

# Chapter 1

## Introduction

1.1 The Parliamentary Joint Standing Committee on the National Disability Insurance Scheme (the committee) was established on 1 September 2016 following the passing of a resolution in the Senate and the House of Representatives. The committee is comprised of five members and five senators and is tasked with reviewing:

- (a) the implementation, performance and governance of the National Disability Insurance Scheme (NDIS or the Scheme);
- (b) the administration and expenditure of the NDIS; and
- (c) such other matters in relation to the NDIS as may be referred to it by either House of the Parliament.<sup>1</sup>

1.2 The committee's establishing resolution requires the committee to present an annual report to the Parliament on the activities of the committee during the year, in addition to reporting on any other matters it considers relevant.

### Structure of the report

1.3 This is the second progress report of the committee in the 45<sup>th</sup> Parliament. The report covers events from 1 July 2017 to 31 December 2018. Chapter 1 provides an overview of the committee's activities during the period and the activities of NDIA, the DRC, the Quality and Safeguards Commission, bodies whose responsibilities relate to the implementation, performance and governance of the NDIS. Chapter 2 explores issues raised in evidence. Chapter 3 considers potential future areas of inquiry.

### Conduct of inquiry

1.4 The committee received 71 submissions from individuals and organisations in the period since its last progress report was tabled in September 2017. Submissions are listed in Appendix 1.

1.5 The committee also conducted eight public hearings:

- 21 September 2017 in Darwin;
- 26 September 2017 Brisbane;
- 27 September 2017 in Adelaide;
- 4 October 2017 in Hobart;
- 8 November 2017 in Melbourne;
- 15 March 2018 Townsville;

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1 House of Representatives, *Votes and Proceedings*, No. 3, 1 September 2016, pp. 78–80.

- 17 April 2018 in Perth; and
- 26 February 2019 in Melbourne.

1.6 Transcripts from these hearings, together with submissions and answers to questions on notice are available on the committee's website. Witnesses who appeared at the hearings are listed in Appendix 3.

### Note on terminology and references

1.7 References to submissions in this report are to individual submissions received by the committee. References to Committee Hansard are to official transcripts.

### Acknowledgements

1.8 The committee thanks all those who contributed to the inquiry by lodging submissions, providing additional information, or expressing their views through correspondence. The committee acknowledges those who gave their time to attend the public hearings and give evidence.

### Committee activities

1.9 The committee completed eight inquiries during the period:

<b>Inquiry</b>	<b>Submissions</b>	<b>Report Tabled</b>	<b>Government Response</b>
<a href="#">Provision of services under the NDIS for people with psychosocial disabilities related to a mental health condition</a>	130	15 August 2017	<a href="#">Received 6 March 2018</a>
<a href="#">Provision of hearing services under the NDIS – Interim Report</a>	55	14 September 2017	<a href="#">Received 6 March 2018</a>
<a href="#">Provision of services under the NDIS ECEI Approach</a>	76	7 December 2017	<a href="#">Received 3 May 2018</a>
<a href="#">Transitional arrangements for the NDIS</a>	82	15 February 2018	<a href="#">Received 19 June 2018</a>
<a href="#">Provision of hearing services under the NDIS – Final Report</a>	As above	21 June 2018	<a href="#">Received 14 November 2018</a>
<a href="#">Market Readiness</a>	101	20 September 2018	Not yet received

<a href="#">Provision of assistive technology under the NDIS</a>	73	12 December 2018	<a href="#">Received 7 March 2019</a>
<a href="#">NDIS ICT Systems</a>	31	21 December 2018	<a href="#">Received 7 March 2019</a>

## National rollout of the NDIS

1.10 The NDIS became operational on 1 July 2013 with the commencement of the trial sites. From 1 July 2016, the NDIS commenced transition to full Scheme on a geographical or age basis. The rollout is being completed progressively:

- ACT completed transition to the Scheme in July 2017;
- NSW and SA completed transition in July 2018;
- VIC, QLD, NT, and TAS are expected to be completed by July 2019; and
- WA will be completed by 2020.

1.11 On 1 January 2019, the NDIS rolled out to all remaining groups across Victoria, Tasmania, and Queensland. This means that the Scheme is available to all eligible Australians in all states and territories except WA.

1.12 At full Scheme, approximately 460 000 people are expected to be supported by the NDIS. In January 2019, the Scheme reached a major milestone with more than 250 000 participants receiving support.<sup>2</sup>

1.13 At the end of December 2018, 244 653 participants had an approved plan.<sup>3</sup> The actual number of participants with approved plans falls well below the projected bilateral estimates for the period—315 721 participants were expected to have had approved plans by this time. According to the NDIA, the main reasons for only meeting 76 per cent of the estimates were availability of data and difficulties contacting participants from transitioning programs, some individuals deciding not to apply for the Scheme, and others no longer requiring support.<sup>4</sup> A breakdown of participants with approved plans by state and territory has been provided in Table 1.1.

