

Schedule A:  
Bilateral Agreement for  
NDIS Launch between the Commonwealth and  
New South Wales

**BILATERAL SCHEDULE A – NEW SOUTH WALES****PART 1 — PARTIES TO THIS AGREEMENT**

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1. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the State Government of New South Wales (NSW).

**PART 2 — ROLE AND PURPOSE**

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**Role and purpose of this Agreement**

2. This Agreement provides the foundation for a National Disability Insurance Scheme (NDIS) launch site in New South Wales. It outlines how the NDIS is expected to operate in the launch site, including the respective roles and responsibilities of the Commonwealth and NSW governments. It takes account of NSW departments' roles as funder, regulator and service provider.
3. This Agreement has been prepared in the absence of the final NDIS legislation, and in parallel with the Intergovernmental Agreement for the NDIS launch. NSW has entered into this Agreement to permit the effective implementation of the NDIS in the Hunter area. Consistent with paragraph 129 of the Intergovernmental Agreement for the NDIS launch, this Agreement may be amended at any time by agreement in writing by the Parties.

**Launch Site Aims**

4. In addition to the objectives of the NDIS launch outlined in the Intergovernmental Agreement for the NDIS launch and the NDIS Bill 2012, as enacted into legislation, the NSW launch site will have the following further specific launch aims:
  - a. achieve consistency with Productivity Commission recommendations and Council of Australian Governments (COAG) decisions on NDIS design and governance;
  - b. maintain the rights and safeguards for people with disability in the launch site, as for other people in NSW;
  - c. provide flexibility to align the phasing of the rollout to the priorities of people with disability and their readiness to transition to the NDIS within the available funding envelope;
  - d. assess clients with high and/or complex support needs to ensure that adequate supports are available to meet current and future needs and aspirations, maximising social inclusion and community connectedness. These clients include:
    - i. approximately 440 individuals with high support needs currently accommodated in Stockton and Kanangra large residential centres;
    - ii. people with disability who have had contact with the criminal justice system, placing themselves or others at serious risk of harm and who require specialised support responses (subject to final resolution by the Design Working Group)<sup>1</sup>; and

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<sup>1</sup> Subject to the finalisation by the Design Working Group of NDIS interfaces with other service systems.

- iii. individuals where other support arrangements have broken down and unplanned, short-term crisis support is required; and
- e. focus on sector and workforce development and transition arrangements, recognising that the providers in the launch site are partners in ongoing, large scale reforms to disability services across NSW that will support a full scheme.

## **PART 3 – NATIONAL DISABILITY INSURANCE SCHEME – FIRST STAGE**

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### **Features of the NSW launch site**

- 5. The first stage of the NDIS will operate in the three local government areas of Newcastle, Lake Macquarie and Maitland in NSW (the Hunter launch area) for all eligible residents.
- 6. Approximately 10,000 people are expected to benefit from the launch of the NDIS in the Hunter launch area, as set out in Appendix A.
- 7. Existing NSW access points will continue to operate in the launch site without duplicating any of the functions of the Agency. Interfaces and protocols will be established to provide seamless cross-referral to the Agency, transfer of client information and referral to local services as required.

### **Areas of agreement for launch**

- 8. The first stage of the NDIS in NSW will commence in July 2013.
- 9. Both Parties agree that the process for phasing in clients of the NDIS launch will be undertaken within the agreed roll-out arrangements (Appendix B). Appendix B sets out the planned intake of the expected number of clients over the launch. The NDIS Launch Transition Agency (the Agency) in collaboration with NSW and the Commonwealth will develop client flow arrangements before 14 February 2013 that are consistent with the agreed funding arrangements. The final approved intake will be monitored on a monthly basis to ensure that it aligns with the allocated NDIS funding (cash and in-kind). The capacity of the Agency to manage the roll-out will be taken into consideration when determining the final roll-out arrangements.
- 10. The Agency will ensure continuity of support for clients who are receiving supports under existing contracts and who enter the NDIS.
- 11. The Agency will consult NSW in the development of principles to guide prioritisation of new clients consistent with agreed transition numbers.
- 12. The Commonwealth agrees to bear 100 per cent of the risks for the NSW launch site. This includes population, financial and transition risks.
- 13. Both parties recognise that the operation of the Hunter launch area should not adversely impact clients who currently live outside the Hunter launch area and access disability supports within the launch area.
- 14. People who enter the NDIS launch under the aged of 65 will have the choice of continuing to receive supports through the NDIS or transitioning to the aged care system once they turn 65 years (50 years for Indigenous participants). This reflects the principle of choice and control and ensures people have continuity of care as they age in the NDIS.

