

Bilateral Agreement between the Commonwealth of Australia and the Northern Territory on the National Disability Insurance Scheme

Part 1 – Objective of this Agreement

1. Through this Agreement, the Commonwealth of Australia (the Commonwealth) and the Northern Territory commit to improve the outcomes of people with disability by supporting them through the National Disability Insurance Scheme (NDIS; the Scheme), with the shared goal of increasing social and economic participation.
2. Through this Agreement, the Commonwealth and the Northern Territory are committed to the delivery of the NDIS to ensure that it achieves the objectives set out in the *National Disability Insurance Scheme Act 2013* (the NDIS Act).
3. The NDIS will:
 - a. provide all eligible Australian residents with independence through access to a scheme based on insurance principles that guarantees lifetime coverage for participants for the costs of reasonable and necessary care and supports, to enhance their social and economic participation;
 - b. enable people with disability to exercise choice and control in the pursuit of their goals and the planning and delivery of their supports;
 - c. provide an individualised approach to supporting people with disability based on a market approach;
 - d. provide safe and high quality supports to participants through national quality and safeguarding and market oversight arrangements; and
 - e. guarantee a sustainable funding model for the provision of disability supports to participants into the future.
4. This Agreement outlines the roles and responsibilities of the Commonwealth and the Northern Territory in relation to governance, policy, market development and oversight and funding arrangements for the NDIS.

Part 2 – Parties and Operation of the Agreement

5. The Parties to this Agreement are the Commonwealth and the Northern Territory.
6. This Agreement will commence on 1 July 2019.
7. This Agreement:
 - a. builds on the experiences of trial and transition in the Northern Territory and nationally, including in relation to remote service delivery under the NDIS;
 - b. outlines the ways the Commonwealth and the Northern Territory will work together on NDIS governance, funding and related policy matters;

- c. supersedes the NDIS Heads of Agreement and the Bilateral Agreement for Transition to the NDIS between the Commonwealth and the Northern Territory;
 - d. may be amended, according to the process set out in Part 10; and
 - e. exists until such time as it is revoked or replaced by a decision of the Parties.
8. This Agreement is interoperable with:
- a. the NDIS Act and its associated Rules;
 - b. the *DisabilityCare Australia Fund Act 2013* (the DCAF Act);
 - c. the National Disability Strategy 2010-2020;
 - d. the 'Principles to Determine the Responsibilities of the NDIS and other Service Systems – Applied Principles and Tables of Support (APTOS)' agreed by the Council of Australian Governments (COAG) on 19 April 2013, updated on 27 November 2015;
 - e. any National Partnership Agreements between the Commonwealth and the Northern Territory which provides for payment from the DisabilityCare Australia Fund (DCAF);
 - f. any relevant Commonwealth legislation; and
 - g. any relevant international agreements, which may be ratified from time to time, including the United Nations Convention on the Rights of Persons with Disabilities.
9. This Agreement is also to be considered in conjunction with the following Northern Territory legislation, and any relevant Northern Territory legislation:
- a. *Information Act*;
 - b. *Disability Services Act*;
 - c. *Workers Rehabilitation and Compensation Act*;
 - d. *Domestic and Family Violence Act*;
 - e. *Care and Protection of Children Act*;
 - f. *Anti-Discrimination Act*;
 - g. *Guardianship of Adults Act*;
 - h. *Mental Health and Related Services Act*;
 - i. *Criminal Code Act*;
 - j. *Carers Recognition Act*;
 - k. *Education Act*;
 - l. *Health and Community Services Complaints Act*;
 - m. *Housing Act*;
 - n. *Public Trustee Act*;
 - o. *Public Sector Employment and Management Act*;
 - p. *Children's Commissioner Act*;
 - q. *Correctional Services Act*;
 - r. *Motor Accidents (Compensation) Act*;
 - s. *Residential Tenancies Act*;
 - t. *NT Civil and Administrative Tribunal Act*;
 - u. *Financial Management Act*; and
 - v. *Return to Work Act*.
10. Schedules to this Agreement include, but are not limited to:
- a. financial contributions; and

- b. transitional provisions.

Part 3 – Principles and Approach

11. Given the small, culturally diverse, dispersed population over remote geography, and the unique remote service delivery operating context, the parties agree that the Northern Territory's approach to the NDIS will be guided by the following principles:
 - a. place based, tailored solutions to planning, market development, access to services and risk management;
 - b. a coordinated, client-centred, and tailored approach to the operating model in remote communities informed by existing effective frameworks, that maximise access, engagement and management of risk for individuals;
 - c. culturally competent engagement and professional practices;
 - d. local planning, market development and risk management strategies informed by timely and appropriate data; and
 - e. implementation of the Information, Linkages and Capacity Building (ILC) Investment Strategy recognises the importance of local based organisations in successfully delivering ILC activities that achieve outcomes for people with disability. While national applicability is acknowledged, the value of local based responses cannot be underestimated.
12. These principles should be read in conjunction with the Objects and Principles of the NDIS Act 2013.

