1 March 2018

I would like to start by acknowledging the traditional custodians of the land on which we meet today and pay my respects to their Elders past and present.

I have now been in the role of CEO for over 5 months, and during this time the Agency has made progress addressing both the challenges and opportunities faced during the Transition period. However, there is a significant amount of work still to do, and I do not underestimate the scale and importance of the task ahead.

At the end of the December 2017 quarter, there were an additional 19,965 NDIS participants with plans; and 5,024 additional children have a confirmed referral to the Early Childhood Early Intervention gateway.

Overall, more than 142,000 participants have had plans approved since the Scheme began. This is an increase of over 120 per cent in the last 12 months.

There are 12,328 approved NDIS providers – an increase of over 140 per cent in the last 12 months. The range of provider types in the developing marketplace is diverse, with 42 per cent of registered service providers operating as individual or sole traders.

As an Agency, our workforce continues to grow. As at 31 December 2017 we have 3,434 staff comprising 2,329 APS employees (equivalent to 2,028 ASL) and 1,105 contractors and 2,054 partners in the community. This represents a total increase in workforce of 92 per cent in the last 12 months.

During this significant period of growth in transition, satisfaction has remained consistent – between 83 and 88 per cent. Notwithstanding this, the challenges ahead remain substantial.

I will now take the opportunity to update the Committee on several matters, including delivery against our Corporate Plan. My intention is to provide the Committee with assurance that we take the matters you raise seriously. We are working hard to improve the participant and provider experience while delivering a financially sustainable Scheme for future generations, by improving our systems, processes, controls and capabilities.

The first aspiration in our Corporate Plan is focused on delivering quality outcomes and experience for participants.

In October last year we announced a new pathway experience following an extensive review commissioned by our Board.

The review is documented in our Pathway Review Report, which Senators requested at the last hearing. Copies of the Pathway Review Report have been tabled for the Committee.

The pathway improvements are comprised of national measures, pilots and the design of tailored pathways.

National pathway improvements are currently focused on clear and easy to understand communications and the implementation of face-to-face planning, unless people choose otherwise.

We are working on measuring participants experience and preferences regarding face-to-face planning across different stages in the process. Importantly, people now have a choice about how they plan.

We acknowledge that for some people other channels may remain their preference and will support their choice. We also acknowledge the choice for some people may be influenced by the time it takes for us to arrange for a planner or Local Area Coordinator to meet with a person – particularly in rural and remote locations. As such, we are considering the balance, location and composition of our workforce.

Since we last met, two pilots of the new participant pathway have commenced in northern and eastern Victoria with our Local Area Coordinator Partners, La Trobe Community Health and the Brotherhood of St Laurence.

The pathway pilot improvements are focused on better pre-planning and the implementation of effective planning where a person works side-by-side with a planner and Local Area Coordinator to talk about their goals, develop a plan and then implement the plan.

A participant reference group has been established to guide the pilot and is meeting on a monthly basis. The reference group has worked with us to develop the first version of an easy-to-read plan, which I have also tabled for Senators.

Participants are able to ask questions of both their Local Area Coordinator and the planner as their plan is developed. During the joint planning meeting, participants can understand and view their pre-finalised plan, what is being funded, how this links to their goals, and make minor adjustments, before the plan is approved.

We have also held 29 workshops to develop tailored pathways for participants with psychosocial disability, Culturally and Linguistically Diverse and Aboriginal and Torres Strait Islander backgrounds and from remote and very remote contexts, as well as for people with complex needs and young children entering through the Early Childhood Early Intervention gateway. A further six workshops are planned to take place during March.

These consultations will form part of the immediate, medium and longer term improvements which we will progressively implement as part of the new pathway experience.

I would like to take this opportunity to thank Ms Stephanie Gunn who in an acting capacity has lead the Participants and Pathway Planning Experience area over a challenging period of significant growth. I would like to note the appointment of Mr Michael Francis to the Committee who will commence with the Agency next week. Mr Francis has a strong background in scheme transformation and service delivery, and joins us from WorkSafe SA.

The second aspiration in our corporate plan is growing a competitive market with innovative supports.

An important part of market development is understanding the wide range of issues that are critical to creating a strong, innovative and viable provider market.

Our Board has now received the Independent Pricing Review Report. The intent is that the Report and an Agency response to the Report be published by mid-March at the latest.

Separately, work is underway to enhance market communications around delivering Specialist Disability Accommodation. This work was requested by the COAG Disability Reform Council and we will report back to them on the outcomes of this work.

We also have a project underway to make sure our approach to ‘Maintaining Critical Supports’ (historically referred to as ‘Provider of Last Resort’) is participant-centric, supports choice-based principles and operates within our legislation. When this project is completed, we will report back to the COAG Disability Reform Council.

In December 2017, it came to our attention that a number of providers were experiencing issues with payment processing times and claims. We are actively interrogating the cause of these issues which we consider to be due to a combination of manual provider errors, errors in plan construction, timing gaps as well as system limitations. We have established a national Provider Payment Team as a single point of contact for providers to resolve these issues. This team is analysing and remediating valid payment issues and developing an improved process going forward. The NDIA has already successfully resolved a number of valid payment issues for affected providers.

We now have Ms Antonia Albanese leading our Markets, Provider and Sector Development area. Ms Albanese is from a financial services background and has experience working across payment systems, service management with small and large businesses, and registering intermediaries.

