



**Annual  
Report**  
2014-2015

National  
**disabilityinsurance**  
Agency

# The National Disability Insurance Agency story in year two

This is the second year of the National Disability Insurance Agency (NDIA), which will transition the National Disability Insurance Scheme (NDIS) from trial phase to full scheme roll out from 1 July 2016. It is the start of a lifetime journey for the Agency and the people it will support. The early focus has been about building enduring relationships with participants and building stronger connections between participants and the community. The result is that participants are already seeing significant improvements on the old system of disability support. As the personal stories and facts in this annual report illustrate, the move from the existing system—in which services are funded to a fixed amount and people apply for a share of that funding—to the NDIS—where people’s needs are assessed and an agreed plan is provided backed by stronger community support—is transforming lives already.

The building task, however, is far from complete. Further refinements and changes will naturally occur as the Scheme evolves and expands. The period of transition to full scheme that lies ahead will be a period of significant growth that will test the Agency, but with confidence in the Scheme high, it has a strong platform on which to grow.

To create a Scheme that meets the expectations of all its stakeholders, the Agency has adopted an approach of ‘Listen, Learn, Build, Deliver’.



## Listening

**Continuous co-design** involving all participants, providers and disability experts

Strong input from the **Independent Advisory Council** (the Council)

**Citizens’ Jury** adds to participants’ voice

Ongoing public outreach and education via **cutting edge social media**

Evidence base expanded with **expert panel** input

Engaging staff through the **Staff Participant Network** (SPN)



## Learning

**Seven trial sites** providing lessons

**Data collection** by our actuarial team is building a knowledge base

Local area coordinators (LACs) **trailing new ways** of working with the community

Transition price for key supports extended after **consultations**

Catalogue of **supports refined**

**Market growth** accelerating



## Building

**Outcomes framework** developed to measure Scheme success

Work underway on the **technology platform**

**Workforce commitment** is high—recognised in the Randstad Awards

Strong **actuarial culture** established

The Service Delivery Operating Model (SDOM) is **designing the ‘full scheme’** as transition approaches

**Information, linkages and capacity building** tasks now underway

Disability support organisations (DSOs) deepening **community engagement** with the Scheme



## Delivering

Scheme delivered **on time and on budget**

High levels of **participant satisfaction** reflect growing confidence in the Scheme

More than **19 000 participants**

More than **1950 providers** of support

**Self-management** of plans made easier

**Innovative supports** including new assistive technologies (AT) being funded

More participants **using transport, attending education and getting employment**

# NDIS year-two summary

## A year of success

In its second year, the Agency continued to create a stronger and more sustainable NDIS as a better way of supporting Australians with disability.

The trial phase is providing the Agency with important knowledge that is informing the transition to full scheme while building the infrastructure that will make the transition possible.

Most importantly, participants are experiencing increased opportunities to live ordinary lives and fulfil their goals and aspirations.

## Headline figures

### NUMBER OF PARTICIPANTS

**19 817**

participants in the Scheme



**17 303**

participants have an approved plan.



As at 30 June 2015, 19 817 people have become participants in the Scheme (107 per cent of the bilateral target) and 17 303 of these participants have an approved plan (94 per cent of the bilateral target).

### COMMITTED SUPPORT

**\$479.9 million**

support provided to participants

In 2014–15, \$479.9 million of support was provided to participants. Since the beginning of the trial on 1 July 2013, the NDIS has committed \$952.8 million of support to participants with approved plans.

Full scheme costs are expected to be within the funding envelope.

### AVERAGE PACKAGE COST

**\$38 423**

average package cost (including large residences<sup>1</sup>)



**\$33 597**

average package cost (excluding large residences)

The average package cost as at 30 June 2015 was \$38 423 (including large residences<sup>1</sup>) and \$33 597 (excluding large residences)—in line with the \$36 750 average included in the 2014–15 bilateral agreements.

### PROVIDERS OF SUPPORT

**607**

additional providers of support



An additional 607 providers of support ('providers') registered with the NDIS during 2014–15. There were 1957 NDIS registered providers across seven trial sites at 30 June 2015.

## SATISFACTION WITH THE PLANNING PROCESS

**95%**

participant satisfaction rating



Satisfaction levels among participants in the trial sites remain very high—95 per cent of surveyed participants found the planning process either 'good', or 'very good'.

## NDIS SITES

**3** new trial sites



Three new trial sites—the Australian Capital Territory, the Barkly region (Northern Territory) and Perth Hills (Western Australia)—commenced on 1 July 2014. This brought the total number of trial sites operating throughout 2014–15 to seven. The original four sites opened on 1 July 2013—the Hunter (New South Wales), Barwon (Victoria), South Australia (for children aged 0–6) and Tasmania (for young people aged 15–25).

The full scheme commenced for people aged 0–17 in the Nepean Blue Mountains region of New South Wales from 1 July 2015.

## AGENCY STAFF

**16.16%**

identify as having disability



**50%**

identify as having significant experience with disability



As at 30 June 2015, 16.16 per cent of the Agency's workforce identified as having a disability. This percentage is substantially higher than the Australian Public Service (APS) average of 3.1 per cent. Around 50 per cent of staff identify as having significant experience with disability.

## WORKING TOWARDS FULL SCHEME

### Listen, Learn, Build, Deliver

The Agency has adopted an approach of 'Listen, Learn, Build, Deliver' as it works towards the implementation of full scheme on 1 July 2016. Progress has been made in building an insurance-based NDIS that puts people with disability, their families and carers at the heart of everything it does. Notable developments include:

- piloting an outcomes framework to measure participant outcomes over time
- implementation planning for the new information, linkages and capacity building policy
- further work towards developing the technology platform that will underpin scheme innovations such as the participant and provider portals, a more accessible and innovative website and an eMarket for participants, families and carers and providers
- continuing involvement of people with disability in co-design of the Scheme
- participants having access to a broader range of AT including innovations such as the NeuroSwitch.

## CONTRIBUTING TO ECONOMIC REFORM AND A BETTER SOCIETY

By enabling people with disability, families and carers to re-engage with the economy and the community and by building a competitive market for disability services, the NDIS is making a significant contribution to economic reform.

The task ahead, which is to increase participant numbers from 19 817 to over 460 000 and staff from around 850 to several thousand between now and 2020, is substantial. But the Agency is putting in place the right values, culture and structures to deliver a scheme in which the Australian community will have ownership, confidence and pride.

<sup>1</sup>Three facilities—Stockton and Kanangra (in the Hunter trial site) and Colanda (in the Barwon trial site) are large residences which bring together a high concentration of high-cost participants in one geographical area, and hence distort the analysis when included.

## Letter of transmittal

Bruce Bonyhady AM  
Chair

1 October 2015

The Hon Christian Porter MP  
Minister for Social Services  
Parliament House  
CANBERRA ACT 2600

Dear Minister

On behalf of the National Disability Insurance Agency, I present to you the Annual Report for the reporting year 1 July 2014 to 30 June 2015.

The report provides a detailed description of the Agency's operations during the year as well as financial statements and the Auditor-General's report on those financial statements.

The report has been prepared in accordance with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), *Commonwealth Authorities (Annual Reporting) Orders 2011* (Finance Minister's Orders) and the *National Disability Insurance Scheme Act 2013* (the NDIS Act).

The report is made in accordance with a resolution on 9 September 2015 of the directors, who are responsible under section 46 of the PGPA Act for its preparation and content in accordance with the Finance Minister's Orders.

I am satisfied that the Agency has prepared a fraud risk assessment and fraud control plan and has in place appropriate fraud prevention, detection, investigation and reporting mechanisms that meet the Agency's needs and comply with the Commonwealth Fraud Control Guidelines.

Yours sincerely



Bruce Bonyhady AM

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## Message from the Chair



As the Chair of the NDIA Board, it is my pleasure to present its second annual report.

This has been an important year of growth and consolidation for the Agency, in which we have expanded access to the NDIS to significantly increased numbers of participants across our trial sites as part of the transition to full scheme, which begins in 2016. Participants are experiencing for themselves the type of improved services that the NDIS will make possible. The hard work and dedication of everyone associated with the Agency is already paying off.

Few tasks are as important to our nation as establishing the NDIS. Once fully established, the Scheme will assist more than 460 000 Australians to attain greater independence and the opportunity to lead ordinary lives as active members of the community. The scope and scale of the Scheme makes it a nation-building social and economic reform, with major positive implications for workforce participation, productivity and public-expenditure efficiency. As the Productivity Commission's *Competition Policy Review Final Report* of March 2015 ('the Harper Review') states, the NDIS is trialling new ways of delivering public services that empower users in the design and delivery of their services, engage the community to be part of the answer,

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**Our approach of 'Listen, Learn, Build, Deliver' is putting the best possible foundations in place, all based on a culture of including our participants, providers, the wider community and experts in disability in the planning and delivery of the Scheme.**

utilise new technologies to make services more effective and efficient, and employ an insurance approach to provide long-term planning.

I am pleased to report that once again the Scheme is on time, on budget and is achieving high rates of participant satisfaction

As planned, we are now operating across seven trial sites: the whole of the Australian Capital Territory, the Barkly region in the Northern Territory, Perth Hills in Western Australia, the Hunter in New South Wales, Barwon in Victoria and in South Australia and Tasmania (within specific age groups agreed in the bilateral agreements in those states). Preparations were also made for the opening of the first full scheme site (for young people aged 0–17) in the Nepean Blue Mountains region of New South Wales from 1 July 2015. This transition to full scheme, which is earlier than initially planned, reflects government confidence in the Scheme's progress.

In 2014–15, NDIS participants benefited from \$479.9 million of support. Average package costs were in line with those included in the 2014–15 bilateral agreements between the Commonwealth and the states and territories. Importantly, participant feedback remains positive.

The Agency matured significantly over the last 12 months to make this successful and sustainable growth path possible. Our approach of 'Listen, Learn, Build, Deliver' is putting the best possible foundations in place, all based on a culture of including our participants, providers, the wider community and experts in disability in the planning and delivery of the Scheme. The holding of a Citizens' Jury—which drew its members from the wider community to hear about the experience of participants, their families and carers and which included major stakeholders—was a great example of this. Another example was the way the Agency worked with expert groups to successfully design an outcomes framework that will track and benchmark participant progress over time—a crucial planning tool that will better enable us to assist people to achieve their goals while keeping costs under control. Participants are also contributing to the design of the Agency's information and communications technology (ICT) system that will eventually be the backbone of the NDIS's lively marketplace of participants, their families and carers, providers, payments, information, decision-making and ideas. As people with disability tend to be fast adopters of new digital technologies, getting our ICT system right the first time is especially important, and we are getting it right through methodical planning, feedback and design.

Less visible but just as important is the development of a strong Agency culture of performance, learning and building, inclusion and co-design. The Agency's values of responsibility, assurance, empowerment, learning and integrity shape our day-to-day operations.

It is particularly pleasing to report that the Agency was voted 18th most attractive employer in the Randstad Awards for 2014. The Randstad Awards are held annually across the world and recognise the most attractive employers in each country. And in further recognition of its professionalism, the Agency's 2013–2014 *Annual Report* won both the silver medal and the first-time entry special award for

distinguished achievement in reporting at the 2015 Australasian Reporting Awards. The Agency is also leading by example, with 16.16 per cent of Agency staff having a disability and around 50 per cent having a lived experience of disability. For all our staff, helping to build the Agency is more than a job—it is personally and deeply important. This fact gives me great confidence in the future success of the NDIS.

There is much to be done and no room for complacency, but in its first two years of operation the Agency has shown that it is on track to deliver equity to Australians with disability by successfully establishing an economic and social reform of historical significance. The Agency is already changing lives, and its contribution to the nation in future years will become a source of profound pride to all Australians as well as everyone who has directly contributed to its establishment, development and growth.

Bruce Bonyhady AM

## Message from the Chief Executive Officer



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By continuing to embed a strong insurance approach across the organisation, the Agency will remain well placed to manage the Scheme’s performance and ongoing sustainability.

In its second year of operation the Agency has developed from a start-up model into a maturing organisation. We have put in place a strong leadership team and the foundations for moving from trial to full scheme.

The NDIS is at the forefront of a new approach to delivering human services. Indeed, the recent Competition Policy Review, led by Professor Ian Harper, identified the Scheme, where support follows individual users rather than service providers, as a blueprint for future service delivery. The NDIS is already demonstrating the benefits of the practical application of the principles of contestability and direct user choice.

A key pillar of the Scheme is the concept of choice and control, which means that participants receive individualised funding and tailored services to meet reasonable and necessary needs. Each participant is therefore able to maximise the benefit from the funds they receive. Over time, this market-based approach will drive increased effectiveness and efficiency.

The Agency is putting in place an operating style which takes feedback from stakeholders—most importantly people with disability, their families and carers—and then implements improvements to strengthen operations. Our ‘Listen, Learn,

Build, Deliver’ approach is creating a culture which values performance and improvement within the organisation.

The Agency is managing the NDIS based on sound insurance principles. To do this, the Agency has developed tools—including reference packages that provide an expected annual funding level for participants with similar support needs and characteristics (including age and disability type and severity)—that assist the Agency with allocating resources equitably and managing Scheme sustainability. Another such tool is the lifetime cost estimator which allows the Agency to compare the impact of different models of support on the lifetime cost of the participant. This could include considering the impact of investing to assist a participant to get a job, or increase their independence through AT which can result in lower care and support costs in the future and hence a lower overall lifetime cost.

The Agency has also developed an outcomes framework to measure outcomes for NDIS participants, their families and carers, compared with other Australians, and to track changes over time. The outcomes framework, which is specific to different age groups, measures effectiveness of supports and services and allows the Agency to track and amend its operating model over time.

In preparing for full scheme, the Agency has been working on a revised SDOM. This model includes a modular-plan approach, which will utilise the base components of the reference packages (for example personal care, social participation or consumables) and change the cost of the total package by modifying the component costs. This is an important innovation which will enable the Agency to bring people into the Scheme quickly, efficiently and effectively.

These are just a few of the ways the Agency is improving the Scheme based on evidence, and managing costs through robust controls. By continuing to embed a strong insurance

approach across the organisation, the Agency will remain well placed to manage the Scheme’s performance and ongoing sustainability.

I would like to acknowledge the way in which the Board members and senior management team have worked together to implement the NDIS on time, on budget, and with a high level of participant satisfaction. The Agency staff members have worked with great personal dedication throughout the year to build the Scheme, and deserve high praise. I would like also to acknowledge the Department of Social Services (DSS) and our state and territory colleagues for their ongoing commitment. Finally, I would like to acknowledge the participants, their families and carers, providers, peak bodies and the Australian community for their ongoing support of the NDIS.

A handwritten signature in black ink, appearing to read 'David Bowen'. The signature is fluid and cursive, with a large initial 'D' and 'B'.

David Bowen



# The National Disability Insurance Agency

The Agency was launched in July 2013 following years of advocacy, discussion and study about the adequacy of disability support services in Australia, culminating in the publication of a major report by the Productivity Commission on 10 August 2010 and a decision by the Council of Australian Governments (COAG) in 2011 to establish the Scheme.

The Agency is meeting its legislated objectives in two broad ways: (1) by creating the Scheme, which is based on insurance principles; and (2) by increasing the capacity of the entire Australian community, including providers of mainstream health, education and social services, community organisations, businesses and employers, to play its part. The Agency's functions include developing and improving the disability sector by encouraging innovation, research and contemporary best practice.

The Agency's work sits within a broader commitment by governments to advance the interests of people with disability, their families and carers across Australia as outlined in the National Disability Strategy (NDS). The strategy aims, through a national effort, to transform the experience of people with disability across six policy domains, which comprise:

- inclusive and accessible communities
- rights and protection, justice and legislation
- economic security
- personal and community support
- learning and skills
- health and wellbeing.

In its first two years of operation, the Agency has undertaken a trial phase for the Scheme and has prepared for full scheme rollout starting from 1 July 2016—putting in place the administrative infrastructure, processes and policies necessary for creating such a major new agency of government. As part of the trial, the Agency has consulted extensively with all stakeholders and developed a listening and learning organisation.

## Our vision

Optimising social and economic independence and full participation for people with disability

## Our mission

Building and managing a world-leading National Disability Insurance Scheme for all Australians

## Our goals

- 1 People with disability are in control and have choices, based on the UN Convention on the Rights of Persons with Disabilities
- 2 The National Disability Insurance Scheme is financially sustainable and is governed using insurance principles
- 3 The community has ownership, confidence and pride in the National Disability Insurance Scheme and the National Disability Insurance Agency

# A year of listening, learning, building and delivering



This was a year of consolidation and expansion.

Strong progress was made against the goals and objectives set out in the Agency's 2013–2016 Strategic Plan and its annual Portfolio Budget Statement (PBS):

- delivering the NDIS so that people with disability are in control and have choices
- driving change in the disability sector to support the NDIS implementation to support choice and control
- delivering a financially sustainable Scheme governed using insurance principles
- efficiently and effectively using the Agency's operating resources.

Applying the insurance principle...



A provider market based on **choice...**



Increases participant satisfaction



Reduces long term costs

For a **sustainable** NDIS

# Supporting people with disability

## More trial sites

The number of trial sites in which the NDIS is being delivered increased from four to seven. The Agency opened three new trial sites:

- the Barkly region in the Northern Territory comprising eight remote Aboriginal communities
- Perth Hills in Western Australia
- the whole of the Australian Capital Territory.

The Agency also prepared for the early rollout of full scheme in the Nepean Blue Mountains region of New South Wales, beginning with children and young people aged 0–17 from 1 July 2015.

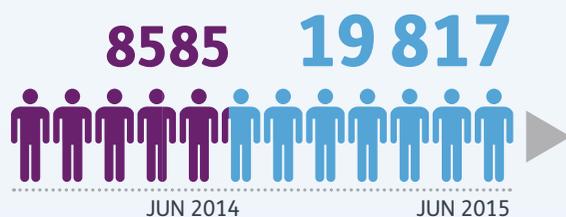
Our trial sites expanded—the Hunter trial site now covers new communities, the Barwon region opened a new office in Colac, Tasmania opened a Devonport office, and South Australia opened a Murray Bridge office.

## Participant numbers up

Participant numbers continue to increase—from 8585 (at 30 June 2014) to 19 817 (at 30 June 2015) in line with bilateral agreement targets.

Satisfaction levels among participants in the trial sites remain very high—95 per cent of surveyed participants found the planning process either ‘good’, or ‘very good’.

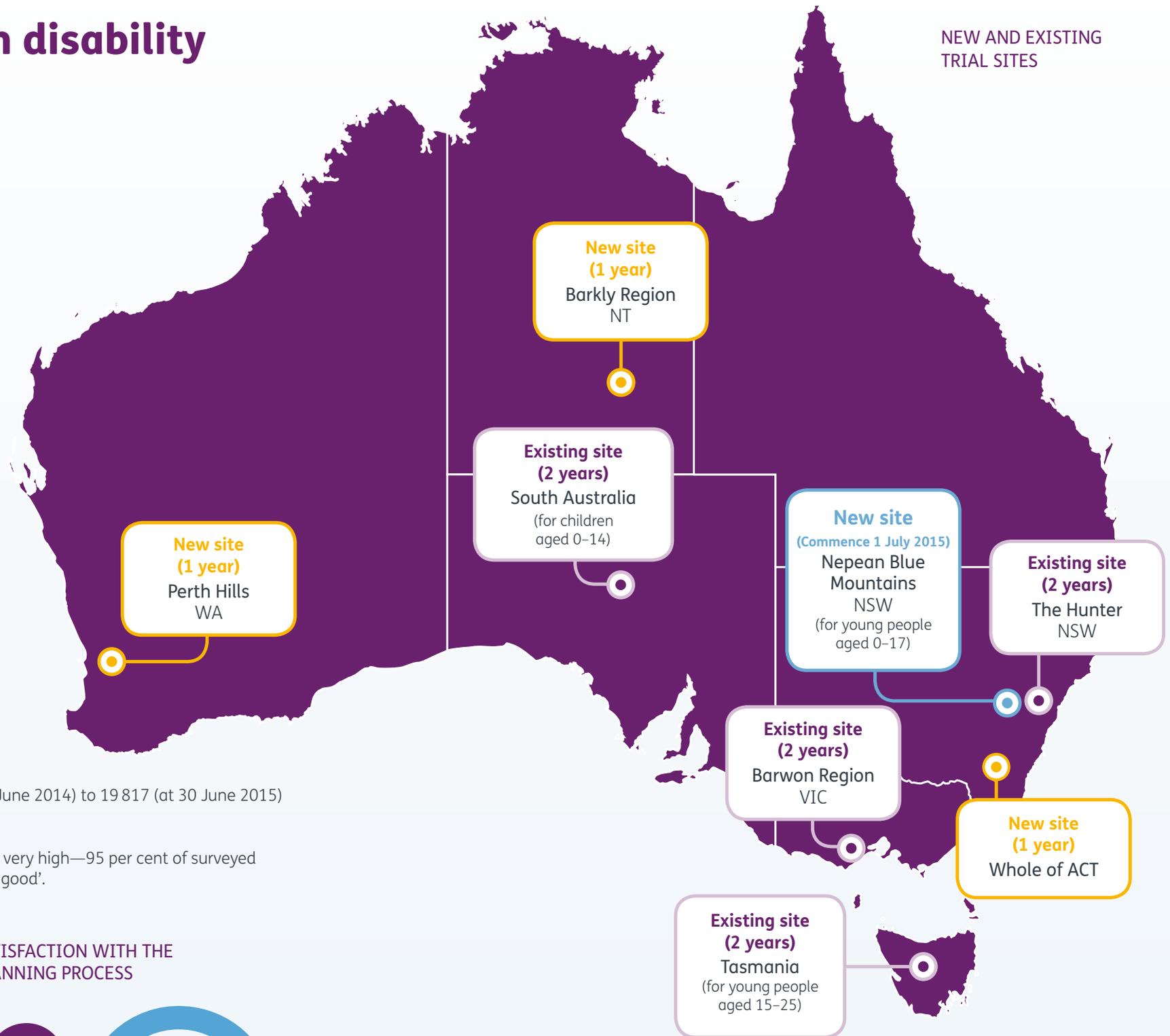
### PARTICIPANT NUMBERS



### SATISFACTION WITH THE PLANNING PROCESS



NEW AND EXISTING TRIAL SITES



## Ally: on the right track

Ally loves dancing and watching Mr Bean and with help from her plan is currently completing the Victorian Certificate of Applied Learning.

Ally has a significant intellectual disability with sensory processing difficulties and according to her mum Kathy, so much in Ally's life has changed since participating in the NDIS. Beforehand, Ally didn't like engaging with others and was a homebody. She didn't have any funding or any say in who worked with her. 'We could access 10 hours of support a month but we would only use it occasionally because we didn't have any choice over who supported her.'

Now Ally has funding to surround herself with people who respect and recognise her anxiety and the choices she makes because of her sensory disability. Her support includes three young and engaging support workers who are making everything she does into a learning experience.

Today, Ally goes out and does everyday things like other 17-year olds. She uses her eftpos card, scans items at the supermarket and can use a mobile phone. She orders a hot chocolate, shops for clothes and goes to the movies, all while being supported in a way that promotes her wellbeing.

'I didn't want to think of the future before the NDIS,' Kathy says. 'Now we can dare to dream. Because we have the right funding and support, we can even see Ally living independently one day down the track.'

“

I didn't want to think of the future before the NDIS... Now we can dare to dream.



## Madison and Susan: opening doors for the whole family

South Australian mum and sole parent, Susan Ramsden, says having her car modified to accommodate her seven-year-old daughter Madison's wheelchair is a dream come true. 'Through Madison's NDIS plan, our car was modified so I don't have to lift her in and out,' Susan says.

'It was getting harder for me to lift Madison and it was taking its toll on both of us. This has really opened up doors for us. I can take Madison to all her appointments, drive her to school, and monitor how many seizures she has instead of worrying while she travelled to school on the bus. And I can visit my family a lot more.'

Before the car was modified, Madison was getting uncomfortable on car journeys. Now Madison doesn't even have to come out of her wheelchair. 'I can just place her on the lightweight ramp that folds down, then, when she's in the car, all I have to do is fold up the ramp and shut the door. It's nice and easy and it saves me heaps of time.'

Madison started with the NDIS in September 2014. 'I was a bit nervous about starting with the NDIS because I had heard some not-so-good things when it was started but Karen, Madison's planner, was awesome.'

Susan encourages other parents of children with disability who may be sceptical about the Scheme to do their research and see whether they can participate.

## Lesley: getting control back

For Geelong resident Lesley, choosing her support providers, going to the gym to stay fit and avoiding using a hoist, are some of the greatest things to come out of the NDIS.

Lesley, 58, has been in a wheelchair since her early teens after contracting a rare muscular skin disease, but thanks to great family support she says her disability has never stopped her from enjoying a fulfilling life and with the introduction of the NDIS it can only get better.

In the early '80s, Lesley was Deakin University's first graduate with a disability, completing a Bachelor of Arts (Education) and a Bachelor of Education with a major in Psychology.

To date she's enjoyed a 29-year career as a primary school teacher and has lived independently for decades. She's even skydived, but says being in a wheelchair or having a disability has never caused her as much stress as securing the right support workers.

'Prior to the NDIS, support services would send complete strangers to your home to provide your personal care,' Lesley says. 'It didn't matter if you weren't compatible or whether that person had the right skills but now with the introduction of the NDIS, I can interview and employ the people who I'd like to provide my personal supports. It's just a huge relief.'

Lesley says under her NDIS plan she's been able to work with several support services and she particularly enjoys working with InLife Independent Living.

'As an NDIS participant, you can enrol with them and put an ad on their website about what sort of supports you're after. They don't find your supports, you do.'

'If I have someone in particular I'd like to use as my support worker and I have funding through my plan, I can get them to register with InLife Independent Living who employ them on my behalf, taking care of all administrative obligations. This method has been great. I've found it is more client-focused and empowering,' Lesley says.

'I've even been able to direct funding for support to go to the gym and it's really helped me both physically and mentally.'

'For those who weren't getting anything, or were getting very limited services, they're finally getting the equipment and support they need, so I think the Scheme is heading in the right direction.'

“

For those who weren't getting anything, or were getting very limited services, they're finally getting the equipment and support they need, so I think the Scheme is heading in the right direction.



## More support providers

During 2014–15, 607 additional providers registered under the NDIS, taking the total number of registered providers to 1957 at 30 June 2015.



## Building community capacity

One of the Agency’s highest priorities is to increase the broader community’s capacity to include people with disability in everyday life.

This reflects the Scheme’s role as part of the broader NDS. As part of their commitment to the implementation of the NDS, all governments have agreed that the NDIS should not replace other service systems but should instead reinforce the obligations of mainstream and other service delivery systems to people with disability.

To achieve this, the NDIS is encouraging and supporting participants to utilise mainstream supports, such as local gyms, local libraries, public schools and similar organisations.

Three initiatives are underway to achieve these goals (see Section 2, Programme 1.2, ‘Building community capacity and informed consumers’ – pg 93 for details):

- **DSOs**
- **local area coordinators (LACs)**
- **the information, linkages and capacity building framework.**

During 2014–15 the Government transferred responsibility for the Sector Development Fund (SDF) to the Department of Social Services (DSS).

Figure 1: Path to participation



## Improved access to assistive technologies

AT is playing a major role in delivering independence for participants in the Scheme. In 2014–15:

- 38 per cent of all participants, including 53 per cent of participants aged over 45, were provided with AT



- a total of **\$38.1 million** was committed in participant plans
- the Agency released (in December 2014) a major discussion paper *Towards Solutions for Assistive Technology* as a step towards designing a national approach for the delivery of quality AT under the Scheme.

### Assistive technology examples

Below are some of the forms of assistive technology that the NDIS can provide.



#### Vehicle modifications

Example: Adapted pedals and controls to enable people to continue self-driving



#### Communication and information equipment

Example: Specialised switches operated using infra-red, eye gaze or brain signals allow independent use of communication devices and computers



#### Recreation

Example: digital music and online collaboration for leisure and economic participation



#### Assistive products for vision

Example: CCTV magnifiers enable people with low vision to read documents at work or home

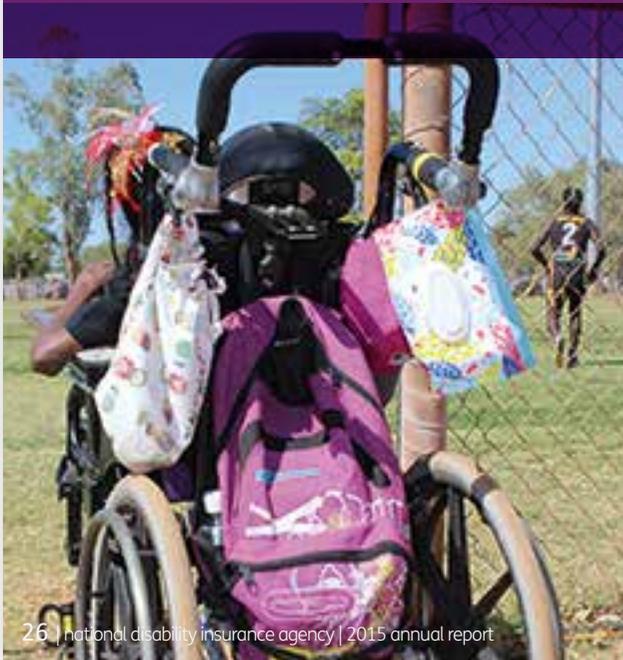
## Elise: using technology to learn and play

Elise from the Northern Territory is 8 years old. She has cerebral palsy and while she can't walk or communicate easily, she understands everything that's going on around her.

Through the NDIS, Elise now has technological help in the form of a lifter and an electric bed.

Other new technologies are helping her, starting with communications switches for 'yes' and 'no'. These have made a real difference at school and give Elise a greater sense of independence.

Elise also now has a switch-adapted toy so that she can play with toys she couldn't have used in the past.



## Janet

*Janet was an NDIS participant who sadly passed away in October 2015. The following story is from Janet's time as a participant in the NDIS.*

*The NDIA sends condolences to Janet's family and friends.*

In late 2013 Janet was diagnosed with motor neuron disease and in just 12 months was unable to speak. Now, after becoming the first NDIS participant in Australia to receive a NeuroSwitch—which is a new technology that allows someone to control a computer using their body's electromyography (EMG) signals—she is able to communicate again.

The NeuroSwitch is improving Janet's quality of life, giving her back control, especially when expressing her needs to doctors and hospital staff and particularly when she is in pain.

She is enjoying sending text messages and being able to do anything anyone else can do with the computer, plus talk and call, and eventually she'll be able to drive her chair. According to her husband Joseph, 'She's becoming free again.'



# Consolidation and expansion

## Growing the Agency's workforce

The Agency's workforce grew by 65.5 per cent, from 516 employees (at 30 June 2014) to 854 (at 30 June 2015), to support the growth of the NDIS and the transition to full scheme.



## Workforce capability

In 2014–15 the Agency continued to build its workforce capability to support the NDIS's growth to full scheme.

- Management capability was strengthened in key areas including Commonwealth expertise, finance, communications, human resources, contract and project management, and ICT.
- The Minister Assisting the Prime Minister for the Public Service approved the Agency's business case to increase the Agency's Senior Executive Service (SES) cap from 19 currently to a total of 52 at full scheme.

These developments reflect the significant amount of work necessary inside the Agency to transition from around 32 000 participants at the end of the trial in June 2016, to over 460 000 at full scheme.

## Workforce capacity

The Agency is committed to recruiting people with disability and people who have significant experience with people with disability. During 2014–15 the Agency broadened its disability networks to support the recruitment of people with disability. As a result:

- this year, 16.16 per cent of the Agency's workforce identifies as having disability (compared with 3.1 per cent for the APS as a whole)
- the Agency has already surpassed its 2015–16 disability employment target of 12 per cent and its 2016–17 target of 15 per cent
- around 50 per cent of staff identify as having significant experience with disability. This experience refers to people who, for example, have a family member with disability, are a carer for a person with disability, or have more than three years' experience working with people with disability.

To further increase the Agency's commitment to the recruitment of people with disability—and consistent with the Agency's 'Listen, Learn, Build, Deliver' approach—the Agency's recruitment team has incorporated an evaluation step at the end of each bulk recruitment campaign. The lessons learned will improve Agency processes for recruiting the right people.

To promote employment opportunities for people with disability, the Agency broadened its disability networks to include the Australian Federation of Disability Organisations (AFDO), the National Disability Recruitment Coordinator (NDRC), the Australian Network on Disability (AND), the Australian Injury and Disability Insurance Network (AIDIN) and the Geelong network of Disability Employment Services (DES).

The Agency is also building a more diverse workforce by preparing to offer entry-level placements via programmes like:

- the Australian Public Service Commission (APSC) Graduate Development Programme
- the Indigenous Australian Government Development Programme
- a 12-month traineeship programme for people with intellectual disability
- the 'Stepping Into' programme, a paid intern programme for people with disability.

## Staff retention

The Agency has been exploring strategies to improve staff retention. In 2014–15, 79 per cent of Agency employees who completed the 2015 APS Employee Census indicated that they planned to stay working for the Agency for at least the next 12 months. This compares with 72 per cent for the APS as a whole.

## Fiona: bringing professional expertise and family experience to the NDIS



Fiona feels privileged to work in her role as Assistant Director of Engagement and Implementation of the NDIS in Queensland, where her job is to prepare Queenslanders for the NDIS beginning from 1 July 2016.

‘I am grateful I can contribute to such an important economic and social reform,’ Fiona says. ‘Working with the NDIA seemed a natural progression from my previous role with the Every Australian Counts campaign.’

‘I have two young adult children and my son has a disability. From my children’s earliest years I saw the different expectations people had of them and the range of opportunities my daughter had compared with my son.’

‘Our family refused to accept this. We became one of the tens-of-thousands of families who were constantly fighting for the rights of their children to participate in everyday stuff—to join local sports clubs, to go to the school of their choice, to be able to get in the door of their friends’ homes, to get part-time jobs, to go to uni—to do what their friends could do.’

‘I have long believed that if you properly support children with disability you automatically support their families. Exclusion of kids with disability in society disables entire families.’

‘The NDIS will benefit my daughter as much as my son.’

“

I have long believed that if you properly support children with disability you automatically support their families. Exclusion of kids with disability in society disables entire families.

## Peter De Natris: working for an enduring and everlasting change

NDIA Branch Manager Peter De Natris leads the full scheme design work for the NDIA across the strategic areas of design and practice, with the job of ensuring the original intent of the Scheme is maintained through its formation.

A lot of his work involves working out how the NDIS should relate to mainstream education, health and other social services. The quality of this relationship between the NDIS and other responsibilities of government will help determine how successfully the Scheme delivers its promise.

His job gives him, he says, ‘a once in a lifetime opportunity to support people with disability in Australia who really have a less than adequately supported life.’

‘It shows just how much the NDIS is about broader social policy reform and changing our nation’s culture and behaviour to make us a more inclusive place.’

‘The NDIS really is part of something big.’

To Peter this means a lot. He’s been watching his nephew, who has an intellectual disability, grow to early adulthood and attain greater independence and confidence after battling hard to get the right supports under the old disability system.

‘With the NDIS able to do so much more, the possibilities for improving the lives of so many people like my nephew are enormous.’

‘It’s a privilege to help create such potentially enduring and everlasting change.’

And Peter’s work in the area of disability reform across various roles in education and human services has been rewarded with a Public Service Medal. It is, he says, acknowledgement of the work of many in New South Wales who have supported innovative reform in the area of disability policy.

“

It shows just how much the NDIS is about broader social policy reform and changing our nation’s culture and behaviour to make us a more inclusive place.



## Kerriene: passionate about the NDIS

Kerriene is Executive Assistant to Marita Walker, Western Australia's Trial Site Manager, and was previously a business support officer with the Agency.

'I'm passionate about the NDIS's vision and have wanted to be a part of the Scheme from the very beginning—to watch it develop, grow and prosper,' Kerriene says.

'I am privileged to meet and work with some amazing people with the same values. It can be quite challenging working at a trial site to get things up and running, but it means I get to be a part of the incredible difference the Scheme is making to the lives of so many people with disability.'

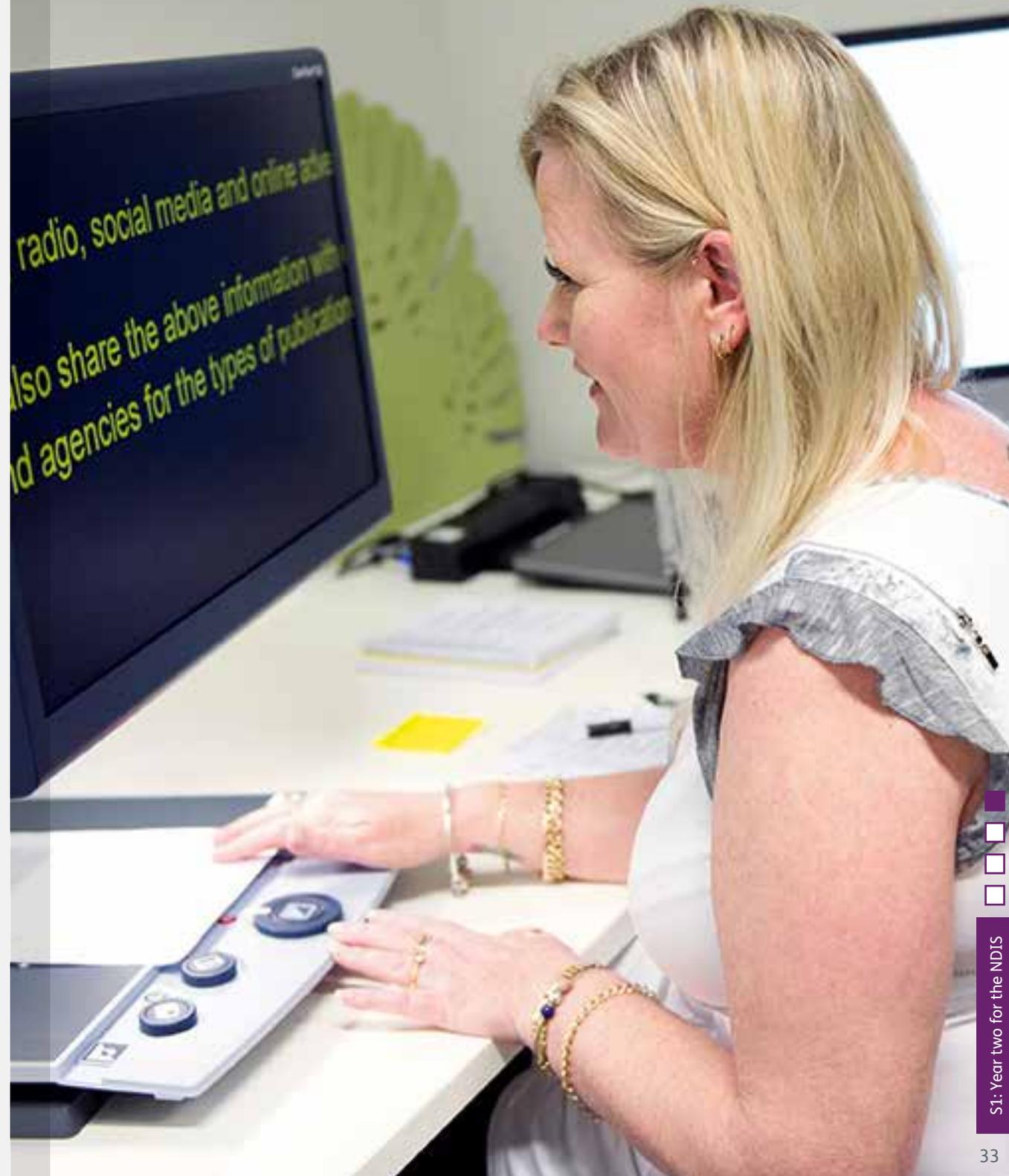
Kerriene, who is vision impaired, with around two per cent vision in one eye and three per cent in the other, says that as an employee of the NDIA she has the full support and understanding of her work colleagues. 'My colleagues have been working with me to provide the AT that I require to do my job to the best of my ability. I want to give Marita the best support that I can—that's my whole purpose.'

Kerriene is a member of the SPN, an intra-Agency forum open to staff who are participants of the Scheme, or are parents, family members or carers of a participant.

'As my vision will deteriorate over time, it is comforting to know that the NDIS will be there to support me in continuing to achieve my goals.'

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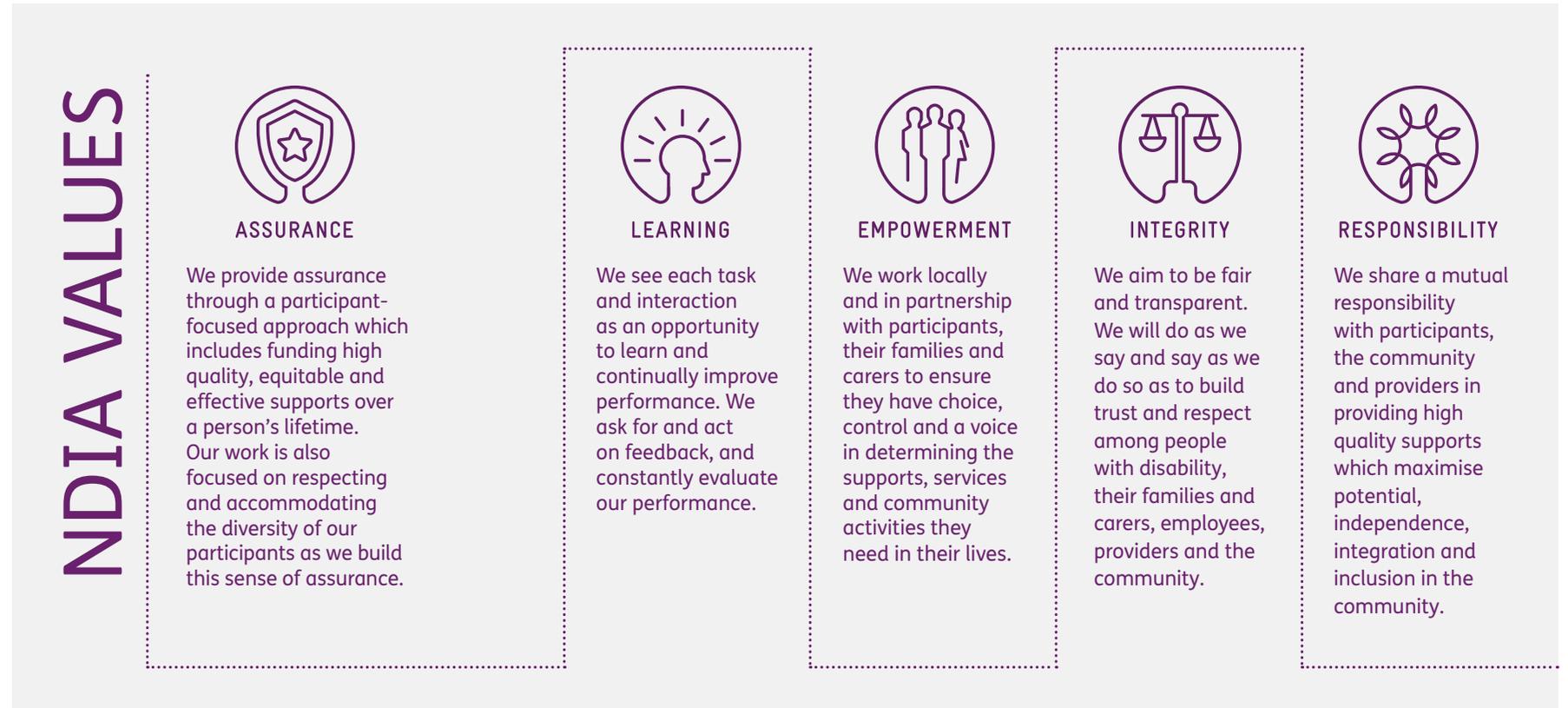
As my vision will deteriorate over time, it is comforting to know that the NDIS will be there to support me in continuing to achieve my goals.