Part 4 – Roles and Responsibilities

Shared responsibilities

13. In addition to their shared roles and responsibilities outlined in existing frameworks and in Clauses 8 and 9, the Parties agree to:
 - a. support and promote the objectives and principles of the NDIS, as set out in the NDIS Act;
 - b. work together through the governance structures in the NDIS Act and in this Agreement to minimise risks to the delivery of the NDIS and ensure Scheme sustainability;
 - c. work collaboratively, consulting with the National Disability Insurance Agency (NDIA) and engaging with people with disability, their families and carers, on ongoing refinement of the policy settings of the NDIS, including its interface with other service systems and non-government and community-based supports;
 - d. work collaboratively, consulting with the NDIS Quality and Safeguards Commission (the NDIS Commission) and engaging with people with disability, their families and carers, on ongoing refinement of the policy settings and operational arrangements relating to the NDIS Quality and Safeguarding Framework, including its interface with other safeguarding systems;

- e. consider reports on NDIS implementation, performance and outcomes, as well as impacts on other service systems, to inform their efforts to improve NDIS performance;
- f. participate in agreed evaluations and reviews, including by providing relevant information where available;
- g. make financial contributions to the NDIS, as set out in Part 9;
- h. where required, provide continuity of support for clients of Commonwealth or Northern Territory specialist disability programs who are found to be ineligible for the NDIS, to assist them to achieve similar outcomes. The Commonwealth will take full responsibility for those aged 65 and over (and Aboriginal and Torres Strait Islander people aged 50 and over);
- i. ensure the portability of NDIS supports between jurisdictions;
- j. identify and report issues to the NDIA or the Ministerial Council or responsible government, as appropriate, in a timely manner to ensure that the NDIS, and the legislation underpinning the Scheme, is operating as intended;
- k. coordinate and promote links between the NDIS and other service systems and non-government and community-based supports to create seamless delivery of supports to NDIS participants;
- l. support the principles of interoperability with other service systems by sharing information and data to the greatest extent possible to support the effective integration of the Scheme and jointly monitor outcomes, subject to privacy and other confidentiality requirements;
- m. support the development of a robust and comprehensive disability services market;
- n. support the NDIA's implementation of ILC by promoting collaboration and partnership with local communities and other service systems to create greater inclusivity and accessibility of people with disability; and
- o. provide access to other services provided by the Commonwealth and the Northern Territory to all people with disability residing in the Northern Territory, in accordance with the agreed responsibilities of all governments.

The NDIS and other service systems

14. The NDIS operates alongside other service systems in accordance with the APTOS. All governments have agreed that the guiding principles outlined in the APTOS will be used to determine the funding and delivery responsibilities of the NDIS; and that the interactions of the NDIS with other 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.
15. The service decisions regarding support for NDIS participants made by the NDIA and other service systems, in line with the principles in the APTOS, should be implemented in a consistent manner. To support this, the NDIA will continue to publish all Operational Guidelines that guide decision making about funding supports for NDIS participants.

16. The APTOS may be amended from time to time. Recognising that changes to the APTOS impact the NDIS and other service systems; any changes to the APTOS will be undertaken through a collaborative and jointly agreed process between the Commonwealth and all states and territories and will be agreed by COAG.

Part 5 – Governance

Ministerial Council

17. The NDIS is established by the NDIS Act and as outlined in Part 5 of the NDIS Act the NDIS is overseen by a Ministerial Council. The NDIS Act defines the Ministerial Council as being designated by COAG as having responsibility for the NDIS, and as being subject to COAG guidance for Ministerial Councils.
18. The Ministerial Council consists of the Commonwealth and all states and territories, and currently comprises Ministers with responsibility for Disability and Treasury portfolios.
19. The Ministerial Council is supported by a Senior Officials Working Group (SOWG), chaired by the Commonwealth.
20. Representatives from the NDIA and the NDIS Commission will attend Ministerial Council and SOWG meetings as required.
21. Under the NDIS Act, the Ministerial Council may make recommendations to COAG about NDIS policy matters or issues that arise under the NDIS Act or that respond to a scheduled review of the operation of the NDIS Act. The Ministerial Council provides an annual report to COAG and other reports as requested.

