

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
SOCIAL SERVICES PORTFOLIO
2015 - 2016 Additional Estimates Hearings

Outcome: National Disability Insurance Agency

Question No: NDIA SQ16-000006

Topic: Local Area Coordinators

Hansard Page: Written

Senator Siewert asked:

- a. When was the decision taken that NDIS local area coordinators would be contracted, rather than a part of the NDIA? Was this a decision by Government?
- b. Why was there no public consultation on outsourcing LACs and planning?
- c. What are the budget implications?
- d. What procurement process did the NDIA undertake to contract LAC providers in NSW? Did the NDIA have a choice in how LAC's were procured in NSW?
- e. What is the total expected value of the LAC contracts with the two NSW providers (St Vincent De Paul Society and Uniting) for the years 2015-16, 2016-17, 2017-18?
- f. What is the planned/proposed procurement approach for LAC services in other jurisdictions (Queensland, South Australia, Tasmania, ACT and NT)?

Answer:

- a. The sourcing strategy for Local Area Coordinators is developed in each state and territory with the aim of fulfilling the National Disability Insurance Agency's (NDIA) obligations for transition to full Scheme as set out in the bilateral agreement between the Commonwealth and the relevant state or territory.
- b. The requirements of the bilateral agreement for each jurisdiction, in conjunction with experience from trial sites, indicates that continuity of service and local/community connection is highly valued by people with disability receiving services and support under the NDIS. There has also been a market test of the willingness for organisations to provide Local Area Coordination (LAC) services through approaches to the market conducted by the NDIA.

Plan approval will not be outsourced – this will remain a decision of the delegate under the *National Disability Insurance Scheme Act 2013*.

- c. The funding available for LAC services has been determined by the Scheme Actuary using the National Disability Insurance Scheme's (NDIS) Service Delivery Operating Model and is drawn from the NDIA budget for LAC.
- d. The Commonwealth/New South Wales (NSW) *Bilateral Agreement for the Transition to a National Disability Insurance Scheme*, requires high numbers of people to transition into the NDIS in early 2016. In addition, NSW has the highest proportion of future NDIS participants over a two year transition period.

The NDIA undertook a targeted grant process to two NSW providers, in consultation with the NSW Government, based on relevant experience in the NSW Ability Links programme and geographic coverage. These were organisations the NSW Government assessed as most likely to have the capability and capacity to ‘ramp up’ their operations to perform the LAC services to meet the needs of the bilateral agreement.

Applications were sought from the two organisations and assessed by the NDIA according to the relevant grant guidelines. After they were assessed as offering value for money, a grant agreement was entered into for the transition period until 30 June 2018.

- e. The total expected value of the LAC funding agreements – effective 29 January 2016 with the two NSW providers for the years 2015-16, 2016-17 and 2017-18, is as follows:
- St Vincent de Paul Society NSW: \$111,872,799.50 (GST inclusive); and
 - Uniting: \$79,984,834.60 (GST inclusive).

The different funding amounts reflect the different number of participants each provider will be responsible for.

- f. The sourcing strategy for LAC services in the future is still under development. The strategy for each jurisdiction is dependent on the bilateral agreement for that jurisdiction.