developed by Victoria, the Commonwealth and the NDIA for the transition of NDIS eligible participants.

16. The estimated quarterly transfer, based on transition arrangements in paragraph 14 above is outlined at Tables 1-3:

**Table 1:** Estimated Transfer of Administrative Responsibility in 2016-17

	2016-17 Q1	2016-17 Q2	2016-17 Q3	2016-17 Q4
Estimated number of participants to transition to Commonwealth administration	469	0	110	0
<b>Total cumulative transfer</b>	<b>469</b>	<b>469</b>	<b>578</b>	<b>578</b>

**Table 2:** Estimated Transfer of Administrative Responsibility in 2017-18

	2017-18 Q1	2017-18 Q2	2017-18 Q3	2017-18 Q4
Estimated number of participants to transition to Commonwealth administration	120	315	513	771
<b>Total cumulative transfer</b>	<b>698</b>	<b>1,013</b>	<b>1,527</b>	<b>2,297</b>

**Table 3:** Estimated Transfer of Administrative Responsibility in 2018-19

	2018-19 Q1	2018-19 Q2	2018-19 Q3	2018-19 Q4
Estimated number of participants to transition to Commonwealth administration	0	528	209	0
<b>Total cumulative transfer</b>	<b>2,297</b>	<b>2,825</b>	<b>3,034</b>	<b>3,034</b>

17. The estimate in Tables 1-3 above is the estimated number of existing participants in Victoria funded services that will require continuity of support arrangements and who are aged 65 and over (indigenous people aged 50-64). If the actual number of people who require continuity of support arrangements and who are aged 65 and over (indigenous people aged 50-64) exceeds the estimate outlined at Table 1-3 above, the Commonwealth will provide access to existing programmes on the same basis as other people with a need for support who are aged 65 and over (indigenous people aged 50-64).

18. The estimated cost to the Commonwealth of providing continuity of support for Older People currently in Victorian specialist disability systems is outlined at Table 4.

**Table 4:** Estimated Cost – Continuity of Support for Older People

	2016-17 (\$m)	2017-18 (\$m)	2018-19 (\$m)
Estimated cost of Continuity of Support for older people in Victorian specialist disability services	\$20.9	\$57.5	\$118.6

19. Table 4 reflects the estimated cost continuity of support for the people identified in Tables 1-3. If the actual cost to the Commonwealth of providing continuity of support for existing participants in Victorian-funded services exceeds the estimate outlined at Table 4 above, the Commonwealth will provide access to existing programmes on the same basis as other people with a need for support who are aged 65 and over.

### **Continuity of support: People aged under 65 and Indigenous people aged under 50**

20. The parties agree that:

- a. the Commonwealth will be responsible for administration arrangements for providing continuity of support to people under the age of 65, and under the age of 50 for Indigenous people, in receipt of Commonwealth administered disability programs/services; and
- b. Victoria will be responsible for administration arrangements for providing continuity of support to people under the age of 65, and under the age of 50 for Indigenous people, in receipt of Victorian administered disability programs/services.

## **Intergovernmental Payments**

21. Both parties agree that the intergovernmental payments currently provided by the Commonwealth to Victoria will be repaid to the Commonwealth based on the actual number of existing state specialist disability services clients who transferred to Commonwealth administrative arrangements in that year, consistent with funding arrangements outlined in Schedule B: Financial Contributions for Transition.
22. Intergovernmental payments include:
- a. the National Disability Specific Purpose Payment (NDSPP);
  - b. the relevant portion of the National Partnership Agreement on Pay Equity for the Social and Community Services Sector (SACS NP); and
  - c. Cross-billing arrangements for older people in specialist disability services aged over 65 and Indigenous people aged 50-64 who are ineligible for the NDIS, as set out in Schedule C: Cross Billing and Budget Neutrality Arrangements (Cross-Billing).
23. Repayment of funding under the SACS NP is subject to the extension of the current National Partnership, which is due to expire on 30 June 2016.

## **Funding Arrangements**

24. The funding arrangements for continuity of support will be consistent with the NDIS, as outlined in Schedule B: Funding Contributions for Transition in Victoria, with Victorian repayments for Older People in Specialist Disability Services, to be provided on a monthly basis in arrears based the actual number of people who have left Victorian specialist disability services.

- 25.** The agreed funding contribution by client is outlined at Table 5 below:

**Table 5:** Annualised repayment Unit Costs for Continuity of Support clients

	2016-17	2017-18	2018-19
Older People in Specialist Disability Services	\$40,412	\$42,586	\$44,914

26. The estimated amount that Victoria will repay the Commonwealth will be calculated by multiplying the number of older people who have left Victorian Specialist Disability Services by the agreed average unit cost, with the estimated repayment equal to the number of older people who are estimated to transition to continuity of support arrangements. Where a person aged 65 and over transitions during the year, part year effects are taken into account.
27. Where a person aged 65 and over leaves a Victorian Specialist Disability Service, and does not transfer to Commonwealth continuity of support arrangements, Victoria will provide the Commonwealth with funding equal to the agreed unit cost, adjusted for part year effects.
28. The estimated repayment of Intergovernmental Payments are outlined in Table 6.

**Table 6:** Estimated repayment of Intergovernmental Payments

	2016-17 (\$m)	2017-18 (\$m)	2018-19 (\$m)
Repayment of Intergovernmental Payments	\$21.2	\$58.9	\$125.7

Note the estimated repayment of Intergovernmental Payments is greater than the estimated cost of providing Continuity of Support as outlined at Table 4. This is due to an interaction with the NDIS whereby people are allowed to age over 65 and remain in the scheme. The Commonwealth will redirect any extra funding as part of its overall contribution to the NDIS.

### **Cash and In-Kind Contributions**

The Parties agree that Victoria will not provide any in-kind services as part of Victoria's repayments to the Commonwealth as part of continuity of support arrangements.

## **Schedule E**

### **Sector and System Readiness in Victoria**

1. The Parties agree that full scheme costs for the National Disability Insurance Scheme (NDIS) must be sustainable.
2. The Parties agree that transition arrangements will be managed so that providers, the workforce, individuals, the National Disability Insurance Agency (NDIA) and existing systems are prepared to operate in the NDIS system.
3. The Parties agree to recognise and support practical steps to support sector and system readiness.
4. The Parties recognise and support that to be able to meet the timeframes envisaged for processing access requests and developing plans under this Agreement, the NDIA will need:
  - a. access to data from governments and providers, that is in the form, and quality, required to support the transition of people in existing programmes into the NDIS;
    - i. including data from current programmes that allows the NDIA and governments to understand the characteristics of clients and the support they receive, and to remove potential double counts for transitioning clients; and
  - b. to establish mechanisms to efficiently and effectively transfer information between the NDIA, stakeholders and providers that avoid regulatory burden on providers.
5. The Parties recognise and support that to be able to operate in the market-based system envisaged for the NDIS within the timeframes envisaged for transition under this Agreement, providers and participants will need to be ready to move to the NDIS system at the point of transition consistent with Schedule A: Participant Transition Arrangements in Victoria.
  - a. for providers this means that they understand the costs of their business and are able to operate within a contestable environment and interact with NDIA system; and
  - b. for participants this means being ready to undertake goal-based planning and exercise control and choice over the supports they receive.
6. The Parties agree that existing funding and contracting arrangements and the Sector Development Fund will be used to build readiness in the following areas:
  - a. building participant capacity for choice and control;
  - b. developing the capacity of providers to participate in a more contestable market; and
  - c. workforce growth and development.

