



# Corporate Plan

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2017–21

**ndis**










## Statement of preparation

We, the Board of the National Disability Insurance Agency (NDIA), as accountable authority, present the 2017-2021 NDIA Corporate Plan, as required under section 35 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and section 177(1) of the *National Disability Insurance Scheme Act 2013* (NDIS Act). The Corporate Plan is prepared in accordance with the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule).

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

The NDIA acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, sea and community. We pay our respects to them and their cultures, and to elders both past and present.

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# 1. Foreword

The refreshed Board is pleased to present its Corporate Plan. The development of the Corporate Plan has been used as a way to ensure the Board and management share a common purpose and set of strategic priorities.

Simply put, we recognise that the overall purpose of the NDIA is to improve economic and social outcomes for participants, at the same time as ensuring the Scheme’s ongoing financial sustainability. We want to do that by putting participants (our customers) at the core of everything we do, while recognising and respecting the important role played by carers, providers and disability groups.

To do that, we must deliver an exceptional service for participants and make it easy for providers to work with us.

That has not always been the case. The ambitious and early launch of transition from trial has, at times, been difficult for both participants and providers.

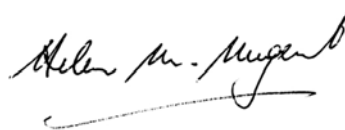
We recognise these shortcomings and, by working proactively with participant and provider groups, we are determined to change the nature of that experience, at the same time as ramping up, in accord with the bilateral estimates, the number of participants entering the Scheme. This must be done, while ensuring we deliver the Scheme within agreed funding.

Achieving this requires us to become a high performing organisation, one of which Australia can be proud; one that truly reflects the ground-breaking nature of the Scheme.

We are committed to achieving that vision.

So, while the words in this document are clothed in the formal language of a Corporate Plan, there should be no doubt as to the underlying commitment of the Board and management to the Scheme’s overall objective.

On that basis, we commend the Corporate Plan to all.



**Dr Helen Nugent AO**  
Chairman

## 2. Introduction

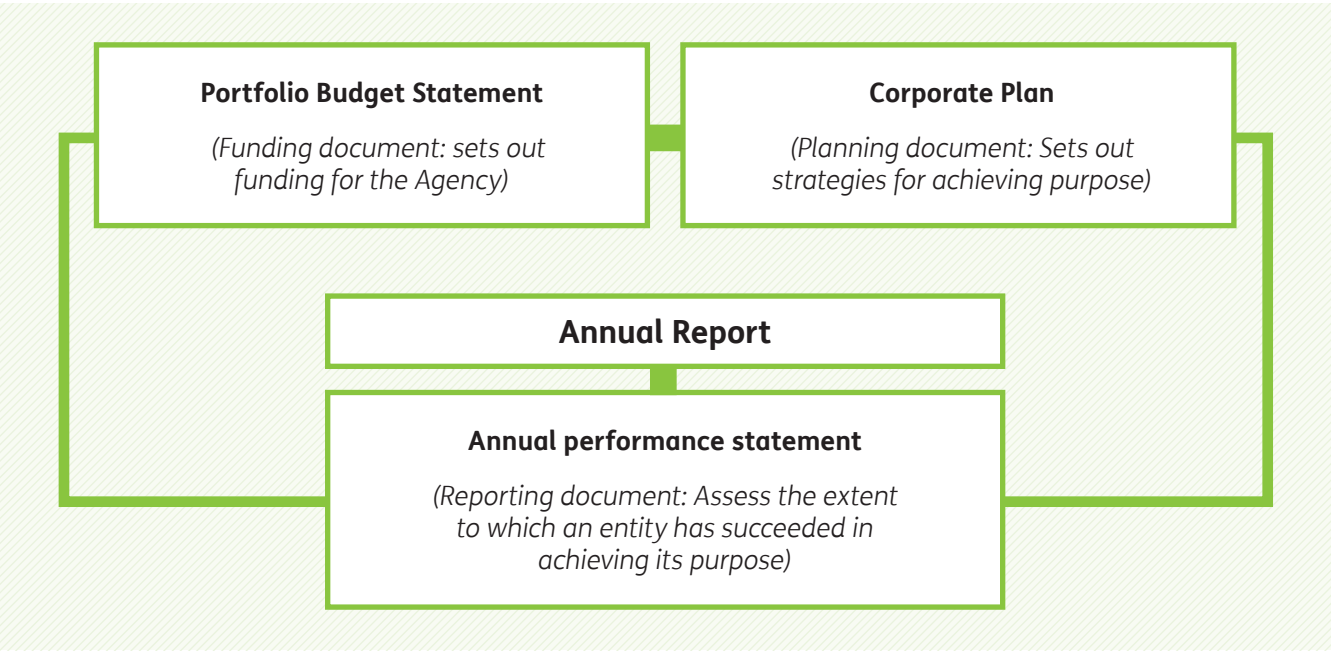
### Structure of this Plan

Chapters 2 to 4 of this Corporate Plan provide an introduction to the NDIS and the NDIA. Chapters 5 to 7 are written to meet the planning requirements of government, as required under the PGPA Act 2013: Environment; Performance; Capability; Risk Oversight and Management.

### Performance framework

The Commonwealth performance framework provides a comprehensive framework for corporate planning and performance reporting for Commonwealth entities such as the NDIA.

This Corporate Plan is one of three core elements of this performance framework. The NDIA's portfolio budget statement and annual performance statement (included in its annual report) constitute the remaining two components.



In addition to obligations under the PGPA Act and Rules, the NDIS Act contains requirements with which the NDIA Board must comply in preparing the NDIA's Corporate Plan. These include the requirement to:

- Have regard to the Statement of Strategic Guidance given under section 125 of the NDIS Act; and
- Include certain information relating to the financial sustainability of the NDIS.

Strategic guidance

In preparing this Corporate Plan, regard has been had to the Statement of Strategic Guidance for the Board, issued by the Council of Australian Government (COAG) Disability Reform Council (DRC) on 15 March 2017.

To meet government priorities and achieve a successful transition to full Scheme, the COAG DRC expects the NDIA Board to focus on six key themes in determining the objectives, strategies and policies to be followed by the NDIA:

Financial sustainability of the NDIS

The NDIA’s Corporate Plan must include details of the financial sustainability of the NDIS. This Corporate Plan addresses the financial sustainability of the NDIS, including risks and issues relevant to financial sustainability and the management of these risks and issues, in Chapter 6.3. It details estimates of current and future Scheme and Agency expenditure and revenue in Appendix 2.

Table 1: COAG’s expectations

COAG’s expectations	Description
Participant and community outcomes	<ul style="list-style-type: none"><li>• Support participants’ ability to exercise choice and control</li><li>• Build participant and community capacity to engage with the NDIS and supplier market</li><li>• Develop robust metrics for monitoring and reporting on key aspects of NDIS delivery, including participant experience</li></ul>
Building and maintaining stakeholder confidence	<ul style="list-style-type: none"><li>• Build confidence and trust among participants, carers, the community and the disability services market to protect the reputation of the NDIA, by having responsive processes and transparent and consistent communication</li><li>• Work constructively with, and give thoughtful consideration to, independent advice on matters relating to delivery of the NDIS from the Independent Advisory Council</li></ul>
Identifying strategic risks early and managing risks well	<ul style="list-style-type: none"><li>• Take a structured approach to identifying and managing risks and develop a sophisticated understanding of the risk interdependencies that could impact delivery of the NDIS</li><li>• During transition, escalate important issues urgently</li></ul>
Supporting market development	<ul style="list-style-type: none"><li>• Understand and report risks in relation to market responses and the need for interventions to ensure supply</li><li>• Improve systems and processes and promote provision of high-quality and innovative supports</li><li>• Provide sufficient focus on appropriate fraud and compliance controls</li><li>• Support the development of and transition to a national quality and safeguards framework</li></ul>
Safeguarding the sustainability of NDIS	<ul style="list-style-type: none"><li>• Ensure the NDIS insurance principles are maintained</li><li>• Use actuarial data and analysis, and draw on the experiences of early implementation, to identify future cost pressures</li><li>• Work with governments on the National Disability Strategy to ensure broader community engagement and inclusion of people with disability</li></ul>
Developing a high-performing NDIA	<ul style="list-style-type: none"><li>• Build a high-performing, professional, systems-based organisation, with clear accountabilities and governance, that continues to improve its practices</li></ul>

SOURCE: COAG Disability Reform Council, Statement of Strategic Guidance for the Board of the National Disability Insurance Agency, March 2017



