



The National Disability Insurance Scheme

Report 14: 2017–18



Your ref:
Our ref: 9164P

3 May 2018

The Honourable C Pitt MP
Speaker of the Legislative Assembly
Parliament House
BRISBANE QLD 4000

Dear Speaker

Report to parliament

This report is prepared under Part 3 Division 3 of the *Auditor-General Act 2009*, and is titled The National Disability Insurance Scheme (Report 14: 2017–18).

In accordance with s.67 of the Act, would you please arrange for the report to be tabled in the Legislative Assembly.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Brendan Worrall".

Brendan Worrall
Auditor-General

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Audit objective and scope

The objective of the audit was to assess how effectively the Queensland Government is managing the transition to the National Disability Insurance Scheme (NDIS) and how well prepared it is to oversee services after the transition.

We assessed the effectiveness of the governance arrangements and program management of the transition.

We also assessed how effectively two state-funded mainstream services are integrating with the new NDIS operating model. Mainstream services refer to services in our community such as education, health housing, justice and transport.

We selected the discharge processes for hospital patients and prisoners with disability. This included examining how Queensland Health and Queensland Corrective Services are:

- identifying potentially eligible NDIS participants
- redesigning their processes to fit with the NDIS.

The scope of this audit did not cover all activities involved in transitioning Queensland's disability services system and its clients to the NDIS. These include, for example, multiple large-scale projects and programs conducted by the Department of Communities, Disability Services and Seniors (DCDSS) to:

- transfer information about each disability service client to the National Disability Insurance Agency (NDIA) including electronic records and data
- develop the readiness of participants and providers, and capacity of the disability service workforce and market
- communicate and engage with the public and potential NDIS service providers about how to become involved with the NDIS.

We thank all the people with disability, their families, carers, and clinicians who gave up their time to share their experiences with us.



Key facts

There are 859 000 Queenslanders with a disability. The Productivity Commission estimates 91 217 Queenslanders will be eligible for NDIS

Moving to the NDIS involves changing a service system in three years that has been in place for 70 years



NDIS
is the largest
reform since
Medicare



In 2019–20, the NDIS contributions will be \$2.03 billion from the Queensland Government and \$2.14 billion from the Commonwealth

Source: Productivity Commission, Bilateral Agreement between the Commonwealth and Queensland.



Summary

Introduction

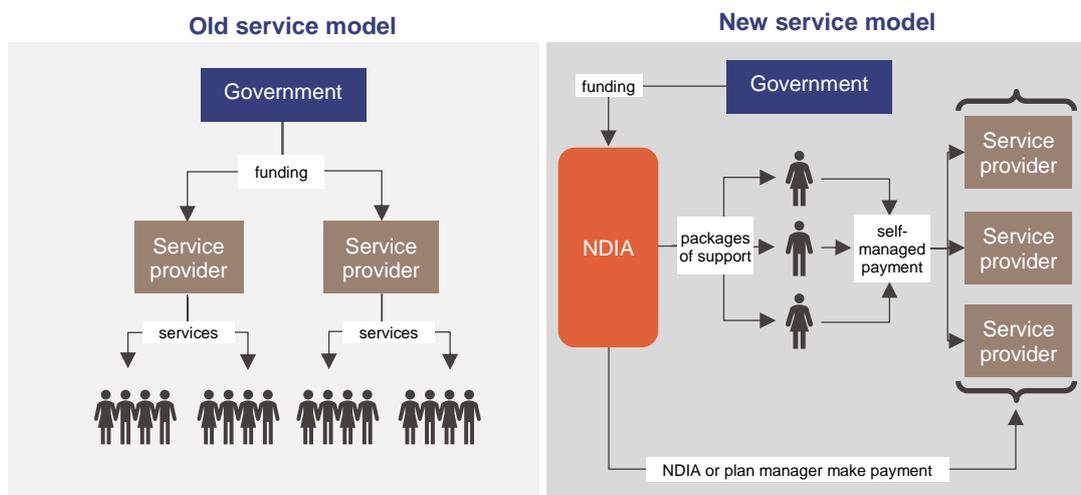
The National Disability Insurance Scheme (NDIS) is transforming the way Australians with disability obtain support services. It is a major national reform, jointly governed and funded through a partnership between the Commonwealth and the state and territory governments.

When the former Prime Minister introduced the scheme into federal parliament in 2012, she recognised the significance of the reforms, stating that:

- disability can affect anyone, and therefore affects everyone
- most people with disability cannot pay for the lifelong care needed to be active participants in their communities
- government-funded disability services are often provided in response to historical budget allocations rather than actual individual needs and circumstances
- support should be designed around goals and aspirations, not diagnoses and abilities
- people need access to a range of supports, from early intervention therapies through to slowing or preventing loss of functioning.

Figure A shows how the model to deliver disability services has significantly changed with the introduction of the NDIS. Previously, governments funded service providers in advance to deliver defined services to people with disability. The new model allows people with disability to choose and design their individual packages of support. They then use their package to obtain services from providers in the disability services market.

Figure A
Moving to a new service model



Source: Queensland Audit Office.



The NDIS intends to give people choice and control over the supports they need, including the ability to manage their own funding if they wish. The NDIS helps fund a range of supports such as:

- help with daily personal activities (such as bathing, dressing, cooking, and eating)
- workplace assistance to allow a participant to successfully gain or keep employment
- home modification design and construction
- mobility equipment (such as powered wheel chairs and scooters).

The Australian Government established a separate federal agency, the National Disability Insurance Agency (NDIA), to administer the scheme. It started operating in 2014, and is a relatively new entity with new processes, staff and systems. It provides individualised packages of support to eligible people with disability. Once participants receive the services, the NDIA, plan manager or the participant (self-managed) pays the service providers. The NDIA receives its funding from the Commonwealth and the state and territory governments.

Some elements of the new model are not yet finalised. These include establishing the NDIS Quality and Safeguards Commission, components of the quality and safeguards framework, and the roles and responsibilities of the NDIA and the states for some services (such as some health supports and transport).

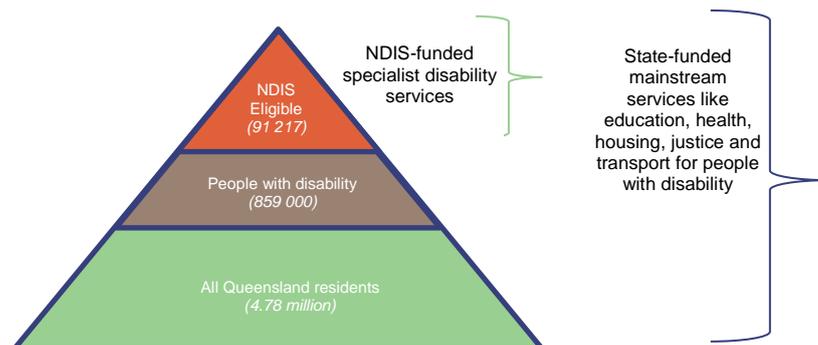
Also, the disability services market is still being developed and will take time to mature. NDIS service providers are generally non-government organisations but, in some cases, may include government-funded agencies who become registered service providers, such as hospital and health services.

Eligibility for NDIS

The Productivity Commission estimates that, by July 2019, the NDIS will be funding a total of \$22 billion annually in individual support packages across Australia (\$4.17 billion in Queensland).

Queensland’s estimated 91 217 NDIS participants are made up of 47 752 existing people with disability who are already receiving state funded disability support services, and 43 465 new/other clients (new clients are not receiving state disability services; other clients include transitioning commonwealth participants). The relatively high number of new clients is largely because Queensland has historically had less funding for disability services and therefore had higher thresholds for eligibility, resulting in less existing participants than in many other states. Figure B shows the estimated numbers in the context of the resident Queensland population.

Figure B
Estimated number of eligible people with disability by 2018–19



Source: Queensland Audit Office.

Specialist disability support services—These are services designed specifically to meet the needs of people with disability. Participants with approved NDIS plans can access these services and use the funds in their plans.

Mainstream services—These are state and commonwealth funded services (education, health, housing, justice and transport) provided to all people, including people with disability regardless of whether they are eligible for the NDIS or not.

Broadly, the NDIA assesses a person's eligibility based on their age, residency, disability and early intervention requirements.

Transitioning to NDIS

The *Bilateral Agreement between the Commonwealth and Queensland: Transition to the National Disability Insurance Scheme* (Bilateral Agreement), sets out the roles and responsibilities for the transition. It also includes the transition schedules and funding contributions.

The Department of Communities, Disability Services and Seniors (DCDSS, formerly the Department of Communities, Child Safety and Disability Services) currently provides or funds the delivery of disability services to Queenslanders. Once the NDIS rollout is finalised, DCDSS will have a very limited role in providing disability services.

DCDSS is the lead agency coordinating the whole-of-government transition to the NDIS in Queensland. It established a dedicated program management office (PMO) to coordinate the cross-agency transition to the scheme and support DCDSS transition out of the delivery of disability services. Many other mainstream government agencies are involved with the new scheme, such as those that provide education, health, housing, justice, and transport services to people with disability.

Queensland is transitioning to the new scheme progressively over three years. It started with an early launch in April 2016 in Townsville, Charters Towers, and Palm Island. It plans to reach full transition by mid-2019. In Year 1, 16 per cent of participants were expected to transition, with another 18 per cent in Year 2. The bulk of participants will transition in Year 3, with 66 per cent expected to sign up from July 2018 to June 2019.

As at December 2017, 12 939 participants in Queensland were receiving funding packages with the NDIS. Of these, 3 654 were new/other applicants who did not previously receive state-funded disability services.

Audit conclusions

We consulted with a range of Queenslanders with disability and their carers who have joined the NDIS. We also spoke to service providers and advocacy groups and disability networks. We heard how it is changing the lives of some people with disability. Participants consistently reported that the pathway and processes to obtain approved packages of support from the NDIA are frustrating and confusing. Overall, however, participants and their families and carers reported better outcomes.

It is critically important that governments manage the transition to the new model well and work together to ensure that people with disability have a positive experience connecting to the new scheme.



DCDSS has put a lot of effort into transitioning state disability services—transferring existing client data to NDIA, following up existing clients, working with providers and delivering readiness, communication and engagement activities. The proposed whole-of-government governance and program management arrangements were well designed. However, the Queensland Government and DCDSS have not implemented them as effectively as they could have.

As lead agency, DCDSS has not proactively identified and addressed governance gaps to ensure it is reporting accurate and complete information about the state's status and risks to an appropriate level of authority. Despite whole-of-government governance bodies being in place since 2014, one of the two mainstream agencies audited is not ready to transition.

The NDIS transition agreements between the state and Commonwealth governments are largely principles-based, so some elements of the scheme's design and operation are still being clarified by all jurisdictions, such as how some health support services interact with the NDIA. The hospital and health services we visited, along with the Department of Health, have planned and managed their transition well to date. While they still have some significant outstanding service delivery issues, national agreement needs to be reached about how some of those services will be funded across all states and territories.

We also found that Queensland Corrective Services (QCS) had planned its transition to the NDIS well in 2014–15 but had not started to implement it. QCS has only recently (during the audit) developed a 2018–20 implementation plan despite having prisons in areas that are already operating under NDIS arrangements. QCS acknowledges it has not put in place timely governance arrangements to oversee its transition as it prioritised implementing recommendations from five other reviews of corrective services since 2016.

Current gaps in processes for managing and monitoring readiness of state government agencies and the NDIA have increased the risk for Queensland's final stage of transition. Although there was an early launch in Townsville, Queensland did not have the benefit of formal pilots or trials. Despite signing the agreement later than five other jurisdictions (Western Australia and the Northern Territory signed afterwards) Queensland agreed to an aggressive rollout schedule to keep the same completion date. More than 60 000 participants need to join the NDIS in 2018–19 to meet the total estimated participant numbers.

At December 2017, Queensland's participant numbers were less than expected—56 per cent of estimated participants had joined. Only seven per cent of the Aboriginal and Torres Strait Islander people with disability estimated to join by full scheme in 2019 had joined. If these trends continue in the future, it will be particularly important to understand why people with disability are not joining the scheme and to assess the impact on value for money considering the state's current full scheme (from 1 July 2019) contribution commitment of more than \$2 billion. We acknowledge Queensland has the ability to re-negotiate the final agreement with the Commonwealth prior to full scheme but there are no guarantees that the funding commitment will change.

In terms of how well-prepared Queensland is to oversee services post full scheme, more work needs to be done. Queensland doesn't yet receive sufficient information to determine whether Queenslanders with disability are achieving positive outcomes. The government also needs to ensure it has timely and effective processes in place to monitor and resolve ongoing financial and operational issues impacting Queensland beyond transition.



The Queensland Government needs to strengthen program management, monitoring of readiness and reporting across government. This needs to happen now, before the biggest regions of the Gold Coast, Sunshine Coast and Brisbane roll out the NDIS from 1 July 2018. Readiness assessments and assurances from the NDIA that it has the infrastructure and capability for successful roll out are needed. Without this, the Queensland Government cannot be certain that the ambitious targets for Year 3 will not result in poor experiences and outcomes for Queensland participants.

Summary of findings

Are the current governance and transition plans effective?

The NDIS is a major national reform, so Queensland's governance arrangements for the transition are understandably complex.

The state has implemented some better practice governance approaches. These have included:

- setting up transition governance committees within agencies
- establishing a whole-of-government program management office (PMO) and a steering committee with representatives across government (the Reform Leaders Group (RLG)).

Despite this, there are some elements that DCDSS needs to strengthen. These include:

- actively managing and monitoring whole-of-government preparedness
- clarifying service delivery responsibilities
- sharing information and communicating risks.

Actively managing and monitoring whole-of-government preparedness

We examined the effectiveness of governance and risk management in the context of how well agencies are prepared in the lead-up to Year 3 (the final stage of transition). Year 3 is referred to by DCDSS as the 'blockbuster' year in recognition of the high expectations of transitioning 60 000 people in Queensland's biggest regions.

The initial governance model Queensland proposed in 2014 reflected the high-risk nature of the state's transition program. The model supported accountability and engagement of all agencies affected by the NDIS. It included:

- the RLG, a decision-making body with representatives from all NDIS-impacted state government agencies, chaired by DCDSS
- a program management office (PMO) with membership invited from affected agencies to proactively lead and coordinate all NDIS transition/readiness activities
- mechanisms for ongoing Cabinet-level oversight of progress.

However, the Queensland Government and DCDSS did not implement all elements of the proposed model. For example, cross-agency membership of the PMO did not occur, as the government felt it was better to keep expertise within the agencies responsible for their own respective transition plans. While a Cabinet committee had been overseeing whole-of-government preparedness for the NDIS in 2013 and 2014, there has been no equivalent oversight of transition since 2015.



The Queensland Government established the RLG but members regularly delegate attendance to proxy attendees at lower levels of authority due to competing priorities within their agencies. The RLG terms of reference do state ‘Proxies are expected to act with full decision-making authority of the member they represent’. However, with proxies there is an increased risk that engagement, decision-making and oversight of whole-of-government transition progress may not occur with an appropriate level of authority.

In 2014, the RLG endorsed agency-level transition plans. It did not then seek any regular reporting against the specific milestones, deliverables, budgets and risks identified in those plans until early in 2018. During the audit, some mainstream agencies updated their transition plans. In December 2017, the chair of the RLG formally requested for the first time that all agencies provide assurances, through self-assessment, about their overall NDIS readiness for Year 3.

These governance gaps have created challenges for DCDSS in terms of being aware of all aspects of Queensland agencies’ transition activities. In other jurisdictions, the ministers leading the NDIS transition are supported by Cabinet-level engagement of all respective mainstream department ministers to monitor their whole-of-government progress. These gaps create a risk that Queensland’s lead minister is not aware of all the transition risks and issues.

DCDSS has advised us that it intends to revise the terms of reference for the RLG and other governance arrangements for the remainder of the transition to address these gaps.

Clarifying service delivery responsibilities

Schedule I of the bilateral agreement lists the principles for determining the responsibilities of the NDIS and other parties, like state-based mainstream service agencies. A lack of clarity in some schedules has led to long-running disagreement and negotiation between the Commonwealth, NDIA and states/territories over funding responsibility for some services for people with disability such as transport (taxis and school transport) and some aspects of health-related care.

Despite having dispute resolution terms built into the bilateral agreement, resolution of the operational problems impacting Queensland’s transition program is a lengthy process. National working groups with senior officers from all jurisdictions including Queensland and the Commonwealth, consider disputes and work on national policy issues.

It took seven months for Queensland to come to a temporary solution over transport payments. In July 2017, Queensland re-established the taxi subsidy scheme for NDIS participants until June 2019. Initially, the cost of re-instating the subsidy was intended to be deducted from Queensland’s payment to NDIA. However, the Commonwealth is yet to agree to this.

While the parties are resolving the interface issues, Queensland is paying for the services that the NDIS is not providing. This is despite having already removed the funding from agency budgets, who are now providing the services again. The lack of certainty over who is responsible for the services increases the risk of poorer service delivery experiences for clients. It also increases the potential for duplication of service systems, and gaps in service.



Sharing information and communicating risk

The RLG's terms of reference do not formally define mechanisms to share information across government, even with other governing groups such as the Queensland Transition Steering Committee (TSC). The TSC's purpose is to resolve operational matters with the NDIA that are affecting transition and to escalate issues to national forums where required. It includes Queensland attendees, the NDIA and the Commonwealth Department of Social Services. As RLG and TSC terms of reference do not require them to formally share information, it is possible that emerging risks or issues are being considered separately and inconsistently, and not being communicated or resolved in a timely or most appropriate way. The RLG's terms of reference allow for significant policy, legislative or financial issues to be escalated to Cabinet Committee or Cabinet Budget Review Committee (CBRC).

A key risk to transition readiness is whether the NDIA has local area coordinators (LACs) in place at transition sites within agreed timeframes. The role of the LAC is to link participants to the NDIS. So far, the NDIA has only met its bilateral agreement requirements to have their LACs in place six months before transition in one Queensland location. Despite this, on 2 May 2017, the lead minister (on the advice of DCDSS and RLG), wrote to the Commonwealth and proposed bringing forward transition dates for Year 2 regions. This was based on advice that the NDIA was aiming to complete LACs in time for the draw forward. The Commonwealth agreed to this proposal. The minister also sought options to bring Queensland's Year 3 transition schedule forward. This did not occur because the revised schedule suggested by the Commonwealth was not accepted by Queensland, as NDIA could not allocate all the required resources to support the revised schedule.

In 2016, there was an independent review of whether the NDIS was ready to be introduced in Queensland. The review identified national issues that required systematic program management to ensure the main governance bodies had a shared understanding of risks and gaps with the NDIA. Separately, the PMO conducted a formal review of Townsville's transition experience. However, the PMO has not continued to review the transition program to effectively mitigate risks for future transition sites. For example, it has not independently assessed the program prior to each critical milestone. Nor has it formally analysed and shared learnings about each transitional roll out, measured or tracked the benefits of the program, or tracked agencies' implementation costs.

As the program enters its final, highest-risk stage, the lessons from each transition site must be shared and acted on—particularly before a new bilateral agreement is negotiated for the full scheme. Queensland needs to know if NDIS-affected mainstream services are ready for full scheme to ensure that participants can access all the support they require.

Are NDIS-affected mainstream services ready for full scheme?

Readiness of health services

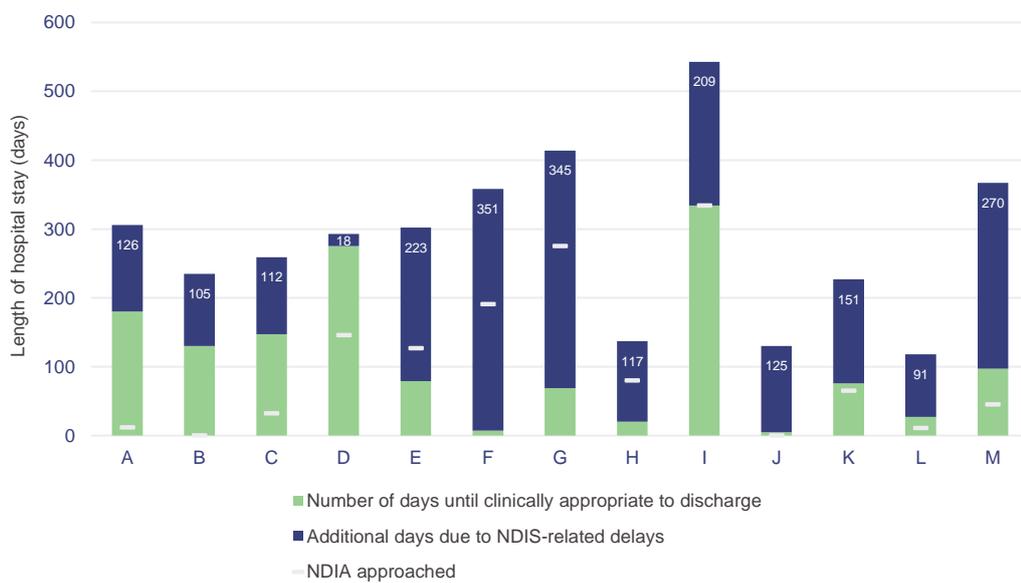
Overall, the Department of Health and the health and hospital services we visited had developed and implemented effective governance processes and plans to discharge patients from hospitals to the NDIS. However, ongoing uncertainty about how people with disability access NDIA services is delaying the discharge of patients with disability and blocking beds in Queensland hospitals. There are also unresolved health service issues with the NDIA resulting in a lack of clarity about the actual cost to the state during transition.



We received 13 case studies of patients in three public hospitals affected by discharge delays. We note that they are not necessarily representative of the experience of all NDIS-eligible patients, but they do illustrate that delays for some patients and services can be lengthy and costly.

Delays in discharging patients from hospitals also postpones treatment of other patients who could have used the beds. The additional costs to discharge these 13 patients in Figure C, based on the 2017-18 average daily rates and other costs, was \$3.7 million. If they had been in the community or their own homes, supported by an NDIS package, the cost to the state would have been \$65 per day or \$145 000 in total.

Figure C
Length of time to have the reasonable and necessary supports in place for a safe discharge for patients with disability



Source: Queensland Audit Office from 13 case studies provided by three Hospital and Health Services.

Readiness of corrective services

In 2010, Queensland Corrective Services (QCS) and its equivalent correctional service agencies in other jurisdictions identified the pending impact of national disability reform. QCS started to plan for the impact of the NDIS on its services in 2012 and developed a NDIS transition plan in 2014. Since then, it has not addressed the changes needed to its business practices to manage the integration with the NDIS model. We visited three correctional centres and found they were unprepared to identify or transition potentially eligible prisoners with disability to the NDIS when being released into the community.

This has the potential to reduce the number of new individuals connecting to the NDIS during transition. It also increases reoffending rates as research has shown that prisoners with a cognitive disability have a higher risk of re-offending than other prisoners.

National research by the Australian Institute of Health and Welfare estimates that between 1.3 to 5.3 per cent of prisoners are potentially eligible for the NDIS. In 2016–17, there were 13 092 admissions to Queensland correctional centres, making an estimated 170 to 460 prisoners potentially eligible each year.