As part of the Pathway review, providers have been clear about the importance of portal usability. A program of priority portal improvements is currently underway. Our first, of many enhancements, was recently introduced to enable providers to view participant plans where the participant has granted permission.

I would like to take this opportunity to note the appointment of Mr Ian Frew, our new Chief Information Officer. Mr Frew has experience working in the insurance sector, with a high growth start up, with outsourced technology partners and delivering at scale.

The third aspiration in our Corporate Plan is a financially sustainable NDIS.

As an insurance scheme, financial sustainability is essential to our operations. We are always working to understand and respond to emerging cost pressures, as outlined in the recently released *COAG Disability Reform Council Report for Quarter 2 of Year 5* which is prepared by our Scheme Actuary, Ms Sarah Johnson.

We are also part of a broader system of supports and services and can only succeed and be sustainable when our communities, including the entire service system, deliver for people with disability.

The NDIS works alongside state and territory service systems such as health and justice. I am aware that a number of cases involving interface issues have been reported on in the media.

In each instance we work to understand the underlying cause, collaborate with our state and territory counterparts and seek to reach an appropriate outcome. Our focus must always be making sure people receive the supports and services they require.

I acknowledge that there are times when the NDIS and state systems could work together more effectively and would like to focus on this as an area of improvement going forward.

As an example, the NDIA is working together with our colleagues at the Department of Social Services and the Department of Health to transition younger people in a residential setting to the NDIS. More than 1,500 younger people in this group now have an NDIS plan. We have provided an update for the Committee on progress for this group.

The fourth and final aspiration is a high performing NDIA.

The NDIA continues to grow at a fast pace and on a large scale during the transition period.

The NDIS is a significant national reform and, as you all know, it is the first of its kind. In order to deliver it successfully, we must remain flexible to deploy the skills required.

During transition the NDIA has continued to grow its workforce as a mix of ongoing, non-ongoing and contracted NDIA staff, community partners as Local Area Coordinators, as well as a small number of specialist advisers. We are growing in a way that balances the need for short term growth, and projects, as well as building capability that will endure well into Full Scheme.

Consultants are utilised for specialised projects and expertise to support Agency capability. Committed expenditure on consultants has reduced by almost 15 per cent in the last six months as we continue to work on building the capability in the Agency and reduce the reliance

on consultants going forward.

I am aware of the need to balance our growth with a capable and talented workforce. We face some challenges recruiting on such a large scale and at fast pace. However we are committed to addressing these challenges methodically and continuing to plan for the future.

Our ASL cap increases from 2,460 this financial year to 3,000 next financial year. This will mean we have over 500 additional ASL available across the next financial year.

I am pleased that we have made substantial progress in the recruiting a larger senior executive team to address gaps in capability. The team has a mix of skills and experience – including national footprint, technical and insurance skills, private sector, public sector, disability sector and scale delivery to support the significant and important task of delivering a world leading NDIS. We have grown our leadership team which includes APS and contractor staff. Our contractors have been recruited to provide surge leadership capability required to deliver during Transition and have been appointed for 2 or 3 year terms.

I am committed to leading an organisation that balances the delivery of high quality personalised plans and service at scale, with prudent management of our budget.

I would like to acknowledge Mr Victor Walter who has been appointed our Chief Financial Officer and Head of Corporate Services. Mr Walter brings considerable experience in insurance and finance to the NDIA. I am also finalising recruiting of a Head of People and Culture. I'd like to acknowledge Ms Vicki Rundle who is continuing to manage that function, in addition to her ongoing appointment as Head of Government, Communications and Stakeholder Engagement.

I am also committed to supporting a diverse and inclusive workplace, and leading the way in disability employment.

I am pleased that in November 2017, the NDIA received an Australian Public Service Diversity and Gender Equality Award for role modelling best practice recruitment and employment of people with disability.

This is an achievement I am very proud of, as it recognises our collective efforts in attracting, selecting, supporting and retaining staff with disability.

As at 31 December 2017, the percentage of employees who identify as living with disability is over 13 per cent; comparing favourably to the APS average of 3.6 per cent. And our Partners in the Community report their staff with disability at over 14 per cent.

Our senior leadership team also includes a number of people with disability and is an achievement I hope to grow further.

In line with my opening statement at the last hearing, we now have in place eight strategic programs covering key aspects of our business, including the participant and provider pathways, market stewardship and enhancing the capability of our organisation to make sure we have a culture which is more person-centric, focused on building strong relationships with the sector and delivering Scheme outcomes.

One of these programs is directly addressing risk, business assurance and compliance, and recommendations stemming from audits, both internal and from the ANAO.

Mr Anthony Vella has now joined us as Chief Risk Officer and Head of Strategy Development and brings a very strong background in risk management and organisational transformation.

Having robust governance processes in place to invest in, monitor and assess progress is a priority for me. We have made solid progress over the past months in strengthening our foundations but recognise we need to continue to make further improvements. We also acknowledge that there are some issues which will take longer to fully implement as part of building a fully mature risk management environment.

In closing, I would like to thank this Committee for your ongoing contribution to the NDIS. Your feedback and critique assists us to evolve and improve as an organisation.

There are a number of exciting challenges ahead. In particular, we are looking forward to welcoming Western Australia into the Scheme and continuing to expand and improve our service footprint.

I remain absolutely committed to building an NDIS that empowers people with disability to choose and achieve their goals in inclusive communities and workplaces.

I thank the Committee for the opportunity to make an opening statement. My colleagues and I look forward to your questions.

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