7. The Parties are committed to leveraging existing government investment in sector development activities and infrastructure and will work with the NDIA to determine how existing tools, resources and systems can be adopted or funded to support the NDIS where appropriate.
8. The Parties agree that they will facilitate the NDIA working with prospective participants ahead of phasing in.
9. The Parties agree to monitor market, sector, participant, workforce and system readiness, including through:
  - a. monitoring the completeness and quality of data available to the NDIA about people in existing programmes who are due to transition into the NDIS;
  - b. with the NDIA, building a picture of provider characteristics, numbers, and capacities;
  - c. developing a mechanism to determine workforce requirements based on the population to phase in against reference packages;
  - d. monitoring the capacity of providers to recruit locally; and
  - e. using state and territory held information about regions to assist the NDIA with service and workforce mapping.
10. The Parties agree that these monitoring arrangements will take account of the challenges associated with rural and remote service delivery.
11. The Parties agree that these arrangements will be used to continually review market, sector, participant, workforce and system readiness to transition to the NDIS and that if this monitoring indicates significant concerns that put agreed transition arrangements at risk, then a strategy for addressing the issues will be developed.
12. The Parties agree that participants should not be put at risk and that the agreed strategy could include changes to the phasing schedule.

## **Schedule F**

# **Transition arrangements for quality and safeguards in Victoria**

1. This Schedule sets out quality and safeguards assurance arrangements during the transition to the full National Disability Insurance Scheme (NDIS) in Victoria from July 2016 to July 2019.
2. All governments agree that quality and safeguards are important to effectively support the phasing of a large number of participants into the NDIS, including vulnerable and high-need cohorts.

### **National Framework for Quality and Safeguards**

3. The Parties and the National Disability Insurance Agency (NDIA) are working together on the design of a nationally consistent quality and safeguards framework to be agreed by the Disability Reform Council (the Council) by early 2016.
4. The NDIS quality and safeguards framework will be consistent with the principles agreed by the Council as set out in the Consultation paper released on 17 February 2015.
5. The Parties agree that existing Victorian and Commonwealth Government's quality and safeguards arrangements for programs or activities transitioning to the NDIS will continue to operate during transition to full scheme until such time as elements of a nationally consistent framework have been agreed and implemented.
6. The NDIA, Commonwealth and Victorian Governments will work together to consider impacts of the implementation of the interim arrangements on the development of the National Framework for Quality and Safeguards and will develop a transition strategy once the National Framework is agreed.
7. This Schedule will be reviewed by May 2016 to reflect the outcomes of Ministers' decisions and incorporating consequent implementation arrangements.

### **Transition arrangements**

8. Parties agree that:
  - a. existing quality standards will be continued and strong safeguards will be maintained in Victoria during transition; and
  - b. existing Victorian and Commonwealth quality systems will continue to operate for providers seeking to register with the NDIA to offer supports funded by the NDIS and existing safeguarding arrangements for participants.
9. The respective roles and responsibilities of the NDIA, Victorian and Commonwealth Governments for implementing quality and safeguards during transition are set out in Table 1 and will be further developed in accordance with the Operational Plan and set



out in *Quality and Safeguards Working Arrangements for Transition* (the Working Arrangements) appendix to this Schedule. The Working Arrangements will be developed by December 2015 in consultation with the NDIA.

10. The Parties agree that, in developing the Working Arrangements, the parties will consider:
  - a. the scope of services covered by the transitional arrangements;
  - b. the application of relevant Victorian and Commonwealth legislation, including registration of providers under Victoria's Disability Act;
  - c. applicable quality standards and their interaction, including accreditation and quality assurance processes;
  - d. arrangements for the ongoing monitoring of NDIS providers' compliance with agreed quality and safeguards requirements;
  - e. application of restrictive practices management and reporting requirements;
  - f. independent oversight and monitoring by statutory bodies;
  - g. the business processes for implementing the Working Arrangements; and
  - h. governance arrangements to oversee and monitor the implementation of agreed Working Arrangements.
11. The Parties acknowledge that there is a cost in maintaining existing quality and safeguards arrangements during transition and agrees that the cost will be attributed as an in-kind contribution toward the scheme. The estimated cost over the full transition period is \$25 million.
12. The Parties agree to work together to resolve inconsistencies between implementation of agreed Working Arrangements and Victoria's existing quality and safeguards legislation and policies, noting that any amendments to the relevant NDIS rules require the agreement of the Commonwealth and each host jurisdiction.
13. In regard to decisions or actions taken by the NDIA, NDIS participants will have access to the Administrative Appeals Tribunal for merits review of decisions. They can also access the Commonwealth Ombudsman if they have a complaint about the administration of the NDIA.
14. During the transition to full scheme, it is anticipated that there will be a large number of new entrants to the market as well as individuals wishing to register as providers in their own right. Victorian or Commonwealth quality and safeguards arrangements will apply to these new providers.
15. The Parties agree to work collaboratively and to closely monitor quality and safeguards arrangements during transition to ensure that:
  - a. choice and control for participants is not undermined and that safeguards remain risk-based;
  - b. the registration process for new providers is streamlined where appropriate and duplication and costs are minimised for all parties and support providers during the transition to full scheme; and

- c. the quality and safeguards agreed in the Working Arrangements for transition are fully implemented.

16. If monitoring of quality and safeguard arrangements indicates that participants and agreed transition arrangements are at risk, a jointly agreed strategy for addressing issues will be developed, consistent with clauses 45-48 of this Agreement.

**Table 1 – Quality and safeguard assurance arrangements during transition**

	<b>Applicable legislation</b>	<b>Quality standards</b>	<b>Accreditation and assurance processes</b>	<b>Complaints and investigation</b>	<b>Critical incident reporting</b>	<b>Regulation of the use of restrictive Practices</b>
<b>Victorian funded programmes</b>	<p>Disability Act (2006)</p> <p>Guardianship and Administration Act 1986</p> <p>The Mental Health Act 2014</p> <p>The Charter of Human Rights and responsibilities Act 2006</p> <p>Information Privacy Act 2000</p> <p>Privacy and Data Protection Act 2014</p> <p>Health Records Act 2001</p> <p>Children and Young Persons Act 2005</p> <p>Education and Training Reform Act 2006</p>	<p>Department of Health &amp; Human Services Standards (gazetted under Disability Act)</p> <p>National Standards for Disability Services</p> <p>Other relevant state and Commonwealth standards including standards set via state- based policies and program guidelines.</p>	<p>Applicable state legislation or policy enforced via contract</p> <p>Including ongoing surveillance reviews and/or accreditation or independent quality evaluation bodies</p> <p>Staff vetting via applicable legislation or policy enforced via contract</p>	<p>Applicable state legislation or policy enforced via contract</p> <p>Disability and Mental Health commissioners</p> <p>Ombudsmen</p> <p>Public Advocate/ Guardians</p> <p>Community Visitors</p> <p>Government agencies</p>	<p>Policy enforced via contract</p>	<p>Applicable state legislation</p>

<b>Commonwealth funded programmes including employment services</b>	Disability Services Act 1986	National Standards for Disability Services	Accreditation bodies for AEDs and Advocacy  Additional Program specific accreditation for early intervention  Relevant Commonwealth government departments	Commonwealth Ombudsman  Aged Care Commissioner	Policy enforced by contract	
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## **Schedule G**

# **Integrated National Disability Insurance Scheme Performance Reporting Framework**

### **Purpose**

1. This Schedule sets out the mechanisms that will be used to assess the performance of the National Disability Insurance Scheme (NDIS) and specifies how that performance will be reported.
2. It incorporates relevant content contained in the Annex to the Intergovernmental Agreement on NDIS Launch on performance reporting, which is superseded for the transition to full scheme by this Schedule. This Schedule should be read in conjunction with clauses 39 to 44 of the Bilateral Agreement.
3. The parties agree that a number of the outcome measurements are being piloted during the transition period to full scheme and will therefore be reviewed and possibly revised at the annual review of this Schedule.