The federal parliament's joint standing committee on the NDIS highlighted the importance of connecting people with disability with the scheme. It reported (in its 2017 inquiry into people with disability and psychosocial disabilities) that:

- the NDIS has potential to decrease imprisonment rates for people with complex disability support needs, particularly Aboriginal and Torres Strait Islander people (who are overrepresented in prison)
- access to the NDIS must be readily available and consistent within the criminal justice system.

Senior management at QCS has recognised the benefits of the NDIS and stated their commitment to ensuring correctional centres implement the NDIS. During the audit, QCS provided us with an updated NDIS implementation plan for 2018–20 that aims to address its preparedness for the largest transition year.

Is Queensland monitoring outcomes and risks?

Queensland doesn't have all the information it needs to assess the value for money from the new operating model. The participant intake rates are lower than those agreed with the Commonwealth and there is uncertainty as to whether Queensland will meet full scheme target estimates for the funding committed. Fewer people than expected are joining the scheme and benefiting from NDIS-funded disability supports (called reasonable and necessary supports).

The performance information currently provided to Queensland by the NDIA is incomplete. It does not yet include data on all the key performance indicators and measures listed in the bilateral agreement performance framework. For example, it does not have data to support many outcome measures or visibility of complaints. As a result, DCDSS cannot yet determine if the Queensland participants in the NDIS are achieving the expected economic and social outcomes to improve their life opportunities.

Outcomes for Queenslanders with disability

DCDSS is receiving information about participant satisfaction with the NDIA planning process and decisions regarding access. It has also recently started to receive information about participant benefits and the impact on people's lives in the *December 2017 COAG Disability Reform Council Quarterly Report*. The Queensland government and DCDSS have not however clearly defined what their performance reporting needs are now and post scheme to monitor outcomes for Queenslanders.

Current reports from the NDIA and the Productivity Commission point to some early indicators of positive results for participants nationally. In its quarterly reports, the NDIA indicates the overall level of satisfaction of Queensland participants with the planning process is 92 per cent. It should be noted that the data for July to September 2017 is based on responses from only 129 Queensland participants (six per cent of the 2 049 participants who signed up to a plan during quarter one of 2017–18). The NDIA reported that the numbers participating in the survey were broadly in line with previous quarters. It does not report results if there is insufficient data in the group. In April, March and December 2016 and March 2017 there were not enough responses to report.

DCDSS has not sought an assurance from the NDIA on the reliability of the satisfaction data. It will need to do so in future, so it can be clear about what it means and the extent of participation.



Queenslanders experience in signing up to NDIS

We approached disability advocacy groups and networks to offer their clients and members an opportunity to talk to us about their experience in signing up to the NDIS. We spoke to 22 NDIS participants and/or their family/carers in Townsville and Toowoomba. The number of people we interviewed does not allow us to draw conclusions about the experience for all Queensland participants, but has provided a valuable insight into the issues and results for some participants.

Overall, people told us the supports approved in their NDIS plans were helping them to achieve their goals. However, many found they were not well prepared to navigate the approval pathway, as it was confusing and bureaucratic.

One participant told us, 'The NDIA needs to streamline the process, simplify, and individualise.' This is consistent with the findings published by the Productivity Commission in its 2017 report.

That said, another participant reported that, 'The NDIA is a safety net now, if anything happens.' And a third said, 'I would not have achieved my goals without the NDIS.' Appendix D includes all the case studies from the interviews we conducted.

Figure D lists the key themes that participants spoke to us about from their experience in signing up to the NDIS or in supporting their family member.

Figure D
Key interview themes from 22 NDIS participants
and/or their families, and carers

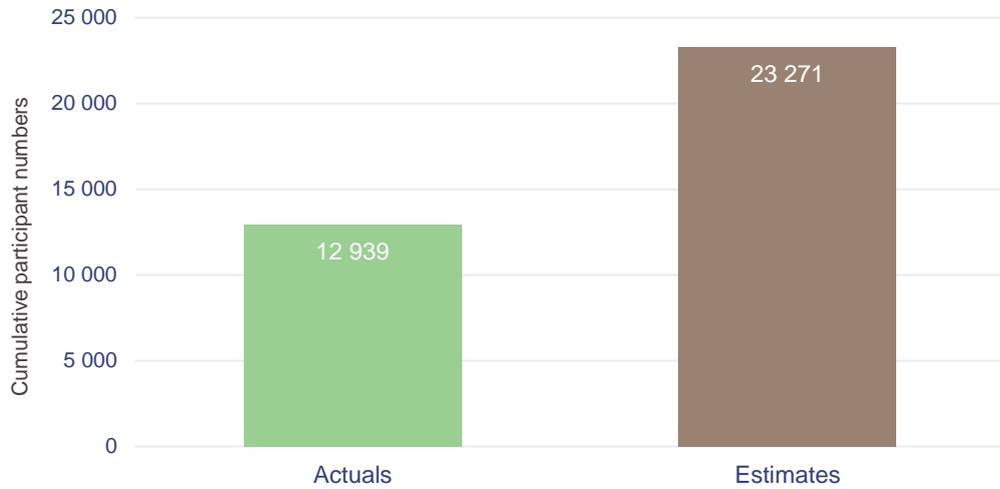
Themes	Number of times raised
Receiving funded support for the first time	7
Plan is helping them achieve their goals	13
Satisfied with NDIS pathway	6
Dissatisfied with the NDIS pathway	14
Difficulty finding local service provider	6
Didn't get the level of support expected/required	12

Source: Queensland Audit Office.

Managing key financial risks

By the end of December 2017, just over half (56 per cent) of those expected to participate had approved NDIS plans. This means that approximately 10 000 people less than expected are receiving the benefits of the NDIS supports in Queensland. Figure E shows the progress against the estimated transition phasing to date.

Figure E
Progress of participant intake numbers as at December 2017

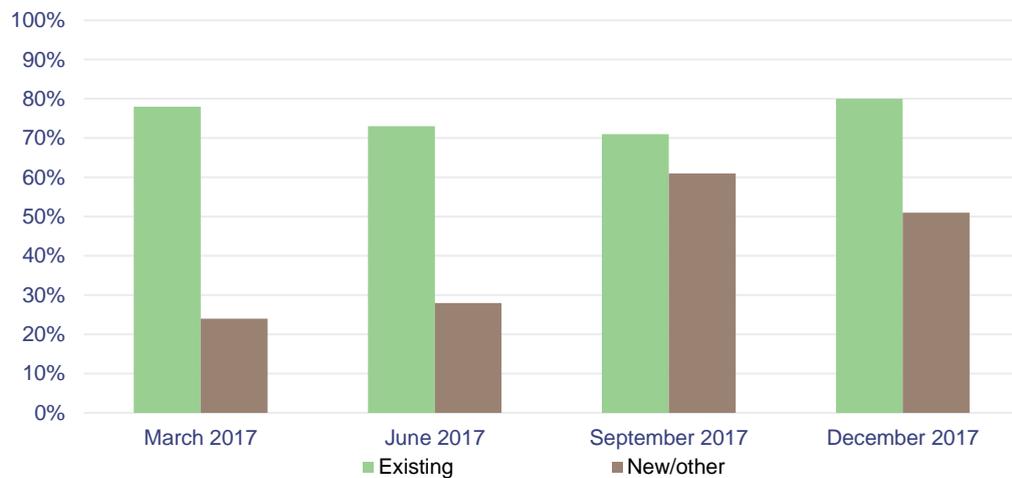


Source: NDIS quarterly reports.

If the intake rate from 2016–17 continues, by the end of 2018–19, Queensland may have only 51 000 participants with approved plans instead of more than 90 000. If Queensland is unable to re-negotiate its current commitment to contribute \$2.03 billion come full scheme, this would see Queensland’s contribution to each participant’s plan increase on average from the planned \$22 250 to \$39 700. This represents a significantly different value-for-money proposition than originally planned.

Figure F shows that efforts to help existing Queensland clients transition to the NDIS are more effective, with between 71 per cent and 80 per cent of the estimated existing clients joining in the last four quarters. The participant rates for new/other clients are less than expected with between 24 per cent and 61 per cent joining in the same four quarters. The NDIA publishes cumulative rates from the beginning of transition showing the comparison of new/other and existing clients against the estimate quarterly.

Figure F
Queensland participant intake compared to estimates
—new/other client and existing clients



Note: Data prior to March 2017 not published.

Source: NDIA quarterly reports.



New clients who do not join the NDIS do not get the benefits that NDIS packages of support can deliver. For participants, reasonable and necessary supports can lead to greater independence and reduced impairment. It can reduce the public expenditure on the lifetime costs of care and support for people with disability and reduce the demand on state-funded mainstream services.

So far, 1 073 Aboriginal and Torres Strait Islander people (7.38 per cent of the total estimated as eligible by full scheme in 2019) have approved plans. The service providers we spoke to identified specific challenges helping to connect Aboriginal and Torres Strait Islander people with disability to access the NDIS. They emphasised the importance of the NDIA having culturally appropriate staff with local connections to the community.

Workforce transition

DCDSS has successfully supported regional staff affected by the NDIS in transitioning to other roles within the department or other government agencies, or in accepting voluntary redundancies.

The transition of the largest regions in Brisbane, the Gold Coast, and the rest of South East Queensland is about to occur. This will see another 1 022 staff affected. The scale of the next phase of transition is likely to require a significant effort from DCDSS and all other government agencies to successfully transition the large number of staff who want a permanent position at level.



Recommendations

Department of Communities, Disability Services and Seniors

We recommend that the Department of Communities, Disability Services and Seniors (DCDSS), as lead agency for Queensland Government's National Disability Insurance Scheme (NDIS) implementation:

1. elevates oversight to ensure Cabinet is advised at regular intervals and in line with significant milestones and deliverables via a sub-committee or other relevant mechanism, to be determined by the Premier (Chapters 2 and 4)
2. strengthens whole-of-government program management to increase assurance regarding all impacted agencies' preparedness for the NDIS
This should include:
 - greater detail of planning (at a service level) by mainstream agencies affected by the NDIS, and proactive monitoring of progress, issues, and risks
 - revising the scope of the Reform Leaders Group to reinforce senior executive decision-making responsibilities and oversight capabilities. (Chapter 2)
3. develops readiness criteria for the remaining regions for formal sign-off prior to advising the minister on whether Year 3 transition should be delayed
This should include:
 - obtaining assurance from the National Disability Insurance Agency (NDIA) that infrastructure will be in place in accordance with the bilateral agreement
 - obtaining assurance from the NDIA that it has sufficiently and appropriately trained staff to accommodate Queensland's estimated third year intake, given that it will include high numbers, a significant percentage of new participants, a diversity of geography, and several Aboriginal and Torres Strait Islander communities. (Chapter 2)
4. establishes formal mechanisms to share lessons learnt regularly and routinely, and risk information between governance groups such as the Reform Leaders Group and Transition Steering Committee (Chapter 2)
5. seeks to refine the terms and conditions in the intergovernmental agreement for full scheme to allow clearer escalation and resolution processes, particularly for mainstream agency service delivery responsibilities (Chapter 2)
6. establishes the framework, key performance indicators, and data it needs to monitor the outcomes of Queensland NDIS participants and value for money. (Chapter 4)

Mainstream agencies impacted by the NDIS

We recommend agencies affected by the NDIS in Queensland:

7. strengthen internal governance and reporting arrangements at the service level so heads of agencies can provide the lead agency with accurate assessments about their agencies' readiness for the NDIS and any emerging risks. (Chapter 3)



1. Context

This chapter provides the background to the audit and the context needed to understand the audit findings and conclusions.

Improving outcomes for people with disability

Over the last 10 years, Australian governments have joined together to create a nationally agreed understanding of how to better support people with disability through Australia's *National Disability Strategy 2010–20* (the strategy).

The strategy provides the overarching framework for all Australian disability policy. It seeks to improve outcomes for people with disability—beyond access to specialist disability services—by recognising the important role of other factors such as education, health, housing, justice and transport. The strategy states:

People with disabilities want to bring about a transformation of their lives. They want their human rights recognised and realised. They want the things that everyone else in the community takes for granted. They want somewhere to live, a job, better health care, a good education, a chance to enjoy the company of friends and family, to go to the footy and to go to the movies. They want the chance to participate meaningfully in the life of the community. And they are hopeful.

Rationale for reform

The strategy encouraged governments to reduce fragmentation and improve the coordination of disability policy and programs. Through the strategy, all governments made a commitment to support the national Productivity Commission in conducting a public inquiry into long-term disability care and support.

In 2011, the Productivity Commission reported that the current disability support system was underfunded, unfair, fragmented, and inefficient, and gave people with disability little choice and no certainty of access to appropriate supports (refer to Appendix G). It recommended that Australian governments should introduce a national disability insurance scheme (NDIS) to provide insurance cover for all Australians in the event of significant disability.

Sustainability using an insurance model

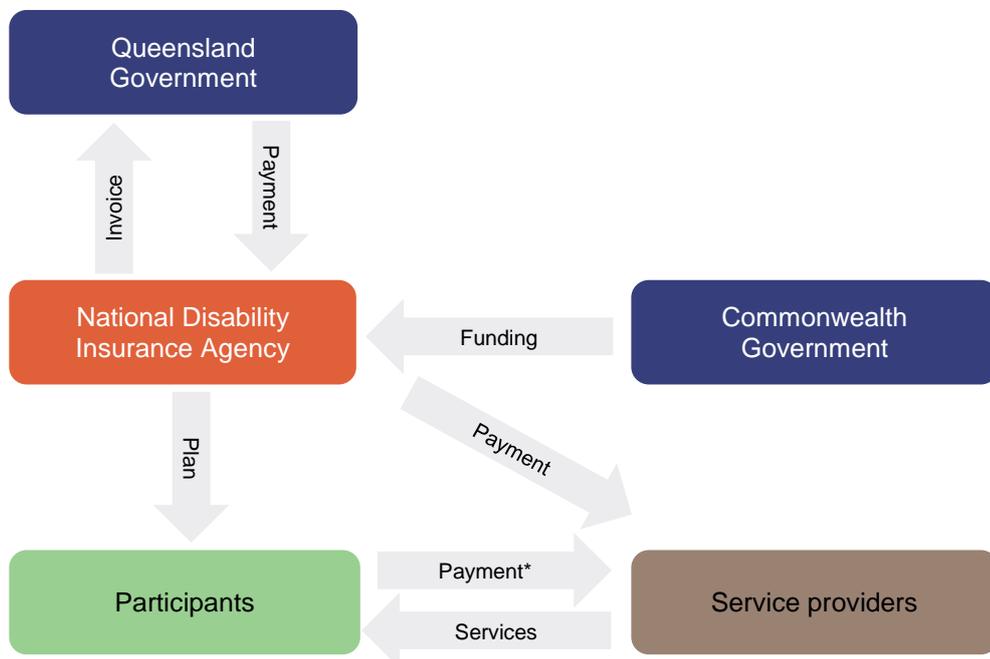
One of the main elements of the NDIS design is creating a sustainable system, funded under an insurance model that is based on four insurance principles:

- The total annual funding base required by the NDIS is determined using a risk-based insurance model to estimate the reasonable and necessary support needs of the target population.
- The NDIS takes a lifetime approach. It seeks to minimise support costs over a participant's lifetime by investing in people early—to build their capacity to help them pursue their goals and aspirations.
- The NDIS invests in research and encourages innovation.
- The NDIS can act at the systemic level, as well as funding individual support needs.

Under the reformed model, service providers deliver disability services in an open market environment. These providers are then engaged directly by people with disability through an agreement. Providers are paid by the National Disability Insurance Agency (NDIA), except for self-managing participants who pay providers directly.

Figure 1A shows how the funding from the Commonwealth and from state and territory governments flows to the NDIS.

Figure 1A
Flow of state and Commonwealth NDIS funding under the NDIS model



*Note: Payment flows from participant to service provider under self-managed plans.

Source: Queensland Audit Office.

However, in some cases, NDIS service providers are engaged indirectly (for example, by a plan manager who manages plans for participants).



The expected outcomes of the NDIS

The *Bilateral Agreement between the Commonwealth and Queensland: Transition to the National Disability Insurance Scheme* (the bilateral agreement) lists the three outcomes and indicators of the NDIS. They are that:

- people with disability lead lives of their choice—this will be measured in terms of outcomes for participants and their families and how support is provided in response to assessed needs
- NDIS is a financially sustainable insurance-based scheme—this will be based on characteristics of participants and their families, the support packages provided, and projections
- there will be greater community inclusion of people with disability—this will be measured in terms of mainstream service numbers, the number of participants and other people with disability supported by local area coordinators, and the number of participants and other people with disability supported by Information, Linkages and Capacity Building (ILC) services.

Queensland’s state disability service system

Strategic priorities

Queensland’s current priorities for supporting people with disability are set out in its state disability plan: *All Abilities Queensland: Opportunities for all—State Disability Plan 2017–20*. The plan focuses on improving access to opportunities to participate in the community, in education, and in employment, using partnership approaches across all agencies and sectors of the community. The plan aligns to the Queensland Government’s commitment to the National Disability Strategy and complements the rollout of the NDIS.

Current responsibilities during NDIS transition

Queensland’s Department of Communities, Disability Services and Seniors (DCDSS) currently provides or facilitates the delivery of disability services such as accommodation support, respite, community support, community access, and information. DCDSS was formerly known as the Department of Communities, Child Safety and Disability Services. For consistency, throughout the report we refer to the department using its current name. Other agencies, such as health also deliver disability services to clients that will transition to the scheme.

Prior to and during the transition, DCDSS funds non-government organisations to provide most disability support services. These funding arrangements are through contracts or service level agreements related to programs or services.

DCDSS also works with other government agencies to deliver a range of services to people who require support from multiple agencies. This includes assisting young adults with disability who are leaving the care of the state, funding aids and equipment and vehicle modifications, and assisting people with spinal cord injuries as they leave hospital. The Commonwealth Government reimburses DCDSS in some instances, such as for services to people with disability 65 years and over, and Queensland reimburses the Commonwealth for young people with disability residing in aged care facilities.

Residual responsibilities at full scheme

Once the NDIS rollout is finalised (referred to as ‘full scheme’), DCDSS will have a limited role in providing disability services. It will still be responsible for supporting people with disability who are not eligible for the NDIS (such as in community care services) and offenders with disability who require specialist support in secure disability forensic accommodation. Queensland will continue responsibility for accommodation support and respite services. Arrangements for payments post transition are yet to be finalised.

Other mainstream agencies providing services like education, health, housing, justice and transport will continue to support people with disability whether or not they are participants of the NDIS. Examples include providing support to children with disability in school and providing programs or services to people who may have a health issue as well as a disability.

Governance

Responsibility for the NDIS is complex and shared across multiple agencies and sectors:

- The Commonwealth and all state and territory governments fund the scheme.
- An independent federal agency (the NDIA) administers the scheme.
- Registered service providers who are mostly non-government/community organisations deliver services directly to participants.

National arrangements about the NDIS policy framework

After considering the Productivity Commission’s 2011 report, all heads of state and territory governments (through the Council of Australian Governments (COAG)) agreed to establish the NDIS. States and territories entered into agreements with the Commonwealth to transition state-based disability services and funding to the NDIS over three to four years.

There are several nationally represented groups supporting COAG that focus on the overarching policy framework within which the NDIS operates. Queensland’s representatives on these groups advocate on behalf of the state’s preferred positions on national policy issues. The two main groups are:

- a ministerial standing council—the Disability Reform Council (DRC). It provides strategic oversight of transition to full scheme of the NDIS, costs and financial sustainability, and implementation risks. Queensland’s Minister for Disability Services and the Queensland Treasurer are members of the DRC, along with their interstate and federal counterparts
- a national Senior Officials Working Group (SOWG). It advises the DRC about specific NDIS policy issues. There are multiple SOWG sub-committees informing the ongoing operation of the NDIS, such as the design of the quality and safeguards framework. Each is represented by agencies in all jurisdictions with relevant subject matter expertise. They include agencies providing education, health, housing, justice and transport services as well as other jurisdictions’ equivalents of the Department of Premier and Cabinet and DCDSS.



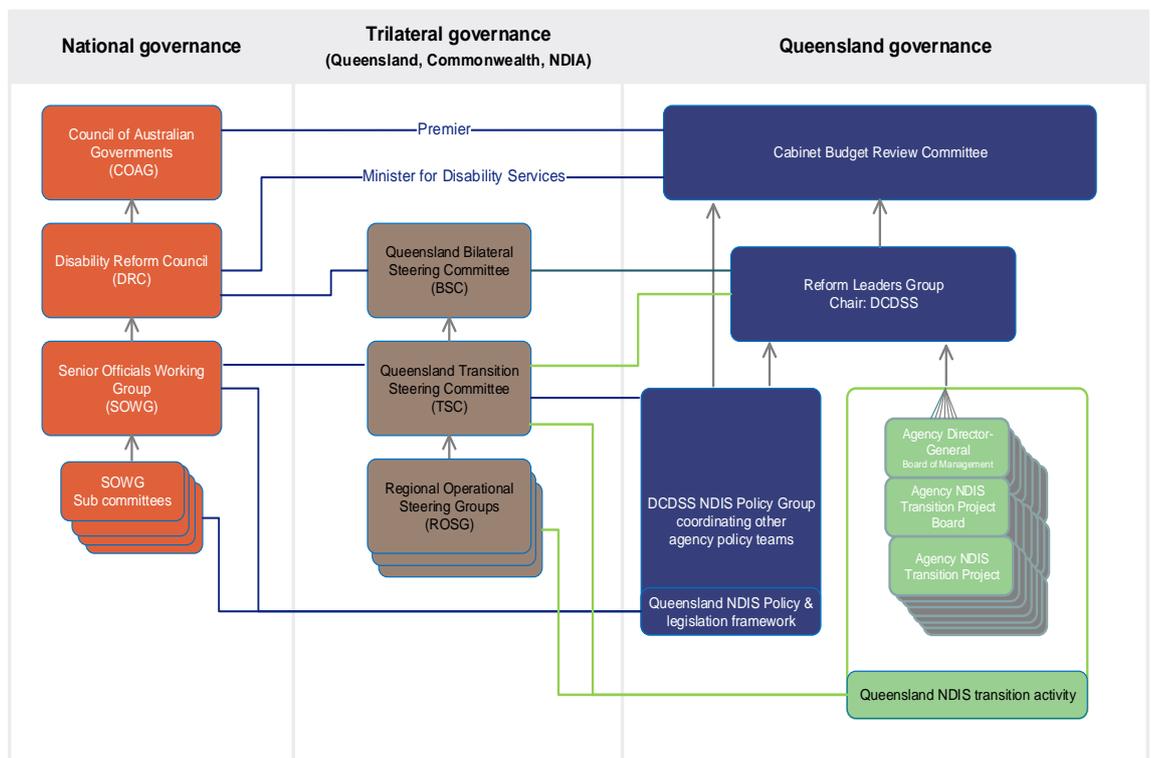
State and federal arrangements for operational transition

Queensland has established governing bodies to oversee and guide effective implementation of the NDIS. These bodies feed information to national policy groups about any decisions that may impact the operation of the scheme in Queensland. Their role is to oversee the NDIS transition in Queensland. The state’s main governing bodies include:

- the Reform Leaders Group (RLG)—this is led by the Director-General of DCDSS. Membership includes all directors-general and equivalent heads of agencies affected by the NDIS, including from mainstream agencies. It was formed in 2014.
- agency steering committees—each impacted government agency has established its own internal steering committee to discuss and resolve issues at an agency level. Issues raised in these committees are fed into the RLG
- Queensland Bilateral Steering Committee—The Transition Steering Committee (TSC) refers unresolved issues about the terms of the bilateral agreement and NDIS funding (operational/systemic issues) and SOWG (policy framework issues).
- The TSC—this is co-chaired by the Deputy Director-General of Disability Services (which is part of DCDSS). Unlike other state-based groups, the TSC includes representatives from external agencies such as NDIA and the Commonwealth Department of Social Services. Its purpose is to resolve operational matters with the NDIA that are affecting transition.