15. Where a person over 65 years (50 years for Indigenous participants) chooses to remain in the NDIS, the Commonwealth will be responsible for meeting all scheme costs associated with these participants, consistent with the Commonwealth's obligations under Schedule F of the National Health Reform Agreement.
16. The Commonwealth and NSW agree to provide ongoing support to NDIS participants in the Hunter launch. The Commonwealth agrees to cover 100 per cent of the risk during any transition period between end of launch and full scheme commencement or until an alternative arrangement is made covering ongoing support to participants in the first stage of the NDIS. The NSW ongoing support will be consistent with the launch funding allocation and will not be premised on an average person cost.

### **Local Area Coordination**

17. A range of decision support services will be established to support NDIS recipients in the launch site from the date of its commencement, including local area coordination and key worker roles.
18. The NSW contribution to the Hunter launch will include Ability Links NSW, Aboriginal<sup>2</sup> Ability Links, diagnosis support workers and other local area coordination and decision support/key worker capacity consistent with nationally agreed design<sup>3</sup>. The arrangements for the establishment of this capacity will be dependent on the timing and implementation of the systems and training by the Agency.
19. Ability Links NSW coordinators have three main roles:
  - a. working with people with disability, their families and carers to consider their immediate and future goals and how these might be best achieved;
  - b. working with individuals and their families, supporting them to achieve their goals by building new networks and accessing support and services in their community; and
  - c. working alongside communities and mainstream services, supporting them to become more welcoming and inclusive.
20. Aboriginal Ability Links capability will be auspiced by a local Aboriginal community controlled organisation sourced through a combined community engagement and competitive tender process.
21. Diagnosis support workers provide age appropriate local area coordination responses to 0-8 year olds.
22. Local support coordination functions operating in the Hunter launch site will:
  - a. be available for the Agency to refer individuals;
  - b. use NDIS systems, processes and training and be identifiable as NDIS when working within the launch site; and

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<sup>2</sup> NSW programs use the term Aboriginal to be inclusive of both Aboriginal and Torres Strait Islander people, which aligns with the National use of the term Indigenous.

<sup>3</sup> The role of Ability Links, Aboriginal Ability Links and diagnosis support workers within the Hunter launch site will reflect final decisions of the Select Council on the role and functions of local area coordination and other decision supports.

- c. not be provided by new or existing organisations which are principally involved in the delivery of disability supports and services.

23. The Parties and the Agency will work collaboratively on further refinement of roles, deliverables, and other coordination and decision support functions.

### **Quality and safeguards**

- 24. The existing NSW quality assurance framework will apply in the Hunter launch site to relevant new and existing funded client support programs for the launch subject to further development of and transition to a nationally consistent risk-based quality assurance approach in the longer term. NSW will identify details of the existing client support programs in the Hunter launch site and provide this information to the Agency for the purposes of registering providers. Working arrangements between NSW and the Agency to ensure appropriate management and monitoring against these quality assurance frameworks will be developed.
- 25. A range of existing and new safeguards will minimise the risk of harm to NDIS participants in the Hunter launch area, protect their right to be safe, and empower them to achieve choice and control over their lives including guardianship, where alternative decision making arrangements are unavailable, privacy, and child protection.
- 26. NDIS participants will have access to a range of NSW complaints mechanisms, with provision for complaints to be made to the Agency, Administrative Appeals Tribunal, Ombudsman, Health Care Complaints Commission, and any other NSW or Commonwealth body or tribunal, as appropriate.
- 27. The Agency will establish policies and procedures for employment probity checks for its own staff, the handling of allegations of abuse and neglect of NDIS participants, and notification of the NSW Government of serious complaints about service providers that it funds.