### **Integrated NDIS Performance Reporting Framework**

4. The Integrated NDIS Performance Reporting Framework is based on the accountability requirements of the governance structure for the NDIS. It will comprise the following components:

#### *NDIS Performance*

- a. Reporting requirements at this level are designed to meet the accountability requirements of the Council of Australian Governments Disability Reform Council (DRC).
- b. NDIS Performance comprises agreed outcomes, key performance indicators (KPIs) and measures designed to assess the extent to which the NDIS is achieving the outcomes intended by governments, as set out in the NDIS legislation.
- c. Because of the longer term focus on NDIS outcomes, reports at this level will be provided annually to the DRC from the National Disability Insurance Agency (NDIA) Board.

#### *NDIA Operational Performance*

- d. Reporting at this level has two purposes. First, it satisfies the requirements specified in the legislation for the NDIA Board to report on expenditure and activities in relation to the NDIS. Second, it provides information on various aspects of NDIA operations that will contribute directly to the achievement of NDIS outcomes and KPIs. This will give the DRC insight through the year on progress towards achieving the outcomes of the NDIS.
- e. Reports at this level will be provided quarterly by the NDIA Board to the DRC, and will be disaggregated to jurisdictional levels, as well as providing national totals.

*NDIS Activity in Jurisdictions*

- f. Reporting at this level is designed to provide jurisdictions with the information they require to meet their own individual accountability requirements, especially in the budgetary reporting context.
- g. This information will be provided monthly by the NDIA to a nominated official in each jurisdiction.
- h. This information will be provided in datasets accessed through the data warehouse, rather than in written reports. This will include de-identified participant data at the level of client unit record and aggregate level for all services provided in the trial area, if so specified by individual jurisdictions.

**Data Sources**

- 5. All data for these reports will be sourced from the NDIA's IT systems. In the longer term, data may also be sourced from the Commonwealth Department of Human Services and linked to the NDIA's data in order to measure increases in social and economic participation for people with a disability and for people caring for people with a disability.

**Annual Review**

- 6. This Schedule will be reviewed annually through the transition period, and amended as agreed.

**Level A – NDIS Performance**

- 7. Outcomes, KPIs and performance measures for the NDIS (Level A) are set out in Table 1 below. Data for this level of reporting will be generated from the NDIA's IT systems, and written reports will be provided annually by the NDIA Board to the DRC.

**Table 1: NDIS Outcomes, KPIs and Performance Measures**

Outcome	KPIs	Performance Measures
<b>1. People with disability lead lives of their choice</b>	3.1 People with disability achieve their goals for independence, social and economic participation	1.1.1 Proportion of participants, and their families and carers, who report improved economic and social outcomes (as measured by the NDIA outcomes framework)
		1.1.2 Proportion of participants who attain the goals outlined in their plans (as measured by the NDIA's Goal Attainment Scale)
		1.1.3 Participant satisfaction
	3.2 Increased mix of support options and innovative approaches to provision of support in response to assessed need	1.2.1 Mix and number of provider services
		1.2.2 Proportion of participants with capacity building supports
	3.3 People with disability are able and are supported to exercise choice	1.3.1 Proportion of participants, and their families and carers, who report being able to exercise choice (as measured by the NDIA outcomes framework)
<b>2. NDIS is a financially sustainable, insurance-based NDIS</b>	2.1 Effective estimation and management of short-term and long-term costs	2.1.1 Comparison of actual expenditure against projected expenditure
		2.1.2 Changes in medium and long-term expenditure projections
		2.1.3 Projected expenditure matches projected revenue over the medium-term and long-term
		2.1.4 NDIANDIA operating expenses ratio
		2.1.5 Reduction of long-term cost trends against population, price and wages growth
		2.1.6 Estimated future lifetime costs of support for current clients (NPV) - Including disaggregation for new and existing clients by client group
	2.2 Benefits are realised from targeted investment strategies in enhanced disability support	2.2.1 Effectiveness of early intervention in reducing estimated lifetime costs of support measured: - in the short-term thorough case studies which include targeted investment; - in the long-term through estimated returns from this investment
<b>3. Greater community inclusion of people with disability</b>	3.1 People with disability are able to access support from mainstream services	3.1.1 Referrals to mainstream services (participants and non-participants through Information, Linkages and Capacity Building (ILC))
		3.1.2 Proportion of participants accessing mainstream services
	3.2 Community awareness of people with disability	3.2.1 Activities undertaken by the NDIA to Increase community awareness of the issues that affect people with disability.
	3.3 Effectiveness of Local Area Coordination (LAC) and other funded community capacity building	3.3.1 Number of people supported through ILC

## **Level B – Quarterly NDIA Performance Reporting**

8. The NDIA Board will report quarterly to the DRC on aspects of operational performance that contribute directly to the achievement of outcomes for the NDIS. These requirements, and their relationship to the overarching NDIS outcomes and KPIs, are set out in Table 2 below. Also set out in Table 2 below are the requirements for quarterly reporting from the NDIA Board to the DRC under the legislation. This information will be provided at the national level, and also disaggregated to the level of individual host jurisdictions.
9. Participant outcomes will be measured using a draft outcomes framework, which is currently being piloted in the NDIS trial sites by the NDIA. Trends in indicators will be monitored, as well as comparisons between Australians without disability and people with a disability in other OECD countries. In addition to the outcomes framework, individual participant goal attainment as outlined in participant plans will be measured using the Goal Attainment Scale (GAS).

**Table 2:** Quarterly Reporting from the NDIA Board to DRC

<b>Outcome</b>	<b>Measures</b>	<b>Indicators</b>
<b>1. People with disability lead lives of their choice</b>	1.1 Outcomes for participants and their families	1.1.1 Proportion of participants, and their families and carers who report improved economic and social outcomes (as measured by the NDIA outcomes framework)
		1.1.2 Proportion of participants who attain the goals outlined in their plans (as measured by the NDIA's Goal Attainment Scale)
		1.1.3 Participant satisfaction
	1.2 Provision of support in response to assessed need	1.2.1 Number of registered service providers by characteristics and market profile 1.2.2 Access request to receiving support within different timeframes
<b>2. NDIS is a financially sustainable, insurance-based NDIS</b>	2.1 Participant characteristics and their families	2.1.1 Access requests made by outcome
		2.1.2 Eligible participants against bilateral targets, including key characteristics
		2.1.3 Participants with approved plans against bilateral targets
		2.1.4 Trends in plan approvals
		2.1.5 Access request to plan approval within different timeframes
		2.1.6 Ineligible participant numbers and key characteristics
	2.2 Support packages	2.2.1 Committed support
		2.2.2 Actual payments
		2.2.3 Average and median package costs by sub-groups of the population and for all participants compared with the expected averages and medians, including trends
	2.3 Projections	2.2.4 Details of participants with second plans, including length and value of supports
		2.2.5 Distribution of package costs
<b>3. Greater community inclusion of people with disability</b>	3.1 Mainstream services	2.3.1 Cost of the NDIS in dollar terms and as a percentage of GDP (split by participants aged under 65 and over 65). This measure will include NDIA operating costs
	3.2 LAC	3.1.1 Number of participants accessing mainstream services by service type
		3.2.1 Number of participants and other people with a disability supported by LACs by participant characteristics
	3.3 ILC	3.2.2 Descriptions of activities undertaken on ILC including dollars spent by regions and activities
		3.3.1 Number of participants and other people with a disability supported by ILC activities by participant characteristics
		3.3.2 Descriptions of activities undertaken on ILC including dollars spent by regions and activities



### **Level C – NDIS Activity in Jurisdictions**

10. The NDIA will provide certain financial and NDIS activity information to the Commonwealth Minister and each host jurisdiction's Minister, as provided for in section.175 of the *National Disability Insurance Scheme Act 2013*. This information will be provided on a monthly basis (including year to date totals), in datasets accessed through the data warehouse. It will not be provided through written separate reports.