# 3. Purpose

## 3.1 Our purpose – the why

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

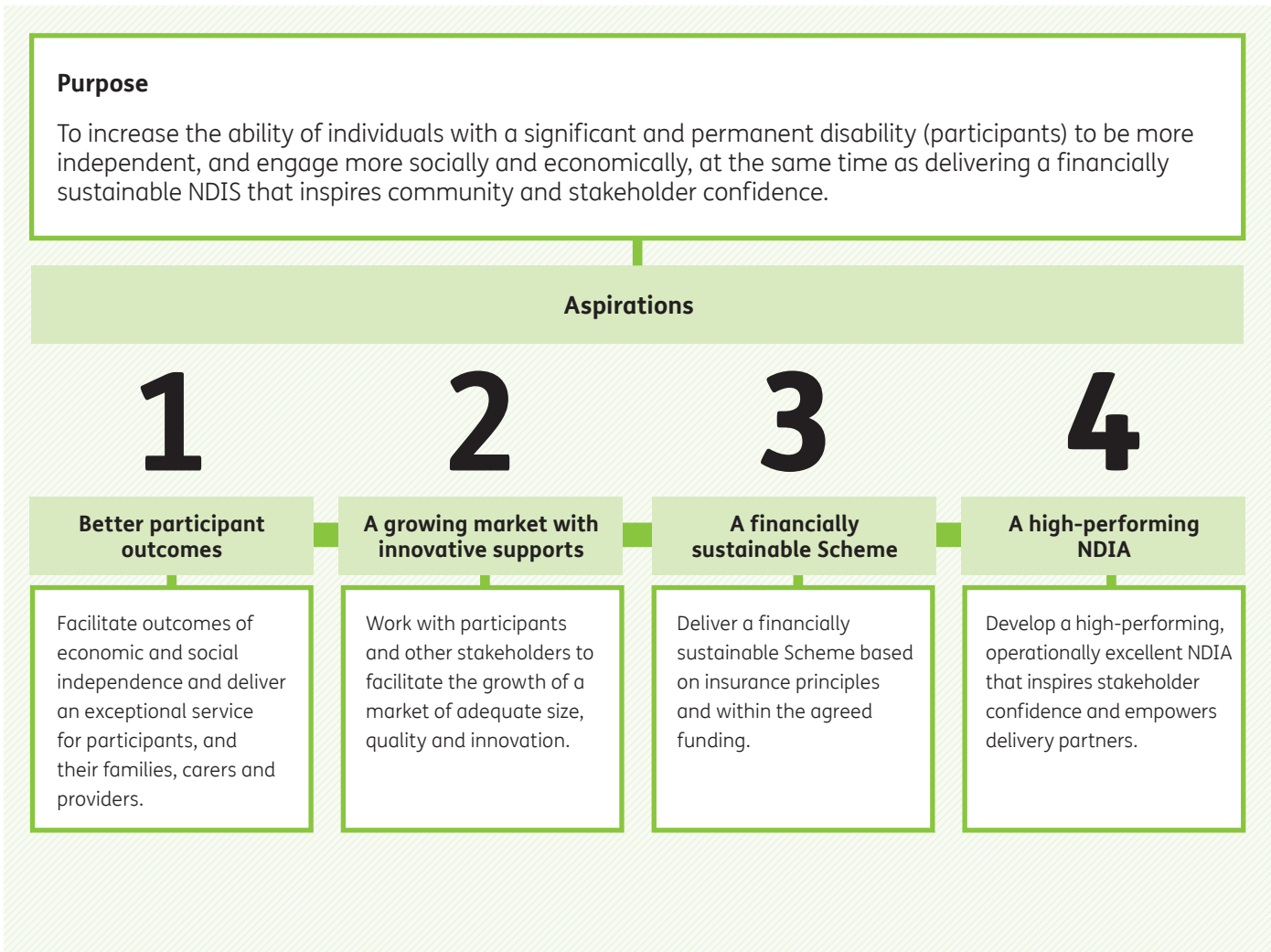
## 3.2 Our approach – the how

Our purpose forms the guiding basis for the NDIA’s aspirations, as detailed in Chapter 6. These aspirations were also informed by the COAG DRC’s Statement of Strategic Guidance to the Board. The COAG DRC’s

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

As the NDIA works to deliver on its purpose and aspirations, it will continue to build confidence and trust amongst its stakeholders, through information and genuine engagement. In particular, the NDIA will harness the expertise of participants, their carers and families, and the disability sector to build a Scheme for all Australians.

Diagram 1: NDIA’s Aspirations



### 3.3 Who benefits

In delivering on its purpose, the NDIA expects to achieve the following benefits for:

- **Participants:** Participants are individuals with a significant and permanent disability who are eligible for individualised support packages under the Scheme. Participants will have choice and control to better live an ordinary life. For the first time, participants will choose the supports they need to improve their social and economic engagement. As consumers in a competitive, innovative marketplace, they will benefit from a broader range of higher quality services. As citizens, they will be empowered to optimise their independence and involvement in their communities.
- **People with disability:** These are people who experience impairments, activity limitations, and participation restrictions. People with disability include participants as well as other people with disability who do not meet the NDIS access requirements. The NDIS will assist people with disability by promoting access to mainstream and community services supplied by other organisations, as well as by facilitating research and innovation in the disability sector. Mainstream services are those provided by government systems to the Australian public, and include health, mental health, education, justice, housing, child protection, transport and employment services. Community services are activities and other services not supplied by government groups that are available to everyone in the community.
- **Families and carers:** By improving outcomes for people with disability, a flow-on benefit is delivered for families and carers. When the needs of people with disability are met, the wellbeing, and the social and economic participation of informal carers also improves.
- **Community:** The NDIS will provide peace of mind to all Australians. Anyone who has, or might acquire a permanent and significant disability before the age of 65 and is an eligible participant, will have the reasonable and necessary supports they need to optimise their social and economic independence. Communities will benefit from greater participation by people with disability and their informal carers, and greater awareness of the issues that affect their lives.
- **Providers:** The NDIS will produce a rapid and substantial injection of funding into disability support services. The consequent increase in demand for the disability care and support services creates a significant opportunity for existing and new providers of disability services who can successfully engage with participants as customers in the new disability support services marketplace. The market-based approach of the Scheme represents a major shift from the way services have traditionally been delivered.
- **Economy:** The NDIS, by taking a lifetime view of the cost of disability support, encourages early investment and intervention. This is expected to reduce the total future cost of disability services in Australia. Improved employment outcomes for people with disability and their families, and a reduced load on the health system are also expected to contribute to long-term economic benefits.



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## 4. Overview

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### 4.1 Scheme overview

#### **A fundamental shift in the delivery of disability supports**

The NDIS represents a fundamental shift in the way disability supports are provided to and funded for Australians who have a significant and permanent disability. It represents a once-in-a-generation social and economic reform, and will better the lives of hundreds of thousands of participants, and their families and carers, through a focus on improved outcomes.

The Scheme will provide all Australians under the age of 65 with a significant and permanent disability (referred to as participants) with the reasonable and necessary supports they need to enjoy an ordinary life, and to participate in employment and the community. Consistent with the Scheme's participant-centric approach, funding for these supports will be determined by an assessment of participants' individual needs, goals and aspirations.

Participant choice and control is a core feature of the Scheme's design. In this new market-based system, once reasonable and necessary supports are determined, participants are deeply involved in making decisions around how their funds are spent, and how their supports are delivered. Participants will be able to choose and move between providers rather than having providers being contracted for them. In this way, participants are empowered to own their goals and aspirations, and to have a say in how they attain improved social and economic outcomes. This market-based design is consistent with the Harper Review's recommendation that government-funded human services should be consumer-directed to drive improvements in efficiency and effectiveness.

The Scheme represents a shift from a fragmented state and territory-based approach to specialist disability services to a nationally-consistent approach. This will allow participants to receive the same reasonable and necessary supports regardless of where in Australia they live, and ensures they will be able to take their plans with them if they move interstate.

The Scheme forms part of the Government's National Disability Strategy 2010-2020, a 10-year policy framework for improving life for Australians with disability, their families and carers. The Strategy guides public policy across all levels of government and drives change in mainstream, specialist disability programs and services, and community infrastructure. The specialist disability supports provided by the Scheme complement the mainstream services provided by Commonwealth and state and territory governments, including health, education, housing, transport and safety.

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## A Scheme based on insurance principles

The NDIS is a social insurance Scheme. It provides coverage by pooling risk across all Australians, and takes the risk of disability support costs away from individuals. It takes a lifetime approach to supporting people with disability, informed by actuarial analysis. This means expenditure is considered over the life of an individual, and Scheme sustainability is measured by calculating the total future cost of supports for participants.

This approach is based on early investment and intervention, which will improve outcomes later in life and will reduce long term costs. It marks a deliberate departure from a welfare-based approach, where the costs of providing disability support were viewed through a short to medium-term lens. It is intended to both improve outcomes for participants and produce long-term fiscal and economic gains for Australia.