Figure 1B shows the high-level inter-government and state-based governance structures of the NDIS.

Figure 1B
NDIS integrated governance structure



Source: Queensland Audit Office from the Department of Communities, Disability Services and Seniors.

Queensland Government agencies

Department of Communities, Disability Services and Seniors (DCDSS)

DCDSS has three key roles:

- managing the transition of DCDSS funded and delivered disability services to the NDIS
- leading whole-of-government coordination of relevant state agencies, such as those providing education, health, housing, justice and transport services, to assist them in preparing and transitioning to the NDIS
- leading policy reform, with the Department of the Premier and Cabinet, such as negotiating the terms and conditions of intergovernmental agreements.

Department of the Premier and Cabinet (DPC)

The Department of the Premier and Cabinet (DPC) supports Queensland's contribution to the Commonwealth Government's national disability policy framework in partnership with DCDSS. This includes negotiating terms and conditions of intergovernmental agreements and ensuring that Queensland's position on national policy issues impacting transition are resolved.

Queensland Treasury

Queensland Treasury is a member of the Senior Officers Working Group. They are also responsible for managing the finances of the state government, including preparing the budget and providing advice on the financial and economic impact of policy decisions such as the NDIS. Treasury contributes to the NDIS transition program by managing the impact on state agency budgets as services decommission and staff transfer out of state agencies, in line with the regional transition schedule.

Commonwealth agencies

National Disability Insurance Agency (NDIA)

The NDIA is the independent statutory agency set up to implement and deliver the NDIS across Australia. Its role is to connect people with information and resources and offer guidance as they plan for, select, and use the supports, services, and community activities they need.

The NDIA determines a person's eligibility and assesses their level of support and funding. The NDIA does not provide services to participants. A board governs the NDIA and receives advice from an independent advisory council. It is monitored by a national joint standing committee of the Australian Parliament that reports on implementation, performance, and governance of the NDIS.



Department of Social Services (DSS)

The Commonwealth Department of Social Services (DSS) helps to support people with disability by delivering programs, services, benefits, and payments such as the disability support pension scheme. It is also responsible for leading the development of the NDIS policy framework on behalf of COAG and administering the *National Disability Insurance Scheme Act 2013* (NDIS Act). It exercises statutory powers under the NDIS Act on behalf of the federal Minister for Social Services with the agreement of states and territories. This includes the power to make operational rules about how the NDIA assesses and determines eligibility under the Act.

DSS also has a role in supporting the transition of clients in commonwealth services that will transition to the NDIS. These clients are counted in the bilateral estimates (in the new/other category). DSS also has a role in providing data on other participants to the NDIA and supporting their transition.

DSS is also responsible for administering the NDIS appeals process if a person is denied services or funding under the NDIS. Disputed decisions of the NDIA are subsequently appealed to the federal Administrative Appeals Tribunal.

NDIS Quality and Safeguarding Commission

The NDIS Quality and Safeguarding Commission will commence in July 2018. It will implement the NDIS Quality and Safeguarding Framework that oversees the quality of services provided under the scheme.

Establishing the NDIS

Administrative agreements for transition

There are three levels of administrative agreements governing how Queensland moves to full scheme by 1 July 2019. These agreements describe the roles and responsibilities of the Queensland and Commonwealth governments and the NDIA throughout the transition period. They include:

- Heads of Agreement—outlining the high-level processes and commitments of the Queensland and Commonwealth governments to establish the NDIS. The Queensland Premier and the Prime Minister signed it on 8 May 2013
- the *Bilateral Agreement between the Commonwealth and Queensland: Transition to a National Disability Insurance Scheme* (the bilateral agreement)—supporting the Heads of Agreement by including more detail about financial contributions, phasing schedule, and the interface between the NDIA and mainstream services during transition. The Queensland Premier and the Prime Minister signed it on 16 March 2016
- the Operational Plan—putting the bilateral agreement into action by setting out how the Queensland and Commonwealth governments will work with the NDIA to implement the transitional arrangements required for full scheme. It covers the readiness of the disability services market, workforce, and participants. The Commonwealth Department of Social Services, the Queensland Government, and the NDIA agreed to it on 20 July 2016.

There are other arrangements between the state, Commonwealth and NDIA to facilitate working through operational issues such as data sharing, participant readiness, and market readiness.



State/territory and federal governments will commence negotiating new bilateral agreements in 2018 for full scheme commencement in 2019.

Oversight and monitoring of transition

When the Queensland and Commonwealth governments signed the Heads of Agreement in 2013, they committed to achieving the NDIS objectives. As part of this, they agreed to build on lessons learned during transition in order to support full scheme implementation.

The Heads of Agreement lists the following documents, events, and reviews as ways of monitoring the NDIS:

- the NDIS performance framework
- the NDIS launch evaluation
- reviews of the NDIS Act
- rules and operational guidelines
- the Intergovernmental Agreement for NDIS Launch.

The bilateral agreement provides details for an integrated NDIS performance reporting framework. For example, it requires the NDIA to report to the DRC and to the Queensland Government using performance measures and outcomes, and providing information about NDIS participants, providers, and financial sustainability. The performance reporting framework supports a separate NDIS evaluation strategy that will report on outcomes for individuals, carers and families after transition has completed.

The Productivity Commission and the federal parliament's joint standing committee on the NDIS independently monitor the performance and implementation of the NDIS.

In addition, the Australian National Audit Office separately audits the NDIA's performance and financial accountability.

Funding and sustainability

In 2017, the Productivity Commission completed a separate review of the NDIS costs, including the financial sustainability and governance of the scheme. It reported that to ensure the scheme's objectives are addressed, the funding arrangements for the NDIS need to provide funding certainty and allow the scheme to operate in line with insurance principles.

During transition, each state/territory contributes funding to the scheme according to its respective bilateral agreement (which is based on the number of actual NDIS participants). Each agreement reflects key differences between existing state-based disability service levels and the diversity of geography/demographics.



In 2012, Queensland Treasury began its own modelling to test the affordability of various transition scenarios from 2013 to 2016 to check Commonwealth Government estimates and inform bilateral negotiations. Complete data on existing state disability service clients (as potential NDIS clients) was not readily available from state agencies due to the nature of block funding agreements in place. (Under ‘block funding’ the funding goes to organisations rather than individuals.) Therefore, a ‘synthetic’ dataset was developed by the Queensland Government Statistician’s Office to inform Queensland Treasury’s modelling. The synthetic dataset:

- applied the Productivity Commission’s 2011 methodology to Queensland data sourced from the ABS surveys of disability, ageing and carers 2009 and 2012 and the 2006 *Census of Population and Housing* to fill coverage gaps
- estimated over 90 000 NDIS eligible clients by their age, disability type, severity, support needs, and location
- modelled various scenarios for the phasing locations for Years 1, 2 and 3 of transition.

Queensland Treasury’s modelling was tested with the Australian Department of Social Services, the NDIA Actuary, and agency stakeholders.

Queensland’s contribution during transition

During the transition period, the Commonwealth and Queensland Governments agreed to pay contributions based on actual numbers of participants that transitioned to the NDIS and agreed weighted average cost of individual support plans. Queensland’s contribution for each participant in the NDIS is 59.4 per cent, with the Commonwealth paying the remaining 40.6 per cent. The estimated total contribution for Queensland during transition (if the estimated participant intake numbers are achieved) is \$2.23 billion. Figure 1C shows the agreed annual average cost and the total funding contribution by the Queensland Government and the Commonwealth.

Figure 1C
Weighted average package cost during transition

Weighted average cost	Percentage	2016–17	2017–18	2018–19
Queensland’s contribution per participant	59.4	\$22 223	\$23 854	\$25 410
Commonwealth’s contribution per participant	40.6	\$15 190	\$16 305	\$17 367
Weighted average package cost during transition	100	\$37 413	\$40 159	\$42 777

Source: Queensland Audit Office based on the bilateral agreement.

Over the three financial years of the transition, DCDSS and affected mainstream agencies will progressively decommission disability services. During transition, the NDIA invoices Queensland (through DCDSS) each month for participants with approved NDIS plans.

DCDSS pays the NDIA each month on behalf of all affected government agencies, including those providing education, housing, health, justice and transport services. Most of the funds come from DCDSS, as it delivers the bulk of the services.

Part of Queensland's payment is funded through Medicare levy contributions that have been collected since 2014 (referred to as the National Disability Care Australia Fund). The NDIA invoices DCDSS monthly based on the average price per participant, in arrears. DCDSS pays the money as an administered grant and provides copies of the invoices to Queensland Treasury.

Queensland's contribution at full scheme

The funding arrangements for transition are based on participant numbers. At full scheme Queensland's contribution is currently fixed at \$2.03 billion per year (indexed at 3.5 per cent per annum). Queensland's contribution includes \$197 million of federal funding (the Disability Care Australia Fund (DCAF)). The agreement between the Commonwealth and the Queensland Government for full scheme contributions is due to be agreed by March 2019 prior to full scheme at 1 July 2019.

In addition, under continuity of support agreements, state governments/territories continue to fund existing disability service clients under 65 years of age who are not eligible for the NDIS.

Service delivery changes

In 2015–16, prior to the NDIS, Queensland spent \$1.56 billion (including \$361.6 million of commonwealth funding) on specialist disability services. From full scheme in July 2019 the combined contribution is expected to be \$4.17 billion (\$2.03 billion from the state, including the DCAF funds, and \$2.14 billion from the Commonwealth).

The NDIS has also changed the way disability services are delivered. Services are provided by a range of organisations rather than primarily by governments. The term 'NDIS service providers' generally refers to non-government organisations (both for profit and not for profit) but in some cases may include government-funded agencies that become registered service providers, such as hospital and health services. All individual participants directly engage with NDIS service providers under a consumer choice model.

The main elements of a state-based disability service system and a summary of changes under the NDIS model are set out in Figure 1D.



Figure 1D
Summary of changes to disability service delivery models

Element	Current state-based system	NDIS
System design	Welfare	Insurance
Service delivery model*	Facilitated by state and delivered either by service providers or government agencies	Delivered by NDIS service providers including non-government organisations
Disability service providers	Engaged by state government	Engaged by individual NDIS participants (directly or indirectly)
Funding model	Block funding model—bulk payments paid to providers in advance of services or programs delivered	Consumer model—single invoice payments paid to providers after services delivered
Funding source*	State government	National single pool of funding contributed to by all governments

Note:* The Commonwealth Government funds and delivers some disability services related to aged care (such as for people over 65 years or residing in aged care facilities).

Source: Queensland Audit Office based on the Productivity Commission's 'Disability Care and Support' report, 2011.

Transitioning to the NDIS

In 2012, three jurisdictions (South Australia, Tasmania, and the Australian Capital Territory) agreed to participate in the launch of the NDIS. They began trialling the transfer and decommissioning of state disability services to the new model at nominated locations. New South Wales, Victoria, Western Australia, and the Northern Territory also launched the NDIS at trial sites during 2013 to 2015.

A National Institute of Labour Studies, Flinders University report found that evaluations of the trial sites were mostly positive. The NDIS had improved access to supports and provided greater choice and control for people with disability.

Queensland's NDIS transition approach

Many states and territories relied on experiences from their trial sites to plan and implement their full transition program. But unlike other jurisdictions, Queensland did not participate in an early trial of the NDIS. It was the sixth jurisdiction to sign a transition agreement (Western Australia and the Northern Territory signed after) with the Commonwealth due to protracted negotiations on how to fund and implement the scheme.

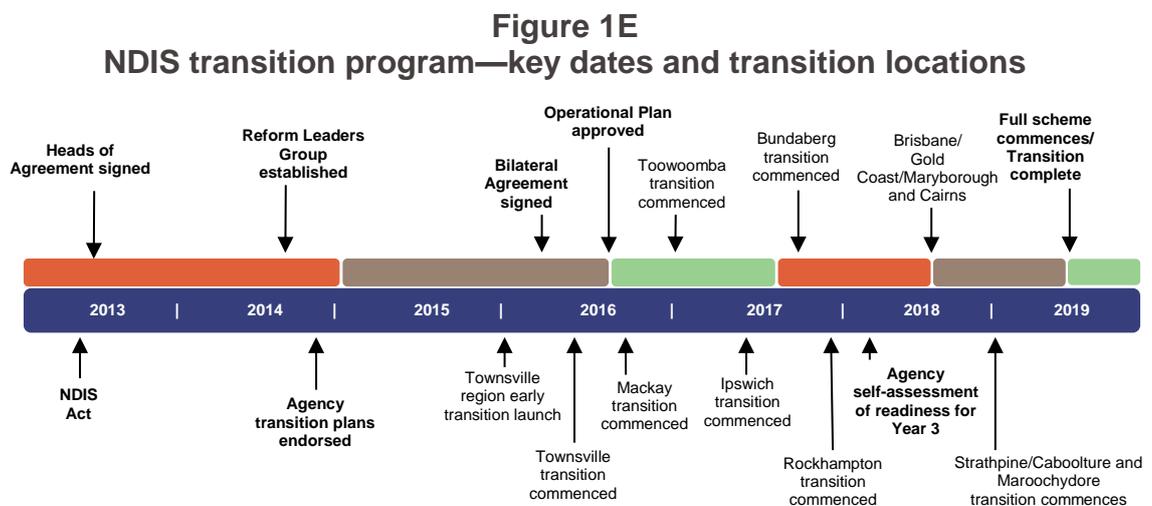
In January 2016, the early launch started in Townsville, Charters Towers, and Palm Island, while final terms and conditions for transition were being agreed. This allowed for up to 600 people to join the scheme before transition started on 1 July 2016.

In 2016, the Commonwealth Department of Social Services commissioned an independent review of the NDIA’s readiness to transition Queensland. In its report it referred to the Queensland transition schedule as ‘ambitious’. It noted several factors making Queensland’s transition approach unique. These were:

- Queensland did not have a discrete trial site.
- Queensland’s transition schedule relies on two-thirds of Queensland’s estimated eligible participants (over 60 000 people) signing up in Year 3.
- Queensland has historically provided significantly less funding for disability services than many other states, as reported in the Productivity Commission’s 2011 review. Its state-based disability services system has focused on complex support needs, and the funding gap has had to be factored into overall transition arrangements.
- In other states the proportion of new/other NDIS participants was as low as 24 per cent.
- Queensland’s funding contributions and schedule estimates nearly 50 per cent of NDIS participants will be new/other clients. New/other participants are defined as people who are not receiving Queensland funded or directly provided disability services; people currently accessing only Commonwealth services and supports, including disability services and young people in residential aged care facilities, Townsville other children participants, Townsville other adult participants and those with new incidence of disability. Approximately 1 500 younger people in residential aged care or with home care packages currently funded through the commonwealth aged care system will transition to the NDIS in Queensland (refer Figure 1G).
- Geographic diversity and remote locations, including a high number of Aboriginal and Torres Strait Islander communities, in Queensland creates difficulties in sustaining a market for non-government organisations to deliver NDIS services.

Timing and estimated participant numbers

Queensland’s NDIS transition program has been running since the early launch in Townsville in 2016. Year 1 of the transition started in 1 July 2016 and Year 3 concludes 30 June 2019. Figure 1E shows these key dates and the regions transitioning in each stage.



Source: Queensland Audit Office.

Queensland is transitioning different regions into the NDIS progressively. Most eligible people will transition in Year 3 (2018–19) from the state’s largest population areas such as the Gold Coast, Sunshine Coast and Brisbane (refer Figure 1F).

Figure 1F
Queensland’s transition phasing to the National Disability Insurance Scheme

Region	Commencement date	Estimated participants
*Townsville	1 July 2016	4 653
Mackay	1 November 2016	3 524
Toowoomba	1 January 2017	7 095
Ipswich	1 May 2017	7 027
Bundaberg	1 September 2017	3 976
Rockhampton	1 November 2018	5 205
Beenleigh, Brisbane, Maryborough, Robina, Cairns	1 July 2018	42 800
Caboolture/Strathpine and Maroochydore	1 January 2019	16 970

Note: Early launch in Townsville, January 2016.

Source: Queensland Treasury estimated numbers for phasing.

During transition, state agencies such as DCDSS continue to provide and fund disability services in areas that have not yet transitioned. Once areas have transitioned to the NDIS, registered NDIS service providers deliver disability services directly to participants.

In Queensland, the Northern Territory, South Australia and Tasmania, the estimates for transition rates include a significant proportion of new/other clients (including those receiving Commonwealth-funded services)—approximately 50:50. Tasmania has the highest proportion of new clients at 60 per cent. The proportion of new/other clients is less in the other two jurisdictions; Victoria 26 per cent and New South Wales 44 per cent, with the emphasis on transitioning existing state-based disability clients. (Appendix B contains the transition schedules for the other jurisdictions including the split between new/other and existing clients.)

The estimated numbers for Queensland’s transition to the NDIS are set out in Figure 1G.

Figure 1G
Summary of Queensland's transition schedule estimates

Client cohort	2016–17 Year 1	2017–18 Year 2	2018–19 Year 3	Total	Total (%)
Existing state-based disability clients	7 003	8 305	32 444	47 752	52%
New and other clients	7 963	7 884	27 618	43 465	48%
Total	14 966	16 189	60 062	91 217	100%

Note: Existing state-based disability clients includes those in supported accommodation. 2016–17 includes 600 participants carried forward from 2015–16. New and other includes Commonwealth-funded clients.

Source: Queensland Audit Office from the bilateral agreement, Schedule A.

To support access for existing clients, the states and territories identify and electronically submit the client details to the NDIA. New clients become aware of the NDIS via their networks and advertising and awareness campaigns but are responsible for seeking access themselves.

Workforce transition

As services transition to the NDIS, the roles of some DCDSS staff and other state agencies will no longer be required (this includes approximately 1 400 DCDSS staff). The Queensland Public Service Commission and state agencies impacted by the NDIS developed a strategy to support all affected employees.

The strategy provides a guide to support employees as they transition to new working environments (such as to the NDIA or regional community service organisations). It also reflects the Queensland Government's commitment to guarantee employment security for permanent employees by prioritising their transfer or redeployment across the public sector.



Independent reviews of NDIS transition

There have been many recent independent reviews of the NDIS (refer to Appendix G). Queensland's transition program will need to consider any impacts from the NDIA redesigning its operating model in response to recommendations from these reviews.

Reviews that may impact on Queensland's NDIS implementation include the following:

- General issues around the implementation and performance of the NDIS—the federal parliament's joint standing committee on the NDIS (in progress). The scope covers financial, policy, legislative, and operational issues (planning, communication, and transport) affecting the NDIA's delivery of disability services.
- National Disability Insurance Scheme (NDIS) Costs—the Productivity Commission (October 2017). Recommendations included that:
 - the NDIA find a better balance between participant intake, the quality of plans, participant outcomes, and financial sustainability
 - the NDIA focus more on quality (planning processes), supporting infrastructure and market development rather than quantity (meeting participant intake estimates)
 - NDIS funding arrangements better reflect the insurance principles of the scheme.



2. Overseeing and managing transition

This chapter assesses the appropriateness of the design of Queensland’s governance structures to monitor and manage the state’s transition to the National Disability Insurance Scheme (NDIS).

It also examines how effective Queensland’s Department of Communities, Disability Services and Seniors (DCDSS) has been in implementing the governance and program management arrangements.

Introduction

The states/territories and Commonwealth Government are jointly responsible for governing the NDIS program. The Commonwealth Government is responsible for federal–state NDIS governance arrangements that relate to the overarching policy framework, and for operational transition.

State and territory governments have established their own arrangements to implement and oversee their NDIS transition program and funding contributions.

The Commonwealth Government has established agreements with each state and territory government to guide their transition to the new model. The key document governing Queensland’s transition arrangements is the *Bilateral Agreement between the Commonwealth and Queensland: Transition to the National Disability Insurance Scheme* (the bilateral agreement), signed in 2016.

Effective governance arrangements are essential to successful delivery of this major reform. They need to be appropriate for managing a complex initiative involving multiple agencies and two levels of government. We expected Queensland’s governance arrangements would include:

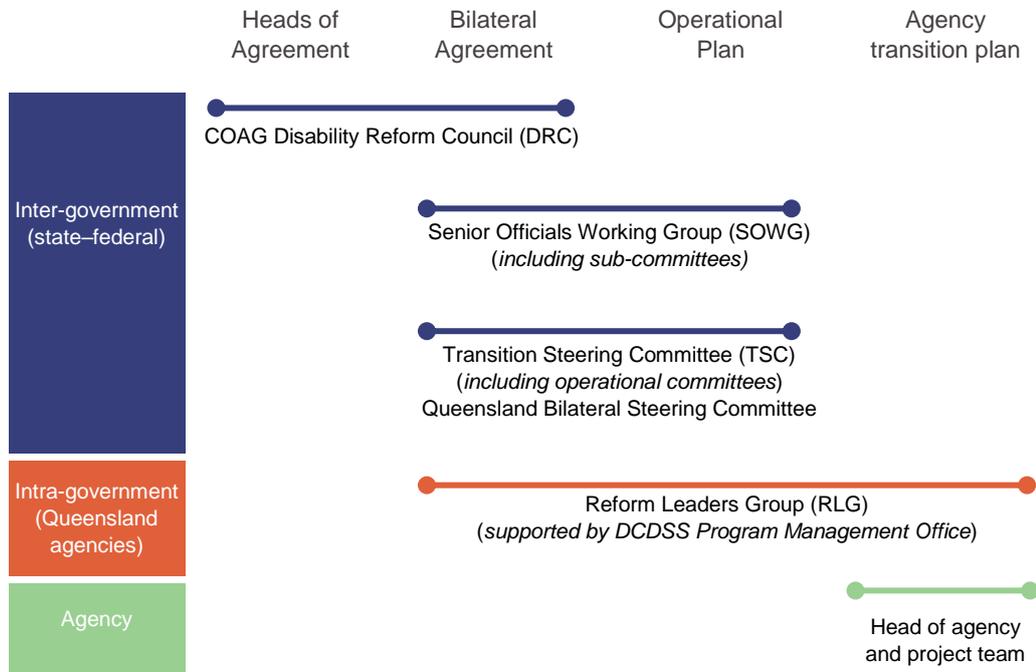
- clear roles and responsibilities between the various governing groups
- appropriate state-based governance and program management structures
- effective program management, monitoring and reporting of whole-of-government preparedness and risks.