### **Release of Information**

11. Release of information provided under this Schedule will be consistent with the information protocols to be developed between the Parties and the NDIA by December 2015.

### **Relationship to NDIS Evaluation Strategy**

12. Reporting under the Integrated NDIS Performance Reporting Framework will complement the NDIS Evaluation. The evaluation will provide a series of point-in-time snapshots, largely focussing on outcomes for individuals, carers and families. By contrast, information under the Performance Reporting Framework will be provided on a regular schedule (monthly, quarterly or annually) and will provide insights into the operation of the NDIS and the way it is being administered by the NDIA. It will include information on NDIS participants, but also on providers of supports and fiscal sustainability.

## **Schedule H**

### **Workforce**

1. The Parties agree to give effect to clause 35 of the *Heads of Agreement between the Commonwealth and Victorian Governments on the National Disability Insurance Scheme*, being that the first offer of employment for the National Disability Insurance Agency (NDIA) should be to appropriately skilled existing Victorian Government disability staff.
2. The Parties agree that the appointment of an appropriately skilled workforce to the NDIA within the required timeframes is essential to the ongoing success of the National Disability Insurance Scheme (NDIS).
3. For the purposes of this Schedule H, the term "disability staff" means all Victorian Government staff materially affected by the national roll-out of the NDIS, regardless of whether the roles are directly involved in the delivery of services to clients.
4. The Parties recognise and value the skills of Victorian Government disability staff and that these skills will be a valuable contribution to the successful implementation of the NDIS.
5. The Parties are committed to working together to place Victorian Government disability staff, in accordance with this Schedule, into ongoing roles within the NDIA.
6. The objectives of this Schedule H ensure:
  - a. the workforce requirements of the NDIA are able to be fulfilled within the required timeframes;
  - b. the Victorian Government and Victorian Government disability staff have an understanding of the NDIA's workforce requirements;
  - c. the Victorian Government is able to manage the availability of staff to deliver Victoria's existing disability support related services to existing clients during the transition period; and
  - d. Victorian Government disability staff have information on the overall recruitment approach of the NDIA and the employment arrangements prior to commencement with the NDIA.

### **Nature of Employment**

7. The Commonwealth, NDIA and the Victorian Government are committed to do everything practicable to attract and employ suitably skilled staff to ongoing roles within the NDIA.
8. Staff selected for ongoing employment in the NDIA will be engaged under Section 72 of the Public Service Act 1999 (Cth). As such, this agreement only applies to movement of Victorian Government disability staff to employment covered by that Act.
9. The Australian Public Service Commission (APSC) work level standards will be used to identify the NDIA's classification level that most closely equates to the substantive level of work the individual Victorian Government disability staff member is undertaking in their state government employment, at the time of movement. Following a confined merit based selection process, suitable selected staff will be offered employment at this level, where a vacancy exists. However, where no

vacancies exist at that level, Victorian Government disability staff may choose to be considered for employment in the NDIA below that level.

### **Recruitment process**

10. The Parties have agreed to a confined merit based selection process to fill roles within the NDIA targeting Victorian Government disability staff. This is consistent with provisions under Clause 35 of the *Heads of Agreement between the Commonwealth and Victorian Governments on the NDIS* where the recruitment process for NDIA roles will be initially confined to appropriately skilled Victorian disability staff who will receive the first offer of employment. The Parties agree that the NDIA's selection process in relation to Victorian Government staff will precede any normal recruitment processes run by the NDIA.
11. The NDIA will ensure that the process for identifying eligible staff to fill roles in the NDIA is consistent with the principles for merit selection set out in the *Public Service Act 1999* and is open and transparent, and that staff can demonstrate that they have the appropriate skills, experience and qualifications for the roles. All assessment processes for Victorian Government staff must be based on the specific skills and qualifications required for the specified role.
12. All offers of employment from the NDIA to Victorian Government staff must be consistent with the *Public Service Act 1999* and merit based selection processes.
13. Persons with disability will be encouraged and supported to participate in this process.
14. The three-step process for the transition of Victorian Government disability staff to the NDIA to support the national roll-out of the NDIS, will accord with APS recruitment policies and processes, and is as follows:

#### **STEP 1 – Planning**

- a. The NDIA will identify the jobs to be performed, skills, experience and qualifications required, Australian Public Service (APS) classification structure, ongoing/non-ongoing requirements, locations for servicing participants, and the number of staff required which will also inform the funding provisions on movement to the NDIA.
- b. The NDIA will work with the Victorian Government to conduct role evaluations against APS work level standards to identify appropriate matching of APS/Victorian Government classification levels.

#### **STEP 2 – Selection**

- a. The NDIA will provide a Fact Sheet as part of the selection process to outline the nature of employment on offer and that the NDIA will conduct a confined merit selection process to employ Victorian Government disability services staff that are suitable for the NDIA's role requirements.
- b. The NDIA will provide the Victorian Government with a detailed list of roles subject to the confined merit selection process, including location, classification, full-time equivalent allocation and position descriptions. This information will be circulated to disability services staff of the Victorian Government.
- c. Expressions of interest will be provided to the NDIA directly by staff.

- d. The NDIA will establish a recruitment panel to assess applications and conduct a merit based selection process that will consider an employee's skills and qualification for a role.
- e. The recruitment panel will include a representative from Victoria.
- f. The recruitment panel will make recommendations for employment consistent with the merit-based recruitment practices in the Commonwealth.
- g. The NDIA will confirm with the Victorian Government the names of staff who are successful in the selection process.
- h. The NDIA will undertake the applicable pre-employment checks.

### **STEP 3 - Appointment of Selected Staff**

- a. The NDIA will finalise the listing of selected staff and communication will be sent to the Victorian Government advising it of those staff who have received offers of employment and accepted those offers. Date of engagement will be agreed between the Parties.
- b. The NDIA will provide a final listing of names, classifications, roles and salaries of selected staff to the APSC to formalise the transfer under section 72 of the Public Service Act 1999.
- c. The Commissioner will consider the request and sign a determination to engage selected staff as NDIA (Commonwealth) employees.

### **Security clearance**

- 15. Police checks of selected staff will be undertaken prior to an offer being made.
- 16. Selected staff placed in roles within the NDIA that require access to protected information will be subject to the required level of security vetting consistent with APS guidelines.

### **Transition process**

- 17. An agreed schedule to transition suitably skilled Victorian Government disability staff to the NDIA to support the national roll-out of the NDIS will be developed with the aim of minimising any disruption to ongoing service delivery of the Victorian Government.

### **Continuity of Service**

- 18. For all staff who are engaged under Section 72 of the *Public Service Act 1999* continuity of service and recognition of prior service will be recognised for annual leave, long service leave, personal leave, redundancy pay, and parental leave entitlements.