Working with the National Disability Insurance Agency

22. The NDIA is an independent statutory agency, whose role, as set out in the NDIS Act, is to deliver the NDIS and manage the financial sustainability of the NDIS, and to develop the sector, build community awareness and undertake data collection and research relating to disabilities.
23. The Parties may work with the NDIA to consider and resolve bilateral matters relating to the operation of the NDIS. This will be supported by agreed local and state-level governance arrangements which bring together the relevant parties and the NDIA. Unresolved matters could be escalated to the relevant Ministers or First Ministers, or where they have multilateral relevance, the Ministerial Council – or relevant officials' bodies.
24. Under the NDIS Act, the Commonwealth Minister, as chair of the Ministerial Council and with all states' and territories' agreement, can:
- a. give directions, by legislative instrument, to the NDIA about the performance of its functions; and

- b. provide strategic guidance to the NDIA Board.

Working with the NDIS Quality and Safeguards Commission

25. The NDIS Commission is an independent statutory agency, whose role, as set out in the NDIS Act, is to provide functions relating to the quality and safety of services provided to people with disability, register and oversee the operation of NDIS providers and manage and resolve complaints about NDIS providers.
26. The Parties may work with the NDIS Commission to consider and resolve bilateral matters relating to the operation of the NDIS. This may be supported by agreed governance arrangements which bring together the relevant parties and the NDIS Commission. Unresolved matters could be escalated to the relevant Ministers or First Ministers, or where they have multilateral relevance, the Ministerial Council – or relevant officials' bodies.

Consultation processes on the NDIS Act and legislative instruments

27. Where consultation is required in relation to a proposed change to the NDIS Act, or a new or existing instrument made under it, the following process will be followed:
- a. contact at officer level between the Commonwealth and affected jurisdictions;
 - b. SOWG consideration of a proposed multilateral change;
 - c. if there is an unintended impact on a jurisdiction, the Commonwealth should be notified within 14 calendar days of SOWG consideration;
 - d. where there is an unintended impact, the Commonwealth will work with that jurisdiction to remove or minimise it;
 - e. if the process outlined in (c) or (d) above occurs and it results in redrafting, the Commonwealth will recirculate the proposed change to SOWG for agreement within five working days;
 - f. the process outlined in (c), (d) and (e) above may occur more than once;
 - g. if there is no unintended impact notified under (c) above or, where there is such an impact, when the process in (c), (d) and (e) above has occurred, the Commonwealth Minister or, where delegated, the NDIS Commissioner, will write to jurisdictional Ministers about the proposed change and request a response within 28 calendar days of the letter being sent; and
 - h. the Commonwealth Minister, or NDIS Commissioner, will not make the proposed change before the 28 calendar days in (g) above has expired.
28. Where a proposed change to the NDIS Act, or an instrument made under it, requires formal agreement of a jurisdiction, a majority of jurisdictions, or all jurisdictions:
- a. the processes outlined in 27(a) to (h) will be followed; and
 - b. if a jurisdiction has not responded within the 28 calendar day period indicated in the Commonwealth Minister's or NDIS Commissioner's letter, the jurisdiction is deemed to have agreed the proposed change; unless
 - c. the jurisdiction has notified the Commonwealth in writing within the 28 calendar day period that its formal agreement requires a formal decision, in which case;
 - i. the notification by the jurisdiction in writing includes the date by which the decision will be made;

- ii. the notified decision date in (i) above is within 90 calendar days since the date the Commonwealth Minister's or NDIS Commissioner's letter was sent;
- iii. the jurisdiction notifies the Commonwealth of its decision within two working days of this specified date; and
- iv. if the Commonwealth has not been notified of the decision, within two working days of the notified date, the jurisdiction will be deemed to have agreed.

Part 6 – NDIS Quality and Safeguarding

29. The NDIS Quality and Safeguarding Framework, agreed by COAG, outlines the roles and responsibilities of the Commonwealth and all state and territory governments in relation to ensuring high quality supports and safe environments for NDIS participants.

Guiding Principles

30. All governments share a common goal of ensuring appropriate quality and safeguarding arrangements are in place for people with disability under the NDIS, in line with the following principles:
- a. avoid regulatory gaps and enable NDIS participants to make seamless transitions across jurisdictional regulatory boundaries;
 - b. embed best practice in safeguarding arrangements across agencies;
 - c. consult on decisions that might reasonably be expected to impact other parties;
 - d. implement information sharing arrangements to ensure the success of quality and safeguarding arrangements; and
 - e. ensure cultural safety, security and competency.

