



Delivered by the  
National Disability  
Insurance Agency



# Annual Report 2020–21

National Disability  
Insurance Agency











## Early intervention helps Willow grow healthier and happier

Willow Beyer came into the world 10 weeks early and was a fighter from the start. Due to her premature birth and early health difficulties, Willow lives with significant developmental delays, hearing loss and excess fluid in the brain. By the time Willow left hospital at seven and a half months old, doctors had revived her multiple times but Willow wasn't giving up. Fast forward to today, Willow is a toddler reaching milestones once unimaginable.

Willow's mum Kerry says the NDIS' early intervention made a world of difference for their family. Willow is a happier child now because she is gaining strength, moving around and is less frustrated. Kerry loves that her daughter can do things she wants to do. She's always laughing, and she loves learning new things which makes their family happy.

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**Cover:** Six-year-old Karina was born with a rare brain disorder known as Agenesis of the Corpus Callosum. This affects Karina's social and communication skills, strength, balance and coordination. But since joining the NDIS, Karina's mum, Hilary, says her daughter is stronger, has better balance and has grown a lot in her confidence to communicate with other kids and make friends.







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# Letter of transmittal

Dear Minister

On behalf of the National Disability Insurance Agency, I present to you the annual report for the reporting year 1 July 2020 to 30 June 2021.

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

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

The report includes a copy of the Agency's annual financial statements and the Auditor-General's report as prescribed by subsection 43(4) of the PGPA Act.

The report is made in accordance with a resolution of the Board of Directors, on 29 September 2021, who are responsible for its preparation and content, and is being provided to you as the responsible minister under section 46 of the PGPA Act.

The incorporated summary of the Annual Financial Sustainability Report 2020–21 and the inclusion of the reviewing actuary's report fulfils the Agency's obligations under subsection 172(4) of the NDIS Act.

Yours sincerely

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

Dr Helen Nugent AO  
Chairman  
National Disability Insurance Agency  
29 September 2021

# Part 1.

## Introduction



‘We all gather together here to learn to cook and to be able to prepare things yourself and share them with your family and friends. We’re helping our young people to have those opportunities.’

— 100 Mile Foodie





**Amelia Watkins**

NDIS provider 100 Mile Foodie is run by Marlene Hoff and is located on the Mornington Peninsula in Victoria. Participants who access 100 Mile Foodie's services learn how to be more independent, by learning about nutritious food choices with a hands-on approach. Marlene and her staff teach and improve skills around food preparation, meal planning, meal prepping and meal storage, all while experiencing new flavours, new recipes, cooking and the enjoyment of food. Those attending 100 Mile Foodie have seen positive outcomes like learning how to socialise better and meet new people and they get to try new things.

## 1.1 Acknowledgement

We acknowledge and pay our respects to fellow Australians with disability; and reconfirm our commitment to the mission of the NDIS to contribute to a just and inclusive Australia where all can reach their full potential and contribution. We support the objectives of the Convention on the Rights of Persons with Disabilities.

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



## 1.2 Chairman's review



2021 was a year of significant achievement and considerable challenge for the National Disability Insurance Scheme (NDIS), providing a strong basis for the Scheme to move forward.

Throughout this year, the National Disability Insurance Agency's (NDIA) ongoing unrelenting focus has been on delivering the Scheme for the benefit of participants.

The overwhelming single greatest challenge throughout this year has been the need to respond to the COVID-19 pandemic and to keep participants and workers safe. Participants, providers, disability support organisations, along with Governments—including the Agency—have responded flexibly and resiliently by working together to support each other. While many participants and care workers have undoubtedly experienced hardship and personal suffering, the extraordinary dedication, determination, resourcefulness and resilience of so many in mitigating the potential impact of the pandemic is acknowledged. This reflects the warmth and humanity of a sector that cares deeply for others.

We are now at full Scheme. By the June year-end, 466,619 participants were receiving supports. The increase in the year of 74,620 individuals was more than double the 30,281 participants who received an approved plan during the first 3 years of trial of the Scheme. Given projections of the continued growth in participant numbers out to the end of the decade, the ongoing ability to operate at scale will be important.

While still more needs to be done, it has taken an enormous effort to get us to where we are today since the Scheme moved from trial to transition and then to full Scheme.

Operating processes, particularly through the co-designed Participant Pathways work, have been

improved to overcome major delays; call centre responsiveness has lifted dramatically; new IT systems are being planned to overcome the difficulties associated with the legacy IT system provided to the Agency at the start of transition; staffing numbers have significantly increased, as have staff training and capability. Work is also underway to improve the payments system that will make the purchase of supports easier for participants and providers. The Participant Service Guarantee and the Participant Service Improvement Plan are already making a real difference to our commitment to an improved participant experience. None of this would have been possible without the hard work and dedication of all NDIA staff and management, led by our CEO, Mr Martin Hoffman. I acknowledge and thank them for all their efforts.

All that work has yielded dividends, creating a solid platform for the future.

Supports are being delivered in a more timely way. Despite the challenges posed by COVID-19, 100 per cent of access decisions were made within the required 21 days in 2021; 91 per cent of plans for children were delivered within 90 days; and 80 per cent of participants over 7 years of age received plans within 56 days.

Participant satisfaction with the planning process remained high at 83 per cent.

The level of complaints open for more than 21 days halved over the past 12 months and are significantly lower in absolute terms than prior to 2020. 94 per cent of complaints were closed within 21 days.

Far more importantly, across every age cohort, participants report significantly improved outcomes on key dimensions: choice and control; assistance with daily living; inclusion in the community; and at least for participants under 25, increased employment, notwithstanding the impact of COVID-19. Outcomes for carers have also improved.

The amount of support provided has come a long way from when the Scheme was established. While recognising the underpinning insurance principles of the Scheme where supports can increase or decrease over time, payments to participants on average have increased significantly over the past 4 years. Overall, in 2021, on average, participants received \$54,300, while those in Supported Independent Living received \$320,800, which respectively represent increases of 11 per cent and 12 per cent per annum over the previous 4 years.

While participants undoubtedly are benefitting from these payments, the historic escalation of Scheme costs and those projected into the future raise questions about the Scheme's rate of growth and ongoing financial sustainability. More specifically, projections by the Scheme Actuary—peer reviewed by the Government Actuary—show overall Scheme costs increasing to around \$41 billion by 2024-25 and \$59 billion by the end of the decade, from the 2021 spend of \$23.2 billion. Those projected costs exceed both the 2017 Productivity Commission estimates for 2024-25, as well as the Portfolio Budget Statement's forward estimates for the same timeframe.

While Governments ultimately will decide on the appropriate level of funding for the Scheme, the rightful expectation is that the Scheme will be sustainable into the future. That is required

not just to maintain ongoing public support for the Scheme, but also to ensure that current and future Scheme participants and their families can have confidence that the Scheme will be there for generations to come.

In addition, under existing legislation, the Scheme is not operating in a way that promotes the principles of fairness, equity and consistency. Significant evidence exists that plans for participants with similar levels of functional ability and disability types are not equitable.

The Agency attempted to address these issues, along with the sustainability challenges, through independent assessments. In so doing, the Agency failed to adequately deeply engage with the sector and to develop an agreed approach. We regret the concern and uncertainty that created for participants and their families. For that, we sincerely apologise. It was not our intention, but we acknowledge that it is what happened.

Hopefully, we can build a consensus in concert with the Independent Advisory Council, governments, participants and the sector about the challenges facing the Scheme. Fairness, equity, consistency and sustainability are some of those key challenges, but others will be agreed.

We are encouraged by the work underway under the auspices of the Independent Advisory Council and sector leaders to build a compact to move us forward. The NDIA wholeheartedly embraces that process and looks forward to working with all stakeholders to ensure that the NDIS continues to achieve the benefits for participants originally envisaged for the Scheme. In particular, I recognise the extraordinary efforts of the Independent Advisory Council in this and other areas.

In conclusion, I wish to thank and acknowledge the support of my fellow Directors throughout the year. My colleagues care deeply about the Scheme and getting it right for participants over both the short and longer haul.



In particular, I thank Estelle Pearson, Sandra Birkenleigh, Jim Minto, Glenn Keys AO and Robyn Kruk AO, who chair each of our Committees. I also recognise the dedication of Mr John Walsh AM and Mr Paul O'Sullivan, both of whom retired from the Board during the year. Mr John Langoulant AO also recently announced he will retire from the Board in October to take up an overseas post. I also recognise Robyn Kruk AO for her extraordinary efforts as Principal Member of the Independent Advisory Council.

And for my part, I informed the Minister in October 2020 that I will not seek another term as Chairman and will retire on the last day of

this year when my current term expires. So, since this is my last Annual Report, I wish formally to extend to all participants, their families and carers, as well as those who support them as providers and advocates, my deepest appreciation of your support and hard work for people with disability. Working for participants has been my guiding light over the past five years, as well as my source of inspiration. Making a difference in participants' lives is what drives me. And serving them has been my privilege.

**Dr Helen Nugent AO**  
Chairman

“While still more needs to be done, it has taken an enormous effort to get us to where we are today since the Scheme moved from trial to transition and then to full Scheme.”

## 1.3 Chief Executive Officer's review



This has been an important year for the National Disability Insurance Scheme (NDIS). It marks the first year the Scheme is fully available throughout Australia and, as at 30 June 2021, more than 465,000 participants were receiving support from the NDIS. Over half of these participants were receiving disability-related supports for the very first time.

In the past year, we welcomed 74,620 new participants to the Scheme. 10,296 children aged 0-6 years received an approved plan, and approximately 13,400 children received initial supports through the Early Childhood Early Intervention gateway over the past 12 months. Participants from diverse backgrounds are also entering the Scheme at increasing rates. As at 30 June 2021, 32,396 participants in the Scheme identified as Aboriginal and Torres Strait Islander, compared to 25,518 in the previous year (an increase of 27 per cent), and 44,113 participants identified as Culturally and Linguistically Diverse (CALD), compared to 36,192 in the previous year (an increase of 22 per cent).

Despite the ongoing challenges of the COVID-19 pandemic, the NDIA has successfully continued to support participants while also making significant progress in improving participant experience and outcomes.

In August 2020, we introduced our Participant Service Charter, which explains what participants can expect when they deal with us. It states our overall principles for our interactions with participants, and clear service standards and timeframes. We also launched the Participant Service Improvement Plan, which sets out the actions we'll take to deliver a Scheme that meets participants' expectations – it is the blueprint for how to improve the NDIS experience and outcomes for participants.

We have made significant progress in meeting our commitments, most notably:

- 100 per cent of access decisions are being made within the service guarantee timeframe of 21 days, consistent across the last year;
- 91 per cent of first plans approved for participants aged 0-6 are within the 90 day timeframe, compared to 89 per cent a year ago;
- 80 per cent of first plans approved for participants aged 7 and above are within the 56 day timeframe, compared to 75 per cent of first plans approved within 70 days a year ago;
- 72 per cent of participant requested reviews completed within 42 days, compared to 52 per cent a year ago;
- 94 per cent of reviews of reviewable decisions were completed within the 90 day timeframe, compared to 51 per cent a year ago;
- 94 per cent of complaints were fully addressed within 21 days, compared to 67 per cent 12 months ago;
- 83 per cent of participants rated their planning experience as either good or very good.

The NDIA responded quickly during the COVID-19 pandemic to help keep participants safe, which has contributed to the participant infection rate being lower than the general population. In consultation with the disability sector, we put a range of measures in place to support participants during this challenging time, including:



- introducing outreach check-in calls to vulnerable participants;
- allowing participants and providers to claim the cost of personal protective equipment in certain circumstances;
- increased flexibility in purchasing low cost assistive technology in recognition that technology has changed the way some supports are delivered during COVID-19;
- providing financial support for providers to help participants in supported independent living access the COVID-19 vaccination.

Some of the measures introduced temporarily proved so successful they are now an ongoing feature of the Scheme, including the outreach check-in calls, which now complement scheduled plan reviews. Other temporary measures have been extended to provide continued support to participants with the ongoing challenges of the pandemic.

While this is encouraging, we know more must be done to improve the participant experience to ensure the Scheme delivers on its promise. We all have a shared goal to improve the NDIS. The Agency shares the community's expectation that we will get this right for participants, their families and carers so that the Scheme remains sustainable and is available to all Australians over the long-term.

The Annual Report includes a summary of the Annual Financial Sustainability Report 2020-21, which outlines the sustainability pressures facing the Scheme and has been reviewed by the Australian Government Actuary.

We acknowledge engagement with the sector and the community is critical to the success of the Scheme. From December 2020, we consulted extensively with the community on proposed changes to processes and policies, including access, planning and budget, early childhood approach, autism early intervention, home and living, and support for decision making. The proposed changes associated particularly with independent assessments caused real concern for participants and the sector.

The Chairman in her Review above has given a sincere apology on behalf of the Agency. I do the same as CEO.

We are committed to implementing a new model of engagement through a more transparent, collaborative, and forward-looking approach to ensuring the NDIS meets its objectives in relation to participants and the longer term sustainability of the Scheme. We recognise that this will not be possible without continuing to build mutual trust with the disability sector.

I want to acknowledge Chairman Helen Nugent and the NDIA Board for its unwavering support and commitment to the Agency. I would also like to thank the Independent Advisory Council and the various NDIA reference groups for their significant and expert contribution over the past year.

Our work has been, and will continue to be, critically informed by the ongoing advice and support received from participants, families and carers, who contribute regular feedback and form part of important groups such as the Participant Reference Group. Their advice and insights provide invaluable support to our decision-making.

I would also like to recognise the strength, resilience and commitment displayed by all the staff of the NDIA and of our Partners in the Community organisations through the many challenges of the past 12 months. Their ability and capacity to adapt and respond during the pandemic has been extraordinary. I commend their commitment to supporting participants throughout this period. I would also particularly like to thank the executive leadership team of the Agency for their exceptional efforts and personal support.

Finally, I would like to thank the Australian disability community for their invaluable insights and feedback over the past 12 months. The NDIA Board, Agency and I are committed to working in partnership with you to improve the NDIS. It is critical we get it right so that this world-leading Scheme endures for future generations of Australians with disability.

**Martin Hoffman**  
Chief Executive Officer

## 1.4 The National Disability Insurance Scheme

The National Disability Insurance Scheme (NDIS or the Scheme) is a fundamental shift in the way Australians with a significant and permanent disability access supports. It ensures that all eligible Australians under the age of 65 years who have a significant and permanent disability can get the reasonable and necessary supports they need.

Established in July 2013 to replace the previous primarily state-based welfare system of disability care, the Scheme provides a single, national insurance-based approach to fund support for people with disability, their families and carers. The Scheme is designed to give individuals reasonable and necessary supports over which they have choice and control as to how they want to live their life, and over who delivers the supports to help them achieve this.

Under the Scheme, eligible people, known as participants, are given a plan of supports that is developed and tailored to their individual needs. A plan may include informal supports that a person receives through family or friends and from mainstream or other community services. If required, the Scheme will also fund reasonable and necessary supports, after taking into account these informal supports, that help participants achieve their goals. The NDIS is based on the guiding principles that people with a disability:

- have the same rights as all Australians to realise their potential for physical, social, emotional and intellectual development
- are supported to participate in and contribute to social and economic life to the full extent of their ability.

From the outset, it was envisaged that the NDIS would support participants to exercise choice and control over their life with a fair and flexible package of reasonable and necessary supports,

that may vary depending on life circumstances. The need for the NDIS to remain affordable was also integral to that initial vision.

The Scheme is founded on insurance principles that draw on the practice of commercial and government social insurance principles. It uses these principles to make evidence-based decisions to determine an individual's access to the Scheme. The insurance approach is underpinned by 4 principles:

1. **Develop actuarial estimates of the reasonable and necessary support needs of the targeted population:** the Scheme Actuary will estimate the aggregate annual funding requirements through analysis of reasonable and necessary support needs. We will continually test the aggregate funding requirement against emerging experience.
2. **Focus on lifetime value for Scheme participants:** we will focus on lifetime value for Scheme participants by funding competitively priced, best-practice supports that deliver benefits and outcomes for participants. This includes the allocation of resources through early investment in capacity building.
3. **Invest in research and innovation:** we will invest in research and innovation aligned to the Scheme's goals of improving social and economic participation, and independence for participants.



4. **Support the development of community capability and social capital:** we will invest at a systemic level, in addition to providing individual supports. This includes encouraging the use of mainstream services, building community capacity and social capital. These activities will benefit all people with disability, including people with disability who are not participants in the Scheme.

The NDIA Board will govern these insurance principles and assess, monitor, report and manage Scheme sustainability within a prudential framework and in line with Portfolio Budget Statements.

## 1.5 The National Disability Insurance Agency

The NDIA is a Corporate Commonwealth Entity (CCE) under the PGPA Act, with statutory authority under the NDIS Act. The NDIS Act, in conjunction with other laws, gives effect to Australia's obligations under the United Nations Convention on the Rights of Persons with Disabilities. Funding and governance of the Scheme involves the Commonwealth and State and Territory governments in accordance with the NDIS Act and Inter-Governmental Agreements.

As a Commonwealth entity, the NDIA is subject to the Commonwealth Performance Framework. The Annual Report (this document) is a key element of the framework, incorporating the Agency's performance statements and audited financial statements, which report respectively on our non-financial and financial results. In accordance with the framework, the NDIA also publishes an annual Corporate Plan, our primary non-financial planning document.

The Agency also provides detailed quarterly reports to the Ministerial Council outlining NDIS performance in accordance with the NDIS Act.

All of our reports are available for download on the NDIS website.

The Agency is overseen by the NDIA Board, which has responsibility for ensuring the proper, efficient and effective performance of the Agency's functions, setting the strategic direction of the Agency, ensuring the financial sustainability of the Scheme and managing risk and ensuring compliance with relevant legislative and statutory requirements. The Board is the accountable authority for the Agency under the PGPA Act. Information on Board members is provided in section 4.2 of this report.

The Agency's governance structure also includes the Independent Advisory Council (IAC) that provides advice to the Board in accordance with the NDIS Act. Further information on the IAC is provided in section 4.3 of this report.

## Part 2.

# Building a better NDIS



‘I had a goal to get back on a horse. That didn’t happen until I got on board with the NDIS. They found someone who was willing and able to help me. My support coordinator, Dylan, he got onto all the right channels and set up the support I needed and made it all happen for me.’

— Alex Fernandez, NDIS participant





**Alex Fernandez**

After losing a leg to diabetes in 2008, Alex Fernandez had one goal on his mind – to get back on a horse again. Seven years later, Alex lost his other leg and was even more determined to ride again. Alex, 62, lives in Derby, Western Australia, and fulfilled that very goal when he joined the NDIS. Alex's plan includes funding for prosthetic legs and support workers who help with cleaning and gardening at home, as well as helping Alex to access his community.

But most importantly, the NDIS helped Alex accomplish his long term goal. Within months of joining the Scheme, Alex was riding a horse for the first time in over a decade. Riding a horse took Alex back to his younger days which made him feel emotional but it was a great feeling for him to be back out there again.

The NDIS is delivering significant benefits to Australians with disability. Almost 467,000 people with disability across Australia are now receiving support, more than half for the very first time. Importantly, participant outcomes, which in many cases are life-changing, are also improving.

Notwithstanding these significant achievements, much of which have been realised over the past 5 years, improved engagement with stakeholders is critical to address the significant challenges now facing the Scheme.

The NDIA remains committed to delivering a NDIS that provides true choice and control of reasonable and necessary supports in a way that is fair, consistent

and equitable for all participants, regardless of their geography or socio-demographic circumstances.

Tackling Scheme affordability, in partnership with the disability community, will continue to be at the forefront of our collective work. We all have a responsibility to ensure the Scheme remains sustainable and is available to all Australians over the long-term.

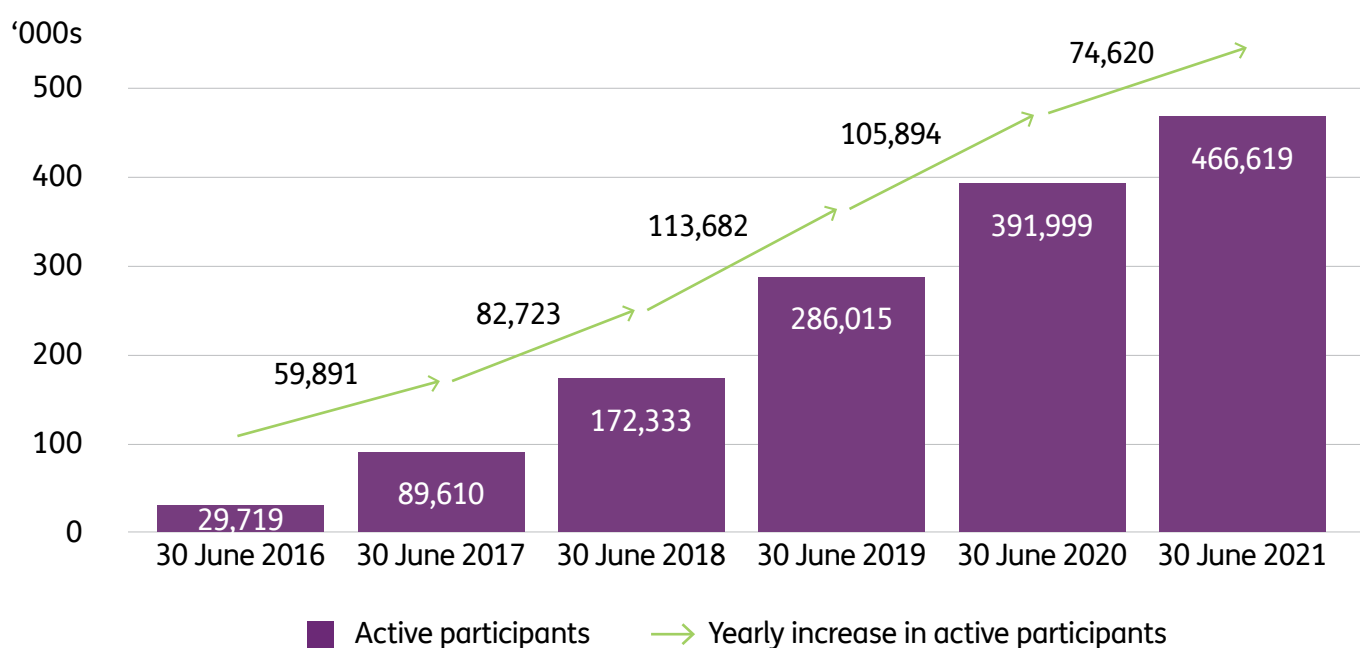


## 2.1 Where we have come from

In its 8 years of operation, and 5 since the start of transition on 1 July 2016, the NDIS has grown rapidly to support Australians with disability across the country to access the services and supports they need to live an independent life.

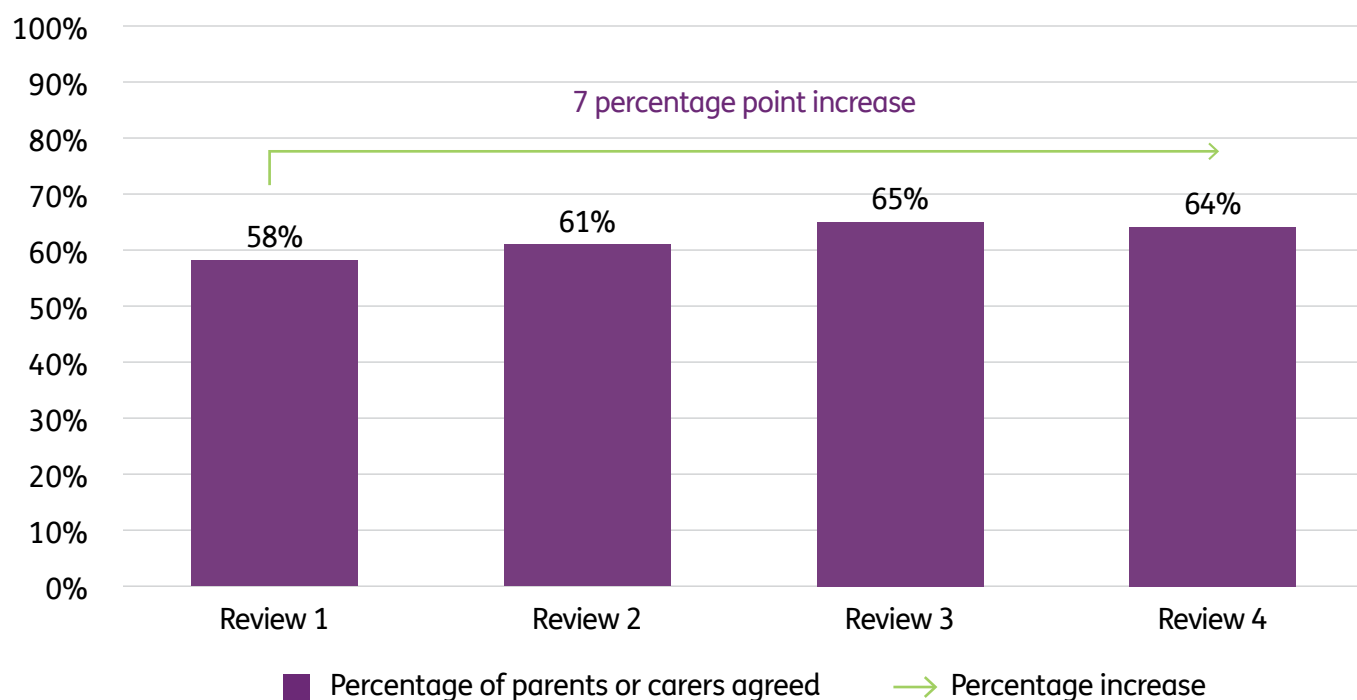
At 30 June 2016, the Scheme included just 29,719 participants and was available to only 8 per cent of the Australian population in select geographic locations. Since then, the Scheme has grown exponentially, with the number of participants increasing by more than fifteen-fold to 466,619 participants as at 30 June 2021.

**Figure 2.1A:** The number of active participants has increased from around 30,000 after 3 years of trial, to 466,619 5 years later

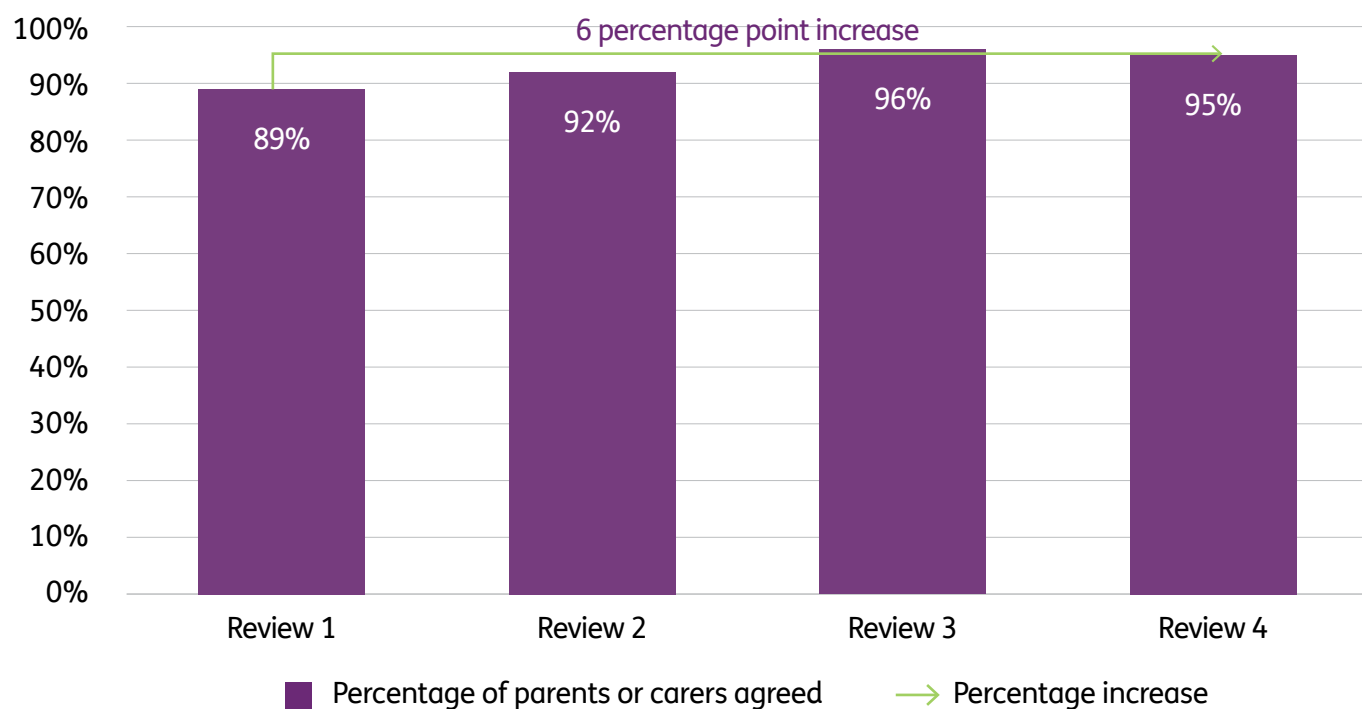


The NDIS is making a real difference to participants and their families and carers in many aspects of their daily life. Parents of children in the Scheme are seeing their child's independence increase, improved access to specialist services and the community, and better relationships with friends and family. Participants aged 15 to 24 are getting more support with their daily living activities, and participants aged over 25 report better health and wellbeing outcomes.

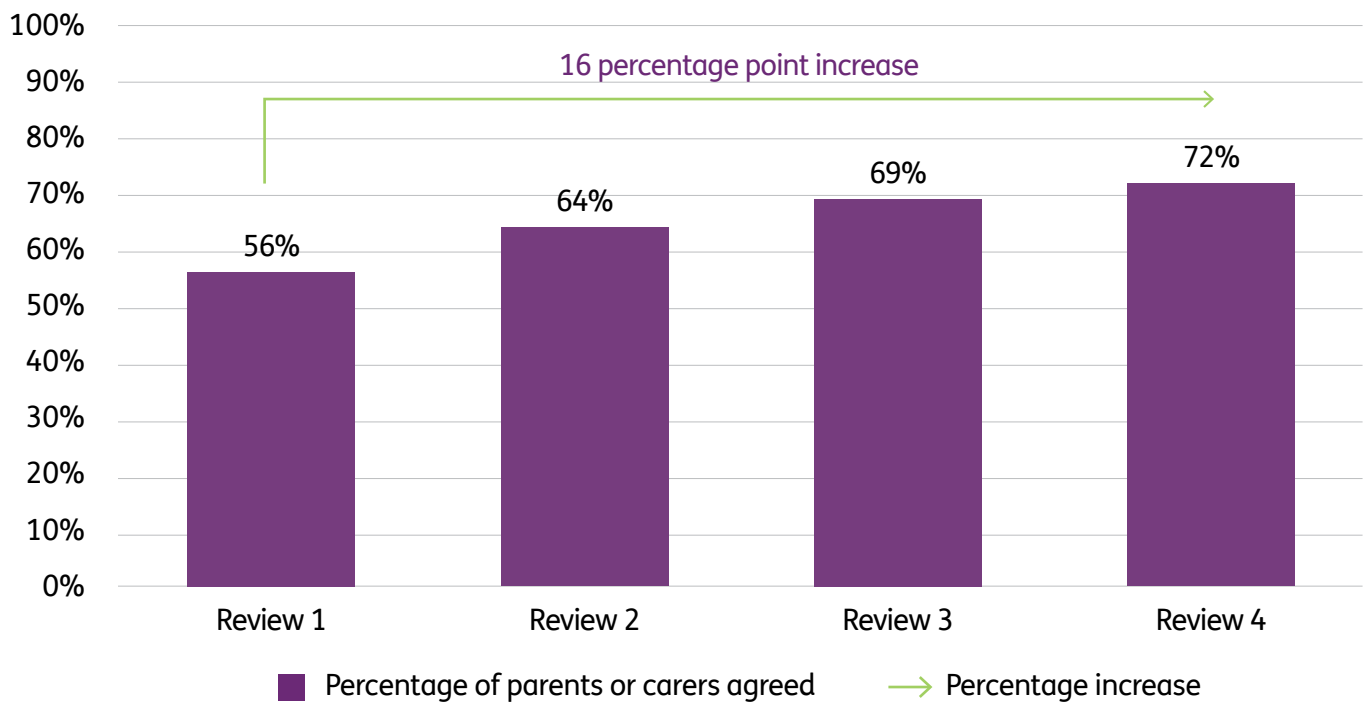
**Figure 2.1B:** The NDIS has improved how children are fitting into the community (children aged 0 to before starting school)



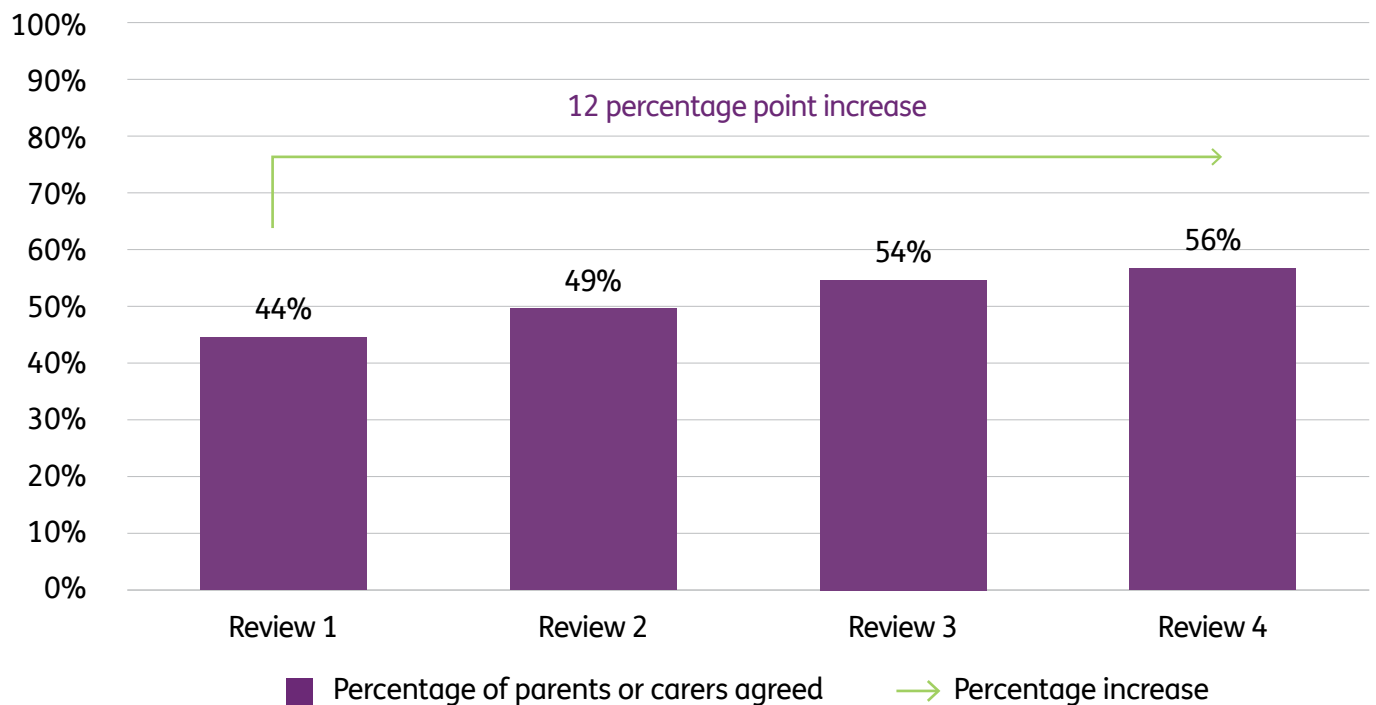
**Figure 2.1C:** The NDIS has improved children's access to specialist services (children aged 0 to before starting school)



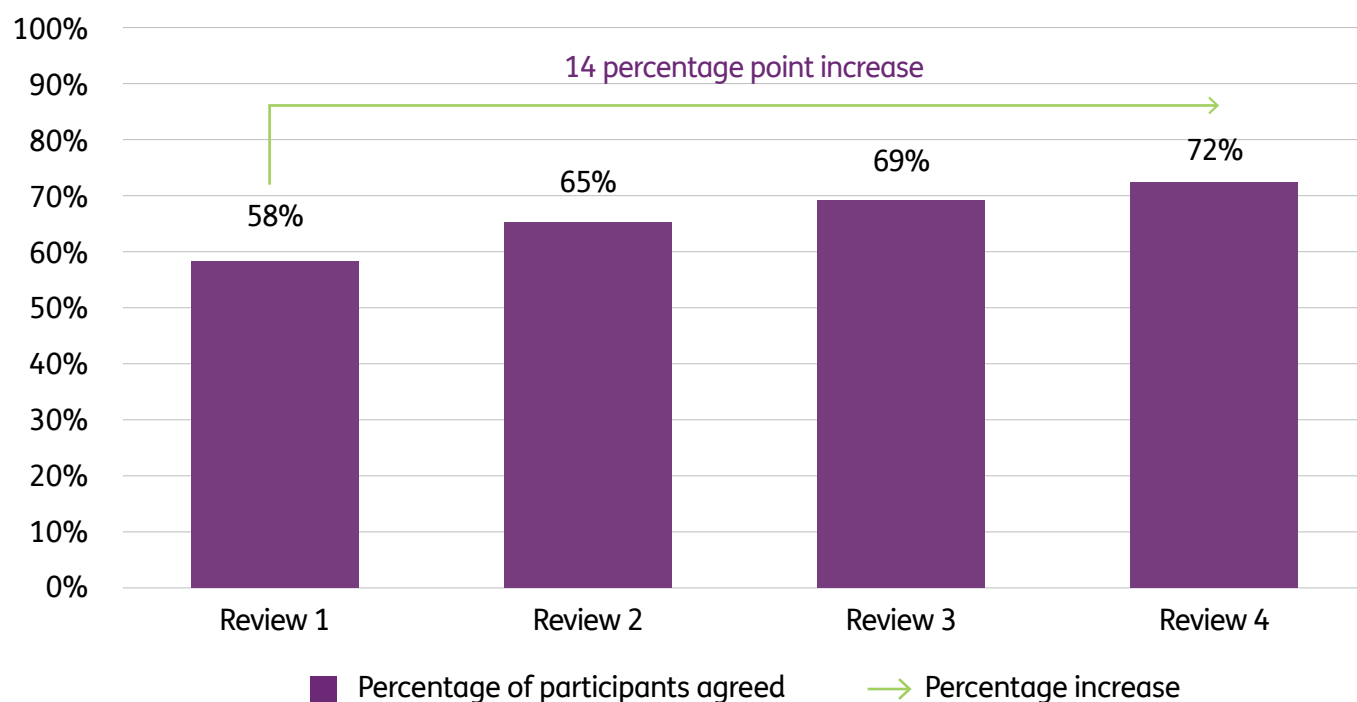
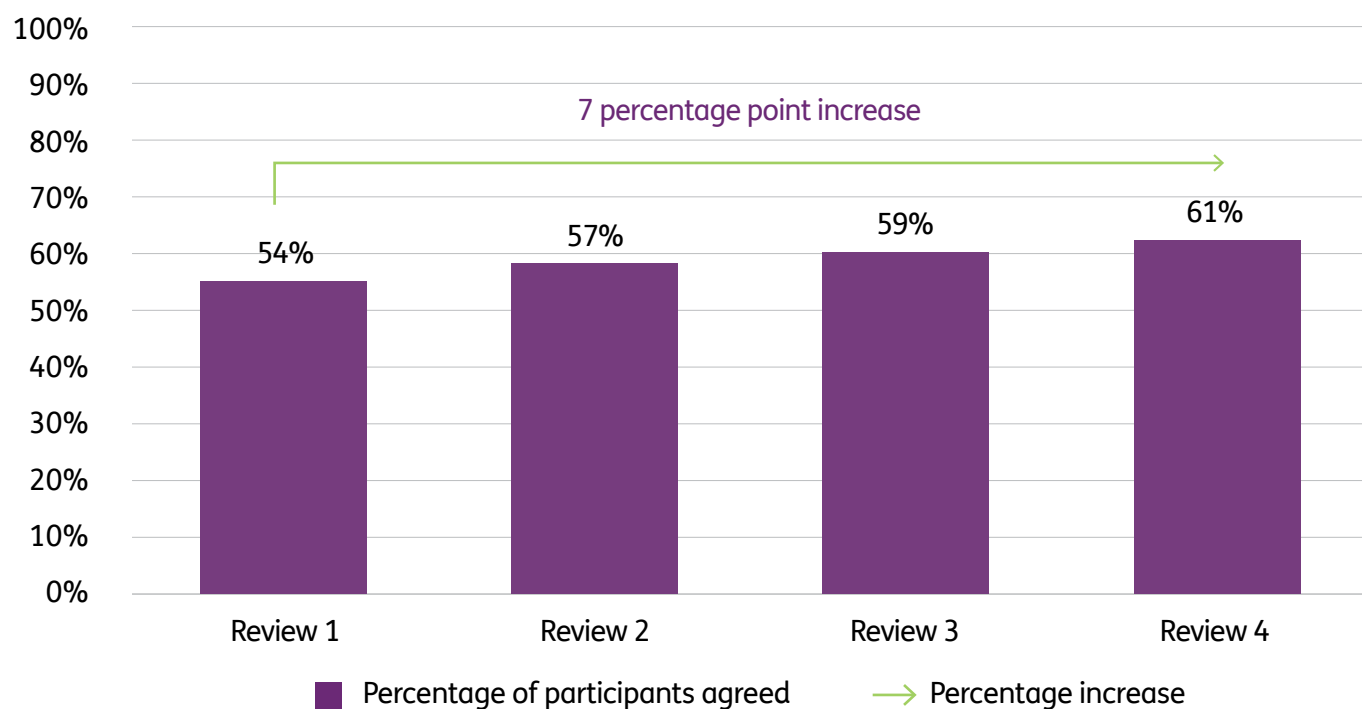
**Figure 2.1D:** The NDIS has helped children become more independent (children aged from starting school to 14)

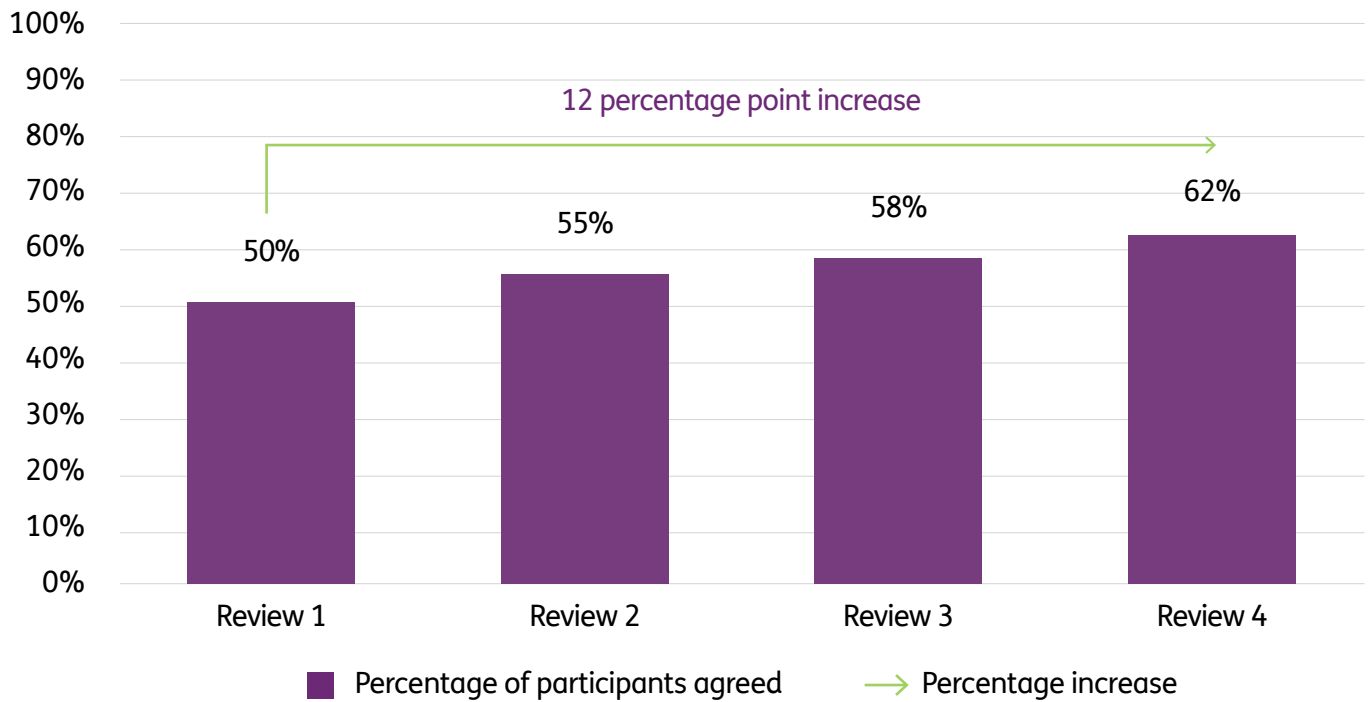
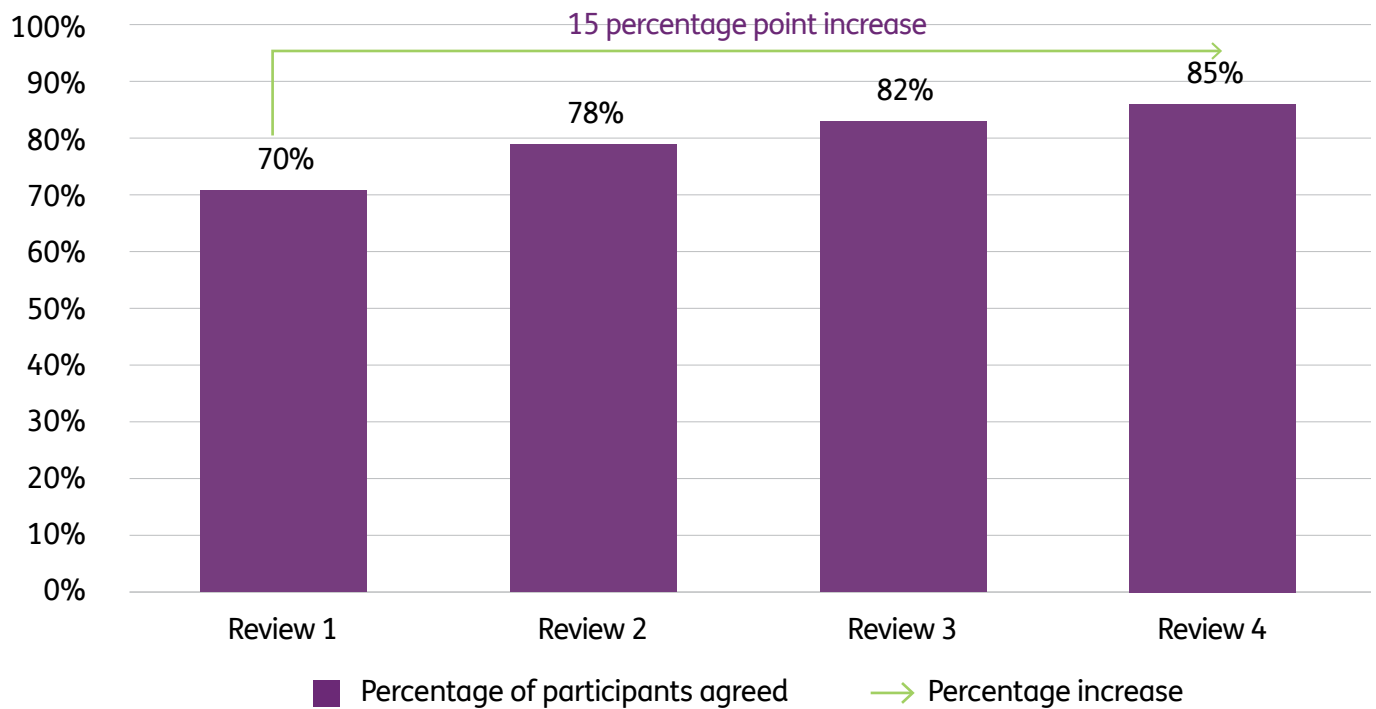


**Figure 2.1E:** The NDIS has improved children's relationships with family and friends (children aged from starting school to 14)





**Figure 2.1F:** The NDIS has helped young adults with daily living activities (ages 15 to 24)**Figure 2.1G:** The NDIS has helped young adults be more involved (ages 15 to 24)

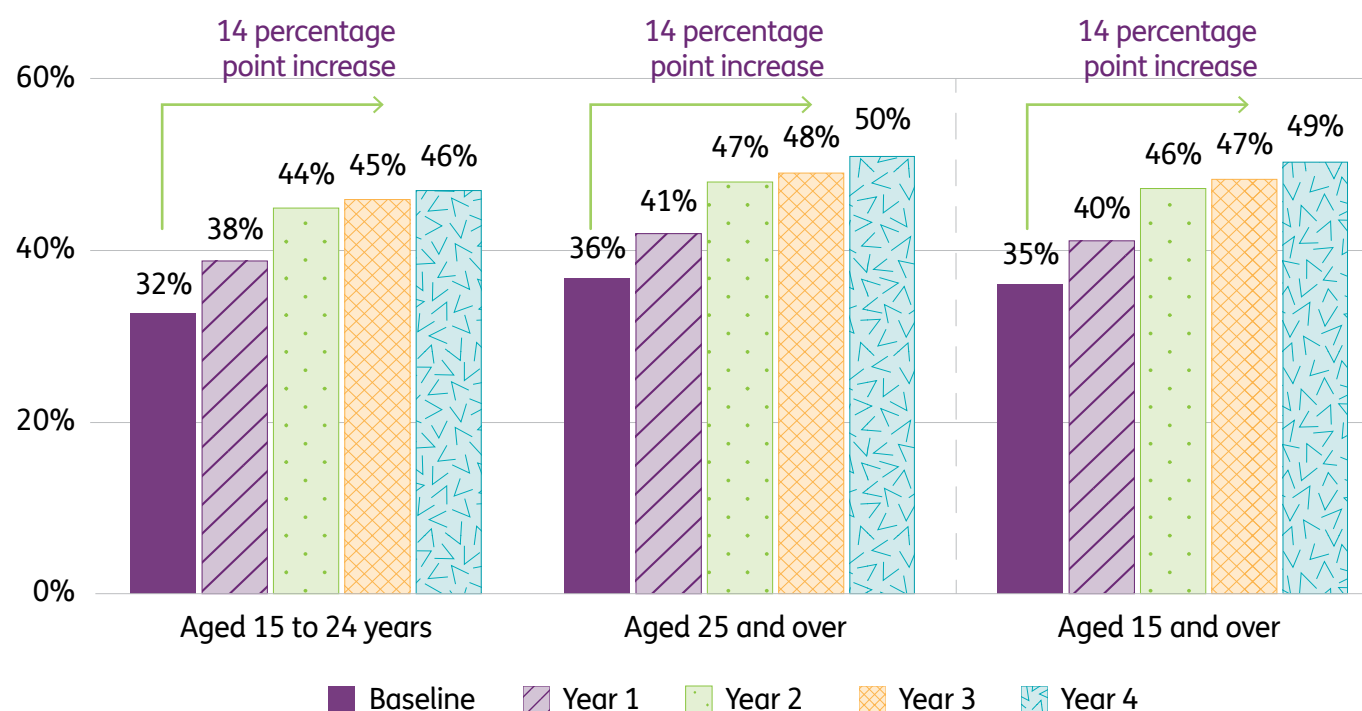
**Figure 2.1H:** The NDIS has improved the health and wellbeing of adults (ages 25+)**Figure 2.1I:** The NDIS has helped adults with everyday tasks (ages 25+)

## Social participation

Despite the impact of the COVID-19 pandemic, participation rates in community and social activities continue to increase.