2 The Hon Paul Fletcher MP, Minister for Families and Social Services, and the Hon Sarah Henderson MP, Minister for Families and Social Services, 'A quarter of a million Australians now benefitting from NDIS', *Media Release*, 21 January 2019.

3 NDIA, *COAG Disability Reform Council Quarterly Report*, 31 December 2018, p. 49.

4 NDIA, *COAG Disability Reform Council Quarterly Report*, 31 December 2018, p. 13.

**Table 1.1—NDIS state and territory participants with approved plans (including ECEI) compared to bilateral estimates at 31 December 2018**

State/Territory	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
<b>Participants with approved plans</b>	98 858	60 725	35 491	9607	24 826	5528	7451	2167
<b>Bilateral estimates</b>	128 755	75 015	58 759	8340	29 120	7270	5075	3386

Source: NDIS, 2<sup>nd</sup> *Quarterly Report*, 31 December 2018 pp. 81, 106, 131, 156, 182, 208, 232, and 257.

## **NDIA activities**

1.14 This section briefly lists the NDIA's activities over the period. However according to evidence received by the committee not all of these activities have resulted in substantial improvements, as many of the committee inquiries have shown. Many developments and pilots have yet to be rolled out nationally, or evaluated for their effectiveness.

### ***Participant pathway***

1.15 Throughout 2016–17, it became clear that the NDIA's processes and systems were not resulting in a high quality experience for participants or providers. The Agency undertook a review of its participant and provider pathways in 2017 to identify what participants and providers wanted and strategies for improvement. Through this process, it was established that participants wanted a consistent point of contact, face-to-face plan development, transparency in how information is used to develop plans, easy-to-understand accessible communications, and improved interaction between the Agency and mainstream services. Providers wanted an enhanced NDIS portal and tools, consistent policies and information, straightforward processes that reduced administrative costs, and improved communication with the Agency.<sup>5</sup>

1.16 As a result, the NDIA committed to progressively piloting and implementing improvements to its pathways, including face-to-face planning meetings, enabling accelerated reviews for minor changes to participants' plans, pairing participants with a consistent point of contact such as an a LAC, re-designing plans to make it easier for participants to understand, and allowing participants to see a working version of their plan as it is being developed to allow for any queries to addressed before the plan is finalised.<sup>6</sup>

5 NDIA, *Improving the NDIS Participant and Provider Experience*, 26 February 2018, pp. 4 and 10.

6 NDIA, 'NDIS pathway pilot released', *Media Release*, 16 November 2017; and NDIA, *Improving the NDIS Participant and Provider Experience*, 26 February 2018, p. 40.

1.17 The new general pathway experience began rolling out in WA and the ACT in September 2018, followed by NSW from October 2018, and Tasmania and Victoria from November 2018.<sup>7</sup> Claimed improvements included a new-look NDIA plan, a new complex supports needs pathway, and improvements to better support people with psychosocial disability.<sup>8</sup> Plans were made available in braille, hard copy, and on the portal for participants who had received their first plan or undergone a plan review,<sup>9</sup> and systems changes were implemented and designed to help reduce the administrative burden of conducting reviews that required minor alterations to plans.<sup>10</sup>

#### *Communication improvements*

1.18 The NDIA has claimed it has made several enhancements to its communications as a result of its review. For example, it transitioned to a new contact centre provider, released planning booklets to help stakeholders understand the NDIS pathway and manage their expectations, and the NDIS website was refreshed.<sup>11</sup>

1.19 A Participant Pathway Reference Group and an Autism Advisory Group were established to provide advice to the Agency and support continuous refinement of pathways.<sup>12</sup> Likewise, the Stakeholder Engagement Management Model and the CEO Forum were founded to provide an avenue for emerging issues to be identified and resolved directly with the Agency.<sup>13</sup>

#### *NDIA workforce*

1.20 During the period, the Agency expanded its senior management model to introduce dedicated roles focused on tailored pathway cohorts.<sup>14</sup>

1.21 Former Minister for Social Services, the Hon Dan Tehan, announced in August 2018 that the Agency would be supplemented by 750 staff over 12 months, there would be targeting training of 6000 planners and frontline staff, and the NDIA's

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7 NDIA, *COAG Disability Reform Council Quarterly Report*, 31 December 2018, p. 26.

8 NDIA, *COAG Disability Reform Council Quarterly Report*, 31 December 2018, p. 26.

9 The Hon Sarah Henderson MP, Minister for Families and Social Services, 'New-format NDIS plan released this week', *Media Release*, 5 November 2018.