## Creating a values-based organisation

The Agency is building a workplace culture that puts people with disability at the centre of everything it does. During 2014–15 the Agency continued to take advantage of its unique position as a new organisation to purposefully build a consistent, cohesive and values-led culture. This work has been guided by the *NDIA People Strategy 2013–16*.

The strategy guides all people-related programmes within the Agency, so that the goals for each programme of work are aligned, empowered, engaged, results-driven, accessible and inclusive.



### Achievements in creating a values-based organisation include:

- releasing the Agency's Values, Capabilities and Behaviours Statement (VCBS) in late 2014
- aligning the Agency's recruitment model with the learning and development framework and performance development framework set out in the VCBS
- conducting the Cultural Mapping Project which surveyed 495 Agency staff and 222 regional stakeholders, including participants and the general public. The project assessed the degree to which the Agency was putting its culture into practice and made seven recommendations including streamlining internal processes, improving leadership development, modelling behaviours and recruiting greater numbers of people with disability
- developing the NDIA People Story which provides a simple description of the unique proposition the Agency offers to its employees
- establishing the SPN for participant, family and carer employees to share their insights, experiences and ideas. The SPN was designed to overcome the situation whereby current staff members who were also participants were unable to use feedback systems because of privacy restrictions. The SPN protects and provides support for staff with disability and captures their experiences in a safe, supported environment
- holding an SES leadership forum which focused on building a united leadership team.



## Improving service standards

The Agency has developed a new service charter setting out the standard of service that participants can expect to receive and committing the Agency to a high standard of service. This charter was developed in collaboration with Inclusion Australia—a peak body on intellectual disability—and with guidance from AND and the Council. The service charter is presented in a clear and easy-to-read way—thanks to the feedback of these groups. The service charter was launched on 1 July 2015 and will be monitored regularly to ensure it meets its goals.

The Agency developed a national complaints framework to improve customer service by managing and resolving complaints and feedback received about the Scheme and Agency. The framework, which is expected to be introduced in October 2015, promotes a ‘no wrong door’ approach to ensure effective access to complaints resolution for all users of the Scheme.

## A smooth transition to full scheme

### Structures and processes

From 1 July 2016, the Agency will commence the rollout of full scheme nationally. To do this, the Agency will be drawing on lessons from the trial sites and building on state and territory government knowledge about funding and managing disability services.

The move to full scheme will involve transitioning over 430 000 additional participants into the NDIS over three years.

The Agency is taking a number of approaches to facilitate transition to full scheme:

- employing a best practice framework to design disability supports suitable for its diverse participants—like autism supports, intellectual disability supports, complex needs supports and early intervention
- working with the states and territories to simplify processes for determining access requests and approving the reasonable and necessary supports in participant plans. These new processes will gather data and information to streamline decision-making and provide a wide gateway through which participants can access the Scheme and undertake planning

- creating a comprehensive culturally and linguistically diverse (CALD) strategic framework and developing a rural and remote servicing strategy incorporating an Aboriginal and Torres Strait Islander engagement plan to ensure the Agency is responsive to Australia’s diverse communities in delivering the Scheme
- working with Commonwealth and state and territory governments to clarify the roles and responsibilities of mainstream services and the Agency for the supports included in participants’ individual plans. Mainstream services of particular interest to the Agency have been health, mental health, child protection, education, employment services, housing and justice
- piloting initiatives to open up avenues of employment to people with disability through career orientation at school, early work experience, integrated planning with schools, post-school pathways, the personalisation of supports and a social investment approach.

## Operational plans

Operational plans are being established to support the implementation of government bilateral agreements. These have identified 20 elements for managing transition to full scheme.

### Part 1 - Bilateral and national policy elements

- 1 Phasing arrangements
- 2 Government workforce transition issues
- 3 NDIA locations and infrastructure
- 4 Quality and safeguards
- 5 Continuity of support arrangements for ineligible clients
- 6 Market readiness
- 7 Managing mainstream, interfaces
- 8 Information, linkages and capacity building
- 9 Accommodation (existing frameworks, funding, asset ownership, responsibility and repairs)
- 10 Funding details for maintenance of government programmes

### Part 2 - Administration and service delivery elements

- 11 Pre-transition preparations
- 12 Data exchange and systems planning
- 13 Reviews and evaluation (inter-operability of NDIS and jurisdictional legislation and trial site operations)
- 14 Participant readiness
- 15 Participants and cohorts with specific requirements
- 16 Provider readiness
- 17 Jurisdiction service delivery strategies
- 18 System stewardship
- 19 Rural and Remote, Aboriginal and Torres Strait Islander, and CALD service delivery strategies
- 20 Public communication and engagement

## The Service Delivery Operating Model and the Design Authority

The Agency has developed the SDOM to provide certainty on how the NDIA will operate in full scheme. It will define to whom the Agency provides services, what services the Agency provides, where the Agency does its work, and how the Agency does its work through various business processes and procedures. The SDOM design principles for the full scheme are set out in Table 1.

Table 1: SDOM design principles

Scheme pillar	Design principles
Insurance approach	<ul style="list-style-type: none"> <li>The Agency is delivering the Scheme in a financially sustainable way, guided by a lifetime outlook</li> <li>Devolving decision-making that is supported with the best available evidence</li> <li>Upholding a strong outcomes focus to improve the lives of people with disability and their families</li> <li>Maintaining a highly productive and high-performing workforce to deliver a quality service</li> <li>Providing reasonable and necessary supports for people with disability</li> <li>Collecting the right data at the right time so that cost drivers are monitored continuously and any mitigation strategies are implemented as required to keep the Scheme financially sustainable</li> </ul>
Choice and control	<ul style="list-style-type: none"> <li>Being an exemplar of disability systems</li> <li>Enabling people with disability to take charge of their own lives by upholding a person-centred approach and by providing choice and control</li> <li>Maintaining flexibility to provide for individualised needs and adapting to changes over time</li> <li>Keeping processes simple and straightforward</li> <li>Designing for the user through collaboration and engagement</li> </ul>
Community and mainstream	<ul style="list-style-type: none"> <li>Encouraging and supporting participants to utilise mainstream community supports like local gyms, libraries, public schools and other organisations, consistent with the NDS</li> <li>Providing accessibility to the whole community by ensuring that information, facilities and services are easy to use</li> <li>Upholding a ‘Listen, Learn, Build, Deliver’ approach through feedback, openness and continuous improvement</li> <li>Increasing operational efficiency by working constructively in partnership with the disability sector</li> <li>Employing leading-edge technologies to drive internal operational productivity and provide innovative service delivery</li> <li>Enabling people to tell us something once and once only—by leveraging whole-of-government relationships and integrating a paperless workflow</li> </ul>

The Design Authority has been established to provide assurance that change is consistent with the full scheme SDOM. A set of 10 design elements or work streams has been established to progress full scheme design and implementation. This includes the Agency’s services, business processes, staffing capabilities, performance measurement and technology needs.

As with all NDIA planning, co-design plays a crucial part in this transition to full scheme, providing mechanisms for input from staff, participants, carers, families, and providers.

### The outcomes framework

The Agency has designed an outcomes framework to identify, monitor and measure the factors that will achieve the best results for participants. The framework also benchmarks results for Australians with disability against results for Australians without disability and people with disability in other Organisation for Economic Co-operation and Development (OECD) countries.

The framework builds on major work undertaken by the Council on what constitutes reasonable and necessary support across the lifespan of people with disability to achieve an ordinary life, and draws upon a review of national and international frameworks in the disability services field.

It is specific to each life stage, for example, the adult framework covers eight participant domains—choice and control, daily activities, relationships, home, health and wellbeing, lifelong learning, work, and social, community and civic participation—and includes outcomes measures for families and carers.

A draft of the framework was piloted with a representative sample of 207 participants and 179 families and carers in three trial sites—the Hunter, Barwon and Tasmania—and has been or is currently being reviewed with major input from stakeholders according to the principle of co-design, including consultations with:

- the Council
- Aboriginal and Torres Strait Islander bodies
- CALD experts
- a one-day workshop held on 25 March 2015, chaired by Scheme Actuary, Sarah Johnson, and the Council’s principal member Professor Rhonda Galbally AO.

The insights gained from these consultations have been incorporated into an amended framework document, which will become operational in August 2015.

Wider consultations have now commenced and the Agency is considering approaches for participants with severe or profound cognitive impairment.

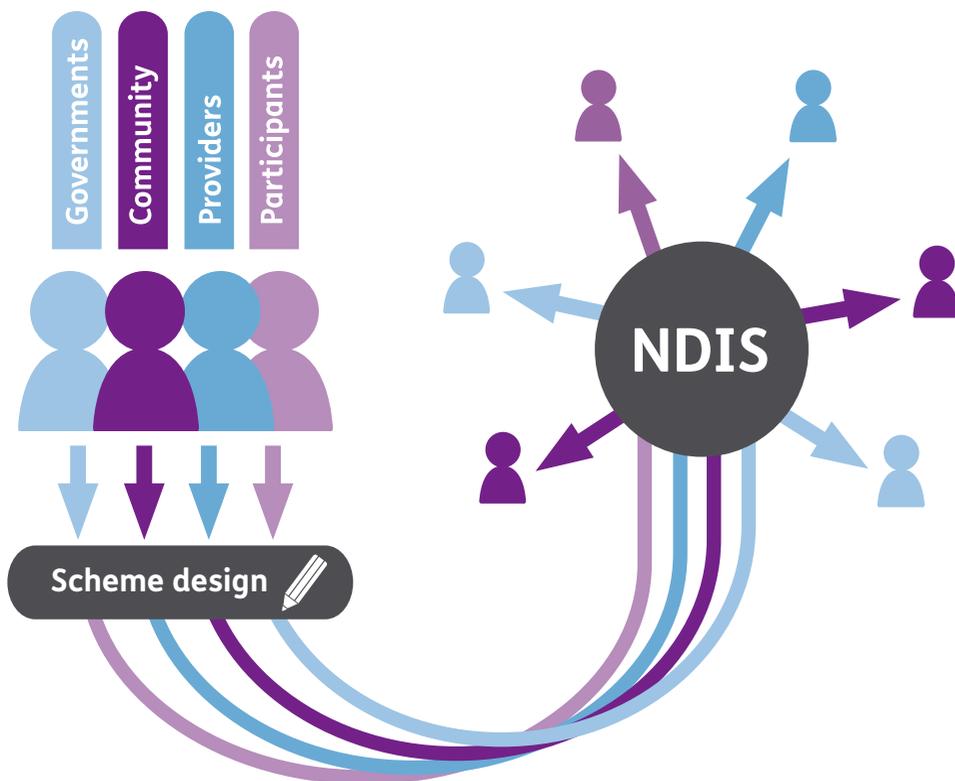
### Managing the transition—the EPMO

In 2014–15 the Enterprise Programme Management Office (EPMO) was established to manage the complex task of expanding the NDIS towards full scheme. Its remit includes developing and implementing a project management framework, prioritising resources, establishing an appropriate governance and reporting regime, and embedding a change management approach across the Agency.

## Incorporating co-design

Co-design is central to the Agency's 'Listen, Learn, Build, Deliver' approach because it allows the Agency to learn from its participants, providers, stakeholders and staff. In 2014–15, co-design played a major role in the movement towards full scheme. The Agency:

- developed a co-design framework to set out how end users will be included in service delivery design and in the day-to-day work of the Agency's staff and providers
- continued to uphold co-design thinking by involving the Council, participants, families and carers in each of the Agency's trial sites on an ongoing basis
- worked closely with people with lived experience of psychosocial disability, including families and other supporters, to deliver projects like the Operational Access Review for Psychosocial Disability
- received expert advice from the NDIA Mental Health Sector Reference Group (NMHSRG)—which is drawn from a cross section of the mental health sector and has direct links to the Council and National Mental Health Consumer and Care Forum—about the progressive integration of psychosocial disability into the Scheme
- re-designed the internal staff intranet and the public website with input from staff, including those with disability or significant experience of disability, to ensure full accessibility and usability—wider stakeholder input is planned for 2015–16
- held the NDIA Citizens' Jury which made important recommendations on improving the work of planners and LACs as well as improving communication between the Agency and participants.



## The NDIA Citizens' Jury

In February 2015, the Agency commissioned People with Disability Australia (PWDA) to conduct an independent citizens' jury—a mechanism of deliberative democracy that draws on some processes of a legal trial-by-jury and encourages people who do not usually have a voice to have a say on important issues. PWDA approached the Agency with the idea of the citizens' jury for people with disability to provide input into the Scheme. Until then, the Scheme had been reviewed by the Commonwealth Parliament and Government, but never before by people with disability.

In this case, the citizens' jury assessed the extent to which the Agency is on track to achieve the objectives of the NDIS, and identified areas for improvement.

Twelve participant witnesses, five of whom were represented by their parents, were recruited in total, and gave evidence to the jury. Six advocate witnesses, all of them people with disability, were also recruited on the basis of their connections with the trial.

The jury sat from 17 to 20 February 2015 in Sydney and its verdict was officially launched on 19 May 2015 at the Agency's National Office in Geelong. The launch took the form of a question-and-answer panel comprising three jurors, one advocate witness, Mr Craig Wallace (President of PWDA), Mr Max Hardy (jury facilitator), Ms Louise Glanville (from the NDIA), Ms Liz Cairns and Ms Sue Salthouse as the moderator.

The jury's report identified a number of areas for improvement. The top three were:

- greater clarification of planner and LAC roles
- fast tracking improved planner training and support
- improving communication and engagement with participants.

The Agency responded to the jury's report in May 2015, acknowledging that the issues raised were being actively considered or addressed.



Note: Council member Dr Ken Baker is not present in this photo.

## Independent Advisory Council

The Council acts as a conduit between participants, the community, and the decision-making bodies of the NDIS. In 2014–15, the Council once again played an important role in shaping the work of the Agency as it transitions towards full scheme.

The Council brings the crucial perspective of people with disability, service providers and families to the work of the Agency and the design of the Scheme. Among its major achievements in 2014–15 was pioneering the central concept of ordinary life, which informs many aspects of the Scheme's design, including the outcomes framework. This important concept refers to the gap between an ordinary life and a 'disabled life' and was developed by the Council from evidence-based factors that promote health and wellbeing, positive relationships, a sense of belonging, autonomy, active involvement in decision-making, and opportunities for challenge and contribution.

The Council's perspective highlighted that informal support (including the support of family and friends) and mainstream services are essential for an ordinary life.

The Council pursued an ambitious work plan and contributed to a range of Agency consultative processes, culminating in two major pieces of advice which were considered by the COAG Disability Reform Council (DRC) and the NDIA Board, and published on the Agency's website.

- In December 2014, the Council responded to a Board request for greater guidance on determining the boundaries of reasonable and

necessary support by providing the Board and the Agency with practical guidance on how to conceptualise and apply the term 'reasonable and necessary' to planning decisions. This advice consisted of five separate advice papers considering the concept of reasonable and necessary supports in the following contexts: the participant lifespan, families, planning, independence, and self-management.

- In January 2015, the Council provided advice on implementing the NDIS for people with psychosocial disability. This advice included the completion of a literature review.

In addition, the Council responded to recommendation two of the Parliamentary Joint Standing Committee's (JSC's) progress report on the implementation and administration of the NDIS—that the Council identify gaps in service and possible options for addressing them—with the conclusion that while progress is being made across the trial sites in response to specific issues, governments, the Agency and service providers each have a role to play in providing people with disability with access to the services they need to live an ordinary life.

Throughout the year the Council drew on local input, including roundtables held in Tasmania, the Hunter, South Australia, and the Barwon region. It also drew on the insights of international experts, including Sam Bennett, an expert in individualised planning in the United Kingdom who attended the Council's March 2015 meeting.

## Dr Gerry Naughtin: a period of historical significance



Council member, Dr Gerry Naughtin, has held leadership roles in the disability, aged care and mental health sectors for 30 years and says his involvement in the NDIS has been a highlight.

'It's such an extraordinary privilege and opportunity to be part of such a diverse and experienced group of people working towards improving the NDIS, making sure it works as well as it can and developing a national picture of the Scheme. I've had the opportunity to provide some leadership on our thinking on psychosocial disability and looking at improving the Scheme for people with psychosocial disability.'

The next twelve months will be critical for the Scheme as it transitions to full rollout.

Dr Naughtin highlights the importance of good information for people. 'We shouldn't underestimate the scale of changes the Scheme is going to offer. People need good information and time to think about how they can best use the Scheme for themselves.'

He believes that the NDIS is a big step forward for the way we approach disability in Australia. 'The Scheme is providing opportunities that for most of my career have not been available. There is a philosophy of choice and control, a quantity of dollars and a level of recognition across the community that we have to deliver a better response for people with disability and their families. For me that's such an exciting new piece of social policy. This is a particularly important historical period in disability services.'

## Working with Aboriginal and Torres Strait Islander participants and their communities

One of the Agency's major priorities in 2014–15 was strengthening its relationship with Aboriginal and Torres Strait Islander people, who have some of the highest incidences of disability in Australia. Mechanisms to improve service delivery in rural and remote areas will be crucial for the Scheme's success.

The Agency has established the Rural and Remote and Aboriginal and Torres Strait Islander Reference Group which is supported by a number of working groups. Membership is drawn from not-for-profit organisations, universities, the medical profession and the state and territory governments, with strong Aboriginal and Torres Strait Islander representation.

The Agency is currently developing a rural and remote servicing strategy incorporating an Aboriginal and Torres Strait Islander engagement plan. In developing the strategy, the Agency has reflected on lessons from the South Australian and the Northern Territory trial site, from Aboriginal and Torres Strait Islander communities in Queensland, from Agency-funded projects and from Commonwealth and state and territory government feedback.

The engagement plan not only supports the broader NDIA rural and remote servicing strategy but addresses the needs of Aboriginal and Torres Strait Islander people with disability residing in metropolitan areas.



NDIA—Improving services in aboriginal and Torres Strait Islander communities

### Tania: home with her family where she belongs

Tania is a proud Awabakal woman and active member of the NDIA Hunter Local Advisory Group who is passionate about improving the lives of young people residing in aged care.

After having a stroke at the age of 39, Tania lived in an aged care facility for three years, where she was confined to her bed, unable to take part in her community and separated from her husband and daughter, who is now 16.

When Tania became an NDIS participant, she began to reclaim her independence and achieve her goals. First she was provided with an electric wheelchair that gave her back her freedom. 'I was in bed all day every day. When I first had my stroke I couldn't talk, walk, move or see. I remember the first day I went outside (in my wheelchair) it was just amazing feeling the sun and seeing the grass, the things you miss.'

'Then I was given some travel allowance so that I could go home and see my daughter. Until then I could only see her once a week and she hated visiting the nursing home.'

In Tania's second NDIS plan her goal was to move back home with her husband and daughter. With the support of her NDIS planner and her LAC, Tania obtained an electric bed, an electric shower chair, physiotherapy and occupational therapy supports. Because of these supports, she now lives at home with her family.

'The NDIS is just fantastic I cannot thank them enough for what they have done. It has changed my life. It has given me my daughter back and everything back to me that I ever wanted.'

## Dion: connecting with his community

Dion, 24, is a talented Tennant Creek artist whose artwork and children's book *Too Many Cheeky Dogs* made its way to Buckingham Palace as part of a gift from the Northern Territory Government to welcome the arrival of Princess Charlotte.

According to Dion's guardian Joie, Dion is 'mad keen on drawing dogs', all of whom he has met while living in communities across the Northern Territory, and a second book of his will hopefully be published next year.

Last year Dion, who is profoundly deaf after contracting meningitis as a baby and has muscular dystrophy, became an NDIS participant.

'I met Dion when he was almost 12,' Joie says. 'When he came to town he was pretty uncooperative but drawing was the thing that connected him to others and so we could communicate that way.'

'I was very excited when the NDIS started because it is a needs-based system which I thought could be perfectly targeted to Dion.'

Dion already had wheelchairs and ramps, so his basic needs had been met. But with NDIS funding through his personalised plan for maintenance on his scooter, he's been able to get even more mobile and keep in touch with his community.'

'We are self-managing, so we've found someone in town who can fix the scooter and we can just go ahead and do that.'

'That funding keeps him moving, and no doubt, down the track, things will change and his needs will change.'

Joie says since the introduction of the NDIS in Tennant Creek access to specialist help like physiotherapists and occupational therapists has been much more structured and organised with all Dion's appointments now able to be booked in ahead of time.

'The staff at the NDIS have been absolutely wonderful and committed to the cause and bend over backwards to help him.'

“

With NDIS funding through his personalised plan for maintenance on his scooter, he's been able to get even more mobile and keep in touch with his community.



## Creating the technology platform

Work continued on the crucial task of creating the Agency's information technology system. Technology will bring together participants and providers to create an eMarket capable of meeting the Scheme's objectives of choice, sustainability and innovation.

This year saw the development of the *ICT Strategy 2015–18*. The strategy is informed by the lessons gathered from the trial site experience to date. The Agency's systems will need to be highly flexible to meet the evolving needs of participants, carers, families, providers and staff. Their active and continual participation in the design of the technology capabilities will be invaluable.

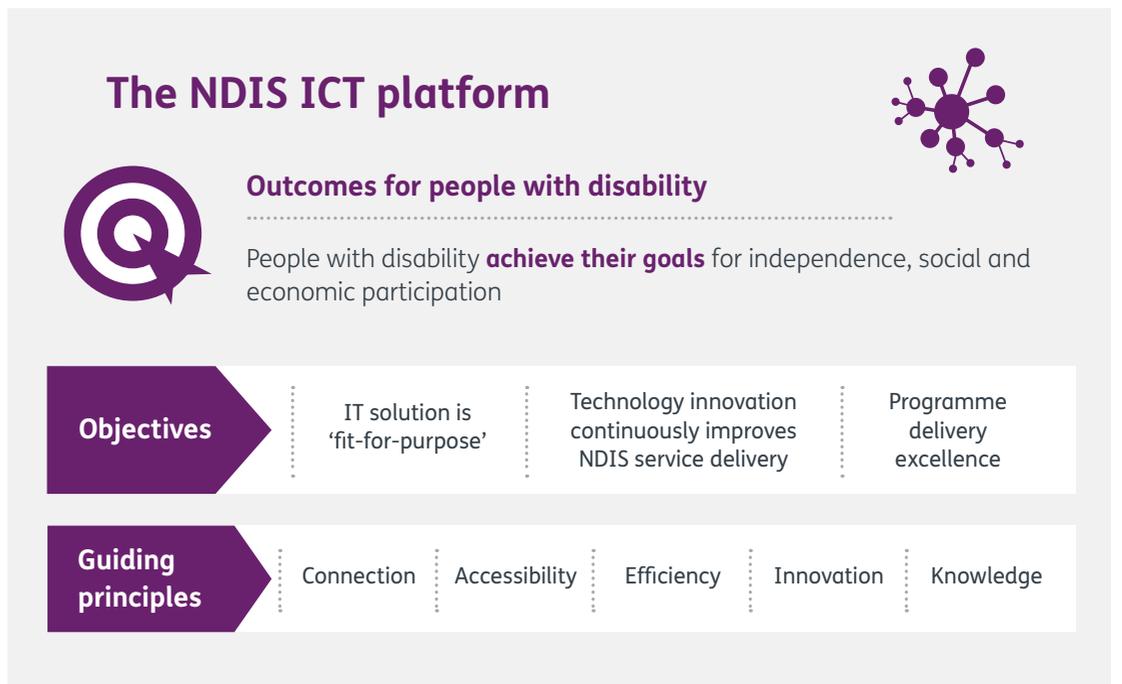
Important advances in the Agency's technology capability were made in 2014–15:

- the Federal Budget on 12 May 2015 announced that the Department of Human Services (DHS) will provide the whole of ICT services to the NDIA. Total funding of \$143 million was allocated to the ICT full scheme to be appropriated across the NDIA, DHS and DSS
- creating the *ICT Strategy 2015–18* to set out the vision for technology in the Agency and outline the strategic direction, including implementation, timing and the principles that will guide strategic, technology-related decision-making
- adopting a 'digital-first' approach to future NDIS service delivery to provide access to all services through digital channels via a personal computer, tablet or smartphone, and to ensure simplified business reporting, single entry points for transaction processing, and a strategic review of government payments
- establishing the Technology Authority—a new division of the Agency—to govern the technology and digital strategy to support full scheme by assessing the technical feasibility of planned changes and rollouts, providing quality assurance against ICT principles and strategic capability infrastructure, and evaluating the impact on existing technology and outcomes
- establishing ICT facilities at an additional 13 NDIA locations—either as new sites, refurbished sites or as shared premises—including upgrading workstations, providing security works and configuring office fit-out
- holding ICT Information Sessions to discuss the role ICT will play in the future evolution of the Scheme. The sessions, held at the Melbourne Convention and Exhibition Centre on 16 June 2015, and at the Sydney Masonic Centre on 20 August 2015, were attended by 160 and 50 members of the ICT industry respectively, including systems integrators, software developers, start-ups, telcos, payments and banking industry representatives and several disability support organisations.

Figure 2: ICT strategic vision and objectives



Figure 3: The NDIS ICT platform





## Achieving sustainability

Another full year of operation has allowed the independent Scheme Actuary and her team to enrich their collection of data and continually refine their actuarial estimate of long-term costs. This data collection and analysis is central to the Agency's insurance-based approach that invests in building participants' long-term capabilities.

Important ongoing work has been done to develop reference packages. These are estimates of the types and level of supports that can best support people with similar categories of disability ('reference groups') to live independent lives. This is a powerful tool for estimating future costs and for the financial sustainability of the Scheme. Reference groups and packages have now been incorporated in the Agency's ICT system and information from the assessment tools can now be recorded in a participant record. This has been progressively introduced from February 2015 across the trial sites.

As a result of this work, the cost of the NDIS is consistent with the estimates in the Productivity Commission report. The average package cost at 30 June 2015 was \$38 423 including the Stockton, Kanangra and Colanda large residences, and \$33 597 excluding those residences—in line with the \$36 750 average included in the bilateral agreements for 2014–15.

And \$479.9 million of supports was committed in participant plans in 2014–15 compared to the funding envelope of \$456.9 million. As the utilisation of support is currently less than 100 per cent, the NDIS will be within the funding envelope for 2014–15. Further, there is no impact on full scheme costs which are expected to be within the funding envelope.

Average package costs consistent with estimates in the Productivity Commission report



**\$38 423** AT 30 JUN 2015

average package cost (including large residences)

**\$33 597** AT 30 JUN 2015

average package cost (excluding large residences)



**\$36 750**

average package cost included in bilateral agreements 2014-15

# SECTION 2: Performance report

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This section of the 2014–15 Annual Report covers the Agency’s performance in areas for which activity is measured across the NDIA. This includes detailed performance reports based on the outcome and programmes framework and performance information set out in the 2014–15 PBS.



The Agency reports against one outcome in this annual report:

**Outcome 1—To implement a National Disability Insurance Scheme that provides individual control and choice in the delivery of reasonable and necessary care and 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 measures its performance against this outcome under three result-area programmes:

- reasonable and necessary care and support for participants
- sector development and support
- Agency costs.

The Agency's performance against these specific programmes, including key performance indicators (KPIs), is set out on the following pages. The KPIs are those contained in the 2014–15 PBS. As the Agency is in only its second year of operation and still in its trial phase, the number of measurable outcomes in this annual report is limited. The NDIA's performance monitoring and measurement will continue to mature as the Agency develops and increasing amounts of data become available.

As a crucial part of the Agency's role in building the NDIS is based on lessons learned from the trial sites, each programme also contains an assessment of the operational changes made during the 2014–15 financial year.

In addition to the KPIs in the PBS, the Board has developed the *National Disability Insurance Agency 2013–16 Strategic Plan* against which it assesses Agency performance and Scheme success. The Board has provided its second report against the goals in the strategic plan, which can be accessed at [www.ndis.gov.au/document/progress-report-2015](http://www.ndis.gov.au/document/progress-report-2015).

## Programme 1.1—Reasonable and necessary care and support for participants

### Programme summary

Objective	Deliverables	2014-15 result
To deliver the National Disability Insurance Scheme to ensure people with disability are in control and have choices to appropriately support their independence and social and economic participation	• eligible people with disability in launch sites are supported to transition into the NDIS and are provided with reasonable and necessary supports	satisfied
	• implementation of agreements with states and territories for detailed transition to the NDIS, and with all states and territories for full scheme implementation	not satisfied*
	• monitoring of and refinements to programme delivery to reflect experience with trial sites	satisfied

\* The Agency was unable to finalise operational plans in 2014-15 as the bilateral agreements had not been finalised with jurisdictions. In April 2015, COAG noted that jurisdictions were working to finalise the bilateral agreements by the end of August 2015. The Agency continues to work with each jurisdiction to be able to complete operational plans and associated work plans within one month of signing the respective bilateral agreements.

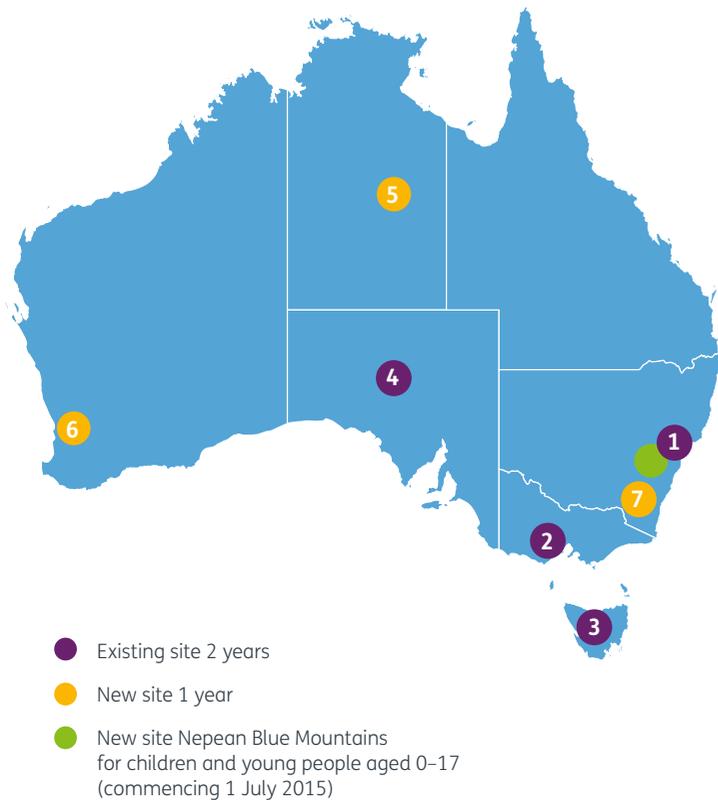
### KPIs

Key performance indicator	Actions	2014-15 result
Participants in the NDIS achieve their goals for independence and social and economic participation	<ul style="list-style-type: none"> <li>• participants achieved independence and increased social participation by gaining mobility, living independently or in shared accommodation, joining community organisations, attaining qualifications and getting employment</li> <li>• measured participants' progress through an outcomes framework</li> </ul>	satisfied
Increased mix of support options and innovative approaches to provision of support in response to assessed need	<ul style="list-style-type: none"> <li>• introduced functionality in the ICT system in July 2014 to provide greater flexibility for participants to interchange supports in their plans</li> <li>• established an internal quality management framework and 'shadow review' to improve the quality of supports for participants</li> <li>• established a single point of contact (SPOC) to receive staff ideas for improvements to services for participants</li> <li>• introduced a flexible service pathway to simplify service levels from seven to three</li> <li>• introduced online claiming for self-managing participants in December 2014</li> <li>• established the National Access Team (NAT) to provide high quality participation assessments</li> </ul>	satisfied
Participants in the NDIS are able and are supported to exercise choice	<ul style="list-style-type: none"> <li>• participants are able to choose the supports and who provides their supports</li> <li>• introduced improvements to plan self-management</li> </ul>	satisfied

# Delivering the NDIS

In 2014–15, the NDIS was delivered to 17 303 participants with agreed plans across seven trial sites.

## Seven trial sites underway



<b>1</b> NSW (The Hunter)	<b>4964</b>	<b>4605</b>
	participants	w/ individualised plan
<b>2</b> VIC (Barwon region)	<b>4740</b>	<b>4392</b>
	participants	w/ individualised plan
<b>3</b> TAS (Tasmania) for young people aged 15–24	<b>1079</b>	<b>959</b>
	participants	w/ individualised plan
<b>4</b> SA (South Australia) for children aged 0–14	<b>5521</b>	<b>4660</b>
	participants	w/ individualised plan
<b>5</b> NT (Barkly region)	<b>68</b>	<b>61</b>
	participants	w/ individualised plan
<b>6</b> WA (Perth Hills)	<b>1400</b>	<b>1199</b>
	participants	w/ individualised plan
<b>7</b> ACT (Australian Capital Territory)	<b>2045</b>	<b>1427</b>
	participants	w/ individualised plan

### New South Wales

During 2014–15, the Hunter trial site served the Charlestown, Newcastle and Lake Macquarie local government areas and will support over 10 000 people by 2016. Participants are being phased into the NDIS according to their current service provider and providers in Newcastle and Lake Macquarie are the first to make this transition.

Preparations were completed for the early transition site in Nepean Blue Mountains from

1 July 2015 for children and young people aged 0–17 living in the Blue Mountains, Hawkesbury, Lithgow and Penrith. From 1 September 2015, up to 2000 children and young people aged 0–17 will gradually be phased into the Scheme so that they receive individual plans.

Number of participants at 30 June 2015: **4964**

Number of these receiving supports under an individualised plan: **4605**

### Victoria

The NDIS commenced in Victoria with the Barwon trial site. It covers the entire population of the City of Greater Geelong, the Colac Otway Shire, the Surfcoast Shire and the Borough of Queenscliff. Accordingly, it provides excellent insight as to how the NDIS can operate when the full scheme rolls out. From 1 July 2016, the NDIS will be made available progressively across the state over the next few years.

Number of participants at 30 June 2015: **4740**

Number of these receiving supports under an individualised plan: **4392**

### Tasmania

In Tasmania, people aged 15–24 are the first group to access the Scheme. The site's focus is on improving supports for participants transitioning between school, further education, vocational training, employment and greater community participation.

Number of participants at 30 June 2015: **1079**

Number of these receiving supports under an individualised plan: **959**

### South Australia

In the first year of the trial, South Australia undertook individual planning with children aged 0–6 across the whole state—primarily children with significant and permanent disability and those who would benefit from early intervention. From 1 July 2014, this expanded to include children aged 0–14 who were not receiving any disability support. From 1 July 2016, the NDIS will progressively roll out in South Australia.

Number of participants at 30 June 2015: **5521**

Number of these receiving supports under an individualised plan: **4660**

### Northern Territory

The trial site at Tennant Creek serves the entire Barkly region, a predominantly Aboriginal population of eight remote communities. Existing service users and new participants will enter the Scheme progressively, community-by-

community, as teams of staff visit towns and remote communities. The experience of this trial site will inform the Agency about delivering the NDIS in remote regions. One learning that has already emerged is that often communities and individuals in remote communities are less familiar with the concept of the Scheme than many other Australians, making Scheme promotion a priority in the Barkly trial site.

Number of participants at 30 June 2015: **68**

Number of these receiving supports under an individualised plan: **61**

### Western Australia

In Western Australia, the NDIS started on 1 July 2014 in the Perth Hills region, covering the local government areas of Kalamunda, Mundaring and Swan. People from these areas will be phased in by postcode, suburb and programme.

Number of participants at 30 June 2015: **1400**

Number of these receiving supports under an individualised plan: **1199**

### Australian Capital Territory

The NDIS started in the Australian Capital Territory on 1 July 2014 and covers the whole territory. People are phased into the Scheme based on 'ages and stages'—meaning that entry to the Scheme is based on school year for school-aged children and date of birth for other people.

Number of participants at 30 June 2015: **2045**

Number of these receiving supports under an individualised plan: **1427**



## Expanding NDIS sites

The Agency will open a new, full scheme site in the Nepean Blue Mountains region of Western Sydney from 1 July 2015. The Agency has been helping to prepare participants for the planning conversations which will commence on 1 September 2015. This is not a trial site, but is the beginning of the NDIS full scheme in New South Wales. This new site will provide early access to the NDIS for people aged 0–17, and up to 2000 people are expected to access the Scheme in its first year of operation.

The Agency is also planning expansion activities in the trial sites. The Hunter trial site will significantly expand operations to include those people from the Lake Macquarie and Maitland local government areas not already included in the Scheme and will support people of all ages up to 65 years. Expansion is also occurring in Western Australia, the Australian Capital Territory and South Australia.

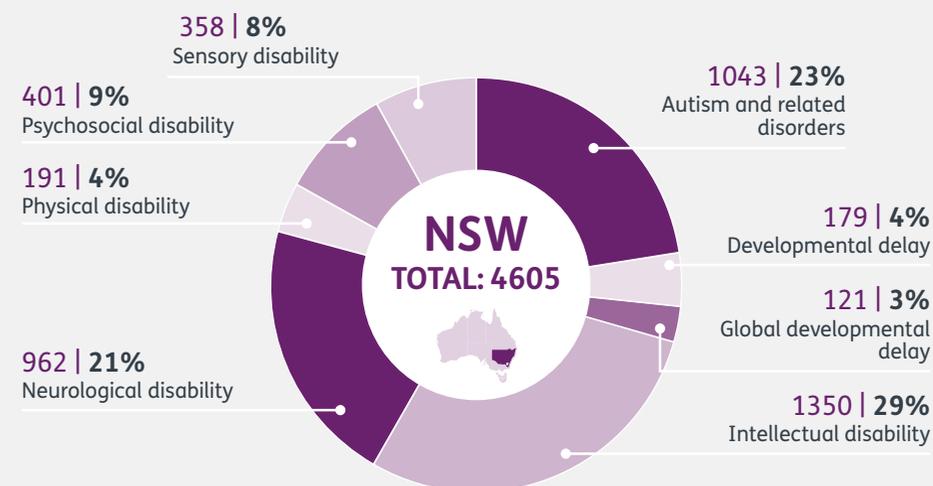
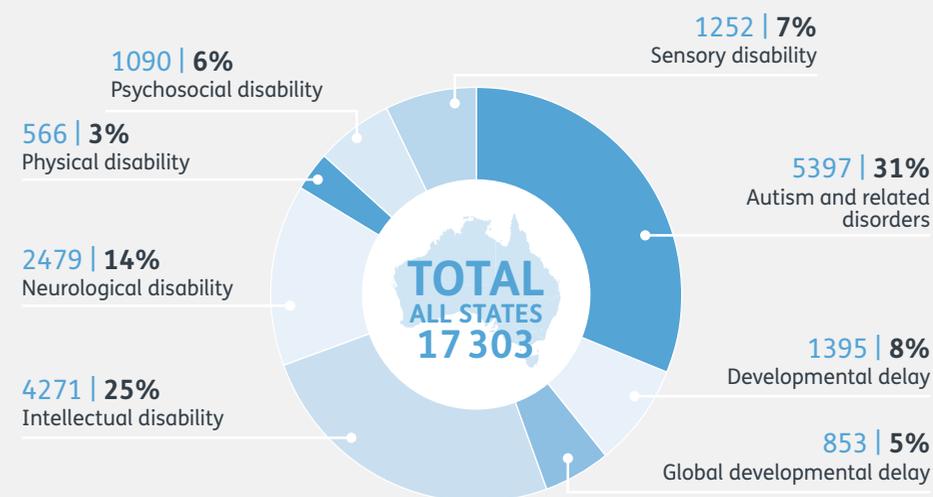
## Trialling new operating models

The Agency is trialling new operating models. A trial held in the Barkly, Australian Capital Territory and Perth Hills trial sites combined the planner and LAC roles (called ‘plan support coordinator’). Feedback from NDIS participants and community stakeholders was mixed—participants were happy they no longer had to re-tell their stories to different Agency staff, but plan support coordinators were less happy because the trial role detracted from their ability to engage in local area coordination. As well as collecting ongoing feedback about LACs, the Agency undertook detailed evaluations of the role with LAC partners in Tasmania. Evaluations within other trial sites are currently underway. The findings from feedback and evaluations will be used to inform the scope and nature of the LAC role for full scheme.

## Supporting a diverse range of participants

The NDIS supports people with wide ranging disabilities. The highest proportion of participants are people with intellectual disability (including Down syndrome), and the second highest proportion are people with autism and related disorders. The proportion of participants with autism and related disorders is highest in South Australia where the trial site is focused on children. Figure 4 shows funded supports by category and state and territory.

Figure 4A: Number of participants by primary disability and state/territory



Note: percentages in Figure 4 do not always sum to 100 per cent due to rounding.