For those who have been in the Scheme for over 4 years, social participation rates have increased by 14 per cent: from 32 per cent to 46 per cent for participants aged 15–24 years; from 36 per cent to 50 per cent for participant aged 25 years and over; and from 35 per cent to 49 per cent for participants aged 15 years and over.

**Figure 2.1J:** Participants are more involved in community and social activities

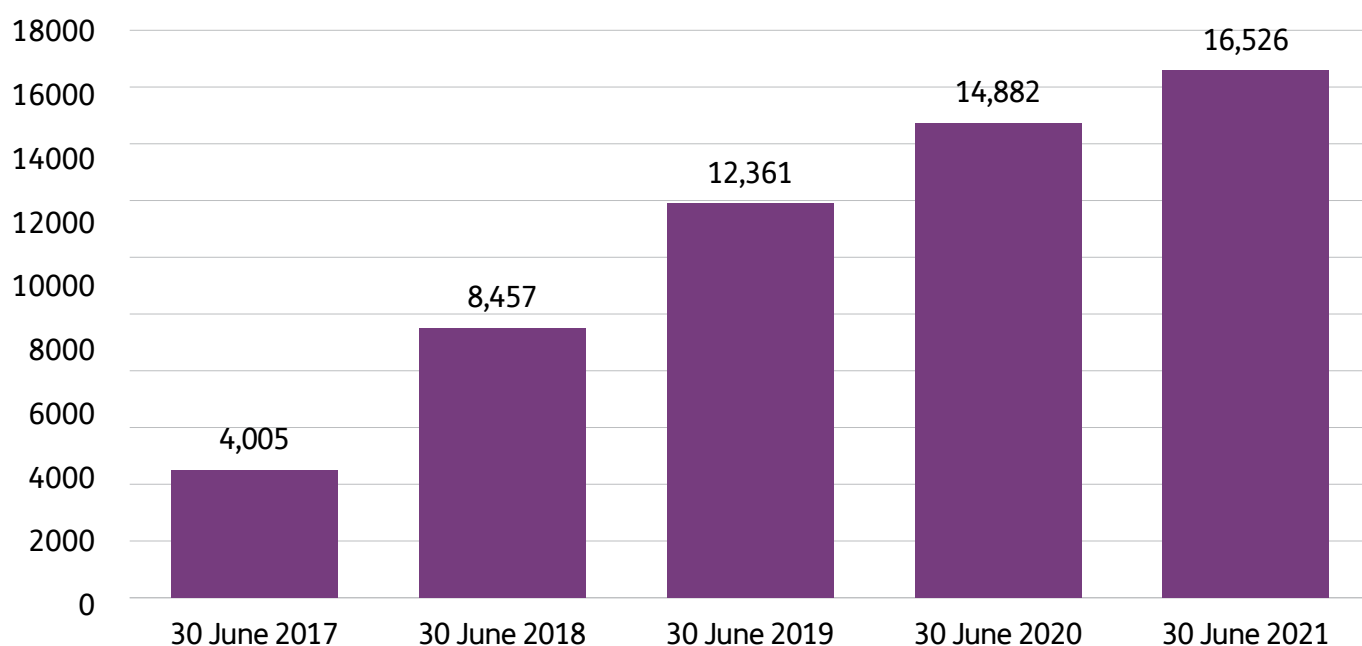




## Provider growth

There is a diverse range of providers delivering disability supports across the country, including existing organisations that transitioned from state and territory disability systems and new providers entering the market for the first time. An additional 1,644 new registered providers delivered NDIS services in the past year.

**Figure 2.1K:** The number of providers registered to support participants has grown more than 4 times since 2017



Notwithstanding these significant achievements, the Scheme is facing a number of challenges, including inconsistent access and planning decisions, inequalities in packages based on socio-economic status, and pressures on Scheme sustainability.

From the outset, it was envisaged that the NDIS would support participants to exercise choice and control over their life with a fair, flexible and consistent package of reasonable and necessary supports after taking into account informal supports that help participants achieve their goals. The need for the Scheme to remain affordable was also integral to that initial vision.

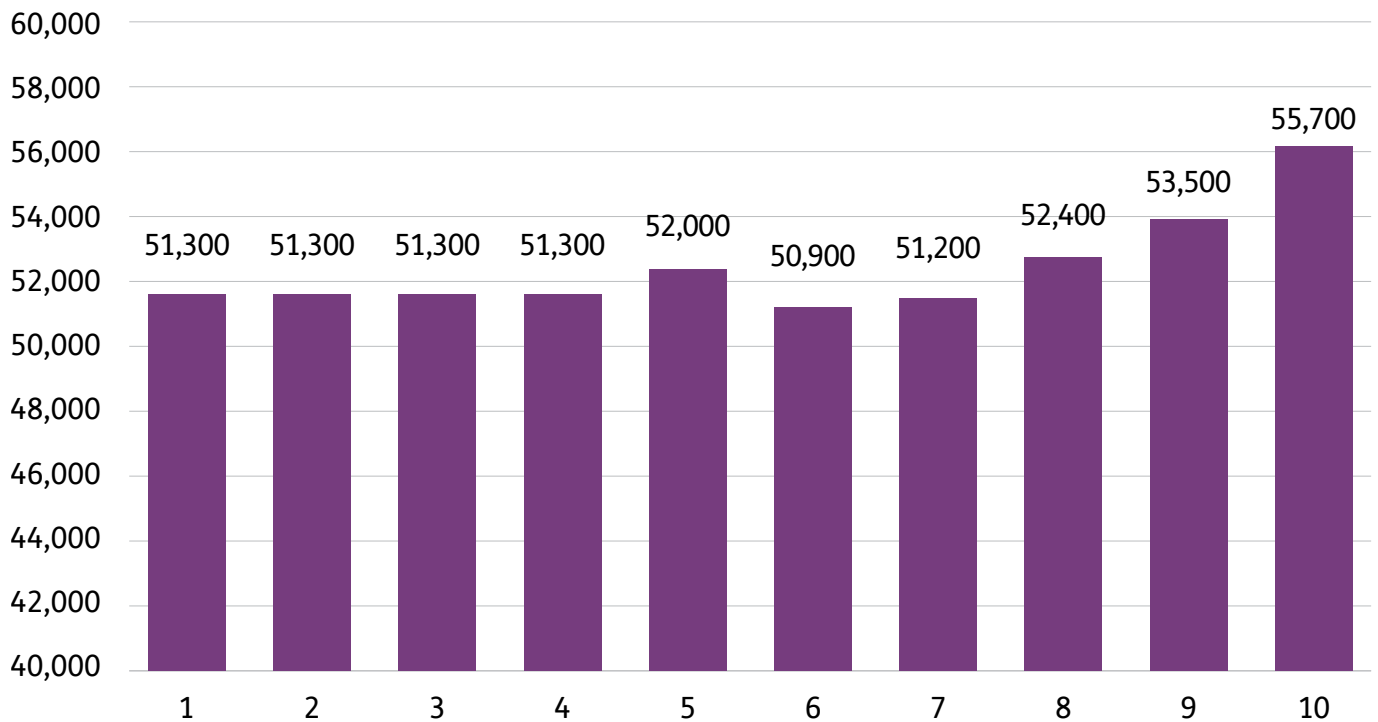
## Access and planning decisions

Access and planning decisions are inconsistent, reflecting in part the quality of information collected from participants, and their ability to afford to gather evidence. Historically, participants entering from state and territory systems were transferred at speed without assessments, and decisions for new participants were based on evidence sourced from their own practitioners without clarity on the skills needed

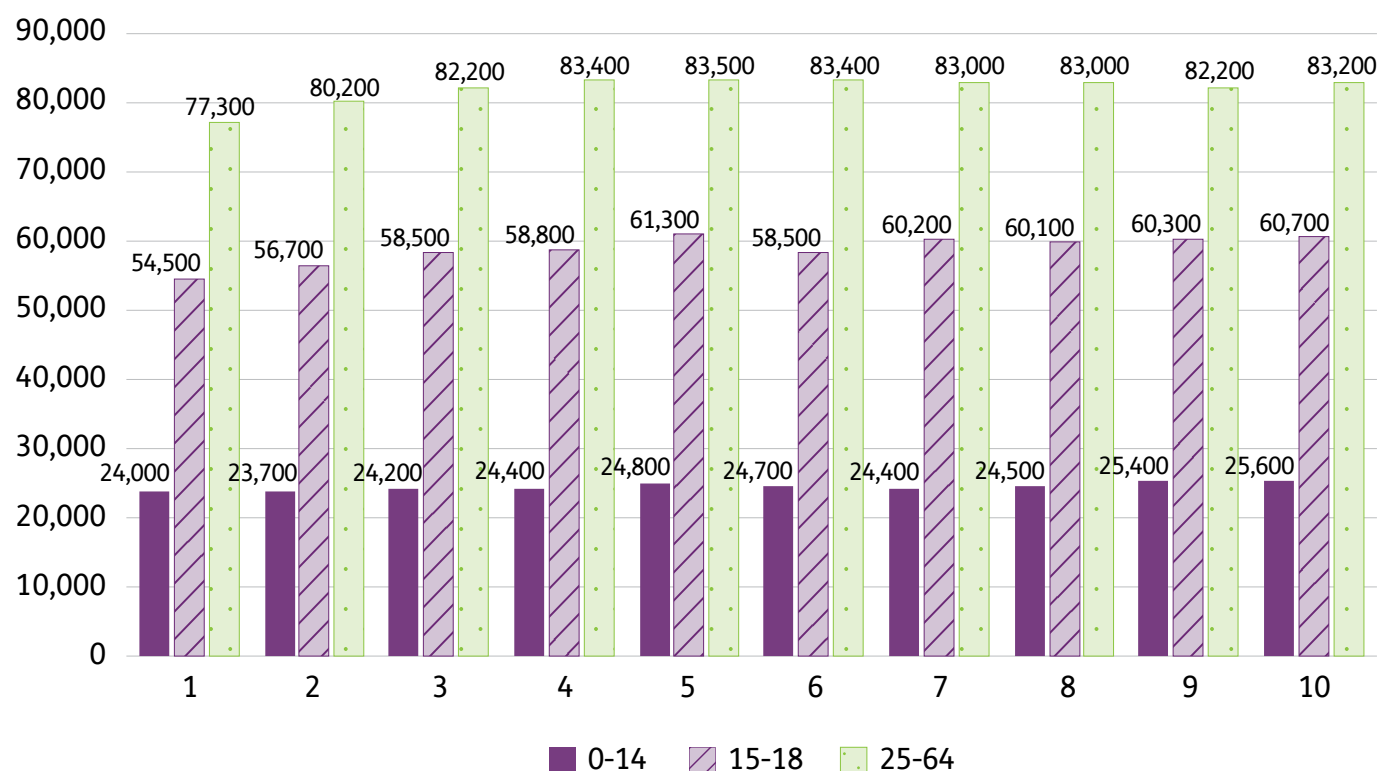
to make an assessment, the methodology that should be used, or the evidence that was required. This has resulted in inconsistent decisions that are not always fair and equitable.

There is a 9 percentage point difference in the average annualised plan budgets for participants in the lowest socio-economic decile (\$51,300) compared to participants in the highest socio-economic decile (\$55,700).

**Figure 2.1L:** Average annualised committed supports by the ABS Index of Education and Occupation deciles (1 being the lowest socio-economic decile and 10 being the highest) – non-SIL, age 0-64 – (\$)



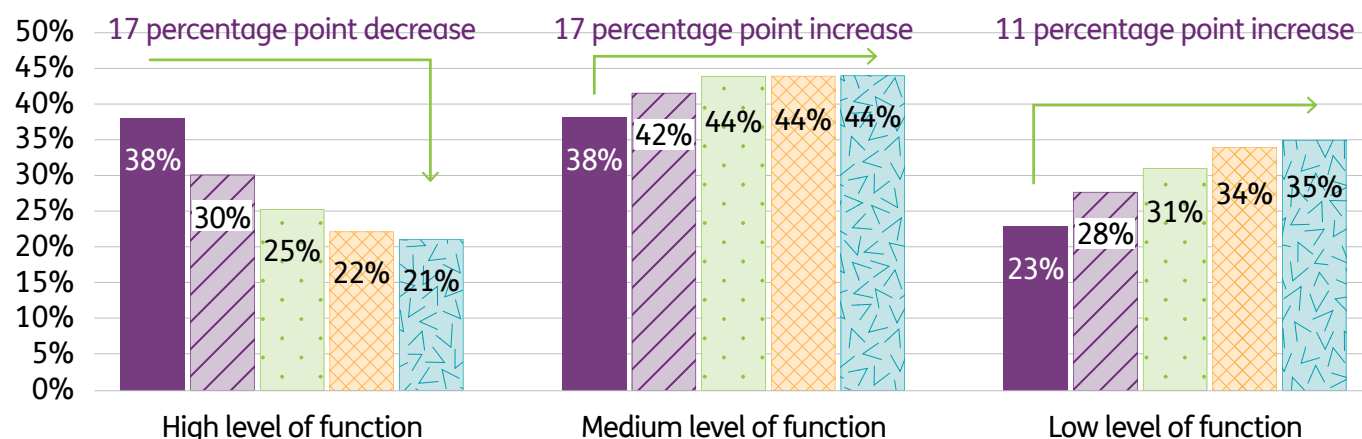
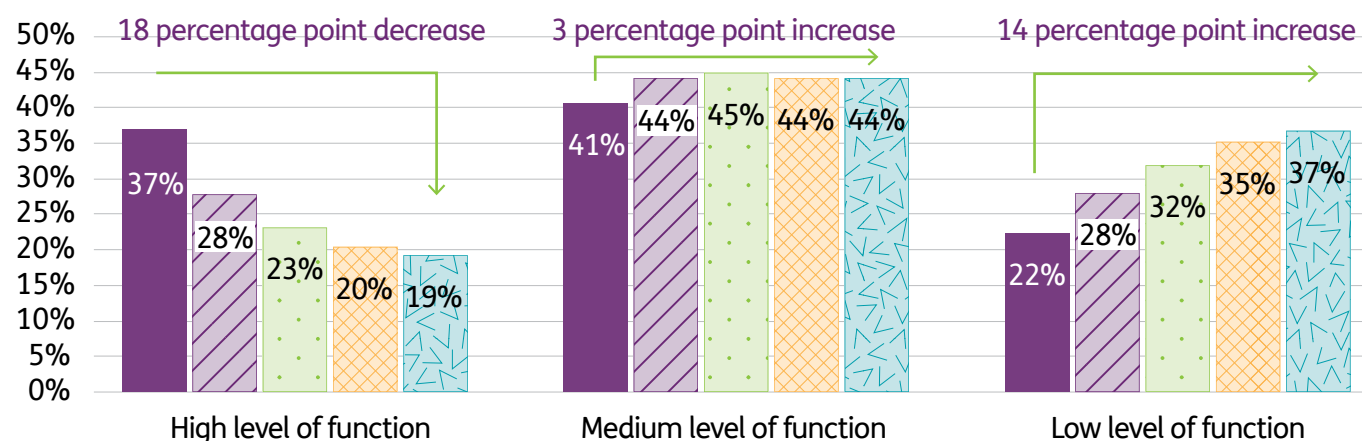
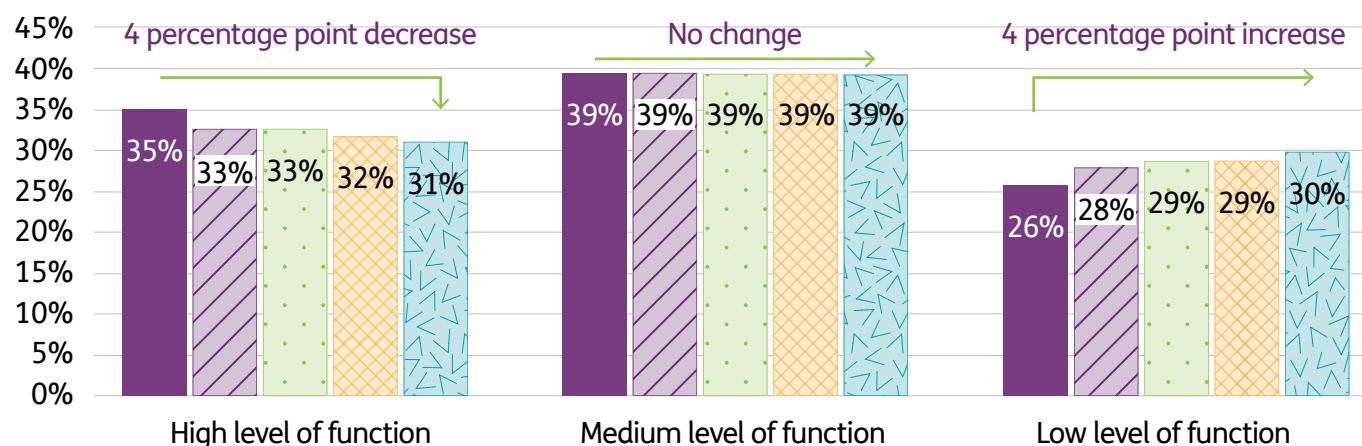
**Figure 2.1M:** Average annualised plan budgets by the ABS Index of Education and Occupation deciles, non-SIL participants by age groups (\$). This trend also exists across age groups for non-SIL participants



## Change in functional impairment

The change in the level of reported functional impairment over a period of time is unexpected relative to the benefits participants report receiving from the Scheme. For participants who were in the Scheme on 30 June 2017, there has been a reported decline in functional capacity. Thirty-eight per cent of these participants had a high level of function on 30 June 2017, compared to 21 per cent on 30 June 2021.

Conversely, participants with a low level of function have reported increased functional capacity over the same period, from 23 per cent to 35 per cent. While not ascribing a causal relationship, such a change results in a higher level of supports. This appears to be inconsistent with the intent of the Scheme, where investment should lead to increased independence, and functional capacity improving.

**Figure 2.1N:** Change in reported functional distribution from 30 June 2017 to 30 June 2021**Figure 2.1O:** Change in reported functional distribution for participants entering before 30 June 2017 (generic assessment tools used only – WHODAS, PEDI-CAT)**Figure 2.1P:** Change in reported functional distribution for participants entering before 30 June 2017 (disability specific assessments)

30 June 2017
  30 June 2018
  30 June 2019
  30 June 2020
  30 June 2021

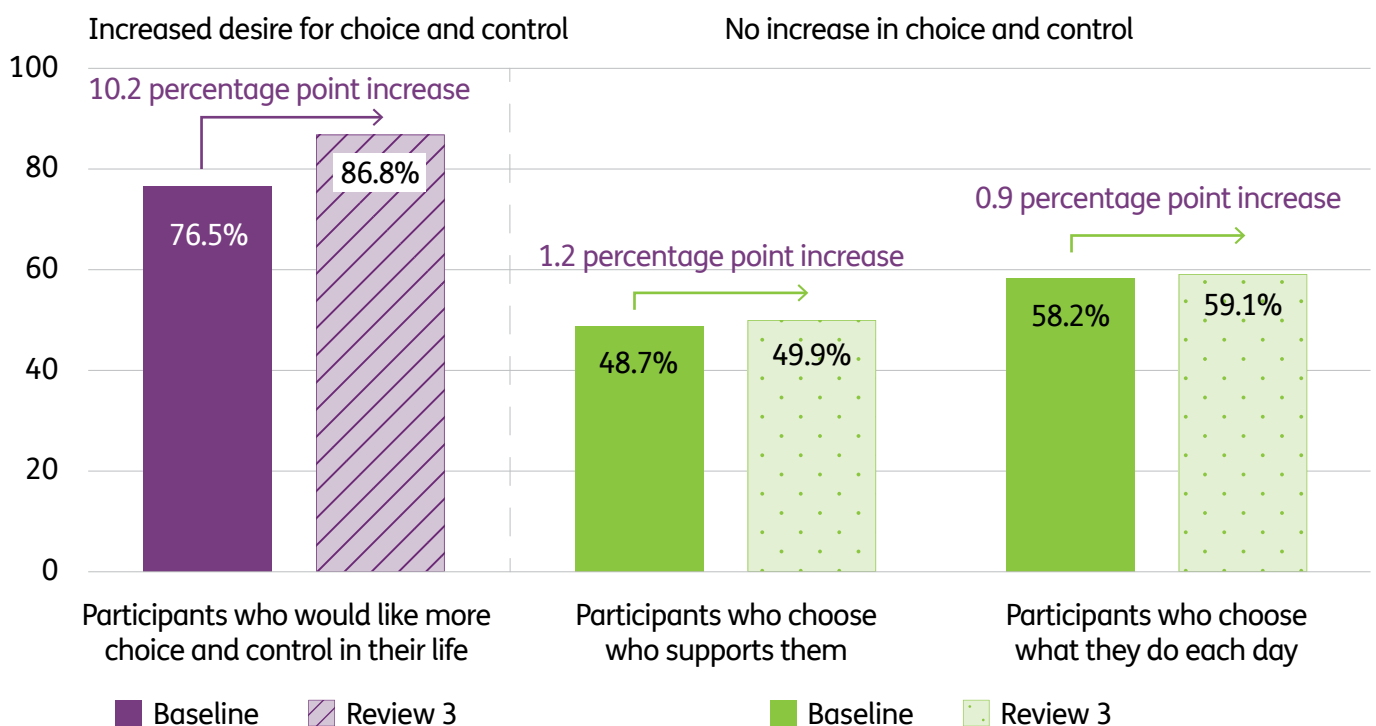


## Choice and control

The NDIA acknowledges the current planning process limits participants' ability to exercise true choice and control over how to use their support package. This has been driven by the current legislation that requires a complex, bottom-up, rules based decision-making process. Participants' views are reflected in indicators in the NDIS

outcomes framework. Participants who would like more choice and control have increased from 77 per cent to 87 per cent, a 10 per cent increase. The inconsistency between a participants' desire for greater choice and control, and their ability to obtain it is embedded in the design of the Scheme, and should be addressed.

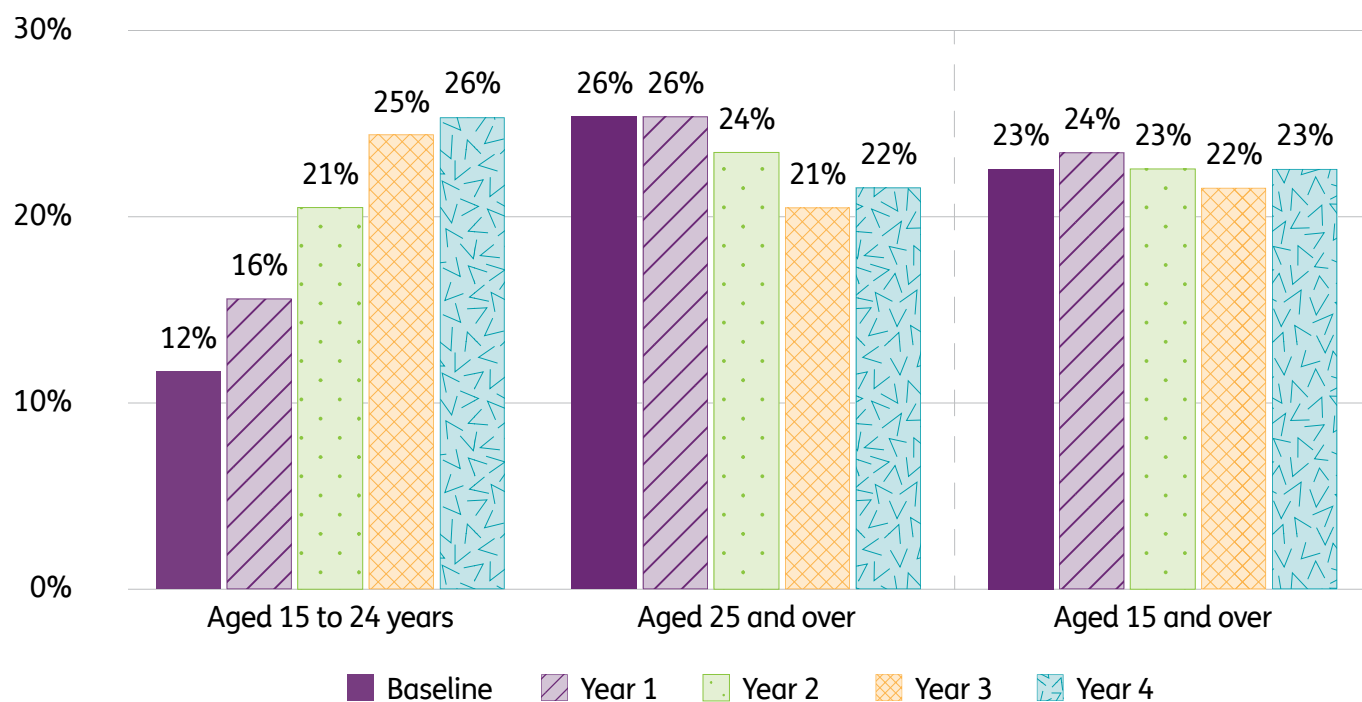
**Figure 2.1Q:** Choice and control indicators for participants over 15 years old and over 3 reviews



## Employment

Of concern to the NDIA is the lack of progress in increasing employment opportunities for participants. While employment rates have increased for participants aged 15 to 24, rates have decreased for participants aged 25 years and over who have been in the Scheme for 4 years.

**Figure 2.1R: Participants in the Scheme for 4+ years with a paid job**



## Scheme growth

The cost of the Scheme is growing more rapidly than anticipated, and poses a significant risk to overall Scheme sustainability. On 3 July 2021, the Agency released a comprehensive report on the financial sustainability of the Scheme, using data as at 31 December 2020 to project the cost of the Scheme.

Further, the Agency released the full Annual Financial Sustainability Report (AFSR) in early October 2021 using data as at 30 June 2021 to project the cost of the Scheme (hereafter referred to as the June 2021 AFSR). The summary of this Report is at 3.2.

The projection is higher than both the 2021-22 Portfolio Budget Statements (PBS) and the 2017 Productivity Commission (PC) estimates.

**Table 2.1A:** Comparison of June 2021 AFSR, 2021-22 PBS and the 2017 PC projection

Total Participant Costs (\$million)	2021-22	2022-23	2023-24	2024-25	Total
2017 Productivity Commission Estimates (a)	23,708	25,238	26,839	28,500	104,286
Portfolio budget statements 2021-22 (b)	26,487	28,257	29,425	31,884	116,053
June 2021 AFSR (c)	29,223	33,886	37,973	41,373	142,455
Difference (b-a)	2,779	3,019	2,586	3,384	11,767
Difference (c-a)	5,515	8,648	11,134	12,873	38,169

The Report found that both the higher than expected estimated number of future participants, and the higher than expected average payments per participant, are driving total higher costs.

## Growth in participant numbers

The number of participants continuing to approach the Scheme is well above prior projections.

The number of participants in the Scheme is close to 467,000, with nearly 75,000 entering in 2020-21. It is projected that this will increase to more than 530,000 participants in the next 12 months, and 859,328 in 2029-30, compared to the PC's estimates of 582,860 in 2029-30.

In 2029-30, the estimated number of participants is approximately 50 per cent higher than the PC estimate.

The report showed the main reason for this growth is due to significantly higher rates of people entering the Scheme and significantly fewer people exiting the Scheme compared to original forecasts.

**Table 2.1B:** Projected participant numbers by age band as at 30 June

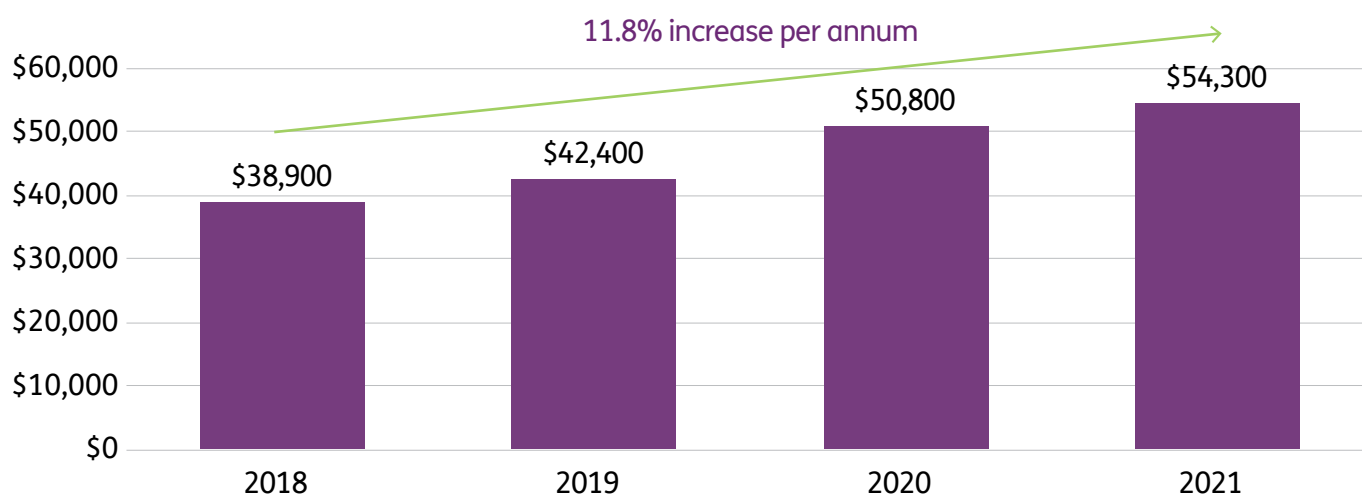
Number of participants	2021	2022	2023	2024	2025	2030
Children (0 to 14)	192,870	222,274	246,098	262,728	275,599	315,719
Young adults (15 to 24)	74,213	86,267	98,193	109,819	121,833	191,015
Adults (25 to 64)	182,955	200,433	215,555	225,943	236,164	291,608
Older adults (65+)	16,581	21,483	26,587	31,835	36,804	60,987
Total	466,619	530,457	586,433	630,327	670,400	859,328



## Payments to participants

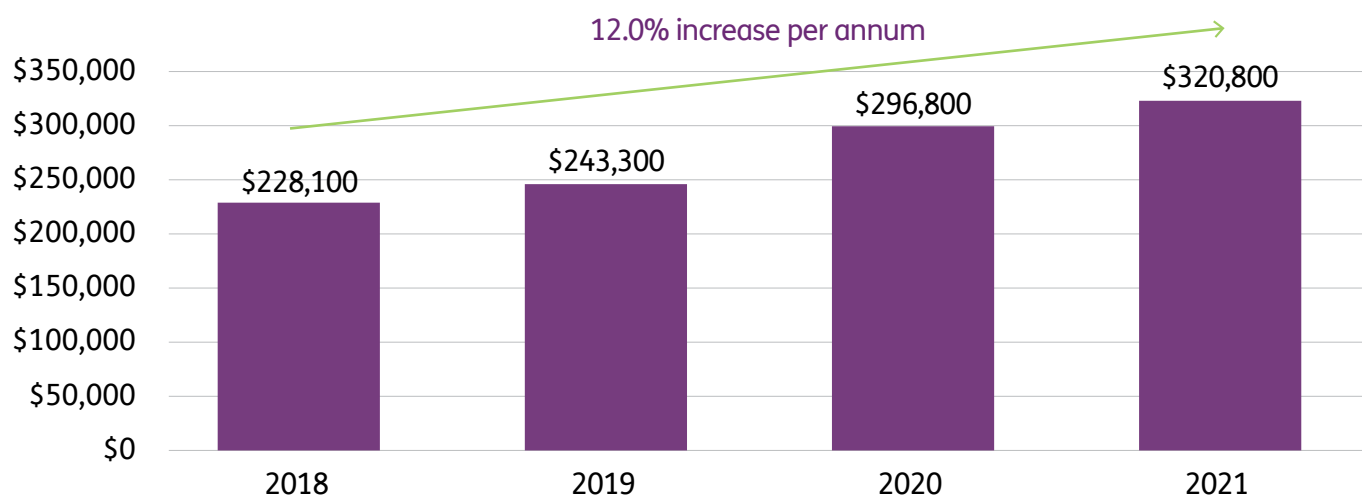
The average payment per participant has continued to increase at 11.8 per cent per annum in the 3 years to 30 June 2021. Further, the average payment has increased in the 6 months to 30 June 2021 to \$55,900 (or 6.8 per cent higher)<sup>1</sup>. These rates of increase are also higher than increases in wage inflation (of between 1.5 per cent and 2.5 per cent), and the consumer price index (of between 1.5 per cent and 3.5 per cent)

**Figure 2.1S: Average payments per year for SIL and non-SIL participants (\$)**

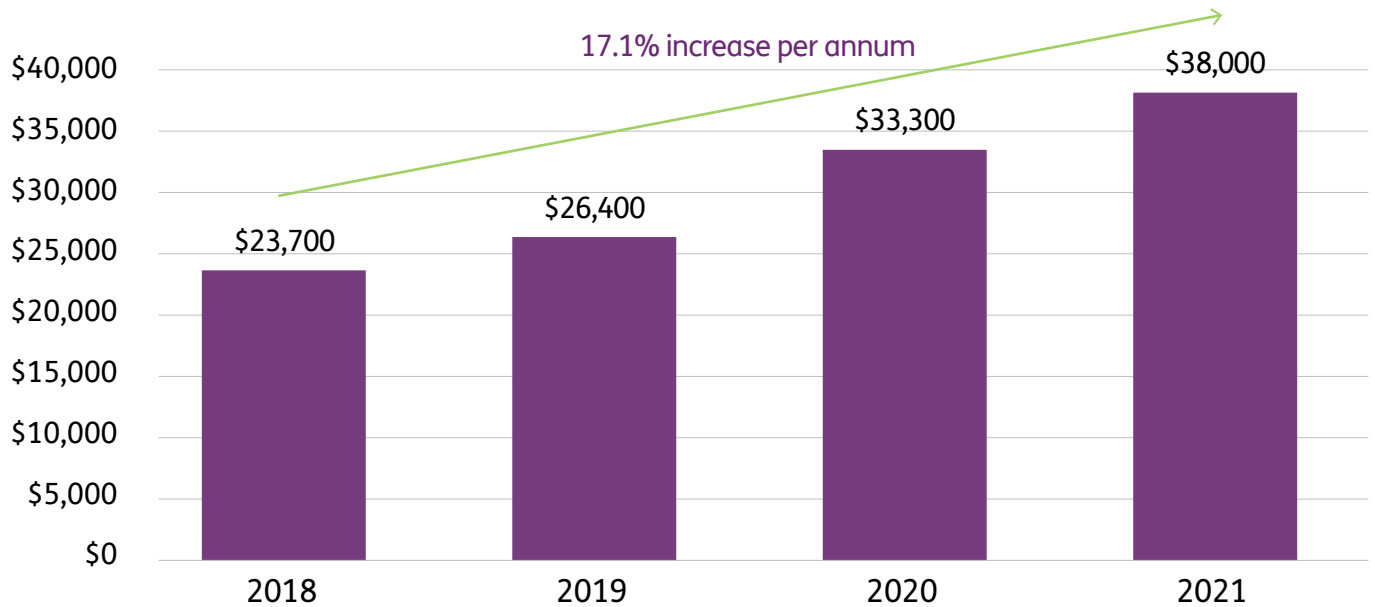


Analysing the change in average payments over time indicates the average annual increase in average payments has been consistently high across both participants in Supported Independent Living (SIL) and those not in SIL. The average annual payments has increased for SIL participants by 12 per cent, and 17.1 per cent for non-SIL participants. These averages are higher than the overall average (of 11.8 per cent), as the proportion of participants in SIL has decreased over the period.

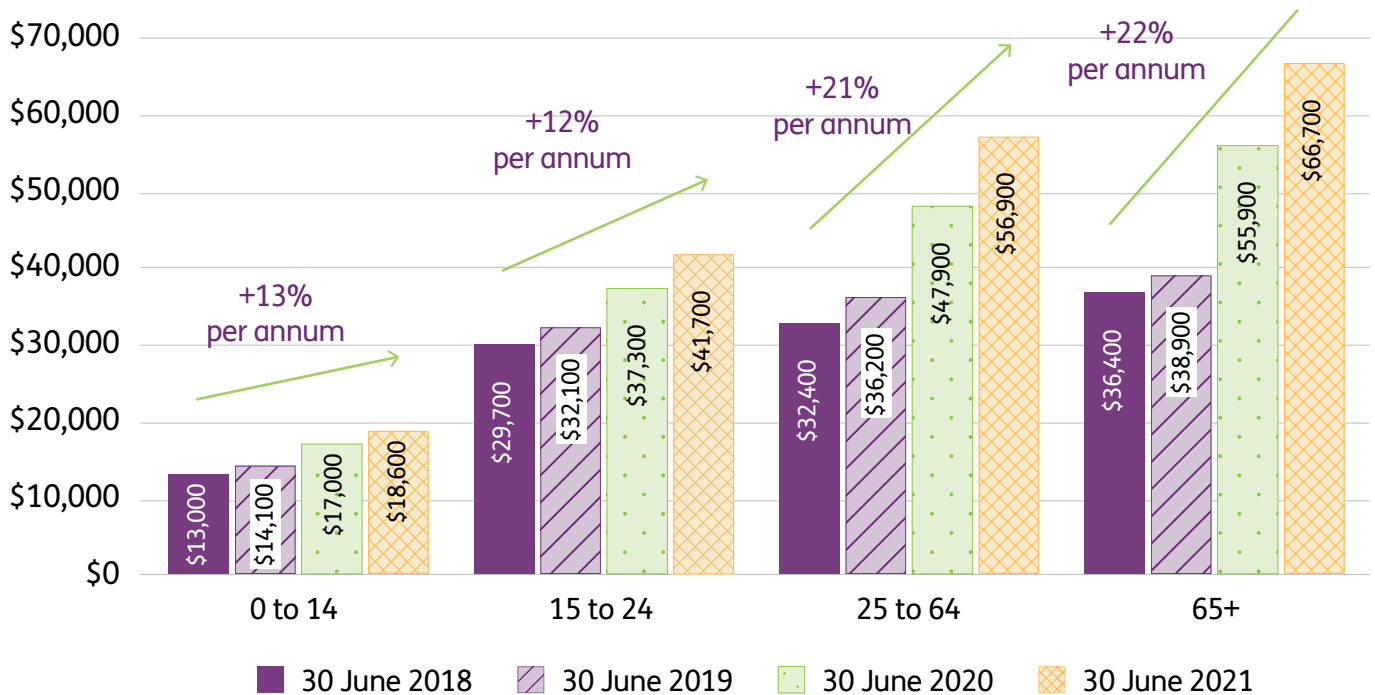
**Figure 2.1T: Average payments per year – SIL (\$)**



<sup>1</sup> The \$55,900 differs from the \$54,300 in figure 2.1S, as the \$55,900 is only related to the second half of 2020-21, and not the full year

**Figure 2.1U: Average payments per year – Non-SIL (\$)**

Analysing the change in average payments over time by age bands for participants not in SIL shows payments have increased considerably across all age groups. For participants not in SIL, average payments have increased at a faster rate for adults (those aged over 25) and reflects a material increase in the hours of attendant care support these participants are receiving over time.

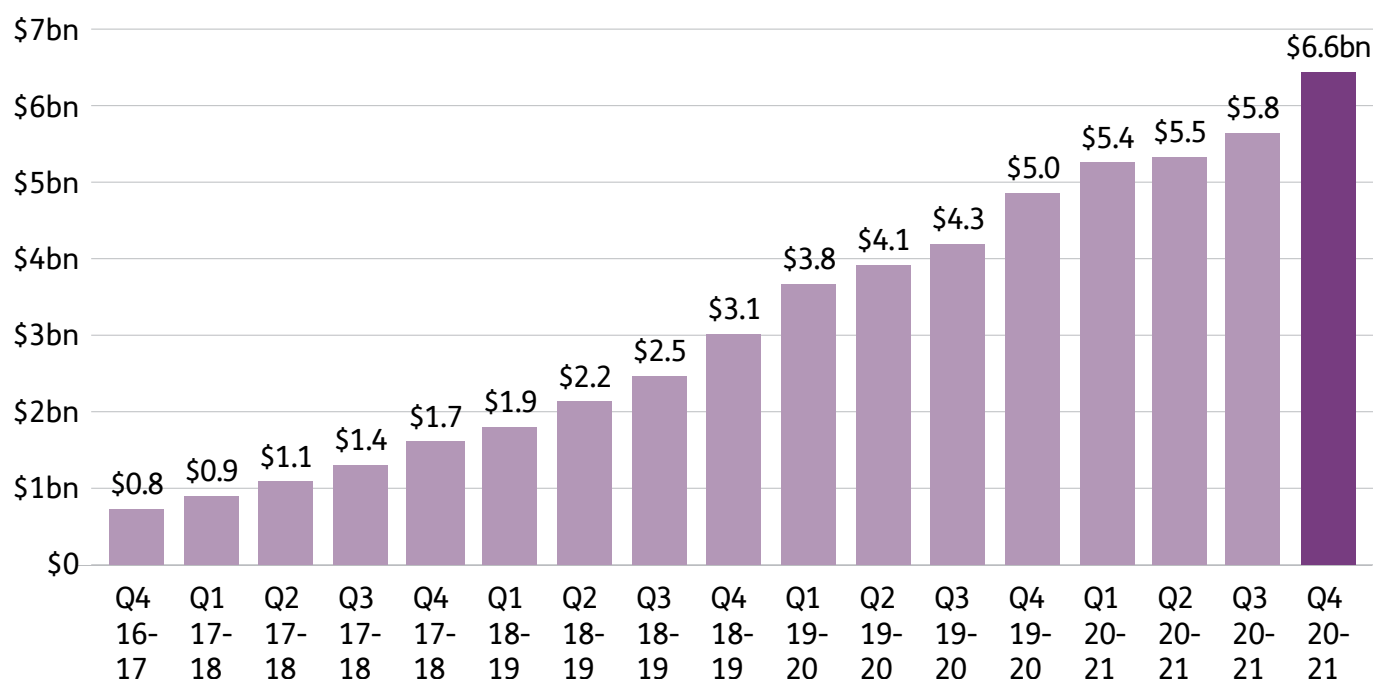
**Figure 2.1V: Average payments per year - by age bands (non-SIL) (\$)²**

² Average annualised payments have been calculated on a cash basis using the 12 months over each year ending 30 June.

## Total participant costs

The increasing trend in average payments per participant over time has increased to \$6.6 billion in the last quarter of 2020-21, which is a 33 per cent increase in total participant costs from the last quarter of 2019-20.

**Figure 2.1W:** Total payments per quarter 2016-21



The estimate for participant costs in 2021-22 in the 2021-22 Portfolio Budget Statement (PBS) is \$26.5 billion. As at 30 June 2021, there are 466,619 participants with an average actual annualised cost of \$54,300. Assuming no new participants enter the Scheme and average payments per participant does not grow, the Scheme will spend \$25.3 billion over 2021-22. This represents 96 per cent of the Scheme's allocated budget from the 2021-22 PBS.

## 2.2 Where we are today

Our focus is to make the Scheme work better for participants. Over the past year, we have made changes to the way we engage participants following the introduction of the Participant Service Charter and the Participant Service Improvement Plan. Due to the efforts of our staff, we have significantly improved service levels, making faster access and planning decisions that ensure participants have the supports and services they need as quickly as possible.

These improvements built on earlier work in 2017-2019 to improve the participant experience through the Pathway Reforms. Following extensive engagement with more than 1,100 people in the disability community, the Agency rolled out a number of changes across the country to improve people's individual journey with the NDIS. This included face-to-face planning, better trained Local Area Coordinators (LACs) and planners, and the introduction of the complex support needs pathway.

Despite these concerted efforts by the Agency over many years, challenges remain with the operation of the Scheme that stem from trying to do something quickly on a large scale for the first time with systems and approaches that were not originally fit for purpose. We have consistently heard from participants the Scheme is not as fair, simple and flexible as it could be.

The NDIA sought to address these issues through the introduction of Independent Assessments

and flexible budgets. On 9 July 2021, state and territory disability ministers agreed Independent Assessments would not proceed, and that they would work in partnership with those with lived experience of disability through the Independent Advisory Council and disability representatives, on the design of a new person-centred model that delivers consistency and equity in access and planning outcomes, consistent with the legislative requirements for assessments as set out under the *National Disability Insurance Scheme Act 2013* (NDIS Act). The NDIA fully supports this decision, and is committed to delivering an NDIS that delivers true choice and control of reasonable and necessary supports in a way that is fair, consistent and equitable for all participants, regardless of their geography or socio-demographic circumstances.

We are also committed to ensuring the NDIS remains sustainable so that it is available to Australians with disability for generations to come.



## 2.2.1 NDIA Aspirations

The purpose of the NDIA is to support individuals with a significant and permanent disability (participants) to be more independent and engage more socially and economically, while delivering a financially sustainable NDIS that builds genuinely connected and engaged communities and stakeholders.

The Agency's purpose is supported by 6 aspirations, as outlined in the NDIA Corporate Plan 2020–2024 and illustrated in Figure 2.2.1A. To view the current NDIA Corporate Plan, go to [ndis.gov.au](https://www.ndis.gov.au)

**Figure 2.2.1A: NDIA Purpose and Aspirations (2020–2024)**



## 2.2.2 NDIA Values

The Agency operates according to a set of 4 key values, illustrated in figure 2.2.2A. These values, which were developed in consultation with staff and partners, reflect our passion for and commitment to an empowered, inclusive and participant-centred culture.