10 NDIA, *Annual Report 2017–18*, p. 16.

11 NDIA, *NDIS pathway reform*, 16 January 2019, <https://www.ndis.gov.au/news/1215-ndis-pathway-reform> (accessed 12 March 2019); and NDIA, *From the CEO December update*, <https://www.ndis.gov.au/news/ceo/ceo-december-update> (accessed 12 March 2019).

12 NDIA, *Improving the NDIS Participant and Provider Experience*, 26 February 2018, p. 38; and NDIA, *From the CEO July 2018*, <https://www.ndis.gov.au/news/ceo/ceo-july-2018> (accessed 12 March 2019).

13 NDIA, *Annual Report 2017–18*, p. 31.

14 NDIA, *Update on NDIA operating model*, 29 July 2018, <https://www.ndis.gov.au/news/473-update-ndia-operating-model> (accessed 12 March 2019).

staffing cap would be increased over 2018–19, 2019–20, and 2020–2021 to bring the ongoing cap to 3400.<sup>15</sup>

### *Assistive technology*

1.22 In relation to assistive technology, the Agency removed the need for participants to obtain quotes for low-cost, low-risk assistive technology up to \$1500, and established an Assistive Technology and Home Modifications team to improve processes.<sup>16</sup>

### *Independent functional assessments*

1.23 From November 2018 to February 2019, the NDIA piloted the use of independent health professionals using standardised tools to determine the functional impact of disability for people aged seven years and older.<sup>17</sup> It is hoped that this will more objectively inform access and ongoing eligibility decisions, and help determine a more equitable allocation of supports to participants.<sup>18</sup>

### *Tailored pathways*

1.24 Following the pathway review, the Agency committed to tailoring the participant pathways of specific populations, including young children, people with more complex needs, people with psychosocial disability, people from Aboriginal and Torres Strait Islander communities, people living in remote and very remote communities, and people from culturally and linguistically diverse (CALD) communities.<sup>19</sup> Consultation with participants and stakeholders identified common themes, including the need for improved NDIS resources and communication, improvements to training for NDIA staff and LAC partners, and stronger connections with local communities regarding the rollout of the NDIS.<sup>20</sup>

### *Early childhood intervention*

1.25 According to the NDIA, the ECEI tailored review focussed on timely access to family-centred intervention, flexible support models, and evidence-based assessment of needs by Partners to inform access.<sup>21</sup>

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15 The Hon Dan Tehan MP, Former Minister for Social Services, 'Improved experience for NDIS participants and providers', *Media Release*, 24 August 2018.

16 NDIA, *Submission 50 (Assistive Technology inquiry)*, p. 5; NDIA, *From the CEO October 2018*, <https://www.ndis.gov.au/news/ceo/ceo-october-2018> (accessed 12 March 2019); and NDIA, *From the CEO December update*, <https://www.ndis.gov.au/news/ceo/ceo-december-update> (accessed 12 March 2019).

17 NDIA, *NDIS Independent Assessment Pilot*, 7 November 2018, <https://www.ndis.gov.au/news/523-ndis-independent-assessment-pilot> (accessed 12 March 2019).

18 NDIA, *Annual Report 2017–18*, p. 8.

19 NDIA, *Improving the NDIS Participant and Provider Experience*, 26 February 2018, p. 26.

20 NDIA, *From the CEO May 2018*, <https://www.ndis.gov.au/news/ceo/ceo-may-2018> (accessed 12 March 2019).

21 NDIA, *Improving the NDIS Participant and Provider Experience*, 26 February 2018, p. 26.

1.26 In November 2018, the NDIA ECEI national team was rebranded the NDIA Early Childhood Services Branch and made responsible for supporting and improving the ECEI approach by analysing ECEI Partner activity, training Partners and staff in the approach, providing clinical advice and expertise, resolving systemic issues, and identifying and mitigating risks.<sup>22</sup>

1.27 In January 2019, the NDIA website was refreshed to show simplified pathways into the Scheme and information was rewritten to improve consistency and clarity of the ECEI approach for stakeholders.<sup>23</sup> Early Childhood Partners were flagged to receive a new prioritisation framework in February 2019 to ensure sure those most in need access services first.<sup>24</sup> The Agency also indicated that ECEI Practice Officers would be placed across the country to strengthen delivery of ECEI practice through Partners and NDIA staff by March 2019, and that information booklets would be released to improve stakeholders' understanding about the roles of the Scheme, partners, and families in addressing the needs of children.<sup>25</sup>

#### *Hearing stream*

1.28 To try to ensure that children under six years of age receive early intervention services more quickly after diagnosis, the Agency implemented a streamlined access process for children with hearing impairments on 20 August 2018.<sup>26</sup> Under the arrangements, Australian Hearing provides the NDIA with evidence of disability, severity level, and recommendations for access.<sup>27</sup> Once access has been approved, children are referred to a specialist NDIA planner for finalisation and approval of an interim plan that provides funding based on the severity of hearing loss.<sup>28</sup> An ECEI Partner should then follow up with the family to help with access to broader supports.<sup>29</sup> The arrangements are in place until June 2020.<sup>30</sup>

#### *People with complex needs*

1.29 For participants who require more assistance to navigate the Scheme, the Agency began implementing a Complex Needs Pathway from 30 November 2018. The pathway involves dedicated specialised planning teams, and liaison and support

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22 NDIA, *Response to question on notice SQ-000019*, received 22 February 2019.