### **Human Resourcing**

- 28. Both parties agree to develop a comprehensive agreement to govern the secondment, contracting or assignment of NSW Government officers and transfer of any functions to the Agency before commencement of the launch.

### **Consultation**

- 29. The Parties and the Agency will jointly use existing consultative forums involving people with disability, families, carers and sector and community representatives to advise on the NDIS launch.

### **Collection and management of data**

- 30. Both parties agree that the launch site will be used to collect qualitative and quantitative data and information on any issues relevant to the NSW launch and this, taken together with the outcomes from the other launch sites, will be shared with all governments to facilitate national data collection and consolidation that will contribute to the analysis of costs, liabilities, service interventions, service delivery models and implementation strategies.
- 31. Data collection and management will take account of interests of people with disability and relevant legislation. The data management approach including data collection, storage and transfer will be agreed between the Commonwealth and NSW and reflected in an

information protocol. The Agency will be required to operate in accordance with the data management approach in the information protocol.

32. Both Parties agree to share client and provider information and data during the launch to ensure continuity of support, financial accountability and effective interactions with supports and services outside the NDIS, subject to privacy and other requirements

**Interactions with existing legislation**

33. This Agreement is to be considered in conjunction with existing legislation and subject to the finalisation of the NDIS Bill 2012, as enacted into legislation. This could include the following NSW legislation:

- a. *Disability Services Act 1993*;
- b. *Guardianship Act 1987*;
- c. *Children and Young Persons (Care and Protection) Act 1998*;
- d. *Community Services (Complaints, Reviews and Monitoring) Act 1993*;
- e. *Privacy and Personal Information Protection Act 1998*; and
- f. *Health Records and Information Privacy Act 2002*.

**Financial contributions**

34. Both parties agree to contribute to the NDIS launch site in accordance with Appendix A.
35. It is recognised that existing NSW funding and existing intergovernmental funding is currently contracted to existing clients to deliver services. As a result, the ability to allocate funding across the launch, must take into account client phasings which include new clients, existing clients of State services that have transitioned to the NDIS, existing clients of State services that are due to be transitioned to the NDIS, and existing clients of State services that currently receive services in the launch site but reside outside the launch site.
36. If, at the end of the first three years, NSW and Commonwealth actual contributions (cash and in-kind) are less than the amount set out in Appendix A, any underspends will be retained by the Agency to create a reserve for use in NSW during any transition period from launch or full scheme commencement. Over the three years, this includes NSW's contribution to new NDIS clients and existing clients of State services that have transitioned to the NDIS.

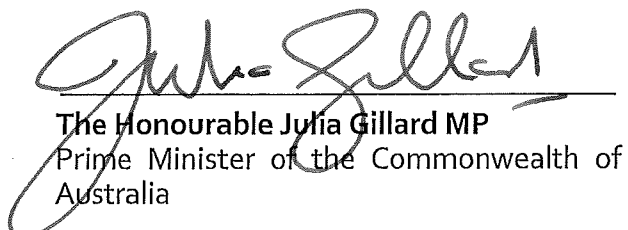
**Review of this Agreement**

37. This Agreement will be reviewed by both Parties following finalisation of the review of the NDIS Bill 2012, as enacted into legislation and amended if necessary to take account of the review outcomes, with the agreement of both parties. The review of this Agreement will include consideration of the entry of new clients to the NDIS following the response of the Council of Australian Governments to the review of the NDIS Bill 2012, as enacted into legislation.


