



Australian Government
Department of Social Services



Ref: MS21-000681

Committee Secretary
Joint Standing Committee on the National Disability Insurance Scheme
PO Box 6100
Parliamentary House
CANBERRA ACT 2600

Dear Ms Allan

Thank you for your letter of 9 October 2021 regarding the Joint Standing Committee on the National Disability Insurance Scheme (NDIS) inquiry into Scheme Implementation and Forecasting for the NDIS (the Inquiry). The Department of Social Services (the department) and the National Disability Insurance Agency (NDIA) welcome the opportunity to work with the committee as its inquiry proceeds and at this early stage are pleased to share with the committee the following background material.

NDIS Governance and shared arrangements between governments

The NDIS is a national scheme, with funding and governance involving Commonwealth and state and territory (state) governments in accordance with the *National Disability Insurance Scheme Act 2013* (the NDIS Act). Bilateral Agreements have been established between the Commonwealth and each of the state governments which set out the agreed funding arrangements. Both the operation of these agreements and Scheme costs and funding are reviewed every five years, with the current agreements all ending by December 2023.

In addition, in 2015 all governments agreed the Principles to determine the responsibilities of the NDIS and other service systems, including the 'Applied Principles and Tables of Support (APTOS)'. These tables set out the responsibilities of the Commonwealth and state governments to provide a range of supports to people with disabilities, through both the NDIS and mainstream systems.

The NDIA is governed by a Board, who sets the strategic direction of the NDIA. The Board is responsible for monitoring the performance of the NDIA and reporting to Disability Ministers, as set out in the NDIS Act, *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the Bilateral Agreements.

NDIS Sustainability

The NDIA has a statutory obligation to manage, advise and report on the sustainability of the NDIS. The NDIA is committed to transparency regarding Scheme financial sustainability and publishes a range of financial data, modelling and forecasting information. This information is publically contained in the following documents, all of which are available from the NDIS website, and outline key financial elements of the Scheme:

- The NDIS *Annual Pricing Review 2020-21*, released May 2020 ([attached](#))
- The NDIS *Annual Financial Sustainability Report* (AFSR) ([attached](#)), required under section 180B of the NDIS Act, provides an assessment by the Scheme Actuary of the financial sustainability of the NDIS, and is peer reviewed by the Government Actuary. The 2020-21 AFSR was released in full on 9 October 2021.
- The NDIA Corporate Plan (released annually, with the latest released on 31 August 2021) and Annual Report which are released annually in line with the requirements under the PGPA Act. The Annual Report is due to be released late October 2021 and will be available on the NDIS website.
- The NDIA Portfolio Budget Statements, and Portfolio Additional Estimates Statements, contained within the documentation available at www.budget.gov.au
- NDIS Quarterly Reports to Disability Ministers, and
- In addition to the above primary documents, the NDIA releases monthly performance snapshots, NDIS market dashboards, reports and analyses, and other data downloads in line with Agency's [Public Data Sharing Policy](#).

In July 2021, all Disability Ministers agreed to the need to form a unified understanding of Scheme cost drivers and financial matters to inform a path forward. Ministers tasked senior officials to further investigate the cost drivers and underpinning assumptions in the AFSR and report back to Ministers in December 2021. Disability Ministers have highlighted the importance of engaging people with disability and disability representative organisations during this process, and we are pleased to advise this engagement has commenced.

Proposed legislative amendments

The NDIA makes participant access and funding decisions guided by the legislative framework of the NDIS Act and National Disability Insurance Scheme Rules (the Rules), and the [NDIS Operational Guidelines](#). As the committee may be aware, public consultation has recently taken place on a revised bill to deliver better outcomes for NDIS participants and make NDIS processes simpler. Consultation on the *National Disability Insurance Scheme Amendment (Participant Service Guarantee and Other Measures) Bill 2021* (the Bill) closed on 7 October 2021. The Bill is proposed for introduction into the House of Representatives in the week commencing 25 October 2021, and a report will be released on the DSS website summarising the feedback received through the public consultation process. A copy of the report will also be provided to the committee.

Recent Engagement

Following a decision by Disability ministers in July 2021 to not proceed with the proposal for independent assessments, the NDIA has shifted its focus to a different improvement agenda. This includes focusing on specific cohorts, supports and service improvements to be progressed through a different approach to engagement with participants, the Independent Advisory Council (the Council) and the disability community.

The NDIA and key disability community stakeholders participated in two virtual co-design workshops in September 2021. The workshops brought together 27 disability and carer representative organisations (DCROs), the Council, the DSS, NDIA board members and senior executives. The workshops were an opportunity to develop a constructive working relationship between the NDIA, the Council and DCROs and to begin co-design and priority issue discussions. A joint statement by the NDIA, the Council and DCROs outlining the purpose and outcomes of the workshops was [published](#) on the NDIS website on 14 October.

The NDIA is making progress on developing enriched and expanded ways to engage the sector on all aspects of Scheme development and reform. The current focus is a combined NDIA and DSS engagement approach to building disability community understanding of cost drivers and underpinning assumptions in the AFSR.

NDIS Early Childhood Approach

Children younger than seven years of age are currently the fastest growing cohort in the NDIS. The NDIA has engaged Early Childhood Partners around Australia to deliver the Early Childhood Approach (formerly Early Childhood Early Intervention (ECEI)). These partners are appointed by the NDIA to assist families understand the potential role of the NDIS. Early Childhood Partners focus on delivering family-centred supports using a best-practice model, to provide short term interventions, to link families into other mainstream supports, if suitable, and provide parents and carers with information to support them to make informed decisions regarding the best supports for their child.

On 11 October 2021 the NDIA released a [progress update](#) about changes to improve the way the NDIS is supporting young children and their families. Following a three-month consultation on proposed recommendations to reset the early childhood early intervention approach, the NDIA is now making changes to deliver a better and fairer experience for young children and their families seeking support, guidance or access to the NDIS. This includes renaming the approach to supporting children younger than seven and their families to the Early Childhood Approach, and publishing new, easy to understand operational guidelines.

Information, Linkages and Capacity Building

The Information, Linkages and Capacity Building (ILC) program funds projects to build the knowledge, skills and confidence of all people with disability, their families and carers and improve their access to community and mainstream services.

The ILC program has an annual allocation of around \$136 million and is only one component of a broader system of disability supports and services (sometimes referred to as Tier 2). The department also manages other supports including the National Disability Gateway, National Disability Advocacy Program and the Carer Gateway within the broader disability ecosystem. The ILC program is designed to support *Australia's Disability Strategy 2021-2031* and to complement other policies and programs within the broader disability sector.

Australia's Disability Strategy

Work is also underway on Australia's Disability Strategy 2021-2031 (the Strategy) which is on track for launch in late 2021. The Strategy will provide a new overarching framework through which all governments commit to play their role in providing supports for all 4.4 million people with disability in Australia. The Strategy plays an important role in driving action in the broader system of programs and services outside the NDIS. This includes mainstream services such as health, education, housing and public transport to contribute to better outcomes for NDIS participants and non-NDIS participants, who comprise the majority of people with disability. Enhancing the accessibility of mainstream services for people with disability can also reduce financial pressure on the Scheme.

The Strategy has been developed with deep engagement with people with lived experience of the disability sector and the broader community for more than two years, and will include a number of features to significantly improve accountability and drive stronger implementation.

Thank you for the opportunity to contribute to this inquiry. We look forward to providing a more detailed response to the committee in February 2022.

Yours sincerely

Ray Griggs AO CSC
Secretary
Department of Social Services

1 November 2021

Martin Hoffman
CEO
National Disability Insurance Agency

1 November 2021