23 NDIA, *Response to question on notice SQ-000022*, received 22 February 2019.

24 NDIA, *Pathway reform - what's happening in 2019*, <https://www.ndis.gov.au/about-us/ndis-pathway-reform/pathway-reform-whats-happening-2019> (accessed 12 March 2019).

25 NDIA, *Response to question on notice SQ-000019*, received 22 February 2019; and NDIA, *Pathway reform - what's happening in 2019*, <https://www.ndis.gov.au/about-us/ndis-pathway-reform/pathway-reform-whats-happening-2019> (accessed 12 March 2019).

26 NDIA, *Annual Report 2017–18*, p. 18.

27 *Government Response*, Hearing services Final Report, p. 4.

28 NDIA, *Annual Report 2017–18*, p. 18.

29 *Government Response*, Hearing services Final Report, p. 4.

30 *Government Response*, Hearing services Final Report, p. 4.

coordinators, designed to help participants transition from other government services, develop plans, and/or access supports.<sup>31</sup>

### *People with psychosocial disability*

1.30 A new 'psychosocial disability stream' designed to improve the pathway experience for people with psychosocial disability and their families was announced late 2018. The stream includes specialised planners and LACs, better linkages between mental health services, the NDA, and partners, and a focus on recovery-based planning and episodic needs.<sup>32</sup> The Agency has also stated that it has begun upskilling its workforce to better understand psychosocial disability, with staff in Tasmania and SA already trained and staff in Victoria and Queensland to receive training from February 2019. Arrangements for the remaining states and territories were being finalised at time of writing.<sup>33</sup>

### *Aboriginal and Torres Strait Islander peoples*

1.31 The Agency is working to develop a collaborative planning and working model to meet the needs of Aboriginal and Torres Strait Islander peoples with disability. From October 2017 to March 2018, it undertook consultations with Aboriginal and Torres Strait Islander peoples in nine locations around the country,<sup>34</sup> and introduced senior roles focused on *Aboriginal and Torres Strait Islander Access and Service Innovation* and *Rural and Remote Service and Strategy* in September 2018.<sup>35</sup>

1.32 The NDIA developed targeted communications for Aboriginal and Torres Strait Islander peoples with a disability which were tested with stakeholders in October 2018. It has also reported that it is working with communities to tailor its communication products to local language groups.<sup>36</sup> A key peak organisation in the Aboriginal and Torres Strait Islander disability sector was also contracted to provide a picture based resource known as *Our Way* that explains the concept of disability, the role of the NDIS, and what may be included within an NDIS plan, and is set to be trialled in Aurukun and Hope Vale.<sup>37</sup>

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31 The Hon Sarah Henderson MP, Minister for Families and Social Services, 'Improved NDIS planning for people with complex support needs', *Media Release*, 16 November 2018.

32 The Hon Paul Fletcher MP, Minister for Families and Social Services, and the Hon Sarah Henderson MP, Minister for Families and Social Services, 'Government announces improved NDIS mental health support', *Media Release*, 10 October 2018.

33 NDIA, *Pathway reform - what's happening in 2019*, <https://www.ndis.gov.au/about-us/ndis-pathway-reform/pathway-reform-whats-happening-2019> (accessed 12 March 2019).

34 NDIA, *Improving the NDIS Participant and Provider Experience*, 26 February 2018, p. 28; and *Government Response to Provision of services under the NDIS ECEI approach*, received 3 May 2018, p. 8.

35 NDIA, *Update on NDIA operating model*, 29 July 2018, <https://www.ndis.gov.au/news/473-update-ndia-operating-model> (accessed 12 March 2019).