Additionally, all Agency staff follow the Australian Public Service (APS) Values and Code of Conduct, which require all staff to be impartial, committed to service, accountable, respectful and ethical.

**Figure 2.2.2A:** National Disability Insurance Agency Values



### Leonie Dean

During her 20's, Leonie Dean started to experience weakness in her hands and then it progressed to her legs. After many tests, Leonie was diagnosed with Functional Neurological Disorder (FND) at age 30. She says FND can be so debilitating, affecting her whole body. Now 35-years-old, Leonie is grateful for the supports the NDIS funds. Leonie uses her plan to have a support worker assist her with daily activities and assistive technology around the house to help her function better. Leonie also has an Extreme X8 power wheelchair so she can move around her parent's hilly property with ease.



## 2.2.3 Key achievements in 2020-21



### Support for participants and disability workers through the COVID-19 pandemic

Throughout 2020–21, the NDIA continued to work across governments, including with the Department of Social Services (DSS), the NDIS Quality and Safeguards Commission (NDIS Commission), Services Australia, and state and territory governments, to support participants during the COVID-19 pandemic.

We worked hard to deliver new and enhanced capability to support participants and providers during the pandemic, and continuously refined services to keep participants safe. Existing and new measures implemented in 2020-21 include:

- Conducting COVID-19 outreach calls to vulnerable participants. Participant check-ins are now an ongoing feature of the Scheme designed to complement and incorporate scheduled plan reviews.
- Providing participants with a choice of videoconference or telephone planning meetings, if that is their preference.
- Allowing participants and providers to claim the cost of personal protective equipment as a reasonable and necessary need.
- Supporting participants with priority home delivery services
- Allowing providers of services to participants who are COVID-19 positive or who are required to self-isolate to claim for cleaning services
- Contracting the Recruitment, Consulting and Staffing Association (RCSA) to provide a workforce concierge service to link NDIS service providers who need to source additional temporary staff
- Increasing flexibility to buy low cost assistive technology, recognising the pandemic has changed the way some supports are delivered.

- Providing financial support for providers to help participants in supported independent living access the COVID-19 vaccination.
- Introducing new SIL supports in recognition of higher intensity support, professional laundering, and other costs associated with providing supports to participants who are COVID-19 positive.

These initiatives, combined with our significant support to the Department of Health to facilitate the roll-out of vaccines to people with disability, have led to a lower participant infection rate compared to the general population.

Throughout the COVID-19 pandemic, underlying payments for support increased in comparison to pre-pandemic levels, indicating that participants adapted and continued to receive supports.



### Quality experience for participants

The NDIA continues to focus on ensuring participants realise the full benefits of this social reform. Over the past 12 months, significant improvements have been made following the introduction of the Participant Service Charter and Participant Service Improvement Plan (SIP).

#### Participant Service Guarantee

In July 2020, the NDIA introduced the Participant Service Guarantee (PSG) to explain what participants can expect when they interact with the NDIA. The PSG sets timeframes for key NDIS processes such as access, plan approvals, plan reviews and nominee changes. While the timeframes have yet to be legislated, we have been measuring and meeting many of these timeframes for some time including:

- 100 per cent of access decisions are being made within the service guarantee timeframe of 21 days, consistent across the last year.
- 91 per cent of first plans approved for participants aged 0-6 are within the 90 day timeframe, compared to 89 per cent a year ago.
- 80 per cent of first plans approved for participants aged 7 and above are within the 56 day timeframe, compared to 75 per cent of first plans approved within 70 days a year ago.
- 72 per cent of participant requested reviews completed within 42 days, compared to 52 per cent a year ago.
- 94 per cent of reviews of reviewable decisions were completed within the 90 day timeframe, compared to 51 per cent a year ago.

### Participant Service Improvement Plan

In August 2020, the NDIA introduced the SIP, which sets out the tangible actions we will deliver to build a better NDIS and ensure the Scheme meets participants' expectations. It makes real on our promises in the Participant Service Charter and PSG, and reflects the feedback participants have given to the Agency.

Over the past year, the NDIA delivered 16 commitments - aligned with the corporate plan out of the 51 initiatives, including: making NDIS plans longer so as to simplify the planning process for participants; providing easier and faster ways for participants to access their personal information; and rolling out Health and Justice Liaison Officers to help participants in key mainstream systems interact with the Scheme. The NDIA has commenced implementing a further 23 initiatives.

To help the community understand how we make decisions, we have been improving our guidelines. They are being written in plain English, and use more consistent language and less jargon. The 'Would we fund it?' guide also has clear examples and case studies on what the NDIS does and does not fund.

### Participant satisfaction

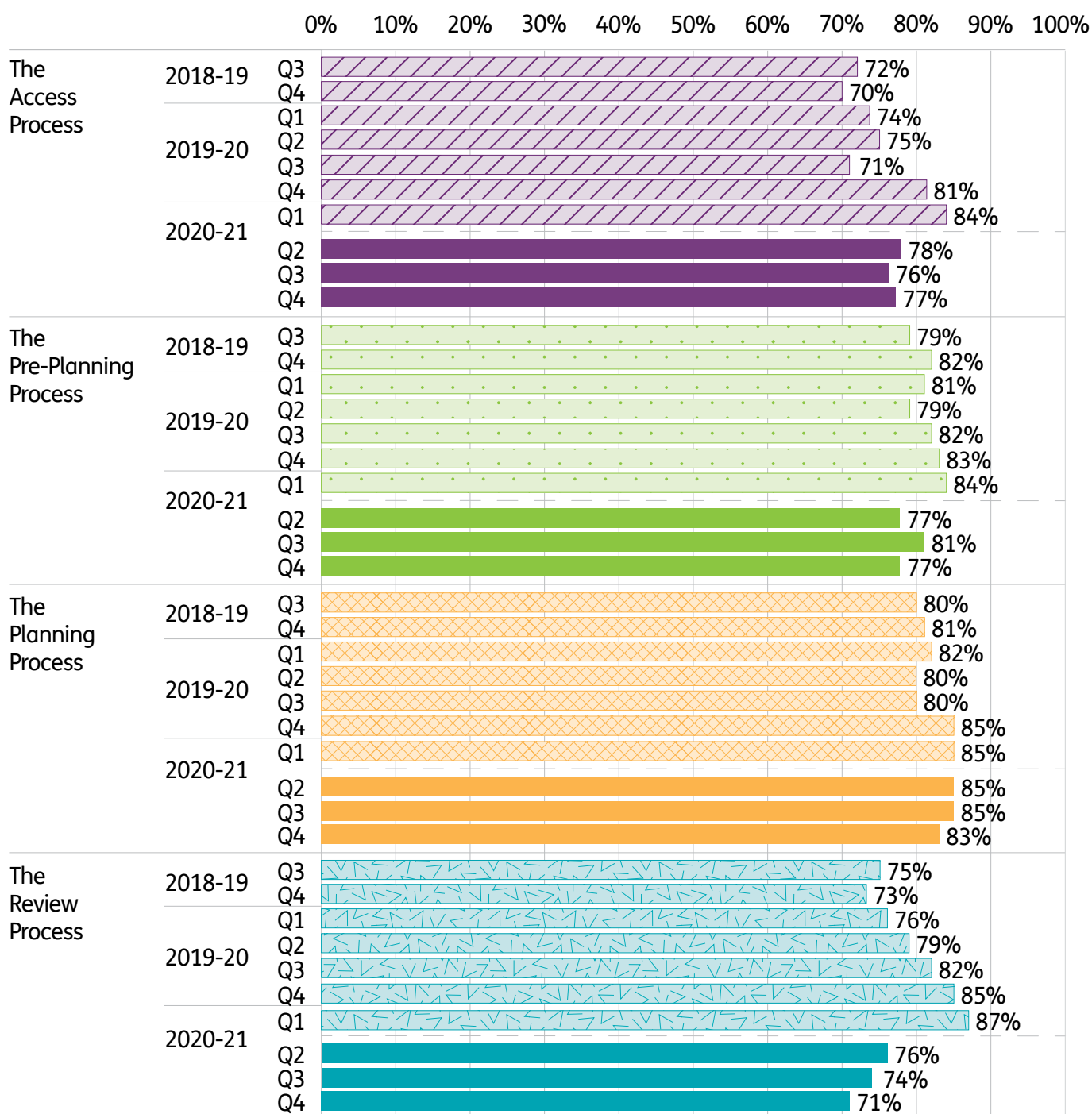
The NDIA has improved the way participant satisfaction is measured. In the December 2020 quarter, the NDIA transferred the administration of the survey away from the National Contact Centre to another third party supplier, Australian Healthcare Associates. This was in response to the 2019 Tune review that recommended the survey be undertaken as independently as possible from the NDIA.

Also, in line with the Tune review, the NDIA is working with the Independent Advisory Council to build on this survey to develop a more comprehensive picture of participant satisfaction. This includes input regarding the current approach, suggested improvements to current questions, and the inclusion of extra modules. The NDIA also engaged the Council for Intellectual Disability to undertake consultation on making the surveys more accessible, including for people with complex communication needs.

As at 30 June 2021:

- 83 per cent of participants had rated the Planning process as either good or very good, with a further 10 per cent rating the experience as neutral.
- 77 per cent rated the Access process as either good or very good.
- 77 per cent rated the Pre-Planning process as either good or very good.
- 71 per cent of participants rated the Plan Review process as either good or very good.



**Figure 2.2.3A:** Trend of satisfaction across the pathway (% Very good/good)<sup>3</sup>

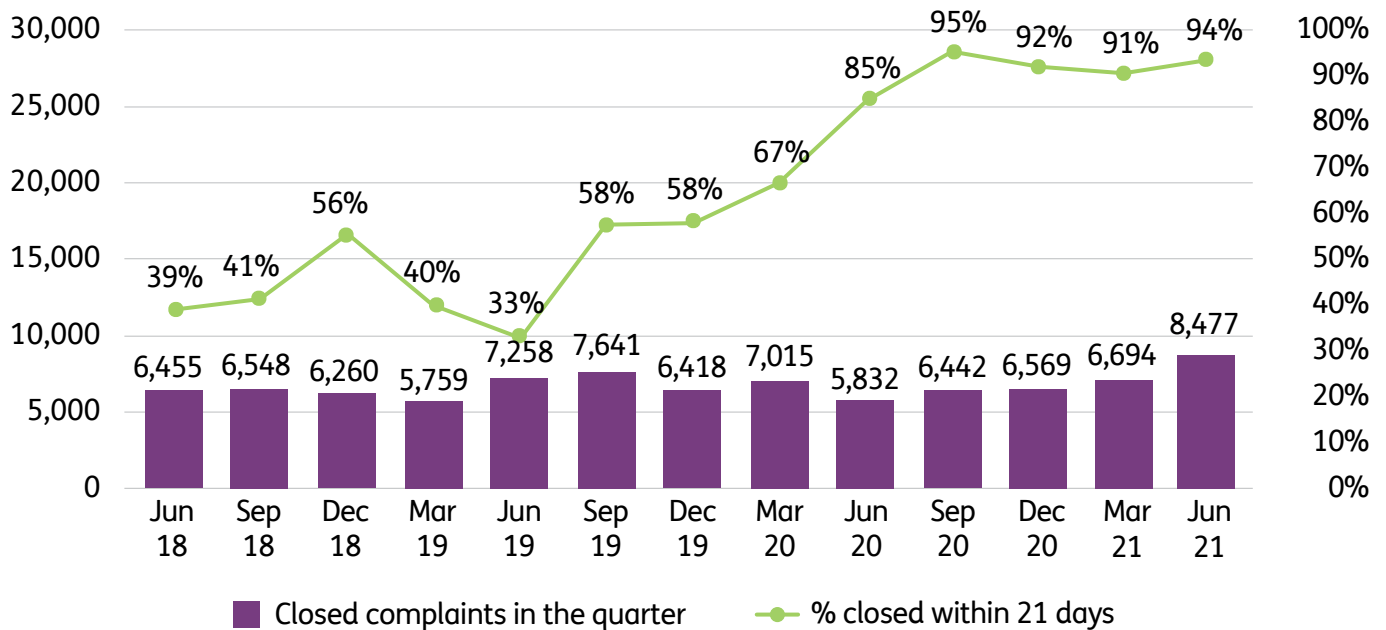
Note: This change in administration of the survey resulted in a “break” in the time series, meaning quarterly results, up to and including the September 2020 quarter, do not compare with quarterly results after this quarter. The June 2021 quarter results are comparable with the December 2020 and the March 2021 quarter results, and assist in understanding change over time.

<sup>3</sup> Participant satisfaction results for prior quarters have been restated using data as at 30 June 2021 due to retrospective changes in the underlying data. These changes mainly arise from lags in data collection.

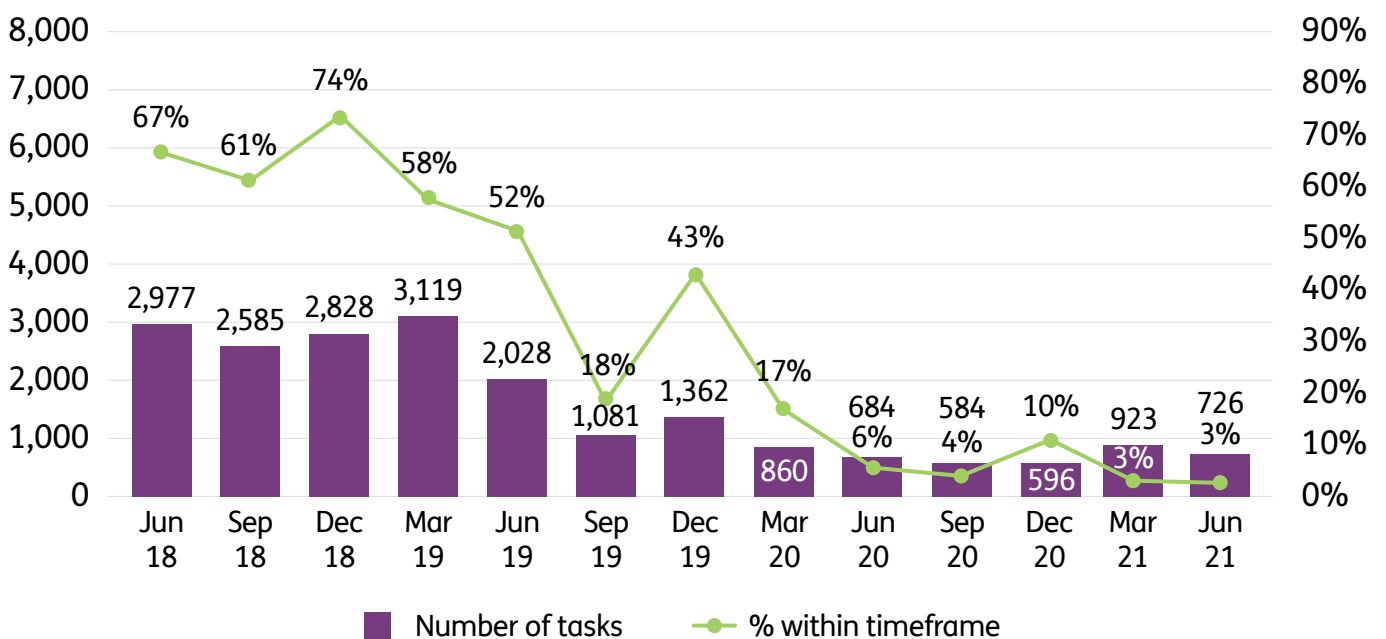
## ✓ Key trends in complaints

The percentage of open complaints halved over the past 12 months and were significantly lower than previous years. This is despite an increase in overall complaints that was to be expected given the increase in participant numbers. In addition, 94 per cent of complaints were closed within 21 days, compared to 67 per cent a year ago.

**Figure 2.2.3B: Closed complaints and per cent completed within 21 day timeframe**



**Figure 2.2.3C: Open complaints and percentage that have been open for more than 21 days<sup>4</sup>**



<sup>4</sup> The numbers of complaints reported for the most recent quarter may still increase to the extent there is a lag in data collection. However, any increase is not expected to have a material impact on the results.

## Participant diversity

The NDIA continues to monitor the number of Aboriginal and Torres Strait Islander and CALD participants entering the Scheme. As at 30 June 2021, 32,396 participants in the Scheme identified as Aboriginal and Torres Strait Islander, compared to 25,518 in the previous year (an increase of 27 per cent). A further 44,113 participants identified as CALD, compared to 36,192 in the previous year (an increase of 22 per cent).

The Agency has analysed the CALD data to understand why the proportion of participants who identify as CALD is below the estimate of approximately 20 per cent. The Agency analysed the actual number of CALD participants versus the expected number of CALD participants by service districts (approximately 80 across the country). This analysis shows there is no correlation between the proportion of the population who identify as CALD in each service district and the ratio of actual to projected participants. This means that the actual number of participants in service districts with high CALD populations is not lower than in service districts with low CALD populations. This implies that the lower than projected number of CALD participants is likely to be existing participants

not self-reporting as being CALD, rather than the Scheme having many fewer CALD participants than projected. The NDIA is examining the CALD participant cohort to further understand this lower than expected reported proportion of identified CALD participants, and is continuing to engage with CALD stakeholders on this.

The NDIA has released progress updates on the Aboriginal and Torres Strait Islander Engagement Strategy and the CALD Strategy, detailing the Agency's key activities against the priorities listed in the strategies. The NDIA will commence engagement in late 2021 with stakeholders from Aboriginal and Torres Strait Islander and CALD backgrounds, including participants, families, carers and the sector to develop refreshed strategies, which will be completed in 2022.

In addition, the NDIA will develop a position statement on remote service delivery in 2021-22 to further enhance the NDIS experience and outcomes for people with disability living in remote Australia.

## Support for children

Of the 466,619 participants with an approved plan at 30 June 2021, 72,258 were children aged 0–6 years, an increase of 10,296 from 61,962 in 30 June 2020. A further approximately 13,400 children were receiving initial supports through the Early Childhood Early Intervention (ECEI) approach.

In November 2020, the NDIA commenced a review of the ECEI approach to improve the access to timely, targeted and individualised early childhood intervention supports for children with developmental delay or disability and their families. The NDIA received 192 submissions in response to the 2 papers seeking feedback on the proposed 23 draft recommendations to inform an ECEI Reset planning and implementation phase over the next 2 years. As part of the review, the NDIA has already delivered 3 recommendations, including:

- Renaming the approach to supporting children younger than 7 and their families (now ‘early childhood approach’).
- Publishing new, simple to understand operational guidelines and strengthened information about best practice in early childhood intervention.
- Clarifying the interpretation and application of the developmental delay criteria.

The NDIA will continue engaging with families of young children with developmental delay or disability, and the early childhood sector on improvements to the approach, with further changes expected to be implemented from late 2021 and over the following 2 years.

In March 2021, the NDIA released the Interventions for children on the autism spectrum consultation paper, and received more than 450 submissions

in response. The NDIA is closely considering the feedback, and continues to engage with the sector to deliver better outcomes for children on the autism spectrum and their families.

## Younger People in Residential Aged Care (YPIRAC)

The NDIA continues to work with DSS and the Department of Health on the Joint Agency Taskforce to progress the YPIRAC Strategy 2020–25 and reduce the number of younger people with disability living in residential aged care.

Over the past year, the number of people under the age of 65 years in residential aged care, including those who were not participants in the Scheme, has decreased from 6,135 at 31 December 2017 to 3,900 at 30 June 2021 (a 36 per cent decrease). Since 1 July 2016, 680 participants who entered the Scheme in residential aged care have moved to more appropriate accommodation.

There are also fewer younger people entering aged care compared to previous years. Of the 3,232 NDIS participants in residential aged care under 65 years, 89, or 2.8 per cent, are under the age of 45. This is in comparison to 3 per cent of NDIS participants in residential aged care a year ago under the age of 45.

The NDIA continues to work to reduce the number of participants entering residential aged care and support participants already living in residential aged care to move into more age-appropriate accommodation, if that is their choice.



## Employment for participants and their families/carers

The NDIA recognises the critical role of employment in boosting the well-being, economic security and social inclusion of people with disability. The COVID-19 pandemic has presented new challenges to the economy and many job markets, which in turn has had an impact on the ability for participants to achieve their employment goals.

In May 2021, the NDIA released a refreshed Participant Employment Strategy Action Plan to outline new initiatives to help evolve and improve employment supports, and provide participants with clear pathways to employment. Specifically, the NDIA will:

- Implement a new pricing model for employment supports to help participants gain on-the-job training and support in a wider range of jobs and settings by allowing providers to claim for the actual hours and ratios of support delivered.
- Deliver training to Australian Disability Enterprises to assist their transition to the new pricing model, and to support coordinators to assist participants with the transition.
- Deliver training to more than 3,500 frontline staff across the NDIA and its partners to enhance their knowledge of employment planning, supports and pathways.
- Strengthen the pathways from school to work, including through improved access to work experience.
- Partner with national employers to build their capability to employ participants and set an example to other employers.
- Work with the DSS to help shape the National Disability Employment Strategy.

## Supporting NDIS participants to pursue their home and living goals

The NDIA is developing a new Home and Living Policy that will inform the way the Agency supports participants to pursue their home and living goals. Participants should have more choice and control over where they live, who they live with and the supports they use. We also want to support participants to build the skills they need to live independently.

In June 2021, the NDIA released An Ordinary Life at Home consultation paper to seek feedback from participants and the wider sector. The consultation paper was developed with support from participants, nominees, families and carers, as well as the IAC and Participant Reference Group. The Agency will use feedback gathered during the Home and Living consultation period to further engage with the sector to develop the policy and determine the next steps for implementation.

## Empowering NDIS participants' decisions

The NDIA released a consultation paper on improving decision-making support for participants in June 2021. The NDIA is committed to providing support to people to make decisions and remain in control of their lives, and would like to:

- Increase the opportunity for participants to be actively involved in making decisions about their lives and to exercise real choice and control.
- Support development of participants' capability in making decisions, and helping participants to explore and make those decisions.
- Build the capacity of decision supporters, Agency staff and partners to recognise and enable the will and preference of participants.
- Strengthen a support for decision making approach in the appointment of nominees.



## A competitive market

The NDIA is committed to its role as a market steward. This means supporting and developing the NDIS market, and working with providers to better organise services, so participants can more easily use their NDIS support funding.

The NDIA is working to ensure participants have access to quality supports regardless of where they live and what their needs are. This includes encouraging new supplier entrants, supporting provider sustainability through effective payment systems, promoting market diversity and implementing special measures and/or innovative approaches, including in areas of provider shortage.

In 2020–21, the NDIA delivered special measures to support providers through the COVID-19 pandemic. These included the ability to claim payment for personal protective equipment, costs associated with offsite vaccinations and deep cleaning of SIL residences, as well as the standing up of a clinical first response service to respond to COVID infections in disability residential settings.

The NDIA did this while also working to shape markets towards more inclusive and innovative delivery approaches.

### Thin markets

The Agency continues to implement thin market interventions in areas lacking services to help participants more easily access the services aligned to their goals and to support markets to grow and become self-sustaining. As at 30 June 2021, there were 24 market intervention projects underway in all states and territories. Five 12 month projects have recently been completed with the following outcomes:

- In LaTrobe and Ararat in Victoria, the NDIA addressed unmet need for specialist behaviour support services. The intervention resulted in 5 new registered specialist behaviour support providers entering the market in LaTrobe, and 4 in Ararat, and a further 5 providers applying for registration to commence delivering specialist

behaviour support services in these areas.

- In Walgett, NSW, the NDIA focused on improving the market across all supports for NDIS participants with low plan utilisation, half of whom were Aboriginal or Torres Strait Islander people. The intervention resulted in an increase in utilisation of services by participants as well as an increase in number of active providers in the Walgett market
- In Cloncurry, Queensland, the NDIA looked at improving the market across all supports for all NDIS participants in this Local Government Area (LGA). Almost half of the participants were Aboriginal or Torres Strait Islander people. The intervention resulted in 3 new registered providers entering the Cloncurry market, including a locally based core supports provider, 2 occupational therapists and a mental health social worker. In addition, 3 new unregistered NDIS providers joined the market during this period.
- In Katherine, Northern Territory, the NDIA tested a collaborative purchasing model. This approach has led to a provider giving delivered assistive technology (AT) assessments to a group of Aboriginal and Torres Strait Islander and CALD participants. Support coordinators are working with AT distributors and home modification providers to complete the delivery of the supports.
- In Wakefield, South Australia, a review identified a number of plan implementation issues which are now being resolved and will help remove barriers to participants using their NDIS plans.

### Specialist Disability Accommodation (SDA)

The NDIA is continuing to deliver enhancements to SDA to strengthen the market, and provide investors with greater confidence to deliver innovative housing options for participants. The Agency releases quarterly SDA demand and supply data on the NDIS website to help participants and providers to understand where the demand for SDA is greatest, and where

there are opportunities to increase SDA supply. At 30 June 2021, there were 16,033 participants with more than \$203 million committed to SDA supports.

Changes to the SDA Rules that came into effect in June 2020 enables family members and others to live with SDA eligible participants in an SDA enrolled dwelling. The NDIA has also promoted SDA vacancy matching platforms to help participants search for accommodation vacancies that match their requirements. These measures have provided participants with greater choice and control over their living options.

### **Supported Independent Living (SIL) pricing and policy reform**

In response to feedback about delays, and lack of transparency on SIL quotation and decision-making, the NDIA has made changes to improve participant choice and control, and strengthen fairness and equity with SIL. This included:

- Publishing a SIL participant information pack, and encouraging participants and their families to use a service agreement that clearly explains agreed SIL supports.
- Introducing price limits for SIL supports in the 2020-21 Support Catalogue.
- Publishing operational guidelines to clarify how NDIA makes decisions about SIL funding.

While these changes were designed to address immediate concerns, 2 further consultation papers were released to the public in late 2020 to seek feedback and input on how to ensure SIL delivers positive outcomes for participants into the future. The Report of the Review of Pricing Arrangements for SIL recommended that the price limits for SIL supports should continue to be aligned with the price limits for other Assistance with Daily Life supports.

The NDIA will continue to look at innovative living solutions, which include more contemporary options for people who require a high level of support. The NDIA acknowledges Individual Living Options have the potential to create a more

tailored solution to care and support needs for participants through their choice and control and improve outcomes.

### **Pricing**

The NDIA has published changes to pricing arrangements and price limits announced on 2 June 2021:

- The base price limits for supports delivered by disability support workers have increased by 2.95 per cent from 1 July 2021 to take account of the Fair Work Commission's decision to increase minimum wages by 2.5 per cent and the increase in the super guarantee, from 9.5 per cent to 10 per cent.
- The price limits for specialist disability accommodation have increased by 1.1 per cent based on the change in the consumer price index.
- The Temporary Transformation Payment loading was initially established in 2018 and has now reduced from 6 per cent to 4.5 per cent.
- Providers will be able to use the transitional pricing arrangements for group-based supports for a further 12 months.

As part of the new pricing arrangements, the NDIA clarified:

- Claiming for more than one worker or therapist
- Provider prepayments
- Australian Business Numbers (ABN) as a requirement for all plan-managed payment requests
- Calculating claims for support items with a 'notional' price limit.

All future annual pricing reviews will be undertaken in the first half of each financial year, to better align with providers' business and budget cycle. The next Annual Pricing Review is scheduled from September 2021 to March 2022.



## A connected and engaged stakeholder sector

Improved engagement with stakeholders is required to address the significant challenges facing the Scheme. The Agency has a dedicated approach to engaging with stakeholders, and continued to build and maintain collaborative partnerships with participants, their families, carers, providers, the disability sector, the community, the Commonwealth and state and territory governments throughout 2020–21.

### Reference groups

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

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

#### *CEO Forum*

The NDIS CEO Forum continued to be a platform for the disability sector to engage, discuss and collaborate directly with the Agency on important areas of work relating to the operation and implementation of the NDIS. Membership consists of 24 CEOs from national peak and advocacy organisations. The CEO Forum met 4 times in the past 12 months.

In 2020–21 the Agency expanded the CEO forum to include workshops that allowed for a more

concerted focus on issues impacting participants with intellectual disability and young people with disability. The workshops have created a greater opportunity for the Agency to engage with the sector on priority areas related to policy and Scheme improvements, including support for decision making, support coordination, and the early childhood approach.

#### *Participant Reference Group (PRG)*

Through our participant engagement activities, the NDIA continues to recognise and value the involvement from participants, their families and carers in providing input into improving service delivery and design. The Participant First Engagement Model was launched in May 2020. Under this model, Agency business teams can engage directly with participants, drawing on their experiences and expertise to support a range of policy and service improvements.

The model is underpinned by the PRG that was established in January 2018 to enhance opportunities for participants to directly contribute to NDIA improvement activities. Initially established to inform the NDIS pathway reform in 2019, the PRG expanded its scope to include support to all Agency strategy, policy, service and system improvement priorities. Members of the PRG are nominated by CEO Forum representatives or self-nominate via the Participant First Engagement Initiative. The group consists of participants, family members and carers from around Australia who have lived experience of disability.

In the 2020–21 financial year the group met 9 times. During 2020–21, activities included reviewing and providing input into the Support Coordination review, Home and Living Policy, Support for Decision Making, Scheme Work of the Future, the Psychosocial Disability Recovery-Oriented Framework development, refresh of Operational Guidelines across a variety of topics and having input into the design of a new microsite to improve access to resources for plan implementation.



*Autism Advisory Group (AAG)*

The AAG was established to provide a strong voice for people with autism who are participating in the Scheme. It comprises autism experts, service providers and people with lived experience of autism. The AAG met 4 times during 2020–21, and provided feedback to the Agency on improving interventions for children on the autism spectrum, proposed changes to access, planning, budgets, and the early childhood approach.

*National Mental Health Sector Reference Group (NMHSRG)*

The NMHSRG continued as an important source of feedback and advice on mental health issues to the Agency. The NMHSRG met 3 times in the past 12 months to provide advice on key challenges and emerging issues on psychosocial disability. It focused on the impacts and responses to the coronavirus pandemic on participants with psychosocial disability, their families and service providers. Other priority areas were feedback on the emerging Psychosocial Disability Recovery-Oriented Framework and the Agency's proposal for Scheme reform. The NMHSRG continued as an important source of feedback and advice on mental health issues to the Agency.

*Industry Reference Group (IRG)*

The IRG advises on improvements to the Scheme to support individuals with a significant and permanent disability to be more independent, and engage more socially and economically.

The IRG has provided feedback to the Agency on a number of projects, including the Employment Action Plan, Pricing, individualised living options, NDIA Digital Roadmap, Support Coordination Discussion Paper, Market Intervention Operating Model and Assistive Technology Action Plan, as well as providing invaluable insights into trends in the disability sector. The IRG also provided feedback on Agency initiatives during the COVID-19 pandemic. The IRG met 3 times in the past 12 months.

*Pricing Reference Group*

The Pricing Reference Group was established in 2018 in response to the Independent Pricing Review. It provides advice to the Board through the CEO. Through the Pricing Reference Group, the Agency has a formal process to review NDIS pricing arrangements, conduct robust market reviews and determine how to consult and engage with sector stakeholders. This process includes evaluation and endorsement of the Annual Price Review outcomes.

During 2020–21, the group provided advice on the pricing arrangements for support coordination, therapy, group supports, capacity building support for early childhood interventions, temporary transformation payment, supported independent living and specialist disability accommodation. The Group met 7 times over the past 12 months.

*Specialist Disability Accommodation (SDA) Reference Group*

The SDA Reference Group was established in March 2019 for a set term to support the development of the SDA market, specifically by advising on the implementation of a set of reform measures committed to by the disability ministers. These reforms were the result of Disability Reform Council's review of the SDA Pricing and Payments Framework.

Throughout 2020–21 the SDA Reference Group provided the NDIA with feedback on key programs and improvements such as amendments to the SDA Rules, NDIS market data and the implementation of newly allowable family sharing arrangements in SDA dwellings.

In September 2020, the original terms of reference for the SDA Reference Group expired and over October and November 2020 the NDIA sought expressions of interest for a new iteration of the group. The new SDA Reference Group will meet quarterly, with additional meetings able to be scheduled if needed. The first meeting of the new SDA Reference Group occurred on 19 April 2021. Over the course of 2020–21 the SDA Reference Group met 3 times.

## Improved communications with participants

The NDIA continued to focus on informing participants of changes to the Scheme to improve the NDIS as well as inviting participants, providers and the community to have their say on proposed changes. Key communications launched over the past 12 months include:

- The Participant Service Charter and Participant Service Improvement Plan in 2020 to inform participants of the tangible actions the NDIA is making to improve the participant experience.
- Engagement with General Practitioners (GPs) in October 2020 to promote new resources that have been developed by GPs for GPs to better support their patients when applying for access to the Scheme.

- Have Your Say consultations from December 2020 to encourage feedback on proposed changes to processes and policies, including access, planning and budgets, early childhood approach, autism early intervention, home and living, and support for decision making.
- International Day of People with Disability to celebrate the achievements and contributions of people with disability.

The Agency also released participant information in 2020 to support participants and nominees to detect and report scams. In addition, in partnership with the Hawthorn Football Club, the Agency released information on Auslan at the Footy aimed to foster a more inclusive culture at the Hawthorn Football Club and within the Australian community more broadly.



## Research and evaluation

The NDIA is committed to investing in the development and use of research evidence to inform decisions made by the Agency. Over the past year, 14 research projects were commissioned or undertaken by the Agency, including:

- The Autism Centre for Research Collaboration (CRC) reviewed the latest research evidence on non-pharmacological interventions for children on the autism spectrum. This research was used to inform the Interventions for Children on the Autism spectrum consultation paper. In addition, the NDIA used this research to develop resources for families or carers of children with Autism to help identify the interventions most suitable for their needs.
- The University of Melbourne investigated participant experiences with NDIS and Funded Allied Healthcare Services during the COVID-19 pandemic. The findings from this research were used to build an understanding of participants' response to COVID-19 and access to services, NDIA practice and use of plans and how to better support participants and providers during emergency responses. These findings were also used to inform the suite of COVID related initiatives offered by the NDIS including the continuation of flexible approaches to plan review meetings, and the possibility of having plan durations of up to 3 years.
- The University of Sydney reviewed national and international research to identify what works to support people with disability to move out of group homes or congregate care (for example residential aged care). These findings informed the Home and Living consultation paper, An Ordinary Life at Home, and the development of the Agency's Home and Living Policy.
- A research collaboration led by the University of Melbourne ran an evidence-based review to learn what interventions help people with a disability to find and keep a job. This review provides a snapshot of interventions designed to increase participation in paid employment

for people with autism, intellectual disability and/or psychosocial disability. The findings have informed the Agency's targeted approach to delivering the Participant Employment Strategy in 2021-22 and will continue to do so. The NDIA will also use this research to develop useful resources for participants and staff that can help them have conversations about finding and keeping a job and the types of support that can assist.

- In response to the Tune Review recommendations, the NDIA is developing evidence-based resources for participants to use to help implement their plans. These resources will help participants to understand the range of supports available and help navigate which supports are best suited to them.

## Public data sharing

As part of the NDIA's commitment to publicly share data, we continued to release world-leading disability data to improve market innovation and inform participant outcomes. A number of deep dives and analyses were released, including:

- Young people in the NDIS
- Participants by remoteness classification
- Participants with acquired brain injury, cerebral palsy or spinal cord injury
- Update to the NDIS market using the latest data, including the release of market dashboards by Local Government Areas
- Outcome reports for participants and families/carers
- COVID-19 impact on participants and family/carers outcomes.

In addition, the Agency released an interim update to the Annual Financial Sustainability Report (AFSR) summary in July 2021. The Agency released the full 2020-21 AFSR in early October 2021 using data as at 30 June 2021. It is available via the NDIS website.



## A high-performing NDIA

The NDIA aspires to be a high-performing organisation with the right people, capabilities and systems to deliver operational goals, in a participant-centric way. As at 30 June 2021, the total NDIS workforce was 11,356, including 4,309 Australian Public Service employees, 1,555 labour-hire workers and contractors, and 5,492 people employed by the NDIA's Partners in the Community and Contact Centre Partners. In 2020–21, the Agency continued to deliver further improvements in systems, processes and data management to deliver the Scheme more efficiently and effectively.

### Engaged and capable NDIA

Over the past 12 months, the NDIA developed training to provide planners and Local Area Coordinators (LAC) with the confidence and skills to ensure participants have the right supports in their plans. A total of 1,921 Agency staff and 2,311 Partners in the Community have completed this training.

In addition, the Agency delivered training programs to help frontline staff with participant check-ins and to have more effective and meaningful conversations with participants. The Agency is also working to ensure staff have the right capabilities through the continuous design and delivery of mandatory eLearning training and induction programs. There continues to be high engagement in the Just Brilliant Leadership Series, helping increase frontline leadership capability.

The results of the 2020 Australian Public Service (APS) Census showed the Agency's engagement index improved slightly from 76 per cent in 2019 to 77 per cent in 2020, which places the NDIA 28 out of the 97 participating APS agencies. The results demonstrate a continued commitment to the Agency's purpose, and consistent delivery of

high quality services to participants, despite the operational challenges presented by the COVID-19 pandemic. Ninety-two per cent of respondents to the Census believe that the Agency adapted to new ways of working and 74 per cent considered the new ways of working an improvement.

### Work health and safety

The Agency's work health and safety management system continued to improve in line with a maturing organisation. There was focused effort on enhancing the Agency's approach to assurance, conformance and safety leadership with positive results across performance metrics. As at 30 June 2021, the 'lost time injury frequency rate' (the number of lost time injuries that occurred during 2020–21, relative to the total number of hours worked in that period), was 2.77, which is better than the Agency's target of 3. In addition:

- The Agency's National Health and Safety Committee refreshed its charter and membership to better reflect the structure and roles within the organisation.
- The Agency implemented a new Mental Health and Wellbeing Action Plan to ensure effective education, supports, pathways to care, risk management and controls are implemented in promoting health and wellbeing.
- In response to the COVID-19 pandemic, the Agency's Emergency Response and Recovery Committee was in place until March 2021 prior to transitioning to a business as usual practice.
- The Agency's COVID-19 information, guidelines and toolkits continued to ensure the safety of its workers and supported safe and effective service delivery. As at 30 June 2021, there was no workplace transmission of COVID-19 in the Agency.

## NDIA National Contact Centre

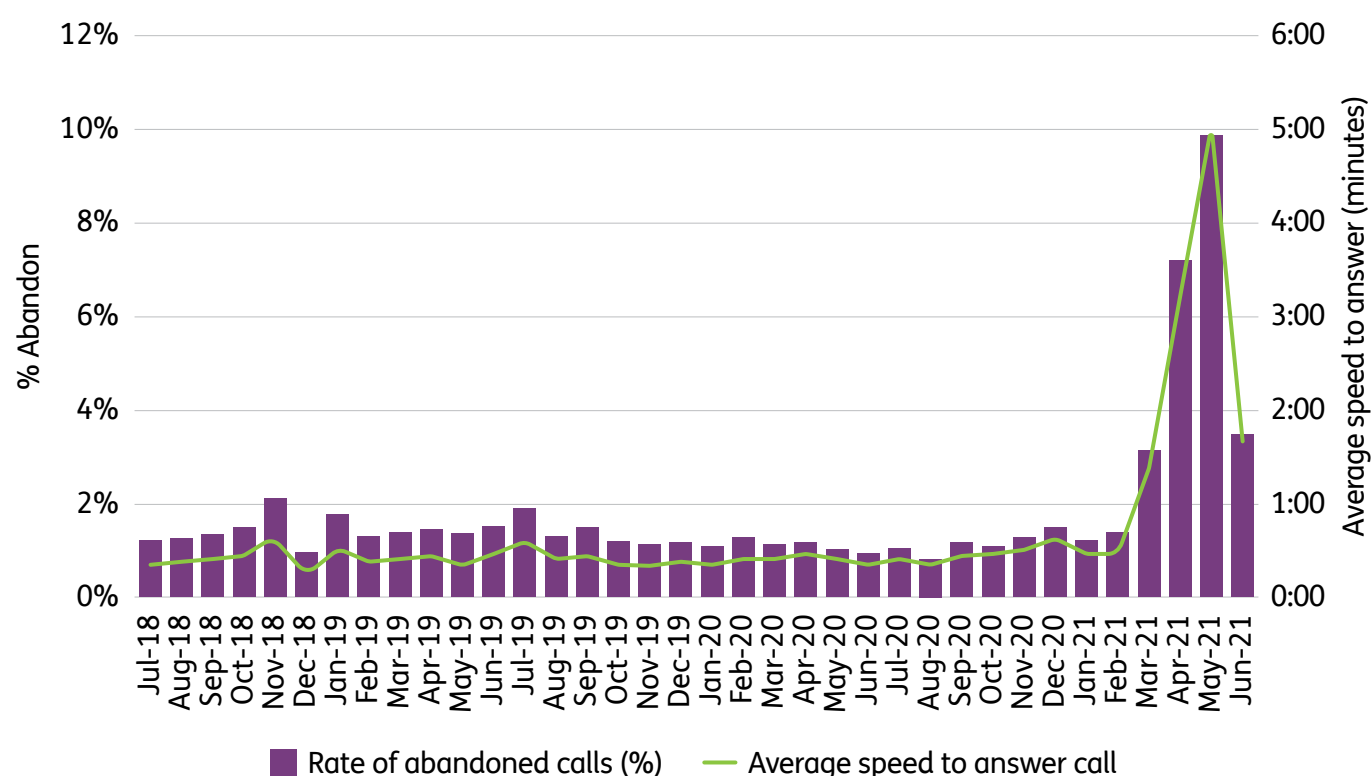
The NDIA National Contact Centre (NCC) continued to deliver personal and high quality contact services for people with disability, their family and carers, service providers and organisations. Serco Citizen Services (Serco) have been delivering the NCC service since June 2018, operating from Dandenong and Newborough in Victoria.

Telephony performance was largely consistent over the majority of the financial year. Increased call volumes and an increase in speed to answer were experienced in March to June 2021, which corresponded with a reduction in staffing levels as demand for other call-centres increased in response to the pandemic. However, customer satisfaction results were maintained above 84 per cent throughout this period. In response, significant recruitment and onboarding of new staff was completed in May and June 2021, leading to improved results.

During the year, NCC staff were successfully deployed to remote working in response to COVID-19 impacts. There was a minimal impact on services during these periods. The performance framework includes a grade of service of 80 per cent of calls answered within 60 seconds and email enquiries progressed within 2 business days. Across the 12 month period, NCC answered approximately 1.07 million calls, with 70 per cent answered within 60 seconds. An average speed of answer of 1 minute and 18 seconds was achieved across the 2020–21 financial year.

Customer experience ratings were consistently strong, with approximately 85 per cent of post call survey respondents scoring their experience with the NCC as 'High' or 'Very High' throughout the 12 months.

**Figure 2.2.3D:** National Contact Centre telephony performance July 2018 to June 2021.





The NCC's non-voice channels grew during the 2020–21 financial year. An average of 81,000 email enquiries were received per month, an increase of 11,000 per month on the previous financial year average. Over 40 per cent of email enquiries were progressed within the 2 business day key performance indicator. Email processing results saw the same impacts as telephony late in the financial year. The live web chat service has continued to grow in popularity with over 52,000 chats received over the past 12 months, with more than 96 per cent answered within 10 seconds.

### **Information and communications technology (ICT) systems**

In 2020–21, the Office of the Chief Information Officer (OCIO) undertook a detailed analysis of the ICT challenges impacting the Agency's ability to operate effectively. The findings resulted in the NDIA's Future Operating Environment (FOE). The FOE will provide a modern desktop and underlying services for staff and partners, which will significantly enhance efficiency, choice and control, and allow for better and timelier service to our participants. Key to the new environment is the provision of improved accessibility options required by our staff, without compromising security.

The Agency has entered into a strategic partnership with Microsoft to deliver the cloud managed desktop service comprising both physical and virtual devices. Rollout of the new desktop began in May 2021. The increased capabilities have improved the flexibility and resilience of our ICT systems, ensuring the Agency is well placed to handle rapid changes in the environment.

The Alternative Cloud Environment (ACE) based on Salesforce has progressed with the initial application deployed in February 2021 to support SDA functions. The new functionality allows staff to track requests and make timely joined up decisions, which ensures the right supports are provided to participants with increased speed and reliability.

ACE will steadily replace the current access and planning applications to better support our participants, providers and staff with more accessible, functional technology.

The participant mobile application pilot continued in 2021 with 500 self-managed participants collaboratively working with the Agency to identify and enable continuous improvements on their ability to review their available budget, make claims and store receipts. The mobile application is planned to move to general release in early 2021–22 along with a refreshed web portal solution.

### **Protective security**

The Agency is committed to increasing maturity and awareness of Protective Security to assist staff and partners in the delivery of the Scheme.

The Protective and Cyber Security Branch is responsible for implementing the requirements of the Australian Government Security Frameworks and associated legislation, including the Protective Security Policy Framework (PSPF) and Information Security Manual (ISM). This is achieved by providing strategic and operational information, guidance and advice across:

- Security Governance
- Information Security
- Personnel Security
- Physical Security
- Cyber Security.

Key achievements include:

- Increased security training (face-to-face or via eLearning) on awareness, aggression response, de-escalation and information security.
- Implemented a Security and Incident Management Framework.
- Enhanced Agency procurement guidelines and processes to support security and risk mitigation.
- Enhanced the pre-employment process for the Agency.

- Developed policy and procedures to assist staff with understanding responsibilities and obligations.
- Implemented Information Security Markings for Agency information, systems, resources and communications.

The COVID-19 pandemic has resulted in a significant increase in online traffic, which has the potential to open areas of vulnerability to cyber events, or incidents that can impact the Agency. The most likely sources of risk remain organised crime gangs who possess or procure the means to conduct cyber incidents/events, utilising ransomware to extort funds. The Agency continues to collaborate across governments to leverage existing capabilities, to ensure those risks are addressed.

### Fraud and compliance

Established in 2018, the NDIS Fraud Taskforce has enabled the Agency to develop effective detection of, and response to, fraud against the Scheme. The investigation function has matured, with successful investigations completed or currently before the courts.

As at 30 June 2021, there were 29 fraud investigations in progress and a further 6 matters being evaluated for possible investigation. Of these, 9 matters are currently before the courts.

The NDIS Fraud Taskforce has been extended indefinitely, allowing the joint activity of the Agency, Australian Federal Police and Services Australia to continue focusing on serious and organised fraud against the Scheme. The Agency also conducts a range of compliance activities. In 2020-21 the Agency undertook more than 2,800 compliance activities. These included targeted and proactive engagement to treat payment risks through opportunistic and non-compliant behaviour from providers, plan management agencies, and participants identified through tip-offs.