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

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

*Signed for and on behalf of  
New South Wales by*



The Honourable Julia Gillard MP  
Prime Minister of the Commonwealth of  
Australia  
7 December 2012



The Honourable Barry O'Farrell MP  
Premier of New South Wales  
7 December 2012

## APPENDIX A - FUNDING ARRANGEMENTS FOR LAUNCH

1. The Commonwealth and New South Wales agree that the estimated client population covered by the launch site is as shown in Table 1.
2. Both Parties agree that the process for phasing in clients of the NDIS launch will be undertaken within the agreed roll-out arrangements (Appendix B). Appendix B sets out the planned intake of the expected number of clients over the launch. The NDIS Launch Transition Agency (Agency) in collaboration with NSW and the Commonwealth will develop client flow arrangements before 14 February 2013 that are consistent with the agreed funding arrangements. The planned intake in Appendix B will be monitored on a monthly basis to ensure that it aligns with the allocated NDIS funding (cash and in-kind) for that month. The capacity of the Agency to manage the roll-out will be taken into consideration when determining the final roll-out arrangements. This estimate is based on the following assumptions:
  - a. Year 1: existing clients in Newcastle Local Government Area (LGA) and Stockton Large Residential Centre (LRC) plus new clients (residual);
  - b. Year 2: existing clients in Lake Macquarie LGA and Kanangra LRC plus new clients (residual);
  - c. Year 3: existing clients in Maitland Local Government Area plus remaining new clients; and
  - d. NSW population assumptions are based on client transition; assuming 50 per cent full year effect (FYE) in the clients (both new and first year entry).

Table 1	2013-14	2014-15	2015-16
Estimated client population	3,000	5,030	10,111

3. The estimated total cost of providing NDIS funded supports to the agreed client profile in Table 1 is shown in Table 2.

Table 2	2013-14	2014-15	2015-16
Estimated total cost of providing NDIS funded supports	\$52.5 million	\$147.6 million	\$292.9 million

**Commonwealth contribution**

4. The Commonwealth's funding for NDIS funded supports is shown in Table 3.

Table 3	2013-14	2014-15	2015-16
Commonwealth's funding for NDIS funded supports	\$21.3 million	\$59.9 million	\$118.8 million



5. The Commonwealth's share of funding for NDIS funded supports will be provided in cash and through direct provision of services. The estimated value of cash contributions to the scheme is shown in Table 4.

Table 4	2013-14	2014-15	2015-16
Commonwealth cash contributions to the scheme	\$11.8 million	\$33.3 million	\$67.2 million

6. The Commonwealth programs which are expected to be drawn on in providing direct services include:
- a. Australian Disability Enterprises;
  - b. Autism Specific Early Learning and Care Centres;
  - c. Better Start for Children with Disability initiative;
  - d. Continence Aids Payment Scheme;
  - e. Support for Day to Day Living in the Community A Structured Activity Program;
  - f. Disability Employment Services - Work Based Personal Assistance;
  - g. Helping Children with Autism;
  - h. Hearing Services Program;
  - i. Improved Support for people with younger onset dementia;
  - j. Targeted Community Care - Mental Health Respite: Carer Support and Personal Helpers and Mentors component;
  - k. National Auslan Interpreter Booking and Payment Service;
  - l. After School Hours Care for Teenagers with Disability;
  - m. Partners in Recovery: Coordinated Support and Flexible Funding for people with severe and persistent mental illness and complex needs;
  - n. Respite Support for Carers of Young People with Severe or Profound Disability; and
  - o. Young Carers Respite and Information Services.
7. The Commonwealth will pay for all Agency related administration and system support costs associated with the launch.
8. The Commonwealth will be responsible for meeting all scheme costs for participants who are 65 and over and/or turn 65 (50 years for Aboriginal clients) and choose to remain in the scheme. The estimated numbers of clients over 65 are shown in Table 5.

Table 5	2013-14	2014-15	2015-16
Estimated client population aged over 65	50	131	293

### NSW contribution

9. NSW funding is capped at \$550 million over three years (existing launch site allocation), plus \$35 million over four years.