36 NDIA, *Response to question on notice SQ-000024*, received 22 February 2019.

37 NDIA, *Response to question on notice SQ-000024*, received 22 February 2019.



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### *CALD communities*

1.33 In 2017, the NDIA made arrangements with Translation and Interpreting Services National to provide participants with access to NDIA-funded interpreters when developing and implementing their NDIS plans.<sup>38</sup>

1.34 In early 2018, the Agency undertook consultations with people who identify from a CALD background in Sydney and Melbourne.<sup>39</sup> It released Easy English and braille versions of the participant planning booklets in print and online, and expected translated versions to be available nationally from early 2019.<sup>40</sup> Information on a range of NDIS topics (such as psychosocial disabilities, self-management of NDIS plans and early childhood intervention) for the NDIS website was also being translated into 12 languages other than English.<sup>41</sup>

### *Improvements to the portal*

1.35 In an effort to improve participant and provider experience, plan quality, and outcomes, the Agency commenced a Portal Enhancement project in March 2018. During the year, the Agency updated the portals to:

- give participants the option of sharing parts of their plan with providers;
- allow participants and providers to amend service bookings;
- allow participants to remove unaccepted service bookings;
- allow participants to receive SMS alerts when changes are made to bookings;
- give providers a new dashboard;
- allow providers to delete service bookings that do not have a claim or payment;
- allow providers to review daily alerts of bookings that require action;
- improve the participant search function;
- provide step-by-step guides to assist users in operating the platform; and

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38 NDIA, *Response to question on notice SQ-000024*, received 22 February 2019.

39 *Government Response to Provision of services under the NDIS ECEI approach*, received 3 May 2018, p. 8.

40 NDIA, *Response to question on notice SQ-000024*, received 22 February 2019.

41 NDIA, *Response to question on notice SQ-000024*, received 22 February 2019; and NDIA, *Pathway reform - what's happening in 2019*, <https://www.ndis.gov.au/about-us/ndis-pathway-reform/pathway-reform-whats-happening-2019> (accessed 12 March 2019).

- add new search features and mapping tools to the Provider Finder.<sup>42</sup>

### **Provider pathway**

1.36 The Agency's pathways review identified a number of improvements for service providers in their interactions with the Scheme. Through the process, providers established that they wanted an enhanced NDIS portal and tools, consistent policies and information, straightforward processes that reduced administrative costs, and improved communication with the Agency.<sup>43</sup>

1.37 As a result, the Agency committed to reducing wait times through the NDIS Contact Centre and National Provider Payments Team, and enhancing the portal and NDIS website.<sup>44</sup> New senior leadership roles were introduced to support provider and stakeholder engagement from September 2018.<sup>45</sup> The Provider Relationship Management Model was rolled out early 2019 to provide a dedicated point of contact for over 400 large providers.<sup>46</sup>

### ***Growth of providers***

1.38 At the start of July 2017, there were approximately 8698 providers registered with the Scheme, of which 46 per cent were active.<sup>47</sup> By 31 December 2018, there were 19 075 registered providers in the Scheme, of which, 55 per cent were active.<sup>48</sup>

### ***Market development activities***

1.39 The NDIA is working to develop a competitive provider market. In the period, the Agency launched an enhanced Provider Toolkit to assist businesses considering entering the scheme, released the Assistive Technology Market Insight, and the NDIS Market Enablement Framework.

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42 NDIA, *Improving the NDIS Participant and Provider Experience*, 26 February 2018, p. 39; NDIA, *Latest myplace improvements*, 8 August 2018, <https://www.ndis.gov.au/news/467-latest-myplace-improvements> (accessed 12 March 2019); *Myplace provider portal enhancement*, 5 September 2018, <https://www.ndis.gov.au/news/432-myplace-provider-portal-enhancement> (accessed 12 March 2019); NDIA, *Annual Report 2017–18*, p. 22; and NDIA, *NDIS pathway reform*, 16 January 2019, <https://www.ndis.gov.au/news/1215-ndis-pathway-reform> (accessed 12 March 2019).

43 NDIA, *Improving the NDIS Participant and Provider Experience*, 26 February 2018, pp. 4 and 10.

44 NDIA, *COAG Disability Reform Council Quarterly Report*, 31 December 2018, p. 31.

45 NDIA, *From the CEO July 2018*, <https://www.ndis.gov.au/news/ceo/ceo-july-2018> (accessed 12 March 2019); and NDIA, *From the CEO August 2018*, and <https://www.ndis.gov.au/news/ceo/ceo-august-2018> (accessed 12 March 2019).

46 NDIA, *From the CEO December update*, <https://www.ndis.gov.au/news/ceo/ceo-december-update> (accessed 12 March 2019).

47 NDIA, *COAG Disability Reform Council Quarterly Report*, 30 June 2017, p. 41.

48 NDIA, *COAG Disability Reform Council Quarterly Report*, 31 December 2018, p. 30.

1.40 The Provider Toolkit is supposed to assist businesses considering entering the scheme. It was refreshed in November 2017 to improve navigability and incorporate e-learning modules and self-assessment checklists.<sup>49</sup>

1.41 The Assistive Technology Market Insight was released in December 2017. It provides information designed to help providers understand consumer demand for AT in the NDIS and identify potential opportunities for business growth across geographic regions and product groups.<sup>50</sup>