Governance roles and responsibilities

Figure 2A shows the main federal and state NDIS transition governance arrangements.

Figure 2A
Summary of the main NDIS policy and operational arrangements



Source: Queensland Audit Office.

Figure 2B outlines the different responsibilities of each of the main federal and state groups involved in the NDIS transition.



Figure 2B
Summary of the main NDIS governing groups and their roles

Group	Role description	Membership
National policy focus		
COAG Disability Reform Council (DRC)	Ministerial council leading national disability policy reform, including the NDIS.	Queensland Minister for Disability Services, and Treasurer. Equivalent ministers from all state/territory governments.
Senior Officials Working Group (SOWG) (and sub-committees)	Provide advice to DRC about the design of the NDIS policy framework (including legislation and funding arrangements).	Senior executives from DCDSS and Department of the Premier and Cabinet (DPC), Queensland Treasury and equivalent state/territory and federal government agencies. Sub-committees include relevant experts from other agencies.
Operational transition focus		
Queensland Bilateral Steering Committee	Resolves issues about the bilateral agreement and funding arrangements.	Queensland and the Department of Social Services (federal agency).
Transition Steering Committee (TSC)	Oversees whole-of-government transition for Queensland and resolves system-level operational issues.	Queensland, Department of Social Services and the National Disability Insurance Agency (NDIA).
Reform Leaders Group (RLG)	Oversees whole-of-government transition for Queensland and emerging operational issues between state agencies.	Chaired by DCDSS. Includes heads of agency from DPC, Treasury, and mainstream agencies (education, health, housing, transport, and justice).

Source: Queensland Audit Office.

The bilateral agreement is the primary document guiding the arrangements between the state and Commonwealth Government. However, it is a principles-based document, which means it doesn't have the detail needed at times to clarify who is responsible for what at a detailed level. The complex nature of the governance arrangements and the lack of detail in the key governing document continue to impact the state's transition program.



The ongoing negotiation about roles and responsibilities between state and federal governments and the NDIA has meant that issues (such as scope of services included in the NDIS operating model) will only be resolved as Queensland approaches its final stage of transition. Some elements, such as oversight of complaints and service quality, will not be in place until after the rollout is finished (this is referred to as ‘full scheme’). The ongoing uncertainty about responsibilities during transition is creating funding pressures for some agencies (including DCDSS). This is because they are having to continue to fund services where there is a lack of clarity about responsibility for delivery during transition.

Designing governance and program management structures

In 2014, the Queensland Government established state-based NDIS governance structures to focus on preparing for transition in 2016. DCDSS has adapted the governance bodies over time to manage and monitor Queensland’s transition. The current focus is on ensuring all agencies are prepared for the final year of transition, referred to as Year 3.

What was proposed?

As lead agency for Queensland’s transition to the NDIS, DCDSS is responsible for:

- decommissioning and transferring its state disability services and clients from DCDSS to the NDIS
- coordinating all other government agencies (mainstream agencies such as those providing education, health, housing, justice, and transport services) in preparing for and implementing the NDIS.

In 2014, DCDSS engaged consultants to provide advice in designing a whole-of-government governance structure to support its role as lead agency. The proposed structure was effectively designed to ensure appropriate oversight and engagement by mainstream agencies and central agencies (Queensland Treasury and the Department of the Premier and Cabinet). The model included:

- a whole-of-government program management office (PMO) within DCDSS with invited members from each mainstream agency impacted by the NDIS, and central agencies
- a leadership group with heads of mainstream and central agencies to oversee whole-of-government coordination—the Reform Leaders Group (RLG)
- a dedicated committee of Cabinet, represented by mainstream agency ministers, for the RLG to regularly report on transition progress to.



Cross-agency and central agency representation

The multi-agency PMO model was intended to bring together skills and expertise into a single hub to lead, facilitate and coordinate whole-of-government activities, and provide a centralised view across all agency-level transition projects. The proposed PMO design was based on:

- mainstream agency representation to strengthen the link across agencies and with external stakeholders in the disability services sector. This was to help stakeholders understand what mainstream agencies were doing to implement the NDIS, and to address concerns about transition readiness
- central agency representation to align with their responsibilities for monitoring the performance and delivery of the state's Council of Australian Governments (COAG) priorities and commitments, like the NDIS.

Access to a broader governance group

A dedicated committee of Cabinet was included in the design to oversee how well-prepared Queensland's agencies were to implement the NDIS. It had ministers from the respective agencies impacted by the reforms as well as the lead minister.

This type of Cabinet-level oversight was consistent with some other jurisdictions such as Victoria, New South Wales and South Australia. It was designed to effectively support the leading minister for the NDIS transition by ensuring oversight and accountability for the NDIS was shared with all mainstream agency ministers.

Figure 2C shows how some other states have designed their governance arrangements to oversee NDIS transition across all impacted agencies.

Figure 2C
Comparison of state-based governance and accountability structures for whole-of-government NDIS transition: NSW, Victoria, and South Australia

State	Signatory to bilateral agreement	Department lead (whole-of-government transition) and ministerial oversight via Cabinet	Department lead (transition of state disability services)
NSW	Minister for Disability Services	DPC (lead, dual reporting to Department of Family and Community Services) Oversight by Cabinet	Department of Family and Community Services
Victoria	Premier	DPC (lead) Oversight by Cabinet sub-committee with standing representation by all mainstream agencies	Department of Health and Human Services
SA	Minister for Social Inclusion (Disability Services equivalent)	Department of Social Inclusion (lead) Oversight by Cabinet with permanent representative of all mainstream agencies	Department of Social Inclusion

Source: Queensland Audit Office based on information from South Australia, Victoria, and New South Wales departments of the Premier and Cabinet.



What was implemented?

Queensland Government and the RLG did not implement the governance structures as proposed. There are some key gaps in the structure implemented compared to the proposed design including:

- Cabinet-level oversight of the NDIS is currently performed by a financial/budget committee (the Cabinet Budget Review Committee), which is predominantly focused on financial implications of the NDIS rather than whole-of-government progress/updates
- DCDSS designed the RLG well, with membership drawn from heads of impacted agencies and central agencies. But attendance has not been in accordance with the design
- the final approach was to have a network of officers within departments, rather than have them join the PMO. The government felt it was better to keep expertise within the agencies responsible for their own respective transition plans.

As a result of these gaps, Queensland's governance structures are not operating as effectively as they could.

Cabinet-level oversight

Broader ministerial oversight about the state's preparation for the NDIS is limited in Queensland because:

- There is no regular update to Cabinet or a Cabinet sub-committee about NDIS readiness across all mainstream agencies. DCDSS has updated Cabinet on specific items such as the governance design and funding of the NDIS (such as negotiating the bilateral agreement) but it has been 'issues-based' and infrequent. The most recent update about whole-of-government progress was provided by DCDSS to Cabinet in October 2017. This was the first general update about readiness since July 2015.
- Other ministers responsible for services affected by the NDIS (and accountable for successful implementation of the scheme) rely on being briefed by their own department. This means they are not necessarily hearing about whole-of-government progress that may impact their services and clients also.
- The Cabinet Budget Review Committee (CBRC) consists of the Premier, Treasurer, and two ministers who rotate each year. The rotating ministers are not necessarily responsible for mainstream agency implementation of NDIS.

Outside of any issues-based Cabinet updates, DCDSS provides separate briefings to the heads of DPC and Queensland Treasury every three months about participant numbers, funding and payment arrangements, staff transition and risk management. These updates contain similar information to what is prepared for the RLG (heads of DPC and Queensland Treasury are also on the RLG) that meets every two months.

RLG attendance

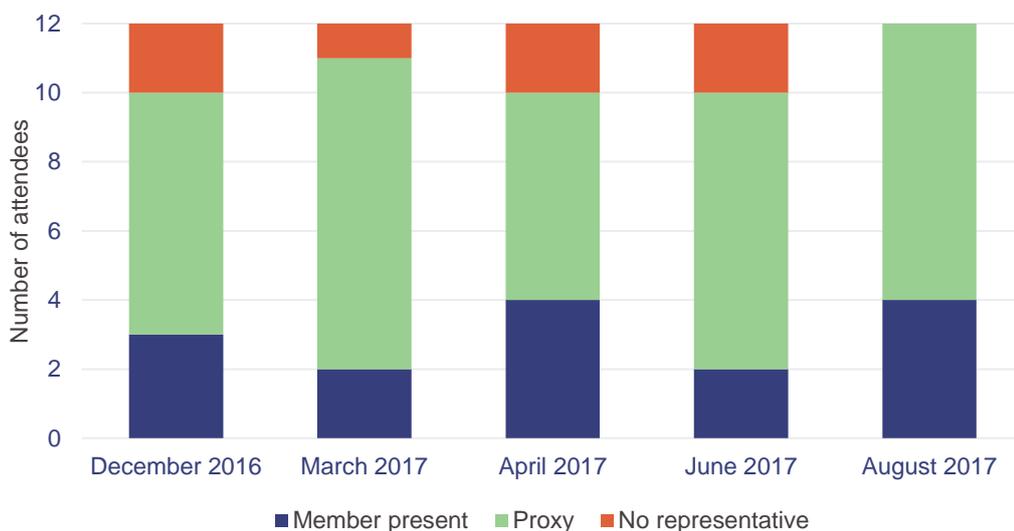
The Director-General of DCDSS chairs the RLG. Its members are directors-general/heads of mainstream agencies affected by the NDIS as well as the Public Guardian, DPC, Queensland Treasury and the Public Service Commission.

However, members regularly delegate attendance to proxy attendees at lower levels of authority due to competing priorities within their agencies. Attendees are often the same members or equivalent level of seniority that attend inter-agency working group meetings. This increases the risk that engagement, decision-making, and oversight of whole-of-government transition progress is not occurring with the appropriate level of authority. RLG risks becoming a forum for information updates rather than a decision-making body.

Figure 2D shows the number of RLG members attending the last five meetings and the number of proxies sent. Proxies range in level of role, such as executive director or general manager (approximately three reporting levels below the head of agency) down to principal policy officer (approximately five or six reporting levels below the head of agency).

While proxies are expected to act on behalf of the director-general/head of agency under the RLG’s terms of reference, urgent program issues may be addressed and decisions made out of session through the Chair.

Figure 2D
Representation at the Reform Leaders Group, December 2016 to August 2017



Source: Queensland Audit Office from Reform Leaders Group minutes.

To maintain appropriate oversight, DCDSS will need to further revise the RLG’s terms of reference to clarify the proxy requirements. Proxies already require the approval of the Chair. However, they could be re-designated to an agreed deputy director-general equivalent role.

The RLG is a temporary governance group in place for the period of Queensland’s transition. Government will need to consider whether an equivalent governance arrangement post-transition should be established to provide continued oversight of any unresolved or new whole-of-government issues.



Program management office and coordination

DCDSS established the PMO through internally allocating funding (and staff) in 2014. It is currently resourced with up to 17 full-time staff (from 22 full-time staff in 2014). But the PMO's design and functions do not reflect the proposed model. It has instead:

- been staffed with a dedicated program team located within DCDSS, linked to a network of officers in mainstream agencies.
- established reporting and monitoring activities at a high-level program view rather than a centralised project-level view (agency transition plans)
- relied on mainstream agencies to self-report issues rather than proactively leading and identifying potential implementation risks that may impact transition progress.

Implementing the NDIS in Queensland

With the largest sites yet to transition it is important that DCDSS manages the transition as effectively as it can. Some of the gaps we identified in whole-of-government governance and program management means that the level of readiness for Year 3 is not where it should be. The following need to be strengthened:

- monitoring transition progress
- clarity about roles and responsibilities for service delivery
- sharing of information and risks
- continuous review of the program plan.

Monitoring transition progress and readiness

Whole-of-government readiness

The PMO is responsible for coordinating information for the RLG about how prepared agencies are for transition. The RLG is in turn responsible for advising the lead minister about any issues impacting the transition roll out.

But the PMO does not:

- require agencies to use a consistent program management approach. This has impacted on the accuracy and consistency of reporting information about implementation progress and risks
- track progress using agency-level transition/project plans. Instead, it has developed and implemented a standard high-level reporting template for agencies to use
- require agencies to submit their plans for review/monitoring of progress and/or endorsement of plan updates.

If the PMO and RLG are not aware of the status of all plans, they cannot identify potential interdependencies and risks across agencies. This then limits DCDSS's ability to provide the lead minister with complete information about whole-of-government progress or an assurance that the transition program is being implemented successfully.

For example, the PMO and RLG were not aware that Queensland Corrective Services' (QCS) 2014 transition plan was not implemented. Our review of QCS's preparedness indicates that tracking of progress has not occurred effectively at either a project (agency) or program (whole-of-government) level. Consequently, the agency is behind in its preparation for Year 3 transition and has not effectively supported the regional rollouts of the NDIS in Years 1 or 2.

At the December 2017 meeting of RLG, during this audit, the Acting Director-General of DCDSS (as chair of the RLG) requested that all involved agencies provide an update on their individual transition plan progress at the RLG meeting in February 2018. At this meeting four of the five mainstream agencies reported satisfactory levels of preparedness (a three out of five ranking). One agency reported an unsatisfactory level (a two out of five ranking).

Until this meeting, neither the PMO nor RLG had undertaken a comprehensive assessment of the preparedness of any of the mainstream agencies' individual transition plans since RLG endorsed them in 2014–15.

Availability of NDIA service infrastructure

Under the bilateral agreement, the NDIA is required to establish its local area coordination (LAC) service infrastructure six months prior to transition to ensure that potential participants have all the information needed to apply for a NDIS plan.

One of the critical factors that determines the success of transition at each regional site is whether people with disability can access the right information, advice and service from the NDIA. Of the seven regional transition sites (refer to Figure 2E):

- the NDIA has only met its obligations in Bundaberg
- the other transition sites have had LAC infrastructure delayed (put in place during the six months before), or not in place at all until after the transition period.

Figure 2E
NDIA Local Area Coordination (LAC) infrastructure in place six months prior to transition roll out commencing

Transition location	LAC infrastructure in place six months prior to transition	Transition date brought forward
Townsville	No	No
Mackay	No	No
Toowoomba	No	No
Ipswich	No	Yes
Bundaberg	Yes	Yes
Rockhampton	No	Yes
Brisbane/Gold Coast/Maryborough/Cairns	No	No

Source: Queensland Audit Office.



The RLG has formally documented the significance of these risks at their meetings on multiple occasions. The lead minister has also raised these concerns with the federal minister during earlier stages of the transition program.

DCDSS (as Queensland's representative) has separately noted at Transition Steering Committee meetings that if NDIA infrastructure is not in place within the agreed timeframes ahead of Year 3 transition, it will affect Queensland's ability to achieve its participant estimates in the bilateral agreement.

Despite the ongoing transition risks for six of the seven regions, Queensland proposed bringing transition dates forward. The lead minister amended the schedule in the bilateral agreement to commence transition early in Year 2. This was based on advice that the NDIA was aiming to complete LACs in time for the draw forward. Queensland also sought options to bring Year 3 transition sites forward in 2017. This was not progressed due to the NDIA identifying it had limited capacity to support the expected larger numbers of participants.

One of the reasons Queensland proposed earlier transition was to increase participation rates in the scheme. There was capacity within the existing bilateral numbers due to less than estimated in-take rates and it allowed eligible existing clients the opportunity to enter the scheme a little earlier. But decisions to draw forward transition need to be balanced against the risk of transitioning when the scheme is not fully ready as this could result in poor experiences for participants.

Clarity about responsibility for service delivery

In 2015, all state/territory and federal governments agreed to principles that supported the way mainstream services and the NDIA would work together to deliver services to NDIS participants. These principles are set out in Schedule I of Queensland's bilateral agreement and were intended to:

- ensure participants in the scheme achieve positive outcomes
- avoid cost-shifting and duplication of services between state agencies and the NDIA
- reduce service gaps for people that were accessing disability services under the scheme and other state-based services, such as health or transport.

Despite having these agreed principles built into the bilateral agreement, there are still ongoing disagreements between the NDIA and mainstream agencies about responsibility for delivering some services. The Queensland Government's submission to the Productivity Commission in 2017 referred to the ongoing disagreements about different interpretations of the principles in the bilateral agreement. There are several multi-agency governance bodies with state/territory and Commonwealth Government representatives (and NDIA representatives) to oversee and resolve these issues.

These disagreements are creating funding uncertainty for Queensland agencies who are continuing to fund these services for NDIS participants until responsibilities are agreed between state and federal governments and the NDIA. For example, Queensland Health is continuing to fund mobile breathing apparatuses for people with disability although they expected this to be covered as part of a participant's NDIA plan.

The Productivity Commission reinforced concerns about lack of clarity of responsibilities in its 2017 report. It encouraged governments to set clearer boundaries at the operational level around 'who supplies what' to people with disability, and only withdraw services when continuity of service is assured. It also found that existing cross-jurisdictional governance arrangements need to clarify roles and responsibilities and remove unnecessary layers that are hindering effective program administration and service delivery.

With all states and territories involved in implementing a national scheme, it means decision making is complex. When any decisions need to be made to clarify roles and responsibilities, it can take time for all parties to come to an agreement.

Some transition issues that impact multiple or all jurisdictions need to be discussed and referred to national forums like COAG's standing ministerial council (the Disability Reform Council (DRC)). But other transition issues can be resolved at or between state agencies or state ministers.

Processes to settle disputes between governments

The process for settling disputes in Queensland's bilateral agreement is not sufficiently detailed for a scheme as complex as the NDIS. This could lead to protracted disputes for the duration of the transition period because it does not provide:

- target timeframes for dispute resolution
- options to use an independent mediator
- penalties or incentives for the parties to meet their respective obligations
- allocation of the costs of mediation.

Where there are operational disputes between the NDIA and Queensland agencies, Queensland has the ability to raise the issue at the DRC with the relevant minister responsible for that issue (such as the transport minister or health minister). But to date, DCDSS (as lead agency) has only raised disputes with the Senior Officials Working Group (SOWG). These issues have not been raised at the ministerial council level despite SOWG taking over twelve months in some cases to resolve issues.

An example of a dispute which has been long running is the taxi subsidy scheme. During the transition to the NDIS in Townsville, Queensland became aware that NDIS participants with approved plans were not getting the expected level of transport assistance. DCDSS raised the issue with the NDIA and a SOWG sub-committee was formed to resolve the dispute. It took seven months for Queensland and the Commonwealth to come to a temporary solution over transport subsidy payments.

In July 2017, Queensland re-established the state-funded taxi subsidy scheme for NDIS participants until June 2019. Queensland intended to treat the cost of re-instating the subsidy as an in-kind payment, which would reduce its monthly cash payment to the NDIA. However, the Commonwealth has not yet agreed to Queensland's position on the Taxi Subsidy Scheme contribution as in-kind. Queensland is bearing the full cost of re-introducing the taxi scheme.

Sharing information and risks

The two governance bodies responsible for overseeing Queensland's transition program are the Reform Leaders Group (RLG) and Transition Steering Committee (TSC). The TSC is responsible for ensuring the delivery of the Operational Plan between the NDIA, Queensland Government and Commonwealth Government for transition to the NDIS. The RLG is responsible for leading Queensland's preparation and transition to the NDIS. While both bodies have significant cross-over of responsibilities, their respective terms of reference do not formally require sharing information with, or referring matters to, each other. Both the RLG and TSC have separately managed risk registers, despite DCDSS providing secretariat support to both the RLG and TSC through the PMO.

Without formal arrangements to share information and risks, it is possible that emerging risks or issues about mainstream agency preparedness are being considered separately and inconsistently. This may result in risks and issues not being communicated or resolved in a timely or appropriate way.



There is also no formal feedback or referral of information from agency-level working groups (representing agency-based transition projects) to the RLG to identify, resolve, and refer operational issues impacting multiple agencies (separate from national policy issues).

Information sharing gaps are limiting:

- the ability of members of RLG, as heads of agency, to effectively and appropriately exercise the level of responsibility and authority to resolve and escalate issues. While verbal information updates are provided, it may replicate discussions at other officer-level forums due to the number of delegated proxies attending meetings
- RLG's oversight and awareness of operational issues and actions, such as endorsing local/agency-level decisions affecting whole-of-government implementation. Brief status updates from agencies are reported against 'department transition' rather than identifying progress in implementing agency transition actions from their transition plans
- timely resolution of operational issues affecting multiple agencies or systems that do not require a national policy or NDIA decision. For example, sharing of lessons learned between agencies about transition implementation, including leveraging local working relationships with the NDIA that could inform future system-level operating processes.

While the TSC has a whole-of-government coordination role, all attendees representing Queensland are from DCDSS. The co-chair of the TSC is the head of DCDSS's Disability Services Division, who is also the senior officer within DCDSS responsible for managing the transfer and decommissioning of the state disability services system. This could increase the risk that information presented and discussed at the TSC has an agency (DCDSS) rather than a whole-of-government focus.

Risk framework for NDIS transition

The RLG has identified six key NDIS transition risks for Queensland. The PMO developed a risk framework to help RLG monitor the potential impact of these whole-of-government risks to the successful transition. They are that:

- NDIA's implementation of the NDIS in Queensland is not consistent with the scheme principles and the agreed timeframe/schedule
- participant NDIS transition experience is not satisfactory
- Queensland Government agencies are unable to effectively manage the transition to the NDIS environment
- there is inadequate market and workforce response to the NDIS
- the Queensland Government experiences adverse financial pressures through transition
- the expected benefits of the NDIS are not realised at full implementation.

The risk framework includes causes and impacts, initial and residual ratings, and a summary of the controls in place to mitigate the risks. The framework also rates the effectiveness of these controls and assigns a high-level responsibility for the control action. But risk tolerances and escalation criteria have not been set for the whole-of-government program. While risks are raised at RLG and separately at the TSC, there is no clear escalation if these risks cannot be resolved in an appropriate timeframe.



The current NDIS transition risk framework has been agreed, monitored, and revised each year by RLG since 2014 under the guidance of the PMO. Agency-level updates on risks are provided at each RLG meeting using high-level program areas that align to the operational plan. But the status of risk mitigation actions is not reviewed and monitored at each meeting.

Despite the documentation the PMO has about risks, it has not documented details about mitigating the risk of NDIA infrastructure not being in place in accordance with the bilateral agreement. It does not have criteria to define at which point RLG or DCDSS (as lead agency) should recommend to the minister to delay transition due to the NDIA's inability to meet its obligations.

Continuous review of the program plan

Independent assurance

Neither the RLG nor DCDSS (responsible for the PMO) has sought any independent assurance for the whole-of-government program itself. Assurance over programs, particularly complex programs such as the NDIS transition in Queensland, can provide confidence that a program is being managed effectively and is on track to deliver the expected outcomes and benefits.

The 2014 review of DCDSS's transition governance arrangements included a recommendation that they independently assess the 'health' of the overall transition program ahead of critical milestones. This was to ensure DCDSS would have time to put mitigating strategies in place given the scale and complexity of the transition process. To date, this recommendation has not been actioned.