Figure 4B: Number of participants by primary disability and state/territory

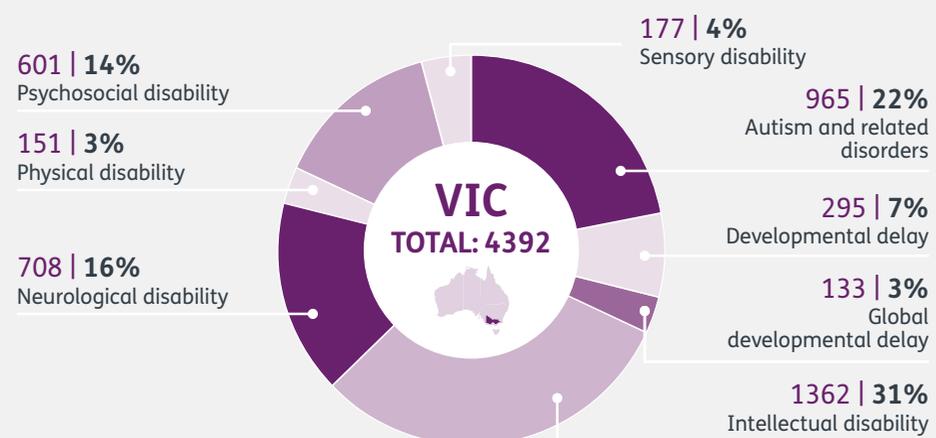
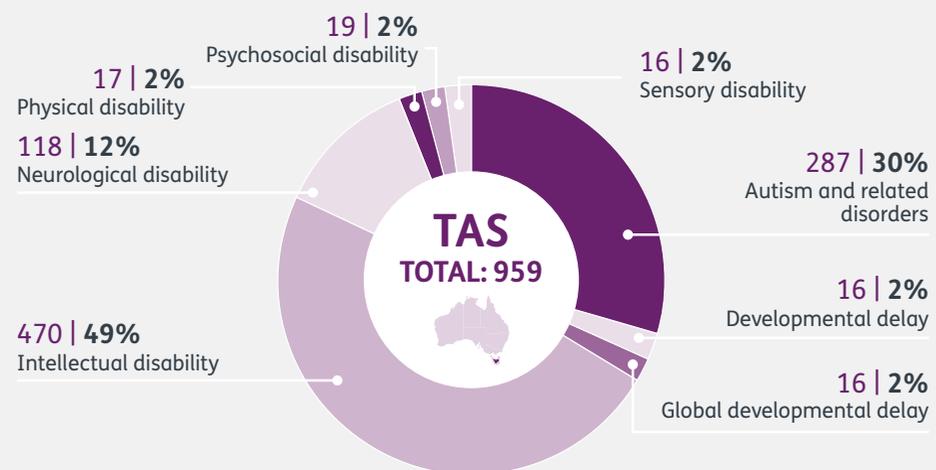
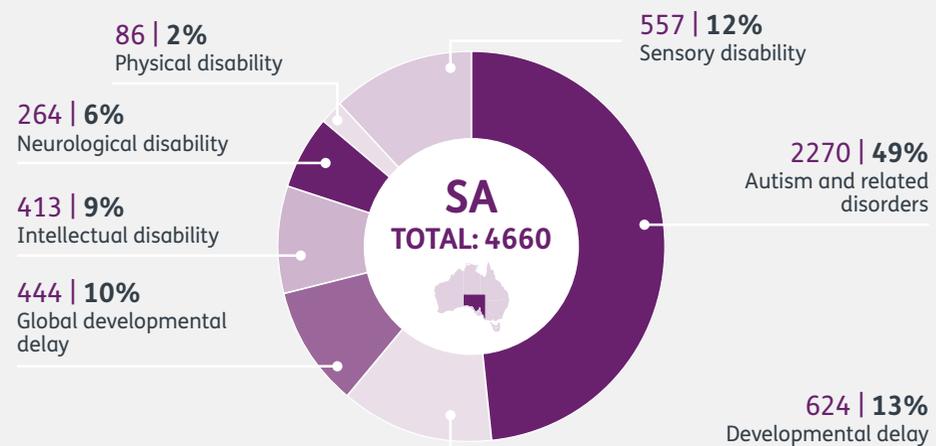
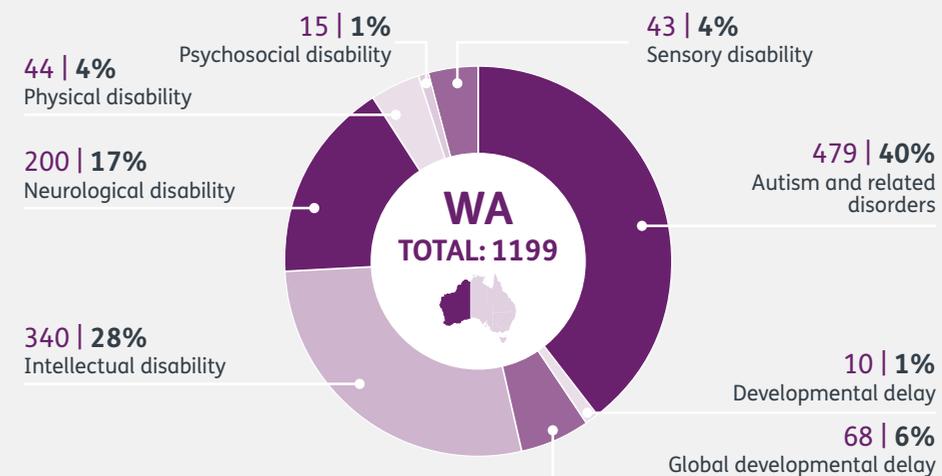
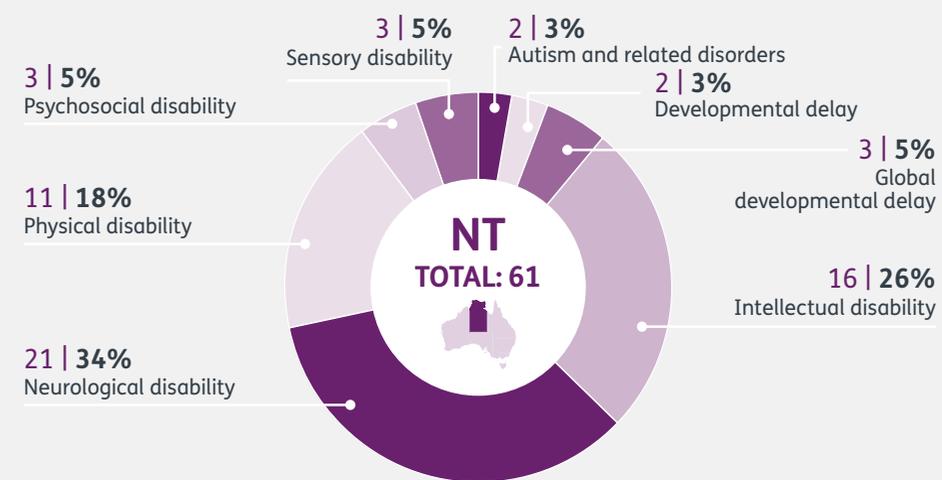
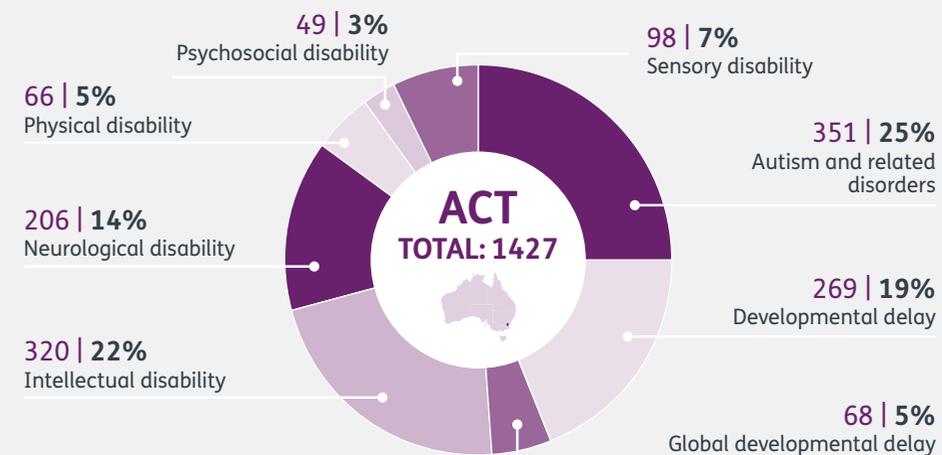
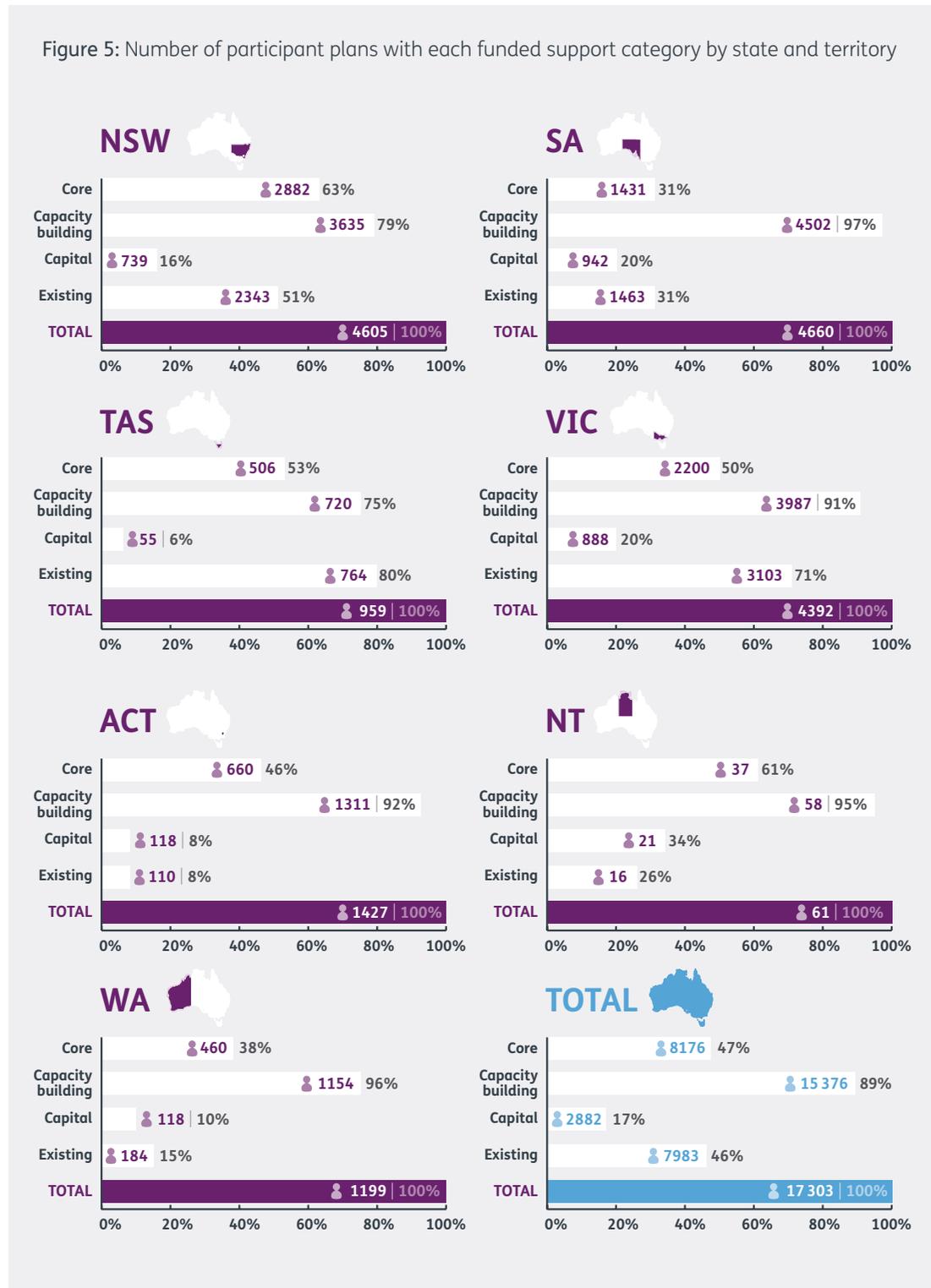


Figure 4C: Number of participants by primary disability and state/territory



The categories of supports that represent the highest dollar cost are those assisting participants with communication, self-care, social and community participation and mobility. Figure 5 shows a breakdown of funded supports by category and state and territory.

Figure 5: Number of participant plans with each funded support category by state and territory



### Supporting Aboriginal and Torres Strait Islander participants in remote areas

Improving disability services in remote Australia is an important goal of the NDIS. In 2014–15, the Agency continued work on two projects to help Aboriginal and Torres Strait Islander carers of children with disability in the Anangu Pitjantjatjara Yankunytjatjara Lands (APY Lands) and the Maralinga Tjaruta Lands.

The APY Lands project is run in partnership with the Ngaanyatjarra Pitjantjatjara Yankunytjatjara (NPY) Women’s Council in Alice Springs. The Maralinga Tjaruta Lands project is run in partnership with the Tullawon Health Service. The projects work with local contacts who have established links to the communities and who will assist to better coordinate and support planning and service delivery. These projects will continue throughout the NDIS trial and will result in recommendations on how to improve the Scheme.

#### Delivering the projects with cultural sensitivity

The APY Lands project works with senior community leaders who provide advice about the Scheme to their communities. They translate the principles and concepts of disability and the Scheme in a culturally appropriate way readily understood by local people, using art and local languages. Two LACs are based in the NPY Women’s Council and the Tullawon Health Service.

#### Increasing the availability of services in remote areas

In February 2015 the Agency commenced a project to increase the availability of services for

participants in the Barkly and remote regions of the South Australia trial site. The Agency placed advertisements in the local press in March and April 2015 to encourage new providers to register with the NDIS. The Agency sought proposals for new or expanded service delivery in the Barkly trial site in May 2015 and proposals are still under evaluation.

#### Establishing local advisory groups

In the Northern Territory trial site, the Agency established a Local Advisory Group (LAG) with broad representation from local stakeholders, people with disability, Aboriginal and Torres Strait Islander organisations and consumer representatives. The LAG provides cultural and consumer advice to ensure the NDIS is responsive to the local environment and includes families and carers as important stakeholders.

#### Working with the First Peoples Disability Network

The South Australia and Northern Territory trial sites are working closely with First Peoples Disability Network (FPDN) to assist Aboriginal and Torres Strait Islander people across the country to understand, access and participate in the NDIS. This partnership includes holding joint engagement activities, undertaking joint training, co-location of FPDN staff in the Agency’s St Marys office and working closely to support the work of FPDN as a DSO in South Australia and the Northern Territory.

In the Barkly trial site, NDIA planning support coordinators have been working in partnership with Barkly Regional Arts to use art to increase the understanding of disability and the NDIS. The 'Conversation Plates' project was undertaken in the Canteen Creek, Epenarra, Elliot, Tennant Creek and Mungkarta communities in the Barkly region. Ceramics were used to bring together members of the community, artists and Agency staff to yarn about what disability and disability supports mean to each individual community. Community members drew these ideas onto ceramic plates. The process of yarning and working with the community has given the Barkly Trial Site plan support coordinators another tool to better explain the Scheme and to understand community needs. Feedback from the project has been positive and the plates are exhibited at events in the Northern Territory, including at the National Rural Health Conference held in Darwin during May 2015.



**Artist: Laura Rankine**  
**Community: Mungkarta**

'My story plate has a hand sign for disabled people who can't speak and hear. The two hands represent the disabled person and around him is the support people helping.'



**Artist: Marlene Kelly**  
**Community: Canteen Creek**

'These are the Bush Tucker that are good to eat to make us strong and healthy.'

## STORY PLATES

**Artist: Rosemary Plummer**  
**Community: Tennant Creek**

'On this plate are Aboriginal hands signs for 'what' and 'where'. I have also created symbols to indicate 'deaf' and 'mute' because in aboriginal culture we don't have a way to explain disability. There is a little house (NDIS) where people go to talk about disability.'



**Artist: Denise Edward**  
**Community: Epenarra**

'A family is going to the NDIS Office, the one in purple is the person with a disability. In the park the disabled people are sitting down with their carers. On the other side children are playing in school grounds, the one in purple is the disabled child.'



**Artist: Lindy Brodie**  
**Community: Tennant Creek**

Sharing and caring for one another. 'This story is about my family camping out, going hunting with our dogs, eating damper and my dad on a horse working with cattle.'



## Enabling participants to achieve their goals



**KPI:** Participants in the NDIS achieve their goals for independence and social and economic participation

By investing in people to increase their independence through economic and social participation, the Agency is fulfilling its promise as an insurance agency while pioneering new types of economic reform.

## Improving independence and social participation

Participants are improving their independence and social participation by learning how to catch public transport or drive, by living on their own or in more appropriate accommodation, by joining clubs and community groups, by following sporting teams, by becoming community advocates for others with disability, by staying at school or going to Technical and Further Education (TAFE) and university, and by getting jobs or starting their own businesses.



## Riley: thinking of becoming a writer

Prior to the NDIS, 18-year-old Riley found it hard to get the support he wanted or needed. Riley's NDIS package, designed around his autism and limited language capacity, includes one day per week of literacy support provided by a teacher chosen by Riley and his family, and four days a week of care support. This support enables Riley to do more of his favourite things: sailing, working in the local community garden and collecting boxes for local businesses.

Riley enjoys writing poetry and his mother, Judith, says that with the support provided by his care workers and the choice made available through the NDIS, Riley is considering returning to study, perhaps at the local TAFE. 'One day,' she says, 'Riley would like to take up creative writing, because he writes such beautiful poetry.'

Promoting independence and economic and social participation

## Mathew: a license and a job

Twenty-year-old Mathew is passionate about all things cars, and like most young adults, looked forward to the day when he would get his driver's licence and his first job.

Since becoming a Tasmanian NDIS participant in 2013, Mathew, who has autism, has gained his license and paid employment and is taking a cooking and budgeting course.

The NDIS funded Ability—a specialist support provider for people with autism—to help Mathew to sit his learner driver test using cars through role play, rather than the traditional way, to show whether or not he understood the road rules. He passed with flying colours.

He was also placed on a trial basis at an IGA supermarket and planned to move to one of the bigger supermarkets to gain permanent employment. But the IGA wanted Mathew to stay. He now drives himself to his half-day shifts on Mondays and Wednesdays, where he is assisted by a support worker from Ability.



## Simone: living a busy life in a better way

Before the NDIS, Simone received 21 hours of support per week. Now, with her NDIS package, Simone, who has cerebral palsy, gets substantially more support to give her the independence she needs to lead her busy life as deputy chairperson and media representative of the Victorian Advocacy League for Adults with Intellectual Disabilities (VALID), where she works hard to give other people with disability a voice.



Alisa Griffin and her daughter Briahna Grant-Griffin aged 20 of Dunlop with her Keyhole dolls that she makes with her push-button sewing machine. Photo credit: Melissa Adams / Fairfax Syndication

## Briahna: bringing creations to life

Twenty-year-old Briahna has always dreamt of working with dolls. Now, with the help provided through her NDIS plan, she is building a business that lets others share her passion as well as creating opportunities for others.

Through her NDIS plan, Briahna gained the numeracy, literacy, money and financial management skills to start a small business creating dolls. 'Bri's dream has been to work with dolls, something we couldn't have done without the NDIS,' her mother Alisa says. 'Now her life is taking off as a young independent adult.'

Briahna and Alisa not only design and create the dolls, they plan to sell them at local markets in Canberra and donate \$5 of the proceeds of every doll sold to a charity they have set up called 'Trikes for Teens'.

The charity, which will fund tricycles for teens with disability, is Briahna's way of repaying her local community for its generous support in replacing her own trike when it was stolen from her home. Briahna's trike was not provided by the NDIS, but the skills the Scheme has enabled her to obtain are allowing her to help other young people gain greater independence by using a trike.



## Duncan: knows when to fold 'em

According to his mother Meredith, Duncan is a happy go-lucky guy who is 'interested in music, partying and a range of sports', which makes him very much like any other young adult. And like most young adults, Duncan, who has Down syndrome, now has a part-time job, working 10 hours a week at the local laundrette where he is responsible for folding and sorting. 'He's very excited when his pay slip arrives,' Meredith says. 'He seems to be thoroughly enjoying it.' His independence has been extended by his self-managed NDIS plan which includes an iPad set up with a speech programme to help him communicate and flexible supports for weekend social and sporting activities.

## Maddie: happy going solo

Maddie Watson, 18 and from Tasmania, transitioned to the NDIS a year ago. She had trouble getting out on her own, but a small investment in transport skills has helped improve her life greatly by giving her new-found confidence to try different activities on her own. Maddie is now catching the bus and even flying to Melbourne to visit her cousin.

'Now Maddie is catching the bus to and from college on her own, going on holiday without us and taking mainstream subjects at college,' her father, Ian, says. 'She's doing a bit of work experience and looking at going to TAFE to get the qualifications she needs to work with animals.'



### Measuring participants' progress over their lifespan

With major input from the Council, the Agency drafted an outcomes framework to measure the degree of progress NDIS participants, their families and carers make over their lifespan to achieve an ordinary life. The outcomes framework will become operational in August 2015. For details see page 39.

## Anne: feeling supported

Anne is grateful for the NDIS because it's meant her six-year wait to have her unit modified to suit her disability is over.

Anne, who has severe spina bifida, was living independently in Burnie, but when her condition worsened and she needed to be closer to her mum, she put herself on a housing waiting list for accommodation in Devonport.

After an initial two-year wait, Anne was finally offered a unit but it wasn't accessible. 'I can't stand, bear weight or walk on my feet and to live independently I rely totally on my wheelchair,' she says.

Anne raised the issue with the housing commission but was told if she didn't accept the unit offered she would return to the bottom of the waiting list. During the planning process, the NDIA planner helped identify appropriate home modifications that would allow Anne to continue residing in her own home.

When Anne discussed the issue with her LAC, Troy, he was able to help implement the approved supports. 'He made a few phone calls and spoke to a few people and then things started happening,' Anne says.

'Now all the modifications I need are about to happen. It's great. It means I'll be able to position myself right in front of the sink to do my dishes. It's a simple request, which has taken years but it means a lot to me.'

'With the NDIS, I've been able to get a "yes" or "no" on things I felt were up in the air. In the past, I've been scared to ask in case of rejection but not anymore.'

'Everyone at the NDIS has been supportive—it's really changed my life.'

“

With the NDIS, I've been able to get a 'yes' or 'no' on things I felt were up in the air. In the past, I've been scared to ask in case of rejection but not anymore.





## Eddie: 'life is good now'

“

NDIS staff gave me lots of support and arranged a deafblind consultant that helped make the process easier, plus they were willing to learn and understand more about the needs of deafness.

In August last year, Eddie Szczepanik began walking the Bibbulman Track, in Western Australia, a member of the first deafblind team to do so. In May, he walked the second part of this track, one of the greatest long walking tracks in the world.

Eddie, 49, was born profoundly deaf. He has Usher's syndrome which has resulted in his vision being impaired since he was 20. By walking the Bibbulman Track Eddie and his team hope to raise awareness about Usher's syndrome.

Leaving from Kalamunda in the Perth Hills and heading for Albany, Eddie and his team will walk 1000 km over the course of the trek which he has been planning since 2012.

'What I have found really challenging so far is that the track can get very, very narrow while going up steep hills, which makes having to climb up big rocks very difficult with my eyesight but I always love a challenge.'

Eddie became a participant of the NDIS last year and says that it has made living his life as a deafblind person a good life.

'The Scheme has improved my life by way of good supports.'

'In my current NDIS plan I have funding for housing equipment, an interpreter, a communication guide and help with accessing transport and social activities.'

'NDIS staff gave me lots of support and arranged a deafblind consultant who helped make the process easier, plus they were willing to learn and understand more about the needs of deafness.'

I am on the NDIS Trial Site Advocacy Network in Perth Hills. I like being involved and helping to support people with disabilities.'

'I am happy. Life is good now,' Eddie says.



## Increased mix of support options



### KPI: Increased mix of support options and innovative approaches to provision of support in response to assessed need

To succeed, the NDIS must be driven by the priorities of people with disability. In 2014–15, the Agency incorporated a number of lessons gathered from its trial sites and feedback from its users into its service provision in ways that further increased consumer choice.

### Portal enhancements for all participants

The NDIS Participant Portal is a secure website developed for participants, their nominees and contacts to help view and manage a participant's NDIS plan. Following extensive consultations with participants in December 2014, the portal was improved in important ways.

- Additional information was provided to participants on claims they have made, their plan balances, the changes that have been made to their plans and their NDIS contacts.
- Participants can now use their portal as a communication channel to securely send enquiries and documents to the Agency.
- Paper-based claiming was replaced with online claiming for self-managing participants, considerably speeding up and simplifying their interactions with the NDIS. Around 70 per cent of claims are now being submitted to the Agency online via the portal, making using the portal similar to online banking.

### Continuously improving consistency and quality

The Agency has established the NDIA Internal Quality Management Framework to support continuous improvements, to raise service standards and to improve the quality of supports provided to participants. The framework includes a quality action plan that incorporates information gained from participant feedback, an operational audit across all trial sites, participant file reviews, and trial site self-assessment.

The Agency also commissioned an external and independent review of processes and practices—the 'shadow review'.

These processes have identified some current practices that were accurate but unduly complicated. In response, the Agency reviewed its participant pathway procedures and from 1 May 2015, staff members were provided with refined work practices designed to navigate procedures more easily.

### Single point of contact

The SPOC, launched in July 2014, provides a single point for staff to register issues, receive advice and suggest general improvements. It improves the Agency's capability to identify trends or issues in one site or across multiple sites and has coordinated responses to over 200 enquiries since it was launched.

### Flexible service pathway

A flexible service pathway model was developed as a tool for staff use across sites to consistently identify the customer service response that best meets each participant's needs. The use of service responses determines the level of assistance people need as they navigate through the access and planning processes, minimising the risk of a 'one size fits all' approach. It replaces the previous seven response levels with just three:

- level 1—general response
- level 2—supported response
- level 3—intensive response.

Feedback from staff to date has been positive, but the experiences in using it are still in the early stages. As work continues, the feedback will inform our quality framework.

### National Access Team

The NAT, made up of staff from five sites, was established on 1 June 2015 to complete participation determinations and refer all participants to the relevant regional sites for planning processing. The NAT will ensure high quality, consistent, efficient and accurate participation assessments for the Agency and participants and will play an important part in the transition to full scheme.





## Supporting choice



**KPI:** Participants in the NDIS are able and are supported to exercise choice

To encourage the development of a market for supports, the NDIS is encouraging and empowering participants to become discerning and demanding consumers. In 2014–15, changes were made to allow greater self-management and self-direction, with new bodies established to support the exercise of choice.

### Self-management of plans

Under the NDIS Act, participants may request who manages the funding for reasonable and necessary supports provided in their plan. The funding can be managed by the Agency, by a plan management provider, by the participant choosing to self-manage, or through a combination of all three options for various funded supports.

The proportion of participants who are fully or partially self-managing their plans has been steadily increasing each quarter. Plan management in this instance refers to the financial management of the plan. Participants can self-direct their supports while the Agency manages the financial side of the plan.

### MANAGEMENT OF PARTICIPANT FUNDING 2014-15

Table 2: Percentage and number of participants in each plan management type, 2014-15

Date	Agency	Combination	Self-managed	Total	Number of participants
30 Jun 14	71%	27%	2%		7316
30 Sep 14	70%	28%	3%		8880
31 Dec 14	67%	29%	4%		11 029
31 Mar 15	63%	32%	5%		13 610
30 Jun 15	62%	33%	6%		17 303

Note: percentages in Table 2 do not always sum to 100 per cent due to rounding.

Figure 6: Percentage of participants in each plan management type by quarter of 2014–15



## Supporting choice (cont...)

### Enhancements to self-management

In 2014–15, the Agency made a number of changes to support participants who self-manage the funding in their plan. It introduced automated payments for participants who self-manage their transport funding and published a range of resources to help with decision-making, including factsheets, support workers, a portal user guide for online claiming, and an NDIS plan budget and a help booklet. All self-management resources were co-designed with participants and included their feedback.

### Self-direction

Self-management is not the sole indicator of participant ability to exercise choice and control as it relates only to managing funding and processing payments for supports. Self-direction is a broader concept—the Agency’s processes seek to empower participants to make choices about how, when and from whom they receive services, regardless of who manages the payments for those supports. The process takes into account a participant’s readiness to exercise choice and control, and provides support to build capacity for people who want to work towards self-direction of their supports.

### The Disability Support Organisations project

Funding has been provided through the SDF to 18 community organisations to act as DSOs. Each DSO will facilitate up to 20 peer support groups over the life of the project. Peer support groups allow people with disability and their families to get the information they need and share their experiences with others. The groups also help people think about their goals, the supports they might need, where they might find them and how they might be arranged. They can also help people connect with community activities.

DSOs are:

- ensuring participants have access to accurate information about the NDIS and how it works
- making sure people with an intellectual disability have the opportunity to participate in peer support, including leadership roles
- reaching out to marginalised and vulnerable individuals, such as those living in boarding houses or involved in the criminal justice system
- working online to support people unable to attend face-to-face meetings
- providing peer support to people outside metropolitan centres.

FPDN has received funding to act as a DSO in both South Australia and the Northern Territory, while Aboriginal Disability Network will act as a DSO in New South Wales.

## Kirby: has choice and control

Canberran Kirby Turnbull is a 19-year-old girl whose interests include boys, shopping, music, and movies. Kirby has four older brothers and loves to socialise.

Kirby has cerebral palsy and as a result of this has limited movement.

Kirby’s mother says, ‘Before the NDIS came in we received no services—I never sought services out and they were never offered to me. Being an Air Force family, we are never near extended family so we always have to rely heavily on ourselves. Now I’ve gone from being a full-time carer to being a mum, and that is the greatest gift you can get.’

‘The boys are seeing their sister happy and my husband and I are now living the life that we never thought we would live.’

‘For us, it’s only been six months but it’s been freedom.’

The Turnbull’s choose to self-direct Kirby’s plan and can pay providers directly for delivered supports. The plan gives choice and control over who is caring for Kirby and allows her to engage in new activities—so important now that she has finished high school.

An up-to-date eye-gaze device and access to a speech pathologist are improving Kirby’s communications with others, and access to support workers is enabling her to go with her friends to karaoke, tenpin bowling, the movies and for walks out and about in the community.





## Christina: renewed hope for the future

“

The NDIS has been particularly good for me, allowing me to explore things I thought I would never see or do again. I have hope for the future.

Christina has been receiving psychosocial disability supports in the Barwon region for over 10 years, but her new NDIS plan is enabling her to explore new experiences.

Despite initially feeling concerned about participating in the NDIS and moving away from local mental health supports, Christina, who has a psychosocial disability, says she's now more independent and secure. 'The NDIS has been particularly good for me, allowing me to explore things I thought I would never see or do again. I have hope for the future. Instead of trying to find ways to end it all, I'm looking for ways to live. Before the NDIS, I was socially isolated, often felt unsafe and insecure and sometimes suicidal.'

While accessing providers has sometimes been difficult, it has been a learning process. 'The NDIS planners have been really supportive—they've never let me down.'

Receiving support with transport has given Christina the independence to get to appointments on time. Regular cleaning, assistance with grocery shopping and time for social support has given her structure and stability. 'The help with food shopping means I can buy the things to help me cook and the structure is really good for me.'

Christina self-manages her plan and, as well as receiving support for counselling and psychology, her plan includes social activities, something she didn't have a budget for before the NDIS.

'I'm feeling good about doing day activities, like trips to the National Gallery of Victoria. I'm looking forward to spending more time with people. It sounds really simple but it can be hard when you have a psychosocial disability.'



## Collin: a new-found independence

Collin has become more independent and active in his community this year thanks to his NDIS plan.

Collin, aged 54, manages his psychosocial disability with a support coordinator who plans his weekly appointments and activities.

His goal is to be more independent and to move away from people helping him. He wants assistance to plan his days and to do the things he chooses, independently. When Collin is supported to do his own food shopping and look after his home, it gives him a sense of control, which comes with feeling good about his overall health.

The NDIS provided funding for a psychosocial disability – accredited occupational therapist to assist Collin with developing skills like catching the bus and shopping for food. He knows about the importance of good food and exercise to keep him healthy and says he enjoys finding bargains.

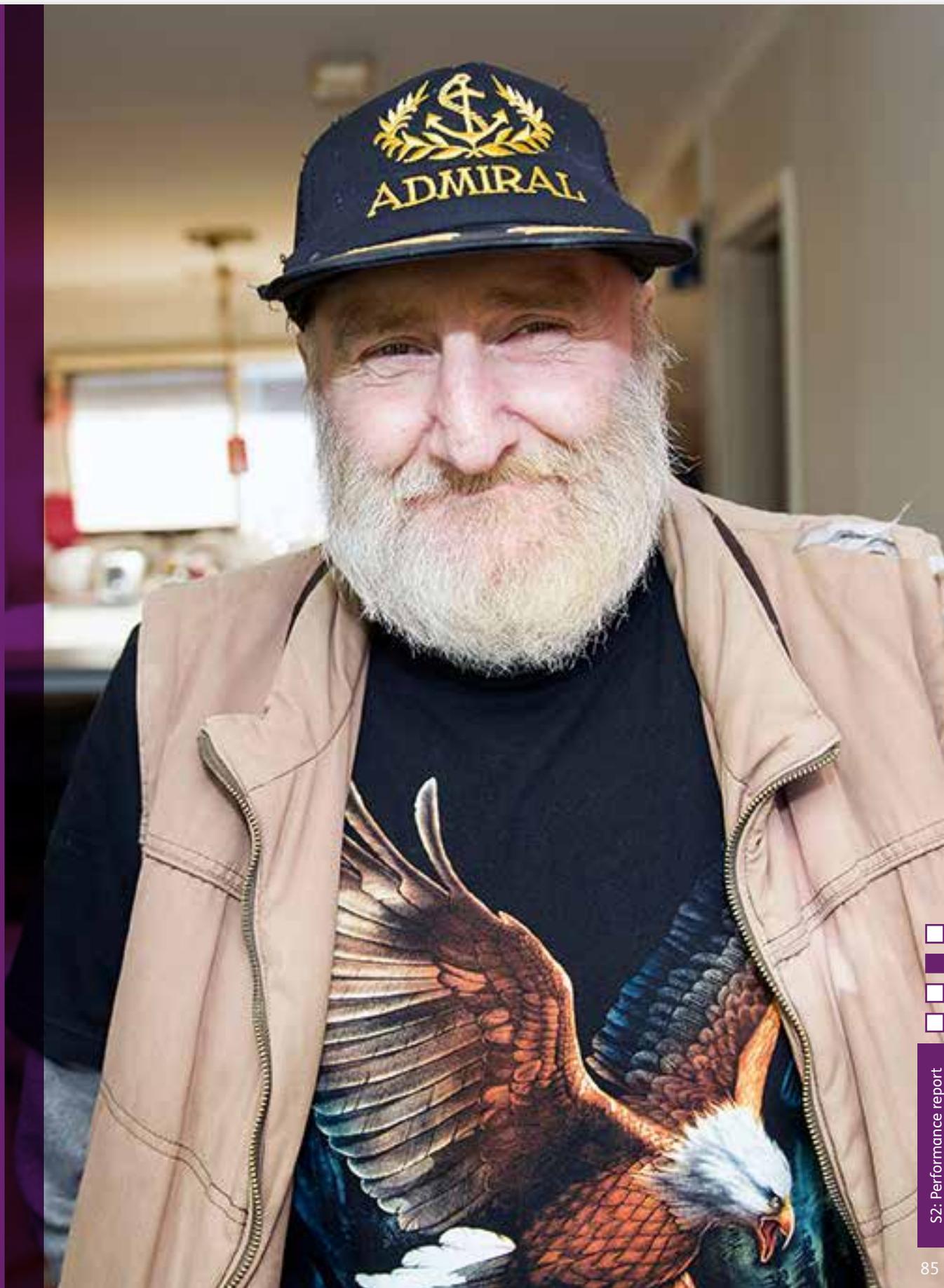
His support coordinator linked him to a clinic to stop smoking and also attends his doctors' appointments when needed. Collin's local chemist calls him if he has forgotten to collect his medication—something his support coordinator helped to set up. 'My support coordinator has been coming to my place to chat about the week and any problems that might come up,' Collin says.

Before the NDIS, Collin was more reliant on being driven around for shopping and appointments. Now he is confident enough to catch the bus and do the things he enjoys, like participating in a walking group and, another favourite of his, drinking cappuccinos.

Collin is about to start his second year with the NDIS and says he is looking forward to continuing to receive support.

“

When Collin is supported to do his own food shopping and look after his home, it gives him a sense of control, which comes with feeling good about his overall health.





## Lessons learned

Throughout the year, the Agency introduced changes to its systems and processes to enable participants to achieve their goals. As more participants entered the Scheme in a range of locations, the Agency was able to test and refine some of its assumptions and processes. Increased flexibility of systems and processes was found to be essential, particularly when delivering the Scheme in rural and remote locations. The Agency's work in the Barkly trial site and also the APY Lands and Maralinga Tjaruta Lands provided useful lessons on how the Scheme could be better implemented for Aboriginal and Torres Strait Islander communities. These efforts revealed ways for the Agency to continually refine its approach to working in rural and remote communities and how it communicates with Aboriginal and Torres Strait Islanders. The Agency's responses included establishing a local advisory group in the Barkly trial site and engaging the FPDN to assist Aboriginal and Torres Strait Islanders generally to better understand, access and participate in the NDIS. Implementing such findings will prove vital as the Scheme rolls out across Australia.

## The focus in 2015–16

Building on the progress made in 2014–15, the Agency will continue to refine its processes so that participants, families and carers can access the Scheme with ease and simplicity. The Agency will also continue to develop its operating model and plans for full scheme rollout.

This will include:

- continuing to simplify Agency processes to make it easier for participants to engage with the NDIS and do more by themselves
- expanding all existing sites and establishing a new site in the Nepean Blue Mountains region of Western Sydney from 1 July 2015
- undertaking a project to continuously improve planning, monitoring and review processes to prepare for full scheme rollout.

# Programme 1.2—Sector development and support

## Programme summary

Objective	Deliverables	2014-15 result
To drive change in the disability sector to support the implementation of the NDIS and ensure that people with disability are able to be supported to achieve choice and control outcomes	<p>People with disabilities, the disability services sector and its workforce are assisted with the transition to the NDIS, including through:</p> <ul style="list-style-type: none"> <li>• building community capacity and engagement</li> <li>• increasing individual support capacity and development of new forms of support to meet the needs of people with disability</li> <li>• building disability sector capacity and service provider readiness to manage the transition</li> <li>• assistance with expansion and training of the workforce</li> <li>• improving access to aids and equipment</li> <li>• building the evidence base</li> </ul>	satisfied

### KPIs

Key performance indicator	Actions	2014-15 result
Community awareness of people with disability	<ul style="list-style-type: none"> <li>• held over 1600 public information events</li> <li>• ran three webinars with over 12 000 views</li> <li>• increased social media presence with 46 000 Facebook 'likes', 4000 Twitter followers, 26 000 e-Newsletter subscribers and 2.3 million unique page views of the NDIS website</li> <li>• produced easy English versions of the 10 most-downloaded NDIS publications</li> </ul>	satisfied
Effectiveness of LAC community capacity building activities	<ul style="list-style-type: none"> <li>• began planning for the new information, linkages and capacity building policy</li> <li>• trialled new operating models for LACs</li> <li>• strengthened LACs linkages to mainstream services and increased access to them for people with disability</li> <li>• engaged LACs in outreach activities to encourage vulnerable groups into the NDIS</li> <li>• funded 18 community organisations to act as DSOs</li> <li>• coordinated LACs to organise Community Inclusion and Capability Development (CICD) grants for additional community inclusion activities, including support for young people in nursing homes and support for people with disability to participate in sport and recreational activities</li> <li>• engaged LACs with community organisations to facilitate access to community groups and activities</li> </ul>	satisfied

### KPIs

Key performance indicator	Actions	2014-15 result
Increased mix of support options and innovative approaches to provision of support	<ul style="list-style-type: none"> <li>• 38 per cent of participants given access to AT</li> <li>• 53 per cent of participants over 45 years of age given access to AT</li> <li>• increased use of allied health professionals to broaden the range of therapy services available to participants</li> <li>• refining the catalogue of supports</li> </ul>	satisfied
Increased participation of providers in the disability support market	<ul style="list-style-type: none"> <li>• increased the number of providers by 45 per cent in 2014–15—to a total of 1957 providers</li> <li>• created the Markets and Sector Development Division to focus on developing efficient markets</li> <li>• provided end-to-end support for providers</li> <li>• moved the SDF to DSS</li> <li>• extended the transition price for key supports</li> <li>• commenced major workforce supply planning</li> <li>• adopted new strategies to accelerate market growth</li> <li>• began a supplier engagement strategy</li> <li>• began the ongoing development of the market stewardship framework to identify and address gaps in the market</li> <li>• streamlined the provider portal</li> </ul>	satisfied
An evidence base is developed to inform an insurance approach to disability support	<ul style="list-style-type: none"> <li>• collected functional-level data for 635 participants for reference group allocation</li> <li>• further developed reference packages</li> <li>• incorporated reference groups and reference packages into the Agency ICT system</li> <li>• commenced research projects into best practice models of service delivery across common types of disability</li> </ul>	satisfied

The essence of the Agency is empowering people with disability and their families and carers to choose the supports they need to participate fully in Australian society. This requires the creation of a robust market of innovative providers while developing the capacity of the wider community to provide greater support. Change of this magnitude will require NDIS participants to be engaged in the market in a way few have had the opportunity to be in the past. In 2014–15 the Agency advanced these goals in a number of important ways.

# Communications and engagement



**KPI: Increasing community awareness of people with disability**

The Agency continued to deliver and participate in a range of events, community forums and information sessions across the country, aimed at informing the Australian public about the NDIS. The Agency also had a strong focus on connecting with the community via social and online media.

## Engagement activities

In 2014–15 the Agency:

- participated in more than **1600 NDIS-related events**—the majority in partnership with stakeholders across the seven trial sites—providing information on the Scheme to thousands of people in the community
- strengthened engagement with participants and providers by **hosting forums in trial sites** attended by Chief Executive Officer (CEO), Mr David Bowen, and Deputy CEO, Ms Louise Glanville, which provided the opportunity to directly ask questions and provide feedback
- commenced **live streaming key speeches** and presentations, which allows the Agency’s audience to access these events as they occur or at a time and place that best suits them
- held regular **CEO forums** with the Board Chair, Mr Bruce Bonyhady AM, Agency senior executives and CEOs from the sector
- held **official openings of new offices**, including in Murray Bridge in South Australia, and Charlestown in New South Wales
- held three **webinars** that attracted over **12 000 views**
- used social media to further engage with the public regarding the Scheme—the Agency now has more than **46 000 ‘likes’** on its Facebook page and more than **4 000 followers** on its Twitter account

- increased subscription to its monthly e-Newsletter to over **26 000 people**
- received more than **2.3 million** unique page views of the Agency’s website
- made more information about the NDIS readily available and accessible—including reproducing the 10 most commonly downloaded publications on the website into easy English.

Additional communications and engagement events and services were provided to reach out to people with disability from CALD and Aboriginal and Torres Strait Islander backgrounds. All public events were well attended. This included:

- hosting community information and awareness sessions, barbeques and arts-themed events in the Barkly region to engage Aboriginal communities
- working with the Geelong Ethnic Communities Council (trading as Diversitat) to present to approximately 50 ethnic community leaders on Scheme implementation and progress in Barwon
- contributing CICD funding to a Diversitat project that employs a project worker for two years to provide information and support to recent arrivals who may be potential participants in the Scheme
- providing translation and interpreting services to participants and potential participants from CALD backgrounds.

**1600** NDIS-related events



**12 000** Webinar views

**2.3 million** Unique page website views



Unique page website views



**26 000** E-Newsletter subscribers



**4 000** Followers on Twitter

**46 000** Likes on Facebook



## Engagement activities (cont...)

In 2015–16, as the Agency prepares for full national rollout of the Scheme, it will focus its communication and engagement efforts on:

- working with governments across Australia to develop targeted communication and engagement strategies to inform all Australians about the Scheme, how it will be rolled out in each site and how to prepare
- hosting the national NDIS Conference and Trade Show—New World Conference: Disability in the 21st century—at the

Brisbane Conference and Exhibition Centre from 27 to 29 October 2015. The conference will demonstrate how the Scheme will use technological innovation so people with disability can exercise greater choice, control and independence

- preparing additional communication products for participants in accessible formats, including multimedia, animation, easy English and translations.



Promotional artwork for the NDIS New World Conference and Trade Show

## Building community capacity and informed consumers



**KPI: The effectiveness of LAC community capacity building activities**

The NDIS increases social and economic participation of people with disability by investing in each individual's capacity to live an ordinary life, investing in their communities and working with the mainstream services on which they rely.

As outlined in the NDS, all Australian governments, non-government organisations (NGOs), businesses and the wider community have a role to play in including people with disability in mainstream and universal services, community-based activities and other government initiatives. Investment by the NDIS outside of individually funded packages will complement, but not replace, this shared responsibility. Full community inclusion for people with disability can only be achieved if the NDIS is seen as part of community-wide effort.

Currently, the NDIS invests in community inclusion through CICD grants for initiatives run by not-for-profit organisations in NDIS trial sites.

This year the Agency has been contributing to the development of a new national policy framework which will provide the basis for nationwide investment by the Agency in information, linkages and capacity building services.

Commonwealth and state and territory agencies will continue to manage existing disability services, including information, linkages and capacity building – type services, during the trial phase. Continued support by all governments is required for planning and managing effective transition to the new policy framework.

### A supportive NDIS

- Information, linkages and capacity building
- LAC • Funded supports

### + A supportive community

- Accessible services • Community groups
- Employers • Family and friends
- Education • Recreation • Transport • Health

### = Participation





## Sean's sporting life

“

The players feel welcome and included. My family would never leave the club because of the great way the coach and the club members have included Sean.

The NDIA is creating inclusive communities through sport. In the Barwon trial site, the Agency has funded a project called 'My Sporting Life' to assist state sporting organisations in Victoria to include people with disabilities. Eleven sport and recreation organisations are involved with the project including Leisure Networks, Vicsport, AFL Victoria and Swimming Victoria.

The Agency has learned from successful programmes like Leisure Networks' four-week 'Come and Try' programme for All Abilities Netball which aims to introduce a new, younger group of players into the competition and allow participants to build skills and confidence before placing them into a netball team.

NDIS participant, Sean, attended the programme and went on to play for the Geelong West Blue Cheetahs Football Netball Club, All Abilities Netball team in 2014. Sean is now playing his second year for the Cheetahs and has fully embraced the sport and the club.

Sean's mother, Catherine, says the Cheetahs All Abilities coach, Blanche Cook, has done a tremendous job at integrating the All Abilities team into the club. The players feel welcome and included. She says her family would never leave the club because of the great way the coach and the club members have included Sean.

According to Catherine, before beginning netball, Sean was not very active but loved anything to do with sport. Sean now volunteers as water boy for the senior football games, attends club social events and has continued to participate in three Access for All Abilities (AAA) programmes this year, adding futsal and basketball to his sporting prowess. He is fitter and healthier as a result. 'It is great that there are opportunities out there for Sean to have a go.' Sean has been able to expand on his love of sport because of the NDIA's CICD grant.