The Agency continues to increase its fraud and compliance detection maturity, through ongoing refinements in data analytics, data matching and advanced analytics to proactively detect potential fraud and non-compliance behaviour from providers, participants and plan management agents



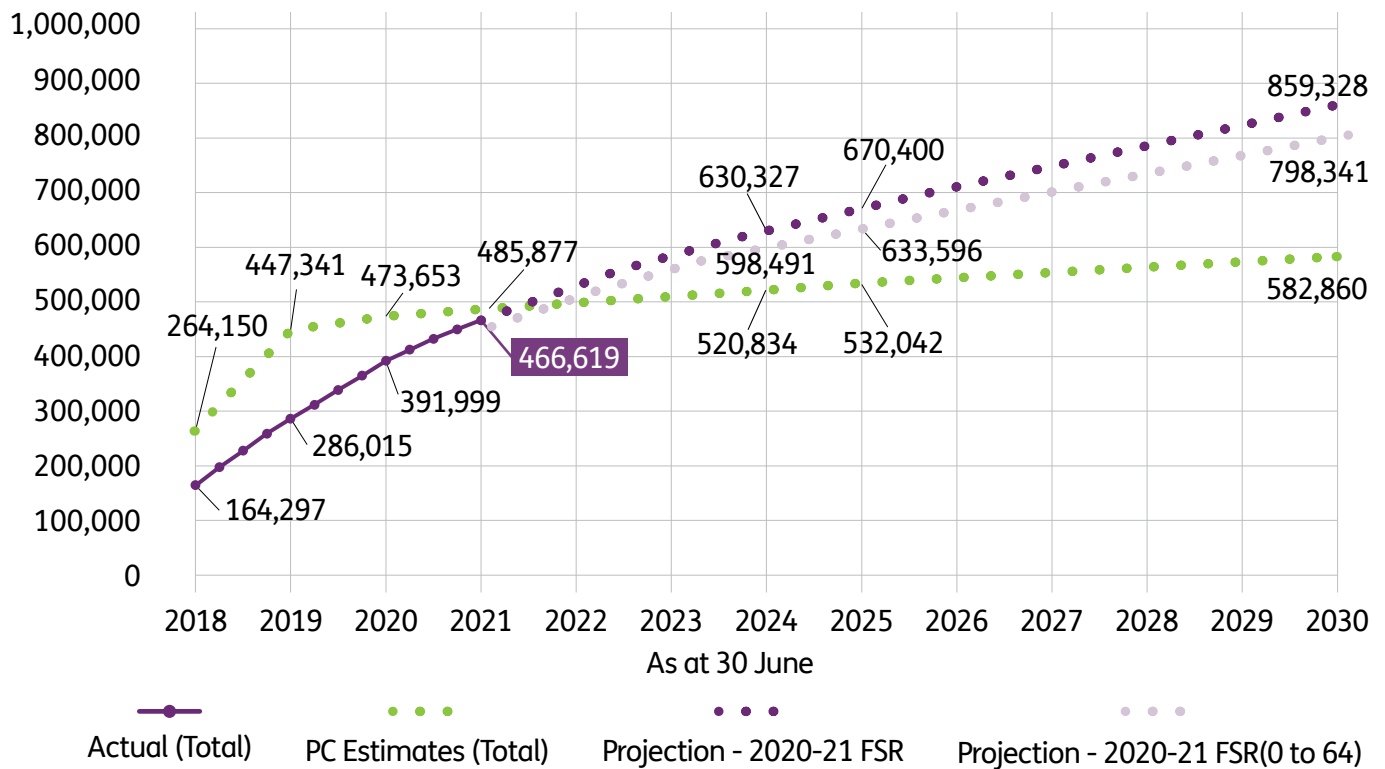
### A financially sustainable Scheme

As detailed in Section 2.1, the cost of the Scheme is growing more rapidly than anticipated, and poses significant challenges to the sustainability of the NDIS.

On 3 July 2021, the Agency released a comprehensive report on the financial sustainability of the Scheme, using data as at 31 December 2020. The Agency released the full 2020-21 AFSR in early October 2021 using data as at 30 June 2021. The summary of this Report can be found at Section 3.2. Both reports show the projected cost of the Scheme is higher than both the 2021-22 Portfolio Budget Statements (PBS) and the 2017 Productivity Commission (PC) estimates.

As detailed in Section 2.1, the average spend per participant has increased by 11.8 per cent on average per annum between 1 July 2017 and 30 June 2021. This is higher than wage growth, the 2017 PC projections and the assumptions built into the PBS.

In addition, the number of people with disability continuing to approach the NDIS is well above projections, even in the areas that have been in the NDIS since the trial period. In 2024-25, it is estimated that there will be 670,400 participants in the Scheme, and in 2029-30, it is estimated that the number of participants will increase to 859,328. This is 47 per cent higher than estimated in the 2017 PC Report. The rate at which participants are exiting the Scheme for reasons other than mortality is also lower than expected. For example, non-mortality exit rates were assumed to be 1.15 per cent for 0-6 year olds. The rate in the past year to 30 June 21 was 0.75 per cent.

**Figure 2.2.3E:** Comparison of actuals, future projections (total, and participants aged 0 to 64) and 2017 PC estimates

Combining the information on the projected number of participants and projected average payment per participant results in total participant costs of \$29.2 billion in 2021-22, \$41.4 billion in 2024-25, and \$59.3 billion in 2029-30 (on an accrual basis).

**Table 2.2.3A:** Projected participant costs (cash and accrual basis)

Participant Costs (\$million)	2021-22	2022-23	2023-24	2024-25	2029-30
Participant Costs (cash basis)					
Participant Costs (0-64)	26,994	30,965	34,345	37,067	51,471
Participant Costs (65+)	1,837	2,464	3,114	3,748	7,012
<b>Total Participant Costs (cash basis)</b>	<b>28,831</b>	<b>33,429</b>	<b>37,459</b>	<b>40,814</b>	<b>58,483</b>
Participant Costs (accrual basis)					
Participant Costs (0-64)	27,359	31,386	34,812	37,569	52,169
Participant Costs (65+)	1,864	2,501	3,161	3,803	7,115
<b>Total Participant Costs (accrual basis)</b>	<b>29,223</b>	<b>33,886</b>	<b>37,973</b>	<b>41,373</b>	<b>59,284</b>

Projected participants costs are higher than the most recent 2021-22 Portfolio Budget Statements, and higher than the 2017 Productivity Commission costing.

**Table 2.2.3B: Comparison of June 2021 AFSR, 2021-22 PBS and the 2017 PC projection**

Total Participant Costs (\$million)	2021-22	2022-23	2023-24	2024-25	Total
2017 Productivity Commission Estimates (a)	23,708	25,238	26,839	28,500	104,286
Portfolio budget statements 2021-22 (b)	26,487	28,257	29,425	31,884	116,053
June 2021 AFSR (c)	29,223	33,886	37,973	41,373	142,455
Difference (b-a)	2,779	3,019	2,586	3,384	11,767
Difference (c-a)	5,515	8,648	11,134	12,873	38,169

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

The NDIA is engaging with stakeholders to build a deeper understanding of the sustainability pressures facing the Scheme. At the 13 August 2021 Disability Reform Ministers' meeting, ministers agreed that work will be undertaken by Commonwealth and state and territory officials to further understand cost drivers and underpinning assumptions in both the current and historic AFSRs. Representatives of people with disability will be actively engaged throughout this process. A report on findings will be completed in December 2021.

The NDIA continues to implement management responses to actively address sustainability pressures. This includes sharpening guidelines and strengthening the underlying process for initial and ongoing NDIS eligibility, and increasing consistency of reasonable and necessary plan budget decision making through clearer guidelines and operating procedures. In addition, strengthening fraud measures are an important part in our efforts to protecting the integrity of the Scheme.

We all have a responsibility to make sure that Scheme growth is affordable over the long-term so the NDIS is available to all Australians well into the future.

## 2.3 How we intend to move forward

While there is much to celebrate in what has been achieved over the past 8 years, and in particular over the past 5, the Scheme is at a critical juncture. From the outset, it was envisaged that the NDIS would support participants to exercise choice and control over their life with fair, flexible and consistent packages of reasonable and necessary supports. The need for the NDIS to remain affordable was also integral to that initial vision.

Our focus over the coming year is to work in partnership with people with disability, the sector and state and territory governments to address the significant challenges facing the Scheme. We will engage deeply with people with lived experience of disability on the design of a new person-centred model that delivers consistency and equity in planning outcomes, consistent with the legislative requirements for assessments as set out under the NDIA Act. In addition, building a better understanding of the financial challenges facing the Scheme, and tackling Scheme affordability, in partnership with the disability community, will remain a priority. We also recognise the important contributions of governments in achieving our shared goals.

Equally important is our continued work to improve participant outcomes and experience, as outlined in the Participant Service Guarantee (PSG) and the Service Improvement Plan (SIP). We will continue to listen to and work closely with participants, their families and carers:

- to make decisions in the timeframes outlined in the PSG
- be transparent about our decision making process and be clear in our decisions and communication
- simplify our processes to support people to access the NDIS.

We will continue to support market growth so there is a reliable supply of quality and innovative supports that meet participant needs and goals at a price that is reflective of the market. We will work collaboratively with governments, communities and providers to continue to address markets with supply gaps, especially in regional, remote and very remote areas.

We recognise continued staff engagement and wellbeing is critical to delivering Scheme improvements, as part of our commitments in the PSG and SIP. We will continue to build the capability of our workforce to deliver on our strategic and operational goals. This will include training and upskilling the workforce to integrate the new processes, systems and skills necessary for transition to a new delivery model. Our capability uplift will be supported by a range of systems and technology enhancements, including the implementation of a new Customer Relationship Management (CRM) system to support improved service experience for participants, providers and NDIA staff and partners, and improved payments and claims capability for participants.

Of course, we will continue to support participants during the COVID-19 pandemic. The impacts are far-reaching and will persist for some time.

Our priorities over the coming year will help deliver the best Scheme possible. We all have a shared goal to improve the NDIS, and the Agency and the broader disability sector care deeply about getting this right for participants, their families and carers so that the Scheme endures for generations to come.



‘The NDIS is helping me to be the mother that I want to be. I’m getting the support I need to get Zara in and out of the bath safely, but I can still have that experience and give her a bath myself.’

— Krystal, NDIS Participant

# Part 3.

## Financials



‘Investment from the NDIS leverages their skill so that they can perform on the world’s most important stages, without any barriers.’

— Alice, Executive Producer of  
Back to Back Theatre



**Sarah Mainwaring**

Based in Geelong, Victoria, Back to Back Theatre is an internationally renowned ensemble of performers with disabilities. As an NDIS registered provider, Back to Back Theatre provides supported employment for people with intellectual disabilities who work as part of their professional ensemble and provides group based community, social and recreational activities. Back to Back pursues artistic excellence while giving voice to social, political and economic issues that speak to all people. At its core, their ensemble has 7 actors with intellectual disabilities including Sarah Mainwaring (pictured). Sarah and her fellow actors write exemplary works of theatre and perform them worldwide.

## 3.1 Financial statements

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Auditor-General for Australia



## INDEPENDENT AUDITOR'S REPORT

### To the Minister for the National Disability Insurance Scheme

#### Opinion

In my opinion, the financial statements of the National Disability Insurance Scheme Launch Transition Agency (the Entity) for the year ended 30 June 2021:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2021 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2021 and for the year then ended:

- Statement by the Chairman of the Board, Chief Executive Officer, Chief Financial Officer and Chair of the Audit Committee;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising a summary of significant accounting policies and other explanatory information.

#### Basis for opinion

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

#### Key audit matters

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

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Key audit matter	How the audit addressed the matter
<p><b>Accuracy and occurrence of participant plan expenses</b></p> <p><i>Refer to Note 1.1G Participant plan expenses</i></p> <p>I focused on this area due to the continued growth in participant numbers entering the National Disability Insurance Scheme (the Scheme), the high volume of transactions and the significance of the balance to the financial statements. Decisions as to the appropriate level of support and therefore the associated expenses are complex as the Scheme participants have varying needs.</p> <p>For the year ended 30 June 2021, participant plan expenses were \$23.3 billion.</p>	<p>The audit procedure I undertook to address this included:</p> <ul style="list-style-type: none"> <li>• testing the design and operating effectiveness of key controls related to the assessment of whether a participant meets the Scheme eligibility requirements, participant plan approvals, and claim validation and processing; and</li> <li>• examining the quality assurance framework implemented by the Entity including a compliance and assurance program over payment integrity, scheme access and participant plan approvals.</li> </ul>
Key audit matter	How the audit addressed the matter
<p><b>Valuation of participant plan provision</b></p> <p><i>Refer to Note 2.6 Participant plan provisions</i></p> <p>The Entity recognises a provision to pay disability service providers or participants when a service under a participant plan is delivered but not yet notified to the Entity. As there can be a time lag between provision of services and lodgment of a claim, the financial statements include an estimate of the expenditure required to settle the obligations at the end of the reporting period.</p> <p>I focused on this area because, in estimating this provision, the Entity needs to make significant judgements and assumptions about the timing and amount of cashflows due to the complexity of estimating the pattern of support claimed by participants or providers.</p> <p>For the year ended 30 June 2021, the participant plan provision was \$1.7 billion.</p>	<p>The audit procedures I undertook to address this included:</p> <ul style="list-style-type: none"> <li>• evaluating the reasonableness of the judgements and assumptions made on the advice of the Scheme Actuary in the estimation of the provision; and</li> <li>• assessing the data used in the estimation process for accuracy and completeness.</li> </ul>
Key audit matter	How the audit addressed the matter
<p><b>Completeness, occurrence and accuracy of in-kind revenues and expenses</b></p> <p><i>Refer to Note 1.2D Other gains</i></p> <p><i>Refer to Note 1.1G Participant plan expenses</i></p> <p>In-kind revenue relates to the contributions provided by the States and Territories directly to organisations providing disability services.</p> <p>I focused on this area due to its significance to the financial statements. In-kind revenue may be misstated if services provided directly to eligible participants by States and Territories are not appropriately reported to the Entity in line with the bilateral agreements.</p>	<p>The audit procedures I undertook to address this included:</p> <ul style="list-style-type: none"> <li>• assessing the design and operating effectiveness of controls over the appropriate utilisation of cash and in-kind contribution in a participant's plan; and</li> <li>• testing the completeness and accuracy of the data provided by States and Territories.</li> </ul>

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Participant expenses could be overstated if the available cash budgets within participant plans are not reduced to reflect the participant's access to in kind services.

For the year ended 30 June 2021, in-kind revenue was \$1.4 billion and participant expenses was \$23.3 billion.

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### **Accountable Authority's responsibility for the financial statements**

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

In preparing the financial statements, the directors are responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The directors are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

Australian National Audit Office

A handwritten signature in black ink, appearing to read 'Grant Hehir'.

Grant Hehir

Auditor-General

Canberra

14 September 2021

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

In our opinion, the attached financial statements for the year ended 30 June 2021 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the National Disability Insurance Scheme Launch Transition Agency will be able to pay its debts as and when they fall due.

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

Signed

Helen Nugent AO  
Chairman  
10 September 2021

Signed

Martin Hoffman  
Chief Executive Officer  
10 September 2021

Signed

Nicole Glazebrook  
Chief Financial Officer  
10 September 2021

Signed

Sandra Birkenleigh  
Chair, Audit Committee  
10 September 2021

**National Disability Insurance Scheme Launch Transition Agency**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the year ended 30 June 2021*

		2021	2020	Original Budget <sup>1</sup> 2021
	Notes	\$'000	\$'000	\$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Employee benefits	1.1A	437,154	404,962	412,849
Suppliers	1.1B	450,502	516,514	1,041,383
Community partnership costs	1.1F	524,050	524,619	-
Grants	1.1C	27,127	134,679	132,835
Participant plan expenses	1.1G	23,347,597	17,589,484	21,720,000
Depreciation and amortisation	2.2A	66,430	61,906	64,502
Finance costs	1.1D	2,731	2,205	2,966
Write-down and impairment of other assets	1.1E	65,078	31,494	-
<b>Total expenses</b>		<b>24,920,669</b>	<b>19,265,863</b>	<b>23,374,535</b>
<b>OWN-SOURCE INCOME</b>				
<b>Own-source revenue</b>				
Rendering of services	1.2A	22,091,325	14,895,148	20,311,898
Interest		9,854	49,721	13,487
Rental income	1.2B	2,833	638	-
Other revenue	1.2C	24,583	7,235	-
<b>Total own-source revenue</b>		<b>22,128,595</b>	<b>14,952,742</b>	<b>20,325,385</b>
<b>Gains</b>				
Other gains	1.2D	1,390,523	1,524,039	1,540,937
<b>Total gains</b>		<b>1,390,523</b>	<b>1,524,039</b>	<b>1,540,937</b>
<b>Total own-source income</b>		<b>23,519,118</b>	<b>16,476,781</b>	<b>21,866,322</b>
<b>Net (cost of)/contribution by services</b>		<b>(1,401,551)</b>	<b>(2,789,082)</b>	<b>(1,508,213)</b>
Revenue from Government		1,208,878	1,413,257	1,213,499
<b>Surplus/(Deficit)</b>		<b>(192,673)</b>	<b>(1,375,825)</b>	<b>(294,714)</b>
<b>Total comprehensive income/(loss)</b>		<b>(192,673)</b>	<b>(1,375,825)</b>	<b>(294,714)</b>

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

<sup>1</sup> Original Budget refers to the figures published in the Portfolio Budget Statements 2020–21.



**National Disability Insurance Scheme Launch Transition Agency**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the year ended 30 June 2021*

**Budget Variances Commentary**

**Statement of Comprehensive Income**

<b>Affected line items</b>	<b>Explanations of major variances</b>
Expenses <i>Grants</i>	In October 2020, the Prime Minister approved the transfer of the Information, Linkages and Capacity Building grants program from the Agency to the Department of Social Services (DSS). This transfer was not contemplated at the time of the Budget.
Expenses <i>Participant plan expenses</i>	Participant plan expenses were higher than projected in the Budget mainly due to a greater than expected increase in the number of active participants in the Scheme as well as higher than expected average plan costs.
Own-source revenue <i>Interest, Other revenue</i>	The budget anticipated higher interest rates than the Agency's short term deposit investments achieved. Other revenue is primarily attributed to compensation recoveries which historically have not been included in the budget due to the significant variability in the cases.
Gains <i>Other gains</i>	Other gains primarily reflect in-kind contributions made to the Scheme by state and territory governments, which are lower than Budget primarily due to the faster than anticipated finalisation of the Victorian Supported Independent Living program.
<i>Revenue from Government</i>	The amount of revenue from Government received by the Agency is lower than Budget following the in-year transfer of the Information, Linkages and Capacity Building grants program from the Agency to the DSS.

**National Disability Insurance Scheme Launch Transition Agency**  
**STATEMENT OF FINANCIAL POSITION**  
*as at 30 June 2021*

		2021	2020	Original Budget <sup>1</sup> 2021
	Notes	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	2.1A	1,819,084	2,497,240	2,814,728
Trade and other receivables	2.1B	55,498	1,009,117	399,227
Other financial assets	2.1C	1,495,000	140,000	140,000
<b>Total financial assets</b>		<b>3,369,582</b>	<b>3,646,357</b>	<b>3,353,955</b>
<b>Non-financial assets<sup>2</sup></b>				
Buildings	2.2A	241,269	291,701	293,321
Plant and equipment	2.2A	1,238	1,969	2,963
Other non-financial assets	2.2B	18,615	12,414	7,566
<b>Total non-financial assets</b>		<b>261,122</b>	<b>306,084</b>	<b>303,850</b>
<b>Total assets</b>		<b>3,630,704</b>	<b>3,952,441</b>	<b>3,657,805</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Suppliers	2.3A	206,540	288,845	131,936
Other payables	2.3B	7,612	6,034	791,554
<b>Total payables</b>		<b>214,152</b>	<b>294,879</b>	<b>923,490</b>
<b>Interest bearing liabilities</b>				
Leases	2.5	163,871	195,973	202,029
<b>Total interest bearing liabilities</b>		<b>163,871</b>	<b>195,973</b>	<b>202,029</b>
<b>Unearned revenue</b>				
Unearned revenue	2.4	522,576	635,603	-
<b>Provisions</b>				
Employee provisions	3.1	92,109	79,618	79,921
Participant plan provisions	2.6	1,658,922	1,574,980	1,574,980
Provision for restoration obligations	2.6	7,084	6,725	7,437
<b>Total provisions</b>		<b>1,758,115</b>	<b>1,661,323</b>	<b>1,662,338</b>
<b>Total liabilities</b>		<b>2,658,714</b>	<b>2,787,778</b>	<b>2,787,857</b>
<b>Net assets</b>		<b>971,990</b>	<b>1,164,663</b>	<b>869,948</b>
<b>EQUITY</b>				
Contributed equity		205,733	205,733	205,733
Asset revaluation reserve		22,137	22,137	22,137
Retained surplus		744,120	936,793	642,078
<b>Total equity</b>		<b>971,990</b>	<b>1,164,663</b>	<b>869,948</b>

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

<sup>1</sup> Original Budget refers to the figures published in the Portfolio Budget Statements 2020–21.

<sup>2</sup> Right-of-use assets are included in the following line items

- Buildings, and
- Plant and equipment.

## National Disability Insurance Scheme Launch Transition Agency

### STATEMENT OF FINANCIAL POSITION

as at 30 June 2021

#### Budget Variances Commentary

#### Statement of Financial Position

Affected line items	Explanations of major variances
Financial assets <i>Cash and cash equivalents</i>	Cash comprises cash held on deposit and short-term term deposits with an initial maturity of three months or less. The Budget assumed similar cash balances to prior periods. During 2020-21, the Agency has actively sought to achieve higher investment gains through the use of longer term deposits which are included in <i>Other financial assets</i> .
Financial assets <i>Trade and other receivables</i>	The Budget assumed the same cash contribution receipt patterns for the Commonwealth, states and territories as the prior year, where some contributions were received in arrears. From 1 October 2020 all jurisdictions moved to quarterly payments in advance.
Financial assets <i>Other financial assets</i>	Other financial assets are deposits with an initial maturity period greater than three months. During 2020-21, the Agency has actively sought to achieve higher investment gains through the use of longer term deposits. This was not anticipated in the Budget.
Non-financial assets <i>Buildings</i>	The Budget assumed that the Agency would occupy a greater number of premises. A reassessment of the number of premises required was completed resulting in the value of right-of-use assets leases being reduced in the current year through lease terminations. The reduction in the actual number of properties occupied also resulted in a decrease in actual compared to Budget leasehold improvements.
Non-financial assets <i>Plant and equipment</i>	The Budget anticipated an increase in computing network equipment under the NDIA's new operating environment project. Some of these capital purchases have been delayed until 2021-22.
Non-financial assets <i>Other non-financial assets</i>	Other non-financial assets are comprised of prepaid expenses. The major driver of prepaid expenses in 2020-21 has been the acquisition of licences for software that were not envisaged at the time budget was set.
Liabilities <i>Suppliers</i>	Supplier payables are higher than Budget due to greater than expected accrued expenses related to Community Partnership payments.
Liabilities <i>Other payables, Unearned revenue</i>	The Budget does not separately disclose amounts attributable to <i>Other payables</i> and <i>Unearned revenue</i> . Unearned revenue relates to credits for in-kind contributions estimated but not yet awarded. Unawarded in-kind credits were lower than Budget at 30 June 2021, due to the finalisation of some in-kind programs, in particular Victorian Supported Independent Living.
Interest bearing liabilities <i>Leases</i>	The Budget assumed that the Agency would occupy a greater number of premises and therefore have a greater leasehold property footprint, as noted above.
Provisions <i>Employee provisions</i>	The Budget did not allow for year-end actuarial adjustments to the long service leave provision, resulting from a change in the discount rate.
Retained surplus	The additional funding contributions received in the May 2021 Budget were not anticipated in the original Budget.

**National Disability Insurance Scheme Launch Transition Agency**  
**STATEMENT OF CHANGES IN EQUITY**  
*as at 30 June 2021*

	Retained Surplus			Asset Revaluation Reserve			Contributed Equity			Total Equity		
	2021	2020	Original Budget <sup>1</sup>	2021	2020	Original Budget <sup>1</sup>	2021	2020	Original Budget <sup>1</sup>	2021	2020	Original Budget <sup>1</sup>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>	<b>936,793</b>	<b>2,303,201</b>	<b>936,792</b>	<b>22,137</b>	<b>22,137</b>	<b>22,137</b>	<b>205,733</b>	<b>205,733</b>	<b>205,733</b>	<b>1,164,663</b>	<b>2,531,071</b>	<b>1,164,662</b>
Adjustment on initial application of AASB 16	-	9,417	-	-	-	-	-	-	-	-	9,417	-
<b>Adjusted opening balance</b>	<b>936,793</b>	<b>2,312,618</b>	<b>936,792</b>	<b>22,137</b>	<b>22,137</b>	<b>22,137</b>	<b>205,733</b>	<b>205,733</b>	<b>205,733</b>	<b>1,164,663</b>	<b>2,540,488</b>	<b>1,164,662</b>
<b>Comprehensive income</b>												
Surplus/(Deficit) for the period	(192,673)	(1,375,825)	(294,714)	-	-	-	-	-	-	(192,673)	(1,375,825)	(294,714)
<b>Total comprehensive income/(loss)</b>	<b>(192,673)</b>	<b>(1,375,825)</b>	<b>(294,714)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(192,673)</b>	<b>(1,375,825)</b>	<b>(294,714)</b>
<b>Closing balance</b>	<b>744,120</b>	<b>936,793</b>	<b>642,078</b>	<b>22,137</b>	<b>22,137</b>	<b>22,137</b>	<b>205,733</b>	<b>205,733</b>	<b>205,733</b>	<b>971,990</b>	<b>1,164,663</b>	<b>869,948</b>

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

<sup>1</sup> Original Budget refers to the figures published in the Portfolio Budget Statements 2020–21.

**Accounting Policy**

Equity injections

Amounts received which are designated as 'equity injections' for a year (less any formal reductions) are recognised directly in contributed equity in that year.

Transfer to/from other entities

Net assets received from, or transferred to, another Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

**Budget Variances Commentary**

**Statement of Changes in Equity**

The additional funding contributions received in the May 2021 Budget update were not anticipated in the original Budget. The additional funding contributions received in the May 2021 Budget update were not anticipated in the original Budget.

**National Disability Insurance Scheme Launch Transition Agency**  
**CASH FLOW STATEMENT**  
*for the year ended 30 June 2021*

			Original Budget <sup>1</sup> 2021 \$'000
	Notes	2021 \$'000	2020 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from Government		1,208,878	1,413,257
Rendering of services		22,232,204	15,295,796
Interest received		10,890	53,866
GST received		133,134	124,382
Other		27,667	7,891
<b>Total cash received</b>		<b>23,612,773</b>	<b>16,895,192</b>
<b>Cash used</b>			
Employee benefits		423,079	385,279
Supplier expenses		689,361	417,191
Interest payments on lease liabilities		2,249	2,147
Community partnership costs		499,816	562,506
Participant plan expenses		21,238,538	16,542,971
Grant payments		29,447	147,368
<b>Total cash used</b>		<b>22,882,490</b>	<b>18,057,462</b>
<b>Net cash from / (used by) operating activities</b>		<b>730,283</b>	<b>(1,162,270)</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of PPE		183	9
<b>Total cash received</b>		<b>183</b>	<b>9</b>
<b>Cash used</b>			
Purchase of leasehold improvements		13,162	23,136
Purchase of financial instruments		1,355,000	140,000
<b>Total cash used</b>		<b>1,368,162</b>	<b>163,136</b>
<b>Net cash from / (used by) investing activities</b>		<b>(1,367,979)</b>	<b>(21,955)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash used</b>			
Principal payments of lease liabilities		40,460	37,223
<b>Total cash used</b>		<b>40,460</b>	<b>37,223</b>
<b>Net cash from / (used by) financing activities</b>		<b>(40,460)</b>	<b>(37,223)</b>
<b>Net increase / (decrease) in cash held</b>		<b>(678,156)</b>	<b>(1,362,620)</b>
Cash and cash equivalents at the beginning of the reporting period		2,497,240	3,859,860
<b>Cash and cash equivalents at the end of the reporting period</b>	2.1A	<b>1,819,084</b>	<b>2,497,240</b>

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

<sup>1</sup> Original Budget refers to the figures published in the Portfolio Budget Statements 2020–21. Note that the subtotals have been corrected for addition errors in the published Portfolio Budget Statements.



**National Disability Insurance Scheme Launch Transition Agency**  
**CASH FLOW STATEMENT**  
*for the year ended 30 June 2021*

**Budget Variances Commentary**

**Cash Flow Statement**

<b>Affected line items</b>	<b>Explanations of major variances</b>
Operating activities <i>Receipts from Government</i>	The amount of revenue from Government received by the Agency is lower than Budget due to an adjustment to reflect estimated lower operating expenses following the in-year transfer of the Information, Linkages and Capacity Building grants program from the Agency to the DSS.
Operating activities <i>Rendering of Services</i>	The key driver in the variance to Budget is the receipt of additional Commonwealth funding of \$1,767 million in the May 2021 Budget update.
Operating activities <i>Interest received</i>	Interest is derived primarily from the Agency investing cash in short-term and longer term deposits. Interest revenue for the year has reduced due to the current low interest environment.
Operating activities <i>GST received</i>	GST receipts are lower than Budget due to the transfer of the Information, Linkages and Capacity building grants program to the DSS and the loss of the expected full year GST receipts for this program.
Operating activities <i>Employee benefits</i>	Employee benefits for 2020-21 include a deferred salary increase of 2% from 2019-20 which was not contemplated at the time of the Budget preparation.
Operating activities <i>Supplier expenses, Community partnership costs</i>	The Budget aggregates supplier expenses and community partnership payments. In 2021 the Budget was adjusted increasing supplier expenses budget by \$357 million, this should have been applied to the participant plan expenses line. After adjusting for this Supplier expenses cash flow remains lower due to contract timing differences.
Operating activities <i>Participant plan expenses</i>	Participant plan payments are higher than projected in the Budget, primarily due to a larger than projected increase in active participant numbers in the Scheme and higher than expected average plan costs.
Operating activities <i>Grant payments</i>	The Budget did not anticipate the transfer of the Information, Linkages and Capacity Building program to the DSS in 2020-21.
Investing activities <i>Purchase of leasehold improvements</i>	The Budget anticipated an increase in the property footprint for the Agency. During 2020-21, the Agency re-assessed its property requirements resulting in an overall decrease in the number of properties leased and the associated requirement for leasehold improvements.
Investing activities <i>Purchase of financial instruments</i>	Other financial assets are term deposits with an initial maturity greater than 3 months. The Budget did not anticipate the Agency's increased use of longer termed deposits in order to attract higher returns, due to the continuing low interest environment.

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

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

### Overview

#### General information

The National Disability Insurance Scheme Launch Transition Agency ('the Agency') was established on 29 March 2013 by the *National Disability Insurance Scheme Act 2013* ('the Act'). The Agency is an Australian Government controlled not-for-profit entity.

The Scheme has operations in all states and territories of Australia.

#### Objectives of the Agency

The objective of the Agency is to operate under the Act, and in conjunction with other legislation, to give effect to Australia's obligations under the Convention on the Rights of Persons with Disabilities. In doing so, the Agency supports the independence, social and economic participation of people with a disability.

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

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

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

The Agency makes estimates of current and future expenditure as well as identifying and managing financial risks and issues relevant to the financial sustainability of the Scheme. This is achieved by adopting an insurance-based approach, informed by actuarial analysis, to the provision and funding of support for people with a disability. The Agency also regularly reports on the sustainability of the Scheme.

The continued existence of the Agency in its present form and with its present programs is dependent on Commonwealth Government policy, continuing funding by Parliament for the Agency's administration and programs and agreement with state and territory governments. States and territories have continued to provide funding as set out in the bilateral agreements between each state and territory and the Commonwealth.

#### The Basis of Preparation

The financial statements are general purpose financial statements as required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- b) Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities, which are measured at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars, unless otherwise specified.

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

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### **New Accounting Standards**

No new/revised/amending standards and/or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period had a material effect on the entity's financial statements.

### **Taxation**

The Agency is exempt from all forms of Commonwealth, state and territory taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

### **Events after the reporting period**

There are no known events occurring after the reporting period that could have a material impact on the financial statements. However, post balance date the Agency has implemented several additional initiatives, to assist registered providers to continue to provide reasonable and necessary supports to Scheme participants during the recent COVID-19 outbreaks. These initiatives include targeted payments as part of the Australian Government's continuing response to the on-going COVID-19 pandemic and are not expected to have a material impact on the Scheme's 2021–22 expenses.

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

### 1. Financial Performance

This section analyses the financial performance of the Agency for the year ended 30 June 2021.

#### 1.1. Expenses

	2021	2020
	\$'000	\$'000
<b>Note 1.1A: Employee benefits</b>		
Wages and salaries	335,186	312,717
Superannuation		
Defined contribution plans	47,249	43,903
Defined benefit plans	12,432	10,361
Leave and other entitlements	41,798	36,128
Separation and redundancies	489	1,298
Other employee expenses	-	555
<b>Total employee benefits</b>	<b>437,154</b>	<b>404,962</b>

#### Accounting Policy

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

#### Note 1.1B: Suppliers

##### Services rendered

Service providers <sup>1</sup>	230,939	291,455
Shared Services <sup>2</sup>	78,021	108,929
Legal expenses	21,607	23,249
Community connector management fees	25,797	20,023
Travel	1,971	11,540
Property operating expenses	10,544	10,317
Information technology expenses	40,323	11,953
Staff welfare and training	4,586	5,501
Comcover	5,212	4,765
Market research	3,707	734
Translator and interpreter services	7,140	5,360
Staff recruitment and relocation	1,821	4,341
Repairs and maintenance	1,266	1,504
Other	12,350	8,796
<b>Total services rendered</b>	<b>445,284</b>	<b>508,467</b>

##### Other suppliers

Short-term leases	3,090	6,563
Workers compensation expenses	2,128	1,485
<b>Total other suppliers</b>	<b>5,218</b>	<b>8,048</b>
<b>Total suppliers</b>	<b>450,502</b>	<b>516,515</b>

The Agency has short-term lease commitments of \$2,194 as at 30 June 2021.

The above lease disclosures should be read in conjunction with the accompanying notes 1.1D; 1.2B, 2.2A and 2.5.

<sup>1</sup> Balance includes contractor and consultant related expenses.

<sup>2</sup> During 2020-21 the Agency had Memoranda of Understanding in place that covered the provision of various administrative and operational support services provided by Services Australia and DSS.



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

### Accounting Policy

#### Short-term leases and leases of low-value assets

The Agency has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). The Agency recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2021 \$'000	2020 \$'000
<b>Note 1.1C: Grants</b>		
Public sector		
State and territory governments	568	10,902
Local governments	-	533
Private sector		
For profit organisations	1,525	7,839
Not for profit organisations	25,034	115,405
<b>Total grants</b>	<b>27,127</b>	<b>134,679</b>

The Agency provided a range of grants to the disability sector and the community in order to promote improved outcomes for people with a disability, their families and their carers. These grants related to a range of projects including disability research, increased social and community participation, innovation and education.

Delivery of this program was transferred to the Department of Social Services on 31 January 2021, following approval by the Prime Minister dated 30 September 2020 - refer to Note 5.2.

#### Note 1.1D: Finance costs

Interest on lease liabilities	2,249	2,147
Unwinding of discount	482	58
<b>Total finance costs</b>	<b>2,731</b>	<b>2,205</b>

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 1.2B, 2.2A and 2.5.

### Accounting Policy

All borrowing costs are expensed as incurred.

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

Buildings	105	28
Goods and Services - external parties	62,817	-
Pandemic plan provider receivables	-	23,101
Participant and provider receivables	2,154	7,563
Participant advances	-	799
Other receivables	2	3
<b>Total write-down and impairment of other assets</b>	<b>65,078</b>	<b>31,494</b>

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

	2021 \$'000	2020 \$'000
<b>Note 1.1F: Community partnership costs</b>		
Early Childhood Early Intervention costs	163,859	136,177
Exceptionally Complex Support Needs costs	4,477	2,162
Local Area Coordination costs	355,714	386,280
<b>Total Community partnership costs</b>	<b>524,050</b>	<b>524,619</b>

### Early Childhood Early Intervention Costs

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

### Exceptionally Complex Support Needs costs

This reflects the costs incurred for a national program designed to improve outcomes and experiences for participants with exceptionally complex support needs.

### Local Area Coordination Costs

This reflects the costs incurred in funding selected providers of local area coordination services. Arrangements with providers will differ in form and content, according to the Agency's needs.

Local Area Coordinators are required to deliver several types of services including:

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

### Accounting Policy

The costs associated with community partnerships are recognised in accordance with contractual arrangements.

### Note 1.1G: Participant plan expenses

Claims received from participants and providers	21,874,535	15,871,690
Cost of services received In-Kind	1,368,744	1,523,659
Other changes to participant plan provisions	104,318	194,135
<b>Total participant plan expenses</b>	<b>23,347,597</b>	<b>17,589,484</b>

### Accounting Policy

The costs associated with participant plan expenses are recognised as and when the Agency receives claims from participants and providers. Accounting policies for expenses resulting from adjustment to the participant plan provision are contained in Section 2.6 – Provisions.

### Participant plan expenses

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

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

The results of the review conducted in 2020-21 extrapolated over the total value of provider payments made in 2020-21 assessed that the accuracy rate in payments made to providers was 97.5 per cent (2020: 93.9 per cent). The estimated overall financial impact of the provider error rates is \$242.9m (1.3% of total provider payments) compared to \$163.5m (1.2% of total provider payments) in 2019-20. The major factor in the increase in estimated value is an increase in the average error value from \$83.02 to \$188.28.

The review also includes testing of participant self-managed plan payments. After extrapolating the critical errors identified in the testing over the total population of self-managed plan payments made in 2020-21 the accuracy

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

rate in self-managed plan payments was 93.3 per cent (2020: 92.7 per cent). The estimated overall financial impact of the participant self-managed plan error rates was \$27.9m (0.9% of total self-managed participant provider payments) compared to \$17.8m (0.9% of total self-managed participant payments) in 2019-20.

All critical errors are subject to further validation, with recovery action, where required and considered to be economical, undertaken in accordance with the Agency's Debt Management Procedures.

### 1.2. Own Source Revenue and Gains

OWN SOURCE REVENUE	2021 \$'000	2020 \$'000
<b>Note 1.2A: Rendering of services</b>		
<b>Rendering of services in connection with:</b>		
Related parties - contributions from Department of Social Services	12,941,352	7,102,870
External parties - contributions from state and territory governments	9,149,973	7,792,278
<b>Total revenue from rendering of services</b>	<b>22,091,325</b>	<b>14,895,148</b>

#### Accounting Policy

Cash contributions to the Agency from the Commonwealth, state and territory governments are recognised as revenue when they become payable to the Agency under the relevant signed agreement. These include cash contributions outlined in the bilateral agreements for the funding of the Scheme and funding provided by the DSS for the Agency's former grant programs. Cash contributions received in advance and any outstanding cash contribution offsets to be deducted from future period cash contribution receipts are treated as unearned revenue (refer note 2.4).

The transaction price for the Scheme contributions is the total amount of cash contributions payable by the jurisdictions to fund the Scheme under their bilateral agreements. The transaction price for grant funding is the value of actual grants. The bilateral agreements and the grant funding agreements have annual performance obligations.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

#### Note 1.2B: Rental Income

##### Operating lease:

Subleasing right-of-use assets	2,833	638
<b>Total rental income</b>	<b>2,833</b>	<b>638</b>

#### Operating Leases

Through a cooperative Social Services portfolio arrangement, the NDIA entered into agreements with Services Australia, DSS and the National Indigenous Australians Agency to occupy some of the NDIA's properties. As part of this arrangement, there are established risk management processes and a governance structure for escalation of issues. As the sublet arrangement is Commonwealth entity to Commonwealth entity, the risk was deemed to be low and could be facilitated through the existing relationship with these entities.

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 1.1D, 2.2A and 2.5.

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

	2021 \$'000	2020 \$'000
<b>Note 1.2C: Other revenue</b>		
Compensation receipts	20,637	6,318
Cost recoveries	32	3
Return of prior year grant funds	3,824	464
Other miscellaneous revenue	90	450
<b>Total other revenue</b>	<b>24,583</b>	<b>7,235</b>

### Compensation

The Agency has powers set out in the Act and the NDIS Compensation Rules to recover compensation settlements that have been made to participants in certain circumstances. This legislation and its interaction with general compensation law is highly complex, as a result the Agency's entitlement to and the value of compensation revenue cannot be reliably determined until the circumstances of each case are fully analysed. The legislation also provides the Agency with the option to apply a compensation reduction amount (CRA) to participant plans in lieu of recovering the compensation in a lump sum. Where the Agency elects to apply a CRA to a participant's plan, a lower level of supports will be provided to the participant in future periods, resulting in a reduction in future participant plan expenses, rather than the recognition of compensation revenue.

Compensation revenue is therefore recognised when the delegate determines that a specified debt recovery amount is appropriate.

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

### **Note 1.2D: Other gains**

Related parties Contributions In-Kind from other Commonwealth entities <sup>1</sup>	-	16,645
External parties - Contributions In-Kind from state and territory governments	1,368,744	1,507,014
Reversal of impairment losses	21,474	-
Other	305	380
<b>Total gains</b>	<b>1,390,523</b>	<b>1,524,039</b>

<sup>1</sup> All Commonwealth In-Kind programs ceased on 30 June 2020.

### **Accounting Policy**

#### Contributions In-Kind from Commonwealth, state and territory governments

Contributions In-Kind from Commonwealth, state and territory governments are termed volunteer services under Australian Accounting Standards as they are received free of charge. Volunteer services are recognised as own-source income when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been contributed. Use of these services is recognised as an expense. Volunteer services are recorded as either revenue or gains depending on their nature.

Prior to the commencement of the Scheme, the Commonwealth and each state and territory government had committed to provide (directly or by engaging service providers) agreed items such as disability services, health services, family support, education, employment, transport and/or housing to people with a disability. The on-going provision of these agreed services on behalf of the Agency is regarded as an In-Kind contribution under Australian Accounting Standards and is accounted for as income from the contribution of services at the date when the services are provided. The fair value of these contributions is the unit cost provided by the jurisdiction which is based on the value the jurisdiction has paid under its funding arrangements with the provider.

#### Other resources received free of charge

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements.

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

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### Key judgements and estimates

#### Contributions In-Kind from Commonwealth, state and territory governments

The Agency records income in relation to non-cash or In-Kind contributions from other Commonwealth entities, state and territory governments at the time when the services are provided to participants. In some cases, the Agency may not have been formally notified that the Commonwealth or a state or territory government has provided or funded a contribution to a participant. In this circumstance, the Agency makes an estimate of the amount of In-Kind contributions provided to participants during the period but not yet notified to the Agency. These estimates are based on the latest available evidence of In-Kind supports provided to participants by the Commonwealth, state and territory governments.

### Accounting Policy

#### Revenue from Government

Funding received from the DSS (received by the Agency as a Corporate Commonwealth entity payment item) is recognised as Revenue from Government unless the funding is in the nature of an equity injection or a loan.

Revenue from Government should be read in conjunction with the Statement of Comprehensive Income Budget Variances Commentary.



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

### 2. Financial Position

This section analyses the Agency's assets used to conduct its operations and the operating liabilities incurred as a result.

Buildings and plant and equipment, other than right of use buildings and vehicles, are carried at fair value in accordance with AASB 13 *Fair Value Measurement*. The remaining assets and liabilities disclosed in the statement of financial position do not apply the fair value hierarchy.

Employee related information is disclosed in Section 4. People and Relationships.

#### 2.1. Financial Assets

	2021	2020
	\$'000	\$'000
<b>Note 2.1A: Cash and cash equivalents</b>		
Cash on hand	829,084	1,107,240
Term deposits	990,000	1,390,000
<b>Total cash and cash equivalents</b>	<b>1,819,084</b>	<b>2,497,240</b>

#### Accounting Policy

Cash is recognised at its nominal amount. This includes cash on hand and term deposits in bank accounts with an original maturity of three months or less that are readily convertible to cash and subject to insignificant risk of changes in value. Term deposits with an original maturity greater than three months are classified as other financial assets and are included in Note 2.1C.

#### Note 2.1B: Trade and other receivables

##### Goods and services receivables

Good and services receivables	106,807	360,951
<b>Total goods and services receivables</b>	<b>106,807</b>	<b>360,951</b>

##### Other receivables

GST receivable from the Australian Taxation Office	8,684	18,365
Pandemic plan provider receivables <sup>1</sup>	2,775	650,318
Participant and other provider receivables	11,830	8,767
Other	773	1,935
<b>Total other receivables</b>	<b>24,062</b>	<b>679,385</b>
<b>Total trade and other receivables (gross)</b>	<b>130,869</b>	<b>1,040,336</b>

##### Less impairment loss allowance

Good and services receivables <sup>2</sup>	62,817	238
Participant and other provider receivables <sup>2</sup>	10,681	7,880
Other receivables	246	-
Pandemic plan provider receivables <sup>1</sup>	1,627	23,101
<b>Total impairment loss allowance</b>	<b>75,371</b>	<b>31,219</b>
<b>Total trade and other receivables (net)</b>	<b>55,498</b>	<b>1,009,117</b>

During 2020-21 credit terms for goods and services were within 30 days (2020: 30 days).

<sup>1</sup> Pandemic plan provider receivables represent optional advances made by the Agency to eligible registered providers to assist with cash flow and continuity of supports during the COVID-19 pandemic. Refer also to the Accounting Policy below.

<sup>2</sup> Refer to the Impairment of financial assets section as part of the Accounting Policy below.

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

	2021 \$'000	2020 \$'000
<b>Note 2.1C: Other financial assets</b>		
Term deposits	1,495,000	140,000
<b>Total other financial assets</b>	<b>1,495,000</b>	<b>140,000</b>
Total other financial assets - are expected to be recovered in:		
No more than 12 months	1,495,000	140,000
<b>Total other financial assets</b>	<b>1,495,000</b>	<b>140,000</b>

### Accounting Policy

#### Financial assets

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

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

#### Effective Interest Method

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

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period.

#### Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the simplified approach for goods and services receivable and other receivables. Based on the Agency's standard credit terms of 30 days, an impairment allowance is recognised for all goods and services and other receivables outstanding for more than 120 days. Consistent with this policy, at 30 June 2021 an impairment allowance has been recognised for the disputed portion of a contribution from states & territories. The Agency continues to pursue full recovery of this amount and all other impaired debts in accordance with the Agency's debt recovery policy.

Due to their nature the Agency uses the general approach to assess pandemic plan provider receivables for impairment. Recovery of the pandemic plan provider receivables by offsetting the receivables against claims for payment lodged by the recipient providers commenced in October 2020, with initial recovery rates based on full repayment of each receivable by March 2021. Where providers experienced difficulties meeting the initial six month repayment term, debt repayment plans have been agreed between the Agency and the individual providers. In the absence of actual recovery data prior to October 2020, the Agency initially recognised an impairment allowance for these receivables based on the reduction in the average value of individual providers' claims over the last three months compared to the three month average at the time the initial pandemic plan payment was made to a provider, being the best indicator of a provider's ability to repay the debt by the agreed offset process available at the time. Following commencement of the claims offsetting process, the Agency has recognised an impairment allowance for the pandemic plan receivables where providers have the debts that have not been offset against claims at the agreed rate, unless there is an agreed debt repayment plan in place.

Both the simplified and general impairment approaches always measure the loss allowance as the amount equal to the lifetime expected credit losses.

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

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

### 2.2. Non Financial Assets

#### Note 2.2A: Reconciliation of the opening and closing balances of Buildings and Plant and equipment 2021

	Buildings \$'000	Plant & equipment \$'000	Total \$'000
<b>As at 1 July 2020</b>			
Gross book value	354,719	3,256	357,975
Accumulated depreciation and impairment	(63,018)	(1,287)	(64,305)
<b>Net book value as at 1 July 2020</b>	<b>291,701</b>	<b>1,969</b>	<b>293,670</b>
<b>Additions</b>			
Purchases	9,262	-	9,262
Right-of-use assets	19,860	434	20,294
Depreciation expense	(25,455)	(9)	(25,464)
ROU Depreciation expense	(39,800)	(1,166)	(40,966)
Other movements on right-of-use assets	(14,194)	10	(14,184)
Write offs	(105)	-	(105)
<b>Net book value 30 June 2021</b>	<b>241,269</b>	<b>1,238</b>	<b>242,507</b>
<b>Net book value as of 30 June 2021 represented by:</b>			
Gross book value	366,855	3,700	370,555
Accumulated depreciation and impairment	(125,586)	(2,462)	(128,048)
	<b>241,269</b>	<b>1,238</b>	<b>242,507</b>
<b>Carrying amount of right-of-use assets</b>	<b>156,012</b>	<b>1,215</b>	<b>157,227</b>

All items of buildings and plant and equipment were assessed for indications of impairment as at 30 June 2021 and no indicators of impairment were found.

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

Buildings and plant and equipment, other than right-of-use assets, are measured at their estimated fair value in the financial statements and are classified as level 3 assets.

The Agency had leasehold improvements commitments of \$401,924 as at 30 June 2021.

## National Disability Insurance Scheme Launch Transition Agency

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### Accounting Policy

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Non-financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition.

#### Asset recognition threshold

Purchases of leasehold improvements, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$5,000 which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the Agency where there exists an obligation to restore the property to its original condition.

#### Lease Right-of-Use (ROU) Assets

Purchases of leased ROU assets are capitalised at the commencement date of the lease and comprise the initial lease liability amount, including an estimate of any 'make good' provision in the lease, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to the corresponding assets owned outright, but are included in the same column as where the corresponding underlying assets would be presented if they were owned.

On initial adoption of AASB 16 the Agency has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any ROU lease asset that shows indicators of impairment and an impairment loss is recognised against any ROU lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition in Commonwealth Agency, General Government Sector and Whole of Government financial statements.

#### Revaluations

Following initial recognition at cost, items of leasehold improvements, plant and equipment (excluding ROU assets) are carried at fair value (or an amount not materially different from fair value) less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying value of items does not differ materially from their fair value at each reporting date.