1.42 The NDIS Market Enablement Framework was released in November 2018. It outlines how the NDIA intends to fulfil its role as a market steward as the disability services market undergoes reform. The framework guides how the Agency will monitor the market and determine any strategies to encourage growth or correction.<sup>51</sup>

### **NDIS Quality and Safeguards Commission**

1.43 The NDIS Quality and Safeguards Commission is the independent statutory body that will oversee the quality and safety of services delivered under the NDIS. The Commission will be responsible for provider registration, complaints, incidents, restrictive practice oversight, investigation and enforcement, and worker screening.<sup>52</sup>

1.44 The Commission becomes operational as each state and territory reaches full Scheme. Up until then, existing state, territory, and NDIA requirements continue to apply. The Commission is scheduled to commence operations progressively:

- 1 July 2018: NSW and SA;
- 1 July 2019: VIC, QLD, TAS, ACT and NT; and
- 1 July 2020: WA.<sup>53</sup>

#### ***Registrations and reportable incidents***

1.45 The new arrangements include a new regulatory system for providers with national standards of practice and reporting obligations. At February 2019, the Commission was in the process of assessing more than 9000 NDIS providers in NSW and SA against the new requirements in order to decide whether they are fit to provide NDIS services. To date, the Commission had been notified of 1459 reportable incidents (e.g. allegations of abuse and neglect, unauthorised use of a restrictive practice, serious injury, and sexual misconduct), 18 providers were under

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49 NDIA, *Improving the NDIS Participant and Provider Experience*, 26 February 2018, p. 39.

50 NDIA, *NDIS Market Insights Assistive Technology*, November 2017, p. 1.

51 The Hon Sarah Henderson MP, Assistant Minister for Social Services, Housing and Disability Services, 'New Framework to ensure NDIS Provider Markets are available to participants', *Media Release*, 23 November 2018.

52 DSS, *Summary of the NDIS Quality and Safeguarding Framework*, January 2017, p. 1.

53 NDIS Quality and Safeguards Commission, *Start dates*, <https://www.ndiscommission.gov.au/about/start-dates> (accessed 12 March 2019).

investigation and subject to compliance action, and more than 600 complaints had been handled by the Commission.<sup>54</sup>

### ***NDIA registration revocations***

1.46 Within the period 1 January 2018 to 31 December 2018, the NDIA had revoked 316 provider registrations: 88 voluntary revocations due to a change in the business or personal circumstance of the provider; 39 revocations due to compliance action undertaken against the provider; and 189 other revocations that were not easily grouped under a single category.<sup>55</sup>

### **Independent Pricing Review**

1.47 In June 2017 the NDIA Board commissioned an Independent Pricing Review (IPR) to be undertaken by McKinsey & Company. The Review assessed the Agency's pricing strategy and approach, as well as specific price settings for supports and services. The final report was released in March 2018 and made 25 recommendations, all of which were supported by the NDIA.<sup>56</sup>

1.48 The NDIA has said it has prioritised recommendations that provided the most immediate support to providers during transition and implemented the first recommendations of the IPR in July 2018.<sup>57</sup> According to the Agency implementation of recommendations relating to market monitoring and engagement were due to commence from July 2018. Several *Supporting interventions* recommendations will be implemented in the short to medium term (six to 18 months),<sup>58</sup> while implementation of the remaining recommendations is subject to further work or consultation.<sup>59</sup>

1.49 WA had not agreed to join the Scheme when the IPR was conducted in 2017. As a result, the Agency commenced a WA Market Review in December 2018 to consider whether current pricing controls and market settings in WA take local circumstances into consideration. The Review is expected to deliver recommendations

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54 The Hon Paul Fletcher MP, Minister for Families and Social Services, and the Hon Sarah Henderson MP, Minister for Families and Social Services, 'NDIS Commission roll-out is on target', *Media Release*, 21 February 2019.

55 NDIA, *COAG Disability Reform Council Quarterly Report*, 31 December 2018, p. 31.

56 NDIA, *Independent pricing review*, <https://www.ndis.gov.au/providers/price-guides-and-information/independent-pricing-review> (accessed 12 March 2019).

57 NDIA, *NDIS pathway reform*, 16 January 2019, <https://www.ndis.gov.au/news/1215-ndis-pathway-reform> (accessed 12 March 2019); and NDIA, *Independent Pricing Review – Implementation update*, 25 April 2018, <https://www.ndis.gov.au/news/404-independent-pricing-review-implementation-update> (accessed 12 March 2019).

58 NDIA, *IPR NDIA Response*, 2 March 2018, pp. 7–8.

59 NDIA, *Independent Pricing Review – Implementation update*, 25 April 2018, <https://www.ndis.gov.au/news/404-independent-pricing-review-implementation-update> (accessed 12 March 2019).