My Sporting Life hopes to encourage many more participants like Sean to become involved in programmes throughout the year to replicate the great benefits that Sean has experienced.

## Building community capacity and informed consumers (cont...)

### Local area coordinators

LACs work to bring together participants, people with disability, the disability sector and the broader community. LAC services assist participants to identify mainstream services in their local community and to engage with Agency planning processes.

The Agency is currently trialling different operating models for LACs and therefore the LAC role differs in each trial site. Approaches include:

- combining the planner and LAC roles
- the Agency directly employing LACs
- outsourcing LAC services to existing coordination services.

The Agency is currently exploring the most cost effective mechanisms for implementing the preferred LAC model for full scheme.

Some major achievements of the LACs over the past year include:

- strengthened linkages to community agencies, organisations and local councils to increase inclusiveness of people with disability and awareness of access criteria for the Scheme
- increased access by participants to mainstream services
- organising community forums, targeted education sessions and community events to raise local awareness and understanding of the Scheme
- maintaining an active outreach programme to encourage vulnerable groups to access the Scheme
- facilitating plan-readiness workshops to help people shape their goals and understand support needs

- holding plan implementation information sessions to assist participants to bring their plan to life
- coordinating CICD grants to increase community inclusion activities
- engaging with new and existing local providers to improve understanding of the NDIS.

### Information, linkages and capacity building

In December 2014, COAG disability ministers agreed on the Information, Linkages and Capacity Building Policy Framework and requested consultations across the country. The consultations were completed and the final policy was released in June 2015.

Information, linkages and capacity building is the new term for 'Tier 2' of the NDIS—chosen to better reflect the nature of the supports that will be provided and to remove the potential for misinterpreting the NDIS as a hierarchy of supports.

Information, linkages and capacity building will be a key component of the NDIS insurance approach and will contribute to Scheme sustainability. Over time, more inclusive communities will reduce the demand for and level of support required from individually funded responses.

Information linkages and capacity building supports will be delivered through five streams of activity:

1. information, linkages and referrals
2. capacity building for mainstream services
3. community awareness and capacity building
4. individual capacity building
5. local area coordination.

The Agency is commencing work on a commissioning framework for information, linkages and capacity building supports consistent with the principles in the policy. Importantly, this includes building on existing capability in the sector.

The Agency will co-design its implementation approach with people with disability, their families and carers, the disability sector and governments. This exercise commenced in June 2015 at the CEO forum—one of the Agency's regular engagement activities—where the Agency engaged peak body representatives from the disability sector to look into the outcomes that should shape investment in information, linkages and capacity building.

### The Community Inclusion and Capability Development Fund

The CICD Fund has helped not-for-profit organisations develop community supports for people with disability. The fund has been designed to address regional priorities in NDIS trial sites. The CICD budget in 2014–15 was \$2.8 million. Over \$5 million in CICD grant proposals were received and assessed. Fifty-eight projects have been funded totalling \$1.4 million, and an additional 14 projects, totalling \$1.4 million, are in development from this funding. Future funding priorities will be reviewed giving consideration to the new Information, Linkages and Capacity Building Policy Framework.

Current CICD projects include:

- funding the Endeavour Foundation to reprint their popular Discover Guide, which helps people with impaired vision and their carers to understand how disability services are now being delivered, and how to engage in whole-of-life planning

- supporting Nexus Incorporated and Housing Choices in Tasmania to help residents of high-support accommodation centres move to lower-support community accommodation
- enabling Inclusion WA to work with sporting clubs to make sure that people with disability can be included in sport and other recreation activities
- work by the Developmental Disability Council of Western Australia to assist students with disability transition from school to employment and independence
- helping the Autism Association of South Australia Limited to develop an autism friendly charter, training package and other resources to assist businesses and community organisations to improve accessibility for people with autism.

For a full list of CICD grants in 2014–15, see Appendix 2.

### Arrangements for people not requiring formal supports

During the NDIS trial it has been agreed by COAG that Commonwealth and state and territory governments will provide continuity of support for their respective disability programmes where people do not qualify to access the NDIS.

LACs and CICD grants have supported people with disability, their families and carers to access mainstream services, such as education and training to help achieve their goals.



## A better mix of support options



**KPI:** Increasing the mix of support options and innovative approaches to the provision of support.

From AT to new types of allied health professionals and a refined catalogue of supports, participants are being offered a greater mix of support options from which to choose.

### Improving access to aids and equipment

AT is enabling people with disabilities to realise their potential and be active members of their family, school, workplace and community.

New and innovative technologies and ways to use existing technologies are being funded, for example:

- wheelchairs that include a standing function for social, personal care and employment outcomes
- Bluetooth technology built in to wheelchairs for connecting with other devices such as environmental control units
- use of a smart phone, with global positioning system (GPS) for navigation, to support children to travel on buses independently
- home modifications, including technologies for environmental control units, such as digital locks that allow greater home safety for participants.

Highlights of participants' use of AT include:

- 38 per cent of participants in the trial sites now receive AT as part of their broader plans, rising to 53 per cent of participants over 45 years of age
- \$38.1 million of funding was committed to participants in their plans for AT from 1 July 2013 to 30 June 2015
- the discussion paper *Towards Solutions for Assistive Technology* was released in December 2014 as the first step towards an NDIS Assistive Technology Strategy planned for release in 2015
- the formation of an AT sector reference group (comprised of consumers and carers, representative organisations from AT suppliers, allied health and independent living centres) and an aids and equipment working group (comprised of managers from each of the state and territory aids and equipment schemes)
- work by the trial sites to improve AT delivery to reduce waiting times and improve systems for trialling and repairing technologies.

417



participants had plans with assistive recreational equipment including **135 with specialist tricycles**

217



participants had plans with vision equipment including **11 with dog guides**

1041



participants had plans that included a **tablet device** to support their communication and social interactions

### Increased use of allied health professionals

The Agency plans to increase the number of allied health professionals participating in the NDIS and broaden the range of therapy services available to participants. The Agency is currently working with Allied Health Professionals Australia (AHPA) to develop a series of workshops to provide information and capacity building to all allied health professionals who want to work with NDIS participants.

### Refining the catalogue of supports

The Agency has introduced a new, more flexible and more outcome-based plan format, and redesigned and simplified the price guide to address feedback that it was overly lengthy and complex to interpret. As part of the refinement, support items that are similarly priced and have the same intent, have been collapsed into a single item and support items have been grouped to align with the NDIA outcomes framework and the catalogue of supports. As a result, individual participants will now have a maximum of just 14 separate support categories listed on their plan, each of which has a separate budget. This refining of the plan format and the catalogue will encourage providers to offer innovative supports and participants to include broader, more flexible supports in their plans to achieve their goals. Providers will claim for the specified support that most closely aligns to the service they have delivered using a best-fit approach.

## Building the provider market



**KPI:** Increasing the participation of providers in the disability support market.

A number of measures were introduced in 2014–15 to build the provider market, which will be a crucial component of the NDIS at full scheme, linking increasing numbers of participants with an increasingly diversified pool of providers.

### Increasing numbers of providers entering the market

In 2014–15 the number of registered NDIS providers increased by 45 per cent to a total of 1957—up from 1350 providers at the end of June 2014.



**1957** registered NDIS providers

### A new Markets and Sector Development Division

In 2014–15, the Agency created a new Markets and Sector Development Division to facilitate a lively NDIS marketplace. The division is working with existing and potential suppliers to build the marketplace by:

- empowering participants to become informed and active consumers
- identifying and managing short-term market risks
- listening to providers to understand the barriers they face in their transition to the NDIS.

### Understanding the provider market

The Agency proactively engaged with existing and potential disability support providers to:

- assess providers' current and potential capacity to expand geographically and to provide additional services
- understand each provider's business—their competitive aspirations, business-model innovations and current pressure points
- discover how the current market is responding to the Agency's prices for supports.

This knowledge will inform the Agency's assessment of provider readiness for transition to full scheme and assist with managing that process. It will also establish if there is sufficient as well as innovative supply in the market.



### Supporting providers from end to end

During 2014–15 the provider support team responded to over 30 000 calls from providers. Figure 7 shows a break-down of these calls by category.

The team also produced a range of written materials to assist providers, including fact sheets, guidelines and toolkits like the Provider Registration Toolkit, launched in June 2015.

Figure 7: Calls from providers by category (per cent)



## Possability: understanding what is possible

Possability is a provider to 180 of Tasmania's 900 NDIS participants.

CEO Glenn Campbell says Possability did a lot of work early on to understand what the market would look like under the NDIS and how they could contribute in this new marketplace.

'We met with the local agencies, National Disability Services, ministers, stakeholders and everybody that we could, to get a really solid picture of the environment. We work closely with the Agency at a local level to understand the clients' needs and to plan what it's going to take to deliver the NDIS.'

'We have developed a programme called 'client voice'. Every group of our clients meets to raise any concerns they may have. We've also started a 'family voice' programme. Twice a year, we conduct a family forum in each of our regions. Most of the discussion is about what the NDIS is and how to get ready for it, which is also a great opportunity to get feedback from our families about what isn't working for them.'

'We help our clients to make informed choices, set a plan, and work with them to help them achieve the set of goals they've defined for themselves. Most of our clients are people with an intellectual disability. Many have grown up with their own and others' low expectations for their lives, so when you have a conversation with them about how they would like to spend their lives, often that's about helping them understand what is possible.'



## Lifestyle Solutions: adjusting well to the NDIS

Lifestyle Solutions provides disability supports in many of the NDIA trial sites as well as services for children and young people in home and foster care.

Managing Director David Hogg says the transition to the NDIS has been an ongoing process.

'As we have worked with the NDIA, we have become more familiar with how it works but we still have a way to go. It's been good to be involved at an early stage and to be able to influence some of the ways it works. The funding is different to what we have been used to but we've done well to adjust.'

Lifestyle Solutions' transition has involved building a new IT system and increasing employee numbers.

'We've been able to respond better to people who want shorter periods of support by employing new part-time and casual staff. The NDIS is about helping people with disability to achieve their goals. It is important for service providers, to remember that while it is a big transition, the most important people within this transition are people with disability.'

## Building the provider market (cont...)

### Sector development funding

The NDIA was responsible for administering the SDF from its inception in July 2013. The Australian Government set aside \$149 million for the fund to be spent over five years to 2017.

In 2014–15, a number of projects were funded to assist the disability sector make the transition to the new set of arrangements for disability support under the NDIS.

In December 2014, the Australian Government transferred responsibility for the SDF to DSS. The two agencies continue to work closely together on current projects and utilise information emerging from trial sites to inform plans for future projects.

### Changes to pricing arrangements

The Agency is developing effective and efficient pricing arrangements to underpin the Scheme's sustainability. The Agency recognises that the changes providers need to make to get ready for the NDIS are significant, sometimes involving substantial organisational reform. Through a series of changes to NDIS pricing arrangements, which extend transitional pricing for key supports, the Agency is giving providers more time to make the necessary adjustments to operate in the new NDIS environment.

These changes follow consultation with providers and industry bodies throughout the trial phase and are utilising the Agency's 'Listen, Learn, Build, Deliver' approach. Pricing adjustments are necessary during the trial and in transition to full scheme to ensure an adequate supply of supports for people with disability. In the longer term, the Agency wants to see a largely deregulated, competitive and open market where pricing for supports is driven by the choices of people with disability.

The Agency is now undertaking a programme of work to recommend an industry-wide data collection process to help inform the assumptions within the efficient price.

### Market, sector and workforce

DSS worked collaboratively with the Agency and state and territory governments through the DRC to develop the Integrated Market, Sector and Workforce Strategy, which will be published in July 2015. Some funds from the SDF will be used to support the implementation of the strategy.

### Accelerating the market by providing information

To accelerate the creation of a more diverse and responsive market, the Agency is encouraging participants to be 'demanding' service users while introducing strategies to reduce barriers to market entry, growth or innovation.

Providing information is crucial to this market acceleration process, and the Agency is working to increase knowledge and understanding about how the full scheme market will work. This includes information about:

- regulatory and operational conditions
- the Agency's role in market stewardship
- the types of services that participants are looking for and the outcomes they wish to achieve
- the profile of demand and need in different markets
- the phasing strategies that will be employed within each of the sites
- the structure of the Agency SDOM and its systems and processes at the point of intersection with the market.

The Agency has delivered over 700 information sessions to engage existing and potential suppliers in 2014–15.

### Identifying short-term supply gaps

An important risk management strategy employed by the Agency is the ongoing development of the NDIS market stewardship framework and evidence base. The work will provide a way of identifying systemic and localised gaps in the market, evaluating and prioritising those gaps, and agreeing interventions to address those gaps.

The Agency has met with state and territory governments to identify and consider immediate supply risks in their jurisdictions. Specific risks identified included:

- a lack of supply in the areas of highest of demand
- a lack of provider readiness
- a lack of services in remote, rural and lower socio-economic regions
- the risk of state services withdrawing from the market
- an inability of services to meet episodic or unpredictable demand, for example in crisis supports and psychosocial disability
- limited availability of some types of therapy and therapists
- workforce constraints.

### Improvements to ICT systems for provider registration and support

Following feedback from participants and providers and a thorough review, the Agency implemented a range of improvements to its provider portal in 2014–15, including:

- a new provider application form with streamlined application processes
- features to make it easier for providers to manage their profiles and direct participants to their websites.



## Amassing the evidence



### KPI: Developing an evidence base to inform an insurance approach to disability support

In its first year, the Agency established the groundwork for improving performance by designing reference packages and developing an outcomes framework. This year was all about learning by listening to stakeholders, building on experience and gathering the evidence made available through these mechanisms.

### Allocating participants to reference groups

At full scheme, the NDIS will support around 460 000 participants at a cost of around \$22 billion each year. Reference groups provide a link between this overall funding envelope and an individual's support package. Without this link, the Agency cannot assess whether a participant is receiving more or less support than expected.

Reference groups do not determine access to the Scheme or what a participant receives—a participant's plan will always be based on an individual's goals and circumstances—but it does provide a way for the Agency to monitor the costs of the Scheme and identify any cost pressures as early as possible.

This year, the Agency consulted with disability sector experts to identify assessment tools for each of the most common disabilities of NDIS participants. The tools, which are clinically accepted and widely utilised, are used to assist in understanding a participant's functional level so they can be placed in an appropriate reference group. In addition, the Agency adopted a validated self-reporting tool based on the World Health Organisation Disability Assessment Schedule (WHODAS 2.0) for use where an assessment or scale is not available.

Reference groups and packages were this year incorporated into the Agency's ICT system so that information from the assessment tools can now be recorded in a participant file.

This has been progressively rolled out from February 2015 across the trial sites. At 30 June 2015, functional level data had been collected for 635 participants.

Work on reference packages for psychosocial disabilities commenced in May 2015 and work is continuing to add more variables over time.

### Most common disabilities of NDIS participants:

- intellectual disability (including Down syndrome)
- developmental delay
- global developmental delay
- psychosocial disability
- autism
- cerebral palsy
- multiple sclerosis
- acquired brain injury
- spinal cord injury
- stroke.

### Evidence-based practice and using expert panels

In 2014–15, the Agency commenced a number of research projects to identify best practice models of service delivery. The projects have an expert panel including participants, parents, carers, practitioners, service providers, educators and researchers. The panels provide advice on research questions, review the progress of each project and provide feedback on supporting material.

- Autism research project—experts in the field are reviewing evidence to advise the Agency on good practice for early intervention with children who have been or may be diagnosed with autism. The work of the researchers is subject to review and comment by a stakeholder group whose membership includes parents, practitioners, researchers, and providers. The results of the evidence review and input from the stakeholder group will inform decision-making within the Agency on known good practice and the support levels as evidenced by research to date.
- Foetal alcohol spectrum disorders (FASD)—intended to inform the Agency about best practice management of FASD. It will be supported by research funded by the Commonwealth Department of Health on early diagnosis of the disorder.
- Early childhood intervention Australia—reviewing the latest evidence to inform

the redevelopment of the Agency's current published guidelines on how packages are constructed for early intervention for children with developmental delay and disability.

- Early childhood intervention (hearing loss)—an expert panel has been convened to support this project by advising on the best available contemporary evidence to inform the Agency's early childhood intervention policy and guidelines for hearing loss. The panel will develop guidance materials to improve the capability of Agency staff to make evidence-based access and planning decisions. This work will be made available to the Department of Health for redeveloping the Commonwealth's approach to service provision for children and young people with significant hearing loss as part of the review of Australian Hearing.
- Including children with autism into mainstream early childhood learning centres—the Agency is funding Latrobe University to compare outcomes for children diagnosed with autism managed in an autism-specific early childhood education centre with those receiving intervention in a standalone centre for part of their week and inclusion in a community child care setting for the remainder of their week.





## Lessons learned

During 2014–15, the Agency learned important lessons on how to grow community capacity, sector capacity and community awareness. The Agency has refined the way it communicates with participants, the broader community and stakeholders. The introduction of the Scheme is a significant change for many people and the Agency has acted to ensure that all changes are well understood by stakeholders and that they have the opportunity to participate in the growth and development of the Scheme. Throughout the year, the Agency proactively engaged with existing and potential suppliers to better understand each provider's business. The Agency learned that it needed a greater variety of materials to help new and existing providers learn and engage with the Agency. These new products included factsheets, guidelines and toolkits like the Provider Registration Toolkit, launched in June 2015.



## The focus in 2015–16

The success of the trial sites lies not just in the number of participants receiving plans but in important lessons gained about the most effective way to run the Scheme and support its participants and providers. In 2015–16 these lessons will be applied to progress the NDIS towards full scheme. The focus for the Scheme for the next year will be on:

- early NDIS rollout in the Nepean Blue Mountains region focusing on 0–17 year olds
- implementing and utilising the outcomes framework
- new communications products to be added in more user-friendly formats
- continuously improving planning processes and funding of supports
- continuously improving the LACs' role to ensure capacity building across Australia
- beginning the new NDIS AT Strategy
- further reducing waiting times for AT
- introducing an efficient price for NDIS providers as the Scheme moves towards a deregulated market
- addressing workforce supply issues outlined by the workforce strategy paper of June 2015
- identification and action to address supply gaps
- incorporating the findings of research projects into Agency and provider practices.

# Programme 1.3—Agency costs

## Programme summary

Objective	Deliverables	2014-15 result
To ensure efficient and effective use of Agency operating resources to implement the outcomes of the Agency	<ul style="list-style-type: none"> <li>• the NDIS is financially sustainable and governed using insurance principles</li> </ul>	satisfied



Key performance indicator	Actions	2014-15 result
Effective estimation and management of short-term and long-term costs	<ul style="list-style-type: none"> <li>• continued to expand the Agency's actuarial and financial management teams</li> <li>• enhanced the management of operating expenses including further formalisation of budgeting and forecasting processes</li> <li>• produced reports to assist in the estimation and management of the financial sustainability of the Scheme</li> <li>• released four quarterly reports on short-term costs across the trial sites</li> <li>• released an annual financial sustainability report, which focused on the projection of costs at full scheme and potential risks</li> <li>• developed an extensive suite of operational reports for management use:               <ul style="list-style-type: none"> <li>- daily work in progress reports, access decisions, planning and reviews</li> <li>- weekly operational dashboards on Scheme performance</li> <li>- monthly dashboards on service provider activity and potential service gaps across the trial sites</li> <li>- a planner tool that summarises each planner's portfolio</li> </ul> </li> <li>• increased independent assurance by commissioning internal reviews, including the internal audit plan</li> <li>• rolled out new training materials and training modules across the Agency to develop and improve understanding of insurance principles</li> <li>• released the lifetime cost estimator (LCE) tool to encourage an investment approach to funding supports</li> <li>• established processes, including the Agency's 2014–15 Mental Health Work Plan and the NDIA Operational Access Review for Psychosocial Disability, to determine the Agency's approach to psychosocial disability</li> </ul>	satisfied

# Effective estimation of short-term and long-term costs



**KPI:** The effective estimation of short-term and long-term costs.

In 2014–15 the Scheme Actuary continued to report on the Scheme’s costs, collect data to enrich actuarial calculations and deepen the understanding of insurance principles within the Scheme.



## Scheme Actuary reporting

The Scheme Actuary plays an essential role in monitoring the cost drivers and long-term sustainability of the Scheme. The Scheme Actuary produces the following regular reports:

- quarterly data reports – prepared for the DRC which report on key Scheme measures and deliverables
- quarterly reports to the Board – used by the Scheme Actuary and the Board to monitor the progress of critical components of Scheme performance across trial sites. Each quarter, the Board releases a short report on Scheme sustainability, made available on the NDIS website
- an annual financial sustainability report to the Board—peer reviewed by the Australian Government Actuary—a summary of which is contained in Section 4.

The Agency undertook significant work in 2014–15 to develop a suite of operational reports to assist management to monitor Scheme performance. Work-in-progress reports provide daily information on access decisions, planning and reviews and weekly operational dashboards deliver regular updates on Scheme performance to Agency staff. There are also monthly dashboards on service provider activity and potential service gaps across the trial sites. A planner tool summarises each planner’s portfolio and allows for planner performance benchmarking. Further work is being undertaken using trial site experience to better understand likely full-scheme costs.

## Short-term costs

At 30 June 2015, \$952.8 million was committed to the 17 303 participants with an approved plan. Of this \$952.8 million:

- it is estimated that \$140.0 million (15 per cent) was provided in 2013–14 (including actual paid to date). The funding envelope based on the bilateral agreements for 2013–14 is \$148.8 million, including cash and in-kind. Hence, for participants who have entered the Scheme in the first year, committed support for 2013–14 is around 94 per cent of the funding envelope



- the NDIS has included \$479.9 million (50 per cent) worth of support in participant plans in 2014–15 compared to the funding envelope of \$456.9 million, however costs are expected to be within the funding envelope



- \$332.9 million (35 per cent) is estimated to be provided in 2015–16 and beyond, noting that this is all for participants who entered the Scheme prior to 30 June 2015 and have a current plan that extends beyond this date.



## Long-term costs

Long-term costs beyond the trial period are examined in the Scheme Actuary’s Annual Financial Sustainability Report to the Board. A summary of the Scheme Actuary’s Annual Financial Sustainability Report 2014–15 can be found in Section 4 of this report.

Deficits in short-term costs do not impact full scheme costs which are expected to be within the funding envelope. The deficits are reflective of the bilateral constructs. The findings of the annual sustainability report do not suggest any changes from the Productivity Commission’s original estimates for full scheme.

## Managing risk

A robust risk management framework is essential for the Agency's operations and the sustainability of the Scheme. Actions undertaken in 2014–15 will assist with the transition to full scheme and maintain confidence in the Agency's capabilities.

### Achievements in 2014–15

The Agency has made significant progress on embedding a risk management culture, and has taken steps towards fully operationalising the Agency's risk management strategy.

In particular, the Agency has:

- augmented independent assurance by commissioning internal reviews, including the internal audit plan. The internal audit programme includes risk-based audits, regular compliance-based audits and core business process assurance activities. This allows the Agency to continually identify and implement best practice
- increased the Agency's strategic, operational and project-level risk management maturity. The Chief Risk Officer and Risk and Assurance Team work alongside general managers, risk champions and the EPMO to ensure risks are being identified, monitored and mitigated. The Agency has a robust, clearly defined risk governance structure and strategy which holds managers accountable for managing risk
- conducted a formal fraud-risk assessment in March 2015 as part of the Agency's fraud prevention, detection and response strategy. The strategy includes data collection and analytics activities to assist with detecting the instances and effects of fraud. The Agency has fraud-response capability and capacity, including investigative processes to respond to any allegations of fraud. The Agency's Fraud Control Policy and Plan was refreshed in 2015, reaffirming the Agency's focus on embedding an ethical culture to reduce fraud and corruptions risk while continuing to meet Scheme and participant objectives. The Agency has mechanisms in place for both members of the public and staff to report suspected fraudulent activity by participants, providers or Agency staff. All allegations of fraudulent activity received by the Agency are reviewed by the Fraud Control Manager



- provided new starters with an introduction to expected standards of behaviour as part of the Agency's induction programme. Fraud and risk sessions were run across the country and the Agency continues to improve its risk and fraud training programme
- achieved a maturity level rating of four (4)—'integrated'—in the annual Comcover Risk Management Benchmarking Survey in March 2015. The result highlights the Agency's high level of risk maturity in its risk management strategies and processes. This represents a significant improvement in the Agency's risk management capability over the past 12 months.

### Risk management approach

The approach adopted by the Board is set out in the Agency's risk management strategy which has been developed to comply with the NDIS Risk Management Rules 2013 (RMR). Consistent with the RMR, and reflecting the insurance basis of the Scheme, the Board adopted the Australian Prudential Regulation Authority's Prudential Risk Standard (CPS220) as the overarching policy for risk management activities in the Agency.

This year, the Board reviewed the risk management strategy, which was originally approved in March 2014. The revised version of the strategy was approved by the DRC in April 2015.

The risk management strategy:

- outlines the risk governance relationship between the Board, committees of the Board and Agency senior management
- sets out specific risk management roles and responsibilities
- describes the processes for identifying and assessing risks, for how the Agency raises staff risk awareness and develops an appropriate risk culture, and for the annual review process by which the Agency assesses the effectiveness of its risk management framework.

The Board and the Agency focus extensively on risk identification, monitoring and mitigation, in particular for strategic risks that could materially impact on the success of the Scheme.

The Agency has in place a Chief Risk Officer and associated Risk and Assurance Team, who are operationally independent and are responsible for implementing the risk management strategy.

The Agency regards effective risk management as the totality of the collective efforts of all staff.

Risk management activities for the coming 12 months will continue to focus on managing strategic risks with a specific focus on the transition to full scheme, including building the new ICT system.

## Insurance principles

The NDIS is based on four key insurance principles, which were strengthened in operation in 2014–15:

- actuarial estimate of long-term costs – the Scheme Actuary’s estimate of reasonable and necessary support is continually tested against emerging experience and is used by the Board and Agency to provide a financially sustainable Scheme
- long-term view – the NDIS focuses on lifetime value for participants and seeks to maximise opportunities for early investment and to support the contribution made by families, carers and the community
- investment in research and innovation – allows the NDIS to support its long-term approach and its objectives of social and economic participation, independence and self-management for participants
- building community capability and social capital – the NDIS, in conjunction with the support sector, can deliver high-quality service and outcomes for participants, their families and carers.

### Strengthening an insurance capability

Developing a strong insurance capability is vital to the Scheme’s financial sustainability and long-term success. This year the Agency has continued to cultivate an insurance culture across the Agency in a number of ways. The actuarial team of insurance industry specialists, led by independent Scheme Actuary Sarah Johnson:

- was expanded by hiring additional staff
- shared its expertise throughout the Agency and promoted a high level of understanding of insurance principles among the Agency’s staff by developing and delivering introductory training materials on insurance principles for trial site managers, directors, planners and plan support coordinators
- delivered to all trial sites a more detailed training course covering the actuarial methodology for monitoring Scheme financial sustainability, data collection, reference packages, and the outcomes framework
- developed an Insurance Principles Manual as an additional resource for embedding the insurance principles within the Agency, and work is underway to turn the manual into an eLearning module and presentation for Agency staff
- began embedding processes which mean observations in the data are investigated by the Operations Division and used to improve Scheme performance.

### Building on the investment culture

The long-term view of the NDIS encourages a focus on early intervention and investment over a participant’s lifetime, through education, training, employment and providing new equipment like AT. Investment helps to reduce the effect of disability on a participant’s life, while increasing independence and opportunities for social and economic participation. This in turn leads to a more sustainable Scheme and one that will be available for generations to come. Embedding this strong insurance culture across the Agency has been a key focus in 2014–15.



## Christopher: early intervention paves way for the future

Seven-year-old Christopher from South Australia is a super-clever little boy whose favourite thing is telling stories about monsters, werewolves and vampires, according to his mother Dianne.

After displaying difficulties adjusting to kindergarten and school, Christopher was found to have autism.

‘Upon joining the NDIS, we went to a new psychologist who discovered that Christopher wasn’t disruptive or defiant, but was a very frustrated little boy who was unable to let us know that he simply couldn’t do the things that were being asked of him,’ Dianne says.

‘My husband and I were able to get clarity about where Christopher’s problems lay—reading, writing, fine motor skills and most importantly the social skills—which has helped us prioritise what needs to be done.’

Christopher became an NDIS participant in June last year.

Before the creation of the NDIS, his family was struggling to pay for his therapy.

‘Now we can actually afford the things Christopher needs. His psychologist is helping him with his dyslexia and has been helping us look at the social side of things. The change in him has been amazing.’

‘The whole thing has just gone so smoothly. People really shouldn’t be frightened of the process.’

‘We can be confident now that when Christopher becomes an adult he’ll be able to positively contribute to the community.’

## Insurance principles (cont...)

### Developing an outcomes framework

The Agency has undertaken extensive work to develop an outcomes framework for the Scheme, in consultation with relevant stakeholders. A pilot of the framework was undertaken in the Hunter, Barwon and Tasmania trial sites between January and March 2015. The outcomes framework will become operational in August 2015.

### Designing a lifetime cost estimator tool

A first version of the LCE was made available in 2014–15. The tool demonstrates the lifetime value of innovative supports and investment by estimating a participant's costs over his or her lifetime, both with and without those supports and investments. All trial sites received training in the tool and the insurance principles that sit behind it. Work is now underway to develop an updated version of the LCE tool that incorporates Scheme experience to date and additional variables, such as 'return to employment' and 'replacement of high-cost items' (like vehicle modifications).

### Arrangements for people who do not need individually funded supports

The NDIS works along with other policies and legislation, such as the *Disability Discrimination Act 1992* (DDA), the *Carer Recognition Act 2010* and the NDS, to jointly promote the inclusion of people with disability, their families and carers in the community and mainstream services.

The information, linkages and capacity building component of the NDIS will assist in this joint effort by providing information, linkages and referrals to connect people with appropriate disability, community and mainstream supports. When implemented, information, linkages

and capacity building should also promote collaboration and partnership with local communities and mainstream and universal services to ensure greater inclusivity and accessibility of people with disability.

In addition, information, linkages and capacity building is expected to establish and facilitate capacity building supports that are not directly tied to a person though an individually funded package.

### Compliance with the Carer Recognition Act 2010

Through the *Carer Recognition Act 2010*, the Australian Government recognises the exceptional contribution made by unpaid carers and states that carers should have the same rights, choices and opportunities as other Australians. To achieve this, the Act sets out reporting and consultation obligations for APS agencies with responsibilities towards carers. Appendix 3 provides the Agency's responses to the relevant sections of the Act.

### Psychosocial disability

At 30 June 2015, there were 1234 NDIS participants with a 'primary' psychosocial disability (1090 with an approved and active plan), and 607 participants with a secondary condition of a psychosocial nature (525 with an approved and active plan). Early trends show alignment with the Productivity Commission's estimation that 13.8 per cent of participants would have a primary psychosocial disability. People with a psychosocial disability continue to be progressively phased into the NDIS.

The Agency has identified some excellent examples of participants who were homeless or living in temporary accommodation but, with assistance from the NDIS, have been able to complete a plan with the necessary supports for living independently with improved health and

wellbeing. Psychosocial disability is complex and its incorporation into the Scheme continues to pose challenges because the legislative concept of 'permanent, or likely to be permanent', is central to the NDIS. This does not sit easily within the framework and language of recovery, which is the basis of current mental health best practice. Consequently, the Agency is undertaking a great deal of work that will be built on and consolidated as the NDIS moves towards full scheme.

### NDIA Mental Health Sector Reference Group

In December 2014, the NDIA Strategic Adviser on mental health established the NMHSRG. Its purpose is to create a partnership between the mental health sector and the Agency. The NMHSRG is chaired by the Strategic Adviser and consists of consumers, carers, Mental Health Commissioners, Council members and representatives from Mental Health Australia, Community Mental Health Australia, the Mental Health Drug and Alcohol Principal Committee, and the Departments of Health and Social Security. Communiqués from the group's quarterly meetings are available at [www.ndis.gov.au/mental-health-sector-reference-group](http://www.ndis.gov.au/mental-health-sector-reference-group).

The NMHSRG has also provided input to the Agency's 2014–15 Mental Health Work Plan. This year, the plan included engaging with the mental health sector, reviewing operational access processes as they relate to people with psychosocial disability, investigating (with Mental Health Australia) the design of individual supports, and developing (with the Scheme Actuary) reference packages relating to psychosocial disability.

### Mental health resources

The Agency worked collaboratively with the Council and other stakeholders to finalise resource and discussion papers on psychosocial disability. These include *Psychosocial Disability and the NDIS: An Introduction to the Concept of Holistic Psychosocial Disability Support*, by

Mr Paul O'Halloran, and *Mental Health and the NDIS: A Literature Review* commissioned by Mind Australia for the Council. These papers can be accessed at [www.ndis.gov.au/release-mental-health-papers](http://www.ndis.gov.au/release-mental-health-papers).

### Operational Access Review for Psychosocial Disability

The NDIA Operational Access Review for Psychosocial Disability commenced in November 2014. The review was built on the expertise of consumers, carers, family members and other key stakeholder groups represented on the NMHSRG. The review made a suite of recommendations—ranging from changes in NDIS documents and practice to noting broader scale policy issues—and was endorsed by the NMHSRG in June 2015 for consideration by the Agency's Executive Management Group (EMG). In particular, the review made recommendations about the language typically used by the Agency. It was recommended that the Agency adopts the term 'psychosocial disability', developed by the National Mental Health Consumer and Care Forum, wherever possible. It was also proposed that the phrase 'variations in intensity' replace the term 'episodic' to more appropriately and accurately describe fluctuations in mental health experienced by people with psychosocial disability over their lifetimes. This project is now in an implementation phase and will kick off key activities with an access webinar for psychosocial disability during Mental Health Week 2015.

Other achievements in mental health this year include establishing an internal NDIA Mental Health Community of Practice: Enhancing Practice for People with Psychosocial Disability and significant sector engagement including presentations at national and state and territory conferences and media.

## Lucia: such an amazing job



Lucia is a Regional Support Officer at the NDIA's Barwon trial site and also works on projects in the Mental Health Team.

'I studied project management at university, hoping to help people in some capacity—which is what I had always wanted to do,' Lucia says. 'While I was studying, I helped care for people with disabilities. I love working at the NDIA. My values and goals really align with those of the APS—I love the warm personable culture here.'

At 20 years of age, Lucia was diagnosed with schizoaffective disorder—which she describes as very similar to schizophrenia coupled with a mood disorder of elevated highs and lows—and appreciates working in an environment where she can be open about her diagnosis and needs.

'I have emotionally intelligent colleagues. Last year I had a relapse and I had to take some time off. They have been so supportive, including on my return to work.'

'Before I was diagnosed, I predominantly suffered from anxiety and some general lack of organisation, including an inability to categorise information. I have sometimes pushed family and friends, who have been incredibly supportive, away. My mum has cerebral palsy so that's another thing where we work together as a family. I did very well at high school and achieved excellent VCE results and then out of the blue this happened.'

To Lucia, the NDIS means putting in place tangible goals and supports for people to achieve their hopes and ambitions. 'The bipartisan support that the NDIS has is so important. The mental health system can see people discharged too early or traumatised from their first presentation.'

'When I was diagnosed, my world crumbled. So many people become homeless once they go into hospital. The extra level of support that is now available to people through the NDIS, post the acute phase of their illness, is going to improve their lives exponentially.'

Working makes Lucia feel included in society and gives her financial security. 'I love the structure to my week and contact with people. Working is extremely good for improving my memory and my confidence, and for controlling my depressive symptoms. I pinch myself every day that I have such an amazing job.'

“

The bipartisan support that the NDIS has is so important. The mental health system can see people discharged too early or traumatised from their first presentation.



## Lessons learned

In 2014–15, the Agency learned that it needed to further strengthen its insurance capability and to build even stronger staff awareness of the insurance principles that underpin the Scheme. The outcomes framework—which will be a crucial instrument for measuring the Scheme's success in meeting participants' aspirations—was trialled in the Hunter, Barwon and Tasmania. Participants were able to provide feedback directly on the framework and influence its final design.

Experience throughout the year suggests a need to embed a stronger culture and appreciation of risk management. Risk management was strengthened by increasing the number of internal reviews, designating a number of risk champions and conducting fraud and risk training sessions. This will be an ongoing and growing task as the Agency's workforce increases.



## The focus in 2015–16

In 2015–16, the Agency and Scheme Actuary will develop additional ways of monitoring short and long-term costs, and aligning operations with the insurance principles, including:

- implementing the outcomes framework from August 2015. Feedback from the pilot study and final consultation workshops with the disability sector will be incorporated
- updating the LCE tool. Developing an updated LCE tool to support planners in the use of innovative supports over a participant's lifetime. Extensive training will be undertaken with trial sites to encourage learning
- supporting reasonable and necessary decision-making. Reference groups allow for a comparison of packages between similar cohorts of participants, helping to support reasonable and necessary decision-making and ensuring consistency between planners across the Agency
- developing the new ICT system. The Scheme Actuary will continue to work closely with the Technology Authority to ensure the new ICT system encompasses an insurance approach to providing supports.

# Financial performance

## Financial management

The Agency has implemented a financial management framework consistent with Commonwealth guidance and corporate governance principles inclusive of:

- oversight by board, committee and executive management
- identification of financial risks
- implementation of key supports for an emerging Agency.

## 2014–15 financial statements

The Auditor-General has issued an unmodified (unqualified) independent audit report on the financial statements.

## Funding

The Agency is funded through a combination of cash and in-kind contributions as agreed between Commonwealth (\$308.4 million), state and territory governments (combined \$140.1 million) included in trials.

In addition, the Victorian Government contributed \$7.5 million towards the cost of relocating the Agency's National Office to Geelong.

The Agency also received \$126.4 million of in-kind (non-cash) income from governments in the form of existing programmes that are transitioning into the NDIS.

## Financial performance

The Agency reported an operating surplus of \$0.4 million for the year, in line with PBS and internal forecast guidance.

Highlights:

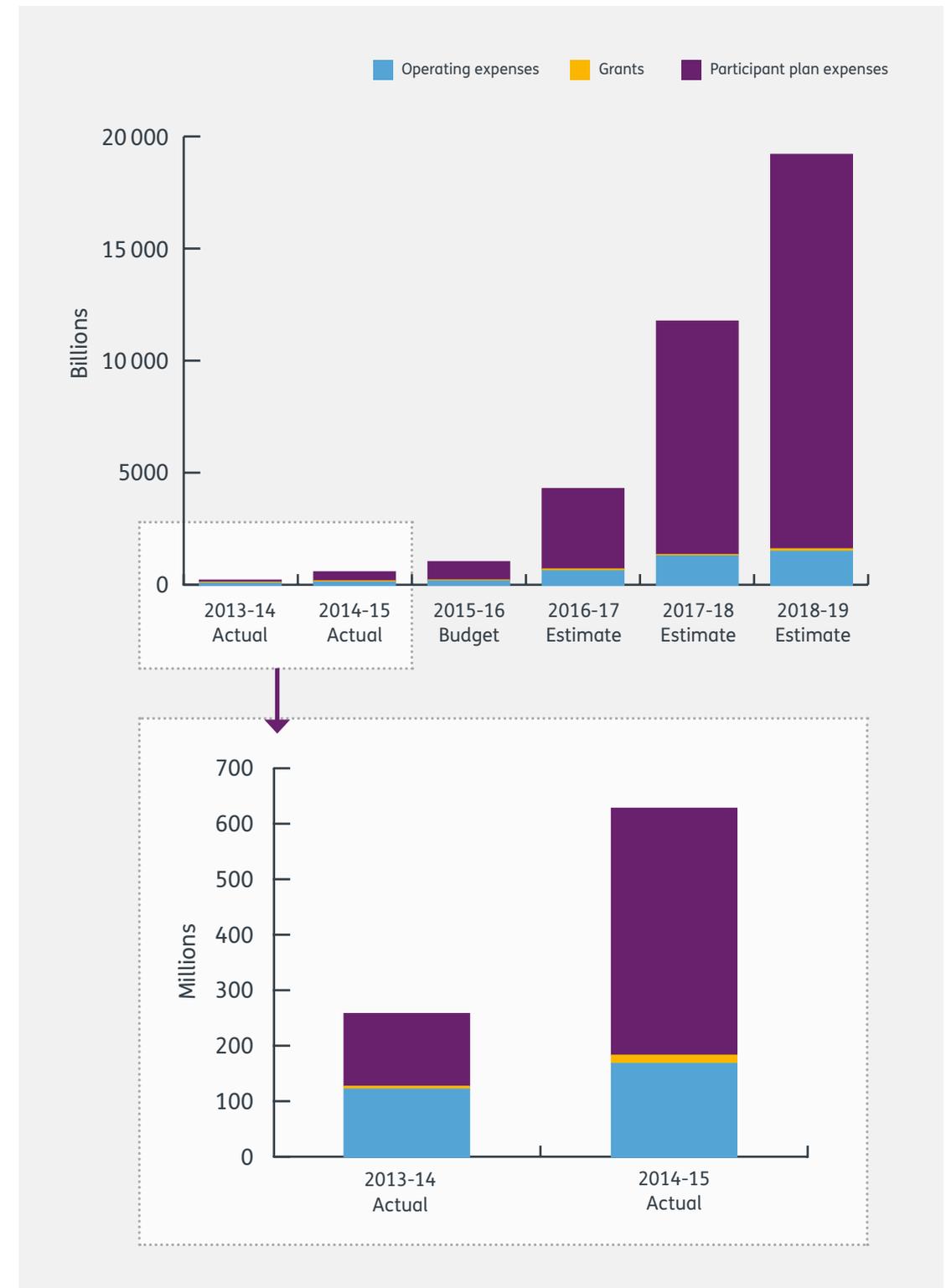
- \$451.3 million in providing reasonable and necessary supports for Scheme participants
- \$169.8 million in operating expenses for the launch Agency
- \$14.9 million for grant programmes
- \$50.2 million equity
- Scheme on time and on budget.

## Forward position

In 2015–16, total expenses are forecast to exceed \$1 billion including \$850 million of payment for Scheme participants.

The year ahead is expected to be challenging as the Agency launches officially from 1 July 2016 and then commences the process of transitioning a further 430 000 participants.

Figure 8: NDIA operating expenses from 2013–14 to 2018–19



# SECTION 3: Facts and figures

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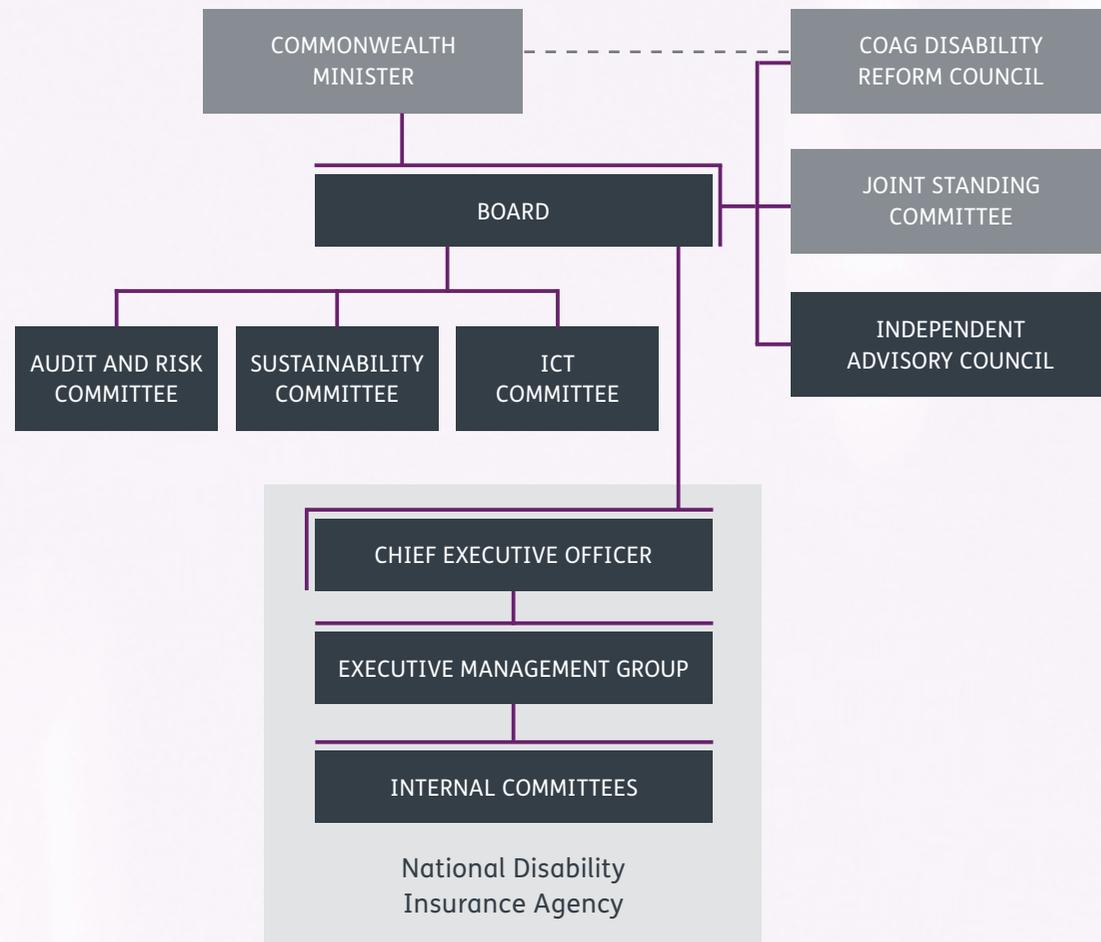
This section of the 2014-15 Annual Report covers the essentials of the NDIA's governance, organisation, people and workplaces, and reporting obligations.