Undertaking assurance at key points during the NDIS transition program would have:

- identified issues surrounding agency transition progress
- assessed readiness for transition in each region
- strengthened risk identification and management.

Sharing lessons learned

Following the early launch in the Townsville region in 2015–16, the PMO captured key learnings from stakeholders about what worked well and what needed to be considered for future regional area transitions. This was reported to the RLG.

Since Townsville's transition roll out, the PMO has informally gathered learnings from across agencies and their own disability service networks to consider implications for the rest of the transition schedule. Local agency-level groups are convened to discuss each regional transition approach and establish local working relationships with the NDIA. But the PMO is not capturing this information in a formal way that considers system- or whole-of-government impacts. This means the PMO does not have the opportunity to consider and pre-empt impacts on agency-level transition activities or the broader transition program.

Despite the uniqueness of each regional area, there were opportunities to identify broader implementation gaps during and after transition to inform the next planned transition site and, where required, revise the program approach. This would have mitigated further risks to the transition of future regions within Queensland.



Monitoring the costs of implementing the transition program

The PMO is not monitoring implementation costs across agencies. While agencies have been expected to internally re-prioritise their operating budgets to implement their transition plans, there is no central tracking of specific program management costs.

Implementation costs should have been identified at the start of the transition program and should be monitored. This would better inform future budget submissions from agencies about emerging funding pressures to implement the NDIS.



3. Integrating mainstream services

This chapter examines how well Queensland Health and Queensland Corrective Services are prepared for the National Disability Insurance Scheme (NDIS) by:

- identifying potentially eligible NDIS participants
- redesigning their processes to support their clients with disability in connecting with the NDIS.

Introduction

Queensland’s agreement with the Commonwealth estimates that half of the expected 91 217 participants in the NDIS will not have previously received services. Mainstream services have a critical role in supporting these new clients in registering with the National Disability Insurance Agency (NDIA) and benefiting from the services available.

Efficient transition from mainstream services to the NDIA is important to minimise any adverse impacts on the person with disability and minimise cost implications for the state. During transition, Queensland’s contribution to supporting a person with disability in the community with an approved NDIS plan is on average \$65 per day (based on 2017–18 figures). The average daily bed cost of a sub-acute care/rehabilitation hospital bed is approximately \$1 522 per day and the estimated average cost of detaining a prisoner per day is \$194.

Figure 3A shows Queensland’s contribution towards support for a potentially new person with disability in a Queensland-funded facility (hospital or correctional centre) compared to the contribution for a person in the community with an approved NDIA plan.

Figure 3A
Average contribution for hospital patients and prisoners with disability—2017–18

	Daily	Monthly	Annual
Hospital bed cost per person	\$1 522	\$45 370	\$552 002
Prisoner in correctional centre cost	\$194	\$5 820	\$70 810
Person with an approved NDIA plan contribution	\$65	\$1 950	\$23 854

Source: Queensland Audit Office from data by provided by the three HHSs, Department of Justice and Attorney-General budget papers, and the bilateral agreement.



We visited two hospital and health services (HHSs), and three correctional centres to assess the readiness of their discharge and release processes for integration with the NDIS.

Health system

Overall, the Department of Health and the divisions within the HHSs we visited had developed and implemented effective governance processes and plans to prepare to discharge patients from hospitals to the NDIS. However, ongoing uncertainty about how people with disability access NDIA services is delaying the discharge of patients with disability and blocking beds in Queensland hospitals.

There are also unresolved issues with the NDIA over responsibility for funding some community care and spinal rehabilitation services. Until the issues are resolved Queensland is paying for the services, resulting in the potential for state funding overruns.

This section covers our findings for the Department of Health and the divisions within the two HHSs we visited. These two HHSs are not necessarily representative of all 16 HHSs in Queensland, but our findings illustrate the types of approaches used and the challenges involved in the transition to the NDIS.

System level: Department of Health

Responsibilities during transition

Queensland Health has an overall responsibility for leading patient discharge planning across the hospital and health services system.

Under the bilateral agreement, the Department of Health and the NDIS each has a responsibility for the provision of allied health, rehabilitation, and other therapy, to facilitate enhanced functioning and community re-integration of people with recently acquired severe conditions (such as newly acquired spinal cord and severe acquired brain injury).

Governing transition to NDIS

Overall, the Department of Health has established appropriate governance arrangements to oversee NDIS transition—in the form of a steering committee. The purpose of the steering committee is to provide leadership, oversight, and guidance on health-related issues, risks, and opportunities that arise during Queensland's transition to the NDIS. It provides advice to the Department of Health representative on the Queensland NDIS Reform Leaders Group (RLG), which is overseeing the whole-of-government NDIS transition.

We reviewed the terms of reference, the meeting agendas, minutes, action registers, and reports to the committee. The steering committee is providing oversight of the Department of Health plans and monitoring actions to implement the transition to the NDIS.

The committee has not developed a risk framework or strategy to identify and manage the risks associated with implementing a significant change process across 16 HHSs. This could reduce the ability of the department to successfully make the transition and discharge patients to the NDIS effectively and efficiently.

Planning transition

In 2014, the Department of Health developed a comprehensive transition plan to support NDIS readiness for clients, staff, and service providers. It was updated in 2016 by a workplan. The workplan details the activities/actions, responsibilities, and timeframes to support the rollout of the NDIS. The focus of the plan is on actions for the department but does include specific strategies to support HHSs with activities and resources to help them to be ready.

Monitoring transition progress

The Strategic Policy Unit within the Department of Health reports monthly on progress against the *NDIS Transition Workplan*. It provides updates on the status of each action with a red, yellow, or green flag to prioritise any issues. The reports also show if actions are on track or complete.

However, the status updates do not include enough information to demonstrate that the responsible officer has closed the actions appropriately or that the action has achieved its purpose within the transition program. The reports need more detail to be effective transition monitoring mechanisms. This reduces the value of the reports for accountability purposes and could hinder the success of the transition program.

The monitoring reports do not include an update of project risks, mitigating strategies, or any emerging or new risks. Not identifying internal and external risks to the plan could reduce the transition steering committee's ability to respond to issues and reduce the benefits of the project in the expected timeframe.

Managing implementation issues

Delays in resolving disputes between the Commonwealth and states/territories is putting pressure on agency budgets. In December 2015, COAG agreed to a set of principles (included in Schedule I of Queensland's bilateral agreement—see Appendix F) that determine the funding and service delivery responsibilities of the NDIS and other mainstream state government agencies, including health services.

In March 2017, the Department of Health reported that the NDIS was not funding some state-based health services for NDIS participants that it had understood the NDIA would fund under the COAG principles. The services not being funded were: catheter care, wound care, occupational therapy assessments of home modifications (if a person with a spinal cord injury was discharging from hospital), and mealtime management plans (for helping a person with disability to maintain their eating and drinking skills in the community).

The state previously funded these services through the Spinal Cord Injury Response Service—\$1.3 million annually, and the Queensland Community Care Program—\$130.5 million (2017–18). Queensland Treasury quarantined and is incrementally reducing the funds for these programs from the departmental budgets on the assumption that the NDIS would fund the supports.

The Department of Health (and other jurisdictions) raised concerns with the NDIA about the impact of this scope of services disagreement on HHS budgets and patients. To date the NDIS and the health departments of other states and territories have not resolved responsibility for funding these services. DCDSS has agreed to provide funding on a case-by-case basis for existing clients of the Queensland Community Care Program and for home assessments for patients of the Hospital Spinal Injuries Unit and Brain Rehabilitation Unit, conditional on no other funding being available.



Operational level: Health and Hospital Services

Planning transition

Both HHSs had implemented appropriate governance and transition plans for the services/divisions most affected by the move to NDIS. Project teams with dedicated staff were in place to coordinate the transition to the NDIS.

Case studies 1 and 2 show the approaches taken, firstly by a division within a HHS that has statewide services (so some patients will be discharged into an NDIS-transitioned area and be eligible for reasonable and necessary supports), and secondly by a HHS in an area that has already transitioned to the NDIS.



Case study 1 A division of rehabilitation providing statewide services

Preparing Princess Alexandra Hospital's brain and spinal injury services for the NDIS

Background

The Division of Rehabilitation, Metro South Health, operates statewide and specialist rehabilitation services, consisting of inpatient, outpatient, and community-based services for people with acquired brain injury, amputation, persistent pain, and spinal cord injury. Patients with serious brain and spinal injuries from across Queensland transfer to the unit for rehabilitation and treatment.

Metro South Health is in Brisbane, which begins transition in July 2018. However, as the Division of Rehabilitation operates a statewide service, it recognised the impact of the NDIS transition of services and began preparation in 2016.

Governance and planning

The division formed an interim steering committee consisting of management team representatives to provide advice and guidance to the project officers for the life of the project.

The division allocated two full-time project officers to assist in ensuring a coordinated approach to rehabilitation service planning in preparation for the implementation of the NDIS and the National Injury Insurance Scheme Queensland (NIISQ—outside of the scope of this audit), which will also affect its services.

In October 2016, the division developed a plan to prepare for implementation of the NDIS and NIISQ. It considered:

- strategic leadership and project management to ensure a coordinated approach to rehabilitation service planning for the NDIS and NIISQ implementation
- supporting workforce and consumer preparedness
- scope changes associated with the Princess Alexandra Hospital's Spinal Cord Injury Response program
- resource requirements to support the transition period
- opportunities to provide information and education, and facilitate communication and knowledge translation to the wider Metro South hospital area within the constraints of the project's resources
- project risks and stakeholder analysis.

The project officers provide updates at the fortnightly steering committee meetings. The team provides a project update status to the steering committee at the end of each project phase. They will provide a final report with the identified project deliverables once the project is complete.

Preparation strategies and actions

- Communication and engagement—update policies and procedures; develop business process workflows (for example, guidelines); map NDIS pathway connections workflow; and review the Queensland Health (QH) NDIS communication strategy.
- Consumer readiness—develop an NDIS pre-planning tool.
- Provider readiness—register the HHS as a provider for the Medical Aids Subsidy Scheme (a statewide service); and develop HHS provider readiness and an action plan.
- Workforce readiness—implement the QH NDIS Workforce Transition Plan.
- Agency readiness—complete a project to assist the Division of Rehabilitation with the implementation of the NDIS and NIISQ (currently in Stage 3); and update policies and procedures and business process workflows.

Source: Queensland Audit Office from documents and evidence collected at Metro South Hospital and Health Service.



Case study 2

A hospital and health service in a transition area

Preparing Darling Downs Hospital and Health Service for the NDIS

Background

The Toowoomba region (including western regions such as Quilpie, Bulloo, and Goondiwindi) began transition to the NDIS in January 2017. The Darling Downs Hospital and Health Service (DDHHS) provides general health services to the public and operates some specific accommodation services for people with disability, such as the Community Care Service.

The transition to the NDIS has impacts on general health services as well as on specific clients with existing disability support packages.

Governance and planning

In 2016, the DDHHS established a project to prepare for the transition to the NDIS. The board of the DDHHS established an NDIS reference group with representatives from its five service divisions. The reference group reports monthly to the executive management committee.

In September 2016, the reference group developed a transition plan, based on the *Hospital and Health Service Transition Plan* produced by the Department of Health's Strategic Policy Unit.

The actions in the plan considered:

- whether the HHS would register as an NDIS provider, and processes to support working as an NDIS provider
- information, communication, and technology (ICT) systems to support new processes
- workforce capacity and capability
- local NDIS governance
- preparation for HHS-specific plan for 'go-live'
- policies, procedures, and systems to interact with NDIA and NDIS providers, including data transfer
- policies and processes to support transition of eligible patients to NDIS arrangements
- changes to existing service provision contracts.

Preparation strategies and actions

- Communication and engagement—develop staff fact sheets to cover different scenarios and stakeholder groups; establish a dedicated QH NDIS transition officer to provide coordination and support to the HHS stakeholders and staff and assist in liaison with the NDIA; request a whole-of-government communication and engagement strategy from DCDSS; and review the QH NDIS communication strategy.
- Consumer readiness—provide an example of an updated child development service assessment summary report.
- Provider readiness—develop the HHS provider readiness and action plan.
- Workforce readiness—implement the QH NDIS Workforce Transition Plan.
- Agency readiness—establish a dedicated QH NDIS transition officer to provide coordination and support to the HHS stakeholders and staff and assist with liaison with the NDIA.

Source: Queensland Audit Office from documents and evidence collected at Darling Downs Hospital and Health Service.

Managing implementation issues

A significant issue for HHSs is the lack of information about the NDIA pathway (the steps to developing an individual's plan) and the impact on their discharge processes.

In June 2017, the Strategic Policy and Legislation Branch within the Department of Health developed a draft guide to help HHS clinical staff prepare for and work with the NDIS. To date, the Department of Health has not approved or distributed the guide to HHS staff in the upcoming transition locations, pending advice from the NDIA.

Uncertainty about the pathway is contributing to delays in patient discharge from hospital past the date determined medically fit for discharge. It also risks causing duplication of effort as individual HHSs are developing their own specific guides and information sheets.

Health practitioners cited the following examples as reasons for the delays:

- home modifications assessments and approvals
- Queensland Civil and Administrative Tribunal decision times for consideration of the appointment of a guardian
- accommodation shortages
- non-acceptance of clinical assessments and reports by the NDIA.

The Department of Health identified an additional delay. It attributes this to the lack of a coordinated and specific approach to meeting the needs of people with new disability who are currently inpatients in rehabilitation or other hospital units and the health rehabilitation services that manage them.

We received 13 case studies from the two HHSs visited and another HHS not in scope. The 13 case studies are not necessarily representative of all patients, but they do illustrate that for some, the delays can be lengthy. Figure 3B shows the length of time needed to safely discharge 13 patients with disability from hospital. No system-wide data is available on the impact of the transition to the NDIS on patient discharge times, as there is presently no system to record and capture if a patient is a participant or potentially eligible for the NDIS.



Figure 3B
Length of time to have the reasonable and necessary supports in place for a safe discharge for patients with disability

Case	Admission date	Additional days	Additional costs
1	04/01/2017	126	\$194 040
2	16/03/2017	105	\$161 700
3	20/02/2017	112	\$172 480
4	17/01/2017	18	\$27 720
5	09/01/2017	223	\$328 925
6	14/11/2016	351	\$517 725
7	20/04/2016	345	\$889 065
8	23/06/2017	117	\$172 575
9	13/05/2016	209	\$308 275
10	30/06/2017	125	\$184 375
11	25/03/2017	151	\$222 725
12	04/08/2017	91	\$138 539
13	28/11/2016	270	\$ 411 051
Total		2243	\$3 729 195

Source: Queensland Audit Office from three hospital and health services.

The total cost of the additional days for the 13 case studies, based on the average daily rates and other costs, was \$3.7 million compared to \$0.145 million (see Figure 3A—\$65 per day by 2 243 days) if the people with disability were supported in the community under NDIS. In addition, delays in discharge create hospital blockages and delays for other patients who could have used the beds.

In December 2017, the NDIA agreed to change its participant pathway because of recommendations made by the Productivity Commission.

Queensland Corrective Services

Queensland Corrective Services (QCS) has identified the impact of the NDIS transition on its services. However, it has not yet implemented changes needed to its business practices to integrate with the NDIS model. QCS is not resolving transition issues in a timely manner with the NDIA and is not appropriately prepared for when the rollout is finished (referred to as 'full scheme'). These issues and delays have the potential to reduce the number of new individuals connecting to the NDIS during transition.

The *Corrective Services Act 2006* (the Act) recognises the special needs of some offenders including any disability an offender has (such as physical disability or cognitive impairment) and under the Act, QCS must establish programs and services to help offenders.

To successfully link a prisoner with disability to the NDIS prior to their release into the community, QCS needs to efficiently screen and identify prisoners on entry and know their final release dates. However, QCS does not have exact release dates for approximately 87 per cent of prisoners. Many of these are likely to be in prison for a short time, awaiting trial or sentencing decisions.

This section covers our findings for QCS and the three correctional centres we visited, and examines how QCS has planned for, monitored, and reported progress for implementing the NDIS.

Until December 2017, QCS was a business unit within the Department of Justice and Attorney-General (DJAG) responsible for administering the operation of the correctional services system. Since December 2017, the commissioner is the head of a separate agency, called Queensland Corrective Services.

System level: Department of Justice and Attorney-General (Queensland Corrective Services)

Governing transition to NDIS

QCS did not put in place timely governance arrangements to oversee the release of prisoners eligible for transition to the NDIS. In May 2016, the Commissioner of Queensland Corrective Services approved the development of an agency working party to support implementation of the NDIS, but QCS did not establish the working party until December 2017.

The terms of reference and the implementation plan for the newly formed working party require weekly meetings and quarterly progress reports to the QCS board of management.

Planning and monitoring transition progress

In 2014, the Director-General of DJAG approved a transition plan for all justice agencies, including QCS. Actions for QCS as part of the DJAG transition plan included:

- identifying systems, processes, and tools to screen possible participants of the NDIS
- identifying the number of potential NDIS-eligible participants
- facilitating contact with NDIA and transitioning to NDIS, particularly for those potentially eligible participants with impaired capacity
- using the Hayes Ability Screening Index to screen all new custodial admissions for intellectual disability and facilitate referral of potential NDIS-eligible participants to NDIA
- developing assessment guidelines for people in custody and detention for referral to NDIA
- ensuring staff are trained in pre- and post-release planning and transition support in the context of NDIS.



In 2014, QCS began development of a more detailed transition plan to support the DJAG transition plan. The QCS draft plan outlined approaches and actions to identify and integrate services with NDIS transition. The purpose of the plan was to meet its responsibilities towards participants and potential participants in the correctional system.

QCS did not complete the plan or implement its actions. It also did not report the status or progress of the plan to DJAG, DCDSS (as lead agency), or relevant justice ministers. The first request for QCS to report on its transition plan and provide an agency self-assessment was in December 2017. DJAG has acknowledged that it was not as proactive as it could have been in relation to reporting on, monitoring, and revising the plan and bears some of the responsibility for the lack of action.

During this audit, QCS prepared a new implementation plan for 2018–20. The plan includes actions carried over from the previous 2014 transition plan, with extended timeframes for completion. It also formed an intra-agency working party with representation from senior management of the relevant business areas across QCS. From January 2018, the QCS board of management has requested weekly updates on the NDIS.

QCS has forecast that it will complete all actions in the updated implementation plan, including the revision of relevant policies and procedures, by the time Queensland transitions to full scheme in June 2019.

Managing implementation issues

In August 2016, the NDIA and the Queensland Government agreed on a 'working arrangement' to address the transition of participants with specific requirements. Involvement with the justice system is one of the defined indicators for participants who may need a specific transition response. Attachment C of the working arrangement specifies a high-level approach for these participants; however, QCS has not finalised the detailed business processes to support the approach.

Despite discussing the impact of national disability reform since 2010 and being involved in a national working group about the NDIS since 2013, many of the issues remain unresolved. The lack of timely resolution of issues is affecting QCS's preparedness for the NDIS at full scheme and is reducing the number of potential new individuals connecting to the NDIS during transition.

Operational level: Correctional centres

Identifying prisoners who are eligible for the NDIS

One of the key issues QCS identified in its transition plan is its ability to identify prisoners who are eligible for the NDIS. Currently, correctional centres undertake a screening process for all admissions. The screening process identifies intellectual and physical disabilities (any visual, hearing, or physical impairment). Corrections officers screen prisoners on reception to the centre to collect and record relevant information to allow the correctional centre to manage any immediate risk and needs regarding prisoner safety.

The current screening process does not identify if a prisoner is an existing NDIS participant or would be eligible for the NDIS. The screening process relies on prisoners self-identifying that they have a disability.

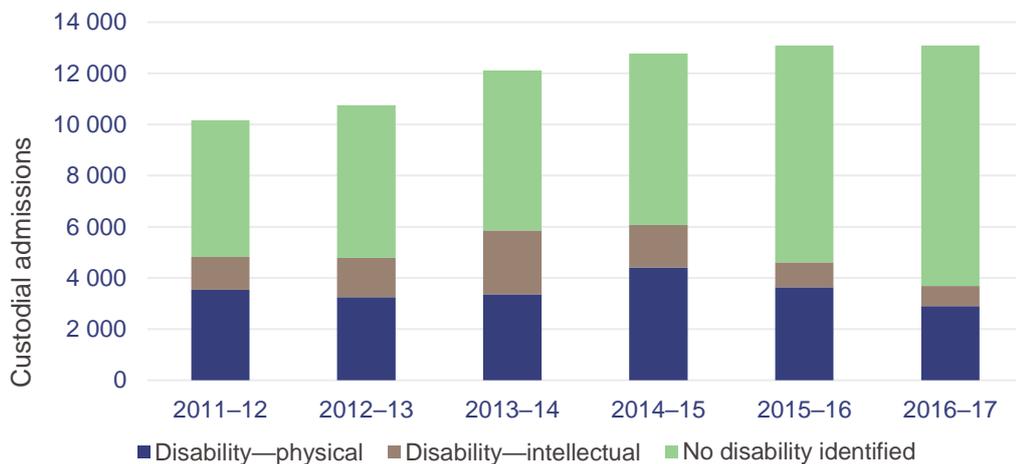
QCS advised it does not have capacity within current funding allocations to implement further diagnostic testing to confirm whether a prisoner has a disability and the severity of the disability. These assessments would then determine whether to refer the prisoner to the NDIS. We note that to date neither DJAG nor QCS have made any submissions for additional resources for better prisoner screening tools.

QCS administrative officers undertaking screening do not have direct access to other information about disability assessments or disability history collected by Queensland Police in its records and information system (QPRIME).

In 2015, the Australian Institute of Health and Welfare reported on a range of health conditions of prisoners as they enter prison, such as socio-economic factors, mental health, self-harm, communicable diseases, and disability. Its report suggested that between 1.3 to 5.3 per cent of people entering prison would benefit from specialist disability supports. This would be between 170 to 458 people annually, based on 2016–17 Queensland correctional centre admissions (13 092). Interviews with QCS officers at correctional centres indicated that the prevalence of intellectual disability and cognitive impairment (such as acquired brain injuries) is higher than research reports.

Figure 3C shows the number of admissions at Queensland correctional centres in the last five years, including the number of admissions identified as having a physical disability or intellectual impairment (including people with a lower level of impairment that would not be eligible under the NDIS criteria).

Figure 3C
Admissions at Queensland correctional centres, 2011–12 to 2016–17



Source: Queensland Audit Office based on Queensland Corrective Services data.

This information provides an indication of the workload and resourcing implications for QCS to consider in developing a screening tool that identifies prisoners it can refer to the NDIA for access, ideally prior to release from custody into the community.

All prisoners are released into the community to either parole or full-time discharge as per a decision made by either the sentencing court or Parole Board Queensland. Prisoners released on parole are supervised by QCS Probation and Parole service.