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to the NDIA Pricing Reference Group in April 2019, with the Agency aiming for implementation from 1 July 2019.<sup>60</sup>

### **NDIS Fraud Taskforce**

1.50 The NDIS Fraud Taskforce was launched in July 2018 as a joint operation between the NDIA, Department of Human Services, and Australian Federal Police, to tackle cases of fraud against the NDIS through information sharing, analytics and combined law enforcement efforts.<sup>61</sup> The taskforce will focus on high risk and serious criminal activity potentially targeting the NDIS, while also building fraud prevention and detection capabilities within the NDIA.<sup>62</sup>

1.51 By September 2018, the Taskforce had identified and blocked a small number of providers potentially seeking to exploit the NDIS from accessing payments while suspicious claims were investigated. The NDIA contacted impacted participants and committed to reinstating plan funds where appropriate.<sup>63</sup> The taskforce made its first arrest in Victoria in October 2018.<sup>64</sup>

### **ANAO performance audits**

1.52 The ANAO released one performance audit report involving the NDIA during the period. Decision-making Controls for Sustainability—NDIS Access was tabled in October 2017 and assessed the effectiveness of controls being implemented and developed by the NDIA to ensure Scheme access decisions are consistent with legislative and other requirements.<sup>65</sup> Among other things, the audit found that, while the Agency had implemented some controls, these were inconsistently applied, data integrity and reporting issues had limited the Agency's ability to monitor training completion by decision-makers, and the access process was not well supported by ICT

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60 NDIA, *From the CEO December update*, <https://www.ndis.gov.au/news/ceo/ceo-december-update> (accessed 12 March 2019).

61 The Hon Michael Keenan MP, Minister for Human Services, Minister Assisting the Prime Minister for Digital Transformation and The Hon Angus Taylor MP, Minister for Law Enforcement and Cyber Security, 'NDIS Fraud Taskforce established to tackle crime', *Media Release*, 24 July 2018.

62 NDIA, *From the CEO July 2018*, <https://www.ndis.gov.au/news/ceo/ceo-july-2018> (accessed 12 March 2019).

63 NDIA, *NDIS Fraud Taskforce update*, 6 September 2018, <https://www.ndis.gov.au/news/427-ndis-fraud-taskforce-update> (accessed 12 March 2019).

64 The Hon Paul Fletcher MP, Minister for Families and Social Services, The Hon Peter Dutton MP, Minister for Home Affairs, Minister for Human Services, and The Hon Michael Keenan MP, Minister for Digital Transformation, 'NDIS Taskforce Makes First Arrest', *Media Release*, 18 October 2018.

65 ANAO, *Decision-making Controls for Sustainability—NDIS Access*, Audit Report No. 13, 2017–2018, p. 7.

systems.<sup>66</sup> The NDIA agreed with all four recommendations and reported at the end of 2017–18 that implementation was still underway.<sup>67</sup>

1.53 The ANAO is expected to release its audit report NDIS Fraud control program in May 2019. The aim of the audit was to examine the effectiveness of the NDIA's fraud control program and its compliance with the Commonwealth Fraud Control Framework.<sup>68</sup>

1.54 The ANAO flagged a potential audit for 2018–19 which would assess the effectiveness of controls being implemented and developed by the NDIA to ensure that decisions about 'reasonable and necessary' supports in participants' plans are consistent with legislative and other requirements.<sup>69</sup> The ANAO's draft 2019–20 audit program flagged another potential audit which would examine the effectiveness and value for money of the NDIA's procurement and contract management arrangements for Community Partnerships.<sup>70</sup>

### **Productivity Commission report**

1.55 The key points of the Productivity Commission's final report into NDIS Costs released in October 2017 were that the capacity of the Agency to approve plans will impact Scheme rollout; prices should be set by an independent body; there is major skills shortage within the workforce; and ILC funding needs to be increased. It also found that while the estimated costs of the Scheme were on track for \$22 billion per year, it was mostly due to participants' underspending of funds.<sup>71</sup>

### **Disability Reform Council activities**

1.56 The DRC oversees implementation of the NDIS and makes recommendations to COAG on the transition to full Scheme. It is chaired by the Minister for Social Services and consists of Commonwealth and state ministers within disability and treasury portfolios, as well as a representative from the Australian Local Government Association.<sup>72</sup>

1.57 The Council agreed a number of actions during the period. It:

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66 ANAO, *Decision-making Controls for Sustainability—NDIS Access*, Audit Report No. 13, 2017–2018, pp. 7–8.

67 NDIA, *Annual Report 2017–18*, p. 111.

68 ANAO, *NDIS Fraud Control Program*, <https://www.anao.gov.au/work/performance-audit/national-disability-insurance-scheme-fraud-control-program> (accessed 12 March 2019).

69 ANAO, *Decision-making Controls for Sustainability—NDIS Scheme participant plans*, Potential Performance audit 2018–19, <https://www.anao.gov.au/work/performance-audit/decision-making-controls-financial-sustainability-national-disability-insurance-scheme-participant> (accessed 12 March 2019).