# Governance framework

Responsibility for the NDIS is shared by all Australian governments and each is involved in decisions about NDIS policy, funding and governance.

Figure 9: NDIA governance framework



## Responsible Minister

Senator the Hon. Mitch Fifield, Assistant Minister for Social Services, has day-to-day ministerial responsibility for the Agency, including the exercise of specific powers under the NDIS Act. Senator Fifield was appointed as the Assistant Minister for Social Services on 18 September 2013, with responsibility for disabilities and ageing.

The Hon. Scott Morrison MP is the Minister for Social Services and has been the responsible portfolio minister for the NDIS since 23 December 2014.

The Hon. Kevin Andrews MP was the Minister for Social Services directly prior to Minister Morrison.

## Council of Australian Governments Disability Reform Council

The DRC is made up of Commonwealth, state and territory treasurers and ministers for disability, a representative from the Local Government Association, and is chaired by the Assistant Minister for Social Services. It is the decision-making body on NDIS policy issues.

The DRC oversees the trial and implementation of the NDIS. It makes recommendations to COAG on the transition to full scheme.

## Joint Standing Committee on the NDIS

The JSC was established on 2 December 2013. The Committee's role is to review the implementation and administration of the NDIS. It can also review any NDIS-related matter referred to the Committee by a resolution of either House of Parliament. The Committee is made up of six members and six senators.

The Committee's first report, *Progress report on the implementation and administration of the National Disability Insurance Scheme*, was tabled on 29 July 2014. The report is available at [www.aph.gov.au/Parliamentary\\_Business/Committees/Joint/National\\_Disability\\_Insurance\\_Scheme/Reports](http://www.aph.gov.au/Parliamentary_Business/Committees/Joint/National_Disability_Insurance_Scheme/Reports). Further information about the report is at page 163.

# The Board



The NDIA Board is responsible for setting the strategic direction of the Agency and for the performance of its functions under the NDIS Act.

The Board has obligations as the accountable authority for the Agency under the PGPA Act including preparing the Agency's corporate plan. The Agency's latest plan, *National Disability Insurance Agency Corporate Plan 2015–19*, can be found on the Agency website at [www.ndis.gov.au/document/strategic-planning](http://www.ndis.gov.au/document/strategic-planning).

Under the NDIS Act, the Board consists of eight members and the Chair. The Board currently has seven members and the Chair, and one position is vacant. Board members are appointed under section 127 of the NDIS Act on a part-time basis for up to three years, and all appointments are made through agreement with the jurisdictions. Members are considered for appointment only if the Commonwealth Minister is satisfied they have the skills, experience or knowledge in at least one of the following fields:

- the delivery or use of disability services
- the operation of insurance schemes, compensation schemes or schemes with long-term liabilities
- financial management
- corporate governance.

## Board committees

The Board is advised by three committees—the Audit and Risk Committee (ARC), the Sustainability Committee and, new in 2014–15, the ICT Committee.

### Audit and Risk Committee

The ARC was established in compliance with section 45 of the PGPA Act. As a committee of the Board, the ARC helps the Board meet its responsibilities under the NDIS Act and PGPA Act. The Committee's objective is to provide independent assurance and advice to the Board on the Agency's risk management, control and compliance framework, and its financial statement responsibilities.

The ARC is chaired by Mr John Hill PSM, and its membership includes fellow Board members Mr Martin Lavery and Ms Geraldine Harwood. The ARC also has two external members, Ms Helen Williams AO and Ms Marian Micalizzi. The Australian National Audit Office (ANAO) attends ARC meetings as the Agency's external auditor, along with the Agency's appointed internal auditors.

### Sustainability Committee

The Sustainability Committee was established to assist the Board in fulfilling its functions under section 118(1)(b) of the NDIS Act. This involves assessing, monitoring, reporting on and managing the financial sustainability of the NDIS. The Sustainability Committee's objective is to provide advice to the Board arising from analysis of the Scheme Actuary's reports on access to the Scheme by participants, the costs of reasonable and necessary supports, and cost shifting or price inflation within mainstream services.

For its first year of operation, the Committee comprised the entire Board. At its meeting held on 28 October 2014, the Board agreed to a revised structure, comprising the Chair, Mr John Walsh AM, members Professor Rhonda Galbally AO and Ms Fiona Payne, and two external members, Mr Peter Whiteford and Mr Tom Karp. Mr John Hill PSM was subsequently added as a member to provide a link to the ARC.

### Information and Communication Technology Committee

The ICT Committee held its first meeting on 3 October 2014 and reports to the Board regularly. The role of the ICT Committee is to contribute expert perspectives on ICT strategy and systems. The ICT Committee provides advice to the Agency and the Board on:

- the quality, effectiveness and implementation of ICT strategy
- the quality and directions indicated in the ICT business case to deliver full scheme operations capability from 1 July 2016
- the adequacy of progress against key deliverables and ICT project timelines
- the cost effectiveness of alternate systems
- alignment between the ICT strategy and the Agency Strategic Plan
- general integrity and functioning of ICT across the Agency.

Board members on the Committee are Mr Glenn Keys (Chair), Mr John Walsh AM and Ms Fiona Payne, and the external members are Mr Chris Bennett, Mr Serdar Avsar and Ms Helen Williams AO.

# Board members

NDIA Board members have extensive experience in the disability sector, insurance, financial management and corporate governance.

Each of the current Board members commenced their appointments on 1 July 2013 for a period of three years.

As required by the NDIS Act, appointments were made by the Commonwealth Minister with the agreement of all states and territories.



**Mr Bruce Bonyhady AM (Chair)**  
*B AppEc (Hons) University of New England, M Ec Australian National University, LL D (Honoris Causa), University of Melbourne, Litt D (Honoris Causa) University of Western Sydney*

The inaugural Chair of the Board is Mr Bruce Bonyhady AM. Mr Bonyhady has worked for over 25 years to improve the lives of people with disabilities, and is widely regarded as one of the driving forces behind the creation of the NDIS. He has two sons with disability.

**Declared personal interests:**

- Director, Dexus Wholesale Property Ltd
- Life membership of Association for Children with a Disability
- Chairman, Advisory Panel, Solve@RCH, Centre for Developmental Medicine Research at the Royal Children's Hospital, Melbourne
- Associate Investigator, Centre for Research Excellence on Cerebral Palsy
- Family members are potential participants in the Scheme



**Professor Rhonda Galbally AO**  
*B Ec, DipEd Monash University, M A Prelim La Trobe University, Dip Remedial Hawthorn Institute (University of Melbourne), D SocSc (Honoris Causa) RMIT University, D HSc (Honoris Causa) La Trobe University*

Professor Rhonda Galbally AO is a member of the NDIA Board, a member of the Board's Sustainability Committee and Principal Member of the Council. She has vast experience in health development, disability, and social and health policy, having in the past served as Chair of the National People with Disabilities and Carer Council. She too was heavily involved in the creation of the NDIS.

**Declared personal interests:**

- Chair, International Evaluation Board for the Thai Health Promotion Foundation
- Private consulting
- Principal Member of the Council
- Honorary Professor in the Faculty of Health Sciences and Development at Deakin University



**Ms Geraldine Harwood**  
*B A, Dip Ed, Grad Dip ASOS (Hons) UTAS, GAICD*

Board member Ms Geraldine Harwood brings to the NDIS many years of expertise across the disability sector in Tasmania. Prior to 2012, she was the long-term CEO of Optia Incorporated, a large innovative specialist disability service provider. She was highly active in the creation of the NDIS, serving in a number of related board and committee roles. Ms Harwood is a member of the Board's ARC.

**Declared personal interests:**

- Director, Scouts Australia Institute of Training
- Manager-Consumer Engagement, Anglicare Tasmania
- Life member, Optia
- Branch Commissioner Special Needs, Tasmania (Scouts Australia)
- Branch Commissioner Adult Training and Development (Scouts Australia)



## Board members



### Mr John Hill PSM

*B Ec University of Adelaide*

Board member Mr John Hill PSM is a former Deputy Under Treasurer with the South Australian Department of Treasury and Finance who brings extensive knowledge of government and financial matters to the NDIS. Mr Hill is the Chair of the Board's ARC, and a member of the Board's Sustainability Committee.

#### Declared personal interests:

- Board Member, Meals on Wheels (South Australia) Inc.
- Member Audit Committee, University of Adelaide
- Member Audit Committee, Department of Treasury and Finance (South Australia)
- Member Audit Committee, Department of State Development (South Australia)
- John Hill Rounds Service, filing service for law firms
- Family member is a potential participant in the Scheme



### Ms Fiona Payne

*B AppSc and M Sc (Physiotherapy) Curtin University, ASDA, GAICD*

Ms Fiona Payne has more than 20-years' experience on boards and committees in the community sector. She has worked directly with children with disabilities and their families, as a physiotherapist and manager of health and disability services as well as in systemic change roles. Ms Payne is a member of the Board's Sustainability Committee and ICT Committee and has a son with a vision impairment.

#### Declared personal interests:

- Director, 360 Health + Community
- Director, Community First International
- Co-Lead of the Disability Health Network, Department of Health
- Project Consultant, Fiona Payne Pty Ltd
- Member, NDIS Perth Hills Local Advisory Group
- Member, WA NDIS 'MyWay' Reference Group
- Member, Visability Consumer Advisory Committee
- Family member is a potential participant in the Scheme



### Mr Glenn Keys

*B E (Mech) UNSW, Adj. Prof. University of Canberra*

Board member Mr Glenn Keys has been long involved in efforts to improve the lives of people with disability, including through his involvement in the Special Olympics and the Down Syndrome Association. He has a background in the health sector—as the founder, CEO and Director of Aspen Medical, and the Founder and Director for Project Independence, an initiative offering home ownership to people with disabilities. Mr Keys was named 2015 Australian Capital Territory Australian of the year. He is the chair of the Board's ICT Committee and has a child with an intellectual disability.

#### Declared personal interests:

- Director, Aspen Medical and Aspen Health companies and subsidiary companies (various international)
- Director, Rural Locum Scheme Pty Ltd
- Director, Remote Area Health Corps Pty Ltd
- Chairman, AMV Australia Pty Ltd
- Director, Peak Recruitment Pty Ltd
- Director, Smartward Pty Ltd
- Director, National Ambulance Company (NAC)
- Director, AMCB Joint Venture Limited (Papua New Guinea)
- Chairman, Canberra Business Chamber
- Director, Flocarshare Trust
- Director, Australian Health Ministers' Advisory Council
- Board Member, National Capital Authority
- Member of Expert Panel for the Australian Capital Territory Disability Expert Panel
- Committee member for the Special Olympics Australian Capital Territory
- Founder of Project Independence
- Family members are potential participants in the Scheme



## Board members



**Mr Martin Laverty**  
LLM, NTU, PhD candidate, UNE

Mr Martin Laverty is the CEO of the Royal Flying Doctor Service of Australia. Before this, he was CEO of the hospital and aged care group, Catholic Health Australia. Mr Laverty is a former Board chair of both the New South Wales disability service organisations, Sunshine and Challenge Southern Highlands, and former Board member of the New South Wales Muscular Dystrophy Association. Mr Laverty is a member of the Board's ARC.

**Declared personal interests:**

- CEO, Royal Flying Doctor Service of Australia
- Board Director, New South Wales Public Service Commission
- Member, National Rural Health Alliance
- Council Member, Commonwealth Department of Infrastructure and Regional Development Aviation Industry Consultative Council
- Life Member, Challenge Southern Highlands
- Life Member, Lorna Hodgkinson Sunshine Home



**Mr John Walsh AM**  
B Sc University of Sydney, FIAA

Mr John Walsh AM is one of Australia's leading actuaries. He is a retired Partner of PricewaterhouseCoopers, where he worked for over 20 years in the areas of social policy and funding across accident compensation, health and disability. He has personal experience of disability, having lived with quadriplegia following a rugby league accident in his early-twenties. He is currently Chair of the Board's Sustainability Committee and a member of the ICT Committee.

**Declared personal interests:**

- Deputy Chair, National Health Performance Authority
- Retired Partner, PricewaterhouseCoopers
- Actuary, Magoo Actuarial Consulting Pty Ltd
- Scheme Actuary, New South Wales Lifetime Care and Support Authority
- Peer review actuary, South Australian Lifetime Support Scheme
- Person with a disability and a potential participant in the Scheme

Table 3: Board members' position, term and meetings attended

Board member	Position	Date of appointment	Term expiry	Meetings attended 2014-15	Eligible to attend 2014-15
Mr Bruce Bonyhady AM	Chair	1 July 2013	30 June 2016	10	10
Professor Rhonda Galbally AO	Member	1 July 2013	30 June 2016	9	10
Ms Geraldine Harwood	Member	1 July 2013	30 June 2016	10	10
Mr John Hill PSM	Member	1 July 2013	30 June 2016	10	10
Mr Glenn Keys	Member	1 July 2013	30 June 2016	8	10
Mr Martin Laverty	Member	1 July 2013	30 June 2016	10	10
Ms Fiona Payne	Member	1 July 2013	30 June 2016	10	10
Mr John Walsh AM	Member	1 July 2013	30 June 2016	10	10

## Board training and performance evaluation

The Agency provided induction for Board members on commencement of their appointment term, including a meeting with the Chair, CEO and Agency management. Board members also undertook governance training and were provided with the Director's Induction Manual, which includes the Board Charter.

Board members participated in an independent evaluation of the Board and best practice in government session at meeting 11 of 2014 on 21 August 2014. Key findings of the evaluation included that the Board is working as a unified team and that the Board and Agency management have greater unity of purpose.

The Chair held discussions with individual Board members on their performance during 2014-15.

# Independent Advisory Council



The Council was established in June 2013 under the NDIS Act. It was established to bring the views of participants, carers and experts in the disability sector to the heart of NDIS. The Council's role is to provide advice to the Board based on the experience of its members and their networks.

The Council may be comprised of up to 13 members. There are currently 11 members. Council members have been appointed on the basis of their skills, experience and knowledge of disability and to include a diversity of people with experience of disability, specifically:

- a majority of members are people with disability (currently six)
- at least two of the members are carers of people with disability (currently two)
- at least one of the members is a person who has the skills, experience or knowledge in relation to disability in rural or remote areas (currently one)
- at least one of the members is a person who has skills experience or knowledge in the supply of equipment, or the provision of services, to people with disability (currently four).

The current membership also comes from wide-ranging locations around Australia and represents each of the states and territories. Each member of the inaugural Council has been appointed for a three-year term.

Table 4: Independent Advisory Council members' position, term and meetings attended

Council member	Position	Date of appointment	Term expiry	Experience of disability	Meetings attended 2014-15
Professor Rhonda Galbally AO	Principal Member	1 July 2013	30 June 2016	Person with disability	6
Dr Ken Baker AM	Member	1 July 2013	30 June 2016	Disability services professional	5
Mr Dean Barton-Smith AM	Member	1 July 2013	30 June 2016	Person with disability	6
Ms Jennifer Cullen	Member	1 July 2013	30 June 2016	Disability services professional, regional- remote focus	5
Mr Kurt Fearnley OAM	Member	1 July 2013	30 June 2016	Person with disability	4
Ms Lois Gatley	Former Member	1 July 2013	Retired 22 September 2014	Carer	0
Ms Sylvana Mahmic	Member	1 July 2013	30 June 2016	Carer, CALD background	6
Ms Janet Meagher AM	Member	1 July 2013	30 June 2016	Person with disability	6
Ms Joan McKenna-Kerr	Member	1 July 2013	30 June 2016	Disability services professional	6
Dr Gerry Naughtin	Member	1 July 2013	30 June 2016	Disability services professional	5
Mr Michael Taggart	Member	1 July 2013	30 June 2016	Person with disability	6
Mr Dale Reardon	Member	1 July 2013	30 June 2016	Person with disability	5



**During 2014–15, the Council set up the Intellectual Disability Reference Group (IDRG) to advise on the effectiveness of scheme design and how to engage and connect better with people with intellectual disability to enable them to have a good life.**

The IDRG is co-chaired by Professor Rhonda Galbally (Principal Member of the Council) and Ms Liz Cairns (NDIA General Manager of Operations), and has 12 members including people with intellectual disability, academics, experts from the sector, and representatives from advocacy and support organisations.

The IDRG held its first meeting in Melbourne on 8 May 2015, and is finalising its advice to the Council on what the NDIA should understand about intellectual disability. Other topics that the IDRG has prioritised for 2015–16 include:

- promoting equality of access to the Scheme
- the definition of intellectual disability
- planning and implementing support where participants lack effective informal support
- decision-making and participants with complex impairment
- participants with complex behaviour
- creating a positive vision for participants with intellectual disability
- use of information, linkages and capacity building for people with intellectual disability
- parents who have an intellectual disability.

Table 5: Intellectual Disability Reference Group members' position, expertise and state

IDRG member	Position	Expertise	State
Professor Rhonda Galbally AO	Co-Chair	Principal Member of the Council	VIC
Ms Liz Cairns	Co-Chair	Agency representative	VIC
Ms Susan Arthur	Member	Powerful Parents Self Advocacy Group	VIC
Professor Richard Bruggemann	Member	People with high support needs	SA
Ms Silvana Gant	Member	Adelaide People First self-advocacy, person with intellectual disability	SA
Mr Angus Graham OAM	Member	Down Syndrome Australia Chair	VIC
Mr Damian Griffis	Member	FPDN	NSW
Ms Judy Huett	Member	Person with intellectual disability	TAS
Dr Leighton Jay	Member	Parent of a person with intellectual disability, Microboards	WA
Ms Sylvana Mahmic	Member	Member of the Council, parent of a person with intellectual disability	NSW
Ms Sally Robinson	Member	Centre for Children and Young People, Southern Cross University	QLD
Mr Jim Simpson	Member	Criminal justice, NSW Council for Intellectual Disability Senior Advocate	NSW
Mr Kevin Stone	Member	Advocacy, parent of a person with intellectual disability	VIC
Mr Michael Sullivan	Member	NSW Council for Intellectual Disability Chair, person with intellectual disability	NSW



## The Agency

The Agency is an independent statutory agency whose role is to implement the NDIS. The Agency manages NDIS funds, administers access to the Scheme and approves the payment of individualised support packages.

## Management committees

### Executive Management Group

The EMG is the peak decision-making body in the Agency's internal governance model. The purpose of the EMG is to:

- foster strong and united leadership
- provide strategic insight into the Agency's business
- give assurance to the Board on KPIs
- promote collaborative and accountable decision-making.

The EMG is made up of the Agency's core leadership team. It is the primary forum for involving areas of the Agency in critical management decisions. The EMG also sits as the Change Management Committee as required to provide authority for the Agency's operational changes.

The Agency has reinvigorated EMG procedures and priorities in 2014–15, demonstrating the importance it places on internal governance and ensuring decision making processes are clear and supported by evidence and the expertise of the appropriate people within the Agency.

### Internal committees

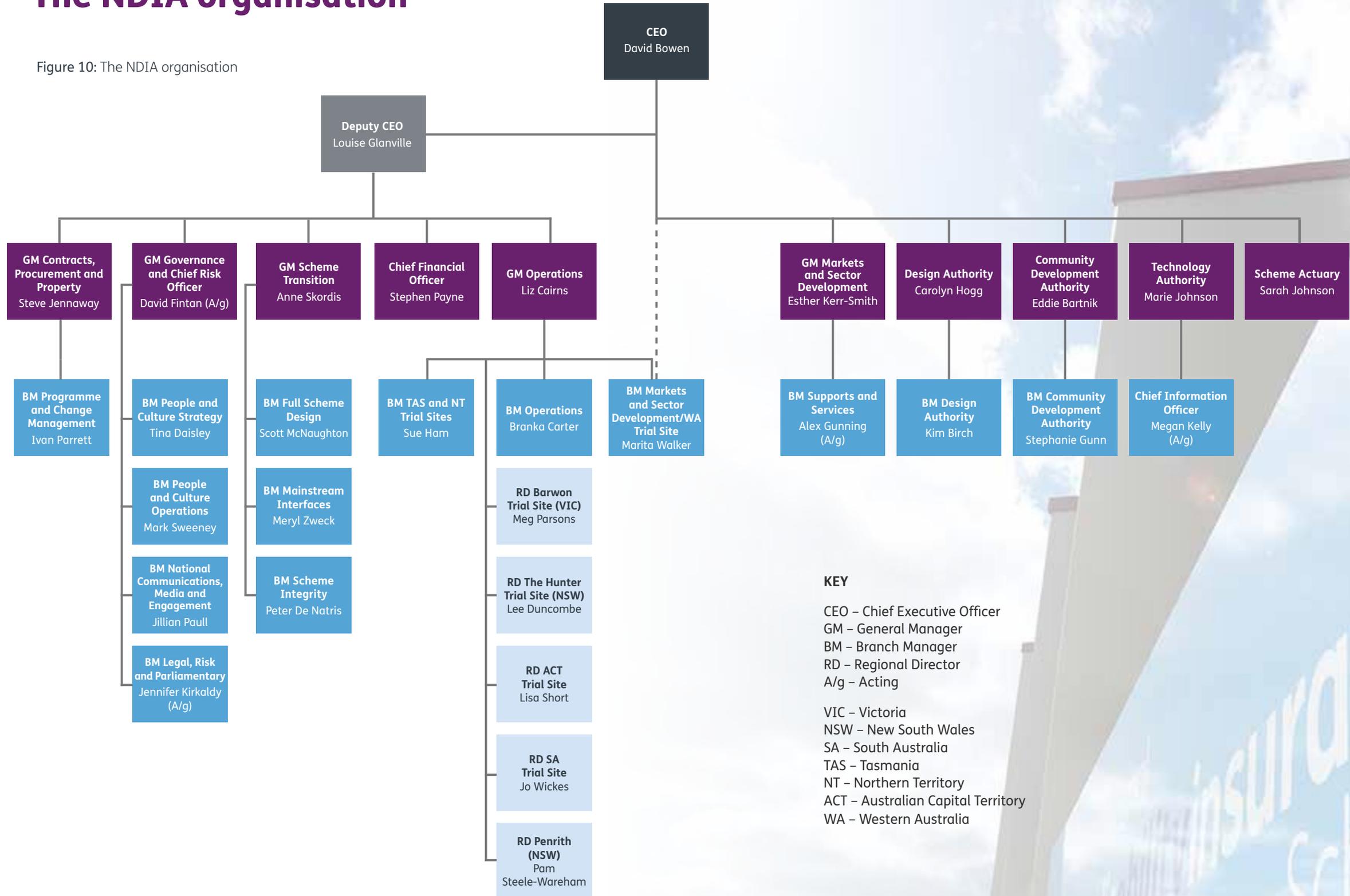
The Agency's internal committees provide coordinated decision making on matters relating to people and culture, internal risk and fraud, scheme design, transition to full scheme and corporate issues.

The internal governance structure allows the committees to provide advice and assurance to the EMG and, if needed, ensures that change is endorsed and monitored by the Change Management Committee.

A new committee established in 2014–15—the Transition Steering Committee—provides a single point of senior governance for the transition to full scheme.

# The NDIA organisation

Figure 10: The NDIA organisation



## KEY

- CEO – Chief Executive Officer
- GM – General Manager
- BM – Branch Manager
- RD – Regional Director
- A/g – Acting
- VIC – Victoria
- NSW – New South Wales
- SA – South Australia
- TAS – Tasmania
- NT – Northern Territory
- ACT – Australian Capital Territory
- WA – Western Australia

# The executive

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## **Chief Executive Officer** **Mr David Bowen**

Mr David Bowen is the inaugural CEO of the Agency. He was appointed by the Commonwealth Minister as the CEO in May 2013. As CEO, Mr Bowen is responsible for the day-to-day administration of the Agency.

Mr Bowen has been actively involved in developing the disability reform programme both as a member of the independent panel advising the Productivity Commission in its inquiry into the feasibility of a national disability insurance scheme, and as initial chair and ongoing member of the National Injury Insurance Scheme Advisory Group.

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## **Deputy Chief Executive Officer** **Ms Louise Glanville**

Ms Louise Glanville joined the Agency in February 2014 and is currently the Deputy CEO.

Ms Glanville brings a vast range of public sector experience to the Agency including three years at the Commonwealth Attorney-General's Department. She has also worked at the Victorian Department of Justice, and in local government, academia, the private sector and ministerial offices.

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## **Chief Financial Officer** **Mr Stephen Payne**

Mr Stephen Payne was appointed Chief Financial Officer (CFO) in March 2014. Mr Payne previously worked as CFO at a number of state government bodies, and has worked at senior executive level across all tiers of government.

Mr Payne has major project delivery experience including in construction, finance systems, integrated case management systems and major reform programmes for government agencies and shared services ventures.



## The executive

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### **General Manager, Operations** **Ms Liz Cairns**

Ms Liz Cairns was appointed General Manager, Operations in January 2014. In this role, she is responsible for all of the Agency's operational functions including its trial sites. Before this, Ms Cairns was the Manager of the Agency's Barwon trial site in Victoria.

Ms Cairns has worked in disability, health and rehabilitation for 24 years including for the PricewaterhouseCoopers Health and Disability Advisory Team, and for New Zealand's Accident Compensation Corporation where she established the National Serious Injury Service in 2007. She has worked in publicly-funded health and disability support services, and in catastrophic injury management. Her disability experience is extensive and includes physical, intellectual, sensory and cognitive disability.

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### **General Manager, Scheme Transition** **Ms Anne Skordis**

Ms Anne Skordis commenced as the General Manager, Scheme Transition in March 2014. She has responsibility for market design, support and services, and full scheme design and transition to the NDIS. Before joining the Agency, Ms Skordis held several roles in disability and Home and Community Care policy and service delivery, most recently in intergovernmental negotiations. She was Executive Director, NDIS Design and Transition and Government Relations for the Department of Family and Community Services, New South Wales.

Originally from Victoria, Ms Skordis studied social work and her early career was in income support programmes, concessions and customer policy for gas and electricity providers. She has been a board member for a residential and community aged care provider for the past 10 years.

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### **Scheme Actuary** **Ms Sarah Johnson**

Ms Sarah Johnson was appointed as the Scheme Actuary of the NDIS in November 2013 for a period of three years. In this role, she is responsible for assessing and reporting on the financial sustainability of the Scheme so that management and the Board can make informed decisions about the Scheme's continuing sustainability and direction. Prior to this appointment, she was a Director at PricewaterhouseCoopers.

Ms Johnson is a Fellow of the Institute of Actuaries of Australia and has a Bachelor of Commerce (Actuarial Studies and Financial Economics) from the University of New South Wales.

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### **General Manager, Governance (Acting)** **Mr David Fintan**

Mr David Fintan joined the Agency in July 2013 and is Acting General Manager, Governance. Mr Fintan is responsible for legal, ministerial and parliamentary support, programme management, risk and assurance, communications and media, engagement, people and culture and internal and external governance.

Before joining the Agency, he was a partner at law firm DLA Piper, where he assisted with the development of the NDIS legislation. He has held various positions at DSS and several law firms.

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### **General Manager, Markets and Sector Development** **Ms Esther Kerr-Smith**

Ms Esther Kerr-Smith joined the Agency in December 2014 and is General Manager, Markets and Sector Development. Ms Kerr-Smith has extensive corporate development and strategy experience and a deep understanding of market dynamics and business-model innovation. She has worked in Australia, Asia and Europe in a range of market environments—in emerging and mature markets and in highly regulated and unregulated markets—and across different sectors including public sector, infrastructure, consumer services, retail and financial services.

Ms Kerr-Smith has worked with management teams and led large projects and consumer facing initiatives, including major pricing and contract negotiations and on a number of privatisations, mergers and acquisitions.

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## The executive

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### **General Manager Contracts, Procurement and Property Mr Steve Jennaway**

Mr Steve Jennaway joined the Agency as General Manager, Contracts, Procurement and Property in June 2015. He is responsible for the acquisition and fit out of Agency properties Australia wide, for the Agency's contract and procurement processes, security, and for the EPMO and associated reporting to EMG and the Board.

Mr Jennaway has been a senior executive in the APS since 1999 and has wide public sector experience. He has worked in corporate and policy areas of various government agencies including the Australian Taxation Office, Australian Bureau of Statistics and DSS.



### **Strategic Adviser Community Development Authority Mr Eddie Bartnik**

Mr Eddie Bartnik joined the Agency in April 2014 and currently leads the Community Development Authority.

Mr Bartnik was Western Australia's first Mental Health Commissioner, leading mental health reform and overseeing the commissioning of public, private and community sector mental health services to over 48 000 people. He has worked at senior executive management levels in the Department for Communities in Western Australia and in the Disability Services Commission.

Mr Bartnik's long-term work on human services reform, local area coordination and individualised funding and personalised support has been published in Australia and overseas, where he has consulted widely.



### **Technology Authority Ms Marie Johnson**

Ms Marie Johnson joined the Agency in December 2014 and, as Head of the Agency Technology Authority, oversees the development of the technology platform for the Agency and the NDIS. Ms Johnson has extensive senior executive experience in the public and private sectors in Australia and internationally in technology and innovation, including leading major digital and payments reform programs across key sectors of government.

In 2006–07, Ms Johnson was named 'Innovative CIO of the Year—Australia', and in 2013, she was named one of Australia's '100 Women of Influence'.

Ms Johnson is the Managing Director Centre for Digital Business, Board Director of the Australian Information Industry Association, Chair of the Digital Careers National Steering Committee, a member of the New South Wales Government ICT Advisory Panel, and member of the New South Wales Accelerating Digital Government Taskforce.



### **Design Authority Ms Carolyn Hogg PSM**

Ms Carolyn Hogg was engaged in August 2012 in preparation for the Agency's launch and currently leads the Design Authority.

Ms Hogg became an SES member of the APS in 1993 after working in the service delivery network of the Department of Social Security for 13 years. She was appointed CEO of Centrelink in 2009.

Ms Hogg was awarded the Public Service Medal in 2010 for 'outstanding public service in leading significant improvements in the quality, effectiveness and efficiency of Service Delivery and Customer Support'.

# Regional directors



## **Barwon (Victoria)** **Ms Meg Parsons**

Ms Meg Parsons began working in the disability sector 25 years ago, first in direct service provision, then in management roles. Ms Parsons has worked in local government, education, human services and in the NGO sector in mental health, aged care and disability services. Her experience covers service management, quality and compliance, project management and service development and review. She commenced with the Agency when the Scheme started in July 2013 as Service Delivery Director of the Intellectual Disability Adult Team. Ms Parsons has a Master's Degree in Disability Studies and a Master's of Innovation and Service Management specialising in change management.



## **Tasmania and Barkly (Northern Territory)** **Ms Sue Ham**

Ms Sue Ham joined the Agency ahead of the July 2013 launch to manage the operational requirements for the Tasmanian trial, and is currently the Trial Site Manager, Tasmania and Northern Territory.

Ms Ham brings significant public sector (state and Commonwealth) and non-government sector experience to the Agency including six years in management roles at the former Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) spanning housing, remote Aboriginal and Torres Strait Islander housing and community disaster recovery, and eleven years as CEO of Colony 47 Inc. in Tasmania. Ms Ham started her career as a social worker in the Tasmanian Mental Health Services Commission before first joining the APS as a social worker for the then Department of Social Security.

Ms Ham has a strong interest in social policy and values the contributions that public servants and the community sector make towards supporting fairer and inclusive communities for all Australians.



## **Perth Hills (Western Australia)** **Ms Marita Walker**

Ms Marita Walker commenced with the Agency in March 2014 after working as CEO of Perth Home Care Services where she spent a number of years involved in the NDIS advocacy and design.

As former CEO of Perth Home Care Services, Ms Walker oversaw programmes to develop individualised services for over 300 people with disability and expanded the range of support options over the previous decade. Her previous experience includes nine years with the Disability Services Commission as the Director, East Metropolitan Region.



## **South Australia** **Ms Jo Wickes**

Ms Jo Wickes commenced her current role in February 2015 and joined the Agency in January 2013 as Director Engagement and Funding in South Australia where she worked to establish the South Australia trial site.

Ms Wickes brings a variety of skills and perspectives to the Agency from her background working in the fields of homelessness, family support, emergency relief, social justice, social enterprise, project start-up, innovation and alternative care. She has held management and CEO positions in private enterprise, the NGO sector, social enterprises and communications. Ms Wickes also brings personal understanding to the role as a parent of a child with disability.



## **Australian Capital Territory** **Ms Lisa Short**

Ms Lisa Short joined the Agency at the Hunter Trial Site in July 2014. With a background in nursing and social work she brings extensive experience in psychosocial disability, service delivery and stakeholder engagement to the NDIS. Working mainly in the non-government sector, Ms Short has held senior positions in operations across a broad range of service delivery portfolios, leading large teams of both clinical and non-clinical staff across large geographical areas.



## **Nepean Blue Mountains region (New South Wales)** **Ms Pam Steele-Wareham**

Ms Pam Steele-Wareham commenced as Service Delivery Director Tasmania in January 2013 following more than 20 years in the disability sector working in senior leadership positions in the NGO sector and with the Department of Communities in Queensland. Ms Steele-Wareham brings extensive management experience of implementing structural and policy change in disability, child protection, housing and community services. She was involved in the Tasmania site set-up and in service delivery functions from launch to her appointment as Regional Director for Nepean Blue Mountains region in April 2015.

Ms Steele-Wareham is currently responsible for leading the implementation of the early launch of full scheme in the Nepean Blue Mountains region in New South Wales in partnership with the New South Wales Department of Family and Community Services.



## **Hunter (New South Wales)** **Ms Lee Duncombe**

Ms Lee Duncombe joined the Agency in February 2013, firstly in the Hunter then in National Office in the Provider Support Branch. Ms Duncombe has extensive management experience in personal injury schemes in New South Wales, mainly in promoting evidence-based and outcomes-focused practice among providers. Ms Duncombe returned to the Hunter Trial Site in November 2013 and is now the Regional Director Hunter.

# NDIA people

At 30 June 2015, the Agency had **854 employees** across the seven trial sites and National Office. Agency staff are employed under the *Public Service Act 1999 (PS Act)*.

## Diversity

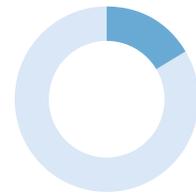
The Agency strongly upholds its belief in the value of a workforce comprised of people from diverse backgrounds and experiences, and is building an inclusive workplace to reflect their views and those of the community it serves.

The Agency recognises that it must be a leader in accessibility and inclusion.

The Agency continues to act on the Accessibility Action Plan 2013–2015 including taking steps to establish the Diversity and Inclusion Council. This body will drive the development and implementation of the Agency's Diversity Programme and will review the Accessibility Action Plan.

The Agency has deployed specific strategies to encourage people with disability, Aboriginal and Torres Strait Islander people and women to apply for leadership roles.

## People with disability



**16.16%**

Workforce identify as having a disability

In 2014–15, 16.16 per cent of the Agency workforce identified as having a disability. The Agency has already exceeded its target of 15 per cent of its workforce identifying as having a disability by June 2016.

To achieve this goal, the Agency:

- included a person with disability on each selection panel for service delivery roles
- utilised initiatives under the APSC's 'As One' programme to build a work environment with a high level of disability confidence
- worked with Deakin University and Gordon TAFE to establish a 12-month traineeship programme for people with an intellectual disability
- became part of the newly-created AIDIN together with the Transport Accident Commission and WorkSafe Victoria
- participated in an AND intern programme—'Stepping into winter'—to provide up to 10 intern positions for people with disability across National Office and the trial sites.

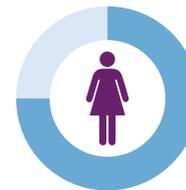
## Aboriginal and Torres Strait Islander people

The Australian Government has set a target to increase Aboriginal and Torres Strait Islander employment levels to a minimum of 3 per cent across the public sector by 2018. As at 30 June 2015, **1.76 per cent** of the Agency's employees identified as Aboriginal or Torres Strait Islander.

- The Agency implemented an Aboriginal and Torres Strait Islander programme at the Tennant Creek Trial Site to develop and progress Aboriginal and Torres Strait Islander people in the Agency and the APS.
- The Agency also participated in an integrated employment and development programme—the Indigenous Australian Government Development Programme (IAGDP).

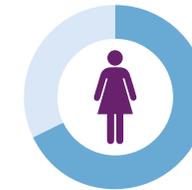
## Women

In June 2015, 75 per cent of the Agency workforce was female. The proportion of women in the Agency declines the more senior the position, and women comprise 68 per cent of ongoing senior executives compared with an APS average of 39.6 per cent of women in leadership positions.



**75%**

Female workforce



**68%**

Female senior executives



## Staffing statistics

The Agency has a higher-than-average number of non-ongoing employees because of the need to meet the surge in workload and project requirements for specific time periods as shown in Table 6.

Table 6: NDIA staff by employment type and level, 2013–14 and 2014–15

Staff	Headcount 2013–14	Headcount 2014–15	FTE 2013–14	FTE 2014–15
<b>Total</b>	<b>516</b>	<b>854</b>	<b>497.04</b>	<b>808.84</b>
Ongoing	476	748	458.96	714.20
Non-ongoing	39	104	37.08	94.64
Irregular, intermittent, casual	1	2	1	0
SES*	23	22	23	22
EL 1 and 2 equivalent*	148	202	145.29	195.91
APS 1–6 equivalent*	345	630	328.75	590.93

\*Classifications based on substantive positions

Table 7: NDIA staff by substantive classification (headcount), 2013–14 and 2014–15

Classification	2013–14			2014–15		
	Ongoing	Non-ongoing	Total	Ongoing	Non-ongoing	Total
APS 2	4	0	4	4	8	12
APS 3	15	6	21	44	10	54
APS 4	33	0	33	74	18	92
APS 5	117	2	119	196	19	215
APS 6	155	9	164	240	13	253
EL 1	75	9	84	107	13	120
EL 2	51	6	57	54	19	73
Legal Officer	3	0	3	2	0	2
Senior Legal Officer	2	0	2	3	0	3
Principal Legal Officer	3	0	3	2	1	3
Public Affairs Officer	1	1	2	3	0	3
SES Band 1	13	4	17	14	1	15
SES Band 2	4	1	5	5	1	6
SES Band 3	0	1	1	0	1	1
<b>Total</b>	<b>476</b>	<b>39</b>	<b>515</b>	<b>748</b>	<b>104</b>	<b>852</b>

Note: casuals are excluded

Table 8: NDIA staff attributes, 2013–14 and 2014–15

Staff	2013–14	2014–15
Average age	41	42
Average length of service in Agency (months)	8.69	13.81
How long the Agency has been established as at 30 June (months)	12	24
Female (per cent)	75	75
Male (per cent)	25	25
Part-time (per cent)	12	17

Table 9: NDIA employees who identify as Aboriginal and Torres Strait Islander (headcount), 2013–14 and 2014–15

Staff identifying as Aboriginal and Torres Strait Islander	Headcount 2013–14	Headcount 2014–15
Non-ongoing part-time	0	0
Non-ongoing full-time	0	5
Ongoing part-time	1	2
Ongoing full-time	7	8
<b>Total</b>	<b>8</b>	<b>15</b>



## Staffing statistics (cont...)

Table 10: NDIA staff by location and gender (headcount)

 National Office	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Total	
<b>Female</b>	189	36	101	3	NA	130	23	106	52	640
<b>Male</b>	108	13	24	4	NA	18	6	25	14	212
<b>Total</b>	<b>297</b>	<b>49</b>	<b>125</b>	<b>7</b>	<b>NA</b>	<b>148</b>	<b>29</b>	<b>131</b>	<b>66</b>	<b>852</b>

Note: casuals are excluded

Table 11: NDIA staff by location and employment status (headcount)

 National Office	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Total	
<b>Full-time</b>	266	39	100	6	NA	110	23	111	50	705
<b>Part-time</b>	31	10	25	1	NA	38	6	20	16	147
<b>Total</b>	<b>297</b>	<b>49</b>	<b>125</b>	<b>7</b>	<b>NA</b>	<b>148</b>	<b>29</b>	<b>131</b>	<b>66</b>	<b>852</b>

Note: casuals are excluded

Table 12: NDIA staff with disability and non-disability (30 June 2015 and 30 June 2014)

 Location	Disability	Non-disability	Not disclosed	Total	Disability (per cent)
ACT	5	24	20	49	10.20
NSW	23	60	42	125	18.40
NT	3	1	3	7	42.86
SA	18	71	59	148	12.16
TAS	7	19	4	30	23.33
VIC	25	76	30	131	19.08
WA	16	19	31	66	24.24
National Office	41	111	146	298	13.76
<b>Total Trial Sites</b>	<b>97</b>	<b>270</b>	<b>189</b>	<b>556</b>	<b>17.45</b>
<b>Total staff June 2015</b>	<b>138</b>	<b>381</b>	<b>335</b>	<b>854</b>	<b>16.16</b>
<b>Total staff June 2014</b>	<b>56</b>	<b>237</b>	<b>231</b>	<b>524</b>	<b>10.70</b>

## Ethical standards

The Agency promotes ethical standards of behaviour by providing extensive information to staff and by developing policies and procedures to support the Agency's expanding workforce. The Agency strengthened its ethical approach in 2014–15 by consolidating the Agency-specific values of assurance, empowerment, responsibility, learning and integrity.

The Agency's internal staff intranet contains information on:

- the APS Values and Code of Conduct
- bullying and harassment
- acceptance of gifts and benefits
- conflict of interest and outside employment
- ethical behaviour in practice
- links to relevant external websites.

## Workforce planning

In 2014–15, the Agency undertook comprehensive strategic workforce planning.

Figure 11 (page 156) shows the NDIA Strategic Workforce Plan Framework that was used to produce the Agency's *Strategic Workforce Plan 2015–2020*.

The Agency will see a significant increase in staff numbers, workload and geographical spread over the life of the plan. By 2019–20, Agency employees will be located in all regions across every state and territory. The Agency is building a workforce profile that reflects the communities it serves, and is designed to meet the needs of marginalised, remote and rural Australians in particular.