This insurance approach is underpinned by four principles:

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

## 4.2 Agency overview

### About the NDIA

The NDIA is the independent Commonwealth entity responsible for implementing the NDIS. The NDIA is responsible for delivering the Scheme in a way that allows participants to exercise choice and control, and improves participant outcomes and experience. The NDIA must do this while safeguarding the long-term financial sustainability of the Scheme, ensuring participants have the funding available for reasonable and necessary supports over their lifespan. The NDIA must also deliver the Scheme in a way that builds confidence and trust amongst participants, carers, the community, the disability services market, and other stakeholders.

The NDIA receives funds contributed by the Commonwealth, states and territories; manages Scheme funds; administers access to the Scheme; approves the payment of individualised support packages; and reviews participants' plans. In administering the Scheme, the NDIA also promotes linkages and access to mainstream and community supports for people with disability, and has a role in developing and building awareness about the disability sector.

More broadly, the NDIA has an important, shared role as market steward in the new disability support services marketplace. Market stewardship recognises that when governments implement policies to increase consumer choice and adopt market-based delivery, they must also oversee how the marketplace develops.

The NDIA plays a key role in working with the Department of Social Services (DSS) and the states and territories to promote the provision of high quality and innovative supports for participants. With respect to market development and market stewardship, the NDIA currently has lead responsibilities for setting pricing and price controls; producing and communicating market signals; engaging with and providing information to stakeholders; and developing and supporting an e-Market ecosystem. The roles of DSS and states and territories in the new marketplace are detailed in Chapter 5.

Market stewardship and the NDIA's role in the marketplace will evolve over time as the disability services market matures, and as the new *National Quality and Safeguarding Framework* – a framework for ensuring high quality, nationally consistent standards for the delivery of disability support services – is implemented. During transition, the market stewardship role of the Agency will be more active, reflecting the need to develop the market. In the longer term, the NDIA's role as shared market steward will become more light touch. While the NDIA is responsible for setting the price of supports during the rapid ramp up of the NDIS, it is envisaged that prices will eventually be deregulated as the market matures in size, quality and innovation.

Engaging key stakeholders proactively will be critical as the NDIA carries out these functions and oversees the roll out of the Scheme. The Agency will continue to inform its stakeholders about the Scheme, and establish a genuine dialogue with them.

The NDIA will continue to harness expertise from the disability sector to build a Scheme for all Australians.

## NDIA governance

The governance model for the NDIA is set out in the NDIS Act. Key elements of this model include:

- **Council of Australian Governments (COAG) Disability Reform Council (DRC):** This is a Ministerial Council composed of Treasurers and Ministers responsible for disability from the Commonwealth and each state and territory. The COAG DRC is the principal decision maker for Scheme policy issues.
- **Responsible Commonwealth Minister:** The Minister for Social Services is responsible for administering the NDIS Act, and exercises statutory powers with the agreement of states and territories, including a power to make delegated legislation in the form of NDIS Rules, and a power to direct the NDIA.
- **NDIA Board:** The NDIA is overseen by a Board, which has responsibility for setting the strategic direction of the NDIA, ensuring the proper, efficient effective performance of the NDIA's functions, and developing and managing relationships with stakeholders. Board membership is determined by the responsible Commonwealth Minister in consultation with the states and territories.
- **Independent Advisory Council (IAC):** The IAC provides the Board with independent advice, which the Board must consider when performing its duties. The IAC is composed of people with disability, service providers and carers, and brings the crucial perspectives of these stakeholders to the work of the NDIA and the design of the Scheme.

### The NDIA’s Partners in the Community (PITCs)

The NDIA will partner with organisations in the community across Australia to deliver the NDIS. Partners will, in many cases, be the face of the Scheme.

Partners in the Community are suitably experienced and qualified organisations within the community that will deliver Local Area Coordination (LAC) and Early Childhood Early Intervention (ECEI) services, and ensure that the Scheme is implemented at a local community level.

- Local area coordinators help eligible participants navigate the NDIS, connect people with disability to mainstream and community services, and build local communities to be more accessible and inclusive for people with disability.
- ECEI services support early childhood early intervention activities that will improve the independence and social participation of children with disability or developmental delay aged 0-6 years. Early childhood partners assist children who meet the eligibility criteria and their families by providing information, identifying appropriate supports for the child and family, and identifying whether these supports should be provided through the NDIS or through mainstream services.
- The NDIA will source partners, manage partner agreements, support and train partners, and set performance and integrity standards for partners in their delivery of LAC and ECEI services.

## 4.3 Experience to date and the opportunity ahead

### Where we are today

#### *The experience of trial*

The NDIS was tested as a concept over a three-year trial period between 2013 and 2016 in four sites across Australia. The Scheme trial finished on 30 June 2016 and brought more than 30,000 participants into the Scheme.

The trial was completed within budget, and with a high level of participant satisfaction. Importantly, the delivery of the Scheme during trial offered a number of insights and lessons learned, which the NDIA used in developing its systems and processes. The NDIA also tested a number of options for the delivery of local area coordination and concluded that an outsourced arrangement was preferable.

At the end of the trial phase, the Scheme Actuary concluded that the underlying assumptions derived from the updated Productivity Commission estimates remained the best estimate of the expected number of participants in the Scheme and the expected cost.

### ***Early transition to full Scheme***

The transition from trial to full Scheme commenced on 1 July 2016 in all states and territories except Western Australia, which commences transition on 1 July 2017. Full roll-out of the Scheme is expected by 1 July 2019 in all states and territories except in Western Australia, where the Scheme will be rolled out by 1 July 2020.

The current plan is that the Scheme in Western Australia will be delivered by a new Western Australia NDIS authority governed by an independent Board in a way that is consistent with the operation of the Scheme elsewhere in Australia.

At full Scheme, the NDIS is expected to support more than 460,000<sup>1</sup> participants at an estimated cost of \$22 billion.

### ***What the NDIA needs to achieve by 2021***

#### ***Transition to full Scheme and beyond***

The NDIS is a major, complex reform. It is entering a rapid and ambitious scale-up phase that will see it provide much needed, life-changing support to people with disability. The opportunities and challenges for the NDIA over the next four years are immense.

The NDIA will scale from administering the Scheme to more than 85,000 participants at 31 May 2017, to an expected 460,000 participants at full Scheme. The welfare-based system will shift to a market-based system where participants will be able to exercise choice and control as consumers. To meet the forecast increase in demand for disability support services, the national disability services workforce will need an estimated additional 70,000 workers by 2019.

This represents the largest social reform in Australia since the introduction of Medicare. It requires an extraordinarily rapid rate of implementation. This will require clear focus on critical priorities, careful management of risks and excellent implementation.

Immediately following the launch of transition, the NDIA experienced significant difficulties in meeting bilateral estimates and in delivering the exceptional service for participants to which the NDIA aspires. This was due to a combination of the introduction of new systems and processes, the pace of the participant uptake, and significant Information and Communication Technology (ICT) problems.

<sup>1</sup> Includes all participants throughout Australia under the age of 65.

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It was further exacerbated by moving to a greater use of the telephone to create participant plans in order to catch up on the agreed bilateral estimates. This had a detrimental impact on the participant experience. While the need to improve processes is not entirely unexpected given the groundbreaking nature of the reform, the Board, management and staff of the NDIA are unequivocally committed to delivering a much better experience for participants and providers based on an outcomes-driven approach.

In response, since early April 2017 the Agency has undertaken significant work to improve the quality of the participant experience and the planning process. The Agency has engaged with more than 200 participants, providers, peak disability bodies and other stakeholders from all states and territories, individually and in workshops, to identify what needs to improve and how that might occur. Detailed work is currently underway to incorporate this feedback to ensure the NDIA delivers a high quality, outcomes focussed participant and provider experience that is simple, clear and accessible, at the same time as ensuring the Scheme's financial sustainability. Even with these improvements to the quality of the participant experience, the NDIA will still face key challenges associated with the speed of rollout, the development of high-quality participant plans and the readiness of the market to support those plans.

The next four years will be characterised by two distinct phases for the NDIA. In the near term, from 1 July 2017 to 30 June 2019, the NDIA's emphasis will be on transitioning to full Scheme while ensuring quality outcomes and improved participant experiences. This will be a period of great growth, change, opportunity and challenge.

In the medium term, from 1 July 2019 to 30 June 2021, the NDIA will be more mature in its role and size as participants become educated consumers, providers respond to the new marketplace, and the Scheme becomes an embedded feature of Australia's social infrastructure. The NDIA will continue to monitor progress, listen to stakeholders, improve the delivery of the Scheme to participants and safeguard its long-term financial sustainability.