The Agency's leasehold improvements are stated at their revalued amounts, being the fair value at the date of

revaluation, less any subsequent accumulated depreciation. The fair value measurements of the Agency's leasehold improvements as at 30 June 2021 were reassessed by Jones Lang LaSalle (JLL), independent valuers, with no adjustments to the carrying value of these assets resulting from the review. JLL have appropriate qualifications and experience in the fair value measurement of similar assets in the Government sector.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

#### Depreciation

Depreciable leasehold improvements, plant and equipment assets (other than leasehold improvements under construction) are written off to their estimated residual values over their estimated useful lives using the straight-line method of depreciation. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. The table below outlines the depreciation rates applying to each class of depreciable asset based on the following useful lives:

Asset class	Useful life
Plant and equipment	3 to 10 years
Leasehold improvements	As per relevant lease term

The depreciation rates for ROU assets are based on the life of the lease term, including options to extend where it is expected that these will be exercised.

#### Impairment

All assets are assessed for impairment annually. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Agency were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

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

### Fair Value

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

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

### De-recognition

An item of buildings or plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or its disposal. Any gain or loss arising on disposal or retirement of an item of leasehold improvements or plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

### Key judgements and estimates

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

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

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

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

	2021	2020
	\$'000	\$'000
<b>Note 2.2B: Other non-financial assets</b>		
Participant advances <sup>1</sup>	-	779
Impairment Allowance - participant advances	-	(779)
<b>Total participant advances (net)</b>	-	-
Participant plan prepayments <sup>2</sup>	4,538	4,847
Other prepayments	14,077	7,567
<b>Total other non-financial assets</b>	<b>18,615</b>	<b>12,414</b>

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

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

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



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

### 2.3. Payables

	2021 \$'000	2020 \$'000
<b>Note 2.3A: Suppliers</b>		
Trade creditors and accruals	206,461	288,845
Other	79	-
<b>Total suppliers</b>	<b>206,540</b>	<b>288,845</b>

Settlement is expected to be made for suppliers within 30 days (2020: 30 days).

#### **Note 2.3B: Other payables**

Salaries and wages	6,370	5,031
Superannuation	1,114	882
Other	128	121
<b>Total other payables</b>	<b>7,612</b>	<b>6,034</b>

#### **Accounting Policy**

Financial liabilities, including supplier and other payables, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Accounting policies for Salaries and wages and Superannuation are contained in Section 3. People and Relationships.

### 2.4. Unearned Income

#### **Note 2.4: Unearned revenue**

Revenue received in advance - related entities	-	16,593
Revenue received in advance - external entities	522,576	619,010
<b>Total unearned revenue</b>	<b>522,576</b>	<b>635,603</b>

#### **Accounting Policy**

Accounting policies for unearned income are contained in Note 1.2A Rendering of services.

### 2.5. Interest Bearing Liabilities

#### **Note 2.5: Leases**

Lease liabilities		
Buildings	162,597	193,972
Plant and equipment	1,274	2,001
<b>Total leases</b>	<b>163,871</b>	<b>195,973</b>

#### **Note 2.5: Leases - Maturity**

##### **Maturity analysis - contractual undiscounted cash flows**

Within 1 year	36,279	40,590
Between 1 to 5 years	86,338	112,287
More than 5 years	47,420	66,053
<b>Total leases</b>	<b>170,037</b>	<b>218,930</b>

The Agency in its capacity, as lessee, has entered into leasing arrangements to meet its operational obligations. These leases are managed through an agreement with Services Australia and JLL under Whole of Government (WoG) arrangements. Each lease has terms and conditions specified in relation to when contingent rent is payable, variable lease payments, renewal or purchase options, annual percentage rent increase, escalation clauses and restrictions. These lease terms are set as per commercial market arrangements.

The above lease disclosures should be read in conjunction with the accompanying notes 1.1B, 1.1D, 1.2B and 2.2A.

Total cash outflow for leases for the period ended 30 June 2021 was \$40.46m.

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

### Accounting Policy

Refer to Notes 1.1B and 2.2A for accounting policies for leases.

### 2.6. Provisions

#### Reconciliation of provisions

	Participant plan provision \$'000	Provision for restoration obligations \$'000	Total \$'000
<b>Carrying amount 1 July 2020</b>	<b>1,574,980</b>	<b>6,725</b>	<b>1,581,705</b>
Additional provisions made	1,786,694	-	1,786,694
Amounts reversed	(481,408)	(122)	(481,530)
Amounts used	(1,221,344)	-	(1,221,344)
Unwinding of discount or change in discount rate	-	481	481
<b>Closing balance 30 June 2021</b>	<b>1,658,922</b>	<b>7,084</b>	<b>1,666,006</b>

The valuation of the participant provision was undertaken as at 30 June 2021 by the Scheme Actuary.

Participant provisions are expected to be settled:

within 1 year	1,546,924
between 1 to 5 years	111,998
	<u>1,658,922</u>

No liability is recorded for any participant supports to be provided in future reporting periods as the relevant recognition criteria are not met.

The Agency has 50 (2020: 52) agreements for the leasing of premises, which have provisions requiring the entity to restore the premises to their original condition at the conclusion of the lease. The Agency has made a provision to reflect the present value of this obligation.

### Accounting Policy

The Agency makes a provision for the reasonable and necessary support provided to participants during the period but not yet notified to the Agency. The provision represents the best estimate of the amount based on available evidence in relation to rates of expenditure by participants and is informed by actuarial analysis.

### Key judgements and estimates

The Agency recognises a liability for the costs of reasonable and necessary support at the time that services are provided to participants in the Scheme. Due to the payment and claiming process the Agency may not be aware of all services rendered at the time of closing the financial statements. The Agency makes an estimate of the outstanding liability by reviewing historical payments experience and analysing the expected utilisation of committed supports. The expected utilisation rates is a significant factor in the estimation of the outstanding liability. Using Participant Plan levels as at the 30 June 2021 for each 0.5% increase or decrease in the utilisation rate the estimated liability increases or decreases by \$120.8m.

When estimating the provision for the services rendered but not yet claimed, the Agency assumes future payments experience is relatively consistent with historical experience, allowing for a margin of error, known as the risk margin, which seeks to allow for volatility in payment patterns in order to maintain a 75% probability of sufficiency of the provision.

This year the payments profile of the Agency has seen an increase in volatility, indicating that historic variability in payments experience may not reflect future variability. The Agency considers it prudent to increase the risk margin from 5.0% at 30 June 2020 to 7.5% at 30 June 2021. This risk margin is incorporated into the provision. For each 0.5 percentage point increase or decrease in the risk margin, the estimated liability would increase/decrease by \$8.2m.

As at 30 June 2021, the expected utilisation of committed support provision raised by financial years is as follows:

2016-17: 67.42% (2020: 67.60%)
2017-18: 69.93% (2020: 70.28%)

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

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2018-19: 71.18% (2020: 71.56%)

2019-20: 70.39% (2020: 73.63%)

2020-21: 74.21%

The above utilisation rates are re-assessed annually by the Scheme Actuary to take into account actual claims made on prior period participant plans.

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

### 3. People and Relationships

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

#### 3.1. Employee Provisions

	2021 \$'000	2020 \$'000
<b>Note 3.1: Employee provisions</b>		
Leave	<b>92,109</b>	79,618
<b>Total employee provisions</b>	<b>92,109</b>	79,618

#### Accounting Policy

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits expected within twelve months of the end of the reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the salary rates expected to be paid on settlement of the liability.

##### Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Agency is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the Agency's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination. The liability for annual and long service leave has been determined by reference to the work of an actuary as at 30 June 2019 and as updated by the actuary in June 2021.

##### Superannuation

Agency staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other superannuation funds held outside the Australian Government. The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

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

The liability for superannuation recognised at Note 2.3B Other payables represents contributions outstanding at balance date.

#### Key Accounting judgements and estimates

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2019, updated to reflect any changes in parameters to 30 June 2021. The estimate of the present value of the liability for long service leave takes into account attrition rates and pay increases through promotion and inflation. The estimate of future costs requires management and independent actuarial assessment of assumed salary growth rates, future on-cost rates and the experience of employee departures. The future costs are then discounted to present value using market yields on government bonds in accordance with AASB 119.

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

### 3.2. Board and Other Key Management Personnel Remuneration

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Agency, directly or indirectly. The Agency has determined the key management personnel to be Board Members, the Chief Executive and other members of the Executive Leadership Team. Despite the formal definition of Key Management Personnel, Board members are independent of management. Key management personnel remuneration is reported in the table below:

	2021 \$'000	2020 \$'000
<b>Note 3.2: Board and Key Management Personnel Remuneration<sup>1</sup></b>		
Short-term employee benefits <sup>2, 3</sup>	4,975	5,170
Post-employment benefits	378	489
Other long-term employee benefits	67	69
<b>Total Board and Key Management Personnel remuneration expenses<sup>4</sup></b>	<b>5,420</b>	<b>5,728</b>

The total number of Board members and Key Management Personnel that are included in the above table is 20 (2020: 25).

<sup>1</sup> All remuneration in the table above and reported in Appendix 5.6 of the annual report is calculated on an accrual basis.

<sup>2</sup> Employee benefits include salary and vehicle allowances.

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

<sup>4</sup> The above key management personnel remuneration excludes the remuneration and other benefits of the Minister and Portfolio Minister. The Minister's and Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the Agency. These expenses are reported in the Department of Finance's administered schedules and notes.

### Related Party Disclosures

#### Related party relationships:

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

There were no loans to any Board members, Key Management Personnel or other related parties during the period (2020: Nil).

#### Transactions with related parties:

Given the scope of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens and/or may have family members that are participants in the Scheme. These transactions are conducted at arm's length and have not been separately disclosed in this note. A number of Board members and Other Key Management Personnel fall into this category. Where the Agency has had interactions with DSS and Services Australia, the financial impact of such interactions have been disclosed in sections 1 and 2 of the financial statements.

#### Registered Service Providers

Participants who elect to have their plan managed by the Agency must select a registered service provider to deliver the supports in their plan. To become a registered service provider an organisation must submit an application to the NDIS Quality and Safeguards Commission. All applications are assessed against the criteria specified in Part 3 of *National Disability Insurance Scheme (Registered Providers of Supports) Rules 2013*. Given the scope of the sector in which the Agency operates, a number of Board members also hold positions with registered service providers. Directors of the Agency are not involved in any decisions to accept or reject applications to register as a service provider. Transactions between the Agency and registered providers are initiated by the participants rather than the Agency, are at arm's length and have not been separately disclosed in this note.

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

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

		2021 \$'000	2020 \$'000
<b>Board Member</b>	<b>Related party and payments for services rendered by the related party<sup>1</sup></b>		
Mr Glenn Keys AO	Member of the University of NSW (Canberra) Advisory Council. The University of NSW received payments for scholarships, training placements and conferences.	-	23
	Executive Chair of Aspen Medical Pty Ltd (Aspen). Aspen provided support to the Agency's COVID-19 Response.	353	-
Ms Robyn Kruk AO	Independent Director/Deputy Chair of Mental Health Australia (MHA) and Independent Director of Australian and New Zealand School of Government (ANZSOG). MHA provided consultancy services on pathway enhancements and ANZSOG provided specialist design support to the Agency.	1,381	193
Mr John Langoulant AO	President and director of the Committee for Economic Development of Australia (CEDA) WA State Advisory Council. The Agency pays membership fees to CEDA.	19	-
Ms Estelle Pearson	Director of Finity Consulting Pty Ltd which provides actuarial staff secondments to the Agency.	-	214
Ms Andrea Staines OAM	Board member of UnitingCare Queensland (service group within the UnitingCare Community). UnitingCare Community provided ECEI services in Queensland. Ms Staines' term on the Board finished on 31 December 2019.	-	5,798
Mr John Walsh AM	Member of the Innovative Workforce Fund Independent Advisory Group at National Disability Services. National Disability Services was engaged for communication and engagement project activities for service providers. Mr Walsh resigned from the Board on 31 August 2020.	4	2
<b>Key Management Personnel Executive Members</b>	<b>Related party and payments for services rendered by the related party</b>		
Mr Hamish Aikman <i>Chief People Officer</i>	Family relationship to Mr Scott Cumbrae-Stewart, who holds the position of Chief Financial Officer at Converge International, the provider of the Agency's Employee Assistance Program Services up to 31 December 2020.	366	210
Ms Sarah Johnson <i>Scheme actuary</i>	Proprietor of Sarah Consulting Pty Ltd. Sarah Consulting provided scheme actuarial services to the Agency.	442	476
Mr Oliver Bladek <i>Deputy CEO, Design, Digital &amp; Strategy</i>	Proprietor of Bladek and Company Pty Ltd. Bladek and Company provided key management personnel to the Agency.	433	78

<sup>1</sup> All payments in the table above are calculated on a cash rather than accrual basis and therefore may differ from any amounts reported in Note 3.2 and Appendix 5.6 of the annual report.

There were no other related party payments made during the period.



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

### 4. Managing Uncertainties

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

#### 4.1. Contingent Assets and Liabilities

##### Quantifiable Contingencies

As at 30 June 2021, the Agency had no quantifiable contingent assets or liabilities (2020: \$Nil).

##### Unquantifiable Contingencies

###### Contingent asset – Compensation recoveries

There are provisions set out in the Act and the NDIS Compensation Rules that allow the Agency to recover amounts of compensation that have been paid to, or given up by, Scheme participants. These provisions apply to a number of Scheme participant plans, for which compensation recovery decisions have not yet been made at 30 June 2021. A number of potential compensation cases are in progress at 30 June 2021, which may result in future compensation recoveries by the Agency. Due to the unique circumstances of each case, the Agency is currently unable to estimate the amount that may be recoverable from these cases. These amounts will be recognised as income in future periods when the relevant recognition criteria are met. The accounting policy for compensation receipts is included in Note 1.2C.

###### Contingent liabilities

As at 30 June 2021, the Agency had no unquantified contingent liabilities (2020: \$Nil).

##### **Accounting Policy**

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

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

### 4.2. Financial Instruments

	2021 \$'000	2020 \$'000
<b>Note 4.2A: Categories of financial instruments</b>		
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents	1,819,084	2,497,240
Other receivables	42,707	32,851
Other financial assets	1,495,000	140,000
<b>Total financial assets at amortised cost</b>	<b>3,356,791</b>	<b>2,670,091</b>
<b>Total financial assets</b>	<b>3,356,791</b>	<b>2,670,091</b>
<b>Financial liabilities measured at amortised cost</b>		
Supplier and other payables <sup>1</sup>	151,830	249,610
<b>Total financial liabilities</b>	<b>151,830</b>	<b>249,610</b>
<b>Note 4.2B: Net gains or losses on financial assets</b>		
<b>Financial assets at amortised cost</b>		
Interest revenue	9,854	49,721
<b>Net gains/(losses) on financial assets at amortised cost</b>	<b>9,854</b>	<b>49,721</b>
<b>Net gains/(losses) on financial assets</b>	<b>9,854</b>	<b>49,721</b>

#### Accounting Policy

All of the Agency's financial assets have been classified as financial assets measured at amortised costs. Financial assets at amortised costs must be:

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

The accounting policy for financial assets is contained in Note 2.1 Financial Assets.

<sup>1</sup> Supplier and other payables comparative (2020 \$288,966) had \$39 million that was found to be PSCD payables, which are statutory in nature and are not financial instruments. The comparative has been amended for this.

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

### 5. Other Information

#### 5.1. Current/Non current Distinction for Assets and Liabilities

	2021 \$'000	2020 \$'000
<b>Note 5.1: Current/non-current distinction for assets and liabilities</b>		
<b>Assets expected to be recovered in:</b>		
<b>No more than 12 months</b>		
Cash and cash equivalents	1,819,084	2,497,240
Trade and other receivables	55,498	1,009,117
Other financial assets	1,495,000	140,000
Other non-financial assets	18,572	12,057
<b>Total no more than 12 months</b>	<b>3,388,154</b>	<b>3,658,414</b>
<b>More than 12 months</b>		
Buildings	241,269	291,701
Plant and equipment	1,238	1,969
Other non-financial assets	43	357
<b>Total more than 12 months</b>	<b>242,550</b>	<b>294,027</b>
<b>Total assets</b>	<b>3,630,704</b>	<b>3,952,441</b>
<b>Liabilities expected to be settled in:</b>		
<b>No more than 12 months</b>		
Suppliers	206,540	288,845
Other payables	7,612	6,034
Unearned revenue	522,576	635,603
Leases	34,905	36,671
Employee provisions	27,017	25,528
Participant plan provisions	1,546,924	1,574,980
Provision for restoration obligations	663	381
<b>Total no more than 12 months</b>	<b>2,346,237</b>	<b>2,568,042</b>
<b>More than 12 months</b>		
Leases	128,966	159,302
Employee provisions	65,092	54,090
Participant plan provisions	111,998	
Provision for restoration obligations	6,421	6,344
<b>Total more than 12 months</b>	<b>312,477</b>	<b>219,736</b>
<b>Total liabilities</b>	<b>2,658,714</b>	<b>2,787,778</b>

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

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### **5.2. Restructuring**

The Information Linkages and Capacity Building (ILC) grants program was transferred to the DSS on 31 January 2021, following approval by the Prime Minister dated 30 September 2020.

As part of the transfer, the Agency and DSS agreed to a \$4.621m reduction in Agency Costs funding for ILC administrative costs.

## 3.2 Summary of the Financial Sustainability Report 2020–21

Sarah Johnson BCom FIAA.

The Agency released the full 2020–21 AFSR in early October 2021 using data as at 30 June 2021. It is available via the NDIS website.

An annual financial sustainability report (AFSR) is required under section 180B of the NDIS Act and provides an assessment of the financial sustainability of the National Disability Insurance Scheme (“the Scheme”, or NDIS). The AFSR is produced using data at 30 June each year and a summary of each year’s AFSR has been included in the NDIA annual report. This report uses data to 30 June 2021 to project the future cost of the Scheme. It includes analyses and discussion on recent Scheme experience, best estimate projections of future participant numbers and average payments (based on emerging experience and future expectations), scenarios relating to plausible variances in the projections, and recommended strategies to address risks to sustainability.

The previous such report was an interim update to the AFSR released on 3 July 2021.<sup>5</sup> It was based on data to 31 December 2020, with commentary about experience to 31 May 2021 (the “previous review”). References to the “previous review” throughout this report refer to results contained within that report.

### Financial sustainability

The *NDIS Insurance Principles and Financial Sustainability Manual*<sup>6</sup> outlines the NDIS’ insurance model in detail and defines financial sustainability as the state where:

- *The Scheme is successful on the balance of objective measures and projections of economic and social participation and independence, and on participants’ views that they are getting enough money to buy enough goods and services to allow them reasonable access to life opportunities – that is, reasonable and necessary support;*
- *Contributors think that the cost is and will continue to be affordable, under control, represents value for money and, therefore, remain willing to contribute.*

The current government expectation of Scheme cost is included in the annual Portfolio Budget Statements (PBS)<sup>7</sup>, noting it is not only the financial cost of the Scheme that is important within the context of financial sustainability, but also the outcomes achieved by the Scheme.<sup>8</sup>

<sup>5</sup> [www.ndis.gov.au/about-us/publications#afsr](http://www.ndis.gov.au/about-us/publications#afsr)

<sup>6</sup> [www.ndis.gov.au/media/833/download](http://www.ndis.gov.au/media/833/download)

<sup>7</sup> [www.dss.gov.au/sites/default/files/documents/05\\_2021/budget-2021-22\\_portfolio\\_budget\\_statements\\_11052021\\_1000.pdf](http://www.dss.gov.au/sites/default/files/documents/05_2021/budget-2021-22_portfolio_budget_statements_11052021_1000.pdf)

<sup>8</sup> Outcomes for participants and their families/carers are reported regularly in the NDIA’s quarterly reports to Disability Ministers, and more detailed analysis and data is available on the NDIA Data and Insights website: [data.ndis.gov.au/reports-and-analyses/outcomes-and-goals](http://data.ndis.gov.au/reports-and-analyses/outcomes-and-goals)

## Projection model

In projecting future Scheme costs, assumptions on both the number of participants in the Scheme and the average payment per participant are required. The number of participants each year is derived based on assumptions on both the number of participants entering and the number of participants exiting the Scheme. Average payments are based on current payment levels which are then inflated each year.

Participant characteristics and levels of support need differ substantially amongst participants in the Scheme. Therefore, assumptions on participant numbers and average payments are calibrated by different participant cohorts. Specifically, assumptions are derived by age group, disability, level of function, gender, and whether the participant resides in Supported Independent Living (SIL).<sup>9</sup> This results in approximately 2,000 unique cohorts.

Assumptions have been set using both past Scheme experience and expectations of future Scheme performance. That is, the best estimate projection in this report is not simply an extrapolation of past Scheme trends; rather, a forward-looking approach is taken, which assumes operational initiatives undertaken by the NDIA will result in past trends not necessarily continuing to the same extent.

As with any projection, there is uncertainty in the results. As the Scheme continues to mature, Scheme experience can change, perhaps

materially, resulting from the decisions and actions of the Agency and governments, and this would affect the eventual trajectory of participant costs. Uncertainty is explored further in Section 6.1 of the full AFSR, where plausible high and low case estimates of Scheme cost are quantified.

## Number of participants

The number of the participants in the Scheme each year, and the projection of future participants is presented in figure 3.2A. In 2024-25 it is estimated that there will be 670,400 participants in the Scheme (of which 633,596 are under the age of 65 years), and in 2029-30 it is estimated that the number of participants will increase to 859,328 (of which 798,341 are under the age of 65 years). These figures are significantly higher than originally envisaged by the Productivity Commission - the 2017 Productivity Commission Study report<sup>10</sup> assumed 582,860 participants in the Scheme at 2029-30 (of which 513,162 would be under 65 years). In 2029-30 the number of participants is therefore estimated to be 276,468 (or 47 per cent) higher than estimated in the 2017 Productivity Commission Study report.

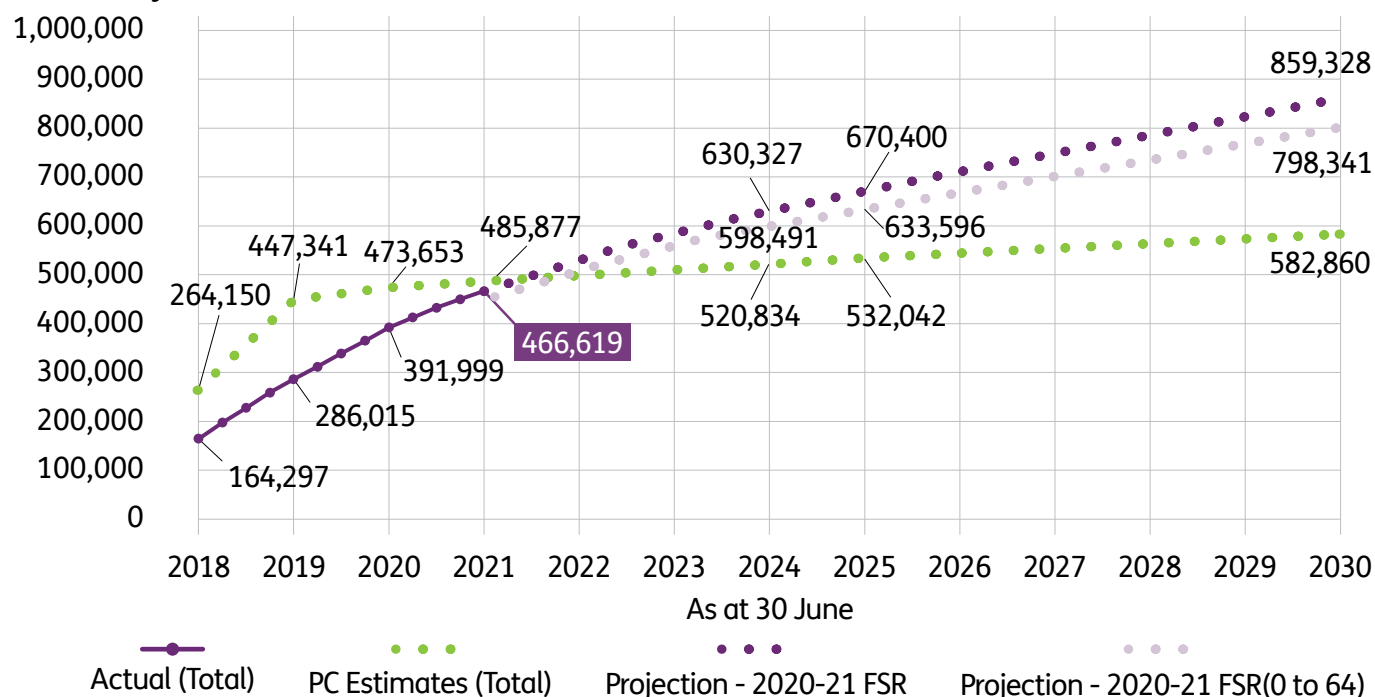
The projected number of participants at this review is compared to those from the previous review in figure 3.2B. It shows that the projection at this review is very similar to the previous review, with the projection having reduced by 1.8 per cent by June 2025 and 1.3 per cent by June 2030.

<sup>9</sup> Supported Independent Living is modelled separately due to the high average payment per participant. SIL participants represent 5.7% of all participants, and 34% of payments made in the 2020-21 financial year to date. The average annualised payments year to date for SIL participants is \$318,000, and \$37,400 for participants not in SIL.

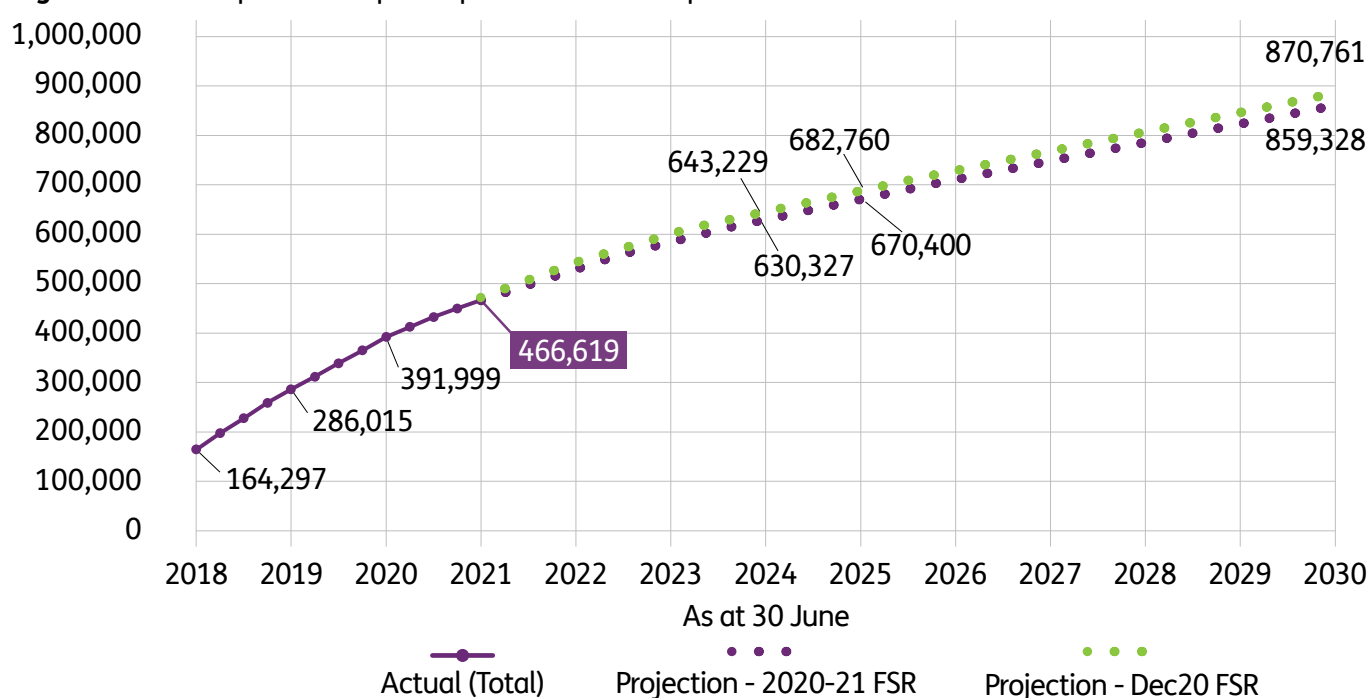
<sup>10</sup> Productivity Commission 2017, National Disability Insurance Scheme (NDIS) Costs, Study Report, Canberra (Table 2.3)



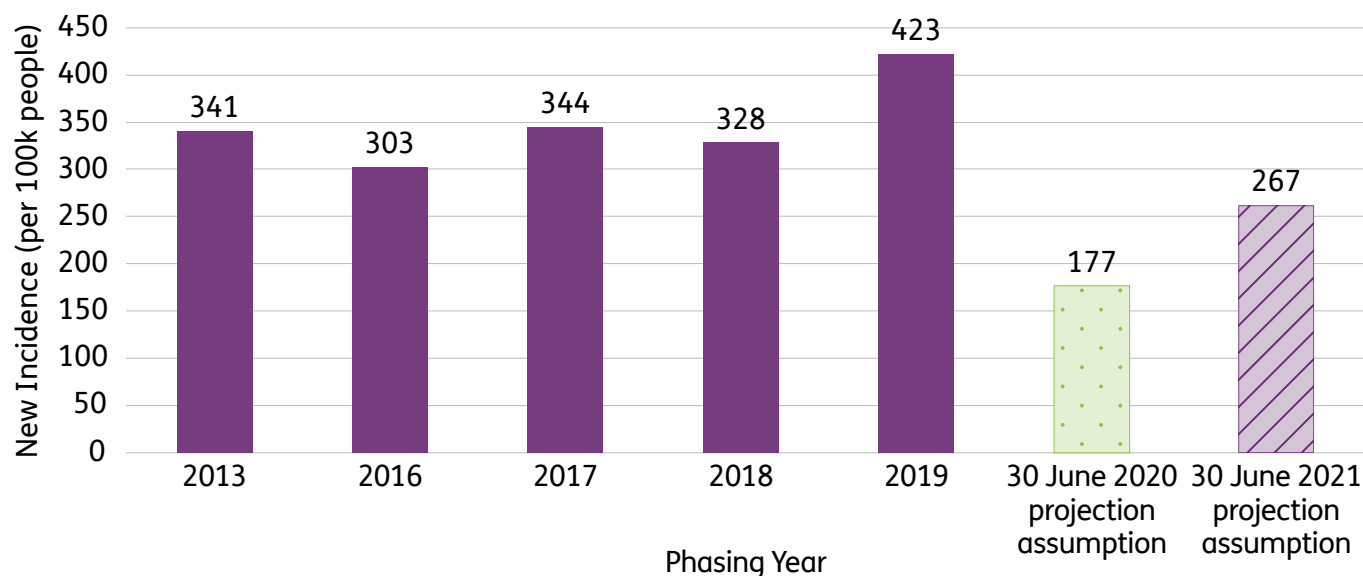
**Figure 3.2A:** Comparison of actuals, future projections (total, and participants aged 0 to 64) and 2017 Productivity Commission estimates



**Figure 3.2B:** Comparison of participant numbers to previous review



The 2 drivers in the growth in the number of participants are the rate of new entrants to the Scheme, and the rate at which participants exit the Scheme. The rate of new entrants to the Scheme continues to be very high, especially in the geographical areas where the Scheme has been operating for several years. As an example, the rate of new entrants in geographical areas that commenced in 2013 was 341 per 100,000 people over 2020-21, which is approximately 93 per cent higher than the 30 June 2020 AFSR assumed rate of 177 per 100,000 people, and 28 per cent higher than the rate assumed at this review of 267 per 100,000 people.

**Figure 3.2C:** Observed new incidence rate by phasing year and assumptions at 30 June 2020 and 2021<sup>11</sup>

The assumption adopted at this review (267 per 100,000 people), is lower than the rates recently observed but higher than the rate assumed at 30 June 2020 and prior reviews. This is based on an assumption that the longer term rate of new entrants will be lower than previously observed. The adopted assumption is approximately 80 per cent of the observed experience (and approximately 70 per cent for adult participants, where there is greater uncertainty about the longer term number of new participants). There therefore remains upside risk in this assumption (that is, the risk that participant numbers will be higher).

In response to this uncertainty the Agency has undertaken further analysis to understand the reasons for the high number of new entrants. Specifically, a sample of recent adult new entrants from early geographic areas was analysed. Sixty-one per cent of the sample was regarded as likely to be true new incidence<sup>12</sup> (and can therefore be regarded as indicative of future levels of new incidence).

For the remaining 39 per cent it is less clear whether they represent true new incidence or previously unmet need<sup>13</sup> (who would therefore not be regarded as indicative of future levels of new incidence). Many of these participants where there is uncertainty have interacted with the justice and/or mental health systems, and it is plausible to expect that it has taken some time for participants such as these to access the Scheme. Based on the analysis of this sample, the assumed rate of new incidence has been left unchanged since the previous review, as the current assumption does not appear unreasonable. Nonetheless there remains a high degree of uncertainty around this underlying assumption (especially considering the range of disabilities and conditions of participants entering the Scheme). This is further explored in Section 6.1 of the full AFSR.

11 Observed new incidence rates for 2013 to 2019 phasing years show the number of new entrants per 100K population over the 2020-21 financial year in the relevant geographic areas which phased into the Scheme in that year

12 i.e. participants who acquired their disability recently, or those who have only recently met the necessary criteria for access to the Scheme.

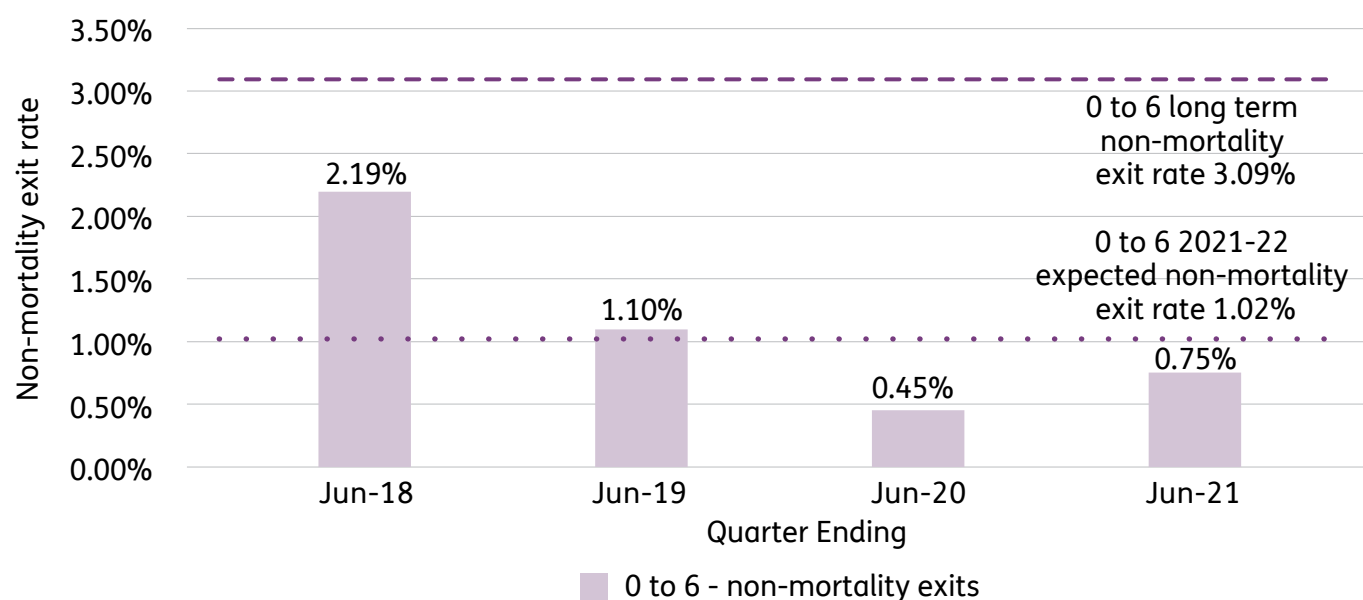
13 i.e. participants who acquired their disability some years prior who only accessed the Scheme recently (for various reasons)

The rate at which participants exit the Scheme for reasons other than mortality is also lower than observed. Section 25 of the NDIS Act allows participants to enter the Scheme to receive early intervention support, and it was assumed that some participants would receive this support and then be supported by mainstream and community services. However, the rate of non-mortality exits compared to expectations in the year to 30 June 2021 (as seen in figure 3.2D

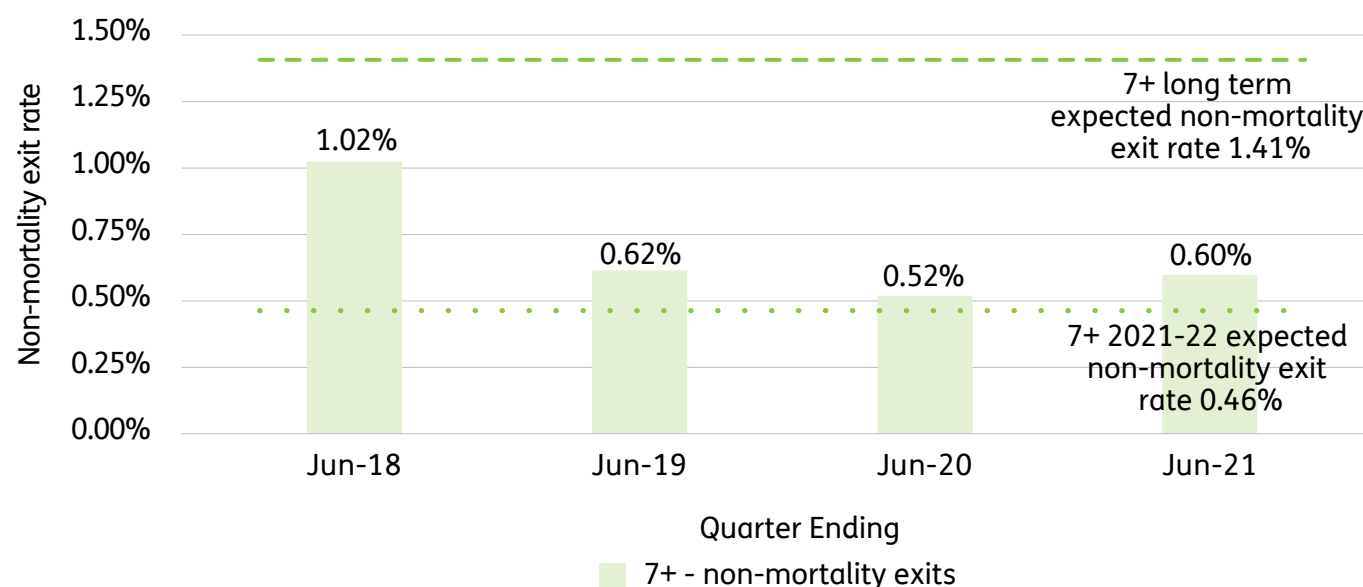
and figure 3.2E), is considerably less than the current long term assumption. For example, non-mortality exit rates were assumed to be 1.15 per cent for 0-6 year olds, and the rate in the past year to 30 June 21 was 0.75 per cent.

Similarly, for participants aged 7+ years, the actual non-mortality exit rate experience to 30 June 2021 remains noticeably lower than the long term assumptions.

**Figure 3.2D:** Actual versus expected non-mortality exits for participants aged 0 to 6



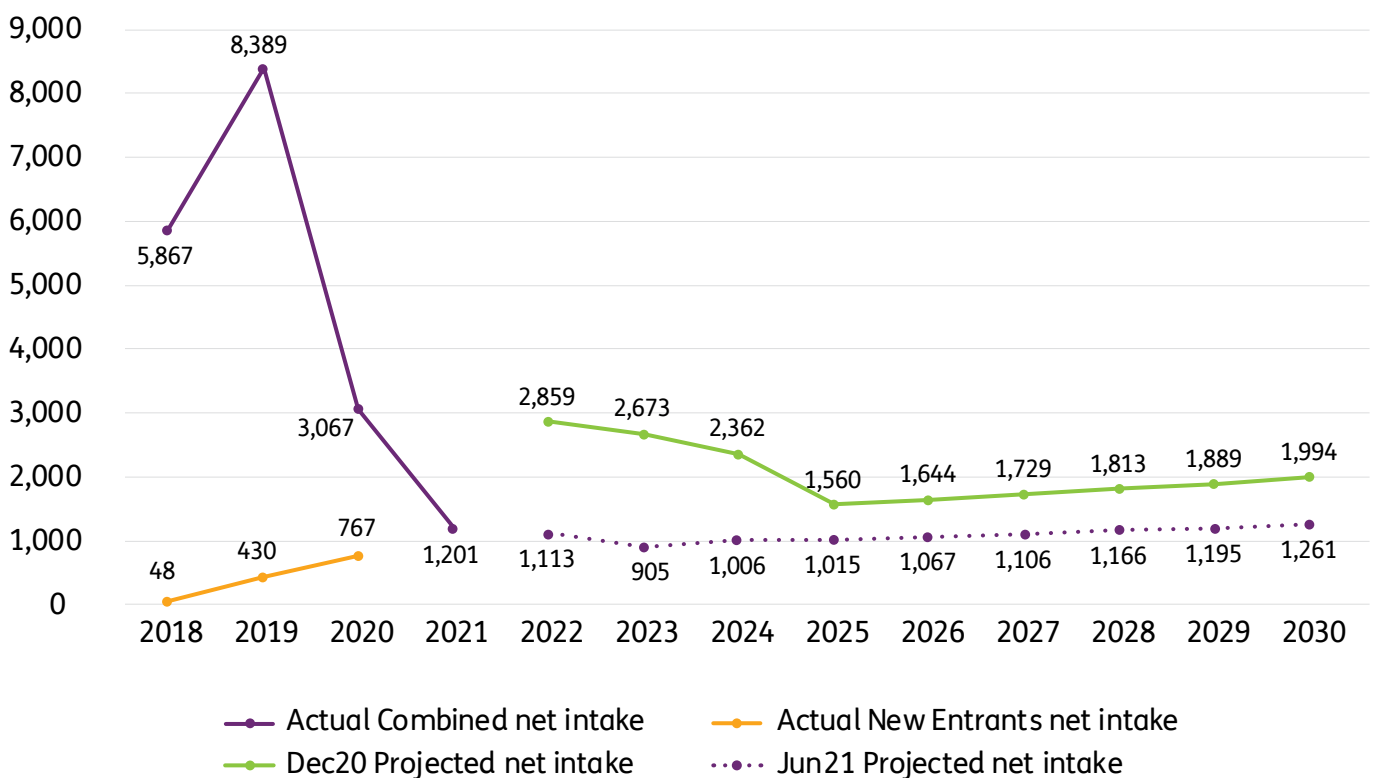
**Figure 3.2E:** Actual versus expected non-mortality exits for participants aged over 7



There remains significant uncertainty around these assumptions due to ongoing strategic initiatives and changes to operational procedures. In light of this uncertainty the long term exit rate assumptions have remained unchanged from the previous review. It continues to be assumed that rates of exit will increase as participants receive early intervention supports, and the NDIA focuses on ensuring participants continue to meet the access criteria (as per the NDIS Act). As the current long term assumption is considerably higher than observed experience, there again remains upside risk in this assumption (that is, the risk that participant numbers will be higher). An alternative scenario regarding the rate of non-mortality exits is considered in Section 6.1 of the full AFSR.

Since the previous review, analysis has been undertaken to understand the composition of the new SIL participant intake between those participants transitioning from existing schemes and those who were new to disability supports. This indicated that the number of new SIL participants who were new to disability supports is lower than the assumption at the previous review. Figure 3.2F highlights that the revised projection is more in line with the actual new entrant net intake than was the previous projection.

**Figure 3.2F: SIL participants intake experience to date and trajectory<sup>14</sup>**

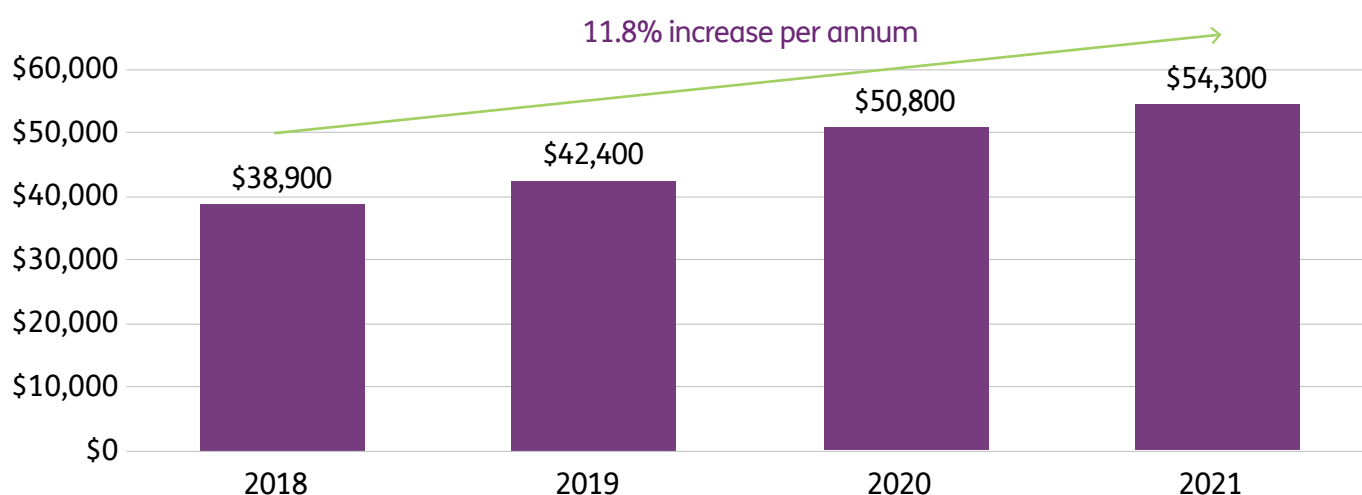


<sup>14</sup> The impact of lower projected participants in SIL is shown in table 3.2D, which indicates a reduction in estimated cost of \$5.0 billion in the four years to 2024-25.

## Average payments per participant

Average annualised payments have continued to increase year on year (figure 3.2G). Average payments have increased by 11.8 per cent p.a. over the last 4 years.

**Figure 3.2G: Average annualised payments over time<sup>15</sup>**



Over the past 4 years, the mix of participants in the Scheme has changed. That is, as the Scheme has rolled out across the country, the proportion of participants by different characteristics has changed. In particular, the proportion of children in the Scheme is higher in 2020-21 compared with 2017-18, and the proportion of SIL participants in the Scheme is lower in 2020-21 compared with 2017-18.

Analysing the change in average payment over time by whether or not participants are in SIL indicates that the average annual increase in average payment has been consistently high across both participant groups. Specifically, the average annual payment has increased for SIL participants by 12.0 per cent p.a., and the average annual payment has increased for non-SIL participants by 17.1 per cent p.a. (figure 3.2H). These averages are higher than the overall average (of 11.8 per cent p.a.), as the proportion of participants in SIL has decreased over the period. The average inflation over the past 3 years (removing the effect of change in mix) was 14.9 per cent p.a.

<sup>15</sup> Average annualised payments have been calculated on a cash basis using the 12 months over each year ending 30 June.