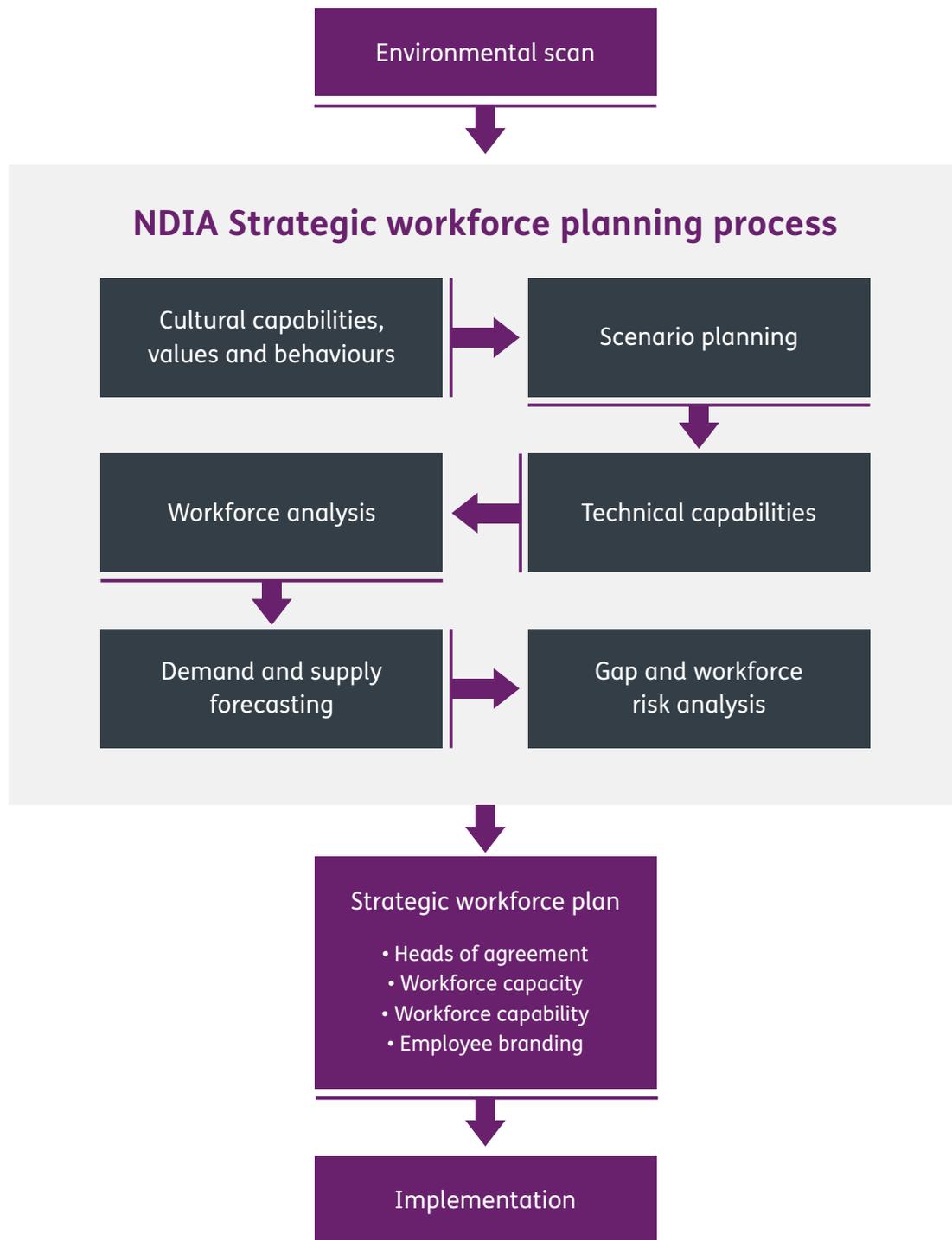
The Agency's strategic workforce planning determines the 'people' implications—roles, capabilities, numbers of people required and so on—of longer-term business strategies. The Strategic Workforce Planning Team works with stakeholders to incorporate lessons learned from the trial sites to develop group-level sub-plans that align with business plans and consider broad trends and issues affecting the Agency and the APS.

The plan details high-level job design, including 'job families' and 'elements' as prescribed by the APSC.

## Indemnities and insurance

NDIA officers' and directors' liability insurance cover is provided through Comcover, the Australian Government's self-managed fund. The Agency renewed its insurance cover in 2014–15 to a level appropriate for its operations.

Figure 11: NDIA Strategic workforce planning process



## Recruitment

The Agency needs to place the right people with the right skills in the right jobs at the right time for smooth growth. This year was a particularly busy time in recruitment:

**341** external recruitment processes were conducted

**254** new employees from a non-APS background started with the Agency

**55** new employees identified with disability

**567** employment offers were made

**4671** applications for recruitment were received

**29.74%** of new employees were appointed on a non-ongoing basis

**the largest number of new starters**

was employed in the Agency's National Office

## Retention

To attain a stable workforce, the Agency must motivate, develop and retain its employees.

The Agency offers flexible working arrangements, opportunities for staff to gain experience in other parts of the Agency via temporary transfers and rotations, conducts exit interviews, and learns from employee feedback.

In response to last year's Employee Engagement Census, the Agency implemented a rewards and recognition programme, undertook cultural mapping and instituted fortnightly staff updates, video presentations by senior executives and advertisements for social activities on the internal staff intranet.

## Separation

- The voluntary separation rate (resignations from the APS and retirements) was **9.16 per cent**.
- The total separation rate for employees was **12.41 per cent**.

## Absences

The Agency's unscheduled absence rate for 2014-15 was **11.60 days** per FTE compared with a rate of 12.00 for the APS overall. The Agency plans to reduce staff absences by intervening early via a health and wellbeing programme to prevent injury and illness, and by educating staff in utilising their flexible work arrangements.

## Employment arrangements

The FaHCSIA Enterprise Agreement 2012-14 applied to non-SES Agency staff for the duration of 2014-15. The agreement allows for Individual Flexibility Arrangements (IFAs) for working hours, leave and remuneration. At 30 June 2015, 832 employees were covered by the agreement of which 36 were the subject of IFAs.

The Agency supports its employees to achieve a balance between their personal needs and working strongly to achieving the Agency's strategic goals.

The Agency Consultative Network was established to foster a spirit of cooperation and trust in employee consultation on human resources policy and workplace matters.

In 2014-15, the Agency began negotiating its first enterprise agreement (EA). The NDIA EA will be a modern and simplified agreement, maintaining many of the conditions that are important to employees today. Negotiations have been focused on achieving genuine productivity gains which satisfy the APSC Bargaining Framework.

## Benefits to employees

The Agency offers a number of benefits to its employees to make it a modern and flexible employer. Benefits include a range of leave provisions such as annual, cultural and long service leave, study and professional development support, flexible working arrangements to enable full time, part time and job-sharing roles, flex time and working away from the office, salary packaging, and assistance when required to live in remote areas of Australia.

## SES remuneration

Agency SES employees are offered a remuneration and employment conditions package according to a determination under section 24(1) of the PS Act. Remuneration includes salary, an executive vehicle benefit, and may include additional salary payments and other remuneration benefits approved by the CEO in accordance with this policy.

The following SES salary ranges applied with effect from 1 July 2013 (no increase from 2014):

Table 13: SES salary ranges

Classification	Salary range
SES band 1	\$161 723 – \$174 836 – \$187 949
SES band 2	\$208 711 – \$220 731 – \$232 751
SES band 3	\$256 791 – \$268 810 – \$280 831

At 30 June 2015, there were 22 SES employees covered by section 24(1) determinations.

The CEO reviews SES salary levels annually, after completing performance appraisals. Recommendations on remuneration increases for SES employees are in accordance with the increases that apply to all Agency employees.

The remuneration and employment conditions package offered under this policy complies with the requirements of the APSC Executive Remuneration Management Policy.

# Listen, Learn, Build, Deliver



## Learning and development

The Agency is proud of its learning culture. The Agency increases the capability of its employees by way of formal, informal and on-the-job learning, and supports employees to continually develop their skills, knowledge and behaviours.

Training undertaken by employees this year under the Learning and Development Strategy 2014–15 included:

- **induction** – generalist and technical induction, training in the APS Code of Conduct, fraud awareness (including ethics), records awareness, security essentials, work health and safety (WHS) law, public interest disclosure and the record-keeping platform
- **foundation skills** – working in government, procurement, contract management, insurance principles, and Aboriginal and Torres Strait Islander cultural awareness
- **technical** – four technical skills modules, customer service, coaching and conversation skills
- **leadership training** – for employees who supervise staff, a leadership programme for SES employees incorporating programs provided by the APSC, executive coaching and learning circles
- **'70:20:10' learning environment** – face-to-face, eLearning, video conference and supported on-the-job learning (workbooks), all accessible for people with disability and all culturally inclusive.

In 2014–15, the Agency launched an integrated learning and performance management system (LEAP) to manage performance planning and training. As the Agency moves to full scheme, it will continue to develop interactive, cost effective training programs that are available online, anywhere and anytime to support a growing and dispersed workforce.

## Employee engagement

This year, Agency staff members were invited to participate in two engagement surveys—the NDIA Cultural Mapping Survey and the 2015 APS Employee Engagement Census. Both surveys are important tools aimed at measuring staff attitudes and satisfaction with the Agency's values, leadership and management principles, and employee engagement.

## Performance pay

No performance pay arrangements apply in the Agency.

## Performance development

In 2014–15, the Agency introduced the Performance Development Framework trial, following extensive consultation and collaboration within the Agency and based on wide-ranging contemporary research. The framework represents a unique approach within the APS and shifts the outlook from annual plans to a targeted 100-day planning cycle.

## External scrutiny

The Agency welcomes external scrutiny of its operations and review of its decisions as a critical part of its commitment to continuous learning and improvement. The Agency recognises that especially during the transition from trial to full scheme, external scrutiny will play an important part in improving the Agency's performance.

## Joint Standing Committee on the NDIS

In July 2014, the JSC released its progress report on the implementation and administration of the NDIS. As part of its ongoing enquiry into the Scheme, the Committee conducted hearings at each of the trial sites and at Parliament House. The progress report highlighted the early successes of the NDIS. The Committee outlined the potential of the NDIS as an agent for positive change, and also noted the challenges ahead. The Agency publicly responded to the recommendations of the progress report in August 2014 and its response is available at [www.ndis.gov.au/joint-standing-committee-progress-report](http://www.ndis.gov.au/joint-standing-committee-progress-report). In its response, the Agency supported all of the recommendations, many of which aligned with priorities the Agency had identified and was working on. The Agency is managing the important operational and design improvements recommended as part of the transition to full scheme.

The Government tabled its formal response to the progress report on 3 March 2015.

In 2014–15 the Agency implemented the following recommendations:

- reviewed plan activations and implementation
- established new planning processes and resources
- redesigned the Agency website to improve accessibility of information
- engaged with participants and community to develop the Service Charter.

The Committee conducted public hearings in existing and future trial site locations in 2014–15, travelling to Queensland, Western Australia and the Australian Capital Territory in March, April and June 2015. On 5 June 2015 the Committee held a public hearing in Canberra, which was attended by Council and Agency representatives. A hearing in the Northern Territory is scheduled for July 2015.

## Australian National Audit Office

The ANAO conducts an annual audit of the Agency's financial statements under the PGPA Act and their audit report is included in Section 4 of this annual report. The ANAO may also conduct other engagements such as performance audits and reviews relating to the Agency and the Scheme and its operations from time to time. No such performance audits were conducted in relation to the Agency in 2014–15.

In developing and monitoring the Agency's operating model and financial management framework, the Agency has regard to the ANAO's publications and reports including better practice guides on various topics of administration and internal control, as well as other examples of best practice in the Commonwealth, including resource management guides in support of the Commonwealth Resource Management Framework.

## Ombudsman and human rights complaints

The Commonwealth Ombudsman received five (5) complaints about the Agency during 2014–15. The Agency provided file material and responses to the Ombudsman's questions. The Ombudsman closed five (5) of the matters. Of the five complaints four (4) were finalised without further action, and one (1) made suggestions for a review of the Agency's operational guidelines.

The Australian Human Rights Commission (AHRC) received one (1) complaint in which the Agency was named as a party. The complaint is ongoing.

## Administrative Appeals Tribunal

The Administrative Appeals Tribunal (AAT) can, in response to applications, review decisions made by the Agency under the NDIS Act, including decisions about whether a person meets the access criteria to become a participant in the Scheme, the supports provided under the Scheme and the registration of providers.

After the first year of the Scheme (2013–14), there were 12 matters that remained undecided. These have all since been finalised. Three (3) matters proceeded to full hearing where the AAT affirmed the Agency’s decision in two (2) matters and dismissed the third matter. One (1) matter was withdrawn by the applicant and the remaining eight (8) matters were varied by the AAT with the agreement of the Agency and the applicant.

During 2014–15, the AAT received 19 applications for review of Agency decisions of which seven (7)

related to access and 12 related to the supports funded under plans. By comparison, during 2013–14 the AAT received 18 applications for review of Agency decisions, of which nine (9) related to access and nine (9) related to supports.

As at 30 June 2015 seven (7) of the 19 applications for review received in 2014–15 had been finalised, and 12 matters remained undecided.

Of the finalised matters, four (4) were varied by the AAT with the agreement of the Agency and the applicant, one (1) was dismissed by the AAT and two (2) were withdrawn by the applicant.

The AAT published reasons for its decisions in the three (3) matters that went to hearing in this financial year, as shown in Table 14.

Table 14: AAT reviews 2014–15

Matter	Decision under review	AAT decision
<i>Burston and the National Disability Insurance Agency</i> [2014] AATA 456 (4 July 2014)	Jurisdiction—whether the Agency made a decision that the AAT has the jurisdiction to review	The AAT held that it does not have jurisdiction to review a decision made in a letter from the Agency because it was not a decision made of the sort that could be reviewed by the AAT
<i>TKCW and the National Disability Insurance Agency</i> [2014] AATA 501 (23 July 2014)	Supports in plan—whether the funding of a therapy known as The Listening Programme (TLP) and of a carer for the participant’s brother while the participant attends therapy with his mother, are reasonable and necessary supports (s 34(1))	Agency decision affirmed—the AAT held that these supports are not reasonable and necessary, on the grounds that TLP does not represent value for money (s 34(1)(c)) or current good practice (s 24(1)(d)), and that caring for the participant’s brother is a reasonable expectation of the participant’s family (per s 34(1)(e))
<i>ZNDV and the National Disability Insurance Agency</i> [2014] AATA 921 (25 November 2014)	Supports on plan—whether an occupational therapy room and equipment in the participant’s home represents value for money, per s 34(1)(c)	Agency decision affirmed—the AAT held that these supports are not reasonable and necessary, on the grounds that the cost of the supports was not reasonable relative to their likely benefits for the participant

One of the decisions made by the AAT in the previous financial year was appealed to the Federal Court and finalised this financial year. The Federal Court published the reasons for its decisions in this matter, as shown in Table 15.

Table 15: Federal Court reviews 2014–15

Matter	Decision under review	Federal Court decision
<i>Dale Mulligan v National Disability Insurance Agency</i> [2015] FCA 544 (3 June 2015)	AAT decision to affirm the Agency’s decision to decline access under s 24 of the NDIS Act	AAT decision set aside and remitted for a fresh decision by the AAT—the Court held the AAT’s reasons for decision were insufficient as it had considered the applicant’s arguments globally rather than making findings on each aspect. Also, the AAT had not expressly considered the relevance of the applicant’s evidence that he relies on his wife to assist him with some aspects of daily living

## Freedom of information

Under the *Freedom of Information Act 1982* (FOI Act), the Agency is required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is set out in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report. The Agency has displayed on its website a plan showing what information it publishes in accordance with the IPS requirements. The Agency’s IPS can be accessed at [www.ndis.gov.au/our-information-publication-scheme-entry](http://www.ndis.gov.au/our-information-publication-scheme-entry).

The FOI Act gives any person the right to access copies of documents held by the Agency, ask for information the Agency holds about them to be changed or annotated and to seek review of the Agency’s decision not to allow the person access

to a copy of a document. Where the Agency does not provide full access to a requested document, a person can ask the Agency to review its decision or ask the Office of Australian Information Commissioner (OAIC) to review the Agency’s decision. A person may also complain to OAIC about how the Agency handled their request and OAIC may investigate the complaint and make recommendations about how the Agency should handle requests.

During 2014–15, the Agency received 10 requests for access to copies of documents. All requests were processed within statutory timeframes. There were no requests for internal review of the Agency’s access decisions and there were no requests for OAIC to review the Agency’s access decisions or complaints to OAIC.

# Facilities and workplace health and safety

## National Office

The Agency is working to establish a permanent head office in Geelong and has commenced the process to identify a suitable location.

## Work health and safety performance

The Agency acknowledges its employer 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's Work Health and Safety Policy, and Health and Safety Management Arrangements promote prevention and early intervention and are aligned with the Agency's belief in looking after and valuing its people.

The Agency recognises that effective health and safety management systems are good business practice and reduce work-related injury and illness costs. The Agency supports access to information about overall health and wellbeing for its people.

Specific actions taken in 2014–15 included:

- developing the Agency's Early Intervention Programme
- building a WHS internal staff intranet page providing readily available information, resources and contacts for WHS matters
- recruiting dedicated rehabilitation case managers
- expanding the health and safety representative network which provides a local point of contact for each NDIA workplace
- conducting WHS training with all employees
- giving staff access to ergonomic workstation assessments
- launching the national Health and Wellbeing Programme.

Given that the Agency is in only its second year, there is insufficient data to fully assess the impact of its initiatives on workplace health and safety outcomes. The Agency will develop an evaluation framework to assess the efficacy of its current and future workplace health and safety initiatives.

## Reportable items

In 2014–15, the Agency notified Comcare of two incidents pursuant to section 38 of the WHS Act, both for serious illness. The Agency undertook no investigations under Part 10 of the WHS Act.

The WHS Act requires the Agency to provide statistics of any notifiable incidents of which it became aware during the year that arose out of the conduct of business or undertakings by the entity, and any investigations conducted and notices given. Table 16 provides a summary in accordance with the WHS Act.

Table 16: Summary of incidents pursuant to section 38 of the WHS Act

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	2
Dangerous incident that required notification to Comcare under s 35	0
Investigation conducted under Part 10	0
Notice given to NDIA under s 90 (provisional improvement notice)	0
Notice given to NDIA under s 191 (improvement notice)	0
Notice given to NDIA under s 195 (prohibition notices)	0
Directions given to NDIA under s 198 (non-disturbance)	0

The Agency's workers' compensation premium for 2014–15 was \$1.6 million which was 2.26 per cent of payroll costs.

# Reporting obligations

## Ecological and sustainable development

The Agency has continued to introduce ecological and sustainable measures that reduce energy and consumption costs at each of its sites including:

- installing energy-efficient T5 fluorescent lights and LEDs for open-plan areas and meeting rooms together with motion sensor control for the lighting
- installing energy-efficient variable refrigerant flow (VRF) air-conditioning systems that are operated via time clock

- installing low-flow sanitary fixtures
- supplying general waste and recyclable waste bins to suit the size of the tenancy.

No energy or green ratings have yet been awarded to any NDIA site. The Agency will endeavour to achieve energy or green ratings for stand-alone sites in the future.

## Contracts, consultancies and purchasing policies

During 2014–15, 63 new consultancy contracts were entered into involving total actual expenditure of \$8.9 million (GST inclusive). In addition, 13 ongoing consultancy contracts were active during 2014–15, involving total actual expenditure of \$3.4 million (GST inclusive) in 2014–15.

In total, during 2014–15, the Agency spent \$12.3 million (GST inclusive) on consultancy contract costs. In 2013–14, financial year, the Agency spent \$4.7 million (GST inclusive) on consultancy contract costs. This comparison is represented in Table 17.

Table 17: Consultancy contract costs 2013–14 and 2014–15

Matter	2013–14	2014–15
<b>New contracts</b>		
Number of new consultancy contracts	39	63
Actual expenditure for new consultancy contracts (GST inclusive)	\$4 112 023.63	\$8 945 746.75
<b>Ongoing contracts</b>		
Number of new consultancy contracts	3	13
Actual expenditure for ongoing consultancy contracts (GST inclusive)	\$592 697.12	\$3 378 035.35

As the Agency moves towards full scheme, there is a continuing requirement for specialised services from consultants to support this transition. Contracts for consultancy services provided to the Agency included:

- the Scheme Actuary role and actuarial advisory services
- internal auditing services
- assistance and support for building the ICT platform
- strategic planning and advice on mental health, risk management, property design and documentation services
- strategic analysis for rolling out full scheme.

Consultancy contracts are undertaken in line with the Agency's commitment to conduct procurements in accordance with the Commonwealth Procurement Rules (CPRs). The Agency has procurement policies which govern its procurement of all goods and services. The Agency is committed to achieving value for money outcomes for all procurement activities, which includes encouraging competition, ensuring efficient, effective, economical and ethical use of resources and ensuring accountability and transparency in decision-making.

In March 2015, the Agency introduced an online e-procurement system that automates procurement activities and workflows.

The NDIA undertakes a range of procurement and contract management activities in accordance with Agency policies but does not report these contractual arrangements via AusTender as this is not a requirement for a non-prescribed corporate Commonwealth entity.

The Agency supports small business participation in the Commonwealth Government procurement market through its commitment to undertake procurement activities in line with CPRs. Small and medium enterprises and small enterprise participation statistics are available on the Department of Finance's website: [www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts](http://www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts).

The Agency recognises the importance of paying small businesses on time and the automation of the accounts payable function reduces payment turnaround times.

Additional ways the Agency's procurement practices support small businesses include:

- encouraging credit card payment for purchases under \$10 000
- communicating with vendors in clear, easily understood language and provides access to information in a consistent, accessible format
- providing a rolling training programme to support awareness for Agency staff who conduct procurement activities.

The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website: [www.treasury.gov.au](http://www.treasury.gov.au).

### Australian National Audit Office Access clauses

The Agency does not have any contracts let during the reporting period which do not provide for the Auditor-General to have access to the contractor's premises.

### Exempt contracts

Exempt contracts are those for which details are not published on AusTender. The NDIA has no exempt contracts because although it undertakes a range of procurement and contract management activities in accordance with Agency policies, it does not report these contractual arrangements via AusTender as this is not a requirement for a non-prescribed corporate Commonwealth entity.

## Grants programmes

In December 2014, the Government transferred the SDF from the NDIA to the DSS.

The Agency continues to administer the CICD fund.

The Agency provided \$1 million to AIDIN for a public-private partnership between the Agency, the Transport Accident Commission and Worksafe Victoria to support the personal injury, disability and insurance sectors and to establish an injury and insurance professional development centre in Geelong.

## Advertising and market research

The Agency commissioned market research by Crosby Textor Research Strategies Results Pty Ltd to evaluate the effectiveness of how the Agency communicates with stakeholders. The total cost of this research was \$167 034.97 (GST inclusive).

The Agency placed advertising through Dentsu Mitchell Media Australia Pty for public events and staff recruitment, totalling \$30 020.74 (GST inclusive).

The Agency also placed advertising through Yahoo7 Pty Limited for staff recruitment, totalling \$6136.36 (GST inclusive).

## Internal audit

The Agency had an internal audit programme in place throughout 2014–15. The programme is based on identified areas of significant financial or operational risk and puts appropriate controls in place to manage those risks.

The objectives of the Agency's internal audit programme are to provide assurance to the CEO and Board that the Agency's financial and operational controls are functioning efficiently, effectively, economically and ethically and to assist management in improving the Agency's business performance.

The Board's ARC has overall responsibility for the internal audit programme, including determining the audits to be conducted, receiving reports, and monitoring management action taken to address audit findings. The ARC has endorsed a three-year internal audit plan covering from 2014 to 2017. The internal audit programme is reviewed annually.

The 2014–15 internal audit programme is focused on transition to full scheme. This includes the Agency's assessment and planning processes, our technology and data systems, the EPMO and the Contract Management Office.

There were no ANAO performance audits of the Agency during 2014–15 and the Agency did not participate in any cross-portfolio audits.

## Asset management

The Agency managed its assets in accordance with the Agency's investment policy, relevant accounting standards and the Department of Finance requirements.

## Purchaser-provider arrangements

The Agency has a Memorandum of Understanding (MoU) with DSS for the provision of corporate and ICT services. The MoU has covered an initial period of two years ending 30 June 2015. These arrangements will continue into the next financial year, until future arrangements are finalised. The value of services provided under the MoU in 2014–15 was \$25.6 million.

The Agency also has bilateral agreements with states and territories which outline how the NDIS is expected to operate in trial sites including the roles and responsibilities of the Commonwealth and respective state and territory governments.

## Compliance with reporting requirements

The NDIA is committed to good-practice annual reporting and transparency. The Agency adheres to mandatory reporting requirements and reports performance against optional reporting requirements (see Appendix 3).

The main requirements of the Agency are set out in:

- the NDIS Act
- the Finance Minister's Orders
- the *Requirements for Annual Reports for Departments, Executive Agencies and other non-corporate Commonwealth entities*, Department of the Prime Minister and Cabinet, 25 June 2015.

## Correction of material errors in previous annual report

In the *National Disability Insurance Agency 2013–14 Annual Report* information provided in Figures 2A and 2B on pages 44–45 was incorrect for South Australia, Tasmania and Victoria. Corrections were included in a corrigendum in the printed report and amended in the online version available at [www.ndis.gov.au/ndia-annual-report-20132014](http://www.ndis.gov.au/ndia-annual-report-20132014).

# SECTION 4: Scheme sustainability and financial performance

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This section of the 2014-15 Annual Report contains the NDIA's sustainability report and financial statements.



# Sustainability report

**Summary of Annual Financial Sustainability Report 2014-15**  
*Sarah Johnson BCom FIAA*  
*Scheme Actuary*  
*September 2015*

**Introduction**

The National Disability Insurance Scheme (NDIS) Act received Royal Assent on 28 March 2013, and the NDIS became fully operational on 1 July 2013 with the commencement of NDIS trial sites. A number of significant milestones in recent history contributed to the launch of the NDIS, and importantly the insurance approach to funding and supporting people with a disability over their lifetime.

The NDIS Act commits to the provision of reasonable and necessary supports, including early intervention supports, to all participants. Unlike the existing disability system, participants will be provided with reasonable and necessary supports and this introduces financial risk into the disability system. This annual sustainability report is required under section 180B of the NDIS Act, and provides an assessment of the financial sustainability of the NDIS after two years of operations.

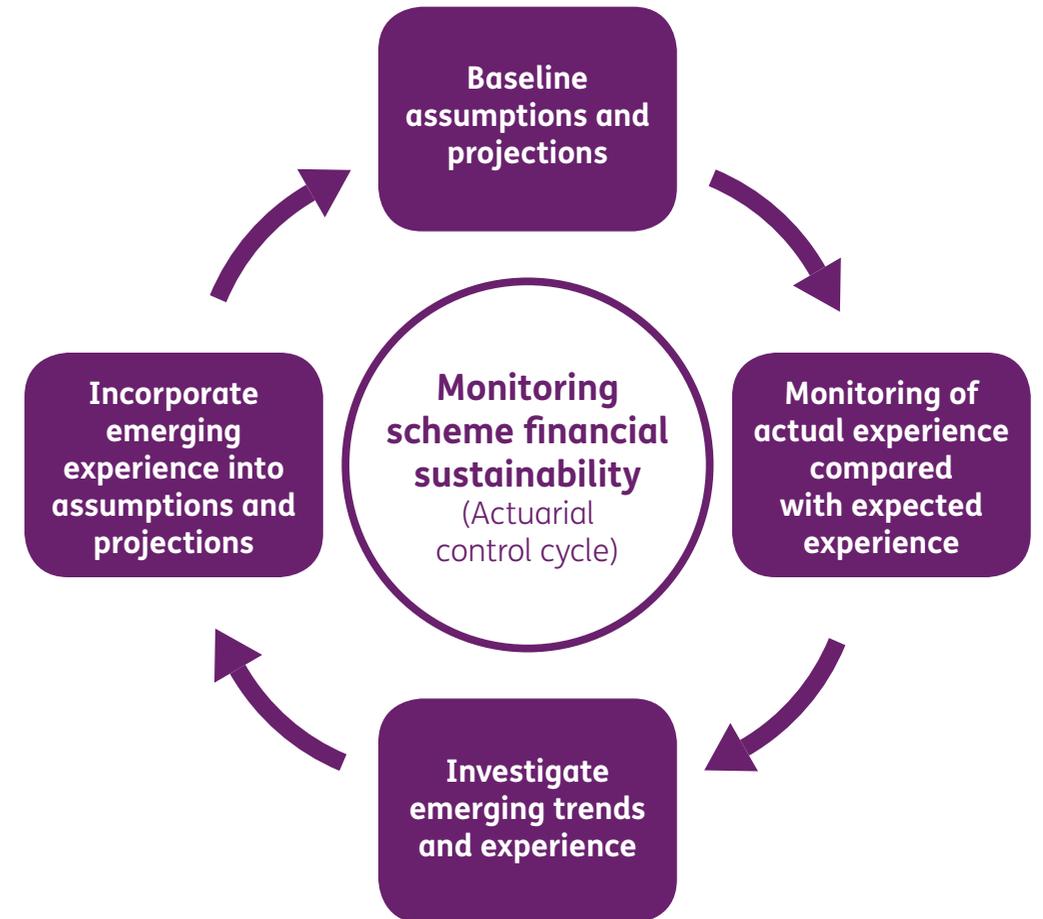
**The framework for monitoring financial sustainability**

Financial sustainability can be defined as a state where:

- The scheme is successful on the balance of objective measures and projections of economic & 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 supports; and
- contributing governments think that the cost is and will continue to be affordable, is under control, represents value for money and, therefore, remain willing to contribute.

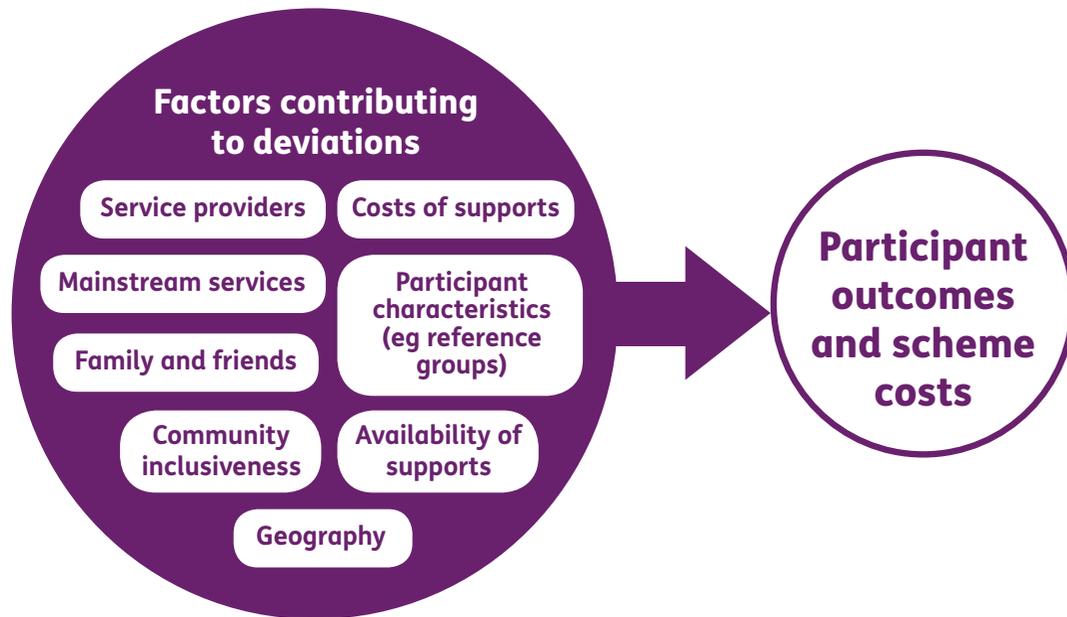
In order to continue to achieve financial sustainability a solid framework for monitoring financial sustainability is required (Figure 1). This framework includes continuous monitoring and evaluation of participant outcomes and costs.

**Figure 1 Framework for monitoring financial sustainability**



Specifically, the framework involves collecting data on the number of participants, the characteristics of these participants (to allow analysis of reference groups), the outcomes for these participants, and the cost of supports provided to participants. This allows a detailed understanding of deviations between actual and expected experience and hence identification of cost drivers. This information can then be used by the NDIS Board and NDIA management to implement any changes required to continue to ensure the NDIS remains financially sustainable.

**Figure 2 Factors contributing to deviations**



**Scheme experience**

As at 30 June 2015:

- 22,563 people had lodged an access request
- 19,817 participants were eligible for the scheme
- 17,303 participants had an approved plan.

The Productivity Commission estimates assumed that around 2.2% of the population under 65 years would be eligible for the NDIS – specifically 2.9% for 0-14 year olds, 1.8% for 15-49 year olds, and 2.4% for 50-64 year olds. Considering trial site experience to date:

- There is some evidence that there may be fewer low cost participants than expected, particularly in Newcastle LGA (in New South Wales). The number of medium and high cost participants across the trial sites is likely to be broadly in line with expected.

- The number of participants in the South Australian trial site is higher than expected,<sup>1</sup> and this experience for the 0-6 year age group is in line with the Victorian trial site. Hence, both the South Australian and Victorian trial sites have higher than expected numbers of children. The number of children in Newcastle LGA is in line with expectations. Work is underway to understand in more detail the reasons for differences between the trial sites.
- The number of participants in the Tasmanian trial site is in line with expected.

In addition to considering participant numbers, detailed analysis on the cost of the Barwon trial site and Newcastle LGA was undertaken, including possible estimates of the cost of these sites at full scheme based on actual experience. The costs of the trial sites based on scheme experience were compared with the Productivity Commission estimates. The estimated cost of both the Barwon trial site and Newcastle LGA using scheme experience is estimated to be between 90% and 100% of the Productivity Commission estimates.

The analysis on the Barwon trial site and Newcastle LGA indicates that, at this stage, departure from the Productivity Commission estimates is not warranted. Further, the differences between trial sites need to be more fully investigated and understood before this experience is incorporated into future projections. Overall, as further scheme experience emerges, so too will a better understanding of the number of participants and cost at full scheme.

**Projections**

In order to project the costs of the NDIS over time, a number of assumptions were required. These assumptions include:

- rates of new incidence by age and disability
- rates of exit from the scheme, both through mortality and because of no longer requiring NDIS support
- ageing in the scheme
- package costs over the participant’s lifetime (including the impact of early investment)
- inflation
- estimates of the impact of accident compensation schemes and particularly the National Injury Insurance Scheme (NIIS)<sup>2</sup>

<sup>1</sup> The number of participants is higher than expected compared with the Productivity Commission estimates and significantly higher than the bilateral agreement.

<sup>2</sup> The proposed NIIS will see States/Territories put in place arrangements to cover the care and support needs of people seriously injured in motor vehicle accidents, the workplace, through medical misadventure, or other means (referred to as general injury), regardless of whether the individual was at fault in the accident.

- the time period over which the scheme transitions from trial sites to national coverage<sup>3</sup>
- operating costs.

Overall:

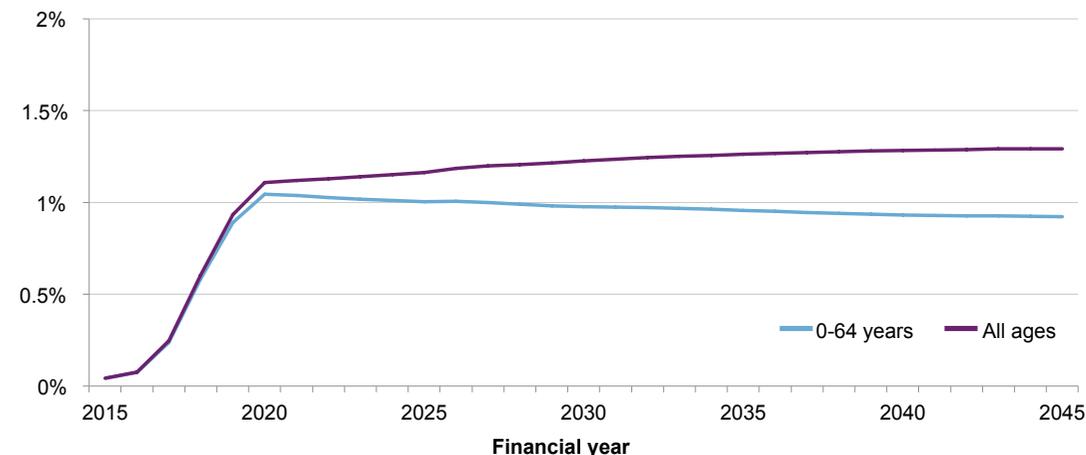
- Package costs at full scheme in 2019-20 are estimated to be \$21.9 billion, including \$1.2 billion for people aged over 65 years
- The effect of introducing the NIIS reduces the cost of the NDIS over time. Further, some people with serious injury are already covered under accident compensation scheme arrangements and hence do not require the support of the NDIS. The impact in 2019-20 reduces the total cost of the NDIS to \$21.2 billion.
- Including operating costs increases this to **\$22.4 billion**.

In 2044-45, over 65 year olds represent a much higher proportion of package costs – around 27% of costs compared with 5% in 2019-20. Further, the reduction due to the maturing of the NIIS increases – in 2044-45 this is \$6.1 billion (around 6% of total package costs).

Compared with the Productivity Commission estimates of full scheme costs, the estimates below are consistent when considering inflation and population growth, and only considering participants under the age of 65 years – 0.9% of GDP in the long term (see figure below). However, as participants age in the scheme the cost of the scheme increases from 0.9% of GDP in 2019-20 to 1.3% in 2044-45, with the additional 0.4% of GDP contributing to the cost of the aged care system.

<sup>3</sup> At the time of writing no bilateral agreements on transition to full scheme were signed. Hence, the phasing of participants agreed for New South Wales and Victorian were not included in the modelling. This will only effect the transition years and not the full scheme projection.

**Figure 3 Projected total cost as a percentage of projected GDP**



These projections are in line with the analysis in the 2013-14 Annual Financial Sustainability Report.

#### Managing financial sustainability

In order to manage financial sustainability effectively, a number of key conditions must be met. These conditions were outlined in the 2013-14 Financial Sustainability Summary Report and are listed below, along with emerging experience and mitigation strategies identified throughout 2014-15.

- An ICT system which accommodates a longitudinal database, supports the insurance approach, provides expert support to front-line staff, and meets the needs of participants and service providers is required.

Additional funding for a new ICT system was announced in the May 2015 Federal Budget. DHS will become the NDIA's ICT supplier. The new system includes the build of a new case management system in SAP, and the hosting of a new data warehouse with longitudinal capability. The NDIA will need to monitor the build closely to ensure that the system does, indeed, deliver what is required.

- Sector capacity. The service provider sector will need to expand to meet the increased demand as the NDIS ramps up to full scheme. If demand increases at a rate that is faster than supply, then, at best, inflationary pressure will emerge. At worst, confidence in the scheme could be compromised. The market needs to expand at between 20% and 30% per annum over the three years (2016-17 to 2018-19) to meet the expected transition timetable. Work to understand the extent to which the market can grow at these rates is required. This is a complex task requiring specialist skills.

- Mainstream services need to bolster their support to people with a disability and meet their requirements under the National Disability Strategy. A number of current AAT appeals highlight the need for clearly defined intersections between the NDIA and the health system.
- The NDIA requires a sufficient operating budget to monitor and manage financial sustainability. It is important to invest in the resources required to ensure that package costs remain within expectations. It is worth noting that a 10% increase in the operating budget may result in additional expenditure of approximately \$150 million at full scheme, while an increase in package costs of 10% would result in an additional \$2 billion at full scheme. Inadequate resources (both staff and systems) increase the risk of extraordinary package cost inflation. Further work is needed to test the adequacy of the operating budget.
- Participants in the scheme need support to be able to build their capacity and exercise choice and control. Work to further support participants with plan implementation is underway, such as funding support co-ordination and holding plan implementation workshops.



Ref No.:

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Facsimile: 02 6263 2677  
E-mail: peter.martin@aga.gov.au

29 September, 2015

Mr Bruce Bonyhady  
Chair  
National Disability Insurance Agency  
GPO Box 700  
CANBERRA ACT 2601

Dear Mr Bonyhady

**REVIEW OF FINANCIAL SUSTAINABILITY REPORT SUMMARY**

I have reviewed the summary of the annual Financial Sustainability Report (FSR) dated September 2015 as required under section 180E of the *National Disability Insurance Scheme (NDIS) Act 2013*. The main focus of my review has been the reasonableness of the scheme actuary's projections of long term costs of the NDIS.

I am satisfied that the scheme actuary's decision to adopt long term assumptions based on the Productivity Commission's 2011 analysis remains reasonable notwithstanding a further year of scheme experience since the previous FSR. I note that, while some minor refinements have been made to the scheme actuary's assumption set, the assumptions are, overall, consistent with those adopted in the previous FSR.

I am satisfied that the projections are consistent with the assumptions adopted.

The scheme actuary has identified a number of issues which have implications for the financial sustainability of the scheme. Each of these issues requires systematic and strategic consideration by the Agency. I draw your attention, in particular, to the scheme actuary's comments around the pace at which the NDIS ramps up to full scheme.

Finally, I note that the Agency has taken the steps necessary for me to undertake this review.

Yours sincerely

Peter Martin  
Australian Government Actuary



# Financial statements



## INDEPENDENT AUDITOR'S REPORT

### To the Minister for Social Services

I have audited the accompanying annual financial statements of the National Disability Insurance Scheme Launch Transition Agency for the year ended 30 June 2015, which comprise:

- Statement by the Chairman of the Board, Chief Executive Officer, Chief Financial Officer and Chairman of the Audit and Risk Committee;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Schedule of Commitments; and
- Notes to and forming part of the financial statements comprising Significant Accounting Policies and other explanatory information.

### Directors' Responsibility for the Financial Statements

The directors of the National Disability Insurance Scheme Launch Transition Agency are responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act. The directors are also responsible for such internal control as is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers

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19 National Circuit BARTON ACT 2600  
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internal control relevant to the National Disability Insurance Scheme Launch Transition Agency's preparation and fair presentation of the financial statements 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 National Disability Insurance Scheme Launch Transition Agency's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

### Opinion

In my opinion, the financial statements of the National Disability Insurance Scheme Launch Transition Agency:

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the National Disability Insurance Scheme Launch Transition Agency as at 30 June 2015 and its financial performance and cash flows for the year then ended.