Roles and Responsibilities

31. The Commonwealth is giving effect to its key obligations under the NDIS Quality and Safeguarding Framework through the establishment of the NDIS Commission.
32. The Commonwealth, through the NDIS Commission, will be responsible for:
- a. registration and regulation of NDIS providers, including practice standards;
 - b. compliance monitoring, investigation and enforcement action;
 - c. responding to complaints and reportable incidents, including abuse or neglect of a person with disability;
 - d. national policy settings for the screening of workers;
 - e. national oversight in relation to behaviour support and monitoring the use of restrictive practices within the NDIS with the aim of reducing and eliminating such practices, and assisting all state and territories to move towards greater consistency around authorisation and consent arrangements;
 - f. monitoring and overseeing the NDIS market; and
 - g. facilitating information sharing arrangements between the NDIS Commission, the NDIA and all states and territories and other Commonwealth regulatory bodies.

33. The NDIS Commission will also regulate supports and services provided outside the NDIS in certain circumstances, where a program or provider is prescribed by the NDIS Rules, including the Commonwealth Continuity of Support Program for people with disability aged 65 and over (and Aboriginal and Torres Strait Islander people aged 50 and over).
34. The Parties agree that other existing Commonwealth and Northern Territory quality and safeguarding arrangements will continue:
- a. for services for people with a disability delivered through service systems outside the NDIS;
 - b. for matters which fall outside the jurisdiction of the NDIS Commission;
 - c. to cover all existing clients that have not transitioned to the NDIS; and
 - d. to cover all in-kind supports, which do not fall under the remit of the NDIS Commission because they are not funded under the NDIS Act.
35. The Parties agree that universal complaints and redress mechanisms, including police, fair trading bodies, professional and industry bodies, consumer protection laws, tenancy protection laws and other regulatory and complaints systems, will continue to be available to both NDIS participants and people with disability outside the NDIS.
36. Consistent with the NDIS Quality and Safeguarding Framework, the Northern Territory is responsible for policy and any related legislation, the authorisation and consent arrangements for restrictive practices in the Northern Territory and for the operational aspects of worker screening, including the operation of state-based worker screening units.
37. The roles and responsibilities of the Commonwealth and the Northern Territory in relation to worker screening are outlined in the Intergovernmental Agreement on Worker Screening.

Transitional Arrangements

38. Transitional arrangements for Quality and Safeguarding are outlined in Schedule B of this Agreement.

Part 7 – NDIS Market and Workforce Development

Guiding Principles

39. The Parties are committed to an NDIS delivered through an open market where:
- a. people with disability exercise choice and control to access reasonable and necessary supports;
 - b. diverse and sustainable providers offer a full range of quality supports wherever people live;
 - c. workers with appropriate skills deliver quality supports using a person-centred approach;

- d. prices are monitored to support value for money for participants and Scheme sustainability, and decisions about price controls or deregulation are informed by evidence about the functioning of the market;
- e. the sharing of high-quality and timely market intelligence is promoted by all agencies to the greatest extent possible;
- f. governments adhere to principles of competitive neutrality when offering or providing supports to people with disability;
- g. the market is monitored and regulated, and receives support and intervention as necessary to ensure it delivers in the interests of participants; and
- h. targeted strategies are established for remote, regional and Indigenous service delivery consistent with the NDIA Rural and Remote Strategy and relevant Community Plans, including where there are thin or non-existing markets, that promote local Indigenous economic participation opportunities and engagement.

40. The Parties acknowledge:

- a. that reform of the disability support market and workforce is ongoing; and
- b. the role of consumers, providers and workers in building a mature NDIS market.

41. The Parties agree to:

- a. continue to support NDIS market reform through their respective education, training and regulatory systems;
- b. forge connections to other relevant sectors (for example, health and aged care);
- c. support innovation in the disability support market, either directly or by not impeding innovation in the market; and
- d. identify and promote targeted strategies for sector and workforce development in thin markets.

Roles and Responsibilities

42. In the context of the Roles and Responsibilities for developing the NDIS Market and Workforce agreed by the Ministerial Council, the Northern Territory agrees to be responsible for:

- a. working with the Commonwealth, together with the NDIA, to develop, consider and implement market policies, strategies and actions to mitigate entrenched or systemic market risks, including supporting the implementation of market intervention and maintaining critical supports where there is risk, or market failure has occurred, in line with the agreed Market Enablement Framework and the Critical Services Issues Response; and
- b. facilitating the sharing of relevant market intelligence from state-based agencies to inform effective market oversight of the disability support sector.

43. In the context of the Roles and Responsibilities for developing the NDIS Market and Workforce agreed by the Ministerial Council, the Commonwealth agrees to be responsible for:

- a. engaging in good faith to develop, consider and implement market policies, strategies and actions to mitigate entrenched or systemic market risks, particularly in thin or non-existent markets;

- b. implementing market monitoring and regulation to protect participant interests and support market sustainability, competition, and viability;
 - c. monitoring the impact of pricing policies on the disability support sector and advising the Northern Territory on risks and opportunities for price deregulation including monitoring and advice on remote pricing frameworks relevant to the Northern Territory; and
 - d. considering the Northern Territory's specific remote sector, service delivery and work needs when targeting investments in market and workforce development.
44. The Parties agree to share responsibility for consulting with stakeholders and partners to inform advice to governments about entrenched or systemic market risks, particularly in Aboriginal communities, their severity and likely impacts.