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Table 2: The NDIA’s aspirations over the next four years

Aspiration	Transition to full Scheme	Operating at scale
1. Better participant outcomes	<ul style="list-style-type: none"><li>The NDIA is committed to overseeing the delivery of the Scheme to 460,000<sup>2</sup> participants, with high participant satisfaction rates.</li><li>The NDIA will continuously build and refine systems and processes to support a nationally-consistent, high quality approach to Scheme access, and the planning and funding of participant supports.</li><li>The NDIA will have robust methodologies to measure participants’ social and economic outcomes and experience, with the ability to assess emerging evidence of the Scheme’s impact on participants.</li></ul>	<ul style="list-style-type: none"><li>Participants, their families and carers should enjoy increased social and economic participation.</li><li>There is public familiarity, confidence and pride in the NDIS as it becomes an embedded feature of Australia’s social infrastructure. As the community becomes familiar with the NDIS, there is greater community recognition and inclusion of people with disability.</li><li>The NDIA will rigorously monitor participant outcomes and ensure these insights drive continuous improvements in the way the Scheme is delivered. By 2021, the NDIA expects to have a far richer base of longitudinal data from which to draw insights about participant outcomes.</li></ul>

<sup>2</sup> Includes all participants throughout Australia under the age of 65.

Table 2: The NDIA’s aspirations over the next four years

Aspiration	Transition to full Scheme (2017-2019)	Operating at scale (2019-2021)
2. A growing market with innovative supports	<ul style="list-style-type: none"><li>As a market steward, the NDIA, with DSS and state and territory governments will support the timely development of a disability support services market of adequate size and quality.</li><li>Key responsibilities of the NDIA in relation to market development and market stewardship include: setting pricing and price controls; producing and communicating market signals; engaging with and providing information to stakeholders; and, developing and supporting an e-Market ecosystem.</li></ul>	<ul style="list-style-type: none"><li>The marketplace for disability support services is diverse, innovative and high quality. Providers compete to deliver the best outcomes, and supply is sufficient to meet demand.</li><li>The NDIA’s role as shared market steward will become more light touch as Scheme participants become informed consumers, as providers respond to the NDIA’s operating model, and as the NDIS Quality and Safeguards Commission becomes fully operational. Supports will be predominantly commissioned by participants directly, with central commission by exception only. There will be greater clarity on price deregulation.</li></ul>
3. A financially sustainable Scheme	<ul style="list-style-type: none"><li>The NDIA is committed to delivering the NDIS within the agreed funding. This involves delivering the greatest possible benefits for participants, while monitoring and managing pressures on the total future cost of the Scheme.</li></ul>	<ul style="list-style-type: none"><li>The NDIA will continue to use the insurance approach to ensure the Scheme is delivered within agreed funding, and is sustainable for taxpayers and governments over the long term.</li><li>The NDIA will rigorously monitor cost pressures on the Scheme and evaluate the effectiveness of management responses put in place to address these.</li></ul>
4. A high-performing NDIA	<ul style="list-style-type: none"><li>The NDIA will invest in its people, culture and systems to ensure an empathetic yet outcomes-driven, high-performing, service delivery organisation.</li><li>The NDIA will establish approximately 100 service delivery sites nationally, and significantly grow its staff and Partners in the Community.</li></ul>	<ul style="list-style-type: none"><li>The NDIA will continue delivering exceptional service as an empathetic yet outcomes-driven, high-performing service delivery organisation.</li><li>The NDIA is highly regarded by people with disability, the community and its partners.</li></ul>

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## 5. Environment

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The NDIA is managing the transition to full Scheme, and the full program of work that comes with this, in a complex, rapidly evolving environment with multiple stakeholders and delivery partners.

In this context, the NDIA needs to work closely with its partners and other stakeholders to deliver a high quality, accessible national scheme for the benefit of participants, their families and carers, and other people with disability.

- **Providers:** Providers are individuals or organisations that deliver a support or product to an NDIS participant. The range of providers in the developing market is diverse, and includes: existing disability organisations transitioning from state systems; adjacent services represented by industry or peak bodies; various allied health professional groups and individuals; and, emerging non-traditional services such as financial intermediaries and online platforms. The NDIA will help new and existing providers register as NDIS providers and access the NDIA's systems and processes. The NDIA will also work with the Commonwealth and states and territories to assist in building the capacity of existing providers and potential new market entrants to operate in the new NDIS marketplace.
  - **Organisations that receive Information, Linkages and Capacity Building (ILC) funding:** ILC refers to a set of activities focussed on personal and community capacity building that will benefit all people with disability. The NDIA will distribute grants through funding rounds to organisations to carry out activities in the community that relate any of the four activity areas in ILC policy: information, linkages and referrals; community awareness and capacity building; mainstream capacity building; and, individual capacity building. Organisations applying for ILC funding each round will need to demonstrate that the proposed activity is consistent with ILC policy. Organisations that receive grants will be asked to collect and report information about their outputs and the quality and effectiveness of their activities.
  - **State and territory governments:** States and territories play a critical role in relation to the NDIA's work through its activities in relation to both mainstream services and disability support services.
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- The specialist disability supports provided by the Scheme complement the mainstream services delivered by state and territory governments, including health, education, housing, transport and safety. Clarifying what services are provided by the NDIS, what services are provided by other service systems, and ensuring Scheme boundaries are observed, will be critical to assuring participant outcomes and the sustainability of the NDIS.
  - States and territories will continue to play a critical role in the NDIS marketplace. They will maintain responsibility for quality and safeguarding during transition. They will also prepare state and territory disability programs for transition, deliver in-kind services and supports during transition, and work with the Commonwealth and NDIA to monitor and respond to interface risks and opportunities for adjacent state-based services.
  - **Department of Social Services (DSS):** The NDIA is a Commonwealth entity within the DSS portfolio. The NDIA will work closely with DSS to ensure that policy decisions relating to the NDIS optimise outcomes for people with disability both now and in the longer term. In addition to overseeing the establishment of the NDIS Quality and Safeguards Commission, DSS plays an important role in developing the new disability support services market, including having responsibility for supporting and facilitating responses to workforce challenges; identifying key strategic market pressures and risk points that may impact on transition; and, developing a market oversight function that will include the prudential oversight of the financial viability of providers.
  - **NDIS Quality and Safeguards Commission:** The NDIS Quality and Safeguards Commission (the Commission) will be established as a separate Commonwealth entity under the DSS portfolio that oversees the quality and safety regulation of the disability support market at full Scheme. The Commission will be established in early 2018 and is expected to be fully operational by 2020. It will be responsible for, among other things: implementing the *NDIS Quality and Safeguarding Framework*; facilitating provider registration and quality oversight; administering a complaints handling system; administering serious incident notification; providing restrictive practice oversight; and, investigation and enforcement.
  - The establishment of the Commission recognises that the new market-based system for disability support services will require a national approach to quality and safeguarding. This will help ensure: supports are safe and of high quality for participants; there is consistency between jurisdictions so that participants receive the same protection regardless of where they live; and providers who operate nationally are only required to comply with one set of requirements.
  - Until the Commission is fully operational, states and territories will maintain their existing responsibility for quality and safeguarding.
  - **Department of Human Services (DHS):** The NDIA has a shared services partnership with DHS. It shares corporate services, information and communication technology (ICT) services, and business services with the Department. Close collaboration between the NDIA and DHS is critical to achieving effective outcomes for the NDIS.
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## 6. Aspirations

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The NDIA's purpose is driven by four aspirations. The aspirations will be achieved by delivering on twelve goals that will guide the NDIA in its work.

### 6.1 Aspiration 1. Better participant outcomes

**Aspiration: Facilitate outcomes of economic and social independence and deliver an exceptional service for participants, and their families, carers and providers.**

The NDIA will facilitate outcomes of independence through supporting the social and economic participation of people with disability. This will assist them in living ordinary and fulfilling lives.

The NDIA will help participants achieve this by providing them with access to reasonable and necessary supports, and empowering them to exercise choice and control in the pursuit of their goals and the delivery of their supports.

The NDIA will also promote the access and inclusion of people with disability – both participants and non-participants of the Scheme – to mainstream and community-based services through Information, Linkages and Capacity building (ILC). Local Area Coordination (LAC) and Early Childhood Early Intervention (ECEI) services will be central to the success of ILC through their roles in connecting people with disability to mainstream services and community activities.

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*Case Study*

## Ben Hunter, NDIS participant

Toowoomba NDIS participant, Ben Hunter, beams as he bakes and sells an impressive range of café style goods with a healthy twist at local markets.

The 20-year-old, who is non-verbal and has Down Syndrome, develops his produce in his own commercial kitchen. His parents Carolyn and Ian, along with his NDIS support workers, Sarah and Nandi, couldn't be happier seeing Ben participating socially and economically in the community, just like everyone else.