Australian National Audit Office

Ian Goodwin  
Acting Deputy Auditor-General

Delegate of the Auditor-General

Canberra  
24 September 2015

# National Disability Insurance Scheme Launch Transition Agency

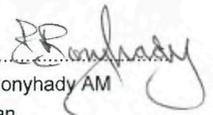
## Financial Statements for the period ending 30 June 2015

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

In our opinion, the attached financial statements for the period ended 30 June 2015 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.....  
Bruce Bonyhady AM  
Chairman  
24 September 2015

Signed.....  
David Bowen  
Chief Executive Officer  
24 September 2015

Signed.....  
Stephen Payne FCPA  
Chief Financial Officer  
24 September 2015

Signed.....  
John Hill PSM  
Director  
Audit and Risk Committee Chairman  
24 September 2015

**National Disability Insurance Scheme Launch Transition Agency**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the period ended 30 June 2015*

	Notes	2015 \$'000	2014 \$'000
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits	3A	72,441	47,379
Suppliers	3B	89,348	71,305
Grants	3C	14,928	4,515
Participant plan expenses	3D	451,293	130,861
Depreciation and amortisation	3E	8,032	4,477
Finance costs	3F	-	9
Write-down and impairment of assets	3G	20	-
Losses from assets sales	3H	-	10
<b>Total expenses</b>		<b>636,062</b>	<b>258,556</b>
<b>Own-source income</b>			
<b>Own-source revenue</b>			
Revenue from rendering of services	4A	141,674	238,757
Interest	4B	4,705	2,220
Rental income		109	-
Other revenue	4C	54,966	4,020
<b>Total own-source revenue</b>		<b>201,454</b>	<b>244,997</b>
<b>Gains</b>			
Other gains	4D	126,584	23,266
<b>Total gains</b>		<b>126,584</b>	<b>23,266</b>
<b>Total own-source income</b>		<b>328,038</b>	<b>268,263</b>
<b>Net (cost of)/contribution by services</b>		<b>(308,024)</b>	<b>9,707</b>
Revenue from Government	4E	308,433	8,271
<b>Surplus/(Deficit)</b>		<b>409</b>	<b>17,978</b>
<b>Total comprehensive income/(loss)</b>		<b>409</b>	<b>17,978</b>

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

**National Disability Insurance Scheme Launch Transition Agency**  
**STATEMENT OF FINANCIAL POSITION**  
*as at 30 June 2015*

	Notes	2015 \$'000	2014 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	6A	136,482	122,325
Trade and other receivables	6B	83,933	3,649
<b>Total financial assets</b>		<b>220,415</b>	<b>125,974</b>
<b>Non-financial assets</b>			
Buildings (leasehold improvements)	7A,C	26,463	20,461
Property, plant and equipment	7B,C	1,456	897
Intangibles	7D,E	3,416	277
Other non-financial assets	7F	4,274	691
<b>Total non-financial assets</b>		<b>35,609</b>	<b>22,326</b>
<b>Total assets</b>		<b>256,024</b>	<b>148,300</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	8A	13,704	12,340
Participant plan payables	8B	2,632	1,476
Other payables	8C	8,279	2,356
<b>Total payables</b>		<b>24,615</b>	<b>16,172</b>
<b>Provisions</b>			
Employee provisions	9A	15,512	6,874
Participant plan provisions	9B	163,088	66,400
Other provisions	9C	2,642	2,186
<b>Total provisions</b>		<b>181,242</b>	<b>75,460</b>
<b>Total liabilities</b>		<b>205,857</b>	<b>91,632</b>
<b>Net assets</b>		<b>50,167</b>	<b>56,668</b>
<b>EQUITY</b>			
Contributed equity		31,780	38,690
Retained surplus		18,387	17,978
<b>Total equity</b>		<b>50,167</b>	<b>56,668</b>

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

**National Disability Insurance Scheme Launch Transition Agency**  
**STATEMENT OF CHANGES IN EQUITY**  
*for the period ended 30 June 2015*

	Retained earnings		Contributed equity		Total equity	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>						
Balance carried forward from previous period	17,978	-	38,690	-	56,668	-
<b>Adjusted opening balance</b>	17,978	-	38,690	-	56,668	-
<b>Comprehensive income</b>						
Surplus/(Deficit) for the period	409	17,978	-	-	409	17,978
<b>Total comprehensive income/(loss)</b>	409	17,978	-	-	409	17,978
<b>Transactions with owners</b>						
<b>Contributions by owners</b>						
Restructuring (Note 10) <sup>1</sup>	-	-	-	8,676	-	8,676
Equity injection	-	-	-	-	-	-
Corporate Commonwealth entity payment	-	-	23,349	30,014	23,349	30,014
Transfers to/from other entities <sup>2</sup>	-	-	(30,259)	-	(30,259)	-
<b>Sub-total transactions with owners</b>	-	-	(6,910)	38,690	(6,910)	38,690
<b>Closing balance</b>	18,387	17,978	31,780	38,690	50,167	56,668

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

<sup>1</sup> On 1 July 2013, the Agency became financially independent from the former Department of Families, Housing, Community Services and Indigenous Affairs. On that date, a number of assets and liabilities were transferred to the Agency as part of an administrative restructure.

<sup>2</sup> The Sector Development Fund transferred to the Department of Social Services effective 9 December 2014.

**National Disability Insurance Scheme Launch Transition Agency**  
**CASH FLOW STATEMENT**  
*for the period ended 30 June 2015*

	Notes	2015	2014
		\$'000	\$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from Government		309,320	7,384
State and territory government contributions		112,368	48,674
Interest received		4,963	2,065
Department of Social Services		-	190,083
Other		7,655	4,027
Net GST received		7,492	4,433
<b>Total cash received</b>		441,798	256,666
<b>Cash used</b>			
Employee benefits		64,018	42,462
Supplier expenses		88,020	57,549
Participant plan expenses		234,953	42,424
Grant payments		15,912	4,522
<b>Total cash used</b>		402,903	146,957
<b>Net cash from operating activities</b>	11	38,895	109,709
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Purchase of buildings, plant and equipment, and intangibles		17,828	17,398
<b>Total cash used</b>		17,828	17,398
<b>Net cash used by investing activities</b>		(17,828)	(17,398)
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Corporate Commonwealth entity payment		23,349	30,014
<b>Total cash received</b>		23,349	30,014
<b>Cash used</b>			
Transfer to other entities		30,259	-
<b>Total cash used</b>		30,259	-
<b>Net cash from financing activities</b>		(6,910)	30,014
<b>Net increase in cash held</b>		14,157	122,325
Cash and cash equivalents at the beginning of the reporting period		122,325	-
<b>Cash and cash equivalents at the end of the reporting period</b>	6A	136,482	122,325

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

**National Disability Insurance Scheme Launch Transition Agency**  
**SCHEDULE OF COMMITMENTS**  
as at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
<b>BY TYPE</b>			
<b>Commitments receivable</b>			
<b>State and territory government Scheme contributions</b>			
State and territory government Scheme contributions		<u>587,000</u>	<u>850,585</u>
<b>Total state and territory government Scheme contributions</b>	18	<u>587,000</u>	<u>850,585</u>
<b>GST commitments receivable</b>			
Net GST recoverable on commitments		<u>4,656</u>	<u>6,696</u>
<b>Total GST receivable</b>		<u>4,656</u>	<u>6,696</u>
<b>Total commitments receivable</b>		<u>591,656</u>	<u>857,281</u>
<b>Commitments payable</b>			
<b>Capital commitments</b>			
Buildings (leasehold improvements)		<u>(4,103)</u>	<u>(7,261)</u>
Property, plant and equipment		<u>(12)</u>	<u>(20)</u>
<b>Total capital commitments</b>		<u>(4,115)</u>	<u>(7,281)</u>
<b>Other commitments</b>			
Operating leases		<u>(29,570)</u>	<u>(25,839)</u>
Participant plans	18	<u>(332,906)</u>	<u>(154,502)</u>
Suppliers		<u>(16,032)</u>	<u>(43,402)</u>
<b>Total other commitments</b>		<u>(378,508)</u>	<u>(223,743)</u>
<b>Total commitments payable</b>		<u>(382,623)</u>	<u>(231,024)</u>
<b>Net commitments by type</b>		<u>209,033</u>	<u>626,257</u>

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

**National Disability Insurance Scheme Launch Transition Agency**  
**SCHEDULE OF COMMITMENTS**  
as at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
<b>BY MATURITY</b>			
<b>Commitments receivable</b>			
<b>State and territory government Scheme contributions</b>			
Within 1 year		<u>467,300</u>	<u>252,055</u>
Between 1 to 5 years		<u>119,700</u>	<u>598,530</u>
<b>Total state and territory government Scheme contributions</b>	18	<u>587,000</u>	<u>850,585</u>
<b>GST commitments receivable</b>			
Within 1 year		<u>2,267</u>	<u>4,425</u>
Between 1 to 5 years		<u>1,479</u>	<u>1,526</u>
More than 5 years		<u>910</u>	<u>745</u>
<b>Total GST receivable</b>		<u>4,656</u>	<u>6,696</u>
<b>Total commitments receivable</b>		<u>591,656</u>	<u>857,281</u>
<b>Commitments payable</b>			
<b>Capital commitments</b>			
Within 1 year		<u>(4,115)</u>	<u>(7,281)</u>
<b>Total capital commitments</b>		<u>(4,115)</u>	<u>(7,281)</u>
<b>Operating lease commitments<sup>1</sup></b>			
Within 1 year		<u>(6,534)</u>	<u>(5,485)</u>
Between 1 to 5 years		<u>(13,028)</u>	<u>(12,160)</u>
More than 5 years		<u>(10,008)</u>	<u>(8,194)</u>
<b>Total operating lease commitments</b>		<u>(29,570)</u>	<u>(25,839)</u>
<b>Participant plan</b>			
Within 1 year		<u>(332,467)</u>	<u>(154,502)</u>
Between 1 to 5 years		<u>(439)</u>	<u>-</u>
<b>Total participant plan commitments</b>	18	<u>(332,906)</u>	<u>(154,502)</u>
<b>Supplier commitments</b>			
Within 1 year		<u>(13,046)</u>	<u>(38,773)</u>
Between 1 to 5 years		<u>(2,986)</u>	<u>(4,629)</u>
<b>Total supplier commitments</b>		<u>(16,032)</u>	<u>(43,402)</u>
<b>Total commitments payable</b>		<u>(382,623)</u>	<u>(231,024)</u>
<b>Net commitments by maturity</b>		<u>209,033</u>	<u>626,257</u>

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

<sup>1</sup> Motor Vehicles – operating leases over periods up to 36 months that do not have contingent rentals and do not have purchase options available at the end of the lease.  
Property leases – lease payments subject to increases in accordance with CPI or other agreed increment with initial periods of between 1 and 10 years. Some leases have options to extend.

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

**Note 1: Significant Accounting Policies**

**1.1 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') and became financially independent on 1 July 2013. The Agency is an Australian Government controlled not-for-profit entity with its head office located in Geelong, Victoria.

From 1 July 2013, arrangements were put in place to ensure that the National Disability Insurance Scheme ('the Scheme') could be introduced gradually, ensuring a smooth transition for people with disability and support providers. The first stage of the Scheme was rolled out in South Australia, Tasmania, the Barwon area of Victoria and the Hunter area of New South Wales. The Australian Capital Territory, the Perth Hills area of Western Australia and the Barkly area of the Northern Territory joined the launch phase of the Scheme from 1 July 2014.

**1.2 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 and social and economic participation of people with a disability.

The Agency enables each participant to exercise individual control and choice in respect to the delivery of reasonable, necessary care and support and undertakes to support people with disabilities, their families and carers. It also works to support the wider disability sector in order to promote better outcomes for people with a disability, in areas such as research and building community awareness.

The Agency is also responsible for reporting on the sustainability of the Scheme, including regularly making and assessing 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 is structured to meet a single Government outcome of implementing a Scheme that provides individual control and choice in the delivery of reasonable and necessary care and 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 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.

**1.3 Basis of preparation of the financial statements**

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) Financial Reporting Rule (FRR) for reporting periods ending on or after 1 July 2014; and
- b) Australian Accounting Standards and Interpretations 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 recorded at fair value.

Except where stated, no allowance is made for the effect of changing prices on the results or the financial position of the Agency. The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars, unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FRR, assets and liabilities are recognised in the statement of financial position when and only when it is probable that future economic benefits will flow to the Agency or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contracts (where one or more parties have not yet fulfilled their performance obligations) are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments or the contingent assets and liabilities note (Note 12).

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

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

### 1.3.1 Significant accounting judgements and estimates

In the process of applying the accounting policies listed in this note, the Agency has made the following judgements and estimates that have the most significant impact on the amounts recorded in the financial statements:

#### Participant plan provisions

The Agency recognises a liability for the costs of reasonable care and support at the time that services are provided to participants in the Scheme. Due to the administrative processes associated with receiving and processing claims at the end of an accounting period, the Agency may not have been notified of the full value of all services provided during that period. Therefore, the Agency records a provision for the reasonable care and support for participants provided during the period but not yet notified to the Agency based on its best estimate of the outstanding liability using the guidance in accounting standards and is informed by actuarial analysis including consideration of participant claims history and other relevant factors. The value of this provision is assessed on a regular basis in line with emerging evidence of provider claiming. The provision is reduced where sufficient evidence exists that amounts will not be claimed. The reduction in the provision during the year is shown in Note 9 and further information is available in Note 18.

#### In-kind contributions

The Agency records income in relation to non-cash or in-kind contributions from Commonwealth, state and territory governments at the time when the services are provided to participants, as disclosed in Note 1.3.3. 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 and in this case 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 based on available evidence. Contributions in-kind are disclosed in Note 4D.

#### Additional Scheme contributions

The Agency recognises additional Scheme contributions receivable from Commonwealth, state and territory governments in respect of differences between the amount of agreed in-kind contributions and the actual in-kind services provided during the year. These amounts are disclosed in Note 6B and reflect the Agency's expectation that these additional contributions will be required to fund reasonable care and support for participants as outlined above. The amount recognised as a receivable will be reviewed in future periods in line with Agency estimates of the participant plan provision.

Given that only limited historical information is available in relation to participant claims history and the fact that the Scheme remains in the launch phase, the estimates of participant plan provision, in-kind contributions and additional Scheme contributions may require material adjustment in future accounting periods.

No other accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months.

#### Fair value of property, plant and equipment

Buildings (leasehold improvements), property, plant and equipment are measured at their estimated fair value in the financial statements. The methods and techniques used for the measurement of fair value are set out in Note 5.

### 1.3.2 New Australian Accounting Standards

#### Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

AASB 1055 *Budgetary Reporting* applies for the first time in 2014-15. This standard requires the Agency to disclose budgetary information in the financial statements together with explanations for any major variances between actual and budgeted figures. Budgetary information is not required to be presented in respect of comparative periods and this standard will not result in changes to the recognition or measurement of amounts presented in these financial statements.

There have been no other revised or amended standards or interpretations that were issued by the AASB prior to the sign off date that are applicable to future reporting periods and are expected to have a future material financial impact on the Agency.

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

### 1.3.3 Revenue recognition

#### Rendering of services

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date and is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits associated with the transaction will flow to the Agency.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Cash contributions to the NDIS from state and territory governments are recognised as revenue when they become payable to the Agency under a signed agreement with the Commonwealth. These include cash contributions outlined in the bilateral agreements for the funding of the National Disability Insurance Scheme as well as any additional Scheme contributions that are payable as a result of differences between the amount of agreed in-kind contributions and the actual in-kind services provided during the year. Additional Scheme contributions are recorded in note 6B.

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.

#### Unearned revenue

Amounts invoiced in advance are recognised as unearned income in the balance sheet until the relevant revenue recognition criteria are met.

#### Interest revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

#### Rental income

The Agency receives rental income in relation to shared premises with the Department of Social Services under a Memorandum of Understanding. Rental income is recognised on a straight-line basis over the lease term.

#### Compensation

The Agency has powers set out in the NDIS Act and the NDIS Compensation Rules to recover amounts of compensation that have been paid to or given up by participants in certain circumstances. The Agency recognises compensation revenue when, and only when both the amount of the compensation can be reliably determined, and the receipt of the compensation is probable.

#### Resources received free of charge

Resources received free of charge are recognised as revenue 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 those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

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. Refer to Note 10 for details of the Agency's restructuring efforts.

#### In-kind contributions

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) items such as disability services, health, family support, education, employment, transport and/or housing to people with a disability. The provision of these 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 notional unit value provided by the jurisdiction which is based on what the jurisdiction has paid under its funding arrangements with the provider. In-kind contributions are recorded in Note 4D.

#### Revenue from Government

Funding received or receivable from non-corporate Commonwealth entities (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.

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

### 1.3.4 Gains and losses from disposal of assets

Gains and losses from the disposal of assets are recognised when control of the asset has passed to the buyer.

### 1.3.5 Transactions with the Government as owner

#### Equity injections

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

#### Restructuring of administrative arrangements

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

#### Other distributions to owners

The FRR require that distributions to owners be debited to contributed equity unless it is in the nature of a dividend.

### 1.3.6 Employee benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the 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 long service leave has been determined by reference to the work of an actuary as at 30 June 2015. 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.

#### Separation and redundancy

Provision is made for separation and redundancy benefit payments. The Agency recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

#### Superannuation

Agency's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap). 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 administered schedules and notes.

The Agency makes employer contributions to the employees' superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The Agency accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at the balance date represents outstanding superannuation contributions at the end of the period.

### 1.3.7 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease and where the lessor effectively retains substantially all such risks and benefits.

Where an asset is acquired by means of a finance lease, the asset is capitalised on the Statement of Financial Position at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in each lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

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

Operating lease payments are expensed on a straight-line basis over the life of the lease, which is representative of the pattern of benefits derived from the leased assets.

### 1.3.8 Borrowing costs

All borrowing costs are expensed as incurred and include interest and other costs incurred by an entity in connection with the borrowing of funds and may include finance charges in respect of finance leases recognised in accordance with Australian accounting standards.

In addition to borrowing costs, other costs which may form part of finance costs include costs arising from the unwinding of the discount on liabilities and provisions.

### 1.3.9 Fair value measurement

The Agency deems transfers between levels of the fair value hierarchy to have occurred at the end of the reporting period. Refer to Note 5 for details surrounding the Agency's fair value assumptions.

### 1.3.10 Cash

Cash is recognised at its nominal amount and recorded in the Statement of Financial Position. Cash and cash equivalents include cash on hand and term deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

### 1.3.11 Financial Instruments

#### **Financial assets**

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

#### Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables' and are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

#### Effective interest method

Interest income is recognised on an effective interest rate basis. 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 impairment* - financial assets are assessed for impairment at the end of each reporting period.

*Financial assets carried at amortised cost* - if there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

*Financial assets carried at cost* - if there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

#### **Financial liabilities**

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.

Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

### 1.3.12 Contingent liabilities and contingent assets

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**

**1.3.13 Acquisition of assets**

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. 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, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

**1.3.14 Property, plant and equipment**

Asset recognition threshold

Purchases of property, 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.

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. These costs are included in the value of the Agency's leasehold improvements with a corresponding provision for the 'make good' obligation recognised.

Revaluations

Following initial recognition at cost, items of property, plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. The Agency's policy is to conduct valuations with sufficient frequency to ensure that the carrying value of items do not differ materially from their fair value at each reporting date. The Agency has reviewed its portfolio of property, plant and equipment at 30 June 2015 and determined that no independent valuation is required, having regard to the nature of items in the portfolio and the relatively recent purchase and/or construction of each of the items. Accordingly, no revaluation adjustments have been recognised in these financial statements. In future periods, the regularity of independent valuations will depend on the volatility of movements in market values for the relevant assets.

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 reverses 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 was restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets (other than freehold land and properties 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
Property, plant and equipment	3 to 10 years
Buildings (leasehold improvements)	Lesser of 10 years or the lease term

Impairment

All assets were assessed for impairment at 30 June 2015. 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**

Derecognition

An item of property, 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 property, plant and equipment is determined as the difference between the sales processed and the carrying amount of the asset and is recognised in profit or loss.

**1.3.15 Intangibles**

Agency intangibles comprise internally developed software for internal use and purchased software. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Agency's software range between two and seven years (2014: between seven and ten years).

All intangible assets were assessed for indications of impairment as at 30 June 2015.

**1.3.16 Taxation**

The Agency is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST). Revenues, expenses and assets are recognised net of GST except:

- a) where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- b) for receivables and payables.

**1.3.17 Provisions**

The Agency makes a provision for the reasonable care and support for participants provided 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. Further information is available in Note 9.

At the end of a reporting period, any amounts that have been approved as part of a participant plan but have not yet been recognised as a participant plan expense are included as a participant plan commitment as part of the Schedule of Commitments.

**1.3.18 Related party disclosures**

The term related parties is used to denote other parties which form part of the Australian Government or which the Australian Government controls. Transactions with related parties are disclosed in Notes 3B, 4A, 6B, 8A.

The term external party is used to denote parties which do not form part of the Australian Government or which the Australian Government does not control. This includes state and territory governments. Transactions with external parties are disclosed in Notes 3B, 4A, 6B and 8A.

Related parties is also used to denote any other related parties as per Australian accounting standards as any person or entity in which a member of the Board of the Agency has a material personal interest. Transactions with related parties are disclosed in Note 14.

**Note 2: Events after the reporting period**

At the date of this report, there have not been any subsequent events that have a potential to significantly affect the ongoing structure or financial activities of the Agency.

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

**Note 3: Expenses**

	2015 \$'000	2014 \$'000
<b>Note 3A: Employee benefits</b>		
Wages and salaries	55,143	36,282
Superannuation		
Defined contribution plans	7,226	4,390
Defined benefit plans	2,344	1,662
Leave and other entitlements	7,337	4,968
Separation and redundancies	391	77
<b>Total employee benefits</b>	<b>72,441</b>	<b>47,379</b>

**Note 3B: Suppliers**

<b>Goods and services supplied or rendered</b>		
Travel	3,904	1,867
Consultants and contractors	33,382	16,126
Memorandum of Understanding costs <sup>1</sup>	25,602	30,484
Contract services - local area coordination	5,498	3,002
Information technology	1,523	4,543
Property operating expenses	2,466	2,596
Other	9,747	7,470
<b>Total goods and services supplied or rendered</b>	<b>82,122</b>	<b>66,088</b>
<b>Goods and services rendered in connection with</b>		
Related parties	27,582	30,484
External parties	54,540	35,604
<b>Total services rendered</b>	<b>82,122</b>	<b>66,088</b>
<b>Total goods and services supplied or rendered</b>	<b>82,122</b>	<b>66,088</b>

**Other suppliers**

<b>Operating lease rentals in connection with</b>		
External entities		
Minimum lease payments	5,765	4,410
Workers compensation	1,461	807
<b>Total other suppliers</b>	<b>7,226</b>	<b>5,217</b>
<b>Total suppliers</b>	<b>89,348</b>	<b>71,305</b>

<sup>1</sup> The Agency has in place a Memorandum of Understanding that covers the provision of various administrative and operational support services by the Department of Social Services.

**Note 3C: Grants**

Public sector		-
Australian Government entities (related parties)	-	100
State and territory Governments	5,272	3,378
Private sector		
Not for profit organisations	9,656	1,037
<b>Total grants</b>	<b>14,928</b>	<b>4,515</b>

The Agency provides 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 relate to a range of projects including disability research, increased social and community participation, innovation and education.

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

	2015 \$'000	2014 \$'000
<b>Note 3D: Participant plan expenses</b>		
Participant plan expenses	451,293	130,861
<b>Total participant plan expenses</b>	<b>451,293</b>	<b>130,861</b>

**Note 3E: Depreciation and amortisation**

<b>Depreciation</b>		
Property, plant and equipment	807	279
Buildings	7,086	4,198
<b>Total depreciation</b>	<b>7,893</b>	<b>4,477</b>
<b>Amortisation</b>		
Intangibles	139	-
<b>Total amortisation</b>	<b>139</b>	<b>-</b>
<b>Total depreciation and amortisation</b>	<b>8,032</b>	<b>4,477</b>

**Note 3F: Finance costs**

Unwinding of discount	-	9
<b>Total finance costs</b>	<b>-</b>	<b>9</b>

**Note 3G: Write-down and impairment of assets**

Writedown of property, plant and equipment	20	-
<b>Total write-down and impairment of assets</b>	<b>20</b>	<b>-</b>

**Note 3H: Losses from asset sales**

Property, plant and equipment		
Proceeds from sale	-	(52)
Carrying value of assets sold	-	62
<b>Total losses from asset sales</b>	<b>-</b>	<b>10</b>

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

**Note 4: Income**

	2015 \$'000	2014 \$'000
Own source revenue		

**Note 4A: Revenue from rendering of services**

**Rendering of services in connection with**

Related parties - contributions from Department of Social Services	1,625	190,083
External parties - contributions from state and territory governments	140,049	48,674
<b>Total revenue from the rendering of services</b>	<b>141,674</b>	<b>238,757</b>

**Note 4B: Interest**

Deposits	4,705	2,220
<b>Total interest</b>	<b>4,705</b>	<b>2,220</b>

**Note 4C: Other revenue**

Contribution by Victorian Government <sup>1</sup>	7,500	4,000
Additional Scheme contributions (Note 6B)	47,327	-
Other	139	20
<b>Total other revenue</b>	<b>54,966</b>	<b>4,020</b>

<sup>1</sup> The Victorian Government has contributed an amount to fund the set-up costs of the Agency's National Office, located in Geelong under an agreement with the Commonwealth Government.

**Gains**

**Note 4D: Other gains**

Contributions in-kind from Commonwealth, state and territory governments	126,378	23,266
Assets first found	206	-
<b>Total gains</b>	<b>126,584</b>	<b>23,266</b>

**Note 4E: Revenue from Government**

**Department of Social Services**

Corporate Commonwealth entity payment item	308,433	8,271
<b>Total revenue from Government</b>	<b>308,433</b>	<b>8,271</b>

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

**Note 5: Fair Value Measurements**

The following tables provide an analysis of assets and liabilities that are measured at fair value.

The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**Note 5A: Fair value measurements for recurring fair value measurement assets**

**Level 2 and Level 3 fair value measurements - valuation technique and the inputs used for assets and liabilities 2015**

	Fair value measurements at the end of the reporting period		For level 2 and 3 fair value measurements			
	2015 \$'000	2014 \$'000	Valuation Technique <sup>1</sup>	Inputs used	Inputs range	Weighted average <sup>2</sup>
<b>Non-financial assets</b>						
Buildings (leasehold improvements)	26,463	20,461	Depreciated	Cost prices,	1% - 67%	27%
Property, plant and equipment	1,456	897	replacement cost	depreciation rates	6% - 100%	55%
<b>Total non-financial assets</b>	<b>27,919</b>	<b>21,358</b>				

<sup>1</sup> The methods and valuation techniques used for the purpose of measuring fair value of assets and liabilities in 2015 are in accordance with the revaluation policy stated at Note 1.3.14. Given the short period between acquisition and valuation of assets, unless evidence indicated otherwise, it was deemed that historical cost less accumulated depreciation and amortisation was a suitable proxy to fair value.

Changing inputs to the Level 3 hierarchy valuations to reasonably possible alternatives would not significantly change amounts recognised in net contribution by services or other comprehensive income.

<sup>2</sup> The weighted average calculation was determined by multiplying each assets weighting by acquisition value as a total of the respective asset class by the percentage of each assets depreciation expense incurred in the current period relative to acquisition value.

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

**Note 5B: Reconciliation for recurring level 3 fair value measurements**  
Recurring Level 3 fair value measurements - reconciliation for assets

	Non-financial assets				
	Leasehold improvements		Property, plant and equipment		Total
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000
Opening balance	20,461	-	897	-	21,358
Total losses recognised in net cost of services	-	-	-	(10)	(10)
Purchases	13,088	24,669	1,179	1,238	14,267
Assets first found recognised	-	-	206	-	206
Disposals	-	-	(35)	-	(35)
Proceeds from sale	-	-	-	(52)	(52)
Depreciation	(7,086)	(4,198)	(791)	(279)	(7,877)
<b>Closing balance</b>	<b>26,463</b>	<b>20,461</b>	<b>1,456</b>	<b>897</b>	<b>27,919</b>

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

**Note 6: Financial Assets**

	2015 \$'000	2014 \$'000
<b>Note 6A: Cash and cash equivalents</b>		
Cash on hand or on deposit	37,482	71,990
Term deposit	99,000	50,335
<b>Total cash and cash equivalents</b>	<b>136,482</b>	<b>122,325</b>

**Note 6B: Trade and other receivables**

**Goods and services receivables in connection with**

Related parties	2,757	1,684
External parties	32,814	231
<b>Total goods and services receivables</b>	<b>35,571</b>	<b>1,915</b>

**Revenue from Government receivable**

Department of Social Services	-	887
<b>Total revenue from Government receivable</b>	<b>-</b>	<b>887</b>

**Other receivables**

Statutory receivables	778	460
Additional Scheme contributions <sup>1</sup>	47,327	-
Other	257	387
<b>Total other receivables</b>	<b>48,362</b>	<b>847</b>

**Total trade and other receivables (gross)**

**Trade and other receivables expected to be recovered**

No more than 12 months	83,933	3,649
<b>Total trade and other receivables (gross)</b>	<b>83,933</b>	<b>3,649</b>

**Trade and other receivables aged as follows**

Not overdue	51,371	3,171
Overdue by		
0 to 30 days	9,165	91
31 to 60 days	9,091	59
61 to 90 days	8,399	137
More than 90 days	5,907	191
<b>Total trade and other receivables (gross)</b>	<b>83,933</b>	<b>3,649</b>

No allowance for impairment has been made as the amounts receivable are mainly from state and territory governments. The Agency is of the opinion that all amounts are likely to be fully recovered.

<sup>1</sup> Under the Intergovernmental Agreement for the NDIS Launch, the Agency is able to seek additional cash contributions from Commonwealth, state and territory governments in respect of differences between the amount of agreed in-kind contributions and the actual in-kind services provided during the year. This reflects the fact that the Agency will be required to source equivalent services from other providers and pay for those services. The amount owed will be reviewed in future periods in line with the Agency estimates of the total amount of supports provided to participants based on claims received.

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

**Note 7: Non-Financial Assets**

2015	2014
<b>\$'000</b>	<b>\$'000</b>

**Note 7A: Buildings (leasehold improvements)**

Buildings (leasehold improvements)		
Work in progress	718	6,714
Fair value	37,029	17,945
Accumulated depreciation	<u>(11,284)</u>	<u>(4,198)</u>
<b>Total buildings (leasehold improvements)</b>	<b><u>26,463</u></b>	<b><u>20,461</u></b>

No indicators of impairment were found for leasehold improvements.

No leasehold improvements are expected to be sold or disposed of within the next 12 months.

**Note 7B: Property, plant and equipment**

**Other property, plant and equipment**

Fair value	2,298	1,137
Accumulated depreciation	<u>(842)</u>	<u>(240)</u>
<b>Total property, plant and equipment</b>	<b><u>1,456</u></b>	<b><u>897</u></b>

No indicators of impairment were found for property, plant and equipment.

No property, plant or equipment is expected to be sold or disposed of within the next 12 months.

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

**Note 7C: Reconciliation of the opening and closing balances of property, plant and equipment for 2015**

	Buildings (leasehold improvements)	Property, plant & equipment	Total
	\$'000	\$'000	\$'000
<b>As at 1 July 2014</b>			
Gross book value	24,659	1,137	25,796
Accumulated depreciation and impairment	<u>(4,198)</u>	<u>(240)</u>	<u>(4,438)</u>
<b>Net book value 1 July 2014</b>	<b>20,461</b>	<b>897</b>	<b>21,358</b>
<b>Additions</b>			
By purchase	13,088	1,179	14,267
Assets first found	-	206	206
Depreciation expense	<u>(7,086)</u>	<u>(807)</u>	<u>(7,893)</u>
Disposals			
Other (net of depreciation)	-	<u>(19)</u>	<u>(19)</u>
<b>Net book value 30 June 2015</b>	<b>26,463</b>	<b>1,456</b>	<b>27,919</b>
<b>Net book value as of 30 June 2015 represented by:</b>			
Gross book value	37,747	2,298	40,045
Accumulated depreciation	<u>(11,284)</u>	<u>(842)</u>	<u>(12,126)</u>
	<b>26,463</b>	<b>1,456</b>	<b>27,919</b>



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

**Note 7C: Reconciliation of the opening and closing balances of property, plant and equipment 2014**

	Buildings (leasehold improvements) \$'000	Other property, plant & equipment \$'000	Total \$'000
<b>As at 1 July 2013</b>			
Gross book value	-	-	-
Accumulated depreciation and impairment	-	-	-
<b>Net book value 1 July 2013</b>			
Additions:			
By purchase	16,437	530	16,967
From restructuring <sup>1</sup>	8,222	708	8,930
Depreciation expense	(4,198)	(279)	(4,477)
Disposals:			
Other (net of depreciation)	-	(62)	(62)
<b>Net book value 30 June 2014</b>	<b>20,461</b>	<b>897</b>	<b>21,358</b>
<b>Net book value as of 30 June 2014 represented by:</b>			
Gross book value	24,659	1,137	25,796
Accumulated depreciation and impairment	(4,198)	(240)	(4,438)
	<u>20,461</u>	<u>897</u>	<u>21,358</u>

<sup>1</sup> On 1 July 2013, the Agency became financially independent from the former Department of Families, Housing, Community Services and Indigenous Affairs. On that date, a number of assets and liabilities were transferred to the Agency as part of an administrative restructure. Refer to Note 10 for details.

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

	2015 \$'000	2014 \$'000
<b>Note 7D: Intangibles</b>		
Computer software		
Internally developed - in progress	2,080	277
Purchased - in use	1,475	-
Accumulated amortisation	(139)	-
<b>Total computer software</b>	<b>3,416</b>	<b>277</b>
<b>Total intangibles</b>	<b>3,416</b>	<b>277</b>

Intangible assets were assessed for recoverable amounts and no indicators of impairment were found. No intangibles are expected to be sold or disposed of within the next 12 months.

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

**Note 7E: Reconciliation of the opening and closing balances of intangibles for 2015**

	Computer software internally developed \$'000	Total \$'000
<b>As at 1 July 2014</b>		
Gross book value	277	277
Accumulated amortisation and impairment	-	-
<b>Net book value 1 July 2014</b>	<b>277</b>	<b>277</b>
<b>Additions</b>		
Internally developed	3,278	3,278
Amortisation	(139)	(139)
<b>Net book value 30 June 2015</b>	<b>3,416</b>	<b>3,416</b>
<b>Net book value as of 30 June 2015 represented by:</b>		
Gross book value	3,555	3,555
Accumulated amortisation and impairment	(139)	(139)
	<b>3,416</b>	<b>3,416</b>

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

**Note 7E: Reconciliation of the opening and closing balances of intangibles for 2014**

	Computer software internally developed \$'000	Total \$'000
<b>As at 1 July 2013</b>		
Gross book value	-	-
Accumulated amortisation and impairment	-	-
<b>Net book value 1 July 2013</b>	<b>-</b>	<b>-</b>
<b>Additions</b>		
Internally developed	277	277
Amortisation	-	-
<b>Net book value 30 June 2014</b>	<b>277</b>	<b>277</b>
<b>Net book value as of 30 June 2014 represented by:</b>		
Gross book value	277	277
Accumulated amortisation and impairment	-	-
	<b>277</b>	<b>277</b>

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

	2015 \$'000	2014 \$'000
<b>Note 7F: Other non-financial assets</b>		
Participant advances <sup>1</sup>	3,137	666
Participant plan prepayments <sup>2</sup>	328	-
Other prepayments	809	25
<b>Total other non-financial assets</b>	<b>4,274</b>	<b>691</b>
<b>Other non-financial assets expected to be recovered</b>		
No more than 12 months	4,274	691
<b>Total other non-financial assets</b>	<b>4,274</b>	<b>691</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**

**Note 8: Payables**

	2015 \$'000	2014 \$'000
<b>Note 8A: Suppliers</b>		
Trade creditors and accruals	13,704	12,340
<b>Total suppliers</b>	<b>13,704</b>	<b>12,340</b>
Supplier payables expected to be settled within 12 months		
Related parties	6,342	7,904
External parties	7,362	4,436
<b>Total suppliers</b>	<b>13,704</b>	<b>12,340</b>

Settlement is usually made within 30 days.

**Note 8B: Participant plan payables**

Participant plan payables expected to be settled within 12 months	2,632	1,476
<b>Total participant plan payables</b>	<b>2,632</b>	<b>1,476</b>

**Note 8C: Other payables**

Unearned revenue <sup>1</sup>	4,350	-
Salaries and wages	1,341	1,306
Superannuation	-	218
Lease incentives	1,863	595
Operating lease rentals	318	203
Other	407	34
<b>Total other payables</b>	<b>8,279</b>	<b>2,356</b>
Other payables expected to be settled		
No more than 12 months	6,324	2,356
More than 12 months	1,955	-
<b>Total other payables</b>	<b>8,279</b>	<b>2,356</b>

<sup>1</sup> Unearned revenue payments in advance relate to Agency activities in the 2015-16 financial year.

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

**Note 9: Provisions**

	2015 \$'000	2014 \$'000
<b>Note 9A: Employee provisions</b>		
Leave	15,512	6,874
<b>Total employee provisions</b>	<b>15,512</b>	<b>6,874</b>
Employee provisions expected to be settled		
No more than 12 months	4,955	2,896
More than 12 months	10,557	3,978
<b>Total employee provisions</b>	<b>15,512</b>	<b>6,874</b>

**Note 9B: Participant plan provisions**

Participant plan provisions	163,088	66,400
<b>Total participant plan provisions</b>	<b>163,088</b>	<b>66,400</b>

The valuation of the participant plan provision was undertaken as at 30 June 2015 by the Scheme Actuary.  
Participant plan provisions are expected to be settled within 12 months.

**Note 9C: Other provisions**

Provision for restoration obligations	2,642	2,186
<b>Total other provisions</b>	<b>2,642</b>	<b>2,186</b>
Other provisions expected to be settled		
No more than 12 months	82	-
More than 12 months	2,560	2,186
<b>Total other provisions</b>	<b>2,642</b>	<b>2,186</b>

	Participant plan provision \$'000	Provision for restoration \$'000	Total \$'000
<b>Carrying amount 1 July 2014</b>	<b>66,400</b>	<b>2,186</b>	<b>68,586</b>
Additional provisions made	160,687	565	161,252
Amounts reversed <sup>1</sup>	(43,720)	(30)	(43,750)
Amounts used	(20,279)	(79)	(20,358)
<b>Closing balance 30 June 2015</b>	<b>163,088</b>	<b>2,642</b>	<b>165,730</b>

<sup>1</sup> In line with the accounting policy outlined in Note 1, during the year the Agency has reviewed the participant plan provision recorded at 30 June 2014 taking into account the claims experience during the 2014-15 financial year. This resulted in a reduction of \$43.7 million related to the 2013-14 period.

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

**Note 10: Restructuring**

	2015 \$'000	2014 \$'000
<b>Assets recognised</b>		
Cash	-	6,295
Trade debtors	-	1,229
Buildings (leasehold improvements)	-	8,222
Property, plant and equipment	-	708
<b>Total assets recognised</b>	<b>-</b>	<b>16,454</b>
<b>Liabilities recognised</b>		
Trade creditors	-	(6,414)
Other payables	-	(211)
Employee provisions	-	(1,113)
Other provisions	-	(40)
<b>Total liabilities recognised</b>	<b>-</b>	<b>(7,778)</b>
<b>Net assets/(liabilities) assumed</b>	<b>-</b>	<b>8,676</b>

On 1 July 2013, the Agency became financially independent from the former Department of Families, Housing, Community Services and Indigenous Affairs. On that date, a number of assets were transferred to the Agency as part of an administrative restructure. The net book value of the assets transferred was treated as a contribution to the Agency.

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

**Note 11: Cash Flow Reconciliation**

	2015 \$'000	2014 \$'000
<b>Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement</b>		
<b>Cash and cash equivalents as per</b>		
Cash Flow Statement	136,482	122,325
Statement of Financial Position	136,482	122,325
<b>Discrepancy</b>	-	-
<b>Reconciliation of net cost of services to net cash from/(used by) operating activities</b>		
Net (cost of)/contribution by services	(308,024)	9,707
Revenue from Government	308,433	8,271
<b>Adjustments for non-cash items</b>		
Assets first found	(206)	-
Depreciation and amortisation	8,032	4,477
Losses from sale of assets	-	10
Net write-down of non-financial assets	20	-
GST on investing activities	282	206
<b>Movements in assets and liabilities</b>		
<b>Assets</b>		
(Increase)/decrease in net receivables	(80,284)	(3,649)
(Increase)/decrease in other non-financial assets	(3,583)	(691)
<b>Liabilities</b>		
Increase/(decrease) in employee provisions	8,638	6,874
Increase/(decrease) in other provisions	456	2,186
Increase/(decrease) in participant plan provisions	92,108	66,400
Increase/(decrease) in supplier payables	5,944	12,086
Increase/(decrease) in participant plan payables	1,156	1,476
Increase/(decrease) in other payables	5,923	2,356
<b>Net cash from operating activities</b>	<b>38,895</b>	<b>109,709</b>

On 1 July 2013, the Agency became financially independent from the former Department of Families, Housing, Community Services and Indigenous Affairs. On that date, a number of assets and liabilities were transferred to the Agency as part of an administrative restructure. The net book value of the assets and liabilities transferred of \$8.676 million was treated as a non-cash contribution to the Agency at that date.

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

**Note 12: Contingent Assets and Liabilities**

**Quantifiable Contingencies**

As at 30 June 2015, the Agency had no quantifiable contingencies (2014: \$nil).

**Unquantifiable Contingencies**

As at 30 June 2015, the Agency had no unquantifiable contingencies (2014: \$nil).

**Significant Remote Contingencies**

As at 30 June 2015, the Agency had no significant remote contingencies (2014: \$nil). The Agency makes a number of decisions, including access and reasonable and necessary support decisions which are subject to an external merits review by the Administrative Appeals Tribunal (AAT). Participants can also lodge complaints to the Australian Human Rights Commission and Commonwealth Ombudsman.

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

**Note 13: Senior Management Personnel Remuneration**

	2015 \$'000	2014 \$'000
<b>Short-term employee benefits</b>		
Salary	7,240	4,829
Performance bonuses	-	7
Other allowances <sup>1</sup>	638	579
<b>Total short-term employee benefits</b>	<b>7,878</b>	<b>5,415</b>
<b>Post-employment benefits</b>		
Superannuation	851	821
<b>Total post-employment benefits</b>	<b>851</b>	<b>821</b>
<b>Other long-term benefits</b>		
Annual leave accrued	552	575
Long-service leave	172	183
<b>Total other long-term benefits</b>	<b>724</b>	<b>758</b>
<b>Termination benefits</b>		
Voluntary redundancy	522	-
<b>Total termination benefits</b>	<b>522</b>	<b>-</b>
<b>Total</b>	<b>9,975</b>	<b>6,994</b>

<sup>1</sup> Other allowances include vehicle allowances.

Note 13 represents the Agency's actual Board Members, senior executive and director remuneration expenses on an accrual basis. The total number of senior management personnel that are included in the above table is 45 (2014: 42).

The comparative figures have been revised and do not match the published 2013-14 financial statements due to new disclosure requirements (which can be found in the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*, available at [www.finance.gov.au](http://www.finance.gov.au)).

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

**Note 14: Related Party Disclosures**

Directors or Director-related entities

The Agency is governed by an independent Board of Directors. There were no loans to Directors or Director-related parties during the period.

Bruce Bonyhady AM is a lifetime member of the Association for Children with a Disability. During the financial year the Agency provided grant payments of \$175,000 (2014: Nil) to the Association for Children with a Disability from the Sector Development Fund.

Rhonda Galbally AO is an Honorary Professor at Deakin University. During the financial year the Agency seconded an employee of Deakin University with the total value of services of \$207,425.

John Walsh was a partner at professional services firm PricewaterhouseCoopers Australia until 30 September 2013. During 2013-14, the Agency received actuarial and other services from PricewaterhouseCoopers Australia with a total value of \$794,000.

No Board members played any part in Agency decisions in relation to the transactions noted above.

John Walsh also abstained from voting on the decision in the previous financial year to appoint the Scheme Actuary, Ms Sarah Johnson, who was a previous employee of PricewaterhouseCoopers Australia.

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 Agency which is assessed against the criteria specified in Part 3 of *National Disability Insurance Scheme (Registered Providers of Supports) Rules 2013*. Directors of the Agency are not involved in decisions to accept or reject applications to register as a service provider.

Several Directors of the Agency play an active role in the disability sector and may have relationships with registered and/or potential service providers. Participants exercise choice and control in selecting service providers for the funded supports in their individualised plans and consequently payments made by the Agency to service providers for participant supports are not considered to be related party transactions.

There were no other related party transactions during the period.

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

**Note 15: Remuneration of Auditors**

	2015 \$'000	2014 \$'000
<b>Fair value of services received</b>		
Financial statement audit services	737	430
	<u>737</u>	<u>430</u>

The Agency's auditor is the Australian National Audit Office (ANAO).

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

**Note 16: Financial Instruments**

	2015 \$'000	2014 \$'000
<b>Note 16A: Categories of financial instruments</b>		
<b>Financial assets</b>		
<b>Loans and receivables</b>		
Cash at bank	37,482	71,990
Term deposits	99,000	50,335
Receivable for goods and services	35,802	1,915
<b>Total financial assets</b>	<u>172,284</u>	<u>124,240</u>
<b>Financial liabilities</b>		
<b>At amortised cost</b>		
Trade creditors and accruals	13,704	12,340
Participant plan payables	2,632	1,476
Other payables	8,279	2,356
<b>Total financial liabilities</b>	<u>24,615</u>	<u>16,172</u>

No financial instruments have transferred between categories during the period.

The carrying amount of the Agency's financial instruments shown above represents their fair value.

**Note 16B: Net income and expense from financial assets**

<b>Loans and receivables</b>		
Interest revenue	4,705	2,220
<b>Net gain from financial assets</b>	<u>4,705</u>	<u>2,220</u>

There were no gains or losses on financial liabilities or assets during the period.