**Figure 3.2H: Average annualised payments over time by SIL group<sup>16</sup>**

Figure 3.2I analyses the change in average payment over time by age band for participants not in SIL<sup>17</sup>. The average increase for 0 to 14 year olds is 13 per cent p.a., the average increase for 15 to 24 year olds is 12 per cent p.a., the average increase for 25 to 64 year olds is 21 per cent p.a.,

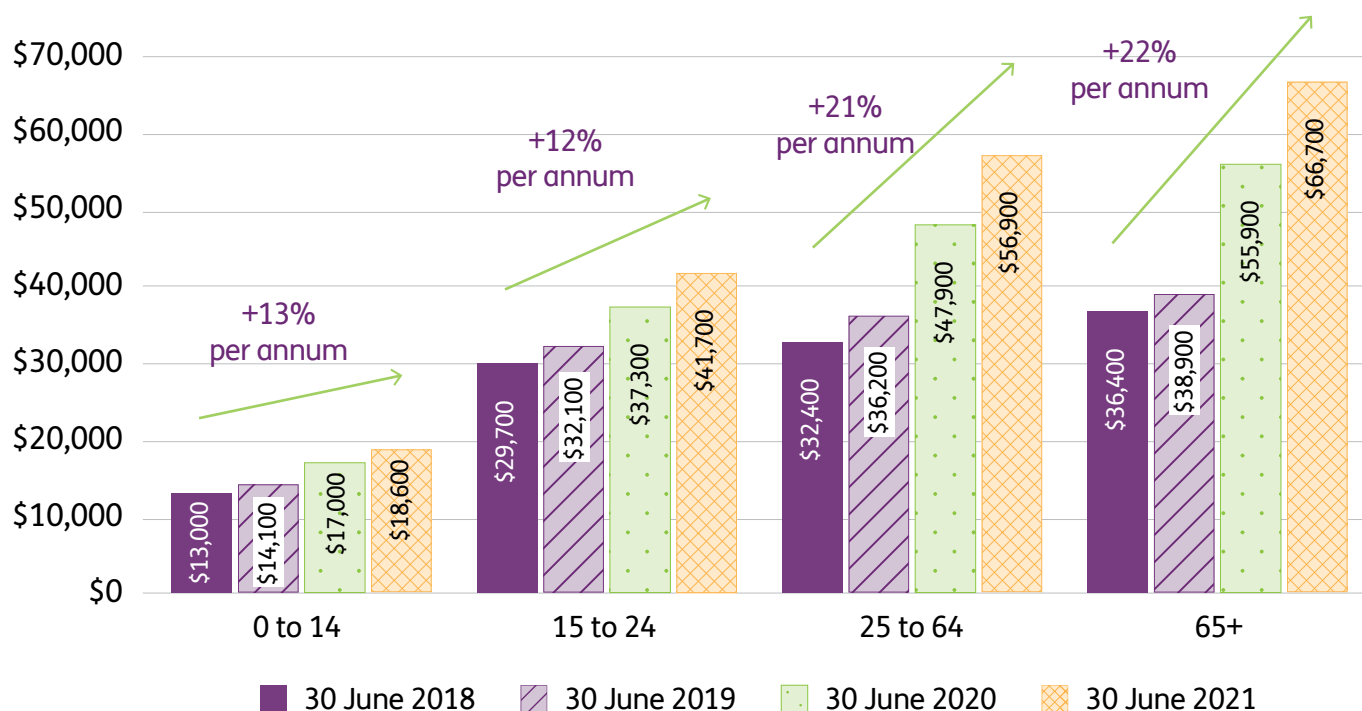
and the average increase for participants aged over 65 is 22 per cent p.a. For participants not in SIL, average payments have increased at a faster rate for adults (those aged over 25) and reflect material increases in the hours of attendant care support received by these participants.

<sup>16</sup> Average annualised payments have been calculated on a cash basis using the 12 months over each year ending 30 June.

<sup>17</sup> For further information, refer to Addendum 2 to NDIA's Quarterly Report to Disability Ministers at 30 June 2021:

[www.ndis.gov.au/media/3475/download?attachment](http://www.ndis.gov.au/media/3475/download?attachment)



**Figure 3.2I: Average annualised payments over time for non-SIL participants by age band<sup>18</sup>**

A forward looking approach to inflation has been adopted, that is, it is not assumed past trends will continue. Inflation is expected to be 6.7 per cent in 2021-22 and 3.5 per cent in 2022-23. These figures include the impact of the change in mix in Scheme population (with average reported functional capacity increasing<sup>19</sup>), and the consequent expected reduction in average payment per participant.

The historic average shown implicitly includes change in mix, and so the most appropriate comparison to past experience is the total including change in mix.

Figure 3.2J and table 3.2A, which compare historic inflation experience with the adopted total inflation in this review, shows that the forecast inflation (including change in mix) is below the observed average over the preceding 3 years. In particular, the assumed rate of 9.7 per cent from 2020-21 to 2021-22 is higher than future years noting that just over half of this inflation has already occurred in the latter half of 2020-21<sup>20</sup>. There is considerable uncertainty regarding these future levels of superimposed inflation, and the impact of different scenarios is quantified in Section 6.1 of the full AFSR.

<sup>18</sup> Average annualised payments have been calculated on a cash basis using the 12 months over each year ending 30 June.

<sup>19</sup> New entrants to the Scheme have higher levels of functional capacity on average than existing participants, which means that the average functional capacity of Scheme participants is expected to increase over time, which (all else being equal) is expected to result in a reduction in average payment per participant.

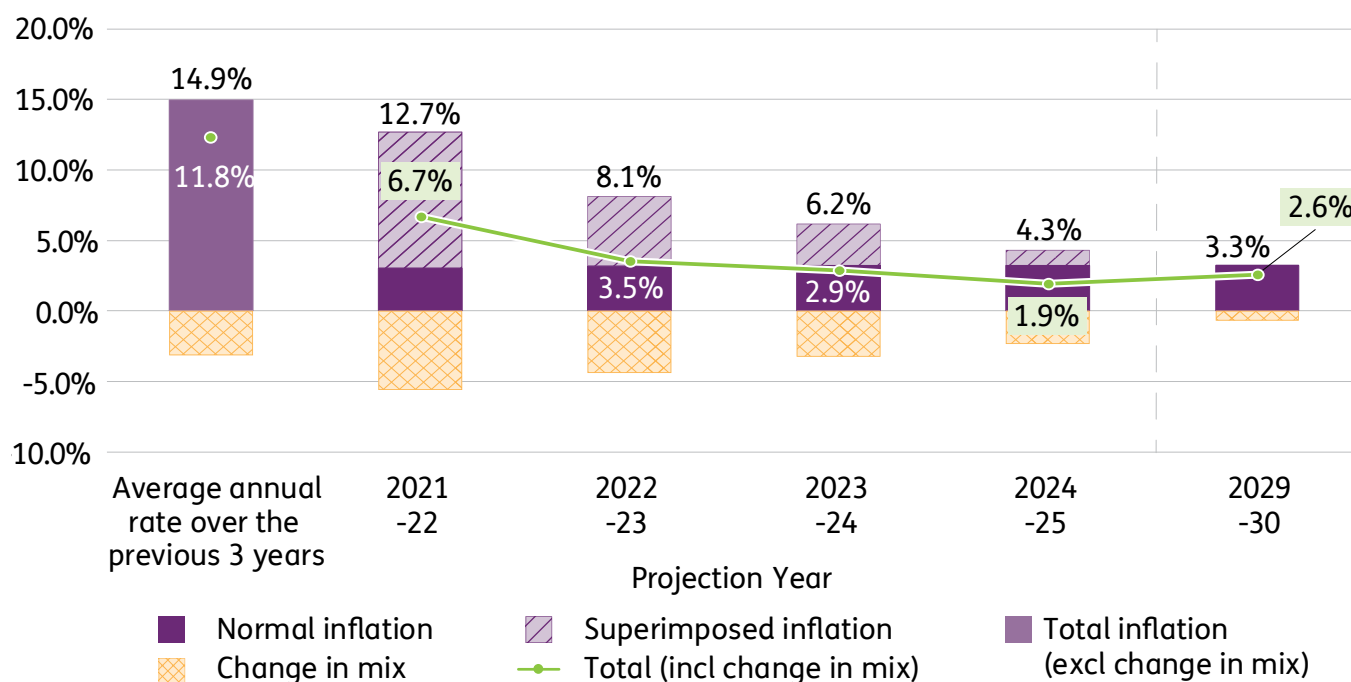
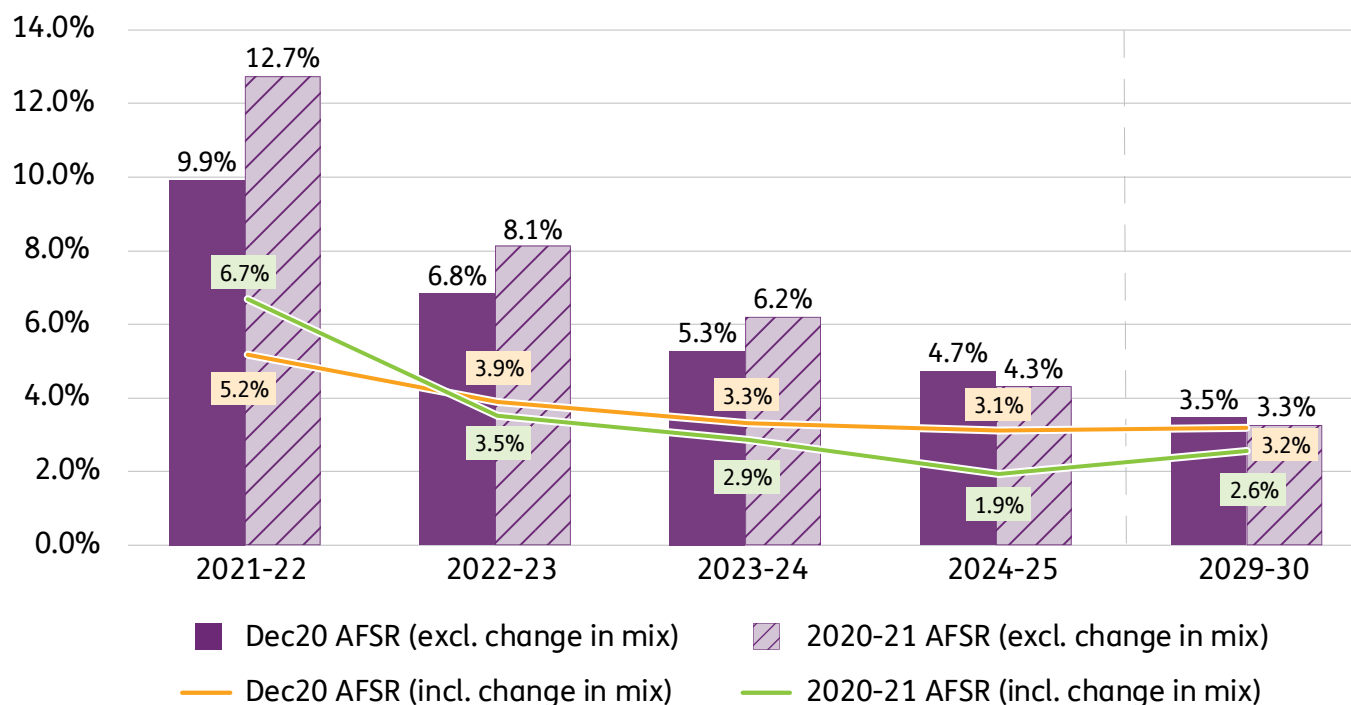
<sup>20</sup> Of the superimposed inflation of 9.7% in 2021-22, which represents the increase from the 2020-21 year to the 2021-22 year, 5.2% had already occurred at 30 June 2021, and the remaining 4.3% (compounded) is assumed to occur in future.

**Table 3.2A:** Comparison of historic inflation experience and adopted total inflation<sup>21</sup>

Inflation on payments	Average annual rate over the previous 3 years	Projection Year					
		2021-22	2022-23	2023-24	2024-25	2029-30	Thereafter
2020-21 AFSR							
Normal inflation		3.0%	3.2%	3.2%	3.2%	3.2%	3.2%
Superimposed inflation		9.7%	5.0%	3.0%	1.1%	0.0%	0.0%
Total (excl change in mix)	14.9%	12.7%	8.1%	6.2%	4.3%	3.3%	3.3%
Change in mix	-3.1%	-5.6%	-4.4%	3.2%	-2.3%	-0.7%	
Total (incl change in mix)	11.8%	6.7%	3.5%	2.9%	1.9%	2.6%	

Further, adopted total inflation at this review (excluding change in mix) is higher than the previous review for the next 3 years (figure 3.2K).

<sup>21</sup> *ibid.*

**Figure 3.2J:** Comparison of historic inflation experience and adopted total inflation<sup>22</sup>**Figure 3.2K:** Comparison of adopted total inflation with previous review<sup>23</sup>

22 Total expected inflation shown is lower than normal inflation plus superimposed inflation because the change in mix of participants is expected to lead to reductions in average payment per participant (before allowing for normal inflation and superimposed inflation). The historic average shown implicitly includes change in mix, and so the most appropriate comparison to past experience is the total including change in mix. Of the superimposed inflation of 9.7% in 2021-22, which represents the increase from the 2020-21 year to the 2021-22 year, 5.2% had already occurred at 30 June 2021, and the remaining 4.3% (compounded) is assumed to occur in future.

23 *ibid.*

## Total participant costs

Combining the information on the projected number of participants and projected average payment per participant, results in total participant costs of \$29.2 billion in 2021-22, \$41.4 billion in 2024-25, and \$59.3 billion in 2029-30 (on an accrual basis).<sup>24</sup>

**Table 3.2B:** Projected participant costs (cash and accrual basis)

Participant Costs (\$million)	2021-22	2022-23	2023-24	2024-25	2029-30
<b>Participant Costs (cash basis)</b>					
Participant Costs (0-64)	26,994	30,965	34,345	37,067	51,471
Participant Costs (65+)	1,837	2,464	3,114	3,748	7,012
<b>Total Participant Costs (cash basis)</b>	<b>28,831</b>	<b>33,429</b>	<b>37,459</b>	<b>40,814</b>	<b>58,483</b>
<b>Participant Costs (accrual basis)</b>					
Participant Costs (0-64)	27,359	31,386	34,812	37,569	52,169
Participant Costs (65+)	1,864	2,501	3,161	3,803	7,115
<b>Total Participant Costs (accrual basis)</b>	<b>29,223</b>	<b>33,886</b>	<b>37,973</b>	<b>41,373</b>	<b>59,284</b>

As noted above, this projection is not simply an extrapolation of past trends. Instead, a forward-looking approach has been adopted for new entrants, non-mortality exit rates, and inflation in average payments. The scenario analysis in Section 6.1 of the full AFSR considers a range of uncertainties in relation to these key assumptions.

<sup>24</sup> Cost is based on when the service was actually provided to the participant recognising some services are paid for after the end of the period. Estimates in the PBS are on an accrual basis.

## Comparison with previous AFSR

The projected participant costs are approximately \$3.9 billion higher than the previous review in the 4 years to June 2025, and about \$1.0 billion lower in 2029-30 (table 3.2C).

**Table 3.2C: Total Participant costs (accrual basis) compared to previous review**

Projected participant costs (\$million)	Projection Year					Total
	2021-22	2022-23	2023-24	2024-25	2029-30	2021-25
2020-21 AFSR	29,223	33,886	37,973	41,373	59,284	142,455
Dec20 AFSR	28,139	32,900	36,906	40,659	60,324	138,603
Difference	1,085	987	1,066	714	-1,040	3,852

The sources of variance between this projection and the previous review are shown in table 3.2D:

- Changes to assumptions regarding population numbers (predominantly the number of new participants entering SIL) have **reduced** the projection by \$5.0 billion in the 4 years to June 2025 and \$3.2 billion in 2029-30
- Higher base payment assumptions (i.e. the average payment per participant in the immediate future), resulting from higher recent payment experience have **increased** the projection by \$3.5 billion in the 4 years to June 2025 and \$1.4 billion in 2029-30
- An increased allowance for future inflation (i.e. **in addition** to the higher base payment assumptions), has **increased** the projection by \$7.1 billion in the 4 years to June 2025 and \$2.6 billion in 2029-30
- A reduction of 8.5 per cent in the allowance for the average payment for new entrants, has **reduced** the projection by \$1.8 billion in the 4 years to June 2025 and \$1.9 billion in 2029-30. This reduction arises from new entrants, on a mix-adjusted basis, being observed to cost less than existing participants.

**Table 3.2D: Variance between this projection and previous review**

Total participant costs - accrual basis (\$million)	Projection Year					Total 2021-25
	2021-22	2022-23	2023-24	2024-25	2029-30	
Updated population numbers and assumptions	-486	-1,121	-1,513	-1,882	-3,163	-5,002
Updated base payment assumptions	818	849	901	967	1,404	3,535
Updated inflation assumptions	866	1,613	2,262	2,422	2,646	7,163
Lower cost of new entrants	-112	-354	-584	-793	-1,927	-1,843
<b>Total impact of experience and modelling</b>	<b>1,085</b>	<b>987</b>	<b>1,066</b>	<b>714</b>	<b>-1,040</b>	<b>3,852</b>
Updated population numbers and assumptions	-1.7%	-3.4%	-4.1%	-4.6%	-5.2%	-3.6%
Updated base payment assumptions	2.9%	2.6%	2.4%	2.4%	2.3%	2.6%
Updated inflation assumptions	3.1%	4.9%	6.1%	6.0%	4.4%	5.2%
Lower cost of new entrants	-0.4%	1.1%	- 1.6%	-1.9%	-3.2%	1.3%
<b>Total impact of experience and modelling</b>	<b>3.9%</b>	<b>3.0%</b>	<b>2.9%</b>	<b>1.8%</b>	<b>-1.7%</b>	<b>2.8%</b>



## Comparison with PBS and Productivity Commission estimates

Projected participant costs are higher than the most recent 2021-22 Portfolio Budget Statements (table 3.2E), and higher than the 2017 Productivity Commission costing (table 3.2F).<sup>25</sup>

**Table 3.2E: Projected total Participant costs (accrual basis) compared to PBS**

Comparison to Portfolio Budget Statements (PBS) (\$million)	Projection Year				Total
	2021-22	2022-23	2023-24	2024-25	
2021-22 Portfolio Budget Statements (PBS, accrual basis)	26,487	28,257	29,425	31,884	116,053
Participant costs from Jun21 AFSR (cash basis)	28,831	33,429	37,459	40,814	140,534
Estimated costs for support provided but not yet paid	392	457	513	558	1,921
Participant costs from Jun21 AFSR (accrual basis)	29,223	33,886	37,973	41,373	142,455
Participant costs, compared to Portfolio Budget Statements	2,736	5,629	8,548	9,489	26,402

**Table 3.2F: Projected total Participant costs (accrual basis) compared to estimates of Scheme costs in the 2017 PC study report<sup>26,27</sup>**

Participant costs - accrual basis (\$million)	2021-22	2022-23	2023-24	2024-25	2029-30
2017 Productivity Commission report	25,158	26,740	28,351	30,555	40,915
<i>less operating costs</i>	-1,450	-1,503	-1,511	-2,054	-2,784
2017 Productivity Commission participant costs	23,708	25,238	26,839	28,500	38,130
Baseline projected participant costs (accrual basis)	29,223	33,886	37,973	41,373	59,284
Difference	5,515	8,649	11,133	12,872	21,154

<sup>25</sup> This projection is also higher than the 2021 Intergenerational Report projection which is based on the 2021-22 PBS in the short-term.

<sup>26</sup> The Productivity Commission costings did not include an explicit allowance for children with developmental delay, for the student transport and personal care in schools in kind support programs and for disability related health supports, noting that these four items could account for an additional \$1.5 billion per annum.

<sup>27</sup> Productivity Commission 2017, National Disability Insurance Scheme (NDIS) Costs, Study Report, Canberra (Table 2.3), excluding operating costs and interim years are calculated on a consistent basis.

The 2021-22 PBS included an increase in future expenditure for 2021-22 onwards compared with the 2020-21 PBS (of \$12.0 billion). A comparison of actual participant costs and previous Portfolio Budget Statements is shown in table 3.2G, with a negative amount reflecting underspend on participant costs and a positive amount reflecting an overspend.

**Table 3.2G** Comparison of actual participant costs and PBS estimates

Total participant costs (\$million)	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Portfolio Budget Statements 2021-22						26,487	28,257	29,425	31,884
Portfolio Budget Statements 2020-21					21,720	23,807	24,022	24,315	
Portfolio Budget Statements 2019-20				16,262	20,903	22,116	23,361		
Portfolio Budget Statements 2018-19			15,139	19,537	21,064	22,300			
Portfolio Budget Statements 2017-18		8,045	14,267	17,856	19,165				
Portfolio Budget Statements 2016-17	3,487	8,813	15,905	20,077					
Actual participant costs (accrual)	2,238	5,418	10,460	17,589	23,347				
Actual participant costs compared with latest PBS	-1,249	-2,627	-4,679	1,327	1,627				

## Operating Costs

The Agency maintains a detailed activity-based costing of its operations. The operating expenses adopted in this AFSR are based on this internal model. In 2020-21 actual operating expenses (at \$1.5 billion) were lower than budgeted in the PBS by \$40.7 million, or 2.7 per cent (table 3.2H). In 2020-21 operating costs represented 6.3 per cent of participant costs.

**Table 3.2H: Actual operating expenses compared to expectations for 2020-21**

Operating expenses - full year to 30 June 2021	\$million
Actual	1,481.0
Budget (from 2020-21 PBS)	1,521.7
Difference (Actual - Budget)	-40.7

Operating expenses, as a percentage of participant costs, are projected to reduce over time, as the relative cost of bringing new participants into the Scheme is expected to reduce, and also because the average payment per participant is expected to increase at a faster rate than the inflation rate assumed to underpin the Scheme's operating costs (table 3.2I). Operating costs are forecast to be 6.0 per cent of participant expenses in 2021-22, reducing to 5.0 per cent in 2024-25, and 4.1 per cent in 2029-30.

**Table 3.2I: Agency operating costs**

Operating and Participant Costs (\$million)	Projection Year to 30 June				
	2022	2023	2024	2025	2030
2020-21 AFSR					
Participant Costs (accrual basis)	29,223	33,886	37,973	41,373	59,284
Operating Costs	1,760	1,879	1,978	2,055	2,452
As a % of Participant Costs	6.0%	5.5%	5.2%	5.0%	4.1%

The forecast operating costs of \$1,760 million in 2021-22 are approximately \$250 million (or 18 per cent) higher than those in 2020-21 (and a similar amount higher than the amount allowed for in the 2021-22 PBS), however this variance is regarded as relatively small in the context of the sustainability risks relating to participant costs which are identified in this report, and the recommended operating expense range in the 2017 PC study report, of 7-10 per cent.<sup>28</sup>

<sup>28</sup> Productivity Commission 2017, National Disability Insurance Scheme (NDIS) Costs, Study Report, Canberra (Page 412).

## Variability in cost projections – scenario analysis

The projections presented in Section 5 of the full AFSR represent the “baseline” estimate of Scheme population and costs. As highlighted throughout this report, there is considerable uncertainty in relation to these projections, and the actual cost may vary from the baseline projections possibly significantly. More specifically there is significant uncertainty in relation to:

- **Numbers of new entrants to the Scheme** – observed numbers of new participants, whilst slightly lower than the previous review are significantly higher than those forecast in earlier reports and in the 2017 PC Study Report. Whilst the number of new entrants per annum is reducing it is unclear when they will stabilise and at what level
- **The average payment for new entrants to the Scheme** – there are relatively few years of experience from which to determine the average payment for new entrants, compared to existing participants. As more new entrants enter the Scheme the relative average payment for new entrants may vary substantially from that previously observed
- **Rates of non-mortality exits** – observed rates of non-mortality exits are significantly lower than forecast in previous reports and in the 2017 PC Study Report and the long term rates assumed may not eventuate
- **Rates of superimposed inflation** – average payments per participant have grown at rates substantially exceeding normal inflation for several years. Whilst some of the pressures giving rise to past increases remain, these would not be expected to continue indefinitely and hence past rates of inflation do not provide definitive guidance regarding likely future rates of inflation

- **Numbers of participants transitioning into SIL** –there is only one year of experience of participants transitioning into SIL following all geographic regions gaining access to the Scheme. Longer term SIL participant numbers are therefore based on relatively little experience.

To consider the uncertainty inherent within the projection revised projections have been calculated for a number of scenarios. These consider a range of plausible outcomes in relation to the uncertainties above. Table 3.2J shows the range of plausible scenarios estimated. Comments about specific scenarios are as follows:

- *Two additional years of high inflation* is assumed at the same rate as observed over the past 3 years, which is higher than that assumed in the baseline projection
- *Higher long term new incidence assumptions* are consistent with the rate observed over the past year which is higher than that assumed in the longer term in the baseline projection
- *Lower non-mortality exit rates* are consistent with those recently observed, which are lower than those assumed in the longer term in the baseline projection
- *Higher cost of new entrants* assumes new entrants having the same average payment as existing participants in the same cohort<sup>29</sup>
- *One year less of high inflation* assumes that inflation reduces to a lower long term level one year earlier (i.e. the long-term assumption is adopted from 2027-28 onwards compared with 2028-29 onwards in the baseline projection).

<sup>29</sup> Each cohort is a unique combination of age group, gender, primary disability, level of function and SIL status. There are a total of 2,052 cohorts which are separately projected.

- *Lower long term new incidence assumptions* projects new entrants consistent with that assumed at 30 June 2020, which is about 33 per cent below current assumptions. *Lower cost of new entrants* assumes new entrants having average payments 17 per cent below existing participants, consistent with the recent observed experience (under the baseline projection the cost of new entrants is assumed to be 8.5 per cent lower than existing participants)
- Other scenarios include:
  - variances in the number of SIL participants (200 less p.a. in the reduction scenario and 500 more in the increase scenario)
  - lower general population growth (i.e. lower growth in the Australian population)
  - 3 additional years of new entrant numbers in excess of the long term rate (i.e. the new incidence rate stabilises in 2026-27 instead of 2023-24).

The plausible range estimated in 2024-25 is between \$39.0 billion and \$47.8 billion, whilst the plausible range estimated in 2029-30 is between \$53.2 billion and \$74.2 billion.

**Table 3.2J:** Plausible range of cost outcomes

Scenarios - all participants	Projection Year					Total 2021-25
	2021-22	2022-23	2023-24	2024-25	2029-30	
Baseline Projection	29,223	33,886	37,973	41,373	59,284	142,455
<b>Cost increase scenarios</b>						
Two additional years of high inflation	1,183	2,508	3,247	5,240	10,180	12,179
Higher long term new incidence assumptions	0	76	500	1,253	6,272	1,828
Lower non-mortality exit rates	15	82	233	488	2,655	818
Higher cost of new entrants	113	355	585	794	1,929	1,845
Other	150	269	689	1,301	3,275	2,409
<b>Total of cost increase scenarios</b>	<b>1,461</b>	<b>3,290</b>	<b>5,253</b>	<b>9,075</b>	<b>24,312</b>	<b>19,079</b>
<b>Plausible High Case (variance)</b>	<b>1,264</b>	<b>2,726</b>	<b>3,883</b>	<b>6,470</b>	<b>14,872</b>	<b>14,344</b>
<b>Cost reduction scenarios</b>						
One year less of high inflation	-871	-1,217	-1,697	-2,015	-3,718	-5,800
Lower long term new incidence assumptions	0	0	0	0	-1,789	0
Lower cost of new entrants	-113	-355	-585	-794	-1,929	-1,845
Other	-60	-98	-177	-268	-1,918	-603
<b>Total of cost decrease scenarios</b>	<b>-1,044</b>	<b>-1,670</b>	<b>-2,459</b>	<b>-3,077</b>	<b>-9,354</b>	<b>-8,249</b>
<b>Plausible Low Case (variance)</b>	<b>-917</b>	<b>-1,364</b>	<b>-1,960</b>	<b>-2,403</b>	<b>-6,125</b>	<b>-6,645</b>
<b>Plausible High Case (total)</b>	<b>30,487</b>	<b>36,613</b>	<b>41,855</b>	<b>47,843</b>	<b>74,156</b>	<b>156,799</b>
<b>Plausible Low Case (total)</b>	<b>28,306</b>	<b>32,523</b>	<b>36,012</b>	<b>38,970</b>	<b>53,159</b>	<b>135,811</b>

The plausible high and low case scenarios shown combine the various components of variance. Low positive correlation is assumed between the various components, resulting in the overall plausible scenarios being less extreme than the totals of the individual components.

It is also noted that the range adopted includes considerably more upside (that is, higher costs) than downside (that is, lower costs) risk. This results from considerably greater upside risk relating to superimposed inflation (that is, superimposed inflation could be higher), new incidence rates (that is, new incidence rates could be higher) and exit rates (that is, exit rates could be lower).





Australian Government  
Australian Government Actuary

10 September, 2021

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

Dr Nugent

## **JUNE 2021 FINANCIAL SUSTAINABILITY REPORT**

This letter summarises my review of the 30 June 2021 Annual Financial Sustainability Report (FSR), prepared by the Scheme Actuary.

### **THE FSR**

Subsection 180B(1) of the *National Disability Insurance Scheme (NDIS) Act 2013* requires the Scheme Actuary to prepare a FSR, at least annually. The FSR provides a long-term projection of the Scheme's expected costs, using assumptions that are informed by the experience of the Scheme. Part 3 of the *NDIS Rules for the Scheme Actuary* sets out requirements for the content of the FSR.

I have been provided with the FSR (version 0.1), the projection model used to undertake the 30 June 2021 projection presented in the FSR and supplementary information summarising the experience of the scheme to date. The Agency has taken the steps necessary for me to undertake this review, in accordance with subsection 180E(3) of the NDIS Act.

The last projection I reviewed was the 31 December 2020 projection. This review focusses on the reasonableness of the 30 June 2021 projection. Where changes between projections are considered this letter focusses on changes since the 31 December 2020 projection.

### **THE PROJECTION**

The projection model is described in section three of the FSR. The model adopted is consistent with that used for the December 2020 projection. The starting population and projection assumptions have been updated.

In this projection, accrued participant costs in FY21-22 of \$29.2bn are \$1.1bn (3.9%) higher than the December projection. The amount by which the projection has increased reduces over time and is \$1.2bn (2.0%) lower in FY29-30.

## 2

Part of the short-term increase is due to the higher-than-expected starting point for this projection. This arises from higher average costs per participant, slightly offset by lower than anticipated participant numbers. The FSR discusses how recent experience has varied from that which was expected.

Part of the short-term increase is attributable to updated assumptions relating to the future experience of the Scheme. This allows for the emerging experience of the scheme, in conjunction with judgement about how future experience may evolve. The most significant assumption change impacting short-term results is higher assumed short-term inflation. The effect of this is moderated in the first three projection years by fewer expected participants who are 'new to support'. Assumptions regarding the assumed incidence of new disabilities (increased in December) have been further reviewed and these assumptions have remained constant for this projection. This projection reasonably represents the emerging experience of the scheme. This is appropriate.

The long-term reduction in the projection is a result of lower assumed average costs for new entrants, lower SIL numbers and the lower population projection for the wider Australian population, given the impacts of COVID-19.

Participant costs are forecast to be 1.37% of GDP in FY20-21, increasing to 1.95% in FY29-30. Costs increase as a percentage of GDP due to the combined effect of the assumed ongoing rates of new entrants, relatively lower assumed rates of exit, the effects of ageing in the scheme and superimposed inflation. Given the young age of many new entrants, it will take many years before the scheme reaches a stable population. Whilst there is higher uncertainty for longer term projection results, the mathematical outcome of these assumptions is that costs continue to grow as a percentage of GDP beyond 2040.

## UNCERTAINTY

There is considerable uncertainty when setting some of the assumptions for the projection. This is particularly relevant when considering the ultimate prevalence of disabilities in the general population, the rates of new incidence of disabilities and whether these rates are stable over time, non-mortality exit rates from the scheme, long term SIL numbers and costs, the ultimate rate of utilisation of participant plans and future superimposed inflation. This uncertainty continues to be present for this projection. The immaturity of the scheme also contributes to this uncertainty.

Uncertainty means that the actual future experience will vary from the central projection in this FSR. Uncertainty in all projections is generally greater in the longer term, compared to the shorter term.

This projection assumes that the rate of new entrants will reduce, and the rate of exits will increase, as the scheme matures. In addition, the projection assumes that the rate of superimposed inflation will reduce. Whilst I believe the Scheme Actuary has taken

## 3

reasonable steps to set “best estimate” assumptions, future experience could vary more considerably in respect of these assumptions. Appropriately, the FSR highlights the assumptions where there is greater risk that projected costs may be understated. Should these changes in experience fail to materialise then actual future costs would be higher, all else being equal.

Section Six of the FSR provides scenarios that illustrate the uncertainty in scheme outcomes. I commend this section of the report to the reader. This uncertainty also highlights the importance of updating the projection on a regular basis, as experience emerges.

### **SUSTAINABILITY**

Forecast costs are significantly higher than what was originally expected and increase (as a percentage of GDP) for many years. What is sustainable needs to balance meeting participants' needs by achieving positive outcomes at a level that is, and is expected to remain, affordable. The Scheme Actuary has made a number of recommendations to support the sustainability of the scheme over time.

### **CONCLUSION**

The projection is based on emerging scheme experience. There is uncertainty around a number of the assumptions which is exacerbated due to the immaturity of the scheme. Whilst noting this uncertainty, I am satisfied that the results of the projection are within a range of reasonably likely outcomes.

The projection incorporates changes in the future experience. Should this not occur, future costs will be higher than projected. This is articulated in the report and should be noted.

The sustainability of the scheme remains exposed to a number of risks. I believe that these risks are understood by the Board.

Yours sincerely



Guy Thorburn  
Australian Government Actuary

## 3.3 Annual performance statements

I, Dr Helen Nugent AO, as Chairman of the Accountable Authority of the National Disability Insurance Agency (NDIA), present the NDIA's 2020–21 annual performance statements, as required under paragraph 39(1)(a) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act).

The performance statements acquit the performance criteria as published in both the NDIA Corporate Plan 2020–2024 and Portfolio Budget Statements 2020–21, Budget Related Paper No 1.12.

In the opinion of the Board, the annual performance statements have been appropriately prepared and presented in compliance with subsection 39(2) of the PGPA Act and are based on properly maintained records and accurately reflect the performance of the NDIA for 2020–21.

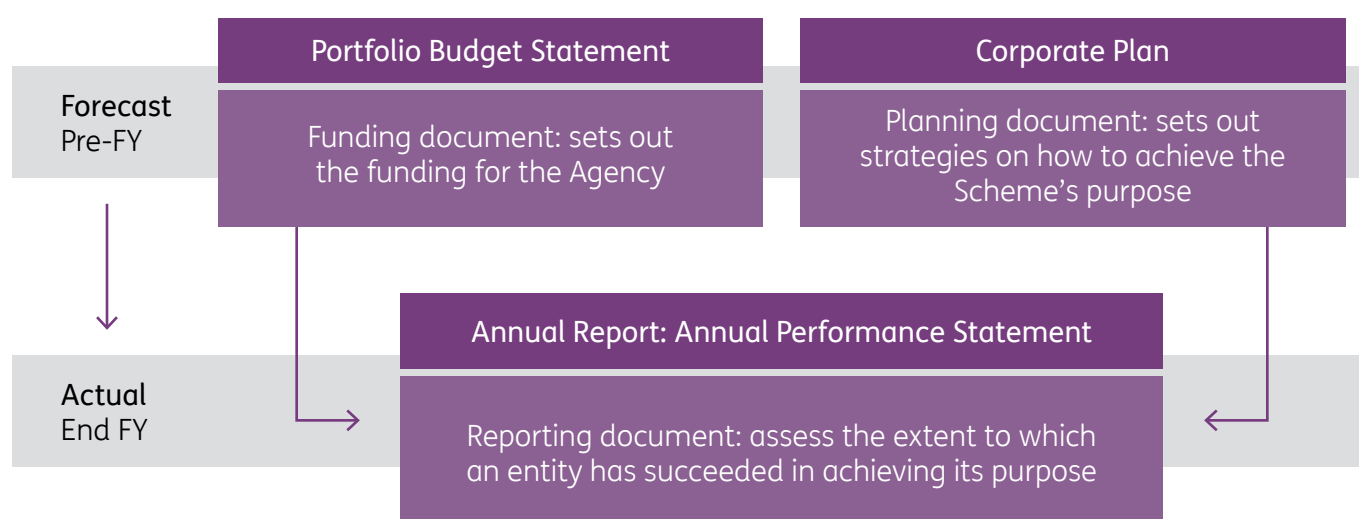
The data included in the annual performance statement is to be read in conjunction with the commentary provided in Section 2 of this annual report.

Dr Helen Nugent AO  
Chairman  
National Disability Insurance Agency

### 3.3.1 Introduction

As a Commonwealth entity, the NDIA is subject to the Commonwealth Performance Framework. The framework has 3 key elements as outlined in Figure 3.3.1A:

**Figure 3.3.1A: Commonwealth Procurement Framework**



The annual performance statements are one of the 3 core elements of this performance framework. The NDIA Portfolio Budget Statements 2020–21 (PBS), published in Budget Related Paper No 1.12 and the NDIA 2020–24 Corporate Plan constitute the remaining 2 components.

### 3.3.2 Structure and content

The annual performance statement is structured around the metrics outlined in the NDIA Corporate Plan 2020 - 2024<sup>30</sup>.

The structure of the performance metrics and targets provides a high-level scorecard of our progress towards delivering enhanced participant outcomes, while maintaining long-term financial affordability. To assist in understanding the results, the individual metrics have been categorised as follows:

1. Participant and Scheme outcomes
2. Participant and stakeholder sentiment
3. Scheme financial sustainability and integrity
4. Scheme operating performance
5. Market performance
6. Agency operating performance

The metrics are also designed to provide a longitudinal understanding of the performance and impact of the Scheme.

The selection of these metrics addresses how the Agency will realise its purpose<sup>31</sup> and has been cross-referenced to the outcomes published in the October 2020 Public Budget Statements (PBS).

The report outlines our actual results against each performance metric or target, with supporting comments where relevant.

<sup>30</sup> Source: NDIA Corporate Plan 2020–24, Section 7. Performance metrics and targets pg. 40

<sup>31</sup> Source: NDIA Corporate Plan 2020–24, Section 1. About the Scheme pg. 8

### 3.3.3 Performance measurement

The NDIA uses multiple metrics to assess its performance. These metrics describe the NDIA's long-term focus to achieve its purpose.

Performance measurement is an ongoing process and performance monitoring occurs on a monthly basis for the Board and the executive leadership team.

The result against each of the specified metrics comes from one of 4 primary sources within the Agency:

- Actuarial data and projections from the Office of the Scheme Actuary which are peer reviewed by the Government Actuary
- Audited NDIA financial statements
- The APS annual census survey
- Participant satisfaction and outcomes surveys
- NDIA employee systems.

### 3.3.4 Performance results

#### 1. Participant and Scheme outcomes

Participant and Scheme outcomes are measured by:

- participant employment rate (%)
- participant social and community engagement rate (%)
- parent and carer employment rate (%)
- children benefiting from the Scheme and no longer needing supports (%)

**Table 3.3.4A: Participant and Scheme outcomes**

Performance metric	2019-20 Result	2020-21 Result	2020-21 target	Comments
Participant employment rate (%) <sup>*</sup> Baseline: 22%	24%	22%	24%	<p>Results are sourced from the Short Form Outcomes Framework questionnaires. Data is updated quarterly for participants who have been in the Scheme for at least 2 years.</p> <p>The underlying number of participants employed has remained relatively stable. Uncertainty caused by COVID-19 has however, had an unfavourable impact on the participant employment rate this year.</p> <p>The revised employment strategy identifies 6 priority areas for future work with partners and stakeholders to address this in 2021-22.</p>

<sup>\*</sup> Denotes results that reflect the June quarter for the respective year.



Performance metric	2019-20 Result	2020-21 Result	2020-21 target	Comments
Participant social and community engagement rate (%) <sup>*</sup> Baseline: 36%	48%	45%	50%	<p>Results are sourced from the Short Form Outcomes Framework questionnaires. Data is updated quarterly for participants who have been in the Scheme for at least 2 years.</p> <p>Baseline data shows that the Scheme has enhanced social and community engagement over the long term. In July 2016, the average baseline was 36%, this has now increased to 45% overall.</p> <p>Whilst providers and the community have worked hard to facilitate COVID safe engagement activities, COVID has adversely affected the result in 2020-21.</p>
Parent and carer employment rate (%) <sup>*</sup>	49%	48%	50%	<p>Results are sourced from the Short Form Outcomes Framework questionnaires. Data is updated quarterly for participants who have been in the Scheme for at least 2 years.</p> <p>Disruption in employment and an increased caring requirement due to COVID-19, made this target challenging to achieve this year.</p>
Children benefiting from the Scheme and no longer needing supports (%) <sup>**</sup>	5.7%	4.5%	Establish baseline	<p>This calculation includes children exiting the ECEI gateway (i.e. those who we have helped and who are transferring to mainstream and community supports) and child participants aged 0-14 with approved plans who are exiting the Scheme (i.e. no longer eligible for an approved plan).</p> <p>This metric was introduced to show the effectiveness of early childhood interventions. During the year, the result reduced and then has risen again from 1.5% to 4.5%.</p> <p>Continued work to simplify our processes and enhance integration with mainstream supports is required to enhance this result.</p>

<sup>\*</sup> Denotes results that reflect the June quarter for the respective year.

<sup>\*\*</sup> Denotes results that reflect the month of June for the respective year.

## 2. Participant and stakeholder sentiment

Participant and stakeholder sentiment is measured by:

- participant satisfaction (%)
- participant perception of choice and control (%)
- disability sector sentiment and confidence (%)
- general community sentiment and confidence (%)
- provider sentiment and confidence (%).

**Table 3.3.4B: Participant and stakeholder sentiment**

Performance metric	2019-20 result	2020-21 result	2020-21 target	Comments
Participant satisfaction (%)**	N/A	75%	>80%	<p>In October 2020, the NDIA transitioned administration of the participant survey to a different provider, in line with the Tune review recommendations.</p> <p>This has created a 'break' in the time series of results, such that the 2019-20 results are not directly comparable to the 2020-21 target.</p> <p>Participant satisfaction is measured across 4 stages of the pathway. In the June 2020-21 quarter, participants rated;</p> <ul style="list-style-type: none"> <li>• the Planning process 83%</li> <li>• Access 77%</li> <li>• Pre-Planning 77%</li> <li>• Review process 71%.</li> </ul> <p>Continued implementation of the Participant Service Improvement Plan (SIP) and Participant Service Charter (PSC) in 2021-22, should also enhance participant satisfaction.</p>

\*\* Denotes results that reflect the month of June for the respective year.

Performance metric	2019-20 result	2020-21 result	2020-21 target	Comments
Participant perception of choice and control (%)*	75%	75%	72%	<p>Results are sourced from the Short Form Outcomes Framework questionnaires. Data is updated quarterly for participants aged 15+ who have been in the Scheme for at least 2 years.</p> <p>Participant 'choice and control' has increased, consistently remaining above target throughout 2020-21. This is driven by the Agency's focus to increase budget flexibility, enable more housing support options and increase service provision in rural and remote areas.</p>
Disability Sector sentiment and confidence (%)	59%	N/A	65%	<p>The Agency did not complete a Disability Sector sentiment survey in FY21.</p> <p>Instead, it was replaced in August 2020 by the general community sentiment and confidence survey, reported on below.</p>
General community sentiment and confidence (%)**	Not measured	68%	Establish baseline	<p>The monthly community sentiment survey was initiated in August 2020 and is calculated using four brand sentiment measures reputation, trust, support and positivity towards the agency.</p> <p>The general community sentiment and confidence survey has been in place for 9-months.</p> <p>Based on the 2020-21 result, a target of 70% is set for next year.</p>
Provider sentiment and confidence (%)	59%	62%	60%	<p>The provider sentiment and confidence survey is undertaken once a year in September (assessed 2020).</p> <p>The positive result reflects the significant work the Agency undertook in the previous 12 months to address backlogs and payment issues.</p>

\* Denotes results that reflect the June quarter for the respective year.

\*\* Denotes results that reflect the month of June for the respective year.

### 3. Scheme financial sustainability and integrity

Scheme financial sustainability and integrity is measured by:

- spend per participant growth compared to the health cost inflator
- Scheme annual spend (Program 1.1) compared to PBS (%).

**Table 3.3.4C:** Scheme financial sustainability and integrity

Performance metric	2019-20 result	2020-21 result	2020-21 target	Comments
Spend per participant growth compared to the health cost inflator*	7.7 times	4.7 times	Establish baseline	<p>This metric shows the comparative rate of participant plan inflation with inflation more generally. The Agency does this by comparing against the wages' growth of the healthcare and social assistance sector.</p> <p>Participant plan inflation is currently assessed at 4.7 times that of health cost inflation. The 2020-21 result for this metric identifies the need for the NDIA to continue to consider additional ways to manage Scheme affordability.</p> <p>The target for 2021-22 is set at <math>\leq 3</math> times the health care wages growth.</p>
Scheme annual spend (Program 1.1) compared to PBS (%)	108%	107%	100%	<p>The Scheme continued to experience strong growth in Scheme costs in 2020-21. In particular, the growth in participant numbers, coupled with increased spend per participant.</p> <p>This led to a \$1,627 million overspend against original budget, for which additional funding was received in the May 2021 Budget Estimate update.</p>

\* Denotes results that reflect the June quarter for the respective year.

## 4. Scheme operating performance

Scheme operating performance is measured by:

- Participant Service Guarantee timeframes met (%)
- plan utilisation by region (%).

**Table 3.3.4D: Scheme operating performance**

Performance metric	2019-20 result	2020-21 result	2020-21 target	Comments
Participant Service Guarantee (PSG) timeframes met (%)**	Not measured	47%	100%	<p>The Participant Service Guarantee (PSG) is one recommendation from the Tune Review and is not yet legislated.</p> <p>The NDIA has however, voluntarily commenced measuring against the PSG standards<sup>32</sup>.</p> <p>This increased focus now means that 100 per cent of access decisions have been made within the 21 days over the last 6 quarters. This is in conjunction with 96 per cent of first plans being approved within 90 days for 0-6 year olds.</p> <p>As at 30 June 2021, the Agency is currently measuring 17 of the proposed 20 PSG metrics:</p> <ul style="list-style-type: none"> <li>• 8 measures met at least 95% of the time</li> <li>• 3 measures met between 85%-95% of the time</li> <li>• 6 measures met less than 85% of the time.</li> </ul> <p>The calculation for this metric is based on all available PSG metrics achieving the timeframe 95 per cent of the time.</p> <p>Management continues to review and monitor progress towards achievement of the PSG metrics at least by when they are legislated. Specific action plans are in place to address measures that are currently not achieving the required timeframe.</p>

<sup>32</sup> Detail analysis of the PSG metrics is provided in the NDIS Quarterly Report to disability ministers, 30 June 2021, pg 52

\*\* Denotes results that reflect the month of June for the respective year.

Performance metric	2019-20 result	2020-21 result	2020-21 target	Comments
Plan utilisation by region (%)**	10%	7.5%	<8%	<p>The purpose of this metric is to measure the extent of low utilisation (of plan budgets) across geographic regions. Low utilisation may be an indication of low levels of available supports and/or underdeveloped markets.</p> <p>One of the influencing factors in achieving a result better than target is the work on thin market trials and the ongoing program of market intervention projects. This work delivers flexible approaches to addressing market gaps resulting in increased service availability and plan utilisation for participants in areas of thin markets.</p> <p>The 2020-21 result shows an improvement in utilisation across the regions with a reduction from 10% in 2019-20.</p>

## Adam Dale

Mullumbimby-based participant, Adam, lost his independence at age 11 following a severe stroke. Now 50-years-old, Adam has learned to walk again for the first time in 36 years through the supports in his NDIS plan. Adam's father Brian says the NDIS and his son's drive and determination was the winning combination. With access to specialists, Adam's improvements had been possible through support from his Gold Coast-based physiotherapist funded by the NDIS. The next goal for Adam is to regain some of his speech, and Brian says Adam's courage and love of life inspires them each day.



\*\* Denotes results that reflect the month of June for the respective year.



## 5. Market performance

Market performance is measured by:

- market concentration (%)
- providers charging below the price limit (%).

**Table 3.3.4E: Market performance**

Performance metric	2019-20 result	2020-21 result	2020-21 target	Comments
Market concentration (%)**	13%	7.5%	<10%	<p>The purpose of this metric is to measure the market concentration across geographic regions. Higher market concentration may be an indication of low levels of pricing competition (and higher prices), a lack of available supports and/or underdeveloped markets.</p> <p>The Agency continues to work to reduce market concentration where a small number of providers are receiving the majority of the payments across the regions.</p> <p>The 2020-21 result shows a marked reduction of market concentration from 13% in 2019-20.</p>
Providers charging below the price limit (%)*	34%	24%	Establish baseline	<p>The intention of this metric is to measure the efficiency of pricing and the level of competition between providers. In theory, the more competition there is in the market, fewer providers will be charging at the maximum levels published in the price guide.</p> <p>The 2019-20 result is not comparable because it was distorted by the temporary 10% COVID-19 loading to support NDIS providers between March and June 2020.</p>

\* Denotes results that reflect the June quarter for the respective year.

\*\* Denotes results that reflect the month of June for the respective year.

## 6. Agency operating performance

Agency operating performance is measured by:

- Agency spend (Program 1.3) compared to PBS (%)
- Agency spend (Program 1.3) as proportion of Scheme spend (%)
- payment errors/anomalies (% of program outlay)
- staff engagement (%)
- staff with disability (%)
- Senior Executive Service staff with disability (%)
- female representation in the Senior Executive Service (%).