We reviewed 12 parole reports prepared by QCS officers about disabled prisoners (including those identified with a possible cognitive impairment) who were eligible for parole since 1 July 2016 (when Queensland commenced transition) and found that:

- none of the 12 reports noted prisoners' disability needs as part of their community support/re-entry requirements to manage risk of re-offending. This was despite one report identifying that the prisoner's disability was linked to their offending behaviour
- none of the 12 reports specifically addressed NDIS eligibility for prisoners where they were intending to be released into regional areas that had already transitioned to the NDIS.



In November 2016, *The Queensland Parole System Review* identified that one of the key actions to improve the parole process and support an offender's reintegration into the community would be to improve the quality of assessment and supervision of prisoners in prison. This could ensure that QCS identifies issues early and takes all available steps to reduce the propensity to offend upon release.

In February 2017, the government announced it has committed \$265 million over six years, an additional 329 full-time equivalent staff to QCS, and another 18 full-time equivalent staff for Queensland Health for rehabilitation, drug, alcohol, and mental health services. *The Queensland Parole System Review* did not make any reference to, or specific recommendations about, prisoners with disability. But QCS has advised it is considering prisoners with disability within the reform work.

Preparing correctional centres for the NDIS

We visited three correctional centres across Queensland—none of the three centres were prepared for the NDIS. We reviewed the centres against the initial transition plan developed by QCS. At all centres:

- they were either located in regions that had already transitioned to the NDIS, or had prisoners being released back into transitioned regions
- no examples of NDIS transition communications were evident
- staff conducting admissions did not ask prisoners if they were existing NDIS participants
- re-entry support was only available to offenders being released on parole, not to prisoners who serve shorter sentences, are ineligible for parole, or on remand
- programs to support prisoners re-enter the community did not detail how they account for the specific needs of disabled offenders
- access to programs to reduce re-offending risks for prisoners with disability were limited
- there was limited information sharing about how to connect prisoners to the NDIS
- staff were not aware of any QCS or DJAG strategies to prepare for the NDIS
- there was limited access to specialist facilities or appropriately qualified support carers for prisoners with complex disability and health needs, such as those with co-occurring mental health issues (for example, dementia) or behavioural support needs
- staff identified prisoners on their offender management system with a cognitive impairment identifier but did not know how many would be eligible for an NDIS assessment.

In the absence of centralised policy and guidance on how to support prisoners in successfully accessing the NDIS on release, there is a risk that correctional centres will develop local practices on the run, in response to individual cases. This could lead to a duplication of effort and a waste of resources. Continued local-based approaches will not provide a consistent, systemic approach to redesigning correctional service processes or ensure appropriate supports are available for disabled offenders.



4. Monitoring risks and outcomes for people with disability

In this chapter we assess how well government is:

- monitoring the performance of the National Disability Insurance Scheme (NDIS) for Queenslanders
- monitoring and managing financial risks and funding issues during transition to ensure value for money for the state.

Introduction

The scheme has been designed to provide people with disability choice about their disability services. It aims to provide them with the reasonable and necessary supports they need to improve their independence, and social and economic participation.

For the new disability services system to be successful:

- people with disability need to embrace and obtain benefits from it
- the state government needs to manage the financial risks in an economical way to ensure value for money.

At full scheme, Queensland needs information on the results for people with disability, their families and carers to determine if the scheme is delivering outcomes for participants and value for money. The national framework and systems to measure and report the NDIS outcomes are under development.

The current bilateral agreement sets the state's contribution at \$2.03 billion at full scheme for an estimated 91 217 people with disability. This is currently a fixed contribution from 2019–20 and is not dependent on how many participants have approved NDIS plans. If Queensland can achieve the estimates, then the average contribution per person will be \$22 250.

The state can achieve value for money for Queenslanders by maximising the number of participants with NDIS approved plans. At full scheme this will:

- allow as many eligible people as possible to benefit from the scheme
- reduce the average cost per participant
- increase the number of new clients accessing support which could reduce the potential demand for state funded mainstream services.



To fund the NDIS, Queensland Treasury worked with agencies to identify existing programs and services for people with disability that would no longer be necessary once the NDIS was in place. The funding for these programs and services for existing clients was put aside by Queensland Treasury, ‘quarantined’ and agencies are not able to spend it.

Queensland has the ability to re-negotiate the final agreement with the Commonwealth prior to full scheme but there are no guarantees that the funding commitment of \$2.03 billion will change.

Monitoring performance and outcomes

The Department of Communities, Disability Services and Seniors (DCDSS) has not identified the performance reporting it needs to meet its obligations to monitor and demonstrate value for money of the scheme. The information the National Disability Insurance Agency (NDIA) currently provides to Queensland is not yet complete. DCDSS cannot yet determine if the Queensland participants in the NDIS are achieving the expected economic and social outcomes to allow them reasonable access to life opportunities—that is, reasonable and necessary support. We do acknowledge that for many participants the benefits of the scheme may take several years to achieve.

The Council of Australian Governments (COAG) Disability Reform Council and the board of the NDIA designed the NDIS performance reporting framework to meet their reporting needs. The NDIA reports the same information disaggregated to each jurisdiction.

The bilateral agreement sets out the reporting arrangements and covers NDIS outcomes, key performance indicators and measures. The NDIA also publishes specific reports for each jurisdiction quarterly, on the same indicators and measures. The reports for Queensland are still largely incomplete for many of the measures.

During transition to a new process, the development of systems to track the data on approximately 475 000 participants nationally (at full scheme) will take time. It is important, however, that Queensland identifies the framework and data it needs to meet its specific responsibility to be able to demonstrate that client outcomes are achieved and whether the state is achieving value for money for the payments made to the NDIA. The NDIA can then consider these requests in the design and development of its data warehouse and reporting capability.

Outcomes of the scheme

The outcomes of the scheme for individual participants will take time to identify and report. Current reports point to some early indicators of positive results for participants nationally, and some areas requiring improvement.

The Productivity Commission, in its 2017 report on the costs of the NDIS, identifies the challenges for agencies in measuring the benefits of participating in the scheme for individuals.



The report highlighted the following key benefits and areas for improvement:

- There is early evidence that the NDIS is changing lives. Reported benefits include improved wellbeing, more supports, and greater choice and control for many scheme participants, their families, and informal carers (carers who are not paid).
- Some people with disability report poorer outcomes under the NDIS when compared with previous disability services.
- The groups at risk of having a less positive experience with the NDIS include people with psychosocial disability, complex and multiple disabilities, and language and cultural barriers, as well as people with disability transitioning into the community from the criminal justice system, the homeless, and the socially isolated.

The NDIA is revising its pathway in response to the Productivity Commission's recommendations.

The NDIA collects information from participants and families/carers on how they are progressing in different areas of their lives based on an NDIS Outcomes Framework. Building on research undertaken by the Independent Advisory Council, the outcomes framework adopts a lifespan approach to measuring outcomes, recognising that different outcomes will be important at different stages of life.

The NDIA asked active participants who entered the scheme in the first two quarters of 2016–17, and had their plan reviewed in the first two quarters of 2017–18, whether the NDIS has helped. The initial results are based on small numbers, given Queensland's stage of transition. However, as more participants have their plans reviewed, the larger numbers may provide the basis of reliable conclusions on the outcomes for participants.

We interviewed 22 people with disability and/or their carers/family in Townsville and Toowoomba. The outcomes and experiences of people we spoke to were consistent with those reported in the study. Case studies 3 and 4 are from the interviews we conducted. A summary of all the interviews is in Appendix D.



Case study 3

Participant W

Background

Participant W is a female in her 20s—diagnosed with cerebral palsy. Prior to joining NDIS, the participant did not receive any state-funded services.

Participant's NDIS experience

Participant W applied for her plan directly to the NDIA. It took the NDIA five to six weeks to approve her plan and six weeks for her wheelchair to arrive.

Participant W's approved NDIS plan consisted of the following:

- a new wheelchair
- \$100 000 core funding for carers
- \$8 000 for physical therapy sessions
- \$3 456 per year for transport support.

Plan adoption

Participant W found it hard to contact the NDIA, and she wasn't shown how to use her plan or how to navigate the NDIS portal. Her request for a psychologist was not covered as part of her plan. Initially, participant W found it difficult to obtain a wheelchair in her region. Since then, however, she has not encountered any problems using the services listed in her plan.

Improvement opportunities identified by Participant W

Participant W would like more open communication from the NDIA, particularly around timeframes. She would also like the NDIA to provide greater assistance in navigating the portal to the NDIS system and more information on the service providers available in her region.

Participant W has concerns that the NDIA will cut any unspent plan portions from her next plan. She would like the NDIA to communicate clearer guidelines around the future of any unspent plan portions for the participants.

Summary

Overall, participant W is satisfied with her NDIS plan as it has enabled her to receive a wheelchair, which has helped her in her daily functions (she has a job and also runs her own business). She said, 'The NDIS is a safety net now if anything happens.'

Source: Queensland Audit Office.

Case study 4

Participant C

Background

Participant C is a retired male who was diagnosed with a hearing impairment as a child and a vision impairment as an adult. Participant C did not receive any state-funded disability services prior to joining the NDIS.

Participant's NDIS experience

Participant C applied for his plan directly to the NDIA. He was frustrated by the need to provide new reports from his specialists, particularly since his ophthalmologist is located in Brisbane. The NDIA lost his application, causing a delay of five months.

Participant C found the NDIS process 'daunting and confusing'. He found the information about the NDIS to be bureaucratic and difficult to understand. When he received his plan, the text used standard font size, which made it difficult for him to read. He also reported that his General Practitioner did not know how to fill in the reports for the NDIS.

Participant C's approved NDIS plan value was close to \$30 000. This amount included:

- \$23 000 for assistive technology (for example, a cane and hearing aids)
- \$1 606 per year for community support (including a weekly shopping trip with a support worker)
- core funding includes three hours per week for cleaning services
- \$40 per year for maintenance of hearing aids.

Participant C has been unable to spend a large portion of his plan due to difficulties in finding service providers. His plan includes funding for an optical behavioural specialist service, but he hasn't found one in his local region or in Brisbane. He found it difficult to find an occupational therapist (OT) in his region who was taking new clients. Participant C also encountered difficulties with the approved NDIA service limits. For example, he has not been able to find someone to mow his lawn for the \$75 prescribed by the NDIA.

He found the NDIA spending requirements to be complicated and inefficient. For example, an OT had to complete a report for the NDIA to approve the purchase of a new cane. Participant C estimated that the report cost \$130 for a new cane worth \$48.

Improvement opportunities identified by Participant C

Participant C would like the information in his plan to be easier to read and understand. He wants the NDIA to clearly state what tasks he and his health professionals need to complete for the planning process. He would also like documents to be available with a larger font size, to assist people with a vision impairment.

Participant C felt confused about his upcoming NDIS plan review and is concerned the NDIA will cut unspent plan portions. He would like clear guidelines about the review process and unspent allocations.

Summary

Overall, participant C found the NDIS difficult to access and frustrating. He said, 'The NDIA needs to streamline the process, simplify and individualise.'

Source: Queensland Audit Office.



Participant feedback

Participants of the NDIS, their carers, and advocates have a range of avenues for sharing their experiences of the NDIS. The NDIA administers a formal feedback survey to selected participants each quarter about their level of satisfaction with the planning process.

For the most recent quarterly report the satisfaction rating reported by Queenslanders about the scheme’s planning process was 92 per cent. For the previous two quarters the result was 91 per cent. It should be noted that the six per cent response rate may affect the reliability of this data given that the sampling methodology is not publicly available.

We examined other sources of information to gain broader insights into people’s views and opinions about the NDIS. We analysed over 400 000 mentions and 250 000 public posts (including Twitter and Facebook) about the NDIS from over 100 000 authors nationally from October 2015 to January 2018.

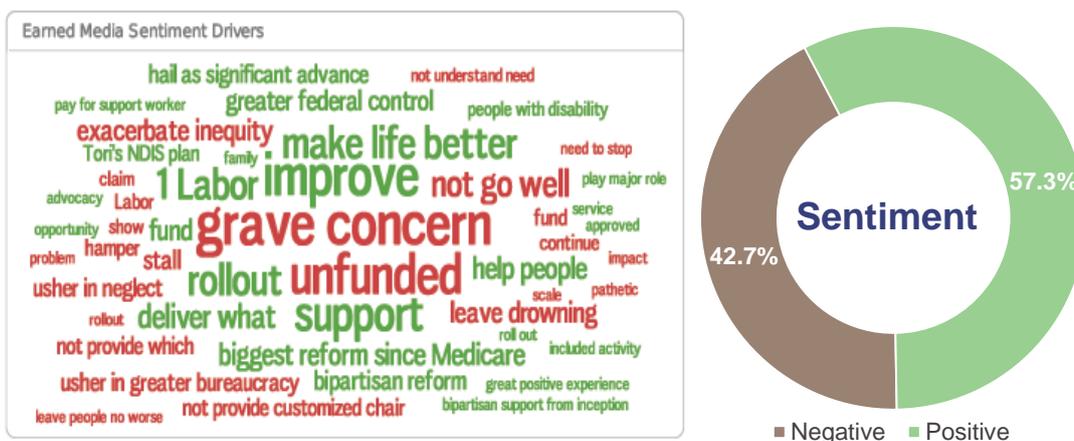
An analysis of the sentiments in the public posts identified both positive (30 617) and negative (22 787) comments about the NDIS. Figure 4A shows that 57.3 per cent expressed positive sentiments about the NDIS and 42.7 per cent expressed negative sentiments. It shows the negative and positive drivers for the sentiments expressed. The size of each word or phrase is determined by how frequently users posted it (the larger words were posted more frequently).

This data does not provide a clear indication of the level of satisfaction with the NDIS for Queenslanders specifically. It does, however, indicate a number of issues for participants with the pathway and the NDIS generally. The benefit of understanding the broader issues raised by the public and stakeholders is that:

- the service quality issues can be considered/addressed
- dealing with complaints/commendations on social media can capture feedback and resolve issues quickly before they affect others
- it provides opportunities to engage with clients.

This is consistent with the Productivity Commission’s recommendations to the NDIA to improve the pathway and user experience. We also received similar feedback from the people who shared their experiences with us during the audit.

Figure 4A
Social media analysis of NDIS posts and tweets



Note: Red text—negative sentiment; green text—positive sentiment.

Source: Queensland Audit Office from social media analysis.

Complaints

DCDSS has no line of sight of complaints made by Queensland participants about the NDIA. The NDIA does not report on the number of complaints made by Queensland participants and DCDSS has not sought any information from the NDIA about this. Understanding complaints provides useful information about service quality and staff capability. Prior to the NDIS, DCDSS received complaints about all elements of the specialist disability service sector.

During transition, each jurisdiction is managing its own complaints about individual service providers. The NDIA manages complaints about the NDIA itself. However, to date the NDIA has not reported the number of complaints made by Queenslanders or the time taken to resolve them.

The NDIA reports that the number of complaints submitted nationally to the NDIA was 3 880 in the most recent quarter, with 13 113 complaints made overall (equivalent to 11.4 per cent of all participants with an approved plan). Of the 13 113 total complaints, 86 per cent were complaints about the NDIA, four per cent were complaints about service providers, and 10 per cent were unclassified. This is consistent with prior quarters. The NDIA's participant and provider pathway review is aiming to improve the participant and provider experience.

Managing key financial risks

Moving to the new scheme presents a number of financial risks to the state. We assessed how the Queensland Government is monitoring and managing these risks to ensure the state achieves value for money.

Figure 4B outlines some key financial risks and implications.



Figure 4B
Financial risks and implications

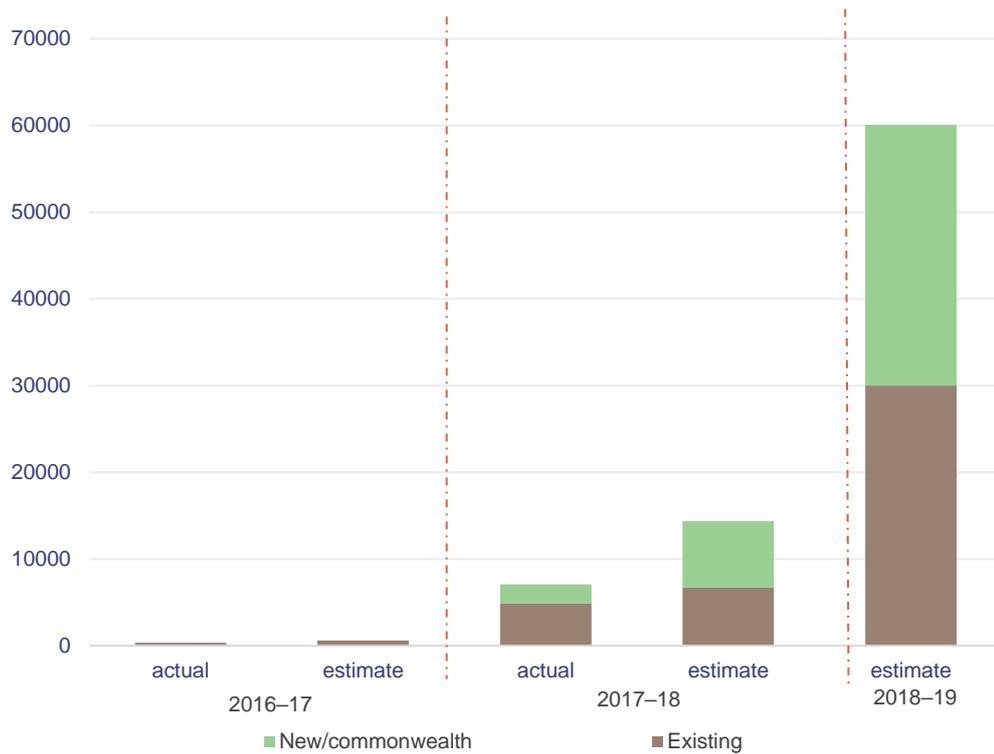
Risk	Description	Implications
A lower number of participants than estimated sign up to the NDIS	Based on the current full scheme contribution of \$2.03 billion and lower than expected participant intakes, Queensland may have a significantly higher average cost per participant than planned.	At full scheme, this could result in Queensland's contribution exceeding the value of the services being provided. We note that there is scope to renegotiate the agreement.
Paying twice for 'existing clients' not participating in the NDIS	Under the continuity of care provisions in the bilateral agreement, the state will continue to fund services for existing clients who choose not to join the NDIS or who are ineligible.	At full scheme, this could lead to the prolonged need for a dual system (old and new) and the state paying twice.
'New clients' that don't sign up continue to access mainstream state funded services	Agencies delivering state-funded mainstream services to eligible people with disability may need to continue to provide services.	If new clients do not sign up and receive early intervention supports, it may increase the lifetime costs of care and support for them and place continued demand on state-funded mainstream services.
Paying for ineligible participants	During transition, checks on the NDIA invoices did not identify clients that had moved interstate.	This could result in overpayments to the NDIA.
Funding assumptions don't cover the cost of integrating mainstream services with the NDIA	Mainstream agencies will not be able to access disability coordinators or case workers to help link new mainstream clients with the NDIS.	This could result in mainstream agencies bearing the cost of redesigning and resourcing their services for people with disability, as it was not considered in the funding assumptions.
DCDSS staff affected by the NDIS are not effectively transitioned	DCDSS disability and support staff affected by the NDIS that are not relocated or do not accept a voluntary redundancy.	This could become an unfunded liability for the department, which could affect its ability to deliver its other services.

Source: Queensland Audit Office.

Participant intake rates

The NDIA provides regular reports on the progress of the transition of participants to the NDIS in Queensland. Figure 4C shows how the current intake of participants is tracking with the estimates agreed with the Commonwealth.

Figure 4C
Queensland participant intake—actual to estimates



Source: Queensland Audit Office from the bilateral agreement and NDIS quarterly reports.

From July to December 2017, 3 567 of the estimated 4 434 existing clients (80 per cent) received approved plans or support. The progress for new/other clients is not as strong, with only 1 963 of the estimated 3 871 new/other clients (51 per cent) getting an approved plan. This has been a consistent trend throughout transition here in Queensland and other jurisdictions (New South Wales and the Northern Territory).

Intake rates for hard-to-reach participants

By December 2017 14 per cent of the 91 217 estimated participants (both Aboriginal and Torres Strait Islander and non-Indigenous) have joined the NDIS. The Australian Bureau of Statistics estimated that in 2016 there were 14 500 Aboriginal and Torres Strait Islander people in Queensland potentially eligible for the NDIS. So far, 1 073 Aboriginal and Torres Strait Islander people (7.38 per cent) have approved plans.

The service providers we spoke to identified specific challenges in helping Aboriginal and Torres Strait Islander people with disability to access the NDIS, including:

- the importance of culturally appropriate staff in helping Aboriginal and Torres Strait Islander people with disability navigate the access process to join the NDIS
- service providers with Aboriginal and Torres Strait Islander staff
- local connections to the community.

A contributing factor to the low intake rates for Aboriginal and Torres Strait Islander people with disability is the importance of understanding the different approaches applicable to different communities. In its *Aboriginal and Torres Strait Islander Engagement Strategy* the NDIA has acknowledged the different approaches needed for different communities in urban, rural and remote/very remote areas.



Monitoring the NDIS funding arrangements

During the transition, Queensland Treasury and DCDSS are monitoring actual versus estimated participant numbers, costs and outcomes.

This occurs through:

- quarterly NDIA reports on transition performance to the Council of Australian Governments Disability Reform Council
- DCDSS reports to the Interagency Working Group and NDIS Reform Leaders Group
- continued liaison with the NDIA Scheme Actuary.

Along with monitoring transition costs and outcomes, Queensland Treasury is responsible for managing the state's NDIS funding arrangements during transition, including funds contributed by in-scope agencies. This includes:

- an annual redistribution of any NDIS-related underspends
- providing quarterly advice on estimated distributions to agencies to assist planning and budgeting
- adjusting agency funding contributions, for example, return of quarantined funds to the Department of Education and Training to enable provision of school bus transport for students with disability on an in-kind basis until the end of 2019.

Queensland Treasury also provides policy and financial advice to the Under Treasurer and government on the progress of the NDIS transition, arrangements for full scheme and associated financial impacts, for example, the costs of worker screening and agency-specific issues, like the pricing of in-kind arrangements for school bus transport for students with disability.

Payments to the National Disability Insurance Agency

DCDSS has created NDIS-specific payment procedures and is making payments to the NDIA in accordance with the bilateral agreement. DCDSS has not requested or received any assurance from the NDIA that it has controls in place to ensure all participants who are invoiced are still eligible to be billed to Queensland. This could result in Queensland being invoiced for ineligible participants.

The NDIA calculates Queensland's contribution based on the number of participants with plans approved in that month. DCDSS makes the following adjustments prior to payment:

- in-kind contributions—Queensland reduces its contribution to reflect the cost of its programs such as respite services, behaviour support, and school transport
- inter-governmental and cross-billing payments—Queensland repays inter-governmental payments already received from the Commonwealth for disability services for individuals as they transition to the NDIS. This includes people in supported accommodation and younger people in residential aged care
- budget neutrality adjustments—Queensland pays the Commonwealth an additional contribution to account for increased responsibilities as part of the National Health Reform Agreement (introduced in 2011).