10. The NSW total expenditure within the Hunter launch site is shown in table 6.

Table 6	2013-14	2014-15	2015-16
NSW total expenditure within the Hunter launch site	\$167 million	\$182 million	\$198 million

11. The NSW contribution to the cost of NDIS supports is shown in table 7.

Table 7	2013-14	2014-15	2015-16
NSW funding for individual support packages and local support coordination	\$31.2 million	\$87.7 million	\$174.0 million

12. The NSW share of funding for NDIS funded supports will be provided in cash and through direct provision of services. It is recognised that the cost of operating the existing large residential centres represents a fixed cost. The large residential centre funding will represent an in-kind contribution by NSW.

13. Both parties agree that there will be further work that needs to occur in order to finalise the balance of cash and in-kind contributions. This work will be completed by mid-February 2013. However, , both parties agree that the composition of NSW in-kind contributions can be reviewed and modified.

### Arrangements for Intergovernmental Payments

14. The Parties agree that intergovernmental payments currently provided by the Commonwealth to NSW for the purpose of providing disability services to individuals should be repaid to the Agency on behalf of the Commonwealth commensurate with the expected NDIS client numbers in the NSW as a proportion of the total expected NDIS client numbers in NSW.

15. It is recognised that intergovernmental payments are currently used to contribute to the cost of supports for clients receiving existing State services. The quantum of intergovernmental payments that is available for payment to the Agency is subject to final client phasings and a review of the cash and in-kind contributions.

16. Both parties agree that there will be further work that needs to occur in order to finalise the amount that can be transferred to the Agency in each year.

17. Intergovernmental payments include the Commonwealth payments made through the National Disability Specific Purpose Payments (NSPP) and the National Partnership on Transitioning Responsibilities for Aged Care and Disability Services.
18. NSW agrees to pay the Agency on behalf of the Commonwealth the amount of intergovernmental payments as set out in Table 8 in instalments during the financial year, at the same time as the cash contributions to NDIS funded supports, as outlined in paragraphs 32 to 39 of the Intergovernmental Agreement on NDIS Launch.

Table 8	2013-14	2014-15	2015-16
Repayment of Commonwealth grants by NSW	\$5.5 million	\$15.9 million	\$32.2 million

19. It is acknowledged that part of the in-kind contribution identified in clause 12 will be funded from the NSPP. The proportion of the in-kind contribution which should be counted as a Commonwealth contribution, because it is funded through the NSPP, will be agreed between the Commonwealth and NSW once the mix of in-kind and cash has been finalised.

## APPENDIX B - PLANNED INTAKE OF CLIENTS OVER THE LAUNCH BASED ON A NUMBER OF CLIENT CHARACTERISTICS.

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1. On the basis of the agreed funding and the population assumptions, it has been agreed that the proposed client flow will be as per Table 1 in Appendix A above.
2. It is acknowledged that these clients will need to be phased into the NDIS on a monthly basis.
3. In determining the client flow, the Agency will need to ensure that there is adequate capacity in funding and resourcing allocation to allow for crisis and unplanned assessments.
4. In determining the client flow, the Agency will need to ensure that there is adequate capacity in funding and resourcing allocation to allow for crisis and unplanned assessments.
5. It is further agreed that in determining the client flow, that a range of strategies may be considered including:
  - a. staggered age cohorts; and
  - b. postcode boundaries within each LGA.
6. These strategies will then be considered in the context of the impact of these flows on:
  - a. providers involved and impact on the overall sustainability of the supports provided where this support is required by other individuals;
  - b. the provider transition strategy required to meet the conversion from in-kind to cash contributions;
  - c. the nature of current funding arrangements with providers;
  - d. the availability of cash and in-kind funds and the needs of the individuals for supports that can or cannot be met by the existing in-kind arrangements; and
  - e. individual capacity and readiness.

The strategy will be incorporated into detailed joint communication materials from the Commonwealth and NSW from March 2013 onwards.