**Table 3.3.4F: Agency operating performance**

Performance metric	2019-20 result	2020-21 result	2020-21 target	Comments
Agency spend (Program 1.3) compared to PBS (%)	104%	99%	100%	<p>The Agency's operating spend achieved target and recorded a result of \$39 million under the PBS Budget.</p> <p>This result was achieved by continued work to reduce the amount of contractors and consultancies engaged by the Agency.</p>
Agency spend (Program 1.3) as proportion of Scheme spend (%)	8.6%	6.5%	8%	<p>The operating expense (Program 1.3) divided by Scheme expense (Program 1.1) is used as a measure of the efficiency of the NDIA in delivering the Scheme.</p> <p>This result has been achieved by continued focus on operational efficiencies, whilst supporting an increasing participant base.</p>
Payment errors/anomalies (% of program outlay)	1.2%	1.3%	<5%	<p>The Agency is committed to educating, preventing and detecting fraud and non-compliance. The result demonstrates the strength of our approach to minimize these errors on an increasing number of payments. This focus to reduce the financial impact of payment errors and anomalies is continued and enhanced for 2021-22.</p>

Performance metric	2019-20 result	2020-21 result	2020-21 target	Comments
Staff engagement (%)	76%	77%	78%	<p>Staff continue to be strongly engaged and committed. The November 2020 APS Census returned a result of 77%, however this has reduced to 74% in the July 2021 survey.</p> <p>This is a positive result considering the impact of COVID and general uncertainty within the community as a whole and remains above the July 2021 APS survey average of 73%.</p>
Staff with disability (%)	11%	17%	20%	<p>Being a leader in the employment of people with disability is important to the NDIA. The November 2020 APS Census returned a result of 17% and this has increased to 19% in the July 2021 survey.</p> <p>Given the APS averages approximately 9%, the NDIA's results over the past two years reaffirms our commitment to this initiative.</p> <p>During 2020 the NDIA was awarded top performer in the 2020 Australian Network on Disability (AND) Access and Inclusion Index (Index) with a score of 87 out of 100.</p>
Senior Executive Service Staff (SES) with disability (%)	5%	12%	7%	<p>Management attention to this metric over the last 12 months has been a key driver in increasing the number of SES with disability employed by the NDIA. The result increased from 5% in the APS Census 2019-20 survey to 12% in November 2020. This has remained steady at 12% in the July 2021 survey.</p> <p>The APS as a whole averaged approximately 5% in November 2020 and 7% in July 2021.</p> <p>Ongoing management focus on affirmative measures, review of retention rates, and building 'manager support' continues has been a factor in this.</p>
Female representation in the Senior Executive Service (SES) (%)**	51%	56%	50%	<p>The female representation in the SES increased in the year. The Agency seeks gender equality at all employee levels in the Agency, including the SES.</p>

\*\* Denotes results that reflect the month of June for the respective year.

## Part 4.

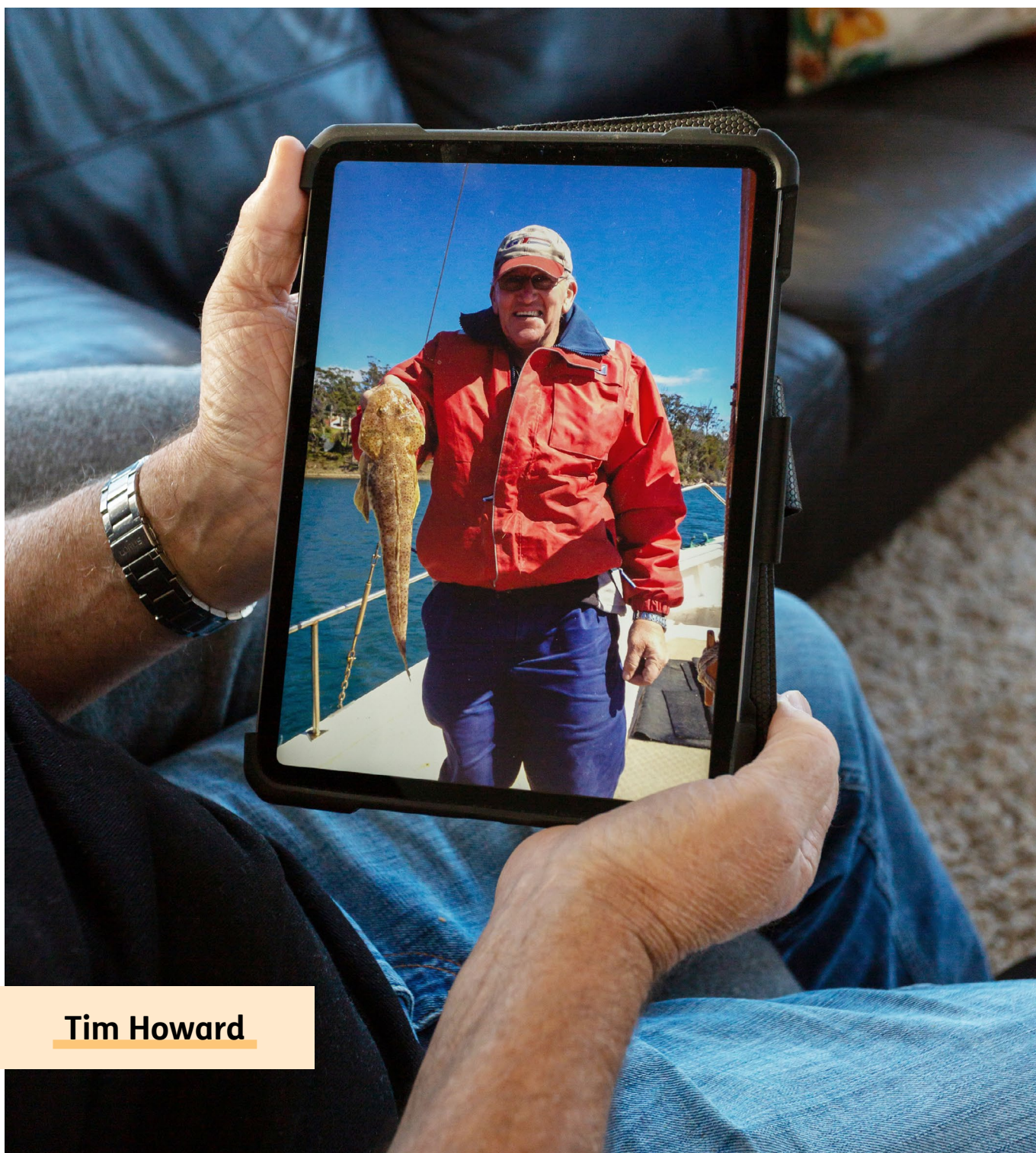
# Management and accountability



‘Now we can do what Tim loves to do whether it’s fishing, being with his family or doing some travel. None of this would have been possible if it wasn’t for the NDIS.’

— Fiona Howard, Tim’s wife





**Tim Howard**

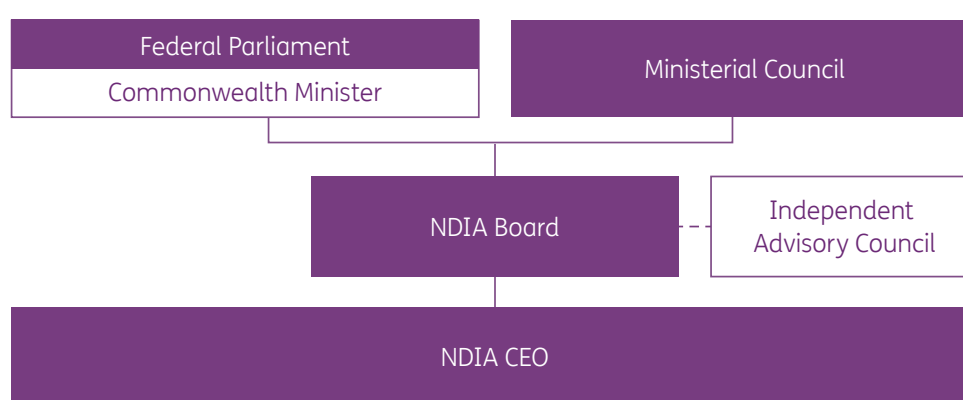
Tasmanian NDIS participant, Tim Howard, was diagnosed, at 58, with Spinocerebellar Ataxia Type 6 (SCA6). It's a rare, hereditary, slowly progressing neurological condition, which affects his balance, mobility, speech and causes epileptic seizures. Thought to be only one of a few people with the condition in Tasmania, it was tough for Tim and his wife Fiona to comprehend, but with the cost of reasonable and necessary assistive technology and supports paid for through Tim's NDIS plan, he's says he's got his 'freedom back to just do things' and the couple are extremely grateful.

## 4.1 Governance

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

The Agency is a Corporate Commonwealth Entity (CCE) under the PGPA Act with statutory authority under the NDIS Act. The NDIS Act sets out the governance model for the Scheme.

**Figure 4.1A:** Agency governance diagram



### 4.1.1 Responsible Minister

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

The Hon Linda Reynolds CSC was appointed Minister for the NDIS on 30 March 2021. Previously the Hon Stuart Robert MP was Minister for the NDIS from 29 May 2019 to 30 March 2021.

### 4.1.2 Ministerial Council

The Ministerial Council is comprised of Commonwealth, State and Territory ministers responsible for disability and meet as the “Disability Reform Ministers”. It considers policy matters that relate to the NDIS and advises the Commonwealth Minister about such matters in accordance with its functions as set out in section 12 of the NDIS Act.



## 4.2 The Board

The Board, in accordance with section 124 of the NDIS Act,

1. ensures the proper, efficient and effective performance of the Agency's functions, and
2. determines objectives, strategies and policies to be followed by the Agency.

Board membership is determined by the responsible Commonwealth Minister in consultation with the states and territories.

As part of good corporate governance, the Board undertakes a review of itself and its committees each year. This includes an annual review of the Board committee charters to ensure correct alignment of committee functions in supporting the Board's responsibility as Accountable Authority of the Agency, and a review of committee memberships, which resulted in changes to committee membership to optimise operations. Board performance is also reviewed annually in accordance with the Board Charter.

### 4.2.1 Directors as at 30 June 2021



#### Dr Helen Nugent AO (Chairman)

Helen Nugent is an experienced Chairman and Non-Executive Director, with a background in many areas directly and indirectly relevant to the NDIS as an insurance based scheme that connects with communities.

In health and disability she is Chairman of the NDIA and a Non-Executive Director of the Garvan Institute of Medical Research.

In insurance and financial services, she is currently a Non-Executive Director of IAG, Australia's largest general insurer. Previously, she was Chairman of Swiss Re (Australia), Funds SA and Veda Group, as well as a Non-Executive Director of Mercantile Mutual and Macquarie Group until 2014. As an Executive, she was Director of Strategy at Westpac Banking Corporation.

In the arts and education, she is Chairman of the National Portrait Gallery of Australia, and has been Chairman of the Major Performing Arts Inquiry, the National Opera Review and the Major Performing Arts Board, as well as having been Deputy Chairman of the Australia Council and Opera Australia. She has also been Chancellor of Bond University and President of Cranbrook School and a member of the Bradley Review into tertiary education.

She is also Chairman of Ausgrid and a Non-Executive Director of TPG Telecom.

She was made an Officer of the Order of Australia for her services to business, the arts and the community in 2004 and is a recipient of a Centenary Medal. She has been awarded Honorary Doctorates from both the University of Queensland and Bond University.

**Qualifications:** MBA (Distinction) from Harvard Business School; PhD and a BA (Hons) from Queensland University.

**Member:** Sustainability Committee; Risk Committee; People and Remuneration Committee; ICT and Digital Committee.

**Attends:** Audit Committee.



### Ms Sandra Birkenleigh

Sandra Birkenleigh is an experienced Non-Executive Director, bringing extensive experience in financial service and insurance industries to the Agency.

She currently holds board positions with MLC Limited, Horizon Oil Limited, 7-11 Holdings Limited (and its subsidiaries), Sunshine Coast Children's Therapy Centre, Tascorp, Adore Beauty Group Limited and is the Chairman of Auswide Bank Limited.

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

**Qualifications:** Bachelor of Commerce from the University of New South Wales; Chartered Accountant

**Chair:** Audit Committee

**Member:** People and Remuneration Committee

**Attends:** Risk Committee



### Professor Jane Burns

Jane Burns is a health strategist passionate about mental health, wellbeing and innovation. Jane has extensive experience advising government, industry, university and the social enterprise sectors on digital transformation, participatory design and systems level change in suicide prevention. She is an Honorary Enterprise Professorial Fellow at the University of Melbourne.

She is a Non-Executive Director with the Applied Positive Psychology Learning Institute and Mind Medicines Australia. She was a Commonwealth Fund Harkness Fellow in Health Care Policy at the University of California; a VicHealth Fellow in Health Promotion at Orygen, the National Centre of Excellence in Youth Mental Health and an NHMRC Fellow in Suicide Prevention at the Murdoch Children's Research Institute.

She won the category of Social Enterprise for the 2015 Australian Financial Review and Westpac Group 100 Women of Influence for her achievements in entrepreneurship and was a Victorian Finalist in the 2017 Telstra Business Women's Awards.

**Qualifications:** PhD in Medicine from the University of Adelaide

**Member:** ICT and Digital Committee and Risk Committee



### Mr Glenn Keys AO

Glenn Keys has been a member of the NDIS Board since inception. He has been involved in efforts to improve the lives of people with disability through involvement in the Special Olympics, the Down Syndrome Association and the disability housing sector. He has a health sector background as founder and Chairman of Aspen Medical, and founder and Chairman of Project Independence, an initiative offering home ownership to people with an intellectual disability. He was awarded an Officer in the General Division (AO) in the 2017 Queen's Birthday Honours list for distinguished service to disability, business and commerce and as an advocate for corporate social responsibility. He was named 2015 ACT Australian of the Year and was a board member of the organising committee for the Australian Invictus Games 2018. He has a child with an intellectual disability and is Guardian for his brother with Parkinson's disease.

**Qualifications:** Bachelor of Mechanical Engineering from the University of New South Wales

**Chair:** ICT and Digital Committee

**Member:** People and Remuneration Committee



### Ms Robyn Kruk AO

Robyn Kruk has extensive experience as a chief executive officer of national and state policy, regulatory and service delivery agencies, including NSW Health and Premier and Cabinet. She established and served as the inaugural CEO/Commissioner of the National Mental Health Commission and is Chair of Mental Health Australia.

She is currently Chair, Board Director or member of international, national and state statutory, non-government and private entities in mental health, environment and development.

She was the Independent Reviewer of the National Redress Scheme for people who have experienced institutional abuse and is also currently the International Advisor to the China Council for International Cooperation on Environment and Development.

**Qualifications:** Bachelor of Science, Psychology (Hons) from the University of New South Wales; Master of Administration; Advanced Management Program from the Harvard Business School

**Chair:** People and Remuneration Committee

**Member:** Risk Committee; Audit Committee

**Principal Member:** Independent Advisory Council from 1 July 2020.



#### **Mr John Langoulant AO**

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

**Qualifications:** Bachelor of Economics (Hons) from the University of Western Australia

**Member:** Audit Committee; Risk Committee; Sustainability Committee



#### **Mr Jim Minto**

Jim Minto is Chair of Swiss Re Life & Health Australia Ltd, Chair of New Zealand life insurer Partners Life Limited, Director of Mercer Superannuation Australia Ltd and Director of Dai-ichi Life Asia Pacific.

He retired as Group Managing Director of life insurer TAL in March 2015 holding that role from 2006. Prior to that he was Group CEO of the Trans-Tasman TOWER Limited Group.

He has had 26 years of senior executive experience in the financial services sector. He was previously Chair of the Association of Superannuation Funds of Australia and a panel member of the Australian Government's Review of Natural Disasters Insurance in 2011.

**Qualifications:** Chartered Accountant from Massey University

**Chair:** Risk Committee

**Member:** Audit Committee; Sustainability Committee



#### **Ms Estelle Pearson**

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

**Qualifications:** BA Hons (Mathematics) from the University of Oxford; FIAA

**Chair:** Sustainability Committee

**Member:** Audit Committee

‘Having Stephanie happy,  
safe and engaged is all  
we ask for, and having the  
support of the NDIS has  
made life so much easier.’

— Kerry, Stephanie’s mum

## 4.2.2 Board committees

A number of committees, councils and groups are in place to support the Board in ensuring the Agency meets its statutory requirements and manages risk. The following table provides the title and role of each committee and its members as at 30 June 2021.

Table 4.2.2A: Board committees and members as at 30 June 2021

Committee	Role	Members
Audit Committee	<p>The Audit Committee assists the Board in the management and oversight of the quality and integrity of the accounting, auditing and financial reporting of the Agency. It was established in compliance with section 45 of the PGPA Act.</p> <p>The Australian National Audit Office attends Audit Committee meetings as external auditor, along with the Chief Internal Auditor.</p>	<p>Ms Sandra Birkenleigh (Chair)</p> <p>Ms Robyn Kruk AO</p> <p>Mr John Langoulant AO</p> <p>Mr James Minto</p> <p>Ms Estelle Pearson</p>
ICT and Digital Committee	<p>The ICT and Digital Committee assists the Board in the management and oversight of the Agency's information, communication, technology and digital solutions including providing input to the Board on the design, development, delivery and performance of the information, communication, technology and digital strategy and systems.</p>	<p>Mr Glenn Keys AO (Chair)</p> <p>Professor Jane Burns</p> <p>Dr Helen Nugent AO</p>
People and Remuneration Committee	<p>The People and Remuneration Committee assists the Agency to attract, retain and develop high-performing employees. It oversees strategies, frameworks and programs related to people and remuneration, and provides recommendations to the Board on CEO succession planning.</p>	<p>Ms Robyn Kruk AO (Chair)</p> <p>Ms Sandra Birkenleigh</p> <p>Mr Glenn Keys AO</p> <p>Dr Helen Nugent AO</p>



Committee	Role	Members
Risk Committee	The Risk Committee assists the Board in the management and oversight of the Agency's approach to risk management. Its role is to advise the Board on the development and implementation of the Agency's overall risk management approach.	Mr James Minto (Chair) Professor Jane Burns Ms Robyn Kruk AO Mr John Langoulant AO Dr Helen Nugent AO
Sustainability Committee	The Sustainability Committee provides advice in assessing, monitoring, reporting on and managing the financial sustainability of the Scheme.	Ms Estelle Pearson (Chair) Mr John Langoulant AO Mr James Minto Dr Helen Nugent AO

Information about the Audit Committee Charter is provided at Appendix 5.2.

## Shirley Wong

Sydney participant Shirley Wong has cerebral palsy and is non-verbal, using text-to-voice software installed on her iPad to communicate. Shirley is the communications and marketing specialist at In the Loupe Productions (ITLP) and her NDIS funded support worker assists her while she works hard to maintain the company's profile. ITLP recognise that Shirley has been vital to their success and is one of their longest serving employees. When not at ITLP, Shirley works for Northcott Disability Services, consults for the Cerebral Palsy Alliance and hopes one day to set up her own business.



### 4.2.3 Board and committee attendance

Table 4.2.3A: Number of meetings attended by Board members in 2020–21

Board members:	NDIA Board		Sustainability Committee		ICT and Digital Committee		Audit Committee		Risk Committee		People and Remuneration Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Dr Helen Nugent AO <sup>33</sup>	11	11	9	9	3	3		5	4	4	3	3
Mr James (Jim) Minto <sup>34</sup>	11	11	9	8			5	4	4	4		
Ms Estelle Pearson <sup>35</sup>	11	10	9	9			5	5				
Ms Sandra Birkenleigh <sup>36</sup>	11	11					5	5			3	3
Mr John Langoulant AO	11	11	9	6			5	5	4	4		
Ms Robyn Kruk AO <sup>37</sup>	11	11					5	5	4	4	3	3

<sup>33</sup> Chairman of the NDIA Board.

<sup>34</sup> Chairman of the Risk Committee

<sup>35</sup> Chairman of the Sustainability Committee

<sup>36</sup> Chairman of the Audit Committee

<sup>37</sup> Chairman of the People and Remuneration Committee

Board members:	NDIA Board Eligible	NDIA Board Attended	Sustainability Committee Eligible	Sustainability Committee Attended	ICT and Digital Committee Eligible	ICT and Digital Committee Attended	Audit Committee Eligible	Audit Committee Attended	Risk Committee Eligible	Risk Committee Attended	People and Remuneration Committee Eligible	People and Remuneration Committee Attended
Mr Glenn Keys AO <sup>38</sup>	11	11			3	3					3	3
Prof Jane Burns	11	9			3	2			4	4		
Mr John Walsh AO <sup>39</sup>	2	2	2	1	2	1						
Mr Paul O'Sullivan <sup>40</sup>	4	3			1	1			1	1	1	1

Board Directors may attend any Board committee meeting in their capacity as a Director. “Eligible” refers to the number of scheduled committee meetings available to be attended by a Director as a formal member of the Committee. “Attended” column refers to the actual number of meetings attended.

#### 4.2.4 Board membership changes

During the year the number of Board members reduced by 2. Mr John Walsh AM resigned from the Board with effect from 31 August 2020 and Mr Paul O’Sullivan resigned with effect from 30 October 2020.

<sup>38</sup> Chairman of the ICT& Digital Committee from 1 November 2020.

<sup>39</sup> Mr Walsh resigned with effect on 31 August 2020 and was only entitled to attend the July and August meetings.

<sup>40</sup> Mr O’Sullivan resigned with effect on 30 October 2020 and was only entitled to attend the July, August, September and October meetings. Mr O’Sullivan was the Chairman of the ICT&D Committee until 30 October 2020

## 4.3 The Independent Advisory Council

The Independent Advisory Council (Council) provides the Board with independent advice, which the Board must consider when performing its duties. The Council, formally appointed by the Minister, is composed of people with disability, families and carers, and disability experts. It brings the crucial perspectives of these stakeholders to the work of the Agency and the design of the Scheme. Further information on the Council is provided on the Council's website at [ndis-iac.com.au](https://ndis-iac.com.au).

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

During 2020–21, the Council continued to engage with the NDIA to provide both formal and informal advice. Key highlights for the financial year included:

- the establishment of monthly Council meetings (instead of quarterly)
- the publication of Council's inaugural Work Plan, outlining its work priorities for 2020–21
- the review of Council's Intellectual Disability and Home and Living (previously Contemporary and Innovative Approaches) Reference Groups. Council also established 2 new reference groups focused on equity and inclusion; and children, young people and families
- the provision of formal advice to the Board in the areas of: Local Area Coordination, support for families and carers; participant safety and supports to be included in the community. The Agency will continue to work with the Council to progress the implementation of the advice

- extensive informal engagement with the NDIA around Independent Assessments and broader Scheme Reforms, which included consultations with state and territory disability advisory groups and key stakeholders.

Membership of the Council at 30 June 2021 consisted of:

- Ms Robyn Kruk AO, Principal Member
- Ms Leah van Poppel, Deputy Chair
- Ms Kerry Allan-Zinner
- Dr Leighton Jay
- Adj Prof. Jennifer Cullen
- Mrs Judy Huett
- Dr Sharon Boyce
- Ms Sylvana Mahmic
- Ms Sam Paior
- Mr James Manders
- Mr Mark Tonga
- Ms Liz Reid AM
- Ms Tricia Malowney OAM.

The Council is supported by Dr Ben Gauntlett, Disability Discrimination Commissioner, in his role as Expert Adviser.

## 4.4 The Chief Executive Officer and Executive Team

The Chief Executive Officer (CEO) is responsible for the day-to-day administration of the Agency under the Act. Supported by the Executive Leadership Team (ELT), the CEO executes the Board-approved strategic objectives and policies, in line with the agreed risk appetite.

### 4.4.1 The Executive Leadership Team



**Mr Martin Hoffman, CEO**

Martin Hoffman commenced as CEO on 4 November 2019. He has over 10 years of senior public sector experience, including as a Deputy Secretary in the Commonwealth government and Secretary in the NSW government, following a CEO-level private sector career primarily in digital technology and media. He holds an MBA (Hons), Bachelor of Applied Finance and Bachelor of Economics degrees, and is a Fellow of the Institute of Public Administration Australia. Mr Hoffman was awarded the James Wolfensohn Public Service Scholarship to study at the Harvard Kennedy School in 2013.



**Mr Jeremy Dean, Deputy CEO, Participant Experience Delivery**

Jeremy Dean joined the Agency in December 2019 and is accountable for the end-to-end delivery and improvement of all the Agency's planning and service experiences for participants. His remit encompasses the operational arms of the Agency, including Local Area Coordinators and Early Childhood Early Intervention partners. He was previously Chief Operating Officer for ANZ Banking Group's Australian business and has held a number of national sales and service and operational leadership positions over 30+ years in the financial services industry in Australia and New Zealand.

**Mr Oliver Bladek, Deputy CEO Design, Digital & Strategy**

Oliver Bladek joined the Agency in October 2019 and leads the Agency's work in designing and delivering improvements to participant experience, increasing the use of technology in how the Agency serves and empowers participants, and leading the Agency's strategy, priorities, policy, advice and research work. Prior to joining the Agency, he supported Westpac in their agile transformation and spent 15 years with McKinsey & Company, serving global clients on strategic, cultural and transformation topics. He also led the firm's organisation practice in Australia and New Zealand.

**Dr Lisa Studdert, Deputy CEO Markets, Government and Engagement**

Dr Lisa Studdert joined the Agency on 3 August 2020. Prior to this, Dr Studdert was Deputy Secretary of the Population Health, Sport, Cancer and Health Workforce Group at the Department of Health. She has worked previously in the office of Minister Greg Hunt and was Chief of Staff to former Health Minister, Sussan Ley. From 2011–13, Dr Studdert was a member of the senior leadership team at the Australian National Preventive Health Agency. She also has a background working in population health policy and programs in Australia and internationally. Dr Studdert is a PhD graduate of Cornell University.

**Ms Sarah Johnson, Scheme Actuary**

Sarah has worked in the disability and human services sector for the last 15 years, and is currently the Scheme Actuary of the National Disability Insurance Scheme (NDIS). Prior to this role, she was a Director at PricewaterhouseCoopers and worked with the Productivity Commission (PC) on the Disability Care and Support Inquiry which led to the NDIS in Australia.

Sarah has also previously collaborated with a number of state/territory disability departments, including New South Wales, Queensland, Victoria, and South Australia, and also the Commonwealth government.

Sarah also has broader experience in human services, including accident compensation, health, homelessness, justice, and aged care.

Sarah is a Fellow of the Institute of Actuaries of Australia and completed a Bachelor of Commerce at the University of New South Wales (Actuarial Studies and Financial Economics).

In 2016, Ms Johnson was awarded Actuary of the Year by the Actuaries Institute.





#### **Ms Nicole Glazebrook, Chief Financial Officer**

Nicole Glazebrook joined the NDIA as Chief Financial Officer in March 2021 from ANZ Banking Group where she served 24 years building extensive experience as a CFO in a large and complex financial services organisation.

Nicole led large global teams across the bank including for the Institutional, Australia, Europe and America divisions, most recently Markets and Treasury, through significant times of uncertainty. She is known for successfully developing the people and the businesses she supports.

She is a Fellow of the Institute of Chartered Accountants and active Member of the Institute of Company Directors in Australia.



#### **Ms Melissa Woodburn, Chief Risk Officer**

Melissa Woodburn joined the Agency in July 2018. Prior to this she held senior leadership roles at large professional services firms.

She is a highly experienced Chartered Accountant with over 17 years of experience, working with private and public sector organisations.

She has extensive experience in financial management, risk management, performance improvement, and organisational and public sector reform.



#### **Mr Ian Frew, Chief Information Officer**

Ian Frew joined the Agency in early January 2018 after a 16-year career in General Insurance working for Suncorp, Allianz and IAG. While at IAG he was the Chief Information Officer for CGU Insurance and at both IAG and Allianz, he had deep involvement in workers compensation across Australia.

He is a qualified chemical engineer, spending the first half of his career in global industrial automation roles, where he worked in a variety of industries from refining and manufacturing through to building automation.



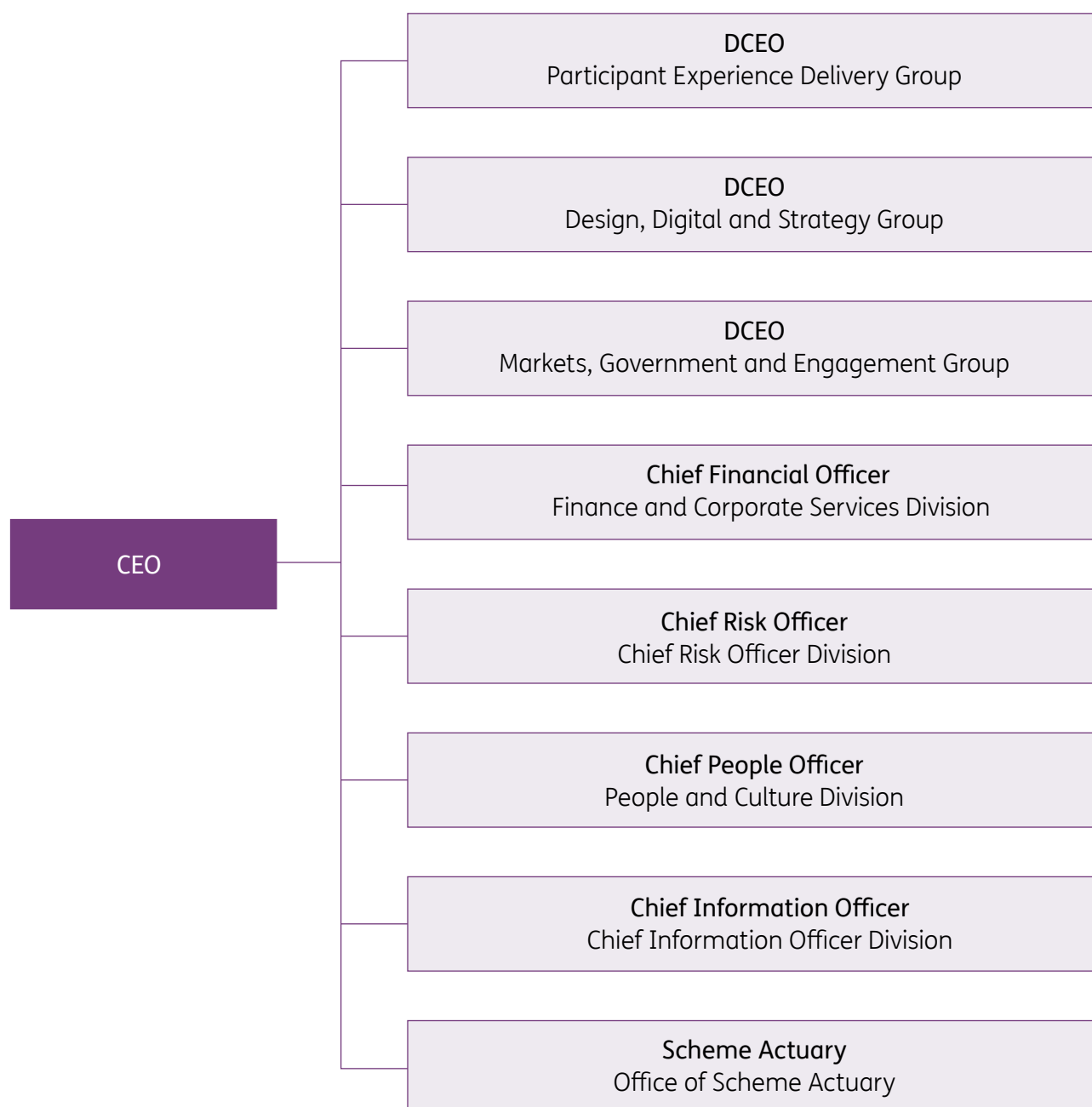
#### **Mr Hamish Aikman, Chief People Officer**

Hamish Aikman joined the Agency in April 2018. Prior to joining the Agency, he held senior executive level human resources roles with Coles Supermarkets and led the People Culture function at Kmart Australia, under the ownership of Wesfarmers Ltd. Prior to his 10 years in retail, he held key operations roles in supply chain management and previously with Ernst & Young.

## 4.4.2 Organisation structure

As at 30 June 2021 there were 4 groups, 3 divisions and the Scheme Actuary represented on the ELT.

Figure 4.4.2A: Agency organisational structure as at 30 June 2021



**Participant Experience Delivery Group**

The Participant Experience Delivery (PED) Group is responsible for all aspects of engagement with participants and their carers/families, including Scheme access, planning, reviews and complaints. The group also includes the Partners in the Community network and the National Contact Centre.

**Chief Risk Officer Division**

The Chief Risk Officer Division enables the execution of operational and strategic objectives through activation of best practice risk and governance principles, proactive fraud and compliance monitoring and specialist risk advisory services.

**Design, Digital and Strategy Group**

The Design, Digital and Strategy Group brings expertise, technology, structure and pace to design and improve how the Agency serves and empowers participants.

**People and Culture Division**

The People and Culture division provides advice and support to staff and managers, throughout the employee lifecycle, and supports the Agency to provide a safe workplace for staff to build capability and foster a positive and inclusive culture to deliver the NDIS.

**Markets, Government and Engagement Group**

The Markets, Government and Engagement Group is responsible for ensuring engagement and communications with stakeholders is genuine, two-way and effective.

**Chief Information Officer Division**

The Chief Information Officer Division is primarily responsible for the management of technology-related solutions, as well as the Agency's protective and cyber security planning and risk management.

**Finance and Corporate Services Group**

Finance and Corporate Services Division is responsible for the management of the Agency's corporate functions (excluding People and Culture and ICT). This ensures products and services are available to the Agency in a timely, efficient and effective manner.

**Office of Scheme Actuary**

The Office of Scheme Actuary manages NDIA data services, business intelligence and analytics, Scheme monitoring and analysis of outcomes for participants, their families and carers.

## 4.5 Partners in the Community

Our Partners in the Community (PITC) are experienced and qualified organisations with strong local knowledge and understanding of the needs of people with disability. They work with the NDIA to deliver Local Area Coordination (LAC) and Early Childhood (EC) services to Australians with disability.

Our Partners are often the first point of contact for participants, making them the face of the Scheme in many communities. They focus on building capability and capacity within the community for inclusion of people with disability, including people who are not NDIS participants.

The PITC program currently has 25 Partner organisations operating in all Australian states and territories, with the exception of remote areas, where the local NDIA team provides support.

Our Partners are passionate about the NDIS and their local communities, and are focused on supporting individuals and the community to promote positive outcomes.

### LAC Partners in the Community

Partners delivering LAC services assist people aged 7 years and above to link to the NDIS and to mainstream and community supports within their local area.

LAC Partners play an important role in working directly with communities to improve accessibility and inclusion. They can identify supports available for people with disability within their community, even if they are not eligible for an NDIS funded plan.

LACs help people to understand and access the NDIS, discuss goals and supports through the planning process, and assist people to use their NDIS plan.

### EC Partners in the Community

Partners delivering EC services support children younger than 7 years with a developmental delay or disability, and their families and carers to develop the skills they need to participate in daily activities and achieve the best possible outcomes throughout their life.

EC Partners focus on delivering family-centred supports using a best-practice model and support connections to mainstream and community services for children and their families and carers.

EC Partners offer short-term early intervention to children with developmental delay, and support families through the NDIS access and planning process if their child requires longer-term early childhood intervention supports.

## 4.6 Workforce management

To deliver the Scheme, the Agency needs a capable and committed workforce that is reflective of the broader Australian society. The mix of skills needed by the Agency continues to evolve, reflecting the needs of participants, carers and their families. It is critical the Agency attracts talented, knowledgeable and experienced people, and provides ongoing investment in building capability and training delivery. In particular, the Agency continues to expand and strengthen its focus on disability and cohort awareness to improve frontline capability and the quality of experience for participants.

At 30 June 2021, the NDIA workforce was 11,356 including:

- 4,309 Australian Public Service (APS) employees (4,133.7 full time equivalent (FTE) and 3,979 average staffing level (ASL)).
- 1,555 contractors, comprising 1,475 labour hire, 66 consultants and 14 system access only contractors.
- 5,492 outsourced, comprising 4,699 PITC, 784 National Contact Centre (NCC) and 9 other outsourced.

During 2020-21, the Agency's workforce complement remained relatively steady. The Agency engaged 546 new APS employees in this period with more than 80 per cent of these in participant facing roles. The Agency's planner workforce increased 5.7 per cent in 2020-21 and represented 48.1 per cent of the Agency's APS workforce.

COVID-19 challenged our people and the Agency throughout the year. The Agency changed the way it worked to ensure continued delivery of supports to participants. The 2020 APS Census included specific COVID-19 related questions to help departments and agencies gather workforce perceptions of the crisis.

For the Agency, 73 per cent responded positively regarding the actions taken to maintain changed ways of working that have been implemented during the COVID-19 crisis (9 per cent higher than APS).

### Disability and diversity employment

The Agency is committed to creating an inclusive workplace – one that supports a diverse workforce which is representative of the community we serve.

Since the establishment of the NDIA in 2013, the Agency has championed employment of people with disability. Over this period, employees with disability have ranged between 11 and 18 per cent of the APS workforce. Most recently in 2020-21, 17 per cent of employees have a disability.

The NDIA has progressed disability confident recruiter maturity through Affirmative Measures. These are designed to address the under-representation of people with disabilities at the Agency (and more broadly across the APS). The Agency engages in the RecruitAbility scheme, and offers roles / vacancies specifically for people with disabilities (or a specific type of disability).

This year, the NDIA achieved a ranking of first out of 28 participating organisations in the Australian Network on Disability 2020 Access and Inclusion

Index (the Index). The NDIA participates in the Index to understand, benchmark and improve on disability confidence to better meet the needs of participants and employees with disability. But we know we have more to do.

In December 2020, the Agency launched the NDIA's Inclusion and Diversity Framework with the objective of increasing the Agency's inclusion and diversity practices through the creation of a range of diversity-group related inclusion action plans.

The Agency's Innovate Reconciliation Action Plan (RAP) was in place from May 2019 to May 2021. This was the Agency's second RAP and was developed with support from Reconciliation Australia. The impact of the plan can be seen with an increase in the Engagement Index for First Nations employees in the APS Census. Since the 2018 Census, engagement of First Nations employees has increased by 3 per cent to 75 per cent. Aboriginal and Torres Strait Islander people made up 3 per cent of the Agency's workforce in 2020-21.

The Agency's Aboriginal and Torres Strait Islander Employee Network has a membership of approximately 90 staff which is supported by an SES Indigenous Champion.

Within this, the Aboriginal and Torres Strait Islander Employee Network National Committee acts as a formal body for the Aboriginal and Torres Strait Islander Employee Network. Collectively these functions promote and support all Aboriginal and Torres Strait Islander employees, programs and activities within the Agency. The first LGBTQIA+ inclusion plan for the NDIA is in the final stages of development in consultation with our LGBTQIA+ Working Group. The Agency recently elected a LGBTQIA+ Champion and established an Employee and Allies Network. The Agency continues to hold membership with the national not-for-profit organisation Pride in Diversity. LGBTQIA+ employees make up 7 per cent of the Agency's workforce.

In addition, the NDIA's Inclusion and Diversity Framework committed to inclusion plans for gender equality and families; mature age and inter-generational workforce; and people from culturally and linguistically diverse background (CALD).

The NDIA acknowledges and celebrates significant diversity and awareness dates. This year there has been a focus on promoting stories from staff representing a range of diversity and intersectionality, to provide staff an opportunity to share their stories and traditions within their workplace. Over the next 2 years, the Agency will continue to develop inclusion plans with the aim to further progress how the NDIA creates an inclusive workplace for everyone.

### **Ethics policies**

The Agency promotes ethical standards and behaviours relating to its workplaces and employment. All Agency staff are required to comply with the APS Values and Code of Conduct as set out in section 13 of the *Public Service Act 1999*.

Possible breaches of the Code of Conduct are taken seriously, and action is taken when breaches occur. The Agency has in place compulsory training programs, staff policies, and guidelines to help staff to understand their obligations and to support good workplace behaviour. Managers and staff have access to a network of officers trained to provide information and support to staff who have concerns about workplace behaviours, including bullying, harassment and discrimination. These officers receive a fortnightly allowance to undertake this role, as set out in the Agency Enterprise Agreement 2020-2023.

Material published on the Agency's (internal) intranet includes information on the APS Values, the APS Employment Principles, the APS Code of Conduct and the Ethics Advisory Service, which is available to all APS employees who wish to discuss or seek advice on ethical issues that occur in the workplace.



## 4.7 Staff engagement

The NDIA works to provide a positive, productive and inclusive workplace – a great place to work for all staff – so that we can best support our participants and continue to improve the Scheme. Employee engagement drives high performance, engaged staff are proud of what they do and have a strong connection and commitment to the work that they do.

The 2020 APS Employee Census was run in November 2020. The NDIA had an 87 per cent response rate with 4,830 of its workforce (APS employee and labour-hire workers) participating. The NDIA engagement index which measures staff job satisfaction and commitment to an organisation remained steady in 2020, shifting from 76 per cent in 2019 to 77 per cent. This is 3 per cent higher than the APS average. The wellbeing index that measures staff perceptions of how well the Agency and immediate supervisors care about their health and wellbeing, also increased favourably from 65 per cent in 2019 to 70 per cent in 2020.<sup>41</sup>

The Census results reflected a commitment to service and ability to adapt to the often uncertain working environment that existed during 2020. Ninety-two per cent of respondents strongly believed that their workgroup adapted to new ways of working and 74 per cent strongly believed their work groups improved the way they worked during COVID-19. In addition, 92 per cent of respondents strongly believed in the purpose and objectives of the agency, with 88 per cent seeing a clear connection between their job and the Agency's purpose.

The NDIA Participant Service Charter was launched in August 2020, and the Census results showed that the workforce has embraced the Charter, with 85 per cent of our people understanding how the Charter connects with their day to day work. It was also positive that nearly all respondents (95 per cent) could see how their work contributes to making a difference and supporting the lives of people with disability, their families and carers.

The NDIA has also continued to place great importance on being an inclusive and welcoming workplace, where diversity is embraced and celebrated to ensure we have a workforce that is diverse and representative of the communities we serve. The NDIA continues to experience strong engagement with staff through its diversity networks with strong representation on the National Employee with Disability (around 200 members), First Nations (around 90 members), LGBTIQ+ and Allies employee networks (around 70 members). These networks provide an avenue for the Agency to engage directly with specific diversity cohorts and receive advice and guidance in creating a more inclusive Agency.

<sup>41</sup> The Engagement Index measures the emotional connection and commitment employees have to working for their organisation. It comprises 3 elements:

- Say—the extent to which team members are advocates of the organisation.
- Stay—the extent to which team members are committed to the organisation and want to stay.
- Strive—the extent to which team members are willing to put in discretionary effort to excel in their jobs and help the organisation succeed.

The Wellbeing Index measures the wellbeing of employees within an organisation; it measures both the practical and cultural elements that allow for a sustainable and health working environment.

## 4.8 Risk management

The Agency has a structured approach to identifying, managing, escalating and communicating key risks. This is critical to the effective and efficient delivery of the Scheme. The Agency is committed to ensuring that participant supports, provider services and other critical business functions are maintained or quickly restored in the event of a significant outage, incident or crisis. The proactive use of risk management within the Agency has allowed us to support effective business planning and operations with an evidence-based approach within the appetite set by the Board.

The Chief Risk Officer (CRO) Division assists the Board and the ELT by providing objective risk reviews, oversight, monitoring and reporting.

On an annual basis, the Board determines the strategic risks for the Agency, which are directly aligned to the Corporate Plan. The Board determined 9 strategic risks for 2020–21 in the areas of participant experience and outcomes, partner performance, provider market growth and quality, financial sustainability, Scheme integrity and Agency operational stability. The strategic risks are monitored against key indicators and performance is reported to the Board Risk Committee on a quarterly basis. The strategic risks are supported by operational risks and controls which are owned and managed at group level.

The Agency has established and practically tested its Business Continuity Management Framework (most recently during the COVID-19 pandemic and NSW floods) to ensure the rapid resumption of participant and provider services and critical business activities in emergency situations.

The Agency's integrated risk management system has been enhanced to provide a single platform for managing operational, strategic and regulatory risks, audit recommendations, incidents and business continuity plans. The system gives accountable executives extended visibility to the risks and controls within their business and the broader Agency, and provides for a connected risk environment through which inter-dependencies can be identified and managed.

### 4.8.1 Scheme integrity

#### **Fraud and Non-compliance**

The Agency maintains a zero-tolerance approach to fraud and invests heavily in the prevention and detection of fraud.

The Agency's Fraud and Corruption Control Plan outlines how the Agency is meeting its responsibilities under the *Public Governance, Performance and Accountability Act 2013* and the *Commonwealth Fraud Control Framework 2017*. The Plan presents a view of the Agency's fraud and corruption risks to the Executive Leadership Team and the Board.

In 2020–21 the Agency published its Compliance and Enforcement Framework which outlines the principles adopted by the Agency toward compliance and enforcement, and the Agency's compliance and enforcement objectives, activities and tools. The Framework assists providers to understand their duties, obligations and responsibilities, as well as the tools the Agency has to mitigate risk. The Framework also assists participants, nominees and partners to understand their obligations, as well as actions the Agency may consider in relation to compliance.

Given the impacts of the COVID-19 pandemic and the NDIA's response, the Agency had a focus on prioritising identifying new and emerging risks associated with the COVID-19 pandemic. The Agency's analytics capability was utilised to identify changes in provider behaviour, emerging risks with plan management agents and proactive identification of significantly vulnerable participants impacted by COVID-19.

In addition, the Agency continues to increase the Agency's Fraud detection maturity, through ongoing refinement in data analytics, data matching and advanced analytics to detect potential fraud and non-compliance behaviour from providers, participants and plan management agents.

### **Compliance activities**

Prevention initiatives include education and awareness raising for internal and external stakeholders. This includes raising awareness of scams, which tend to increase in number during times of crisis.

Throughout 2020–21, the Agency continued to explore opportunities to leverage the exchange of information with the NDIS Quality and Safeguards Commission (the Commission) to support more informed and effective compliance activities. Matters may be referred to the Commission to investigate a provider's compliance with the conditions of its registration.

In 2020–21, the Agency conducted 2,829 compliance activities. These activities included targeted and proactive engagement to treat payment risks through opportunistic and non-compliant behaviour from providers, plan management agencies, and participants identified through tip-offs, and a diverse range of fraud detection profiles.

The Agency received more than 8,700 tip-offs through the fraud reporting hotline and email.

The Agency has used targeted activities to engage with over 2,246 providers, plan management agencies and participants to reinforce their obligations and responsibilities when claiming payments arising from participant plans.

### **NDIS Fraud Taskforce**

The NDIS Fraud Taskforce has assisted the Agency to develop effective detection and responses to fraud against the Scheme. The investigation function has matured, with successful investigations completed or currently before the courts.

As at 30 June 2021 there were 29 fraud investigations in progress and a further 6 matters being evaluated for possible investigation. Of these, 9 matters are currently before the courts.

The NDIS Fraud Taskforce has been extended indefinitely, allowing the joint activity of the Agency, the Australian Federal Police (AFP) and Services Australia to continue focusing on serious and organised fraud affecting the Scheme.

The AFP are critical partners that assist the NDIA in resolving fraud matters due to their complexity and the influence of organised crime syndicates.

## Case study

### NDIS Fraud Taskforce Operation Pegasus leads to arrests and forfeiture of proceeds of crime.

In December 2020 the Agency, in partnership with the AFP and Services Australia, launched Operation Pegasus to investigate several suspected fraudulent NDIS Providers based in Western Sydney.

Investigations identified a syndicate operating across 5 registered service providers to:

- obtain NDIS funding for people who do not have a genuine disability;
- skimmed NDIS funding from genuine NDIS participants without their knowledge (false invoices for services not provided);
- conspired with NDIS participants or their families / nominees and other 'sub-contracted' NDIS service providers to obtain NDIS funds that they are not entitled to receive;
- conspired with NDIS participants of their families / nominees to monetarise their genuine disability; and
- over-claimed for services provided to genuine NDIS participants.