### **Probation**

- 19. Selected staff will not be required to serve a probationary period of employment on commencement with the NDIA.

### **Terms of Employment**

- 20. Selected Victorian Government disability services staff who are classified as *transferring employees* under the *transfer of business* provisions under Section 311

of the Fair Work Act 2009 (Cth), will have their terms and conditions of employment transferred in accordance with the transfer of business provisions of that Act. This means the *VPS Determination 2012* or the *HACSU Department of Human Services Disability Services Enterprise Agreement 2012 – 2016* will transfer with staff until the agreement expires and is replaced by an alternative agreement.

21. Where Victorian Government disability staff have chosen to be considered for employment in the NDIA below their current level, it is possible that in these circumstances the employee would not be a *transferring employee* under Section 311 of the Fair Work Act 2009 (Cth). This will depend on the nature of the work the employee will be performing at the lower level. The terms and conditions of employment of these staff will be the FaHCSIA Enterprise Agreement as it has effect under Schedule 1 of the *National Disability Insurance Scheme Act 2013*.

### **Leave Entitlements**

22. For employees who are classified as *transferring employees* under the *transfer of business* provisions under Section 311 of the Fair Work Act 2009 leave entitlements will be recognised consistent with the provisions of the Fair Work Act.
23. For employees who are not classified as *transferring employees*, leave entitlements will be as per the FAHCSIA Enterprise Agreement as it has effect under Schedule 1 to the *National Disability Insurance Scheme Act 2013*.
24. The Victorian Government agrees to provide funding for the entitlements recognised for annual and long service leave for Victorian Government disability staff who are successful in the selection process, with a probability factor for long service leave provision to be agreed between Victoria and the NDIA.

25. Victorian funding will be provided at the level of existing Victorian agreements.

### **Annual Leave**

26. Selected staff may elect to have their existing annual leave entitlement paid out by the Victorian Government or have their existing accrual transferred to the NDIA.

### **Long Service Leave**

27. Selected staff may elect to have their existing long service leave entitlement paid out by the Victorian Government on departure, or have their Victorian Government service recognised for the purposes of long service leave entitlements in the NDIA.
28. Selected staff without sufficient service with the Victorian Government to have a current entitlement to long service leave will have their period of service with the Victorian Government recognised for the purposes of long service leave entitlements for the NDIA.

### **Personal Leave**

29. Selected staff will be attributed an entitlement based on their recognised period of service.

### **Superannuation**

30. The NDIA will make compulsory employer contributions as required by the applicable legislation and fund requirements.
31. The current default superannuation fund in the NDIA is the Public Sector Superannuation Accumulation Plan (PSSap). The NDIA will provide employer

superannuation to members of the PSSap at the rate applying in the PSSap Trust Deed, which is currently 15.4% of an employee's fortnightly contribution salary.

32. Both parties support Victorian Government staff who are currently members of SERBS, Revised and New (now ESS Super) schemes applying to maintain membership of these funds, subject to Victorian Government approval. Contribution to defined benefits superannuation schemes will be at the rate determined by relevant Victorian legislation.
33. Any additional superannuation options will be dependent on the rules of the employee's current scheme and any other legislative or fund requirements.

### **Communications**

34. The Parties agree to a collaborative and cooperative approach between the NDIA and Victorian Government departments consistent with the aims of this Agreement.
35. The NDIA will regularly consult with local Victorian Government state managers on recruitment activities and opportunities throughout the transition period with the objective of allowing Victorian Government disability services non senior executive employee opportunities for ongoing NDIA roles ahead of external recruitment processes.

### **Union rights and responsibility in the workplace**

36. Union rights and responsibilities in the workplace (including right of entry provisions and consultation on change) are recognised through the provisions of the *Fair Work Act 2009* (Cth).

## **Schedule I**

# **Arrangements for the interface between the NDIS and mainstream services in transition**

1. This Schedule sets out the arrangements between the National Disability Insurance Scheme (NDIS) and other service systems during the transition to the full NDIS in Victoria.
2. The Parties agree that the effective interfaces between the NDIS and other service systems (mainstream systems) are critical to ensure that participants in the scheme achieve positive outcomes, and cost-shifting, duplication and/or the creation of service gaps is avoided.
3. In April 2013, the Council of Australian Governments (COAG) agreed the interactions between the NDIS and mainstream services would be guided by a set of Principles to determine the responsibilities of the NDIS and other service systems.
4. All governments agree the funding and delivery responsibilities of the NDIS and mainstream services will continue to be guided by the Principles set out in Table 1 below.

**Table 1: Principles to Determine the Responsibilities of the NDIS and Other Service Systems**

1. People with disability have the same right of access to services as all Australians, consistent with the goals of the National Disability Strategy which aims to maximise the potential and participation of people with disability.
2. The NDIS will fund personalised supports related to people's disability support needs, unless those supports are part of another service system's universal service obligation (for example, meeting the health, education, housing, or safety needs of all Australians) or covered by reasonable adjustment (as required under the Commonwealth Disability Discrimination Act or similar legislation in jurisdictions).
3. Clear funding and delivery responsibilities should provide for the transparency and integrity of government appropriations consistent with their agreed policy goals.
4. There should be a nationally consistent approach to the supports funded by the NDIS and the basis on which the NDIS engages with other systems, noting that because there will be variation in non-NDIS supports funded within jurisdictions there will need to be flexibility and innovation in the way the NDIS funds and/or delivers these activities.
5. In determining the approach to the supports funded by the NDIS and other service systems governments will have regard to efficiency, the existing statutory responsibilities and policy objectives of other service systems and operational implications.
6. The interactions of people with disability with the NDIS and other service systems should be as seamless as possible, where integrated planning and coordinated supports, referrals and transitions are promoted, supported by a no wrong door approach.

5. **Attachment A** details the applied principles that assist to further define the funding responsibilities of the following eleven service systems:

1. Health;
2. Mental Health;
3. Early Childhood Development;
4. Child Protection and Family Support;
5. School Education;
6. Higher Education and Vocational Education and Training;
7. Employment;
8. Housing and Community Infrastructure;
9. Transport;
10. Justice; and
11. Aged Care.

## **Review**

6. In addition to the six general principles, the Applied Principles and Tables of Support previously agreed by COAG are currently being reviewed. Following consideration by COAG, an updated version will be published on the COAG website that will further define the responsibilities of the NDIS and other systems during transition to the NDIS.
7. The Victorian Operational Plan will further consider the implementation of the intersections between the principles, noting that further policy to align with these principles is being considered nationally.

## **Escalation**

8. The 2015 review of the Applied Principles and Tables of Supports identified that escalation procedures are required to address areas where operationalisation of the Applied Principles and Tables of Supports results in unintended consequences.
9. The escalation clauses in this Agreement (clauses 55-57) will be used to address these areas.
10. The Disability Reform Council, or equivalent, will continue to review the operation of the Applied Principles and Tables of Supports and provide advice to COAG, as needed.



# PRINCIPLES TO DETERMINE THE RESPONSIBILITIES OF THE NDIS AND OTHER SERVICE SYSTEMS

All governments have agreed that our vision is for an inclusive Australian society that enables people with disability to fulfil their potential as equal citizens. To achieve this vision, all Australian governments, non-government organisations, business and the wide community have a role to play. The interactions of the NDIS with other service systems will reinforce the obligations of other service delivery systems to improve the lives of people with disability, in line with the National Disability Strategy.