Validation of invoices

DCDSS has several business processes to ensure the payments of the NDIA invoices are in accordance with the bilateral agreement. They include reasonableness checks, data validation, and an annual wash-up process (when DCDSS corrects any under- and over-payments).

The key checks in place are:

- fortnightly validation of participant details from NDIA reports to check details of existing clients and identify duplicates. This check does not provide an assurance over new client details
- checking of monthly invoice and supporting data (QLD unit record) provided by NDIA to ensure the number of participants billed matches client data. This check does not check key eligibility criteria
- invoice wash-up process conducted to fix billing errors at agreed interval (currently quarterly) to ensure the billing rate complies with the bilateral agreement.

Our analysis of the June 2017 Queensland unit record provided to DCDSS by the NDIA identified that the NDIA billed Queensland for 15 participants who previously had Queensland addresses but had since moved interstate, and 76 residents from interstate who have moved to Queensland.

At the time there was no formal arrangement in place about the treatment of portability of supports for participants assessed in one state who then move to another. The eligibility criteria under the Heads of Agreement states that NDIS support is available for Queensland residents. Section 179 of the *National Disability Insurance Scheme Act 2013* states that money paid to NDIA by a host jurisdiction should only provide supports for participants who are in that jurisdiction.

DCDSS advised us on 19 February 2018 that it has resolved this issue with the NDIA. The state where individuals initially signed up will now pay for those participants through transition, regardless of which state they choose to reside in after becoming a participant. Queensland will receive a credit (\$1.2 million) for the charges in 2016–17 for residents who relocated to Queensland after becoming participants in other states.

Planning funding and assumptions

Quarantining of funds

Queensland Treasury ran a process to help agencies to identify the funding available to pay Queensland's contribution to the NDIS from the programs and services that would be funded by the NDIS. It did not ask agencies to identify any costs or resources needed for transition or to modify mainstream processes or systems to interact with the NDIA. This is resulting in agencies needing to find funding for transition activities from within remaining budgets.

Funding the transition to the NDIS in Queensland is based on four key assumptions, which are the:

- estimated number of eligible participants, new/other or existing
- phasing of the transition by geographical region
- responsibility for state and federal funding for services
- quarantining of funds from state agencies' budgets to pay for the NDIS contributions.



Figure 4D shows the funding sources identified and quarantined to fund the NDIS either as cash payments or to be counted as in-kind payments. In-kind payments are the value of services provided by the state that are counted as part of the state's contribution to the NDIA. The value of in-kind services is deducted from the monthly invoices paid to the NDIA.

The modelling to fund Queensland's contribution to the NDIS also included payments from the national Disability Care Australia Fund (DCAF). Since 2014, Queenslanders have been paying an extra 0.5 per cent on Medicare levy contributions to DCAF. Queensland's funding assumptions for their contribution to the NDIS included several options for receiving the state's portion of the DCAF funding. The final agreement was for a rationed approach contingent on meeting target participant numbers.

Any shortages in funding from the DCAF will need to be made up from the other existing funding sources. To date, Queensland has received \$52.8 million for 2015–16 and 2016–17. The agreements for any future DCAF funding are under negotiation.

Figure 4D
Existing committed funding sources for the NDIS, as at July 2017

Funding source	2016–17 (millions)	2017–18 (millions)	2018–19 (millions)	2019–20 (millions)
DCDSS—cash	78.7	400.1	1 184.9	1 460.3
DCDSS—in-kind	7.4	42.1	104.1	144.7
Department of Education— cash	1.1	4.7	13.7	39.8
Department of Education— in-kind	3.2	13.4	39.0	23.4
Queensland Health	5.5	22.7	65.2	77.2
Department of Transport and Main Roads	0.5	2.4	6.6	8.1
Total quarantined funds	96.4	485.4	1 413.5	1 753.5
Disability Care Australia Fund	35.6	36.9	65.8	197.4
Funding from Consolidated Fund	4.9	26.6	64.0	84.5
State funds available for NDIS contribution	136.9	548.9	1 543.3	2 035.4

Note: Consolidated fund is the government's central funding source not specifically allocated.

Source: Queensland Audit Office from Queensland Treasury analysis.

During transition and at full scheme, additional funding from the consolidated fund is also required to meet Queensland's funding contribution. The lower than expected participant numbers has reduced Queensland's contribution during transition. Queensland Treasury has used some of the unspent transition funding to date to reimburse DCDSS and the other mainstream agencies for the cost of ongoing service delivery where agencies expected NDIS to be delivering it.

Supporting NDIS-affected staff

A transition risk for DCDSS is to successfully support its staff affected by the NDIS. It has 1 400 disability support workers, clinicians, contract managers, and other staff whose roles will progressively become unnecessary by the time Queensland reaches full scheme in July 2019. Costs of any staff not reallocated or not accepting a voluntary redundancy will become an unfunded liability for DCDSS.

DCDSS has successfully supported regional staff affected by the NDIS in transitioning to other roles within the department or to other government agencies, or in accepting voluntary redundancies.

The phased transition to the NDIS will affect current staff at DCDSS. Roles and positions formerly undertaken by DCDSS staff will either no longer be necessary or will be undertaken by the NDIA or NDIS registered service providers. To allow DCDSS to continue to deliver services until people with disability transition to the NDIS, they have negotiated exit dates.

Transitioning the state disability workforce

DCDSS has an approved *NDIS Workforce Transition Strategy 2016–19*. The strategy aligns with the Public Service Commission's whole-of-government strategy. DCDSS has estimated that the transition to the NDIS will affect 1 374 staff.

The strategy includes objectives, strategies, dependencies, timeframes, deliverables, and accountabilities. It provides four options to facilitate staff transition and maximise employment pathway opportunities:

- NDIA permanent position via first offer of employment
- exit at an agreed date to employment outside government
- employee requiring placement
- exit government, not at an agreed date. (This includes staff whom their organisations need to keep until the regional transition occurs.)

To reduce the number of staff exiting government not at an agreed date, the DCDSS workforce transition strategy includes voluntary redundancy packages with an incentives component. The voluntary redundancy is conditional on staff accepting an exit date set by DCDSS. This assists in keeping necessary staff to deliver services until, but not after, each region transitions.

The strategy also uses a case management approach for affected workers requiring placement. Unlike previous redundancy processes, there is no limit to the period for placing an NDIS-affected employee. This could lead to an unfunded liability for DCDSS at full scheme.

By November 2017, Townsville, Mackay, Toowoomba, Ipswich, and Bundaberg regions had transitioned to the NDIS.



DCDSS has successfully supported 352 NDIS-affected staff in transitioning to alternative arrangements in regional areas. The transition of the largest regions in Brisbane, the Gold Coast, and the rest of South East Queensland will see another 1 022 staff affected. This is likely to require a significant effort from DCDSS and all other government agencies to successfully transition those staff who want a permanent position at level.



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A. Full responses from agencies

As mandated in Section 64 of the *Auditor-General Act 2009*, the Queensland Audit Office gave a copy of this report with a request for comments to the following entities:

- The Department of Communities, Disability Services and Seniors
- Queensland Corrective Services
- The Department of Health
- Darling Downs Hospital and Health Service
- Metro South Hospital and Health Service
- The Department of Justice and Attorney-General
- The Department of the Premier and Cabinet
- Queensland Treasury.

The heads of these agencies are responsible for the accuracy, fairness and balance of their comments.

This appendix contains their detailed responses to our audit recommendations.



Minister for Communities and Minister for Disability Services and Seniors



Minister for Communities
Minister for Disability Services and Seniors

Your reference: 9164P
Our reference: 491

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Mr Brendan Worrall
Auditor-General
Queensland Audit Office
PO Box 15396
City East, QLD 4002

23 APR 2018

Dear Mr Worrall

I refer to your letter of 29 March 2018 in relation to the Queensland Audit Office's (QAO) proposed performance audit report on the Queensland Government transition to the National Disability Insurance Scheme (NDIS).

Thank you for the advice offered in the proposed report and for agreeing to my Department's request to bring the audit forward 12 months. This will provide maximum opportunity for the government and community to benefit from the QAO's recommendations in the large year three transition arrangements across 2018-19.

I am supportive of the report's proposed recommendations. While noting the QAO suggestions for improving processes and governance in readiness for year three of the transition, it is also apparent that many thousands of Queenslanders are already benefiting from the NDIS.

I was pleased to note the QAO's conclusion that those people with disability who have transitioned to the NDIS are experiencing improved outcomes. This conclusion aligns with the national Productivity Commission's 2017 report that confirmed the NDIS is improving wellbeing and providing more supports and greater choice.

My Acting Director-General will respond separately to the QAO's proposed report. I look forward to the tabling of the report in the Parliament.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Coralee O'Rourke'.

Coralee O'Rourke MP
Minister for Communities and
Minister for Disability Services and Seniors



Comments received from Director-General, Department of Communities, Disability Services and Seniors

Your reference: 9164P



Office of the
Director-General

Department of
**Communities,
Disability Services
and Seniors**

Mr Brendan Worrall
Auditor-General
Queensland Audit Office
GPO Box 15396
CITY EAST QLD 4002

Dear Mr Worrall

I refer to your correspondence dated 29 March 2018 and the provision of the proposed Performance Audit Report on the National Disability Insurance Scheme in Queensland.

As previously advised in my correspondence of 19 February and 23 March 2018 it is timely that your report and advice is available to further enhance the work my staff have already undertaken to prepare for the year 3 transition.

The learnings and experience gained in years 1 and 2 have been invaluable as we approach the significant work of year 3 which will see two-thirds of the bilateral estimate transition in a 12 month period. Strengthening our systems, processes and governance prior to year 3 will ensure our transition of participants goes as smoothly as possible.

As requested I have attached my response to each of your recommendations. I am pleased to advise that I accept each recommendation and note that action has already commenced to implement them.

Further to our recent discussions I wish to also advise that the Terms of Reference for the Performance Audit relate to a small number of elements in a very significant and complex reform across Queensland and indeed Australia. Accordingly I am keen to acknowledge this as Queensland Government agencies, in particular my Department, the disability sector, participants and their families and carers have worked tirelessly to positively position the State so that participants have the best transition possible.

I look forward to updating you at later stages to highlight the progress on implementing the recommendations contained in this report.

Yours sincerely

A handwritten signature in black ink, appearing to read "Clare O'Connor".

Clare O'Connor
Acting Director-General

Enc (1)

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Responses to recommendations



The Department of Communities, Disability Services and Seniors, The National Disability Insurance Scheme (Report No. 14: 2017-18)

Response to recommendations provided by Ms Clare O'Connor, Acting Director-General, Department of Communities, Disability Services and Seniors on 26 April 2018

Recommendation	Agree / Disagree	Timeframe for implementation (Quarter and year)	Additional comments
We recommend the Department of Communities, Disability Services and Seniors (DCDSS), as lead agency for Queensland Government's National Disability Insurance Scheme (NDIS) implementation:			
1. elevates oversight to ensure Cabinet is advised at regular intervals and in line with significant milestones and deliverables via a sub-committee or other relevant mechanism, to be determined by the Premier (Chapter 2 and 4)	Agree	Quarter 1 2018/19	<p>Subject to consideration by the Premier quarterly updates on transition progress through Matters to Note to the Queensland Government.</p> <p>Prepare Strategic policy and/or legislation-related advice for the Queensland Government's consideration in alignment with the timetable of strategic priorities.</p>
<p>2. strengthens whole-of-government program management to increase assurance regarding all impacted agencies' preparedness for the NDIS. This should include:</p> <ul style="list-style-type: none"> ▪ greater detail of planning (at a service level) by mainstream agencies affected by the NDIS, and proactive monitoring of progress, issues, and risks ▪ revising the scope of the Reform Leaders Group to reinforce senior executive decision-making responsibilities and oversight capabilities (Chapter 2) 	Agree	Quarter 4 2017/18	<p>Revised RLG ToR clarifying and strengthening DG accountability for respective Agency projects.</p> <p>Review and updated Queensland NDIS Transition Program plan.</p> <p>Review of each agency's NDIS Transition plans to ensure full coverage of expected activities, including Agency and whole of Government interface activity and relevant Operational Plan activity. Agency plans resubmitted for RLG endorsement.</p> <p>Updated RLG reporting to strengthen clarity of reported content, WoG issues, risks and mitigations, Agency issues, risks and mitigations, and governance oversight.</p>

Recommendation	Agree / Disagree	Timeframe for implementation (Quarter and year)	Additional comments
<p>3. develops readiness criteria for the remaining regions for formal sign-off prior to advising the minister on whether Year 3 transition should be delayed. This should include:</p> <ul style="list-style-type: none"> ▪ obtaining assurance from the National Disability Insurance Agency (NDIA) that infrastructure will be in place in accordance with the bilateral agreement ▪ obtaining assurance from the NDIA that it has sufficient and appropriately trained staff to accommodate Queensland's estimated third year intake, given that it will include high numbers, a significant percentage of new participants, a diversity of geography, and several Aboriginal and Torres Strait Islander communities 	Agree	Quarter 4 2017/18	<p>Criteria for readiness developed, and to include criteria on:</p> <ul style="list-style-type: none"> - Queensland readiness - NDIA readiness <p>RLG to assess readiness for Year 3 transition and endorse advice to be provided to the Minister for Disability Services and Seniors.</p> <p>Chair of RLG to provide Minister for Disability Services and Seniors with RLG endorsed advice on whether year three transition should be delayed.</p> <p>Chair of RLG to assist Minister to obtain assurance from the NDIA regarding its capability and capacity for the year 3 transition.</p>
<p>4. establishes formal mechanisms to share lessons learnt regularly and routinely, and risk information between governance groups such as the Reform Leaders Group and Transition Steering Committee (Chapter 2)</p>	Agree	Quarter 4 2017/18	<p>Options for formal and regular sharing of lessons learnt developed and provided to all relevant parties for consideration.</p> <p>Protocol and mechanisms for regular sharing agreed and implemented.</p> <p>Options for formal sharing of issues and risks between Governance groups (including RLG and TSC) developed and considered at each Governance group.</p> <p>Protocol and mechanisms for formal sharing agreed and implemented.</p>

Recommendation	Agree / Disagree	Timeframe for implementation (Quarter and year)	Additional comments
5. seeks to refine the terms and conditions in the intergovernmental agreement for full scheme to allow clearer escalation and resolution processes, particularly for mainstream agency service delivery responsibilities (Chapter 2)	Agree	Quarter 4 2018/19	Review and negotiate clear escalation and resolution processes in the proposed full scheme Intergovernmental agreement terms and conditions
6. establishes the framework, key performance indicators, and data it needs to monitor the outcomes of Queensland NDIS participants and value for money. (Chapter 4)	Agree	Quarter 4 2018/19	<p>Convene a Queensland whole of government group to determine criteria imperatives for each agency for consideration in the full scheme Intergovernmental agreement</p> <p>Develop Queensland NDIS Performance and Outcomes Framework, including:</p> <ul style="list-style-type: none"> - Definition of value for money - Key performance indicators - Data required to support Agency imperatives <p>Negotiate access to data to enable monitoring against the Queensland NDIS Performance and Outcomes Framework</p>



Comments received from Minister for Police and Minister for Corrective Services



Minister for Police and Minister for Corrective Services

File No: QCS 01793-2018

18 APR 2018

Mr Brendan Worrall
Auditor-General
Queensland Audit Office
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Dear Mr Worrall

Thank you for your letter of 29 March 2018 about the proposed report on the National Disability Insurance Scheme (NDIS).

Queensland Corrective Services (QCS) is committed to providing safe and humane containment of all prisoners in Queensland, including people with a disability.

In relation to the proposed report, I understand QCS supports recommendation 7 and has already commenced several key pieces of work to strengthen internal governance and reporting arrangement processes that will assist with the transition to the NDIS. This work will also improve the management of prisoners with a disability generally.

I trust this information is helpful to you.

Should your office require further information, Ms Ellen McIntyre, Chief of Staff, is available on telephone

Yours sincerely

The Honourable Mark Ryan MP
Minister for Police and
Minister for Corrective Services

Comments received from Commissioner, Queensland Corrective Services



20 APR 2018

File No: F/18/08469
Ref No: 01826-2018
Your Ref: 9164P

Office of the
Commissioner

**Queensland
Corrective Services**

Mr Brendan Worrall
Auditor-General
Queensland Audit Office
PO Box 15396
CITY EAST QLD 4002

Dear Mr Worrall

Thank you for your letter dated 29 March 2018 regarding your performance audit on the National Disability Insurance Scheme (NDIS) and for the opportunity to review the final proposed report to Parliament.

Queensland Corrective Services (QCS) is committed to providing safe and humane containment for all prisoners in Queensland, including those with a disability or impairment. I recognise the benefits of the NDIS and support the implementation of the NDIS for prisoners and offenders transitioning to the community. I note however the challenges for QCS in amending state-wide business practices and procedures prior to the full implementation of the NDIS in Queensland. This is due to a significant proportion of the prisoner population being released into areas yet to transition to the NDIS.

I agree with Recommendation 7 which relates to strengthening internal governance and reporting arrangements at the service level to ensure the lead agency is provided with accurate assessments about agencies' readiness for NDIS and any emerging risks.

Since December 2017 QCS has transitioned to become a standalone department. This has provided the agency with the opportunity to improve how we do business. QCS has commenced significant work to strengthen internal governance practices, including: establishing an Intra-Agency Working Party and QCS NDIS Implementation Plan (the Plan); providing weekly updates and quarterly reporting of QCS' progress against the Plan at the QCS Board of Management meeting; and working on a range of initiatives to ensure the NDIS is effectively implemented in correctional centres. Please find enclosed the response to the recommendation in the table as requested.

I would like to thank you for considering the previous correspondence which outlined a number of factual changes.

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Should you require any further information, please contact Ms Kate Petrie, Director, Policy and Legislation on telephone _____ or via email at _____ who will be pleased to assist.

I trust this information is of assistance.

Yours sincerely



Peter Martin APM
Commissioner

Responses to recommendations

Queensland Corrective Services, The National Disability Insurance Scheme (Report No. 14: 2017–18)

Response to recommendations provided by Queensland Corrective Services on 9 April 2018.

Recommendation	Agree / Disagree	Timeframe for implementation (Quarter and year)	Additional comments
We recommend agencies affected by the NDIS in Queensland			
7. strengthen internal governance and reporting arrangements at the service level so heads of agencies can provide the lead agency with accurate assessments about their agencies' readiness for the NDIS and any emerging risks. (Chapter 3)	Agree	1st Quarter, 2018-19	Queensland Corrective Services (QCS) agrees with this recommendation and has commenced significant work to strengthen internal governance practices, including: establishing an Intra-Agency Working Party and QCS NDIS Implementation Plan (the Plan); providing weekly updates and quarterly reports of QCS' progress against the Plan at the QCS Board of Management meeting; and working on a range of initiatives to ensure the NDIS is effectively implemented in correctional centres and for offenders transitioning to the community.



Comments received from Director-General, Department of Health



23 April 2018

Enquiries to: Mr Kevin Phillips
A/Director,
Strategic Policy and
Legislation Branch
3708 5601
File Ref: C-ECTF-18/2662

Mr Brendan Worrall
Auditor-General
Queensland Audit Office
PO Box 15396
CITY EAST QLD 4002

Email: qao@qao.qld.gov.au

Dear Mr Worrall

Thank you for your letter dated 29 March 2018, regarding the proposed report to parliament of the Queensland Audit Office's (QAO) performance audit of the National Disability Insurance Scheme (NDIS).

The NDIS is a major social reform affecting tens of thousands of Queenslanders with a disability and the State agencies that support them. The observations made by the QAO are consistent with the experience of Queensland Health, which has been seeking to resolve implementation issues directly with the National Disability Insurance Agency and other jurisdictions, and to support Hospital and Health Service staff in their efforts to assist NDIS eligible patients to access the supports they need.

Recommendation 7 of your report is relevant to Queensland Health. I accept that recommendation to strengthen internal governance and reporting arrangements (see attached table).

In relation to Queensland Health-specific observations about the risk framework, the Department of Health's NDIS Steering Committee reports will, in future, incorporate a risk management framework that facilitates the identification and treatment of risks specific to Queensland Health. Further, in relation to monitoring transition progress, the necessary changes to risk management and reporting processes are currently being implemented.

Thank you for the opportunity to comment on the performance audit.

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Should you or officers of your Department require further information, the Department of Health's contact is Mr Kevin Phillips, Acting Director, Strategic Policy and Legislation Branch, telephone

Yours sincerely



Michael Walsh
Director-General
Queensland Health

Enc.



Responses to recommendations



The Department of Health, The National Disability Insurance Scheme
(Report No. 14: 2017–18)

Response to recommendations provided by Queensland Health

Recommendation	Agree / Disagree	Timeframe for implementation (Quarter and year)	Additional comments
We recommend agencies affected by the NDIS in Queensland			
7. strengthen internal governance and reporting arrangements at the service level so heads of agencies can provide the lead agency with accurate assessments about their agencies' readiness for the NDIS and any emerging risks. (Chapter 3)	Agree	Quarter 3, 2018	The Department of Health's NDIS Steering Committee reports will incorporate a risk management framework that facilitates the identification and treatment of risks specific to Queensland Health. In relation to monitoring transition progress, the necessary changes to risk management and reporting processes are currently being implemented.



Comments received from Director-General, Department of Justice and Attorney-General



Department of Justice and Attorney-General
Office of the Director-General

In reply please quote: 521367/6, 4297318

Your reference: 9164P

20 APR 2018

Mr Brendan Worrall
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Dear Mr Worrall

Thank you for your letter dated 29 March 2018 regarding the performance audit on National Disability Insurance Scheme and your request for comments on the proposed report and recommendations in the proposed report.

I have reviewed the proposed report and enclose the response from the Department of Justice and Attorney-General (DJAG).

Should your officers require further information regarding this matter, they should please contact Ms Susan Masotti, Acting Director, Strategic Policy and Legal Services, DJAG, on _____ or at _____

Thank you for the opportunity to comment on the proposed report.

Yours sincerely

David Mackie
Director-General

Enc.



Responses to recommendations



The Department of Justice and the Attorney-General, The National Disability Insurance Scheme (Report No. 14: 2017-18)

Response to recommendations provided by Director-General, Department of Justice and Attorney-General on 23 April 2018.

Recommendation	Agree / Disagree	Timeframe for implementation (Quarter and year)	Additional comments
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We recommend agencies affected by the NDIS in Queensland

7. strengthen internal governance and reporting arrangements at the service level so heads of agencies can provide the lead agency with accurate assessments about their agencies' readiness for the NDIS and any emerging risks. (Chapter 3)	Agree	Quarter 3 2018	The Department of Justice and Attorney-General will implement practices and procedures to address the aims of recommendation 7.
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Comments received from Director-General, Department of the Premier and Cabinet



For reply please quote: SocPo/IBM – TF/18/4230 – DOC/18/57089
Your reference: 9164P

Department of the
Premier and Cabinet

23 APR 2018

Mr Brendan Worrall
Auditor-General
Queensland Audit Office
qao@qao.qld.gov.au

Dear Mr Worrall

Thank you for your letter of 29 March 2018 concerning the performance audit on the National Disability Insurance Scheme (NDIS), and for providing the proposed report to Parliament for my consideration and comment by 23 April 2018.