Starting out at cooking classes, Ben found his place with his natural skills in the kitchen. With the help of the NDIS, Carolyn and Ian took a leap of faith with a new idea to build Ben's skills and secure his financial future by founding "Ben & Co, Bakers with Purpose".

"Ben's NDIS funds opened an alternative door of opportunity for us," the couple said.

With a successful start at regular market stalls, the focus of this endeavour has now broadened to providing opportunities for other young people with intellectual disability.

"Our main focus this year is to help young people with intellectual disability to gain meaningful employment," Carolyn said. "Just because they have a disability, doesn't mean they don't have other abilities."

"We want to identify each person's strengths and support them to apply those strengths in the business. Whether it's baking, packing, customer service or background support."

Coming from humble beginnings, Ben & Co started as a way to increase opportunities for Ben, and has grown as an enterprise helping people of all abilities find their social independence and participate in the local economy.





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## Opportunities and challenges

The scale, timing and complexity of the NDIS rollout is unprecedented. Participant intake will increase six-fold over the next two years, and the NDIA must establish an innovative service delivery network across Australia, supported by its Partners in the Community. In transition, the NDIA will be required to manage the consequent significant increase in access, planning and review decisions, while continuing to build and evolve the architecture of the Scheme.

The NDIA recognises that the systems and processes that underpin its service delivery must continue to improve if it is to meet the magnitude of this challenge. The quality of participant plans and the planning process must not be sacrificed for speed, and the delivery of bilateral estimates must be in a manner that upholds the NDIA's commitment to quality, safety, improved outcomes and sustainability. The NDIA also recognises that planning processes and engagement must be further refined and nuanced to meet the needs of different cohorts of people with disability. Consistent with its approach of continuous improvement, the NDIA will continue to focus on improving its pathways for participant-centred service delivery.

The NDIA's localised delivery model is a core strength of the Scheme. The local area coordination of locally-based care allows the Scheme to harness the fabric of communities to deliver better outcomes for participants. However, the large dispersed network and decentralised model introduces complexity and risk. The NDIA will work closely with its Partners in the Community to ensure LAC and ECEI services are delivered in a consistent and high quality manner.

Many disability-specific supports can only be effective in an environment where mainstream services are also in place. Continued emphasis on ILC is needed to give confidence that support needs will be met by mainstream and community supports. The NDIA will work with state and territory governments to clarify how boundaries between the NDIS and other service systems are intended to operate, and to ensure these boundaries are applied consistently at all levels of government.

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Table 3: Aspiration 1 - Goals, description and activities

Goals	Description	Activities
Quality outcomes for participants	Support participants, families and carers to implement plans that deliver outcomes; promote linkages for people with disability to mainstream and community supports; and clarify role boundaries with states/ territories	<ul style="list-style-type: none"><li>• Build participants’ capacity to exercise meaningful choice and control, including their capacity to engage with the NDIS and supplier market</li><li>• Clarify roles and responsibilities of stakeholder groups in relation to boundary issues</li><li>• Develop robust metrics for monitoring and reporting on participant outcomes</li></ul>
High-quality plans at scale	Deliver high-quality plans and plan reviews at a rate that meets the bilateral estimates	<ul style="list-style-type: none"><li>• Develop plans that deliver on the intent of the Scheme (i.e., reasonable and necessary, provide choice and control for participants)</li><li>• Develop robust metrics for monitoring and reporting plan quality</li></ul>
Improved participant pathway experience	Design and implement robust processes that enable consistent customer experience across the pathway	<ul style="list-style-type: none"><li>• Continuously improve the participant pathway</li><li>• Develop robust metrics for monitoring and reporting participant experience</li></ul>

## 6.2 Aspiration 2. A growing market with innovative supports

**Aspiration: Work with participants and other stakeholders to facilitate the growth of a market of adequate size, quality and innovation.**

The delivery of the Scheme relies on there being a market of adequate size, quality and innovation to ensure that participants can readily access the support they need.

The NDIA will work to support a range of stakeholders such as participants, providers, DSS and states and territories to ensure that the market is of sufficient scale at a national and local level so that participants can utilise their plans. With these stakeholders, the NDIA will develop an approach to identify underdeveloped or failed markets and design incentives for market stimulation where appropriate. The NDIA will also support these stakeholders in ensuring that providers are delivering quality support and are innovating their service offerings.

Key activities the NDIA will undertake in transition in its capacity as joint market steward include:

- **Monitoring:** The Agency will continuously monitor data collected through the day-to-day operation of the Scheme to evaluate whether the NDIS marketplace is achieving its outcomes, and whether and what type of market intervention, if any, is necessary.

- **Facilitating:** The Agency undertakes initiatives that directly or indirectly influence demand in, and the efficient functioning of, the NDIS marketplace. This includes providing information, setting prices, and developing systems and infrastructure to support market transactions. The Agency, as part of its ‘facilitating’ role, also encourages a diversity of supplier business models.
- **Commissioning:** Where necessary, the Agency will directly source supports or establish preferred provider arrangements supported by controls and rules that must be complied with to participate in the NDIS marketplace. The NDIA expects only to carry out commissioning activities in limited circumstances where significant market gaps and risks are emerging.

Market stewardship will evolve as the Scheme reaches full scale and the market matures.

The NDIA’s view of market success for participants and providers in the NDIS marketplace is summarised right.

Diagram 2: Success factors / indicators



Source: Adapted from NDIS Market Approach, Statement of Opportunity and Intent (November 2016)

*Case Study*

## Krystal Wielens, Leisure Networks client and NDIS participant

Leisure Networks is fast becoming an NDIS success story. With a head office in Geelong, the disability and recreation services organisation has created a steady increase in business and an expanding footprint since the NDIS trial commenced in the Barwon region in 2013.

Leisure Networks offers clients a range of services and activities, including small group skill and social groups, support coordination, financial plan management and a variety of recreational and leisure programs for people with and without a disability all aimed at connecting people with community.

The organisation, which started with six staff 20 years ago, now employs the equivalent of more than 50 full time staff, and supports more than 750 NDIS participants, as well as other recreational and vocational clients.

Since 2013, Leisure Networks has focussed on transformation. This has seen the organisation invest in a cloud-based rostering, client management and HR system, embed a consumer orientated service model, and build a strong culture focus. The organisation recently moved into new purpose-built headquarters in a refurbished warehouse.

Leisure Networks has also enjoyed the rewards from breaking into new areas of operation, including support coordination and financial plan management and is following the NDIS rollout by moving into Melbourne's northeast and Ballarat. There are future plans to expand deeper into Western Melbourne and Victoria.

CEO, Libby Mears, said Leisure Networks have implemented a focus on response, creative service provision and a strong organisational culture. This has seen a significant increase in the number of NDIS participants requesting services, resulting in a rise in income.

"We have had an exciting journey, one which has seen Leisure Networks evolve from a reliance on government funding to a customer-driven, competitive service," Ms Mears said.





Table 4: Aspiration 2 - Goals, description and activities

Goals	Description	Activities
Market supply	Facilitate additional capacity in key markets where supply gaps are likely (collaborating with DSS and states/territories); Ensure market settings and regulations (e.g. price controls) do not constrain efficient supply of supports at the local market level	<ul style="list-style-type: none"><li>• Strengthen the NDIA’s capabilities in growing regional and remote supply</li><li>• Address expected supply shortfalls in collaboration with key stakeholders (i.e. DSS and states and territories)</li><li>• Continue to improve communications with both participants and providers through practical tools that facilitate market growth</li><li>• Ensure prices promote the sustainable supply of supports to participants</li><li>• Support DSS and the National Quality and Safeguards Commission in implementing the NDIS <i>Quality and Safeguarding Framework</i></li></ul>
Provider pathway experience	Design and implement robust processes that enable consistent provider experience across the pathway	<ul style="list-style-type: none"><li>• Change core and supporting processes to reduce burden and complexity for providers and improve contact experience</li></ul>

## Opportunities and challenges

Transition to the full Scheme requires an unprecedented growth in the disability support sector. From 2012 to 2016 employment in the sector grew at an estimated five per cent per annum. Looking forward, this growth will have to increase four-fold to meet the needs of participants by July 2019. Such an uplift will be particularly challenging in some regional and remote areas.

The development of a diverse and innovative market that offers participants real choice means that the NDIS must be a positive experience for providers. The NDIS requires existing providers of disability support services to make the difficult transition from current block funding arrangements to providing services to consumers in a competitive market. Creating an environment in which current service providers can make the necessary changes to their business practices, and new providers can enter the market, with services and products that respond to consumer demand and which are efficiently priced and delivered, is a shared responsibility between the NDIA and Commonwealth and state and territory governments.