Part 8 – NDIS Performance Reporting

45. Under the NDIS Act, the NDIA will provide the following levels of reporting about NDIS performance.

Annual Report

46. An annual report, which summarises the performance and operations of the NDIA as required by the *Public Governance, Performance and Accountability Act 2013* and the NDIS Act.
47. The annual report may also present the actions, initiatives and key performance indicators on the implementation and management of the NDIS against targets set out in the Commonwealth's Portfolio Budget Statements and the NDIA's Corporate Plan.

Quarterly NDIA Performance Reporting

48. The NDIA Board will report quarterly to the Ministerial Council on aspects of operational performance that contribute to the achievement of outcomes for the NDIS.
49. This information will be provided at the national level, and also disaggregated to the level of individual jurisdictions, and include information that relates to either or both of the following in the period to which the report relates:
- a. participants in each jurisdiction; and
 - b. funding or provision of supports by the NDIA in relation to each jurisdiction.
50. Reporting at this level is designed to provide jurisdictions with the information they require to meet their own individual accountability requirements, especially in the budget-reporting context, and to enable the Northern Territory to monitor the impact of the NDIS on its population and service system.

NDIS Activity in Jurisdictions

51. The NDIA must also give a Commonwealth, State or Territory Minister who is a member of the Ministerial Council, additional information when requested by that Minister about:
 - a. expenditure, relating to a particular host jurisdiction, of money received by the NDIA from the Commonwealth or that host jurisdiction; or
 - b. activities of the NDIA relating to that jurisdiction.
52. The Parties will agree a performance reporting framework with the NDIA that will support shared monitoring and understanding of the achievement of outcomes for the NDIS in the Northern Territory.
 - a. The framework will consider Scheme performance at the sub-state/regional level.

Part 9 – Funding Arrangements

53. The NDIS Act provides for the payment of NDIS financial contributions by the Commonwealth and the states and territories. This Agreement sets out the detail of agreed funding arrangements and payments to be made to the NDIA.
54. The Parties agree to contribute to the NDIS in accordance with Schedule A of this Agreement.
55. The Parties agree to establish a NDIS Reserve Fund from 1 July 2019. The objectives of the Reserve Fund are to improve participant outcomes and manage Scheme sustainability on insurance principles by using the Reserve Fund to manage the lifetime risk of participant costs.
56. The Reserve Fund will be built from accumulated cash in the Scheme. No governments are expected to make additional payments to the Reserve Fund. Actuarial and economic analysis will inform advice to governments about the development and optimal level of the Reserve Fund. The actuarial and economic analysis will be peer-reviewed.
57. The Ministerial Council will, by March 2019, consider the broad policy and design parameters of the Reserve Fund, including the overall purpose and use of the Reserve Fund, the optimal level of reserves and reporting requirements. The Ministerial Council will also confirm that members commit to support the establishment of a national Reserve Fund. Decisions by the Ministerial Council will be in accordance with its Terms of Reference.

Transitional Arrangements

58. The Parties agree that the Northern Territory's contribution to the NDIS may be temporarily adjusted in accordance with Schedule B of this Agreement.

Part 10 – Reviews and variations

Review of the operation of the Agreement

59. The Parties agree to commission a review no later than the end of 2023 that will assess the operation of this Agreement.
60. The review of the operation of this Agreement may take into account outcomes of the legislative review of the NDIS Act, to be commissioned by the Ministerial Council in or after 2021.

Reviews of NDIS Costs

61. The Parties agree to the Ministerial Council separately commissioning an independent review of NDIS costs in 2023 and 2028 and, thereafter, as commissioned by the Ministerial Council.
62. The reviews should examine the following issues:
- a. sustainability of the NDIS, including costs and achievement of participant outcomes and the effectiveness of ILC;
 - b. cost pressures, including wages pressures;
 - c. the NDIA's operational costs;
 - d. efficiencies within the Scheme;
 - e. whether there has been any service and financial impact, positive or negative, on other service systems; and
 - f. the most appropriate levers to manage financial risks and any cost pressures.
63. Each review should also address any additional issues relevant at the time of the review.
64. The Parties commit to consider the outcomes of the reviews in respect of this Agreement.
65. The outcomes of the reviews will also be considered by the Ministerial Council and reported to COAG.

