

# Executive Summary

This is the first Report of the Parliamentary Joint Standing Committee ('the committee') on the National Disability Insurance Scheme (NDIS). The report considers the evidence that the committee has gathered from public hearings in the Barwon, Hunter, Tasmanian and South Australian trial sites in April and May 2014. This evidence—from participants, carers, family members, service providers, disability advocates, state and National Disability Insurance Agency (NDIA) officials—has provided the committee with a range of views on the Scheme's achievements and the challenges in its first nine months of operation.

The committee has listened carefully to all stakeholders. The report provides the committee's view on a range of complex matters and makes some important recommendations. The committee hopes that in performing its key task of reviewing the implementation and administration of the NDIS, it will contribute constructively to the debate within government, the disability sector and the wider community about the progress of the Scheme.

## ***The need for change***

The NDIS is an insurance scheme, paid for by taxpayers, which, similar to the introduction of the Medicare healthcare reforms of the 1980's, recognises Australians' strong support for the principles of fairness and equity. The *National Disability Insurance Act 2013* stipulates the requirement to ensure the financial sustainability of the Scheme.

The NDIS was designed and implemented following the landmark report from the Productivity Commission, *Disability Care and Support*, handed to the Federal Government in 2011.

The NDIS has the full support of the Australian Parliament. All sides of politics recognise that the old grant-based model of disability support was not working. It needed to be replaced with a unified system that identified and prioritised the needs of the individual. The new system rightly places emphasis on the goals and aspirations of the individual, their ability to exercise choice and control, and to participate in the community. It prioritises the needs of participants by establishing a fee-for-service model for providers and developing a network of coordinated information and community supports.

## ***The social and economic benefits of the NDIS***

It is also acknowledged that the NDIS, successfully implemented and delivered, will provide significant economic benefits not only for the individual but the wider Australian economy. The committee highlights research published by PricewaterhouseCoopers in 2011 that analysed the disability system in Australia according to three scenarios. This research found that by approximately 2025, the cost

of doing nothing (i.e. continuing with 'business as usual') would exceed the cost of the NDIS.<sup>1</sup>

Early intervention supports are a key element of the NDIS. They are a crucial investment in the long-term well-being of a child. Incurring expenditure on a particular intervention today not only creates the potential to significantly improve a child's outcomes, but reduces the long-term need and cost of permanent disability support.

Importantly, the NDIS is designed to complement, rather than substitute, informal supports and existing community and mainstream services. The ability of the NDIS to connect participants with mainstream services in transport, health, education and housing will be crucial to its long-term success. It is also important that the NDIS promotes workforce opportunities for people with disability and their carers.

Success is not guaranteed, however. The challenges that face moving from a system that is fragmented between states and reliant on ad hoc funding streams, to a national scheme based on individual choice and flexibility are substantial. Further, during the transition it will be crucial that people do not 'fall between the cracks' of the old and the new. That is why it is crucial that the Commonwealth and State Governments, and the NDIA, adopt a 'continuous improvement' philosophy. The committee notes that this is reflected in the NDIA's July 2014 Progress Report, which emphasises the 'learn, build, learn, build' approach that underpins its 'ongoing growth and development as an agency'.

Reasonable criticism should not be dismissed as an attack on the goals of the NDIS itself but an opportunity to improve and deliver better results for the disabled people that the scheme is designed for. The committee has approached its task with this mindset.

By the time the NDIS is fully rolled out across Australia, more than 460 000 Australians with disability will benefit. The NDIS plans to provide Australians with disability, their families and carers with more control over their lives, more certainty over the level of care they receive and more opportunities to get involved in work, school and community life. Australians know that this is what people with disability deserve.

### ***A significant and complex reform***

The NDIS is a massive and complex reform. More than 5400 people with disability have been provided with an NDIS plan in the first nine months of the Scheme's operation. This is testament to the success of the Scheme to date in terms of providing people with disability with 'reasonable and necessary' supports that match their life

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<sup>1</sup> PricewaterhouseCoopers, *Disability expectations: Investing in a better life, a stronger Australia*, 2011, p. 21.

goals. The committee heard many of these positive stories from participants, family members and carers in the trial sites. This report presents this evidence.

The NDIA is responsible for the implementation and administration of the NDIS. The committee concurs with the findings of the January 2014 Capability Review that 'it has been truly remarkable that the Agency...was able to commence operating the NDIS Scheme on 1 July 2013'. This report recognises the achievements of the Agency to date. In that time, the Agency has relocated to Geelong, recruited staff, trained planners, established the network of Local Area Coordinators, and set in place systems to receive feedback and improve the Scheme's processes.

The committee agrees with the Chairman of the NDIS Board, Dr Bruce Bonyhady, who noted that 'it was never going to be possible to just roll out this scheme smoothly from day one'.<sup>2</sup> The committee notes that the trial phase up until full scheme in 2018–19 will be important to test methods and processes and to get the Scheme right. According to the last quarterly report available to the committee, the Scheme is on budget and progress against performance benchmarks is improving.

### *Areas of committee focus*

The evidence presented in this report identifies a number of challenges that face the NDIA, and a wide range of NDIS stakeholders:

- in terms of the **culture of the NDIA**, the committee received evidence from a range of participants, carers and providers about the need to ensure that communication with stakeholders is courteous, clear, consistent and prompt. The committee is encouraged that the NDIA proposes a 'culture audit' later this year whereby it will ask participants, providers and stakeholders whether the Agency is living by the values it espouses;
- in terms of **early intervention supports** for children, the committee took evidence from parents and service providers indicating concerns about the current guidelines for funding these supports;
- in terms of the **role of planners** and the planning process, many witnesses emphasised the need to strengthen the involvement of prospective and actual participants in developing plans. Many witnesses praised their planner and the planning process. Others, however, expressed concern that draft plans had not been provided, there had been unsolicited amendments to plans, the planner's communication had been poor, there was no requirement to sign the plan, and that the plan was too complex to understand;
- in terms of **advocacy**, a number of participants, carers, family members and service providers stressed the importance of the role of advocates. They argued that it is critical to the Scheme's success that prospective and actual

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2 Dr Bruce Bonyhady, *Transcript of meeting with the NDIA*, 8 July 2014, p. 1.

participants are aware of the NDIS, what it has to offer, how to navigate the planning process, and provided with forums for feedback and discussion with other participants;

- in terms of participants' **plan management arrangements**, very few currently self-manage their plans (only three per cent). Most have their plan managed through the NDIA. Some witnesses emphasised the importance of helping people self-manage. The committee believes that for a mature and innovative market to develop—one that prioritises participants' choice and control—it is crucial to promote the self-management option;
- in terms of **service providers**, there is a significant challenge of transitioning from a block funded system to one based on a fee for service. The committee received evidence from service providers across the trial sites expressing their concern with the impact of this transition on their financial viability. Some providers also expressed concern with the non-activation of plans and the administrative errors in plans which led to providers incurring extra costs; and
- the **availability of suitable housing** for people with disability was a significant theme in evidence from the trial sites. Witnesses expressed a wide range of housing concerns including young people living in residential aged-care homes and the deinstitutionalisation of state-run large residential centres. It is important to note that suitable housing for people with disability is a significant issue that pre-dates the introduction of the NDIS. The introduction of the Scheme is an opportunity for this issue to be addressed. These matters, and the broader problem of the limited stock of housing for people with disability, require policy leadership at the national level and should be the focus of the Council of Australian Governments Disability Reform Council.

The committee wishes to thank all the participants, family members, carers, advocates, service providers and state and NDIA officials who gave evidence to the committee.