The rapid increase required in provider capacity also raises the importance of having a robust quality and safeguarding framework to ensure participants continue to receive high quality supports with adequate protection. The Agency will support DSS and the new NDIS Quality and Safeguards Commission, once it is put in place, to help ensure that the *National Quality and Safeguarding Framework* protects and supports people with disability.

## 6.3 Aspiration 3. A financially sustainable Scheme

**Aspiration: Deliver a financially sustainable Scheme based on insurance principles within agreed funding.**

Scheme sustainability is defined as a situation where the Scheme meets objective measures related to participant economic and social participation and independence; and, the Scheme is delivered within agreed funding. The NDIA must safeguard the financial sustainability of the Scheme to ensure funding is available in the long term for people with disability to access reasonable and necessary supports.

Applying insurance principles requires taking a whole-of-lifetime approach, using actuarial data and encouraging early investment and intervention to reduce the total future cost of disability for Australia as outcomes for participants improve. The NDIA will closely monitor Scheme data to identify cost pressures or areas for improvement early, and monitor and evaluate interventions to ensure the NDIS is on track to achieve participant outcomes and meet actuarial estimates.





*Case Study*

## Jack Bloch, Early Childhood Early Intervention and NDIS participant

West Australian Jack Bloch joined the NDIS at age three. Now five, Jack has developed so much with his speech, writing, recognition and motor skills that he has been able to exit the Scheme and participate in mainstream services with other children his age.

His proud parents Bree and David said catching his developmental delays early has made a massive difference to how their son now functions.

“As first-time parents we didn’t know which way to go,” Bree said. “We didn’t know what Jack needed or what he didn’t need.

“In the old system, contacts were limited but being a part of the NDIS, we actually got access to a lot of services, and we got to choose which one we wanted.”

The NDIS is an insurance scheme, which means a lifetime approach and investing in people with disability early to improve their life outcomes later in life. By providing reasonable and necessary supports through an agreed plan, the NDIS invests funds to help people reach a place to live an ordinary life.

“Now Jack is five. He’s in pre-primary and doing really well, and thanks to regular speech and occupational therapies (that he received under the NDIS), he has skyrocketed ahead with his speech and writing and recognition skills, and he’s up to speed with his gross motor skills.

“We thought we would have a much longer road ahead of us but it just goes to show early interventions do make an incredible difference in a child’s life,” Bree said.



### Opportunities and challenges

The NDIA must continue to deliver the Scheme in a financially sustainable way. At a high level, the cost of the NDIS is driven by five key factors:

1. **Access:** The number of people who meet the access criteria to be an NDIS participant
2. **Scope:** The scope of Scheme-funded supports that are available to participants under the NDIS
3. **Volume:** The resources available to individual participants to purchase supports within the scope of the Scheme
4. **Delivery:** The manner in which supports are funded or provided, particularly how effectively, efficiently and economically this is done
5. **Price:** The price it costs participants or the NDIA to purchase supports funded by the Scheme

The NDIS insurance approach allows pressures on the Scheme to be identified early and management responses to be put in place to respond to these pressures. Participant data is collected (including the characteristics of the participants, costs and outcomes), and the actual experiences of participants is compared with baseline projections. This actuarial monitoring occurs continuously, and as risks to Scheme sustainability emerge, comprehensive management responses can be put in place and monitored for their effectiveness.

To date, the NDIA has identified higher than expected numbers of participants approaching and entering the Scheme, particularly children. Committed supports for participants are also higher than expected, with a mismatch between benchmark package costs and actual package costs, and increasing package costs over time, above the expected impact of inflation and ageing. In response to these financial sustainability trends, the NDIA developed the Early Childhood Early Intervention (ECEI) approach and revised planning processes with a view to improving outcomes for participants.

In safeguarding Scheme sustainability, the NDIA notes that there are a number of pressures on Scheme sustainability that the NDIA can influence but not fully control. These include decisions by the Administrative Appeals Tribunal or court systems interpreting access criteria (to define who is eligible to be a Scheme participant) as well as the scope of supports provided to participants under the Scheme (what constitutes reasonable and necessary). These also include the responsiveness of mainstream support systems and the ability of people with disability to access mainstream supports in accordance with agreed COAG interface accountabilities. While the NDIA has limited influence over these cost drivers, it nonetheless undertakes a comprehensive consideration of these risks as part of its strategic risk management responses.



Table 5: Aspiration 3 - Goals, description and activities

Goals	Description	Activities
Number of participants	Ensure eligibility criteria is clear and appropriately and consistently applied	<ul style="list-style-type: none"><li>• Progressive rollout of the ECEI approach</li></ul>
Cost of participants	Ensure plan funding is reasonable and necessary, links to broader systems (e.g. mainstream supports), and is consistent with the Scheme’s insurance principles (e.g. invest early, with a focus on lifetime cost)	<ul style="list-style-type: none"><li>• Ongoing refinement of planning tools and processes</li><li>• Ensure the NDIS insurance principles (Appendix 1) are applied and maintained</li><li>• Use actuarial data and analysis and lessons learned to identify future cost pressures and potential mitigation strategies</li><li>• Use price controls where necessary to ensure value for money for participants and the Scheme</li><li>• Work with Governments on the National Disability Strategy to ensure broader community inclusion of people with disability</li></ul>

Table 5: Aspiration 3 - Goals, description and activities

Goals	Description	Activities
Payment integrity	Implement robust quality and assurance systems and processes to prevent or minimise improper payments due to error, mistake or fraud	<ul style="list-style-type: none"><li>• Implementation of the Scheme Integrity Program</li><li>• Implementation of systems and processes to address inappropriate payments</li><li>• Education of providers about their payment obligations</li><li>• Education and empowerment of participants to identify inappropriate payments</li></ul>
Agency operating costs	Deliver the NDIS in an efficient and cost-effective manner	<ul style="list-style-type: none"><li>• Continue to ensure Agency operating resources are used efficiently and effectively</li></ul>

## 6.4 Aspiration 4. A high-performing NDIA

**Aspiration: Develop a high-performing, operationally excellent NDIA that inspires stakeholder confidence and empowers delivery partners.**

The NDIA aspires to be a high-performing service delivery organisation with the systems, people and capabilities to deliver the Scheme’s goals in a participant-centric operationally excellent way. In addition, building a strong risk culture will allow staff and Partners in the Community to manage the uncertainty ahead, while harnessing strategic opportunities and providing early mitigation of risks.

The NDIA aspires to build and maintain confidence amongst Scheme stakeholders including participants, carers, providers, the community, and the Commonwealth and state and territory governments through proactive communication and engagement. The NDIA will communicate in a transparent and timely way about its role and the Scheme’s performance, and will work collaboratively with stakeholders in developing operational policy.



*Case Study*

## Alex Holland, NDIA graduate

After completing her Juris Doctor degree at Melbourne Law School, Alex applied to become a graduate at the NDIA. Alex was eager to join the NDIA after participating in the Disability Human Rights Clinic run within the university.

In February 2017, Alex moved from Melbourne to Geelong to commence her graduate role. In Alex's experience, the best part about working with the NDIA is that her colleagues are familiar with disability.

"I have had some previous experience working in government departments, law firms and universities, and it's interesting to reflect how much more comfortable I am working in an environment where disability is a norm," said Alex.

In 2016, the NDIA started a pilot, two-rotation 10 month graduate program as part of the Australian Public Service Commission (APSC) Graduate Development Program. After the first group of NDIA graduates won a range of APSC awards, the Agency started recruiting for the next round of graduates.

Alex's first rotation was in the NDIA's Governance team. She is hoping to work in the Legal team in the second round of her rotation and hopes to become a qualified lawyer.

## Opportunities and challenges

The speed and scale of the NDIS rollout represents both a significant organisational challenge, and an opportunity for the Agency to pioneer a new blueprint for Commonwealth service delivery. The Agency is at a pivotal point in its evolution, and is positioning itself for success through its focus on leveraging the desire of its people to be part of a transformational experience, as well as by building capability, cultivating a culture of continuous learning, and implementing an effective ICT system.

The NDIA recognises that its people – which includes the NDIA workforce and its Partners in the Community – will enable its success. To fulfil its purpose, the NDIA must have a capable and committed workforce, including skilful and passionate leaders, who are empowered to deliver the Scheme. As such, the NDIA workforce is expanding rapidly and will need to grow significantly by 2019. Additionally, a growing network of Partners in the Community will continue to be critical to the delivery of the Scheme. This unprecedented growth has necessitated rapid Agency recruitment and partner sourcing, and a consequently rapid build of human resources frameworks and processes.

The Agency will implement its People Strategy 2017–2019 over the next three years to ensure it attracts, supports, develops and retains inspiring, customer-focussed people. People will be recruited, supported and valued for their unique skills and experiences, as well as their commitment to delivering a superior customer and provider experience. The NDIA is also focussed on ensuring it is an employer of choice for people with disability, and on becoming a leading organisation for access and inclusion.