Variation to the Agreement

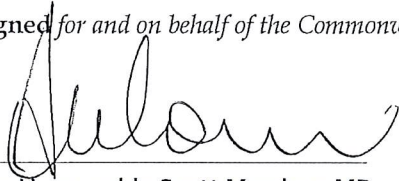
66. This Agreement and Schedule A to this Agreement may only be amended with the agreement of relevant First Ministers. This will include an amendment to Schedule A following reallocation of the Northern Territory's contributions in 2023 and every five years thereafter.
67. Schedule B to this Agreement may be amended or revoked, and new Schedules added, with the agreement of the Commonwealth Minister and the Northern Territory First Minister or, where delegated, the relevant Northern Territory Minister.

Part 11 – Process for Resolution of Disputes under this Agreement

- 68. Any Party may give notice to other Parties of a dispute under this Agreement.
- 69. Officials of relevant Parties will attempt to resolve any dispute bilaterally in the first instance, then if not resolved, escalate through the relevant Ministers and First Ministers.
- 70. If the dispute relates to a common multilateral provision of the Agreement, and the Northern Territory and the Commonwealth agree, it could also be escalated through relevant multilateral officials groups, and if necessary, the Ministerial Council and COAG.

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

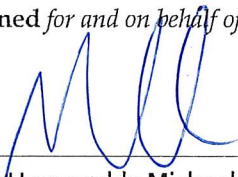
Signed *for and on behalf of the Commonwealth of Australia by*



The Honourable Scott Morrison MP
Prime Minister

2019

Signed *for and on behalf of the Northern Territory by*



The Honourable Michael Gunner MLA
Chief Minister of the Northern Territory

2019

Schedule A. Financial Contributions

Northern Territory financial contributions

1. The Northern Territory will contribute \$103.6 million in 2019-20.
2. The \$103.6 million includes a \$3.8 million Budget Neutral Adjustment as a result of changes to Commonwealth and State roles and responsibilities under Schedule F of the 2011 National Health Reform Agreement. The Budget Neutral Adjustment will be escalated at 3.5 per cent per annum.
3. The remaining contribution of \$99.8 million in 2019-20 will be escalated by 4.0 per cent per annum to account for inflation and population changes.
 - a. The escalation rate may be reassessed by the Parties following each independent review of NDIS costs.
 - b. Table 1 outlines the Northern Territory's financial contribution each year from 2019-20 to 2022-23:

TABLE 1: THE NORTHERN TERRITORY CONTRIBUTIONS (MILLIONS)

	2019-20	2020-21	2021-22	2022-23
Total	\$103.6	\$107.7	\$112.0	\$116.5

4. The Northern Territory's contribution will pay for participant supports, including:
 - a. individualised support packages for Scheme participants; and
 - b. Information, Linkages and Capacity Building and other general supports as described by section 13(2) of the NDIS Act.
5. The Northern Territory's cash contributions will be made in advance, within the first two working days of each quarter, following receipt of an invoice from the NDIA.
6. The Northern Territory's cash contributions will be adjusted to take into account end of transition arrangements and in-kind funding contributions, as outlined in Schedule B.
7. The Northern Territory's quarterly invoices from the NDIA will be equal to one quarter of the annual contribution identified in Table 1, subject to the adjustments outlined in Clause 6.

Commonwealth contributions

8. The Commonwealth will continue to project the future cost of the NDIS, informed by each independent review of NDIS costs commencing from 2023.

9. The Commonwealth will be responsible for the balance of all NDIS costs, taking into account the financial contributions from the Northern Territory, and will fully provision for all Commonwealth financial contributions.
10. The Commonwealth's cash contributions will be made in advance, within the first two working days of each quarter, following receipt of an invoice from the NDIA.

Reallocation of the Northern Territory's contributions

11. A net neutral reallocation of all state and territory contributions will occur from 1 July 2023 and every five years thereafter, in line with each state's and territory's share of the total national population as per the most recent Census data at the time. This Schedule will be amended in 2023 and every five years thereafter to reflect the reallocation.
12. State population shares will be taken from the Australian Bureau of Statistics measure *3101.0 – Australian Demographic Statistics*.
13. State population shares will be taken from the December data from the year that each Census was undertaken (i.e. the first data used will be December 2021 Census data).
14. When a reallocation occurs, the total quantum of baseline state and territory financial contributions to the NDIS in a financial year will be considered as a single figure. This figure will then be divided based upon the updated share of national population residing in each state and territory.
15. This reallocation will result in increased contributions from states and territories whose share of the national population has grown, and reduced contributions from states and territories whose share of the national population has fallen, at the time of reallocation.