On 20 April 2021 more than 170 personnel (AFP, NDIA, Services Australia, and Australian Border Force) conducted operational activity across Sydney. AFP-led teams executed



11 search warrants at target addresses in Western Sydney resulting in the following seizures:

- 8 kilograms of gold bullion worth approximately \$600,000;
- approximately \$600,000 in cash from multiple residential properties;
- \$635,176 in cryptocurrency;
- 3 vehicles including a BMW M3, Audi Q7 and Porsche Cayenne with a combined value of approximately \$250,000;
- a significant amount of jewellery; and
- a small amount of white powder believed to be illicit drugs.

Five people were escorted to AFP headquarters where each was interviewed by AFP agents and NDIA investigators. All were arrested and charged with offences that carry a maximum of 25 years imprisonment for their alleged involvement in the criminal syndicate.

One person remains in custody with the remaining offenders released on strict bail conditions. All are due to appear in Court again in late 2021.

### Investigation outcomes

Since the inception of the NDIS Fraud Taskforce, 4 matters of actual fraud have been proven, totalling \$2,560,373.

During the 2020-21 year 6 accused were convicted of fraud, with a proven fraud value of \$1.6 million.

Approximately \$7.3 million worth of assets were seized by the Fraud Taskforce over the 2020-21 financial year as proceeds of crime, including action by the AFP Criminal Assets Confiscation Team. These assets include:

- Cash
- Motor vehicles
- Boats
- Jewellery and other luxury items
- Real estate properties
- Gold bullion
- Crypto currency.

Investigators executed 65 search warrants in the course of investigations throughout 2020-21.

## 4.8.2 Internal audit

The internal audit function works to successfully implement effective risk management and control. Internal audit provides independent assurance to management and the Board through the Board Audit Committee, and also works with management to improve the risk and control environment. It works with stakeholders to ensure they understand the Agency's strategic direction and risk profile to deliver a fully aligned, risk-focused plan incorporating both assurance and advisory engagements. Through its stakeholder engagements, findings are raised with an understanding of the operating environment and relevant insights are communicated.

During 2020-21, the internal audit function

delivered an approved internal audit plan to the Board Audit Committee. This plan is regularly updated, with a formal review performed every 6 months to ensure that it remains relevant and is focused on the key risks facing the Agency. The results of all audits were reported to the Board Audit Committee, and progress on action plans to manage issues was monitored through an online tracking system. The status of these actions was reported to both the ELT and the Board through the Audit Committee.

In addition to raising formal issues, the internal audit function also provides an Awareness and Action Rating for each assurance engagement. This rating focuses on the risk management culture of the areas audited. The results are included as part of the report delivered to the ELT and the Board Audit Committee. This method of reporting assists in further maturing the level of risk management culture across the Agency.

## 4.8.3 External audit

The Agency maintains a close working relationship with the Australian National Audit Office (ANAO), which provides both external auditing services on the annual financial statements and performance audit services. Details of the performance audit delivered during the year that have an impact on the Agency are provided in section 5.8. The ANAO's audit report on the annual financial statements is included in section 3.1. All management actions taken to address recommendations raised by the ANAO are closely tracked, with regular reporting on their status to both the ELT and the Board Audit Committee.

# Part 5.

## Appendices



‘I use my NDIS plan to have one-on-one support to do things I enjoy and to help practice my walking like having my support worker Michelle to help me twice a week. We have known each other for 15 years, she is a good friend and was with me each time I took part in the Melbourne Marathon.’

— Donna Corlett, NDIS participant





**Donna Corlett**

It took Melbourne resident and participant Donna Corlett 10 years to make her dream of walking come true. Donna has cerebral palsy and uses a wheelchair due to her mobility issues. But, this didn't stop her from chasing her walking dream. With the help of her friend of 15 years and support worker Michelle, Donna started exercising at a gym to build up her strength and muscles and her dream came true in 2017. The NDIS helps Donna live the way she wants, and having one-on-one support means she can do things she enjoys as well as help to practice her walking.

## 5.1 Enabling legislation

The National Disability Insurance Agency (the Agency) is established under the *National Disability Insurance Scheme Act 2013* (NDIS Act) to deliver the National Disability Insurance Scheme (NDIS or the Scheme). The Agency is a Corporate Commonwealth Entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

**Stephanie Kempster**



Living in Mount Evelyn, Victoria, 18-year-old Steph Kempster, has cerebral palsy, is non-verbal, has developmental delay and an intellectual disability. Using her NDIS plan, Steph has access to assistive technology, vehicle modifications and a support worker. These supports help Steph to engage in social outings including dance classes and daily trips. Steph's mum Kerry describes her daughter as a social butterfly and has noticed her daughter's social interactions at school have improved since joining the NDIS. The mother-daughter duo recently competed in the 20km Mother's Day Classic this year, cheered on by a sea of supporters.



## 5.2 Audit Committee

The Agency's Board has established the Audit Committee to assist the Board to oversee its responsibilities and legislative obligations as the Agency's Accountable Authority under:

- section 45 of the PGPA Act
- section 17 of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule)
- the NDIS Act.

### Remuneration

Audit Committee members and remuneration are provided in table 5.2A.

For details of members qualifications, knowledge, skills or experience, see section 4.2.1. For information on the number of meetings attended / total number of meetings see section 4.2.3.

**Table 5.2A: Audit Committee remuneration**

Member	Total Annual Remuneration
Mrs Sandra Birkenleigh	\$16,330
Mr John Langoulant AO	\$8,165
Mr James Minto	\$7,540
Ms Estelle Pearson	\$8,165
Ms Robyn Kruk AO	\$7,540

### Charter

The Charter details the Committee's purpose, to oversee the appropriateness of the Agency's:

- management of the internal and external audit processes
- financial reporting processes
- performance reporting processes
- system of risk oversight and management
- system of internal control
- process for monitoring compliance with laws and regulations and the Code of Conduct.

The Audit Committee Charter is available to view at [www.ndis.gov.au/about-us/governance/board](http://www.ndis.gov.au/about-us/governance/board)

## 5.3 Work health and safety

The Agency acknowledges its responsibilities under the *Work Health and Safety Act 2011* (WHS Act), the *Safety, Rehabilitation and Compensation Act 1988* and anti-discrimination legislation. The Agency takes all reasonably practicable measures to protect the health, safety and welfare of its workers while at work, including providing a safe work environment. The Agency Work Health and Safety Policy, Work Health and Safety Management System (WHSMS) and Work Health

and Safety Consultation Arrangements 2020–2022 promote consultation, prevention and early intervention of illness and injury, and are aligned with a steadfast commitment to safeguard and value Agency employees. In 2020–21, the Agency reported 2 incidents to Comcare pursuant to section 38 of the WHS Act, both incidents were closed by Comcare without further action being required of the Agency.

**Table 5.3A:** Summary of incidents pursuant to section 38 of the WHS Act, 2020–21

Action	Number
Death of a person that required notice to Comcare under s 35	0
Serious injury or illness of a person that required notification to Comcare under s 35	0
Dangerous incident that required notification to Comcare under s 35	0
Investigation conducted under Part 10	0
Notice given to Agency under s 90 (provisional improvement notice)	0
Notice given to Agency under s 191 (improvement notice)*	1
Notice given to Agency under s 195 (prohibition notices)	0
Directions given to Agency under s 198 (non-disturbance)	0

\* An Improvement Notice under section 191 of the WHS Act was issued as a result of a site inspection in April 2021. Comcare deemed the Agency had contravened the WHS Act Section 19, clause 3 (e), WHS Regulation 42 – Duty to provide First Aid, due to inadequate First Aid facilities at the Wollongong site. The Agency responded within the set timeframes and Comcare has closed this matter, noting compliance.

## 5.4 Workforce statistics

**Table 5.4A:** All ongoing employees current reporting period (2020–21)

	Male			Female			Indeterminate			Total
	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Total indeterminate	
NSW	173	20	193	541	139	680	1	0	0	874
Qld	111	6	117	364	63	427	0	0	0	544
SA	51	8	59	172	58	230	0	0	0	289
Tas	19	1	20	38	14	52	0	0	0	72
Vic	317	22	339	715	202	917	0	0	0	1256
WA	40	4	44	135	21	156	0	0	0	200
ACT	57	3	60	97	15	112	0	0	0	172
NT	20	0	20	44	5	49	0	0	0	69
Over-seas	0	0	0	0	0	0	0	0	0	0
Total	778	64	852	2106	517	2623	0	0	0	3476

**Table 5.4B:** All non-ongoing employees current reporting period (2020–21)

	Male			Female			Indeterminate			Total
	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Total indeterminate	
NSW	39	0	39	117	8	125	0	0	0	164
Qld	33	1	34	115	21	136	1	0	1	171
SA	19	0	19	51	5	56	0	0	0	75
Tas	2	0	2	3	0	3	0	0	0	5
Vic	78	2	80	176	34	210	0	0	0	290
WA	13	0	13	44	7	51	0	0	0	64
ACT	16	0	16	31	4	35	0	0	0	51
NT	4	0	4	9	0	9	0	0	0	13
Over-seas	0	0	0	0	0	0	0	0	0	0
Total	204	3	207	546	79	625	1	0	1	833



**Table 5.4C:** All ongoing employees previous reporting period (2019–20)

	Male			Female			Indeterminate			Total
	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Total indeter- minate	
NSW	172	16	188	495	111	606	0	0	0	794
Qld	111	5	116	331	52	383	0	0	0	499
SA	51	5	56	160	57	217	0	0	0	273
Tas	17	2	19	34	12	46	0	0	0	65
Vic	294	17	311	656	177	833	0	0	0	1144
WA	31	2	33	107	17	124	0	0	0	157
ACT	70	2	72	100	14	114	0	0	0	186
NT	19	0	19	41	4	45	0	0	0	64
Over-seas	0	0	0	0	0	0	0	0	0	0
Total	765	49	814	1924	444	2368	0	0	0	3182

**Table 5.4D:** All non-ongoing employees previous reporting period (2019–20)

	Male			Female			Indeterminate			Total
	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Total indeterminate	
NSW	42	5	47	172	27	199	0	0	0	246
Qld	45	0	45	142	29	171	0	0	0	216
SA	18	3	21	60	8	68	0	0	0	89
Tas	2	2	4	10	2	12	0	0	0	16
Vic	106	2	108	259	59	318	0	0	0	426
WA	22	0	22	89	11	100	0	0	0	122
ACT	16	0	16	36	5	41	0	0	0	57
NT	13	0	13	21	3	24	0	0	0	37
Over-seas	0	0	0	0	0	0	0	0	0	0
Total	264	12	276	789	144	933	0	0	0	1209

Note: The figures in table 5.4D published in the 2019-20 Annual Report were inclusive of non-ongoing employees engaged under Section 22(2)(c) of the *Public Service Act 1999*. These are not included in Table 5.4B and 5.4D.

## 5.5 Executive remuneration policy

### Executive remuneration

Outlined below is information on the Agency's remuneration practices, as well as the remuneration paid to the Agency's key management personnel, senior executives and other highly paid staff for the year ended 30 June 2021 in accordance with the PGPA Rule.

### Remuneration policies, practices and governance arrangements

The Chairman and members of the Board are remunerated as per the Remuneration Tribunal (Remuneration and Allowances for Holders of Part-time Public Office) Determination 2019 made under subsections 7(3) and (4) of the Remuneration Tribunal Act 1973.

The CEO of the Agency is remunerated as per the Remuneration Tribunal (Remuneration and Allowances for Holders of Full-time Public Office) Determination 2019 made under subsections 7(3) and (4) of the *Remuneration Tribunal Act 1973*.

Agency SES employees are offered a remuneration and employment conditions package through an individual determination under the *Public Service Act 1999* (section 24.1). Packages follow the principles outlined in the Agency's Remuneration Policy, and comply with the requirements of the Executive Remuneration Management Policy issued by the Australian Public Service Commission, including specific approval by the Public Service Commissioner if required.

Other highly paid staff within the Agency, excluding SES employees, are remunerated in line with the Agency Enterprise Agreement 2020–2023. This may include payment of a Higher Duties Allowance as a result of an employee performing higher duties, or an Individual Flexibility Arrangement. Remuneration-related policies that underpin the Agency Enterprise Agreement 2020–2023 include the Allowances Policy and Individual Flexibility Arrangement Principles.

For the purpose of Executive Remuneration reporting, the scope includes salary, superannuation and executive vehicle benefits, as well as any additional salary payments and/or other remuneration benefits for Key Management Personnel and other Highly Paid Staff.

The Agency Board specifically established the People and Remuneration Committee (PRC) to assist the Board to fulfil its governance responsibilities for the people and remuneration policies of the Agency. The disclosure requirements for executive remuneration in financial statements and annual reports for 2020–21 are incorporated in the *Public Governance, Performance and Accountability (Financial Reporting) Rules 2015* (FRR) and Subdivision C of Part 2-3 of the *Public Governance, Performance and Accountability Rules 2014* (Rules), respectively.

## 5.6 Executive remuneration

### 5.6.1 Key management personnel

During the year ended 30 June 2021, in addition to the Board, the Agency had 10 senior executive or equivalent officials who met the definition of key management personnel (KMP). The name and the length of term for each KMP are summarised below.

**Table 5.6.1A: Key management personnel**

Name	Position	Term as KMP
Dr Helen Nugent AO	Board Chairman	Full year
Ms Sandra Birkenleigh	Board Member	Full year
Professor Jane Burns	Board Member	Full year
Mr Glenn Keys AO	Board Member	Full year
Ms Robyn Kruk AO	Board Member	Full year
Mr John Langoulant AO	Board Member	Full year
Mr James Minto	Board Member	Full year
Mr Paul O'Sullivan	Board Member	Part Year – to 30 October 2020
Ms Estelle Pearson	Board Member	Full year
Mr John Walsh AM	Board Member	Part year – to 31 August 2020
Mr Martin Hoffman	Chief Executive Officer	Full year
Mr Hamish Aikman	Chief People Officer	Full year
Mr Oliver Bladek	DCEO Design, Digital and Strategy	Full year
Mr Jeremy Dean	DCEO Participant Experience Delivery	Full year
Mr Ian Frew	Chief Information Officer	Full year
Ms Nicole Glazebrook	Chief Financial Officer	Part year – from 1 March 2021
Ms Sarah Johnson	Scheme Actuary	Full year
Ms Lisa Studdert	DCEO Markets, Government & Engagement	Part year – from 3 August 2020
Mr Victor Walter	DCEO Corporate Services and Chief Financial Officer	Part year – to 5 March 2021
Ms Melissa Woodburn	Chief Risk Officer	Full year

## 5.6.2 Information about remuneration of key management personnel

The remuneration received or due to be received for each of the Agency's KMP for 2020–21 is summarised in the table below.

**Table 5.6.2A: Key management personnel remuneration**

Key management personnel remuneration		Short-term benefits		Other benefits and allowances		Post-employment benefits		Other long-term benefits		Termination benefits	Total remuneration
Name	Position title	Base salary	Bonuses								
Board members											
Dr Helen Nugent AO	Board Chairman	140,910	-	-	-	21,700	-	-	-	-	162,610
Ms Sandra Birkenleigh	Board Member	86,785	-	-	-	13,136	-	-	-	-	99,921
Professor Jane Burns	Board Member	70,455	-	-	-	10,850	-	-	-	-	81,305
Mr Glenn Keys AO	Board Member	70,455	-	-	-	10,885	-	-	-	-	81,340
Ms Robyn Kruk AO	Board Member	97,816	-	-	-	15,064	-	-	-	-	112,880
Mr John Langoulant AO	Board Member	84,734	-	-	-	13,049	-	-	-	-	97,783
Mr James Minto	Board Member	84,108	-	-	-	12,953	-	-	-	-	97,061

Key management personnel remuneration		Short-term benefits		Post-employment benefits		Other long-term benefits		Termination benefits	Total remuneration
Name	Position title	Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits		
Mr Paul O'Sullivan	Board Member	23,755	-	-	3,616	-	-	-	27,371
Ms Estelle Pearson	Board Member	90,838	-	-	13,989	-	-	-	104,827
Mr John Walsh AM	Board Member	14,307	-	-	1,800	-	-	-	16,107
Executive Leadership Team									
Mr Martin Hoffman	Chief Executive Officer	661,264	-	53,517	25,144	17,885	-	-	757,810
Mr Hamish Aikman	Chief People Officer	387,076	-	59,646	21,583	10,614	-	-	478,919
Mr Oliver Bladek	DCEO Design, Digital and Strategy	440,000	-	30,140	-	-	-	-	470,140
Mr Jeremy Dean	DCEO Participant Experience Delivery	525,365	-	71,784	25,144	13,958	-	-	636,251
Mr Ian Frew	Chief Information Officer	389,196	-	31,815	59,936	-	-	-	480,947



Key management personnel remuneration		Short-term benefits		Post-employment benefits		Other long-term benefits		Termination benefits	Total remuneration
Name	Position title	Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits		
Ms Nicole Glazebrook	Chief Financial Officer	120,802	-	18,399	20,138	3,105	-	-	162,444
Ms Sarah Johnson	Scheme Actuary	460,948	-	-	-	-	-	-	460,948
Ms Lisa Studdert	DCEO Markets, Government & Engagement	305,115	-	52,694	56,290	8,333	-	-	422,432
Mr Victor Walter	DCEO Corporate Services and Chief Financial Officer	274,920	-	47,176	14,686	7,146	-	-	343,928
Ms Melissa Woodburn	Chief Risk Officer	235,350	-	45,837	37,802	6,289	-	-	325,278
Total		4,564,199	-	411,008	377,765	67,330	-	-	5,420,302

## Notes

1. All data is calculated on an accrual basis.
2. The Agency engages some senior executives through contract arrangements that may include superannuation and long service leave entitlements. All other contract-engaged senior executives' total contract cost are included as short-term employee benefits.

### 5.6.3 Senior executives

The Agency's senior executives comprise:

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

The average remuneration received or due to be received for each of the Agency's senior executives who are not key management personnel for the year ended 30 June 2021 is summarised in the table below.

**Table 5.6.3A: Average remuneration for senior executives who are not key management personnel**

Senior executive remuneration	Number of senior executives	Short-term benefits			Post-employment benefits			Other long-term benefits			Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other longterm benefits	Average termination benefits	Average total remuneration			
\$0 - \$220,000	41	90,332	-	16,579	12,657	1,945	-	2,929	124,442			
\$220,001 - \$245,000	8	163,644	-	35,604	27,161	3,755	-	-	231,164			
\$245,001 - \$270,000	11	183,659	-	37,574	31,410	4,606	-	-	257,249			
\$270,001 - \$295,000	13	210,586	-	35,130	28,764	3,748	-	12,880	291,108			
\$295,001 - \$320,000	3	200,874	-	58,400	39,809	5,401	-	-	304,484			

Senior executive remuneration	Short-term benefits			Post-employment benefits			Termination benefits	Total remuneration
	Number of senior executives	Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other longterm benefits	
Total remuneration bands								
\$320,001 - \$345,000	7	238,262	-	43,429	42,464	5,457	-	329,612
\$345,001 - \$370,000	6	328,190	-	12,985	17,484	-	-	358,659
\$395,001 - \$420,000	1	331,657	-	31,079	46,950	1,435	-	411,121
\$495,001 - \$520,000	1	415,346	-	32,041	63,963	-	-	511,350

## Notes

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

### 5.6.4 Other highly paid staff

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

- who are neither KMP nor senior executives
- whose total remuneration exceeds \$230,000.

The average remuneration received or due to be received for each of the Agency's other highly paid staff for the year ended 30 June 2021 is summarised in the table below.

**Table 5.6.4A: Average remuneration for other highly paid staff**

Total remuneration bands	Number of other highly paid staff	Short-term benefits			Post-employment benefits			Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contribution	Average long service leave	Average other long-term benefits				
\$230,001-\$255,000	4	132,755	-	70,562	31,216	3,622	-	-	-	238,155	
\$280,001-\$305,000	1	126,136	-	110,919	45,294	3,668	-	-	-	285,017	
\$305,001-\$330,000	1	107,475	-	21,720	23,833	3,045	-	-	162,556	318,629	

## 5.7 Reports by parliamentary committees

### Joint Standing Committee on the National Disability Insurance Scheme

The Joint Standing Committee on the National Disability Insurance Scheme (JSC) was appointed by resolution by the House of Representatives on 4 July 2019 and the Senate on 22 July 2019. The committee is composed of 5 Senators and 5 Members. The committee is tasked with inquiring into:

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

In 2020–21 the NDIA participated in 4 inquiries by the JSC:

1. Inquiry into Planning
2. Inquiry into Independent Assessments
3. Inquiry into General Issues around the implementation and performance of the NDIS
4. Inquiry into the NDIS Workforce.

The Agency attended 3 public hearings with the JSC for the Planning and Independent Assessments inquiries, and made 2 submissions to the Independent Assessments inquiry (March and June 2021) and one to the General issues Inquiry (July 2020).

In December 2020 the JSC tabled 3 reports, including:

- Inquiry into Planning – final report
- Inquiry into the NDIS Workforce – interim report
- Inquiry into General Issues – 2020 report.

Government responses to the final report of the Inquiry into Planning and the 2020 report of the Inquiry into General Issues were tabled in 2021.

### Senate Community Affairs Legislation Committee

In 2020–21 the NDIA appeared at 4 Senate Estimates hearings before the Senate Community Affairs Legislation Committee for Budget and Additional Estimates, including one spill over hearing for Additional Estimates.

### Senate Select Committee on Autism

On 27 November 2019 the Senate resolved to establish a Select Committee on Autism to inquire into and report on the services, support and life outcomes for autistic people in Australia and the associated need for a National Autism Strategy. The Committee is due to present its final report on or before the last sitting day of March 2022.

With the Department of Social Services, the NDIA jointly provided a submission to the inquiry in July 2020, and appeared at a public hearing that same month.

## Senate Select Committee on COVID-19

During 2020–21, the Senate Select Committee on COVID-19 continued its inquiry into the Australian Government response to the COVID-19 pandemic. The NDIA appeared at one public hearing before the Senate Select Committee on COVID-19 in September 2020.

## Senate Select Committee on Job Security

The Senate Select Committee on Job Security was appointed by resolution of the Senate on 10 December 2020 and tasked with inquiring into the impact of insecure or precarious employment on the economy, wages, social cohesion and workplace rights and conditions.

The NDIA contributed to a portfolio response to Questions on Notice, coordinated by the Department of Social Services, in May 2021. An interim report was tabled on 24 June 2021.

## Senate Standing Committee on Community Affairs—References Committee

In 2020–21 the Senate Standing Committee on Community Affairs References Committee continued its inquiry into effective approaches to prevention, diagnosis and support for Fetal Alcohol Spectrum Disorder.

The NDIA appeared at a public hearing before the Committee in December 2020, with the final report released in March 2021.

## 5.7.1 Royal Commissions

### Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (DRC)

The DRC was established in April 2019 in response to community concern about widespread reports of violence against, and the neglect, abuse and exploitation of, people with disability. The DRC is investigating:

- preventing and better protecting people with disability from experiencing violence, abuse, neglect and exploitation
- achieving best practice in reporting, investigating and responding to violence, abuse, neglect and exploitation of people with disability
- promoting a more inclusive society that supports people with disability to be independent and live free from violence, abuse, neglect and exploitation.

In 2020–21, the NDIA responded to 18 Notices-To-Produce information and appeared as a witness at 2 public hearings in May and June. The NDIA also contributed to the Commonwealth's response to 5 issues papers, broadly related to justice, employment, quality and safeguards, First Nations people, and COVID-19.

On 13 May 2021, the Australian Government granted an extension of time for the DRC to deliver its Final Report, which is now due on 29 September 2023. The NDIA continues to support the work of the DRC.



## Royal Commission into Aged Care Quality and Safety

The Royal Commission into Aged Care Quality and Safety delivered its Final Report on 26 February 2021. Part of its investigation included regard for how best to deliver aged care services to people with disabilities residing in aged care facilities. Among other things, the Final Report recommended that the Australian Government put in place the means to achieve, monitor and report on progress towards the Younger People in Residential Aged Care Strategy 2020-25 to ensure that:

- no person under the age of 65 years enters residential aged care from 1 January 2022
- no person under the age of 45 years lives in residential aged care from 1 January 2022
- no person under the age of 65 years lives in residential aged care from 1 January 2025

The Australian Government has accepted this recommendation. The NDIA is working to achieve these targets with the Department of Social Services and the Department of Health through a Joint Agency Taskforce.

The Final Report also made recommendations about enhancing the aged care workforce which the Australian Government is progressing through the broader care and support workforce measures and through alignment with the NDIS National Workforce Plan: 2021–2025.

During the course of the Royal Commission, the NDIA responded to 9 Notices-To-Give information and 8 Notices-To-Produce a written statement. The NDIA also appeared as a witness at public hearing regarding younger people living in residential aged care.

### John Bartlett

Using his NDIS plan, 50-year-old John Bartlett was able to engage Ballarat disability provider, The Support People, to help him get his Learner's Permit. John, who has a mild intellectual disability had his support worker, Lorelle, help him prepare for his test and was there for support as he took his Learner's Permit test. John was thankful that Lorelle worked with him at a steady pace and in the end, he successfully passed and got his permit. John is looking forward to becoming more independent, and is keen to eventually drive himself to work and drive to other activities.



## 5.8 Judicial decisions and external reviews

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

### Administrative Appeals Tribunal (AAT) appeals - Federal Court of Australia

No Federal Court appeals were decided in 2020–21.

### Administrative Appeals Tribunal (AAT) reviews

The AAT is responsible for independently reviewing a range of decisions made under the NDIS Act, including decisions about whether a person meets the access criteria to become a participant in the Scheme, and the supports provided under the Scheme.

In 2020–21, 2118 applications for external merits review were lodged by participants in the AAT. The majority of cases were finalised without requiring a substantive hearing. As at 30 June 2021, 1687 matters were open. The AAT handed down 24 hearing decisions in 2020–21. The AAT affirmed 15 decisions, varied 3 decisions, and set aside 6 decisions.

There were no AAT decisions in 2020–21 that had a significant effect on the operations of the Agency.

### Australian Human Rights Commission (AHRC)

The AHRC is an independent statutory organisation, established to protect and promote human rights in Australia and internationally. The AHRC has statutory responsibilities under the Age Discrimination Act 2004, Australian Human Rights Commission Act 1986, Disability Discrimination Act 1992, Racial Discrimination Act 1975, and the Sex Discrimination Act 1984, and investigates and resolve complaints about alleged breaches of human rights against the Commonwealth and its agencies.

At 1 July 2020 there was one open complaint. In 2020–21, the Agency received 10 requests from the AHRC of which 2 were open at the end of the year.

### Australian National Audit Office (ANAO) Reports

The ANAO conducts performance audits of the efficiency and effectiveness of the Agency's operations and financial audits of Agency financial statements. In 2020–21, the ANAO released one performance audit report involving the Agency. This was the audit on Decision-making Controls for NDIS Participant Plans tabled in Parliament in October 2020. The Agency agreed with all 3 recommendations.

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

## Commonwealth Ombudsman

The Agency is a prescribed authority for the purposes of the Ombudsman Act 1976. Accordingly, the Office of the Commonwealth Ombudsman (OCO) may investigate complaints from individuals, groups or organisations about the administrative actions of the Agency. There are 4 types of primary contact that the Agency will generally receive from the OCO: complaint transfers, section 7A preliminary inquiries, section 8 investigations, and section 12 finalisations of investigation.

At the beginning of the year there were 8 open complaints. In 2020–21, the Agency received 206 complaint transfers from the Office of the Commonwealth Ombudsman of which 6 were open at the end of the year.

## Fair Work Commission (FWC)

The FWC is Australia's national workplace relations tribunal. It was established by the Fair Work Act 2009 (Fair Work Act) and is responsible for administering the provisions of the Fair Work Act.

In 2020–21 the Agency received 3 applications to the FWC. Two of the applications were discontinued and one was settled.

## Federal Circuit Court (FCC)

The FCC was established to provide a simple and accessible alternative to litigation in the Federal Court of Australia (Federal Court) and the Family Court of Australia (Family Court) and to relieve the workload of those courts. The FCC Act directs the Court to operate informally and to use streamlined procedures. This complements the Parliament's initiatives to encourage people to engage in a range of dispute resolution processes.

In 2020–21 the agency received one application to the FCC which the matter is currently ongoing.

## Freedom of information

Under the Freedom of Information Act 1982 (FOI Act), a person may request access to information that is held by the Agency. In 2020–21, the Agency received 913 primary requests under the FOI Act. There were 27 requests for internal review of an access decision. The Agency received notification that 11 requests were subject to a review by the Office of the Australian Information Commissioner.

## Participant Information Access (PIA) process

In July 2020, the Agency commenced the PIA process as an administrative release function outside of the *FOI Act*. This process allows prospective participants, participants, and nominated representatives to request personal information held by the Agency. The process has been well utilised since inception with the Agency receiving 2,863 PIA requests in 2020–21.

## Merit Protection Commission (MPC)

The Merit Protection Commissioner is an independent statutory office holder providing employment services to the Australian Public Service and the Parliamentary Service. MPC review employees' concerns about matters affecting their employment, such as recruitment, discipline (misconduct) and performance management. It also provides recruitment and inquiry services to agencies.

In 2020–21 the Agency had 6 applications to the MPC accepted. Four of the Agency's original decisions were upheld and 2 decisions were set aside.

## **NDIS Quality and Safeguards Commission (NDIS Commission)**

The NDIS Commission is an independent agency established to improve the quality and safety of NDIS supports and services, regulate NDIS providers, provide national consistency, promote safety and quality services, resolve problems and identify areas for improvement.

From 1 July 2019, the NDIS Commission expanded operations from NSW and SA to include Vic, Tas, ACT, Qld and NT. It is now the appropriate oversight body for concerns raised about disability service providers in all states and territories, with the NDIS Commission's WA operations commencing on 1 December 2020.

In 2020–21, the Agency received 424 enquiries from the NDIS Commission.

The Agency works collaboratively with the NDIS Commission to resolve critical incidents involving participants and providers. A protocol has been established for the Participant Critical Incident team to accept referrals of participant critical incidents from the NDIS Commission. In 2020–21, 268 referrals were received from the NDIS Commission.

During the same period 325 referrals were sent by the Agency to the NDIS Commission. In addition, the Agency referred 184 Participant Critical Incidents to the NDIS Commission.

## **NSW Ageing and Disability Commission (NSW ADC)**

From July 2016, the NSW Ombudsman's office has had a standing inquiry into allegations of abuse and neglect of adults with disability in the community, such as in the family home. The NSW ADC has now been established, and from 1 July 2019 has been the appropriate oversight body to better protect adults with disability and older people from abuse, neglect and exploitation in home and community settings.

In 2020–21, the Agency received 178 requests from the NSW ADC.

The Participant Critical Incident team received 11 referrals of participant critical incidents from the NSW ADC in 2020–21.

There are not equivalent bodies to the NSW ADC in other jurisdictions, and/or the NDIA does not have a formal information sharing MOU in place with an equivalent body.

## 5.9 Other PGPA reportable items

### Ministerial directions and government policy orders

The NDIA did not receive any government policy orders or ministerial directions from the Minister for the NDIS in 2020–21. No instances of significant non-compliance with finance law were reported to the responsible Minister under paragraph 19(1)(e) of the PGPA Act in 2020–21.

### 17BE (l) - Outline of the location of major activities or facilities

As at 30 June 2021, the Agency had staff at over 150 locations across Australia. Approximately 55 per cent of these sites are shared with other agencies to efficiently deliver Australian Government services. We continue to work with other agencies to consolidate into shared sites, where appropriate.

The Agency has recently entered into an agreement for a new central Melbourne office site, and work is underway to move to Richmond by mid-2022 (this move will not affect shopfront locations).

### Related entity transactions

Are addressed in the NDIA Financial Statements in section 3.1.

### Obtaining information from subsidiaries

Not applicable - the Agency has no subsidiaries.

### Indemnities and insurance premiums

The Agency purchased directors' and officers' liability cover from Comcover (the Commonwealth's self-insurance fund). The premium paid in 2020–21 for this cover was \$718,423.29 (GST inclusive).

## 5.10 Advertising and market research

The following information is provided in accordance with section 311A of the *Commonwealth Electoral Act 1918*, and discloses payments above \$14,300.00 (including GST) to advertising and market research organisations during 2020–21.

**Table 5.10A:** Payments to advertising organisations in 2020–21

Organisation	Service provided	Amount paid \$ (incl GST)
Wellmark Pty Ltd	Campaign consultancy and resources	\$90,048.71
Brio Group Pty Ltd	Family/Carer Outcomes Report	\$ 110,815.80
Hootsuite Incorporated	Social media advertising (GST not applicable)	\$20,135.00
Iconinc Holdings Pty Ltd	Website hosting; and maintenance and monitoring of data	\$76,978.22
Sequence Digital	Digital design	\$15,840.00
Total:		\$313,817.73

**Table 5.10B:** Payments to market research organisations in 2020–21

Organisation	Service provided	Amount paid \$ (incl GST)
Hall and Partners Pty Ltd	Qualitative research	\$457,435.00
McNair yellowSquares Pty Ltd	Participant survey work	\$193,354.83
Total:		\$650,789.83



**Table 5.10C:** Payments to polling organisations in 2020-21

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

**Table 5.10D:** Payments to direct mail organisations in 2020-21

Organisation	Service provided	Amount paid \$ (incl GST)
National Mailing and Marketing	Warehousing and distribution	\$98,567.16
E-Bisglobal Pty Ltd	Print management	\$23,464.67
Total:		\$122,031.83

**Table 5.10E:** Payments to media advertising organisations in 2020-21

Organisation	Service provided	Amount paid \$ (incl GST)
Universal McCann	Recruitment advertising	\$98,238.77
Total:		\$98,238.77

## 5.11 Ecologically sustainable development and environmental performance

### Fleet and Fuel Usage

During 2020–21 the NDIA reduced its vehicle fleet by 34 to 189. Approximately 60 per cent of the NDIA fleet are hybrids, where the use of e10 fuel is encouraged to reduce our environmental impact. A hybrid is a combination petrol and electric driven vehicle, where the vehicle uses an internal combustion engine, with a battery, generator and electric motor to reduce vehicle emissions. The agency leases hybrid models as these contribute towards a green fleet and maintain their value within the second hand market.

### Air Travel

The NDIA has reduced the requirement for air travel by using video conferencing capability and continues to upgrade video conferencing facilities in offices across Australia.

### Property

The NDIA is committed to sustainable development and environmental performance. Through our property activities, we seek a minimum 5 Star Green Star Design and 4.5 Star NABERS Energy Base Building Office Rating, wherever possible.

## 5.12 Compliance with Carer Recognition Act

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

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

The Agency promotes staff awareness and understanding of the principles contained within the *Carer Recognition Act 2010* and the Statement through online tools and resources, including guides on the support available to employees with caring responsibilities and also those who support people with caring responsibilities.

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

The Agency complies with its obligations under the *Carer Recognition Act 2010* and adheres to the principles of the Statement for Australia’s Carers. The Agency Enterprise Agreements (2020–2023) and internal human resources policies are also developed with due regard to the Statement for Australia’s Carers, in areas that may significantly affect an employee’s caring role.

The Agency supports carers in the workplace through its employment policies, including flexible hours and access to carers leave. Flexible working arrangements have increased significantly in the last 12 months. The types of flexible working

arrangements available to Agency staff to support carers include:

- part-time work agreements
- work from home/remote work arrangements
- job share arrangements
- individual flexibility arrangements
- purchased leave schemes
- flex leave.

**Subsection 8(1) – each public service care agency is to take all practicable measures to ensure that it, and its employees and agents, take action to reflect the principles of the Statement for Australia’s Carers in developing, implementing, providing or evaluating care supports.**

The role of carers is recognised by the Agency as an important factor in developing participant plans. Carers are included in the planning process, and are recognised in participant plans through the informal care sections of plans. Participant plans are developed with a focus on capacity building and social and economic inclusion for participants. At the request of the person they care for, carers can help with goal setting, assessment and the planning process. Carers can include a carer statement as part of the participant’s plan development, and this statement is recorded in the plan.

Increasing the capacity of the community to help people with disability, and increasing the social and economic participation of people with disability, improves the situation of carers. The Agency encourages feedback from carers to inform improvements to the way the Scheme supports their needs.

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

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

The Agency acknowledges the importance of providing carers, like all families, with the opportunity to take a break from time to time, and continues to work with Carers Australia on the implementation of this advice to staff.

As part of National Community Connector program (NCCP), DSS Carer Gateway Service Providers were allocated \$2.96 million to assist ageing carers of people with disability to better understand the NDIS, and to support carers and those they care for to access the NDIS. The majority of funds were distributed towards the end of 2019–20, with the remaining \$440,000 provided in 2020–21 to an ageing parent carer hotline which was accessed through the DSS carer hotline. This service assisted ageing parent carers to access information about connecting to NDIS services and supports.



## 5.13 Information on other specific statutory provisions

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

### **National Disability Insurance Scheme Act 2013**

No directions or ministerial statements were given to the Agency under sections 121 and 125 of the NDIS Act, and no legislative instruments were made during 2020–21.

### **Privacy Act 1988**

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

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

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

At 1 July 2020 the Agency had 3 privacy complaints open from the Office of the Australian Information Commissioner. During 2020–21 an additional 4 complaints were received. Three complaints were resolved during that period.

### **Freedom of Information Act 1982**

Agencies subject to the FOI Act are required to make information publicly available as part of the Information Publication Scheme.

Each agency must display on its website a plan showing what information it publishes in accordance with the Information Publication Scheme requirements. To see the Agency's plan, go to [www.ndis.gov.au/about-us/policies/information-publication-scheme/information-publication-scheme-agency-plan](http://www.ndis.gov.au/about-us/policies/information-publication-scheme/information-publication-scheme-agency-plan).

## 5.14 Glossary

### 5.14.1 Definitions

Term	Definition
Administrative Appeals Tribunal (AAT)	An independent body that conducts reviews of administrative decisions made under Commonwealth laws.
Bilateral Agreement	An agreement between the Commonwealth and a state or territory that formalises the commitments of each party during Scheme rollout.
Bilateral estimates	Estimates for the number of people expected to enter the NDIS by quarter in each state and territory over the next 3 years. These figures are estimates only.
Disability sector	Refers to organisations and sole traders who deliver disability support services and the peak bodies that represent them.
Early Childhood Early Intervention (ECEI) Approach	This is the approach delivered by the NDIS to support children aged under 7 years with developmental delay or disability and their families/carers to achieve better long-term outcomes through support services in their local community, regardless of diagnosis. The ECEI Approach is based on the principles of best practice in early childhood intervention and allows for access to timely, targeted and individualised early childhood intervention supports for children.
Individual living options (ILOs)	Living arrangements that focus on the individual. They include living alone, co-residency, host arrangements and living together options. They are an alternative to group home services.
Insurance approach	Sharing the costs of disability services and supports across the community. Placing emphasis on making up-front investments that reduce participants' calls on the Scheme into the future, including investments in measuring lifetime costs, research and innovation, and community capability development.



Term	Definition
Local Area Coordinators / Coordination (LACs/ LAC)	Local organisations working in partnership with the Agency, to help participants, their families and carers access the NDIS.
Partners in the Community (PITC)	Community-based organisations who work with the NDIA to deliver the NDIS. People between the ages of 7 and 64 years of age will work with the local area coordinator partner in their local government area. Children under 7 years of age who have a developmental delay or disability will work with the early childhood partner in their local government area.
Pedi-CAT	The Pedi-CAT is a functional capacity assessment for children. All children 0-6 years of age will have a Pedi-CAT functional assessment, often facilitated by an Early Childhood Partner. The Pedi-CAT may be repeated in the future as the Early Childhood Partner works with the family to monitor achievements and outcomes.
Plan	A written agreement worked out with the participant, stating their goals and needs, and the reasonable and necessary supports the NDIS will fund for them. Each participant has their own individual plan.
Specialist disability accommodation (SDA)	A range of housing designed for people with extreme functional impairment or very high needs.
Supported independent living (SIL)	One type of help or supervision with daily tasks to help participants live as independently as possible, while building your skills.
World Health Organisation Disability Assessment Schedule (WHODAS)	World Health Organisation Disability Assessment Schedule or WHODAS is a generic assessment instrument developed by the World Health Organisation. It is a standardised method of measuring health, level of functioning, and disability in adult populations. It covers 6 domains of functioning: cognition, mobility, self-care, getting along, life activities, and participation. There are several versions of the WHODAS based on the number of items. The NDIS uses the WHODAS 2.0 36-item version.

## 5.14.2 Acronyms

AAG	Autism Advisory Group	FND	Functional Neurological Disorder
AAT	Administrative Appeals Tribunal	FOE	future operating environment
ABN	Australian Business Number	FOI	freedom of information
ABS	Australia Bureau of Statistics	FOI Act	<i>Freedom of Information Act 1982</i>
ACE	Alternative Cloud Environment	FRR	Financial Reporting Rule/s
AFP	Australian Federal Police	FTE	full time equivalent
AFSR	Annual Financial Sustainability Report	FWC	Fair Work Commission
Agency	National Disability Insurance Agency	GPs	General Practitioners
AHRC	Australian Human Rights Commission	GST	Goods and Services Tax
AM	Member of the Order of Australia	IAC	Independent Advisory Council
ANAO	Australian National Audit Office	ICT	information and communications technology
AO	Order of Australia, Officer in the General Division	ILOs	Individual Living Options
APS	Australian Public Service	IRG	Industry Reference Group
ASL	average staffing level	ISM	Information Security Manual
AT	assistive technology	ITLP	In the Loupe Productions
CALD	culturally and linguistically diverse	JSC	Joint Standing Committee
CCE	Corporate Commonwealth Entity	KMP	key management personnel
CEO	Chief Executive Officer	LAC	Local Area Coordinator
CRC	Centre for Research Collaboration	MPC	Merit Protection Commission
CRM	Customer Relationship Management	NCC	National Contact Centre
CRO	Chief Risk Officer	NDIA	National Disability Insurance Agency
DCEO	Deputy Chief Executive Officer	NDIS	National Disability Insurance Scheme
DRC	Depreciated Replacement Cost	NDIS Act	<i>National Disability Insurance Scheme Act 2013</i>
DSS	Department of Social Services	NDIS Commission	National Disability Insurance Scheme Commission
EC	Early Childhood	NMHSRG	National Mental Health Sector Reference Group
ECEI	Early Childhood Early Intervention	NSW ADC	New South Wales Ageing and Disability Commission
ELT	Executive Leadership Team		
FCC	Federal Circuit Court		

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OCIO	Office of the Chief Information Officer
OCO	Office of the Commonwealth Ombudsman
PBS	Portfolio Budget Statements 2019–20
PC	Productivity Commission
PED	Participant Experience Delivery
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	Public Governance, Performance and Accountability Rule 2014
PITC	partners in the community
PRC	People and Remuneration Committee
PRG	Participant Reference Group
PSG	Participant Service Guarantee
PSPF	Protective Security Policy Framework
RAP	Reconciliation Action Plan
RCSA	Recruitment, Consulting and Staffing Association
SCA6	Spinocerebellar Ataxia Type 6
Scheme	National Disability Insurance Scheme
SDA	Specialist disability accommodation
SES	Senior Executive Service
SIL	Supported independent living
SIP	Service Improvement Plan
WHS	Work health and safety
WHS Act	<i>Work Health and Safety Act 2011</i>
WHSMS	Work Health and Safety Management System
YPIRAC	Younger people in residential aged care

# Part 6.

## Indexes



‘The NDIS is helping me to be the mother I want to be. To me, motherhood is about how much you love and care for your child and how committed you are to giving them a childhood where they can thrive, and I can do that.’

— Krystal Matthews, NDIS participant





**Krystal Matthews**

Krystal Matthews is a 35-year-old mum living in Dernancourt, South Australia. Krystal has cerebral palsy which limits her mobility every day. To make sure she can move around safely, Krystal uses a wheelchair and while at home, she uses a walking frame. Since joining the NDIS, Krystal is happy to be living a more independent life and can access physical and occupational therapies, and support workers who help her with daily activities. Since becoming a participant, Krystal has the disability supports she needs so she can balance the demands of working and taking care of her daughter Zara.

## 6.1 Compliance index

Below is the table set out in Schedule 2A of the PGPA Rule. Section 17BE(u) requires this table be included in entities' annual reports.

PGPA Rule Reference	Part of Report	Description	Requirement
17BE	Contents of annual report		
17BE(a)	5.1	Details of the legislation establishing the body	Mandatory
17BE(b)(i)	3.3, 5.1	A summary of the objects and functions of the entity as set out in legislation	Mandatory
17BE(b)(ii)	1.5, 3.3.2	The purposes of the entity as included in the entity's corporate plan for the reporting period	Mandatory
17BE(c)	4.1.1	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	Mandatory
17BE(d)	5.9	Directions given to the entity by the Minister under an Act or instrument during the reporting period	If applicable, mandatory
17BE(e)	5.9	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory
17BE(f)	5.9	Particulars of noncompliance with: <ul style="list-style-type: none"> <li>a. a direction given to the entity by the Minister under an Act or instrument during the reporting period, or</li> <li>b. a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act</li> </ul>	If applicable, mandatory
17BE(g)	3.3	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	Mandatory



PGPA Rule Reference	Part of Report	Description	Requirement
17BE(h), 17BE(i)	5.9	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to noncompliance with finance law and action taken to remedy noncompliance	If applicable, mandatory
17BE(j)	4.2.2	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	Mandatory
17BE(k)	4.4.2	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Mandatory
17BE(ka)	5.4	Statistics on the entity's employees on an ongoing and nonongoing basis, including the following: c. statistics on full time employees d. statistics on part time employees e. statistics on gender f. statistics on staff location	Mandatory
17BE(l)	5.9	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	Mandatory
17BE(m)	4.1, 4.2.3, 4.6	Information relating to the main corporate governance practices used by the entity during the reporting period	Mandatory
17BE(n), 17BE(o)	3.1	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST):  (a) the decisionmaking process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company, and  (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions	If applicable, mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
17BE(p)	4.4	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	If applicable, mandatory
17BE(q)	5.8, 5.9	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	If applicable, mandatory
17BE(r)	5.7, 5.8, 5.13	Particulars of any reports on the entity given by: <ul style="list-style-type: none"> <li>a. the Auditor-General (other than a report under section 43 of the Act), or</li> <li>b. a Parliamentary Committee, or</li> <li>c. the Commonwealth Ombudsman, or</li> <li>d. the Office of the Australian Information Commissioner</li> </ul>	If applicable, mandatory
17BE(s)	5.9	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report	If applicable, mandatory
17BE(t)	5.9	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	If applicable, mandatory
17BE(taa)	5.2	The following information about the audit committee for the entity: <ul style="list-style-type: none"> <li>a. a direct electronic address of the charter determining the functions of the audit committee;</li> <li>b. the name of each member of the audit committee;</li> <li>c. the qualifications, knowledge, skills or experience of each member of the audit committee;</li> <li>d. information about each member's attendance at meetings of the audit committee;</li> <li>e. the remuneration of each member of the audit committee</li> </ul>	Mandatory
17BE(ta)	5.6	Information about executive remuneration	Mandatory

## The NDIS Act

NDIS Act Part 5, subsection 172	Part of Report	Description	Requirement
(2)(a)	5.9	Details of any directions given under section 121 in the period	Mandatory
(2)(b)	5.13	Details of any statements given under section 125 in the period	Mandatory
(2)(c)	3.3	Information (including statistics) and analysis that relates to either or both of the following in the period: <ul style="list-style-type: none"> <li>i. participants;</li> <li>ii. funding or provision of supports by the Agency.</li> </ul>	Mandatory
(3)	5.13	Any particular information or analysis to be included in the annual report as prescribed by the Minister in legislative instruments	Mandatory
(4)(a)	3.2	The summary, that was prepared under section 180B when the annual report was being prepared, of the annual financial sustainability report	Mandatory
(4)(b)	3.2	The report of the reviewing actuary's review under subsection 180E(2) of the summary mentioned in paragraph (4)(a).	Mandatory

## Information provided in compliance with other statutory provisions

Act	Part of report	Reference and description	Requirement
Work Health and Safety Act 2011 Schedule 2	5.3	4(1) — Work Health and Safety 4(2) — Summary of incidents pursuant to section 38 of the WHS Act	Mandatory
Commonwealth Electoral Act 1918	5.10	311A — Advertising and Market Research	Mandatory
Environment Protection and Biodiversity Conservation Act 1999	5.11	516A — Ecologically sustainable development and environmental performance	Mandatory
Carer Recognition Act 2010	5.12	4 — Statement of compliance with Carer Recognition Act	Mandatory
Freedom of Information Act 1982	5.13	8 — Information Publication Scheme Statement	Mandatory
Privacy Act 1988	5.13	Statement of Compliance	Mandatory

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