The way that the NDIA's people approach their work and interact with each other and the community they serve, is important. The Agency's values reflect the expectation that everyone involved in the delivery of the Scheme will act with integrity, respect and empathy.

Engaging key stakeholders will be critical to the successful implementation of the NDIS. The NDIA's engagement strategy outlines how the Agency will build and drive deep relationships with key stakeholders, particularly with the disability sector. As part of this, the NDIA runs a CEO Forum every six to eight weeks, which brings together CEOs from 24 key disability peak bodies, to provide updates on the progress and challenges of implementing with the NDIS, as well as to listen to feedback from the sector regarding their experiences of the NDIS.



Table 6: Aspiration 4 - Goals, description and activities

Goals	Description	Activities
People and Culture	Build capability, capacity and culture of NDIA and Partners	<ul style="list-style-type: none"><li>• Embed the NDIA’s new Enterprise Agreement (EA) 2016-2019</li><li>• Implement the NDIA’s People Strategy 2017-2019</li><li>• Establish NDIA as an employer of choice</li><li>• Smooth transition of staff from state and territory governments into the NDIA</li><li>• Invest in the NDIA’s leadership capability and effectiveness</li><li>• Implement an optimal HR operating model</li><li>• Develop effective shared services arrangements</li><li>• Review Agency recruitment approach</li><li>• Build innovation and sharing of best practice through the Partner Network</li><li>• Implement action plan for improving organisational health</li></ul>
Systems and Processes	Build effective systems and processes, including ICT, to execute on NDIA’s goals	<ul style="list-style-type: none"><li>• Implement the data warehouse and embed reporting to ensure decision-making is informed by insights into performance and outcomes trends</li><li>• Implement ICT operating model and capabilities, and optimise ICT-related shared services partnership with DHS</li><li>• Optimise technology to support full Scheme operations</li><li>• Improve functionality and user experience of participant and provider portals</li></ul>
External Stakeholders	Build and maintain stakeholder confidence and trust	<ul style="list-style-type: none"><li>• Ensure responsive and transparent communication with participants, carers and the disability services market</li><li>• Engage thoughtfully and constructively with stakeholders</li><li>• Ensure strong engagement with the Independent Advisory Council (IAC)</li></ul>



6.5 Performance

The NDIA will measure achievement of its purpose and four aspirations, using the following metrics, and performance targets.

Table 7: Performance metrics and desired future state

Aspiration	Metric	Baseline FY16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	Source
6.1 Aspiration 1. Better participant outcomes	Participants involved in community and social activities (%) <sup>3</sup>	37	39	41	43	45	<ul style="list-style-type: none"><li>• <b>Baseline:</b> Scheme actuarial reporting</li><li>• <b>Future state:</b> The participation rate in community and social activities for the people without a disability is 65% [ABS General Social Survey, 2010]. Intended results for future years reflect progression towards this benchmark.</li></ul>
	NDIA Outcomes framework						<ul style="list-style-type: none"><li>• <b>Baseline:</b> Scheme actuarial reporting</li><li>• <b>Future state:</b> The employment rate for people with disability in top 10 OECD countries is 50% [OECD (2010); Sickness, Disability and Work: Breaking the Barriers]. Intended results for future years reflect progression towards this benchmark.</li></ul>
	Participation in work (%) <sup>4</sup>	22	24	26	28	30	
	Bilateral estimates for participants (% met) <sup>5</sup>	80	100 <sup>6</sup>	100 <sup>7</sup>	-	-	<ul style="list-style-type: none"><li>• <b>Baseline:</b> Agency projection for % of bilateral estimates met at 30 June 2017</li><li>• <b>Future state:</b> Agency projection for % of bilateral estimates met</li></ul>
	Self-managed participants (%)	15	18	22	26	30	<ul style="list-style-type: none"><li>• <b>Baseline:</b> 31 March 2017 Quarterly Report to COAG DRC</li><li>• <b>Future state:</b> NDIA Service Delivery Operating Model. Informed by international experience</li></ul>
	Participant satisfaction (%) <sup>8</sup>	New baseline is currently being established.					
6.2 Aspiration 2. A growing market of innovative supports	Provider satisfaction <sup>9</sup>	New baseline is currently being established.					
	Participants who choose who supports them (%) <sup>10</sup>	44	Currently being established				<ul style="list-style-type: none"><li>• <b>Baseline:</b> NDIS outcomes framework questionnaire</li><li>• <b>Future state:</b> Currently being established</li></ul>
6.3 Aspiration 3. A financially sustainable scheme	Scheme support costs (\$M) <sup>11</sup>	2,834	8,114	14,372	17,975	19,284	<ul style="list-style-type: none"><li>• <b>Baseline/Future state:</b> Portfolio Budget Statements 2017-18 (Budget Related Paper No. 1.15A).</li></ul>
	Agency operating cost (\$M) <sup>12</sup>	668	1,003	1,394	1,144	1,096	<ul style="list-style-type: none"><li>• <b>Baseline/Future state:</b> Portfolio Budget Statements 2017-18 (Budget Related Paper 1.15A).</li></ul>
6.4 Aspiration 4. A high-performing NDIA	Employee engagement, as measured by the APS census	6.8	7.0	7.5	8.0	8.0	<ul style="list-style-type: none"><li>• <b>Baseline:</b> 2016 Australian Public Service Commission Employee Census Results</li><li>• <b>Target:</b> High-performing APS organisation score</li></ul>

<sup>3</sup> Measures people who have been participants for 2 years or more.

<sup>4</sup> Measures people who have been participants for 2 years or more.

<sup>5</sup> Based on current assumption that WA will operate separately. Bilateral agreements for Transition between Commonwealth and States only account for participants to full Scheme.

<sup>6</sup> Subject to the accuracy of the bilateral estimates, and the ability to identify and connect with all people with disability who are eligible to be participants.

<sup>7</sup> Subject to the accuracy of the bilateral estimates, and the ability to identify and connect with all people with disability who are eligible to be participants.

<sup>8</sup> Participant satisfaction is currently measured at the time of the plan approval. Metrics for participant satisfaction are being reviewed and developed as part of the Agency's participant pathway review work.

<sup>9</sup> A metric and baseline assessment for provider satisfaction is being developed as part of the Agency's provider pathway review work.

<sup>10</sup> Measures people who have been participants for 2 years or more.

<sup>11</sup> Consistent with the 2017-18 Portfolio Budget Statement and its treatment of Western Australia. This cost is the aggregate of Program 1.1 (Reasonable and necessary care and support for participants) and Program 1.2 (Community inclusion and capacity development grants).

<sup>12</sup> Consistent with the 2017-18 Portfolio Budget Statement and its treatment of Western Australia.

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## 7. Risk governance

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While the NDIS promises great improvements to the lives of people with disability, their families and carers, the scale, pace and complexity of change required to implement this reform is unprecedented and brings with it considerable uncertainty.

In this context, the organisation's ability to harness strategic opportunities, and identify and respond to risks, is critical to achieving its aspirations and goals.

The NDIA will mature its risk systems, capabilities and culture to align with the scale, speed and rollout of the Scheme. An understanding of risk will be embedded in every aspect of the organisation, from its business planning process to its day-to-day operations. The NDIA has a clear pathway to build the maturity of its risk culture and is adapting its risk management capability and approach to be agile and responsive as the organisation grows and its operational demands increase.

### 7.1 Approach to risk management

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

The *NDIS Risk Management Rules 2013* requires that the Board has a risk management framework and risk management strategy. The Board has also adopted *Prudential Standard CPS 220* which is applied by the Australian Prudential Regulatory Authority (APRA) to banks and insurers.

The Board has developed aspirations and goals for the Agency through its corporate planning process, and has identified key strategic risks related to the achievement of these objectives.

The NDIA is particularly focussed on developing its risk capability as the NDIS rollout enters a period of unprecedented growth and complexity. The Agency maintains strong central strategic oversight of risk with a dedicated Chief Risk Officer and allocates clear accountability to officers for the management of key risks and opportunities. The Agency has a robust governance framework to proactively monitor risk management efforts, supported by a risk champion network across the Agency's geographically dispersed network.

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The NDIA will balance the need for appropriate controls to prevent fraud, promote compliance and manage risk associated with safeguarding public funds, with the need to allow choice, control and dignity for participants. All systems, reporting and processes are created and refined with this balance in mind.

The NDIA understands the importance of sharing best practice and lessons learned. It will access expert insight and advice when needed, and will actively contribute to communities of practice with APRA-supervised agencies and other large social insurers and like entities.

## 7.2 Risk management governance

The Agency has a comprehensive risk management governance structure.