Governments agree that the principles outlined in this document will be used to determine the funding and delivery responsibilities of the NDIS and other systems in achieving this vision. The NDIS launch sites provide governments with an opportunity to review interactions between the NDIS and other service systems and consider any lessons arising out of launch.

These applied principles, and arrangements needed to operationalise them, will be reviewed through the process set out in Part 8 of the Intergovernmental Agreement for the NDIS Launch. Based on this review and on the lessons from launch, the Standing Council on Disability Reform may provide advice to COAG on amendments to the Applied Principles and 'tables of supports', in consultation with other Ministerial Councils as appropriate. The Agency Board may also report to the Standing Council and COAG on the operation and effectiveness of the interface with other service systems.

1. People with disability have the same right of access to services as all Australians, consistent with the goals of the National Disability Strategy which aims to maximise the potential and participation of people with disability.
2. The NDIS will fund personalised supports related to people's disability support needs, unless those supports are part of another service system's universal service obligation (for example, meeting the health, education, housing, or safety needs of all Australians) or covered by reasonable adjustment (as required under the Commonwealth Disability Discrimination Act or similar legislation in jurisdictions).
3. Clear funding and delivery responsibilities should provide for the transparency and integrity of government appropriations consistent with their agreed policy goals.
4. There should be a nationally consistent approach to the supports funded by the NDIS and the basis on which NDIS engages with other systems, noting that because there will be variation in non-NDIS supports funded within jurisdictions there will need to be flexibility and innovation in the way the NDIS funds and/or delivers these activities.

5. In determining the approach to the supports funded by the NDIS and other service systems governments will have regard to efficiency, the existing statutory responsibilities and policy objectives of other service systems and operational implications.
6. The interactions of people with disability with the NDIS and other service systems should be as seamless as possible, with a no wrong door approach, and minimising the impact of system and organisational boundaries on people with disability, enabling coordinated and integrated plans, supports, referrals and transitions.

**Applied principles**

In addition to the six general principles, applied principles have been developed in a range of other service systems to assist governments to further define the funding responsibilities during the launch of the NDIS.

Applied principle have been developed for:

1. Health
2. Mental health
3. Early childhood development
4. Child protection and family support
5. School education
6. Higher education and Vocational Education and Training (VET)

7. Employment
8. Housing and community infrastructure
9. Transport
10. Justice
11. Aged care

## 1. HEALTH

### APPLIED PRINCIPLES — HEALTH

1. Commonwealth and State and Territory health systems have a commitment to improve health outcomes for all Australians by providing access to quality health services based on their needs consistent with the requirements of the National Healthcare Agreement and other national agreements and in line with reasonable adjustment requirements (as required under the Commonwealth Disability Discrimination Act or similar legislation in jurisdictions).
2. The above health system will remain responsible for the diagnosis and clinical treatment of health conditions, including ongoing or chronic health conditions, and other activities that aim to improve the health status of Australians, including general practitioner services, medical specialist services, dental care, nursing, allied health services (including acute/post-acute), preventive health, care in public and private hospitals, pharmaceuticals, and other universal health entitlements.
3. The above health system will also be responsible for funding time limited, goal-oriented services and therapies where the predominant purpose is treatment directly related to the person's health status or after a recent medical or surgical event, with the aim of improving the person's functional status including rehabilitation, palliative care, or post-acute care.
4. The NDIS will be responsible for supports related to a person's ongoing functional impairment and that enable the person to undertake activities of daily living, including "maintenance" supports delivered or supervised by clinically trained or qualified health practitioners where this is directly related to a functional impairment and integrally linked to the care and support a person requires to live in the community and participate in education and employment.

## 2. MENTAL HEALTH

### APPLIED PRINCIPLES — MENTAL HEALTH

1. The health system will be responsible for:
  - a. supports related to mental health that are clinical in nature, including acute, ambulatory, continuing care, rehabilitation/recovery and early intervention, including clinical support for child and adolescent developmental needs; and
  - b. any residential care where the primary purpose is for inpatient treatment or clinical rehabilitation, where the service model primarily employs clinical staff.
2. The health and community services system will be responsible for supports relating to a co-morbidity with a psychiatric condition where the co-morbidity is clearly the responsibility of that system (e.g. treatment for a drug and/or alcohol issue).
3. The NDIS will be responsible for non-clinical supports that focus on a person's functional ability, including those that enable people with mental illness or a psychiatric condition to undertake activities of daily living and participate in the community and in social and economic life.

### 3. CHILD PROTECTION AND FAMILY SUPPORT

#### APPLIED PRINCIPLES — CHILD PROTECTION AND FAMILY SUPPORT

1. In recognising the statutory role of the child protection system and in line with the National Framework for Protecting Australia's Children 2009-2020:
  - a. Other parties will be responsible for promoting the safety of children from abuse and neglect, including public education on child safety, management of the statutory child protection system including reports of child protection.
  - b. The NDIS will ensure its rules and processes are consistent with jurisdictional child protection legislation, including reporting requirements.
2. The child protection, community services, family support, education and/or health sectors will continue to be responsible for general parenting programs, counselling and other supports for families, including making these accessible and appropriate for families with disability, that are provided both to the broad community and families at risk of child protection intervention.
3. The child protection system will be responsible for meeting the needs of children with disability in out-of-home care, where these supports are not additional to the needs of children of similar age in similar out of home care arrangements, including support to carers of children in out-of-home-care.
4. Where a child with disability is in out of home care, the NDIS will fund supports specific to the child's disability (or development delay) which are additional to the needs of children of similar ages, in similar out of home care arrangements. The diversity of out of home care arrangements is recognised and the level of 'reasonable and necessary' supports will reflect the circumstances of the individual child. The standard supports provided by the child protection system to carers relevant to their out of home care arrangement will continue.
5. The NDIS will be responsible for support for children, families and carers required as a direct result of the child's disability, including supports that enable families and carers to sustainably maintain their caring role, including community participation, therapeutic and behavioural supports, additional respite and aids and equipment.

#### 4. EARLY CHILDHOOD DEVELOPMENT

##### APPLIED PRINCIPLES — EARLY CHILDHOOD DEVELOPMENT

1. The early childhood education and care sector will continue to be responsible for meeting the education and care needs of children with a development delay or disability, including through inclusion supports that enable children to participate in early childhood education and care settings.
2. The health system, including child and maternal health services, will be responsible for supports which are clinical in nature, including acute, ambulatory, continuing care and new-born follow-up.
3. The NDIS will be responsible for personalised individualised supports, specific to a child's disability (or development delay) which are additional to the needs of children of a similar age and beyond the reasonable adjustment requirements of early childhood development service providers.
4. The NDIS will be responsible for early interventions for children with disability (or development delay) which are:
  - specifically targeted at enhancing a child's functioning to undertake activities of daily living (not supports, such as school readiness programs, which are specifically for the purpose of accessing a universal service, such as education); and
  - likely to reduce the child's future support needs which would otherwise require support from the NDIS in later years, including through a combination and sequence of supports (not including medical and health treatments outlined in the health interface).
5. The implementation of the NDIS' responsibilities in regard to early childhood development services will need be aligned with other early childhood services being provided and take account of relevant workplace relations arrangements, duty of care, quality standards and state-based scheme such as 'working with children checks'.