The National Injury Insurance Scheme (NIIS)

16. The minimum benchmarks are outlined in the COAG Decision Regulation Impact Statements – Standing Council on Federal Financial Relations for motor vehicle or workplace accidents.
17. The Northern Territory will make additional contributions to the NDIS if the Northern Territory's motor vehicle or workplace insurance schemes are below nationally agreed minimum benchmarks, or any revised minimum benchmarks subsequently amended by the Standing Council on Federal Financial Relations. The Commonwealth will agree with states and territories a process to verify that minimum benchmarks continue to be met.
18. The amount of any additional contributions from the Northern Territory under Clause 17 will be the cost of the NDIS plan, and agreed administration costs, provided to a person in the NDIS.

19. The Commonwealth and the Northern Territory will continue to assess the feasibility of a NIIS for catastrophic general accidents in good faith, through the Standing Council on Federal Financial Relations.
20. The Commonwealth and the Northern Territory may continue negotiations, through the Standing Council on Federal Financial Relations, on coverage for no fault catastrophic medical treatment accidents, following a decision by COAG in 2017 to not proceed with the medical injury stream of the NIIS at this time.

Schedule B. Transitional provisions

End of transition arrangements

1. Remaining transition funding mechanism payments will be in addition to the Northern Territory's NDIS contributions made under this Agreement. The arrears nature of the transition funding mechanism means that payment(s) for the final period of transition from the Northern Territory will be made during the first months of the full Scheme funding arrangements.
2. If the transition of existing active Northern Territory specialist disability clients into the NDIS is not complete by 30 June 2019, the Parties agree to apply a temporary discount to Northern Territory's financial contribution, for a maximum of nine months until 31 March 2020.
3. The discount will include a per person amount for service delivery costs associated with the client cohorts in Table 2, applied in arrears following plan approval, for all existing active Northern Territory specialist disability clients for whom:
 - a. a final access decision has not yet been made but who ultimately go on to meet access requirements; or
 - b. an eligible access decision has been made and they do not yet have an approved plan.
4. The per person amount in Clause 3 will be equal to one-twelfth of costs identified in Table 2, multiplied by the number of months from 30 June 2019 until the mid-point of the month of plan approval, up to a maximum of nine months. The NDIA will calculate the amount on a per person basis in the month following plan approval, and apply the discount to the next invoice.

TABLE 2: ANNUAL PER PERSON AMOUNT FOR SERVICE DELIVERY COSTS

Client Cohort*	Cost
MMM1	Not applicable
MMM2	\$31,581
MMM3	\$31,581
MMM4 Regional	\$31,581
MMM5 Regional	\$31,581
MMM6 Remote	\$37,897
MMM7 Very remote	\$39,476

* MMM refers to the Modified Monash Model used to determine regional, remote and very remote areas using a scale from 1 – 7 based on population size and locality.

5. If the number of existing Northern Territory clients that have NDIS eligibility confirmed but do not have an approved plan is greater than 50 people at 31 March 2020, the Parties will consider the need to extend these arrangements by up to three months.

6. Any discount will be applied in arrears on a future invoice, based on the end-month client status report provided to the Northern Territory by the NDIA.

In-kind funding contributions

7. The Parties agree to phase out in-kind funding contributions. Exceptional circumstances have been agreed between the Parties to apply an in-kind funding offset for the defined supports identified in Table 3. These in-kind supports have been assessed on the basis they:
 - a. do not contravene section 17A of the NDIS Act in relation to participant's exercising choice and control;
 - b. do not constrain the development of a NDIS support market;
 - c. adhere to principles of competitive neutrality;
 - d. allow the in-kind supports and amounts to be included in participant plans; and
 - e. will be calculated using the NDIA price for supports, where available, or an alternative, agreed unit value.
8. The NT will receive an in-kind offset, in arrears, for the following supports listed in Table 3:
 - a. Specialist School Transport; and
 - b. Personal Care in Schools.
9. The estimated in-kind offset the Northern Territory will receive for specific supports and participants will be specified in an exchange of letters between senior Commonwealth and NT officials by 31 March each year for the following financial year. This will reflect the phase out deadlines and values specified in Table 3, and the estimated number of NDIS participants included in the supports listed in Table 3. These details will be provided to the NDIA.
10. The maximum in-kind offset that the Northern Territory can receive in a year will equal the estimated in-kind offset specified in the exchange of letters referred to in Clause 9.
11. The Northern Territory will provide the NDIA with individualised data that meets the NDIA's requirements to calculate an in-kind offset.
12. The Northern Territory will receive an in-kind offset in arrears based on actual use of in-kind services. The offset will be provided as an adjustment to the Northern Territory's contribution upon the raising of the next invoice by the NDIA.
13. The value of in-kind supports subject to average annualised unit values, defined in Table 3, will be calculated as:
 - a. the number of months each participant has accessed the in-kind support since the last adjustment was applied, multiplied by
 - b. 1/12th of the agreed average annualised unit value of the in-kind support, as outlined in Table 3.