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

**Note 16C: Credit risk**

The Agency's primary credit risk exposure arises from the Agency's business interactions on credit with trade debtors. The credit quality of trade debtors is risk assessed by management taking into account their financial position, past experience, other factors and compliance with the Agency's credit terms.

The Agency assessed the risk of the default on payment and has not created an impairment allowance as all amounts are regarded as recoverable. The Agency held no collateral to mitigate against credit risk. All significant amounts below due to the Agency are owed by Commonwealth, state or territory governments.

The following table illustrates the Agency's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2015	2014
	\$'000	\$'000
Receivables	35,802	1,915
<b>Total</b>	<b>35,802</b>	<b>1,915</b>

**Credit quality of financial instruments not past due or individually determined as impaired**

	Not past due nor impaired	Not past due nor impaired	Past due	Past due
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Receivables	3,270	1,437	32,532	478
<b>Total</b>	<b>3,270</b>	<b>1,437</b>	<b>32,532</b>	<b>478</b>

**Ageing of financial assets that were past due and not impaired for 2015**

	0 to 30	31 to 60	61 to 90	90+	Total
	days	days	days	days	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables	9,161	9,091	8,401	5,879	32,532
<b>Total</b>	<b>9,161</b>	<b>9,091</b>	<b>8,401</b>	<b>5,879</b>	<b>32,532</b>

**Ageing of financial assets that were past due but not impaired for 2014**

	0 to 30	31 to 60	61 to 90	90+	Total
	days	days	days	days	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables	91	59	137	191	478
<b>Total</b>	<b>91</b>	<b>59</b>	<b>137</b>	<b>191</b>	<b>478</b>

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

**Note 16D: Liquidity risk**

The Agency manages liquidity risk by continuously monitoring the forecast and actual cashflows associated with financial assets and financial liabilities. All financial liabilities shown in the Statement of Financial Position as at 30 June 2015 are expected to fall due within 12 months.

**Note 16E: Market risk**

The Agency's primary market risk exposure arises from changes in the interest rates associated with funds held with banks and financial institutions. The Agency has an investment policy of maintaining sufficient cash at bank to meet operational needs and investing any additional cash in term deposits with major Australian banks.

The weighted average interest rate received on cash at bank funds during the 2014-15 financial year was 2.30% (2013-14: 2.65%).

The weighted average interest rate received on term deposits during the 2014-15 financial year was 3.53% (2013-14: 3.51%). The Agency does not have material exposure arising from changes in interest rates. Based on recent trends and current economic environment, management estimates that the maximum perceived exposure to changes in the interest rates in the next 12 months is approximately +/-0.4% (2013-14: 0.6%).

**Sensitivity analysis of the risk that the entity is exposed to for 2015**

Risk variable	Change in risk variable	Effect on	
		Profit and loss	Equity
	%	\$'000	\$'000
Interest rate risk - cash at bank	2.30	0.4	279 (279)
Interest rate risk - cash at bank	2.30	-0.4	(279) 279
Interest rate risk - investments	3.53	0.4	352 (352)
Interest rate risk - investments	3.53	-0.4	(352) 352

**Sensitivity analysis of the risk that the entity is exposed to for 2014**

Risk variable	Change in risk variable	Effect on	
		Profit and loss	Equity
	%	\$'000	\$'000
Interest rate risk - cash at bank	2.65	0.6	400 (400)
Interest rate risk - cash at bank	2.65	-0.6	(400) 400
Interest rate risk - investments	3.51	0.6	75 (75)
Interest rate risk - investments	3.51	-0.6	(75) 75

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

	2015 \$'000	2014 \$'000
<b>Note 16F: Financial assets reconciliation</b>		
		Notes
<b>Total financial assets as per Statement of Financial Position</b>	<b>220,415</b>	125,974
<b>Less: non-financial instrument components</b>		
Receivable from Department of Social Services	-	(887)
Statutory receivables	(778)	(460)
Additional Scheme contributions	(47,327)	-
Other receivables	(26)	(387)
<b>Total non-financial instrument components</b>	<b>(48,131)</b>	(1,734)
<b>Total financial assets as per financial instruments</b>	<b>172,284</b>	124,240
		16A

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

**Note 17: Reporting of Outcomes**

	Outcome 1	
	2015 \$'000	2014 \$'000
<b>Departmental</b>		
Expenses	636,062	258,556
Own-source income	(328,038)	(268,263)
<b>Net (cost of)/contribution of outcome delivery</b>	<b>(308,024)</b>	9,707

The Agency is structured to meet a single outcome of implementing a National Disability Insurance Scheme that provides, as per Outcome 1:

Individual control and choice in the delivery of reasonable and necessary care and supports to improve the independence, social and economic participation of eligible people with disability, their families and carers, and associated referral services and activities.

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

### Note 18: Scheme Operations

#### Establishment of the Scheme and funding arrangements

As part of the establishment of the Scheme, an Intergovernmental Agreement was signed between the Commonwealth Government and the governments of each state and territory in Australia. The Scheme commenced operation on 1 July 2013 in 4 trial sites. A further 3 trial sites commenced operation on 1 July 2014.

The Agency is funded through a combination of cash contributions and in-kind contributions from the Commonwealth, state and territory governments. A series of bilateral agreements were signed between the Commonwealth Government and each of the state and territory governments that host a trial site outlining the amount and type of contributions that each party would make towards the funding of the Scheme during the trial phase.

As disclosed in Note 1, cash contributions from Commonwealth Government entities or state and territory governments are recognised by the Agency as revenue when they are received or receivable under the relevant agreement. The amounts of cash contributions are shown in Note 4A.

In-kind contributions occur when the Commonwealth or a state or territory government provides services on behalf of the Agency that the Agency would otherwise be required to fund under the Scheme and are recognised when the services are provided to a participant. The amounts of income from in-kind contributions are shown in Note 4D.

The amount of in-kind contributions and participant plan expenses recognised in these financial statements include the Agency's best estimate of services provided to participants up to and including 30 June 2015. This estimate is necessary because of the time lag between the date that services are provided to participants and the date that the Agency is notified that the services were provided (through a claims process).

The Intergovernmental Agreement provides a framework under which the Commonwealth and state and territory governments will share the funding of estimated participant plan expenses incurred by the Agency. Formal reconciliations of participant plan expenses are undertaken based on the actual claims submitted. This process may result in state or territory governments increasing or decreasing their future funding commitments under the Scheme. Any adjustments necessary as a result of this process will be recorded by the Agency at the time the relevant agreement is reached.

Under the bilateral agreements, each of the state and territory governments has committed to providing additional support to the Scheme until at least 30 June 2016. The total funding that has been committed by the Commonwealth, state and territory governments under the agreements in relation to the 2015-16 and later financial years is shown in the Schedule of Commitments as a commitment receivable. At the 30 June 2015, these commitments totalled \$587,000,000 (2014: \$850,585,000).

#### Participant care

The Agency's main function is meeting the cost of reasonable and necessary supports for participants in the Scheme. Once a person is approved as a participant in the Scheme, a statement of participant supports is developed outlining the supports that will be funded by the Agency. This statement is reviewed regularly as part of the review of the participant's plan.

Once a participant plan is approved, the participant can access disability support services from a range of registered service providers, up to the funding limit of the plan. As services are provided, either the participant or the registered service provider is able to claim the cost of that care from the Agency.

The Agency records participant care expenses as the reasonable and necessary supports are provided. At the end of a reporting period, the Agency makes an estimate of the amount of supports that have been provided during the period but not yet notified to the Agency and records this amount as a participant plan provision (Note 9B). No liability is recorded for any participant care to be provided in future reporting periods as the relevant recognition criteria are not met.

Once a statement of participant supports is approved, the Agency is committed to the funding of the items in that statement. At the end of a reporting period, any amounts that have been approved as part of a participant plan but have not yet been recognised as a participant plan expense are included as a participant plan commitment payable as part of the Schedule of commitments. At 30 June 2015, these commitments totalled \$332,906,000 (2014: \$154,502,000).

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

If a claim for participant care is to be funded by a cash contribution, the Agency will make a cash payment to either the participant or the registered service provider in accordance with the Scheme rules. If a claim for participant care is to be funded by an in-kind contribution, the Agency will record the in-kind contribution as income equal to the amount the state or territory government has paid under its funding arrangements with the provider (Note 4D) and an equivalent amount as participant plan expenses.

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

**Note 19: Budgetary Reports and Explanations of Major Variances**

**Note 19A: Budgetary reports**

**Statement of Comprehensive Income**

for the period ended 30 June 2015

	<i>Actual</i>	<i>Budget Estimate</i>	
		<i>Original</i>	<i>Variance</i>
	2015	2015	2015
	\$'000	\$'000	\$'000
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits	72,441	97,076	(24,635)
Suppliers	89,348	60,360	28,988
Grants	14,928	44,961	(30,033)
Participant plan expenses	451,293	458,255	(6,962)
Depreciation and amortisation	8,032	12,725	(4,693)
Finance costs	-	-	-
Write-down and impairment of assets	20	-	20
Loss from assets sales	-	-	-
<b>Total expenses</b>	<b>636,062</b>	<b>673,377</b>	<b>(37,315)</b>
<b>Own-Source Income</b>			
<b>Own-source revenue</b>			
Revenue from rendering of services	141,674	182,932	(41,258)
Interest	4,705	-	4,705
Rental income	109	-	109
Other revenues	54,966	-	54,966
<b>Total own-source revenue</b>	<b>201,454</b>	<b>182,932</b>	<b>18,522</b>
<b>Gains</b>			
Other gains	126,584	160,683	(34,099)
<b>Total Gains</b>	<b>126,584</b>	<b>160,683</b>	<b>(34,099)</b>
<b>Total own-source income</b>	<b>328,038</b>	<b>343,615</b>	<b>(15,577)</b>
<b>Net (cost of)/contribution by services</b>	<b>(308,024)</b>	<b>(329,762)</b>	<b>21,738</b>
Revenue from Government	308,433	329,762	(21,329)
<b>Surplus/(Deficit)</b>	<b>409</b>	<b>-</b>	<b>409</b>
<b>Total comprehensive income/(loss)</b>	<b>409</b>	<b>-</b>	<b>409</b>

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

**Statement of Comprehensive Income Major Budget Variances**

**Expenses**

Total expenses for the Agency were \$636.1 million; \$37.3 million lower than the budget of \$673.4 million. The major variances to the budget were:

- employee expenses were lower than budget by \$24.6 million due to challenges experienced in hiring sufficient suitably skilled employees, leading to delays in recruitment
- supplier expenses were above budget by \$29.0 million due to increased expenditure for contractors and consultants utilised to supplement the Agency's workforce and prepare for full scheme transition
- grant expenses were \$30.0 million less than budget as the administrative responsibility for the Sector Development Fund was transferred to the Department of Social Services effective 9 December 2014
- depreciation and amortisation expenses were \$4.7 million lower than budget due to the original budget assuming the Agency would require a larger base of assets.

**Income**

Total income for the Agency for 2014-15 was \$636.5 million, a decrease of \$36.9 million compared to the original budget of \$673.4 million. The major variances to budget were:

- a decrease of \$41.3 million for revenue from the rendering of services resulting from the renegotiation of cash and in-kind contributions with certain state and territory governments
- an increase in other revenue of \$55.0 million primarily related to the recognition of additional Scheme contributions as a result of the difference in in-kind services received from Commonwealth, state and territory governments compared to amounts in the bilateral agreements which formed the basis for the budget
- a decrease of \$34.1 million for gains relating to in-kind contributions primarily resulting from the renegotiation of cash and in-kind contributions with governments and also that actual in-kind contributions were lower than amounts in the bilateral agreements as outlined above
- a decrease of \$21.3 million for revenue from Government. This is primarily due to the transfer of responsibility for the Sector Development Fund to the Department of Social Services, which reduced the Agency's 2014-15 appropriation.

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

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

**Statement of Financial Position**  
*for the period ended 30 June 2015*

	<i>Actual</i>	<i>Budget Estimates</i>	
		<i>Original</i>	<i>Variance</i>
	2015	2015	2015
	\$'000	\$'000	\$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	136,482	20,914	115,568
Trade and other receivables	83,933	-	83,933
<b>Total financial assets</b>	<b>220,415</b>	<b>20,914</b>	<b>199,501</b>
<b>Non-financial assets</b>			
Buildings (leasehold improvements)	26,463	31,228	(4,765)
Property, plant and equipment	1,456	11,235	(9,779)
Intangibles	3,416	-	3,416
Other non-financial assets	4,274	42	4,232
<b>Total non-financial assets</b>	<b>35,609</b>	<b>42,505</b>	<b>(6,896)</b>
<b>Total assets</b>	<b>256,024</b>	<b>63,419</b>	<b>192,605</b>
<b>LIABILITIES</b>			
Suppliers	13,704	119	13,585
Participant plan payables	2,632	-	2,632
Other payables	8,279	-	8,279
<b>Total payables</b>	<b>24,615</b>	<b>119</b>	<b>24,496</b>
<b>Provisions</b>			
Employee provisions	15,512	1,113	14,399
Participant plan provisions	163,088	-	163,088
Other provisions	2,642	251	2,391
<b>Total provisions</b>	<b>181,242</b>	<b>1,364</b>	<b>179,878</b>
<b>Total liabilities</b>	<b>205,857</b>	<b>1,483</b>	<b>204,374</b>
<b>Net assets</b>	<b>50,167</b>	<b>61,936</b>	<b>(11,769)</b>
<b>EQUITY</b>			
Contributed equity	31,780	61,936	(30,156)
Retained surplus	18,387	-	18,387
<b>Total equity</b>	<b>50,167</b>	<b>61,936</b>	<b>(11,769)</b>

**Statement of Financial Position Major Budget Variances**

**Assets**

Total assets for the Agency were \$256.0 million; \$192.6 million higher than budget of \$63.4 million. The major variances to the budget were:

- an increase in cash and cash equivalents of \$115.6 million due to the growth of the Agency and an increase in the amount of supports included in participant plans that have not yet been invoiced
- An increase in trade and other receivables from \$Nil to \$83.9 million. The budget assumed that amounts owing to the Agency would be paid in full prior to 30 June and also that jurisdictions would not have a significant difference between the actual in-kind funding and amounts included in bilateral agreements in the 2014-15 financial year
- a decrease of \$4.8 million for buildings (leasehold improvements) due to the timing of the establishment of Agency offices
- a decrease of \$9.8 million for property, plant and equipment due to a slower rollout of the Agency's property footprint compared with what was budgeted. Also, the Agency is pursuing a larger proportion of co-located sites with other government entities which requires less expenditure on leasehold improvements
- an increase of \$4.2 million for other non-financial assets mainly due to the actual results including \$3.1 million on advances made to self-managed participants in the scheme in advance of support being provided, whereas the original budget included a lower estimate.

**Liabilities**

Total liabilities for the Agency were \$205.8 million; \$204.3 million higher than budget of \$1.5 million. The major variances to the budget were:

- an increase of \$13.6 million in suppliers payable mainly associated with increased creditor accruals at year end
- an increase of \$14.4 million in employee provisions associated with the increase in the number of Agency staff and the actuarial revaluation of the long service leave and recreation leave entitlements
- an increase of \$2.4 million in other provisions, driven by restoration obligations resulting from the increase in leasehold property holdings, that was not included in the original budget
- an increase of \$163.1 million in the participant plan provision not anticipated in the original budget, due to the limited history of the participant claiming profiles.

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

Statement of Changes in Equity  
for the period ended 30 June 2015

	Retained earnings			Contributed equity			Total equity		
	Actual	Budget Estimate	Variance	Actual	Budget Estimate	Variance	Actual	Budget Estimate	Variance
	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000
<b>Opening balance</b>	17,978	-	17,978	38,690	38,587	103	56,668	38,587	18,081
Balance carried forward from previous period	17,978	-	17,978	38,690	38,587	103	56,668	38,587	18,081
<b>Adjusted opening balance</b>	17,978	-	17,978	38,690	38,587	103	56,668	38,587	18,081
<b>Comprehensive income</b>	409	-	409	-	-	-	409	-	409
Surplus for the period	409	-	409	-	-	-	409	-	409
<b>Total comprehensive income</b>	409	-	409	-	-	-	409	-	409
<b>Transactions with owners</b>									
<b>Contributions by owners</b>									
Equity injection - Appropriation	-	-	-	23,349	23,349	-	23,349	23,349	-
Transfers to/from other entities	-	-	-	(30,259)	(30,259)	(30,259)	(30,259)	(30,259)	(30,259)
Departmental capital budget	-	-	-	-	-	-	-	-	-
<b>Sub-total transactions with owners</b>	-	-	-	(6,910)	23,349	(30,259)	(6,910)	23,349	(30,259)
<b>Closing balances as at 30 April</b>									
Closing balance attributable to the Australian Government	18,387	-	18,387	31,780	61,936	(30,156)	50,167	61,936	(11,769)

Statement of Changes in Equity Major Budget Variances

The key movement in equity from the original budget to the final result is due to retained earnings. The 2013-14 year operating surplus of \$18.0 million was not foreseen at the time of preparation of the 2014-15 Portfolio Budget Statements and was not factored into the budgeted statement of changes in equity. The transfer of amounts to DSS of \$30.3 million was not anticipated at the time of the 2014-15 budget.

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

Cash Flow Statement  
for the period ended 30 June 2015

	Actual	Budget Estimate	
	2015 \$'000	Original 2015 \$'000	Variance 2015 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Revenue from Government	309,320	329,762	(20,442)
State and territory government contributions	112,368	182,932	(70,564)
Interest received	4,963	-	4,963
Department of Social Services	-	-	-
Other	7,655	-	7,655
Net GST received	7,492	-	7,492
<b>Total cash received</b>	<b>441,798</b>	<b>512,694</b>	<b>(70,896)</b>
<b>Cash used</b>			
Employee benefits	64,018	97,076	(33,058)
Supplier expenses	88,020	60,360	27,660
Participant plan expenses	234,953	297,572	(62,619)
Grant payments	15,912	44,961	(29,049)
<b>Total cash used</b>	<b>402,903</b>	<b>499,969</b>	<b>(97,066)</b>
<b>Net cash from operating activities</b>	<b>38,895</b>	<b>12,725</b>	<b>26,170</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Purchase of buildings (leasehold improvements), plant and equipment, and intangibles	17,828	23,349	(5,521)
<b>Total cash used</b>	<b>17,828</b>	<b>23,349</b>	<b>(5,521)</b>
<b>Net cash used by investing activities</b>	<b>(17,828)</b>	<b>(23,349)</b>	<b>5,521</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Equity injection	23,349	23,349	-
<b>Total cash received</b>	<b>23,349</b>	<b>23,349</b>	<b>-</b>
<b>Cash used</b>			
Transfer to other entities	30,259	-	30,259
<b>Total cash used</b>	<b>30,259</b>	<b>-</b>	<b>30,259</b>
<b>Net cash from financing activities</b>	<b>(6,910)</b>	<b>23,349</b>	<b>(30,259)</b>
<b>Net increase in cash held</b>	<b>14,157</b>	<b>12,725</b>	<b>1,432</b>
Cash and cash equivalents at the beginning of the reporting period	122,325	8,189	114,136
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>136,482</b>	<b>20,914</b>	<b>115,568</b>

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

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### Cash Flow Major Budget Variances

At 30 June 2015 the Agency recorded a cash balance of \$136.5 million. This represents a movement in cash reserves of \$115.6 million. The major variance in cash flows primarily reflects the following:

#### Cash received

- revenue from Government is lower than the budget by \$20.4 million. The primary reason for the variance is the Australian Government transferred responsibility for the Sector Development Fund to the Department of Social Services. This involved a reduction to the Agency's 2014-15 appropriation of \$27.8 million
- cash received from state and territory government contributions is lower than the budget by \$70.6 million. The reduction is due to a combination of changes to the bilateral agreements between the Commonwealth, states and territories and also amounts that are owing to the Agency but remain unpaid at 30 June 2015.

#### Cash used

- employee benefits were lower than the budget by \$33.1 million and supplier expenses were \$27.7 million higher than original budget. The Agency engaged more contractors than expected in the original budget as a result of delays in recruitment. This contributed to higher payments to suppliers and lower employee benefit payments
- participant expenses were lower than the budget by \$62.6 million. The original budget did not anticipate the significant amount of unclaimed participant payments at the end of the reporting period
- grant payments were \$29.0 million lower than the budget as a result of the Australian Government transferring administrative responsibility of the Sector Development Fund to the Department of Social Services effective 9 December 2014
- purchase of property, plant and equipment was \$5.5 million lower than the budget due to the timing of leasehold improvement projects.

### End of Financial Statements



# Shortened forms

AAA – Access for All Abilities  
AAT – Administrative Appeals Tribunal  
AHPA – Allied Health Professionals Australia  
AHRC – Australian Human Rights Commission  
AIDIN – Australian Injury and Disability Insurance Network  
ANAO – Australian National Audit Office  
AND – Australian Network on Disability  
APS – Australian Public Service  
APSC – Australian Public Service Commission  
APY (Lands) – Anangu Pitjantjatjara Yankunytjatjara  
ARC – Audit and Risk Committee  
AT – assistive technologies  
CALD – culturally and linguistically diverse  
CEO – Chief Executive Officer  
CFO – Chief Financial Officer  
CICD – community inclusion and capacity development  
COAG – Council of Australian Governments  
CPR – Commonwealth Procurement Rules  
DDA – Disability Discrimination Act 1992  
DHS – Department of Human Services  
DRC – COAG Disability Reform Council  
DSS – Department of Social Services  
EA – enterprise agreement  
EL2 – executive level 2  
EMG – Executive Management Group  
EPMO – Enterprise Programme Management Office  
FaHCSIA – Department of Families, Housing, Community Services and Indigenous Affairs  
FASD – foetal alcohol spectrum disorders  
FPDN – First Peoples Disability Network  
FTE – full-time equivalent  
IAGDP – Indigenous Australian Government Development Programme  
ICT – information and communications technology  
IFA – Individual Flexibility Arrangements  
IPS – Information Publication Scheme  
IDRG – Intellectual Disability Reference Group  
JSC – Joint Standing Committee on the NDIS  
KPI – key performance indicator  
LAC – local area coordinator  
LCE – lifetime cost estimator  
MoU – memorandum of understanding

NAT – National Access Team  
NDIA – National Disability Insurance Agency  
NDIS – National Disability Insurance Scheme  
NDS – National Disability Strategy  
NGO – non-government organisation  
NMHSRG – NDIA Mental Health Sector Reference Group  
NPY (Women’s Council) – Ngaanyatjarra, Pitjantjatjara and Yankunytjatjara  
OAIC – Office of Australian Information Commissioner  
OECD – Organisation for Economic Cooperation and Development  
PBS – Portfolio Budget Statement  
PGPA – public governance performance and accountability  
PWDA – People with Disability Australia  
RMR – Risk Management Rules  
SDF – Sector Development Fund  
SDOM – Service Delivery Operating Model  
SES – Senior Executive Service  
SPN – Staff Participant Network  
SPOC – single point of contact  
TAFE – technical and further education  
UN – United Nations  
VALID – Victorian Advocacy League for Adults with Intellectual Disabilities  
VCBS – values, capabilities and behaviours statement  
VCE – Victorian Certificate of Education  
WHODAS – World Health Organisation Disability Assessment Schedule  
WHS – work health and safety

# Glossary

**Approved plan** – a participant’s plan that includes the participant’s statement of goals and aspirations and the supports required by the participant to attain their goals—informal, mainstream and NDIA-funded as approved by the CEO

**Assistive technology (AT)** – the full range of technological solutions that allow people with disability to be more independent, more connected, and provide opportunities for them to realise their potential as active members of their families, schools, workplaces and communities. Beyond the traditional aids and equipment used by people with disability, including home and vehicle modifications, prosthetics and hearing aids, it includes devices used by people without disabilities (for example, smartphones, tablets and apps) that are offering new ways to form connections and increase participation

**Bilateral agreement** – an agreement between the Commonwealth Government and jurisdictional governments regarding roles and responsibilities for the transition to full coverage of the NDIS

**Bilateral agreement targets** – the number, location and age of participants that enter the Scheme in each site is determined by legislative rules based on bilateral agreements between the Commonwealth and each of the host jurisdictions

**Carer** – someone who provides personal care, support and assistance to a person with disability and who is not contracted as a paid or voluntary worker

**Citizens’ Jury** – a mechanism of deliberative democracy that draws on some processes of a legal trial-by-jury and encourages people who do not usually have a voice to have a say on important issues

**Co-design** – a design process which empowers, encourages, and guides users to develop solutions for themselves

**Committed support** – funds included for reasonable and necessary supports for participants in approved plans

**Community services** – activities and services such as social, study, sporting or other interests, available from local non-government groups and government entities

**Diversity groups** – sociological categories in a demographic. Those of particular relevance to the NDIS in the Australian community include Aboriginal and Torres Strait Islander people, people with disability, women, and people from non-English speaking backgrounds

**Early intervention** – providing support early in a child’s life or post-onset of disability to reduce the effects of disability and to improve functional capacity

**Efficient price** – a price determined by the Agency as the maximum amount to be included for certain supports in a participant’s plan. This price is built up from the cost of wages, on-costs and organisational overheads and includes a margin for profit or re-investment

**Equivalence participation** – the mechanism by which the Agency recognises that some people with disability who are participating in existing state and Commonwealth disability programs with eligibility criteria matching that of the NDIS therefore qualify for support under the NDIS

**Evidence base** – the evidentiary base for decision-making by NDIA personnel, including whether a person meets the access criteria for funding for reasonable and necessary supports, as well as the factual information compiled by the Agency from its experience in trial sites, data collection and independent research

**Formal supports** – see reasonable and necessary supports

**Full scheme** – also known as ‘full rollout’, the dates by which the Scheme will be available to potential participants, specifically, in the Australian Capital Territory by July 2016, in New South Wales and South Australia by July 2018, and in Tasmania, Victoria, Queensland and the Northern Territory by July 2019

**Functional impact** – a description of the nature and extent of a person’s disability and how it affects the things they need to do and the way they do them

**Funded supports** – see reasonable and necessary supports

**Funding envelope** – the Agency funding envelope refers to the monies contributed by state and Commonwealth governments for the operational and participant costs of the NDIS

**Information, linkages and capacity building** – the term used by governments to describe 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 (formally known as ‘Tier 2’). 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

**Insurance approach** – sharing the costs of disability services and supports across the community

**Insurance culture** – an organisational culture where staff, participants and stakeholders are cognisant of, and work is aligned to, insurance principles

**Insurance principles** – 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

**Lived experience of disability** – either personally living with disability or having a close relationship with a person with disability (for example, a family member or partner)

**Longitudinal data** – repeated observations of the same variables over long periods of time

## Glossary (cont...)

**Mainstream services** – government systems providing services to the Australian population, for example, health, mental health, education, justice, housing, child protection and employment services

**Operational Plan** – operational plans set out the key deliverables agreed between the Agency, state and territory governments and the Commonwealth Government to support the rollout of the full NDIS. Operational plans have been developed in partnership between the parties and serve as the overarching roadmap for transitioning to the NDIS as best achieved in each jurisdiction

**Outcomes framework** – the Agency’s mechanism for measuring success for people with disability in areas like choice and control, social inclusion, education, employment, health and housing

**Ordinary lives** – lives that include positive relationships, a sense of belonging, autonomy, active involvement in decision-making, and opportunities for challenge and contribution

**Package costs** – the cost to the NDIS of providing funding and support to an individual participant

**Participant** – a person who is assessed as meeting the NDIS participation criteria under the Act

**Participant outcomes** – a way of measuring the aggregation of whether or not participants’ goals are achieved combined with whether the Agency is meeting its objectives

**Participant’s plan** – an approved plan consisting of a participant’s statement of goals and aspirations and the reasonable and necessary supports approved by the CEO

**People with disability** – a person who experiences any or all of the following: impairments (abnormalities or changes in body function or structure); activity limitations (difficulties in carrying out usual age-appropriate activities); participation restrictions (problems an individual may experience engaging in community, social and family life)

**Person-centred approach** – places the person with disability at the centre of decision-making in terms of their own care needs

**Planning process** – the process by which the Agency helps a participant to plan for the assistance they need from the NDIS to attain their goals

**Planning workbooks** – provided to participants to help them identify and record their needs, goals and current supports during the planning process

**Psychosocial disability** – the term used to describe the disability experience of people with impairments and participation restrictions related to mental health conditions. These impairments and participation restrictions include loss of or reduced ability to function, think clearly, experience full physical health and manage social and emotional aspects of their lives

**Reasonable and necessary supports** – the supports that are funded under the NDIS Act. The NDIA publishes operational guidelines to assist decisions on what is to be funded as a reasonable and necessary support

**Reference packages** – a benchmark amount of support determined according to different characteristics of the population of NDIS participants such as age, health condition and ‘severity’ of disability. Reference packages will be used to monitor experience against the benchmarks

**Registered service provider** – a disability support provider that has met the NDIS requirements for qualifications, approvals, experience and capacity for the approved supports and the quality standards of the jurisdiction in which they operate

**Scheme start-up** – all of the activities associated with getting the Agency up and running for the launch of the Scheme on 1 July 2013

**Sector Development Fund** – a grants programme designed to assist the disability sector, including people with disability, their families and providers, to transition to the new arrangements for disability supports under the NDIS

**Self-direction** – where an intermediary assists with some aspects (often financial) of management of the support, but where the participant and their family make all the decisions about the what, when, where and who delivers the support

**Self-management** – where funding and supports are managed by the participant and their family

**Separation rate** – the measure of people choosing to leave employment in the Agency

**Significant experience of disability** – persons who have had or currently have a family member with a disability, have cared for or currently care for a person with disability or have three years or more working with or for people with disability

**Support package** – the term used by the Agency to describe the funding available for the supports available to an individual participant

**Supports** – assistance that helps a participant to reach their goals, objectives and aspirations, and to undertake activities to enable their social and economic participation

**Tier 2** – see information, linkages and capacity building

**Trial phase** – the first three years of the NDIS

**Trial sites** – the NDIA sites at which different operating models for providing services to people with disability are being trialled under the Scheme

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## Appendix 1: Community inclusion and capacity development grants 2014–15

Grant recipient	Purpose	Value GST exclusive
Access 2 Arts Incorporated	Provide resources and support to recreation, cultural and leisure organisations to improve accessibility for people with disability. Provide support to people with disability to engage in these organisations.	\$100 000.00
Access 2 Arts Incorporated	Improve the goal setting capability of people with disability, including production of a website examining the concept of 'reasonable and necessary' as it relates to NDIS individualised supports.	\$30 600.00
Association for Children with a disability	Develop strategies to address issues faced by families of children with disability in navigating both the education system and the new disability services environment.	\$34 072.73
Association for children with disability (TAS) Incorporated	Develop and promote images of people with disability engaged in a range of sporting activities.	\$20 000.00
Autism Association of South Australia Limited	Develop an autism-friendly charter, training package and other resources to assist the community to improve accessibility for people with autism.	\$65 800.00
Brain Injury Network of South Australia Incorporated	Build community capacity to understand the new disability services environment and support people with disability in the Barwon region.	\$37 500.00
Colac Area Health	Develop a safe and welcoming location at the Colac Neighbourhood House to promote the inclusion of people with disability in the local community.	\$22 727.27
Colac Area Health	Build an Aboriginal Story Wall at the Colac Neighbourhood House to promote the inclusion of Aboriginal people with disability and promote their local history.	\$4545.45
Committee for Geelong Ltd	Develop a community feedback mechanism to the NDIA.	\$150 000.00
Community Disability Alliance Hunter Incorporated	Support peer to peer support activities in the Newcastle, Lake Macquarie and Maitland local government areas.	\$77 160.00
Community Disability Alliance Hunter Incorporated	Plan workshops for people with disability in the Newcastle, Lake Macquarie and Maitland local government areas.	\$20 860.00
Developmental Disability Council of Western Australia (Incorporated)	Run workshops for students with disability and their families to facilitate the transition from school to employment and independence.	\$5440.00
Deaf Aboriginal and Torres Strait Islander Community Consultancy	Provide culturally appropriate resources to improve outcomes for local Aboriginal and Torres Strait Islander people with disability accessing disability services.	\$50 000.00

Grant recipient	Purpose	Value GST exclusive
Deakin University	Support for a Health Literacy Workshop to inform people with disability, support staff and service managers.	\$4260.00
Deakin University	Promote the employment of people with disability to small and medium-sized businesses in Geelong.	\$109 090.90
Diversitat	Educate and link people with disability from culturally and linguistically diverse backgrounds to community disability supports.	\$9090.91
Dreamfit Foundation	Encourage the participation of people with disability in community recreation activities.	\$5000.00
Early Childhood Intervention Australia Victorian Chapter Incorporated	Develop best practice guidelines to support families of children that may benefit from early intervention services.	\$32 000.00
Endeavour Foundation	Update the Endeavour Foundation Discover Guide to reflect the new disability services environment.	\$180 578.18
Epilepsy Foundation of Victoria Incorporated	Develop resources aimed at supporting people with epilepsy to achieve social and economic goals.	\$9091.91
E-QUAL	Provide training and mentoring support to people with intellectual disability to enable their uptake of community leadership positions.	\$44 000.00
Inclusion WA Incorporated	Improve the level of participation in recreation activities and sporting clubs by people with disability.	\$40 000.00
Leisure Networks Association Incorporated	Develop resources promoting the inclusion of people with disability in sporting and active recreation opportunities in the Barwon region.	\$35 000.00
Mental Illness Fellowship Victoria	For people with psychosocial disability to develop resources to assist other people with psychosocial disability to effectively attain and use disability services and supports.	\$14 985.00
Mental Illness Fellowship of North Queensland Incorporated	Improve the capacity of mental health peer-support volunteers to link people discharged from the Cairns Base Hospital Mental Health Unit to relevant community supports.	\$19 000.00
Newcastle Toy Library Incorporated	Purchase specialist toys for improving fine motor skills, speech, language, cognitive, sensory and social skills for inclusion in the library's borrowing programme.	\$9 931.59
Nexus Incorporated	Support people with disability to move from high-support accommodation facilities to community accommodation. Best practice model to be developed based on project experience.	\$39 895.00
NPY Women's Council Aboriginal Corporation	Workshop of senior APY Lands women to promote a common understanding of concepts related to disability and support planning throughout the APY lands.	\$25 910.00

## Appendix 1: Community inclusion and capacity development grants 2014–15 (cont...)

Grant recipient	Purpose	Value (GST exclusive)
Speak Out Association of Tasmania Incorporated	Develop and promote best practice staff training guidelines—serving customers with disability (and their carers).	\$16 000.00
Summer Foundation Ltd	Improve community capacity to assist young people in residential aged-care facilities to achieve social and economic participation goals.	\$228 145.45
Tasmanian Acquired Brain Injury Services Incorporated	Identify strategies to address the needs of young people and their carers who live in rural communities.	\$22 253.00
Tenant Creek Transport Incorporated	Improve and sustain the Tennant Creek community transport system.	\$82 500.00
Tullawon Health Service Incorporated	Provide a wheelchair access facility for the community transport bus.	\$18 500.00
University of Tasmania	Provide information, advice and connections for people with disability via three 'Gearing up for choice' events across Tasmania.	\$30 000.00
Valued Lives Foundation Incorporated	Support a regional workshop programme to improve the capacity of people with disability to plan and manage their own supports.	\$22 727.27
Volunteering Geelong Incorporated	Promote volunteering by people with disability including the development of training and mentoring resources.	\$31 868.72

## Appendix 2: Compliance with the Carer Recognition Act 2010

Requirement of the Carer Recognition Act 2010	Response
Ensure that 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 <i>Carers Recognition Act</i> 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.
Ensure internal human resources programmes have due regard to the Statement for Australia's Carers.	The Agency complies through the FaHCSIA Enterprise Agreement 2012–14 as well as internal policies. Employees with caring responsibilities are supported through access to personal leave, flexible working arrangements, part-time work, home based work and the Employee Assistance Program.
Ensure the Agency, 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.	Carers are included in the planning process, and are recognised in participant plans through the informal care sections of plans. The role of carers is recognized by the NDIA as an important factor in developing participant 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 NDIA's Quality Framework allows feedback from carers to inform improvements to the way the Scheme supports their needs.
Ensure that carers, or bodies that represent carers, are consulted when developing or evaluating care supports.	The NDIA held a variety of consultation forums that have included carers and their representatives.

## Appendix 3: Compliance index

Mandatory under the NDIS Act			
Reference	Requirement	Notes	Page
172(2)(a)	Ministerial directions	No directions issued in 2014–15	NA
172(2)(b)	Ministerial statements	No statements issued in 2014–15	NA
172(2)(c)	Participant and funding information and analysis	Performance report Financial performance	52-121 120-21
172(3)	Requirements in legislative instruments relating to paragraph 172(2)(c)	No legislative instrument made	NA
172(4)(a)	Scheme Actuary's report	Scheme sustainability and financial performance	174-80
172(4)(b)	Reviewing Actuary's report	Scheme sustainability and financial performance	181
Mandatory under the Finance Minister's Orders			
Reference	Requirement	Detail	Page
6	Approval by directors	Letter of transmittal	vi
7	Exemptions	No exemptions granted to the Agency by the Finance Minister	NA
8	Parliamentary standards of presentation		all
9	Plain English and clear design		all
10	Enabling legislation, objectives and functions	Enabling legislation The National Disability Insurance Agency	15
11	Responsible Minister	Responsible Minister	125
12(a)	Ministerial directions	No directions issued	NA
12(b)-(c)	General policies notified before 1 July 2008 and General Policy Orders	The Agency was established in 2013 and no Government Policy Orders apply under the PGPA Act	NA
12	Ecologically sustainable development and environmental performance (see also <i>Environment Protection and Biodiversity Conservation Act 1999</i> , section 516A)	Ecological and sustainable development	168
12	Work health and safety (see also <i>Work Health and Safety Act 2011</i> , Schedule 2)	Work health and safety performance	166
12	Information Publication Scheme Statement (see also <i>Freedom of Information Act 1982</i> )	Freedom of Information	165
13	Information about directors	Board member profiles Governance framework The Board The Agency	128-133 124 126 139
14	Organisational structure and locations of major activities and facilities	Map of trial sites Delivering the NDIS Year two for the NDIS Organisational chart The Agency Staff location	18-19 56-62 14-51 140-41 139-49 154

Reference	Requirement	Detail	Page
14	Statement on governance	Governance framework The Board Independent Advisory Council The Agency	124-139 126 134-7 139
15	Related entity transactions	Scheme sustainability and financial performance	219
16(a)	Significant events under section 15 of the CAC Act	No significant events occurred in 2014–15	NA
16(b)	Operational and financial results	Financial performance Scheme sustainability and financial performance	120 172-235
16(c)	Key changes to state of affairs or principal activities	Performance report	52-121
16(d)	Amendments to enabling legislation and other legislation directly relevant to operations	No amendments	NA
17(a)	Judicial and administrative tribunal decisions	External scrutiny	162-5
17(b)	Reports made about the Agency	External scrutiny	162-5
18	Obtaining information from subsidiaries	No missing information and no subsidiaries	NA
19	Indemnities and insurance premiums for officers	Indemnities and insurance	155
20	Disclosure requirements for government business enterprises	The Agency is not a government business enterprise	NA
21	Index of annual report requirements	Compliance index	250-4
Optional under the DPMC requirements			
Reference	Requirement	Detail	Page
8(3), Attachment A fourth item	Letter of transmittal	Letter of transmittal	vi
Attachment A fifth item	Table of contents	Contents	vii-ix
Attachment A fifth item	Index	Index	242-5
Attachment A fifth item	Glossary	Glossary	238-41
Attachment A fifth item	Contact officer(s)	Inside back cover	255
Attachment A fifth item	Internet home page address and Internet address for report	Inside back cover	255
9(1)	Review by CEO	Message from the CEO	xii
9(2)	Summary of significant issues and developments	Year two for the NDIS	14-51
9(2)	Overview of department's performance and financial results	Performance report	52-121
9(2)	Outlook for following year	Message from the Chair Message from the CEO	x xii

### Appendix 3: Compliance index (cont...)

Reference	Requirement	Detail	Page
9(2)	Outlook for following year	Message from the Chair Message from the CEO Performance report	x xii 87, 108, 119
9(3)	Significant issues and developments – portfolio	NA	NA
10(1)	Agency role and functions	Enabling legislation The National Disability Insurance Agency Facts and figures	15 16 122-71
10(1)	Organisational structure	Facts and figures	122-71
10(1)	Outcome and programme structure	Performance report	52-121
10(2)	Where outcome and programme structures differ from PB Statements/PAES or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	NA	NA
10(3)	Portfolio structure	NA	NA
11(1)	Review of performance during the year in relation to programmes and contribution to outcomes	Performance report	51-121
11(2)	Actual performance in relation to deliverables and KPIs set out in PB Statements/PAES or other portfolio statements	Performance report	51-121
11(2)	Where performance targets differ from the PBS/PAES, details of both former and new targets, and reasons for the change	NA	NA
11(2)	Narrative discussion and analysis of performance	Performance report	51-121
11(2)	Trend information	Performance report Scheme sustainability and financial performance	51-121 172-235
11(3)	Significant changes in nature of principal functions/services	NA	NA
11(3)	Performance of purchaser/provider arrangements	Contracts and consultancies	170
11(3)	Factors, events or trends influencing departmental performance	Performance reports Scheme sustainability and financial performance	51-121 172-235
11(3)	Contribution of risk management in achieving objectives	Performance report Managing risk	51-121 112-13
11(4)	Performance against service charter customer service standards, complaints data, and the department's response to complaints	Improving service standards External scrutiny	36 162-5
11(5)	Discussion and analysis of the department's financial performance	Financial performance Scheme sustainability and financial performance	120 172-235
11(6)	Discussion of any significant changes in financial results from the prior year, from budget or anticipated to have a significant impact on future operations	NA	NA
11(7)	Agency resource statement and summary resource tables by outcomes	NA	NA

Reference	Requirement	Detail	Page
12(1)	Agency heads are required to certify their agency's actions in dealing with fraud	Letter of transmittal	vi
12(2)	Statement of the main corporate governance practices in place	Managing risk Facts and figures Governance structures	112 122-71 124-39
12(3)	Names of the senior executive and their responsibilities	The Agency	139-47
12(3)	Senior management committees and their roles	The Agency	139-49
12(3)	Corporate and operational plans and associated performance reporting and review	Performance report	51-121
12(3)	Internal audit arrangements including approach adopted to identifying areas of significant financial or operational risk and arrangements to manage those risks	Managing risk Financial management Management committees Internal audit	112 120 139 170
12(3)	Policy and practices on the establishment and maintenance of appropriate ethical standards	Ethical standards	155
12(3)	How nature and amount of remuneration for SES officers is determined	SES remuneration	159
12(4)	Significant developments in external scrutiny	External scrutiny	162-5
12(4)	Judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner	External scrutiny	162-5
12(4)	Reports by the Auditor-General, a Parliamentary Committee, the Commonwealth Ombudsman or an agency capability review	External scrutiny	162-5
12(5)	Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	NDIA people	150-4
12(6)	Workforce planning, staff retention and turnover	NDIA people	150-4
12(6)	Training and development undertaken and its impact	Learning and development Employee engagement, Performance pay & Performance development	160 161
12(6)	Work health and safety performance	Work health and safety performance	166
12(6)	Productivity gains	Employment arrangements	159
12(7)	Statistics on staffing	Staffing statistics	152-4
12(8)	Statistics on people who identify as Indigenous	Diversity Staffing statistics	150 152
12(9)	Enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs	Employment arrangements	159
12(10), Attachment B	Performance pay	Performance pay	161
12(11)-(12)	Assessment of effectiveness of assets management	Asset management	170
12(13)	Assessment of purchasing against core policies and principles	Contracts and consultancies	168-9
12(14)-(23)	New and ongoing consultancy contracts	Contracts and consultancies	168-9
12(24)	Absence of provisions in contracts allowing access by the Auditor-General	Contracts and consultancies	168-9





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