*[Note: Linkages with the 'Child Protection and Family Support Applied Principles' and 'Education Applied Principles']*

## 5. SCHOOL EDUCATION

### APPLIED PRINCIPLES — SCHOOL EDUCATION

1. The allocation of responsibilities between the NDIS and schools will be consistent with the legal obligations of schools, and governments' policy objectives for education including:
  - a. the compulsory nature of schooling
  - b. the current responsibilities schools have for reasonable adjustment, under the Disability Standards for Education;
  - c. curriculum and planning, including requirements for students to receive the legislated number of hours instruction or meet class attendance requirements.
2. In recognising the universal and statutory role of the schooling system:
  - schools will be responsible for personalising learning and support for students that primarily relate to their educational attainment (including teaching, learning assistance and aids, school building modifications and transport between school activities); and
  - the NDIS will fund supports that the student would require which are associated with the functional impact of the student's disability on their activities of daily living (i.e. those not primarily relating to education attainment), including personal care and support and transport to and from school. Any funding arrangements for individual students will recognise the operational requirements and educational objectives of schools.
3. The allocation of funding responsibilities will avoid placing inappropriate legal or financial obligations on schools or on the NDIS.

*[Note: Further work will be undertaken on how students personal care needs will be assessed, the calculation of the level of funded supports for personal care and how these funds will be managed/administered.]*

## 6. HIGHER EDUCATION AND VOCATIONAL EDUCATION AND TRAINING (VET)

### APPLIED PRINCIPLES — HIGHER EDUCATION AND VOCATIONAL EDUCATION AND TRAINING (VET)

1. The allocation of funding responsibilities between the NDIS and both the Higher Education and Vocational Education and Training (VET) providers will be consistent with the legal obligations and governments' policy objectives for education including the current responsibilities education providers have for 'reasonable adjustment', under the Disability Standards for Education;
2. Higher Education and VET providers will be responsible for the learning and support needs of students that primarily relate to their educational and training attainment (including teaching, learning assistance and aids, building modifications and transport between education or training activities), as well as general transition supports from education or training to employment.
3. The NDIS will fund supports that the student would require which are associated with the functional impact of the student's disability on their activities of daily living (i.e. those not primarily relating to education or training attainment), including personal care and support, transport from home to and from the education or training facility and specialist transition supports required as a result of the person's disability, consistent with the individualised approach to funding that is to be adopted by an NDIS.



## 7. EMPLOYMENT

### APPLIED PRINCIPLES — EMPLOYMENT

1. Employment services and programs, including both disability-targeted and open employment services, will continue to be responsible for providing advice and support to:
  - a. people with disability to prepare for, find and maintain jobs; and
  - b. employers to encourage and assist them hire and be inclusive of people with disability in the workplace (e.g. support, training and resources, funding assistance to help employers make reasonable adjustments, and incentives for hiring people with disability, such as wage subsidies).
2. Employers will continue to provide work-specific support to people with disability related to recruitment processes, work arrangements and the working environment in line with the *Disability Discrimination Act 1992*, including workplace modifications, work-specific aids and equipment, and transport within work activities.\*
3. The NDIS will be responsible for supports related to daily living that a person would require irrespective of the activity they are undertaking (including personal care and support and transport to and from work) consistent with the individualised approach to funding that is to be adopted by the NDIS.
4. The NDIS will be responsible for frequent and ongoing supports that assist people with disability to take part in work where the person has work capacity and is unlikely to be able to find or retain work in the open market, including with the assistance of employment services.
5. The NDIS will be responsible for individualised assistance to support a person with disability to transition into employment, where these support needs are additional to the needs of all Australians and specifically required as a result of a person's functional impairment, such as training on dress, workplace relationships, communication skills, punctuality and attendance, and travelling to and from work. \*\*

*[\*Where a person's employment includes a program of training, such as apprenticeships the, training organisations will also be responsible for providing reasonable adjustment, in line with the Disability Discrimination Act 1992 and the Disability Standard for Education.]*

*[\*\* Commonwealth officials will continue to work through arrangements with the Departments of Human Services and Education, Employment and Workplace Relations where supports offered by the NDIS are similar to those offered by Centrelink and/or employment services.]*

## 8. HOUSING AND COMMUNITY INFRASTRUCTURE

### **APPLIED PRINCIPLES — HOUSING AND COMMUNITY INFRASTRUCTURE**

1. Public and community housing providers will continue to provide accommodation for people in need of housing assistance in line with existing allocation and prioritisation processes, including appropriate and accessible housing for people with disability, routine tenancy support, and ensuring that new publicly-funded housing stock, where the site allows, incorporates Liveable Design features.
2. Housing and homelessness services remain responsible for homelessness-specific services, including through homelessness prevention and through outreach and access to temporary and long term housing for people who are homeless, or at risk of homelessness.
3. Parties responsible for community infrastructure will continue to improve the accessibility of the built and natural environment (including roads and footpaths) through planning and regulatory systems and through building modifications and reasonable adjustment where required.
4. The NDIS will be responsible for support to assist individuals with disability to live independently in the community, including by building individual capacity to maintain a tenancy and support for appropriate behaviour management.
5. The NDIS will be responsible for home modifications for accessibility specific to individuals in private dwellings, and in some cases in legacy public and community housing dwellings on a case-by-case basis and not to the extent that it would comprise the responsibility of housing authorities to develop, maintain and refurbish, stock that meets the needs of people with disability.
6. The NDIS is also responsible for user costs of capital in some situations where a person requires an integrated housing and support model and the cost of the accommodation component exceeds a reasonable contribution from individuals.

## 9. TRANSPORT

### APPLIED PRINCIPLES — TRANSPORT

1. The public transport system will be responsible for ensuring that transport options are accessible to people with disability, including through concessions to people with disability to use public transport (including parties choosing to provide concessions for the total cost of transport) and compliance with relevant non-discrimination legislation including the Disability Standards for Accessible Public Transport.
2. Others parties will continue to be responsible for transport infrastructure, including road and footpath infrastructure, where this is part of a universal service obligation or reasonable adjustment, including managing disability parking and related initiatives.
3. The NDIS will be responsible for funding supports for individuals that enable independent travel, including through personal transport-related aids and equipment, training to use public transport and modifications to private vehicles (i.e. not modifications to public transport or taxis).
4. The NDIS will be responsible for reasonable and necessary costs associated with the use of taxis or other private transport options for those not able to travel independently

*[Note: links with the 'Education Applied Principles' and 'Employment Applied Principles' regarding transport to and from work/school]*

## 10. JUSTICE

### APPLIED PRINCIPLES — JUSTICE

1. The criminal justice system (and relevant elements of the civil justice system) will continue to be responsible for meeting the needs of people with disability in line with the National Disability Strategy and existing legal obligations, including making reasonable adjustments in accordance with the *Disability Discrimination Act 1992* (Cth), through:
  - a. ensuring its systems, supports and buildings are accessible for people with disability including appropriate communication and engagement mechanisms, adjustments to the physical environment, accessible legal assistance services and appropriate fee waivers;
  - b. general programs for the wider population, including programs to prevent offending and minimise risks of offending and reoffending and the diversion of young people and adults from the criminal justice system;
  - c. the management of community corrections, including corrections-related supervision for offenders on community based orders.
2. Other parties and systems will be responsible for supports for people subject to a custodial sentence or other custodial order imposed by a court. This includes where a court has order a person reside in a prison, or other facility accommodating people on custodial orders such as youth detention and training facilities, secure mental health facilities or secure facilities for people with disability. These parties are responsible for meeting the day-to-day care and support needs of people with disability in this custodial settings, including supervision, personal care and general supports which are also required by the general custodial population, and also general supports to enable skill development and living skills and promote the effective transition of people with disability out of custodial settings, in line with supports offered to other people in custodial settings.
3. The health system, mental health system and other parties will be responsible for operating secure mental health facilities which are primarily clinical in nature.
4. The NDIS will continue to fund the full range of supports related to the impact of a person's disability in a person's support package where the person is not serving a custodial sentence or other custodial order imposed by a court. As such the NDIS would fund supports where the person is on remand or a community based order which places controls on the person to manage risks to the individual or the community (except in the case of secure mental health facilities).
5. The NDIS will fund specialised supports to assist people with disability live independently in the community, including supports delivered in custodial settings aimed at improving transitions from custodial settings to the community, where these supports are required as a result of a person's functional impairment and additional to supports required by all Australians in similar custodial settings.