The Board is responsible for overseeing the proper, efficient and effective performance of the Agency's functions based on the views of management.

The Board has a dedicated Risk committee, supported by the Chief Risk Officer. A senior management level Enterprise Risk Committee meeting reviews risk matters on a monthly basis.

The Chief Risk Officer assists the Board and its executives by providing objective risk review, oversight, monitoring and reporting. The role reports directly to the NDIA's Chief Executive Officer in line with APRA standards for independence and reporting.

The Scheme Actuary, whose role is established under the *NDIS Act* and the *NDIS Rules for the Scheme Actuary 2013*, is responsible for assessing risks and issues impacting on the financial sustainability of the Scheme, and reporting those risks in the annual financial sustainability report.

The NDIS Act also requires the NDIA to have a Reviewing Actuary who is responsible for reviewing actuarial reports and the annual financial sustainability report. Both the Scheme Actuary and Reviewing Actuary have a statutory obligation to report significant concerns about the NDIA's risk management processes to the Board.

## 7.3 Risk management framework

Consistent with the *NDIS Risk Management Rules 2013*, the Board has formulated a Risk Management Strategy. The strategy outlines managerial responsibilities and controls in relation to risk. It also outlines the risk governance relationship between the Board, Board committees and senior management of the Agency; clear processes for the identification and ongoing management of risks; and, how the NDIA will ensure there is an appropriate risk culture within the organisation. The risk management strategy is approved by the COAG DRC, and is reviewed at least annually.

The NDIA has in place a comprehensive enterprise risk management framework comprising key elements required to ensure effective implementation of the risk strategy. This includes a collection of toolkits to guide all levels of the Agency to appropriately identify and manage risks and opportunities.

The NDIA is currently finalising a comprehensive review of its enterprise risk management framework to ensure it is appropriate to the NDIA's rapid growth and changing risk profile. This includes a reassessment of the NDIA's approach to risk appetite and a restatement of key risk indicators.

## 7.4 Strategic risks

Consistent with its practice of identifying, escalating and mitigating key risks early, the NDIA has identified seven strategic risks that have the potential to prevent the achievement of one or more of its four aspirations:

1. Failure to meet stakeholder expectations for consistent, high-quality plans and reviews for people with disability, their families and carers
2. Failure to deliver high-quality plans and reviews at the rate required to achieve bilateral estimates, due to an inability to manage and resource effectively
3. Plan costs, scope or eligibility significantly deviate from Productivity Commission modelling, leading to material Scheme cost blowouts
4. Failure to deliver expected social and economic outcomes through the Scheme for both people with disability and the community
5. Failure to put in place systems and processes to prevent, detect and respond to fraud and sharp practice
6. Failure to facilitate provider market growth, resulting in a critical gap in service delivery to participants
7. Failure to deliver to expectations leads to a loss of participant, political, disability sector and other stakeholder confidence.

In recognising the alignment between the NDIA's strategic risks and its aspirations, it follows that the

goals and activities identified to achieve each aspiration are also the key mitigation activities for managing the strategic risks.

The NDIA is identifying a comprehensive suite of key risk indicators to act as an early warning against risks occurring and to assist in maintaining a risk-based approach to resource allocation.











# Appendix 1: Insurance principles

The Scheme is premised on an insurance, not welfare approach. This NDIS insurance approach is underpinned by four insurance principles:

- 1. Develop actuarial estimates of the reasonable and necessary support needs of the targeted population:** The aggregate annual funding requirement will be estimated by the Scheme Actuary’s analysis of reasonable and necessary support need, including a buffer for cash flow volatility and uncertainty. The aggregate funding requirement will comprise equitable resource allocation at an individual and subgroup level, and will be continually tested against emerging experience. This will require a comprehensive longitudinal database.
- 2. Focus on lifetime value for Scheme participants:** The Scheme will focus on lifetime value for Scheme participants, and will seek to maximise opportunities for independence, and social and economic participation with the most cost-effective allocation of resources. This will align the objectives of the Scheme with those of participants and their families.
- 3. Invest in research and innovation:** The NDIA will invest in research and innovation to support its long-term focus, and its objective supporting the social and economic participation, and independence of participants.
- 4. Support the development of community capability and social capital:** The Scheme will invest at a systemic level, in addition to providing individual supports. This includes encouraging the use of mainstream services, and building community capacity and social capital. These activities will benefit all people with disability – participants and people with disability who are not participants.



# Appendix 2: Scheme and Agency expenditure and revenue

Table 8: Scheme and Agency expenditure by program<sup>13</sup>

Program	16-17 (\$M) Estimated Actual	17-18 (\$M) Budget	18-19 (\$M) Forward estimate	19-20 (\$M) Forward estimate	20-21 (\$M) Forward estimate
Reasonable and necessary care and support for participants	2,801	8,045	14,267	17,856	19,165
Community inclusion and capacity development grants	33	69	105	119	119
Agency costs	668	1,003	1,394	1,144	1,096
Total	3,503	9,147	15,766	19,119	20,380

Source: Based on Portfolio Budget Statements 2017-18 (Budget Related Paper No. 1.15A)

Table 8: Scheme and Agency Revenue<sup>14</sup>

Program	16-17 (\$M) Estimated Actual	17-18 (\$M) Budget	18-19 (\$M) Forward estimate	19-20 (\$M) Forward estimate	20-21 (\$M) Forward estimate
Commonwealth Government (appropriations and contributions)	1,599	3,726	6,844	9,612	10,423
State and Territory jurisdiction contributions (cash)	1,475	3,914	6,962	7,713	8,084
In-kind (Commonwealth and State) and other revenue <sup>15</sup>	638	1,500	1,960	1,794	1,873
Total	3,711	9,140	15,766	19,119	20,380

Source: Based on Portfolio Budget Statements 2017-18 (Budget Related Paper No. 1.15A)

<sup>13</sup> The figures in this table are WA exclusive from 1 July 2017.

<sup>14</sup> The figures in this table are WA exclusive from 1 July 2017.

<sup>15</sup> Portfolio Budget Statements 2017-18 (Budget Related Paper No. 1.15A) p 148.

## Appendix 3: Glossary

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

**Community services:** activities and interests (not supplied by government groups), which are available to everyone in the community e.g. social, study and sporting interests.

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

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

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

**Information, linkages and capacity building:** the activities that will be supported by the NDIS to promote the social and economic inclusion of people with a disability, including people not receiving individualised funded support from the NDIS. The activities include providing information and making linkages and referral to community or mainstream services, building the capacity of people with a disability, families and carers, building community capacity, building mainstream service provider capacity, and local area coordination.

**Local area coordinators (LACs):** local organisations working in partnership with the NDIA, to help participants, their families and carers access the NDIS. LACs will help participants write and manage their plans and also connect participants to mainstream services and local and community-based supports.

**Mainstream services:** the government systems providing services to the Australian public e.g. health, mental health, education, justice, housing, child protection and employment services.

**Market:** a collection of providers offering products and services to NDIS participants.

**NDIA:** National Disability Insurance Agency. The Commonwealth government organisation administering the NDIS.

**NDIS:** National Disability Insurance Scheme. A new way of providing support for Australians with disability, their families and carers.

**Participant:** a person who meets the NDIS access requirements.

**Partners in the Community:** Partners in the Community are suitably experienced and qualified organisations within the community that will deliver local area coordination (LAC) and Early Childhood Early Intervention (ECEI) services. The NDIA will source partners, manage partner agreements, support and train partners, and set standards for partners in their delivery of LAC and ECEI services.

**People with disability:** people who experience any or all of the following: impairments, activity limitations (difficulties in carrying out usual age-appropriate activities), and participation restrictions (problems a person may have taking part in community, social and family life). People with disability include both participants who receive individualised support packages under the NDIS, and people who have a disability but do not meet access requirements under the NDIS. People with disability who are not participants will benefit from the Information, Linkages and Capacity services the NDIS provides.

**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. Note that the Corporate Plan does not relate to this definition.

**Providers:** individuals or organisations that deliver a support or a product to a participant of the NDIS.

**Other stakeholders:** includes Partners in Community, states and territories, other government departments who are stakeholders (e.g. Department of Social Services, Department of Human Services), and non-profit organisations in the disability sector.

**Registered provider:** a disability support provider that has met the NDIS requirements for qualifications, approvals, experience, capacity and quality standards to provide a product or service.

**Supports:** things to help a person undertake daily life activities and enable them to participate in the community and reach their goals.

**Trial phase:** a term used to describe the first three years of the NDIS where different ways of working were trialled.









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**For more information about this report, please contact:**

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**National Disability Insurance Agency**

Telephone 1800 800 110

**For people with hearing or speech loss**

TTY: 1800 555 677

Speak and Listen: 1800 555 727

**For people who need help with English**

TIS: 131 450

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