14. Table 3 does not specify a deadline for phasing out in-kind funding for the following in-kind supports:
 - a. Specialist School Transport; and
 - b. Personal Care in Schools.
15. These arrangements will apply until the end of the 2023 school year, as agreed by the Ministerial Council, or until otherwise agreed by the Ministerial Council.
16. The average unit values identified in Table 3 for these supports are based on the Northern Territory cost of service delivery. They do not reflect the cost to the NDIS of providing these supports.

TABLE 3: NORTHERN TERRITORY IN-KIND SUPPORTS

Supports	Phase Out Deadline	Value for in-kind offset	Average Unit Value 2019-20	Average Unit Value 2020-21	Average Unit Value 2021-22	Average Unit Value 2022-23
Specialist School Transport	See Clause 15	Average annualised Unit Value	\$15,127	To be specified in an exchange of letters, as per clause 9 of Schedule B.		
Personal Care in Schools	See Clause 15	Average annualised Unit Value	See Clause 9	To be specified in an exchange of letters, as per clause 9 of Schedule B.		

NDIS access for new and other Commonwealth clients in 2019-20

17. In the Northern Territory, it is estimated that around 1,612 new and other Commonwealth clients will access the NDIS between 1 July 2019 and 30 June 2020. This number does not include:
- any estimate of the new and other Commonwealth clients that were due to transition to the NDIS before 30 June 2019; and
 - any existing Northern Territory disability clients that did not transition into the NDIS by 30 June 2019, as identified in Schedule B, Clause 2-5 of this Agreement.
18. The Parties agree that provision will be given for these new and other participants to access the Scheme, including:
- people not previously accessing any specialist disability supports from the Northern Territory Office of Disability;
 - people currently accessing Commonwealth specialist disability or Aged Care supports;
 - people who have sporadically received specialist disability services funded or directly provided by the Northern Territory Office of Disability in previous years;
 - people currently accessing supports through other Northern Territory Government agencies; and
 - new incidence of disability.
19. The Parties agree that the remaining estimated eligible population will access the NDIS based on available capacity from 1 July 2019 through to 30 June 2020.
20. The Parties agree to work with the NDIA to support the remainder of the expected Northern Territory population of 1,612 to access the NDIS evenly over the four quarters of 2019-20, as outlined in Table 4 below.

TABLE 4: 2019-20 ESTIMATED NEW PARTICIPANTS

Client Cohort	2019-20 Q1	2019-20 Q2	2019-20 Q3	2019-20 Q4	2019-20 Total
New and Other Commonwealth/State Participants	403	403	403	403	1,612
Total Cumulative Intake	403	806	1,209	1,612	

Quality and Safeguarding

21. The transition to national quality and safeguarding arrangements will be guided by a multilateral framework and implemented through agreed arrangements between the Commonwealth and the Northern Territory.
22. The Commonwealth, through the NDIS Commission, and all jurisdictions will provide reports to the Ministerial Council on progress in implementing the NDIS Quality and Safeguarding Framework.
23. The Parties agree that the Commonwealth will develop working arrangements and protocols as required with the Northern Territory in relation to the reduction and elimination of restrictive practices and the NDIS Commission's behaviour support function.
24. The NDIS Commission will agree working arrangements with Northern Territory agencies that support the NDIS Commission's functions and the ongoing functions of Northern Territory agencies. This includes State Ombudsman's offices, health care complaints bodies and other bodies as appropriate.

Market and Workforce Development

25. The Parties recognise that Commonwealth and the Northern Territory's stated roles in regard to market and workforce development (Part 7) are to be considered by the Ministerial Council in early 2019. Any changes or amendments to these roles will be undertaken through a collaborative and jointly agreed process between the Commonwealth and all states and territories and will be agreed by the Ministerial Council.

Changes to the NDIS Act to allow streamlined decision making

26. The Parties agree the Commonwealth introduce changes to the NDIS Act to allow:
 - a. NDIA Board appointments and terminations to be made by the Commonwealth Minister on the basis of majority agreement between jurisdictions, where the majority includes the Commonwealth;
 - b. Independent Advisory Council appointments to be made by the Commonwealth Minister on the basis of consultation with jurisdictions; and
 - c. rules made for the purpose of plan management (Sections 35, 40, 44, 45 and 46) unless it relates to Statement of Participant Supports, timeframes for decision-making (Section 204), risk management (Section 125B) and the Scheme actuary (Section 180C) to be made by the Commonwealth Minister on the basis of consultation with jurisdictions.
27. If required, the Commonwealth will also introduce changes to the NDIS Act to allow a 28-day requirement for Ministers to respond to requests for agreement to new or amended rules, where no response after 28 days is taken as agreement.