## 11. AGED CARE

### APPLIED PRINCIPLES — AGED CARE

1. The aged care system will continue to be responsible for access to quality and affordable aged care and carer support services, including through subsidies and grants, industry assistance, training and regulation of the aged care sector, information assessment and referral mechanisms, needs-based planning arrangements and support for specific needs groups and carers.
2. Consistent with Principle 6 of the *Principles to Determine Responsibilities of the NDIS and Other Service Systems*:
  - a. where a participant chooses to move from the NDIS to the aged care system there will be a seamless approach to the person's transition between these systems, with the person supported at all points during the transition to ensure people receive appropriate supports as they age
  - b. The NDIS and the aged care system will recognise their relative areas of expertise and seek to leverage this expertise as appropriate.
3. A participant can choose to continue to receive supports from the NDIS after age 65, or can choose to take up an aged care place.
  - a. A person ceases to be a participant in the NDIS when the person enters a residential care service on a permanent basis, or starts being provided with community care on a permanent basis, and this first occurs only after the person turns 65 years of age (residential care service and community care have the same meanings as in the *Aged Care Act 1997*).
  - b. All parties will fulfill the responsibilities set out under Schedule F of the National Health Reform Agreement in relation to aged care and disability services, to the extent relevant to Parties of the Agreement (Clause 17 NDIS IGA).
4. An NDIS participant under the age of 65 can choose to purchase support from an aged care provider and the NDIS will fully meet these 'reasonable and necessary' support costs.

## **Schedule J**

### **Supports for specialist disability housing**

1. The NDIS 'user cost of capital' funding stream will support the availability of specialist disability housing for participants with high support needs who require and prefer such specialist accommodation to live independently. Residents will be expected to make a reasonable contribution to the cost of their accommodation.
2. The Parties agree that participants of the NDIS who require specialist disability housing support will not be disadvantaged during the transition to the full NDIS and will be supported to pursue their independent living goals.
3. The NDIS will support specialist disability housing, including for:
  - a. participants in existing supported accommodation, such as group homes, large residential centres, cluster or village based accommodation, and who use centre-based respite;
  - b. participants who currently reside in a residential aged care facility; and
  - c. participants who access alternative or innovative accommodation that is appropriate for people who require specialist disability housing to live independently, as determined by NDIA.
4. The Parties recognise that the NDIS will not be responsible for delivering general housing for people with disability, such as affordable options for those on lower incomes. Consistent with the mainstream principles at Schedule I: Mainstream Interfaces, the NDIS will complement, but not replace, the efforts of the housing sector, Commonwealth, State and Local governments, and families.
5. The NDIS will support access to affordable housing options for people with disability through local area coordination and Information, Linkages and Capacity Building, by helping people with disability link to other systems such as social and community housing; and support people with disability to engage with the private rental market to identify appropriate options. Where reasonable and necessary, participants will also be able to access, through individual package funding, accommodation-related supports such as home modifications, assistance with tenancy obligations, linen service, food preparation, garden maintenance, and the like.

#### **Funding principles**

6. The assistance provided for specialist disability housing will follow the principles of choice and portability for clients, and innovation and sustainability for providers. There are a number of NDIS design and pricing elements that will underpin the approach to funding specialist disability housing:
  - a. a mix of potential funding streams may be utilised to address existing and new specialist disability housing;
  - b. funding would be based on the efficient lifecycle cost of delivery of specialist disability housing representative of typical providers;

- c. residents will be expected to provide a reasonable contribution towards their accommodation;
  - d. funding is provided for both existing and new supply of specialist disability housing, as well as for both private and publicly owned specialist disability housing;
  - e. providers of specialist disability housing will be expected to finance ('cash-flow') the purchase or build of accommodation and their operations; and
  - f. funding will allow for the continuity of supply from providers and also ensure there is scope for change and innovation over time.
7. The lifecycle costs that will need to be addressed by the NDIS, resident contributions and land appreciation include:
- a. an efficient cost of purchase, lease or construction for specialist disability housing, including land and buildings;
  - b. an efficient cost of capital (finance) for new and existing specialist disability housing;
  - c. an efficient cost of depreciation, which allows for the replacement of specialist disability housing (existing and new supply) at the end of their useful life; and
  - d. an efficient accommodation-related operational cost of specialist disability housing, including facilities management, rates, insurance, utilities, repairs and maintenance.
8. Therefore, the NDIS funding support for specialist disability housing will be based on the following formula:
- $$\text{NDIS funding support} = (\text{asset base} \times \text{cost of capital}) + \text{accommodation related operating costs} + \text{depreciation} - \text{land appreciation} - \text{resident contribution}$$
9. The Commonwealth and State and Territory Governments (the States) have agreed to develop by December 2015 a framework for funding participants and/or providers for specialist disability housing, including the treatment of land under existing buildings. This may include a suite of prices or adjustments (loadings) for geography, accommodation type, occupancy (individual or group based) or other factors as appropriate.

## **Participants**

10. Funding to support participants who require specialist disability housing will be available, if it is reasonable and necessary, for:
- a. participants who are currently in specialist disability housing and wish to stay there;
  - b. participants who are currently in specialist disability housing who wish to explore options to change their accommodation arrangements; and

- c. over time, participants who are not currently in specialist disability housing, but for whom specialist disability housing would be reasonable and necessary, including participants whose circumstances change or who represent new or unmet demand.
- 11. The Parties recognise it is likely that people currently residing in supported accommodation have already established, through State processes, a need for reasonable and necessary housing based supports, but require confirmation by the NDIA.
  - a. It is envisaged that at a minimum, funding for specialist disability housing will fund current clients in the existing stock of supported accommodation; and that participants deemed eligible from existing waiting lists for which support would be reasonable and necessary would be given priority.
- 12. The Commonwealth and the States have agreed to develop by December 2015 a framework to identify the participants for whom funding for specialist disability housing is reasonable and necessary and its appropriate uses.
- 13. Administrative and funding responsibility for people aged 65 and over in specialist disability housing will transfer to the Commonwealth, consistent with the timeframes for transition of NDIS eligible participants in Victoria. Refer to Schedule A: Participant Transition Arrangements in Victoria and Schedule C: Cross Billing and Budget Neutrality Arrangements.

#### **Reasonable resident contribution**

- 14. The life-cycle costs associated with specialist disability housing will need to be addressed through NDIS funding, land appreciation and a reasonable resident contribution.
- 15. Most participants who require specialist disability housing will be reliant on social welfare payments. All residents will be expected to make a reasonable contribution to the cost of their accommodation based on their circumstances.
- 16. The Commonwealth and the States have agreed to develop a framework by December 2015 to determine how much residents will be expected to contribute and how that will impact NDIS funding for specialist disability housing. This may be similar to current supported accommodation arrangements, approaches to resident contributions in social housing or any other approaches considered appropriate.