70 ANAO, *Draft 2019–20 Annual Audit Work Program*, 18 February 2019, <https://www.anao.gov.au/work-program/draft#idTextAnchor111> (accessed 12 March 2019).

71 Productivity Commission, *NDIS Costs*, October 2017, pp. 49–65.

72 Disability Reform Council, *Terms of Reference*, April 2017, p. 1.

- agreed a program of work for a potential national model for specialist school transport under the NDIS;<sup>73</sup>
- agreed a review into the Specialist Disability Accommodation Pricing and Payments Framework would be undertaken in its third year of operation (1 July 2018 to 30 June 2019);<sup>74</sup>
- commenced work on disability reform post-2020 and bringing forward the evaluation of the Strategy from 2021 to 2018;<sup>75</sup>
- agreed to establish a process for coordinating escalation of critical cases and ensuring effective coordination of mainstream services within the NDIS;<sup>76</sup>
- agreed to interim arrangements for supports for participants who required services due to permanent functional impairment that would usually be delivered by clinicians outside hospital settings pending further advice on enduring roles and responsibilities;<sup>77</sup>
- agreed to additional schedules to the Intergovernmental Agreement on Nationally Consistent Worker Screening for the NDIS;<sup>78</sup> and
- agreed a revised NDIS Market Key Performance Indicator Framework.<sup>79</sup>
- agreed that, as an interim solution, states and territories will continue to deliver services for Person Care in Schools until 31 December 2023, while development work is undertaken.<sup>80</sup>
- agreed interim arrangements for dysphagia and mainstream health supports until a decision on roles and responsibilities of the NDIA and health systems is made between Governments in early 2019.<sup>81</sup>

## ILC activities

1.58 The Information, Linkages and Capacity Building (ILC) grants program under the NDIS is intended to provide funding to organisations to deliver individual capacity building and inclusion activities in the community.<sup>82</sup> ILC is intended to be

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73 DRC, *Communiqué*, 20 November 2017, p. 2.

74 DRC, *Communiqué*, 30 April 2018, p. 1.

75 DRC, *Communiqué*, 20 November 2017 and 30 April 2018, pp. 2 and 2 respectively.

76 DRC, *Communiqué*, 30 April 2018, p. 1.

77 DRC, *Communiqué*, 10 December 2018, p. 2.

78 DRC, *Communiqué*, 10 December 2018, p. 2.

79 DRC, *Communiqué*, 10 December 2018, p. 3.

80 DRC, *Communiqué*, 10 December 2018, p. 2; and NDIA, *Response to question on notice SQ19-000004*, received 22 February 2019.

81 The Hon Paul Fletcher, Minister for Families and Social Services, 'NDIS supports participants with dysphagia', *Media Release*, 13 December 2018.

82 NDIA, *Annual Report 2017-18*, p. 22.

implemented as each jurisdiction reaches full scheme. Organisations should be able apply for funding for one of two types of grants: Jurisdictional Based grants and National Readiness grants. To date, 222 grants totalling \$85.9 million (GST ex.) have been allocated to organisations across Australia to deliver ILC activities.<sup>83</sup>

1.59 Within the period (July 2017 to December 2018), just over \$14 million was allocated to deliver ILC National Readiness activities across Australia in the 2016–2017 grants round from July 2017.<sup>84</sup> The NDIA awarded nearly \$3 million in grant funding to deliver 22 ILC activities in the ACT in July 2017, and 104 grants worth a total of \$28.5 million were awarded to organisations in NSW, SA and the ACT which commenced on 1 July 2018.<sup>85</sup> A targeted remote grant round ran in April 2018 to fund organisations to deliver activities in remote areas of SA, the NT and Queensland. Approximately \$9 million was awarded to 13 organisations to deliver one or two year projects from July 2018.<sup>86</sup>

1.60 The NDIA's has said its approach to ILC will change from July 2019. The program will shift from high volume and short term grant programs to a more strategic, multi-year approach. The ILC national strategy towards 2022 was released in December 2018 details the purpose, principles and objectives of this next phase of ILC.<sup>87</sup>

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83 NDIA, *Strengthening ILC: A national strategy towards 2022*, December 2018, p. 4.

84 NDIA, *Past grant rounds*, <https://www.ndis.gov.au/community/grants/past-grant-rounds> (accessed 12 March 2019).

85 NDIA, *Funded Projects*, <https://www.ndis.gov.au/community/grants/funded-projects> (accessed 12 March 2019).

86 NDIA, *Funded Projects*, <https://www.ndis.gov.au/community/grants/funded-projects> (accessed 12 March 2019).

87 NDIA, *Strengthening ILC: A national strategy towards 2022*, December 2018, p. 5.