Overall, I note that the proposed report's findings and recommendations are timely and intend to provide the basis to strengthen formal processes to ensure an effective and timely transition of Queensland participants and services to the NDIS.

As you would know, rolling out a major national reform such as the NDIS is not without its challenges and the Department of the Premier and Cabinet (DPC) will continue to work closely with the Department of Communities, Disability Services and Seniors (DCDSS) and relevant agencies to ensure that Queensland has effective governance and reporting in place to oversight the planned transition in remaining areas in Queensland. To this end, I agree that robust whole-of-government governance, reporting, information sharing and risk management strategies are absolutely vital, particularly to implement the NDIS, which is an enormous social policy reform.

I would also like to thank you for considering my feedback on the preliminary draft of the performance audit, and for ensuring the recommendations allow flexibility for the Government to consider options to strengthen oversight mechanisms for Queensland's transition to the NDIS.

I note recommendation three in the proposed report, which requires DCDSS to develop readiness criteria for the remaining transition regions for formal sign-off, prior to advising the Minister on whether year three transition should be delayed. DPC supports the intent of this recommendation, and notes the importance of obtaining assurances from the National Disability Insurance Agency (NDIA) for infrastructure, and sufficient and appropriately trained staff to be in place on time to smoothly commence transition.

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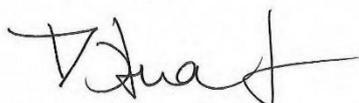
Seeking this assurance is consistent with the responsibility of the NDIA to have appropriate local infrastructure and staff in place, at least six months ahead of transition in an area, to ensure participants have NDIS plans to access the reasonable and necessary supports they require. In relation to this responsibility of the NDIA, I note that these matters are not within the direct control of the Queensland Government, and are being experienced by all states and territories.

As per my previous letter, I also note that under the Bilateral Agreement for the transition to the NDIS in Queensland, it is not possible for the Minister for Communities, Disability Services and Seniors, the Honourable Coralee O'Rourke MP, to unilaterally make decisions about whether an area should transition to the NDIS or not.

Thank you also for the table requesting whether DPC agrees or disagrees with implementation responsibility for recommendation seven in the proposed report. As DPC does not have any service level responsibilities for NDIS transition, DPC has not completed this table and provides a nil response.

Once again, I would like to thank you and your officers for consulting across government and the sector to complete this audit, and look forward to the tabling of the final report in Parliament.

Yours sincerely



Dave Stewart
Director-General

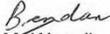
Comments received from Under Treasurer, Queensland Treasury



Queensland Treasury

Our Ref: 01440-2018
Your Ref: 9164P

Mr Brendan Worrall
Auditor-General of Queensland
Queensland Audit Office
PO Box 15396
CITY EAST QLD 4002


Dear Mr Worrall

I refer to the Queensland Audit Office's (QAO) proposed performance audit report on the implementation of the National Disability Insurance Scheme (NDIS) in Queensland.

I note QAO's proposed finding that while Queensland has implemented some better practice governance arrangements for the NDIS transition, improvements are needed to strengthen Ministerial oversight, program management, readiness monitoring and reporting. The recommendations appear reasonable in the context of the audit findings and the significant scale, pace and complexity of this important reform.

Queensland Treasury also notes the QAO's concerns around the appropriateness of Queensland's fixed \$2.035 billion commitment from full scheme given the slower than expected transition of participants to date. Queensland Treasury, in consultation with relevant departments, will continue to monitor transition progress and provide advice on appropriate funding arrangements for the full scheme agreement.

Thank you for providing Queensland Treasury the opportunity to comment on the proposed report.

Yours sincerely


Jim Murphy
Under Treasurer

23/4/18

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B. Other jurisdictions' transition schedules

The estimated numbers for other Australian jurisdictions' transition to the NDIS are set out in Figure B1.

Figure B1
Transition schedules for other jurisdictions split between new/other and existing clients

	Client cohort	Trial or pre 2016/17	2016/17	2017/18	2018/19	2019/20	Total	Per cent
Australian Capital Territory	Existing and new	4 278	797				5 075	100
New South Wales	Existing	6 583	36 655	35 570			78 808	56
	New/other	5 528	6 567	24 650	26 404		63 149	44
	Total	12 111	43 222	60 220	26 404		141 957	
South Australia	Existing	4 838	1 625	10 177			16 640	52
	New/other	3 662	2 762	2 893	6 326		15 644*	48
	Total	8 500	4 387	13 070	6 326		32 284*	
Northern Territory	Existing	101	277	441	2 373	0	3 192	49
	New/other	48	120	636	938	1 612	3 353*	51
	Total	149	397	1 077	3 311	1 612	6 545*	

Note: The Australian Capital Territory did not participate in trials but began transition in 2014/15. New South Wales, South Australia and the Northern Territory estimate significant new client numbers post transition.

	Client cohort	Trial or pre 2016/17	2016/17	2017/18	2018/19	2019/20	Total	Per cent
Tasmania	Existing	643	452	1 141	2 042		4 277 *	40%
	New/other	482	665	1 492	3 671		6 310	60%
	Total	1 125	1 117	2 632*	5 713		10 587 *	
Victoria	Existing	4 350	11 553	22 986	39 400		78 289	74%
	New/other	752	3 549	7 507	15 227		27 035	26%
	Total	5 102	15 103*	30 493	54 627		105 324	

Note: * Totals as provided in the relevant bilateral agreements. Other includes commonwealth clients transitioning to the NDIS

Source: Queensland Audit Office, bilateral agreements between the Commonwealth and state and territory governments.

As the first jurisdiction to commence transition to the NDIS, The Australian Capital Territory completed its rollout in 2017. New South Wales and South Australia are due to complete their statewide rollouts in 2018. Other states like Queensland will transition to full scheme by 2019.



C. Issues impacting on Queensland's transition beyond audit scope

National policy issues

There are many national policy issues yet to be resolved by state and federal governments that are impacting Queensland's (and other jurisdictions') transition to the NDIS. Government representatives are continuing to debate and negotiate the interpretation of terms and conditions in bilateral agreements. Examples of current unresolved issues related to the applied principles that determine roles and responsibilities of the NDIA and mainstream agencies include:

- paying for school transport programs for students with disability
- subsidising taxi payments so people with disability to participate in their communities
- community nursing and other health maintenance issues such as catheter management, wound care, PEG feeds (used to feed people for whom oral feeding is not possible), and respiratory support.

National parliamentary inquiries

The recommendations of the federal parliament's joint standing committee on the NDIS (the committee), from two recent inquiries, will have implications for Queensland's full scheme rollout.

Transitional arrangements for the NDIS (*in progress*)

The committee's terms of reference include:

- the boundaries and interface of NDIS service provision, and other non-NDIS service provision, with reference to education, health, housing, justice and transport services
- the consistency of NDIS plans and delivery of NDIS and other services for people with disability across Australia
- the risks borne by the Commonwealth and state and territory governments in the rollout of the NDIS nationally
- NDIS decision-making processes, particularly in relation to the Disability Reform Council and Council of Australian Governments (COAG)
- the impact on rural and remote areas, with reference to Indigenous communities.

The provision of services under the NDIS for people with psychosocial disabilities related to a mental health condition

The committee inquired into the provision of services under the NDIS for people with psychosocial disabilities related to a mental health condition. The report was tabled on 15 August 2017 and found:

- The NDIS presents a significant opportunity to increase supports and improve outcomes for people with a mental health condition and co-occurring disability. However, it is also creating significant challenges.
- There are inconsistencies of access to the scheme and planning outcomes for people with disability who also experience a mental health condition. Eligibility criteria need to be improved to emphasise their functional needs rather than their medical diagnosis.
- People with mental illness will continue to require services even if they are not participants. While all governments have committed to continuing to assist them, there needs to be greater clarity about how services will be funded and how emerging service gaps will be addressed.
- The ongoing operation of the NDIS needs to align with the mental health sector's significant parallel reform under the new National Mental Health Plan, which COAG has now adopted.
- The NDIS has potential to decrease the incarceration rates for people with a cognitive and psychosocial impairment, particularly Aboriginal and Torres Strait Islander people, who are overrepresented in prison, with complex disability support needs.
- Access to the NDIS must be readily available and consistent within the criminal justice system.

Future Queensland performance audit topics

The Queensland Audit Office *Strategic Audit Plan 2018–2021* outlines future audit topics that may also examine issues relevant to people with disability.

- Queensland Child Protection Commission of Inquiry—to assess how well the Queensland Government has implemented the recommendations for reform arising from the Queensland Child Protection Commission of Inquiry.
- Delivering social housing and housing services—to assess whether social housing programs are effectively and efficiently meeting the needs of vulnerable Queenslanders.
- School program for students with disability—to examine whether the Department of Education is effectively and efficiently supporting students with disability to maximise their education outcomes.
- Delivering guardianship services—to assess the effectiveness of Queensland's guardianship system and its processes for supporting adults with a decision-making incapacity.



D. Summary of case studies

Participant 1						
An Australian resident, under 65 years old, living with impaired eyesight, anxiety and depression						
Support history	NDIA pathway	Participant-reported issues				
<p>No DSQ support prior to NDIS:</p> <ul style="list-style-type: none"> some support years ago, but ceased struggled to find suitable providers to meet her needs <p>NDIS funding:</p> <ul style="list-style-type: none"> assistive technologies (mobilised scooter, magnifier, sunglasses) other support 	<ol style="list-style-type: none"> A family friend (who is a service provider) alerted her to the NDIS rollout and helped her to register. NDIA offered phone planning assessment but selected face-to-face as her preference. She received the plan on the same day as the planning meeting. It appeared to be adequate, but she realised it was insufficient once she started using it. She felt the planner rushed the meeting. The second planning meeting was much better and more engaging. She received a lot more funding for support that aligned with her goals. She received the plan within three–four days. She had the option to self-manage but uses a provider to minimise anxiety. 	<ul style="list-style-type: none"> Transport funding insufficient under both plans. The loss of taxi subsidy scheme had huge implications (she can't drive due to bad eyesight and the scooter can only cover limited grounds). Can't move funds across different categories. 				
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Carer 1						
Cares for her adult daughter, an Australian resident, under 65 years old, living with autism and dyspraxia						
Support history	NDIA pathway	Participant-reported issues				
<p>No DSQ support prior to NDIS:</p> <ul style="list-style-type: none"> DSQ offered respite services but not suitable and she declined the service <p>NDIS funding:</p> <ul style="list-style-type: none"> \$20 000 in total 	<ol style="list-style-type: none"> Her involvement with a peer support group helped her become aware of the NDIS rollout and she learned from other people's experiences. DSQ had her daughter's records and sent her case files to NDIA. Received a call from NDIA but declined a phone planning meeting offer and insisted on a face-to-face meeting due to daughter's condition. This delayed the planning process. She felt the planning officer didn't attempt to understand her daughter's condition and needs. The planning process was too quick and didn't leave enough time to 'digest'. Some planning questions weren't relevant for daughter's condition. Plan was reviewed with the NDIA planner. Request for life skills program beyond the first term declined; deemed inefficient use of funding (\$12 000 out of a \$20 000 plan). 	<ul style="list-style-type: none"> She couldn't self-manage the plan for her daughter; She was deemed inexperienced. The first plan manager was non-responsive and sent duplicate claims to NDIA resulting in overspend (she found a new plan manager in Brisbane after complaining to the NDIA). She struggled to find local programs to meet daughter's needs—she is high functioning but lacks social and practical life skills. Inadequate LAC support, for example, didn't assist with finding suitable providers. She found it difficult to log onto and use the portal. Difficulty accessing assisted technology over \$500, as it requires an OT report. No allowance for carer's needs—the mother has Asperger traits and is uncomfortable with people coming to the house. This also means she doesn't have a support network. No suitable transportation options—buses take too long, and taxis are too expensive. Core funds can't be used for transport. 				
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Note: DSQ— Deaf Services Queensland; NDIS—National Disability Insurance Scheme; LAC—local area coordinator; OT—occupational therapist.



Participant 2						
An Australian resident, under 65 years old, living with multiple sclerosis, uses a wheelchair						
Support history	NDIA pathway	Participant-reported issues				
<p>Previously funded for:</p> <ul style="list-style-type: none"> contingence aids under Medical Aides Subsidy Scheme (MASS) trailer/wheelchair funded by CAEATI but with unmet needs <p>NDIS funding:</p> <ul style="list-style-type: none"> assistive technology support worker—1.5 hours x two days per week cleaning—four hours per week \$10 000 for OT and other therapists \$7 000 for consumables 	<ol style="list-style-type: none"> Initially she couldn't access NDIS due to citizenship issues (moved to Australia in 1969 with parents, not a naturalised Australian citizen) but this was resolved. She was waiting for her access code to arrive and had to call the NDIA to follow-up. An access code had been assigned but had already expired. She didn't receive this code due to errors in the NDIS database. NDIA provided a new code, but the registration process was delayed. She was offered a telephone planning meeting, but she requested a face-to-face planning meeting instead. The assessor rushed the meeting and skipped over things and she felt they were 'putting words in my mouth'. She received the plan approximately one week after the meeting. She was dissatisfied with the plan but did not appeal. In particular, she thought the allowance for assistive technologies was inadequate. 	<ul style="list-style-type: none"> She was unhappy with the plan management service. The OT must assess assisted technology requests—this is time consuming and costly. She wanted to get a swimming pool hoist, but the OT declined to make an assessment based on experience of high rejection rate of similar items and did not want to waste any funds. 				
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Participant 3						
An Australian resident, under 65 years old, living with multiple sclerosis for six years (degenerative)						
Support history	NDIA pathway	Participant-reported issues				
<p>Previously funded for:</p> <ul style="list-style-type: none"> MASS electric wheelchair <p>NDIS funding:</p> <ul style="list-style-type: none"> assistive technologies (electric wheel chair, voice recorder) access ramps and hoists vehicle modifications disability support worker—32–40 hours per week occupational therapy allied therapies 	<ol style="list-style-type: none"> Received letter from NDIA advising of eligibility. Received a phone call from NDIS hotline notifying that they would send a letter to set the planning date. After four weeks the letter had not arrived. He called the NDIS hotline to follow-up on missing letter. NDIA organised planning meeting within a week. The participant was well prepared for the planning meeting and had made a detailed list of requirements/needs. He was satisfied with the assessment process and his plan. 	<ul style="list-style-type: none"> Unable to access all his support worker entitlements. There was a shortage of support workers with local providers. He lost three–four months of his allocation before locating a support worker with a Brisbane-based provider. Unsatisfied with the level of support provided by the LAC to locate local services. Long waiting time for assistive technologies costing more than \$500 (he has waited more than 12 months for NDIA to approve a quote for an approved item). The taxi subsidy scheme is too expensive. 				
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<ul style="list-style-type: none"> Reduce the waiting time for the approval of assistive technologies >\$500. 	<ul style="list-style-type: none"> His wife has been able to have a break from being his primary carer. He volunteers with a local disability network and advocates for others with disabilities. 					

Note: CAEATI—Community Aids Equipment and Assistive Technology Initiative.

Participant 4						
An Australian resident, under 65 years old, living with spina-bifida and spinal injury (long-term disability)—uses a wheelchair						
Support history	NDIA pathway	Participant-reported issues				
<p>Previous funding from DSQ, MASS and Queensland Community Health:</p> <ul style="list-style-type: none"> equipment and assistive technologies personal support community access supports consumables equipment maintenance <p>NDIS funding:</p> <ul style="list-style-type: none"> similar supports to prior arrangements, but no funds for worker to accompany him during periods of travel 	<ol style="list-style-type: none"> He attended a face-to-face meeting with a planner. He was satisfied with the planner, but the assessment framework and World Health Organization Disability Assessment Scale (WHODAS) questions could be improved. He self-manages his plan which gives him flexibility in allocating and invoicing his services to different codes within the brackets allowed. 	<ul style="list-style-type: none"> Therapies such as physiology, physiotherapy and hydrotherapy have gone unused due to a lack of transport funding. Support workers can't accompany him when he travels out of town, as there is no funding for their transport costs. There are 9–12 months delay with the approval process for assistive technologies. He feels that if he wasn't well prepared and a strong advocate, his outcome would be very different. 				
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Participant 5						
An Australian resident, under 65 years old, living with friedreich's ataxia—uses a wheelchair and hoist for transferring						
Support history	NDIA pathway	Participant-reported issues				
<p>Previously funded for:</p> <ul style="list-style-type: none"> support worker for personal care—24 hours per week car modifications—\$4 000 (Vehicle Options Subsidy Scheme (VOSS)) <p>NDIS funding:</p> <ul style="list-style-type: none"> new wheelchair assistive equipment home access modification—ramps, bathroom, kitchen (not complete yet) personal care increased to 40 hours per week speech therapist physiotherapy 	<ol style="list-style-type: none"> She was registered with DSQ and NDIA phoned to organise the planning meeting. NDIA sent a letter to confirm meeting details. She used the existing state funded provider to help her prepare for the planning meeting. The pre-planning process considered her goals and needs for personal care. The planning meeting went smoothly. Overall, she is very satisfied with the plan. 	<ul style="list-style-type: none"> Her plan included installation of a pool hoist in her existing pool. The assessment, testing and trailing of the equipment used all her OT budget, but the NDIA did not approve this purchase. The website is confusing. 				
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Participant 6						
An Australian resident, under 65 years old, living with multiple sclerosis (degenerative condition) for 22 years—mobility issues with legs and back						
Support history	NDIA pathway	Participant-reported issues				
<p>Previously funded for:</p> <ul style="list-style-type: none"> consumables carer's allowance for husband—\$60 per fortnight <p>NDIS funding:</p> <ul style="list-style-type: none"> support worker, housework, cleaning—three hours per week physiotherapy occupational therapist 	<ol style="list-style-type: none"> She heard about the NDIS through her local Multiple Sclerosis support group. The Queensland Disability Network sent her information to NDIA. She was pre-registered by DCDSS. She was contacted by different people at different stages to arrange her assessment and plan. NDIA notified her by letter that they approved her plan. She found a plan manager. 	<ul style="list-style-type: none"> She felt it was hard to activate the plan. NDIA didn't fund capital changes to her bathroom—she wants a shower chair and adjustable shower rose. She hasn't used all her housework support allocation. There are limits on the housework assistance—they won't do fans, windows, flyscreens, or clean downstairs. She is unlikely to spend all the consumable allocation as her plan manager only recently advised her not to reuse disposable items. 				
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Participant 7						
An Australian resident, under 65 years old, living with quadriplegia for six years—after a motorcycle accident						
Support history	NDIA pathway	Participant-reported issues				
<p>Previous funding:</p> <ul style="list-style-type: none"> Princess Alexandra Hospital (Queensland Health) for two years—equipment, wheelchair and bed transferred to Townsville Hospital—consumables MASS funded modifications to house (ramps, bedrooms and bathroom) <p>NDIS funding:</p> <ul style="list-style-type: none"> \$530 000 in total assistive technology support workers—28.5 hours per day (two staff) occupational therapy 	<ol style="list-style-type: none"> NDIA offered a planning interview. He thought the planning session was too short and inadequate. He engaged a plan coordinator. The initial plan was only for six months and did not include sufficient funds for the necessary assessments of his assistive technology elements by an occupational therapist. He lodged a formal complaint and the plan was extended for three months. He received a new 12-month plan, without any consultation. Each time his OT submitted a report on his approved assistive technology components, there has been a 12 months wait to process. 	<ul style="list-style-type: none"> His service provider estimated it will cost \$603 000 to maintain the current level of support. NDIS did not fund a ramp at the rear of the property, so he can't access his backyard. His plan included \$7 000 for continence products—but he doesn't use continence products and cannot use this allocation for other consumables that he would use. Long waiting times for modifications and assistive technologies (MASS had much better response times). It's hard to communicate with NDIA—not sure about the right words to communicate his needs. 				
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Carer 2						
Cares for her adult brother, an Australian resident, under 65 years old, living with acquired brain injury (occurred when he was three-years old)						
Support history	NDIA pathway	Participant-reported issues				
<p>DSQ funding though 'Your life, your choice':</p> <ul style="list-style-type: none"> support workers—10.5 hours per week medication and preparation for the day—0.5 hours per day assistance at night—one hour per day <p>NDIS funding:</p> <ul style="list-style-type: none"> support workers—25 hours per week \$40 000 for capacity building, psychology, speech therapy and occupational therapy (\$1 500) 	<ol style="list-style-type: none"> The initial transition to the NDIS was easy. The carer was recognised by the NDIA as the nominee. In April 2017, she had a phone planning meeting, which focused on capacity building. The NDIA did not advise her that they approved her brother's plan. She did not become the nominee until after the plan was approved—different NDIA workers had different opinions on whether this was required. She discovered the plan was active when DSQ advised that her brother's DSQ funding had ceased and she had 28 days after the plan activation date to acquit the DSQ funding. This was very stressful, particularly as she didn't have access to the portal to view the plan. 	<ul style="list-style-type: none"> The NDIA took six weeks to respond to her queries. It takes hard work to get the plan working. It has been hard to find and maintain specialists. LAC's haven't been very helpful—they don't have much capacity or experience with disabilities. She may not be able to use all the individual skill building funds for her brother before his plan review. The OT assessments for assistive technologies are expensive—sometimes more than the technology itself. 				
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Carer 3						
Cares for her daughter, an Australian resident, under 18 years old, living with autism and attention deficit and hyperactivity disorder						
Support history	NDIA pathway	Participant-reported issues				
<p>No prior support from DSQ.</p> <p>NDIS funding:</p> <ul style="list-style-type: none"> \$15 000 in total \$2 500 for speech therapy home support 	<ol style="list-style-type: none"> She rang the NDIA and spoke to three different people to get access. NDIA informed her that someone would contact her within a week. After six weeks she hadn't been contacted and was unsure who she should call. 	<ul style="list-style-type: none"> She finds it too hard to use the plan and feels like 'giving up on the NDIS'. The NDIS didn't fund services which are needed, such as physio-based dance, pressure vests and a psychologist, but did provide funds for unnecessary services—physiotherapist, occupational therapist, carer to transport her daughter. The NDIS is more difficult for conditions like autism than for physical disabilities. The portal is very difficult to navigate and some days it won't load—she now uses the portal at her LAC. She is dissatisfied with the NDIS—she expected more. 				
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Participant 8						
An Australian resident, under 65 years old, living with cerebral palsy						
Support history	NDIA pathway	Participant-reported issues				
<p>No prior support from DSQ.</p> <p>NDIS funding:</p> <ul style="list-style-type: none"> \$100 000 core funding \$8 000 for physical therapy \$3 456 per year for transport support new wheelchair 	<ol style="list-style-type: none"> She applied for her plan directly to the NDIA after becoming aware of the scheme. She was one of the first participants registered during the NDIS rollout in her region. She organised quotes for the wheelchair after NDIA approved the initial plan. 	<ul style="list-style-type: none"> It took five–six weeks for the purchase of a new wheelchair to be approved and another six weeks for it to arrive. Her request for a psychologist was not covered as part of her plan. NDIA are hard to contact and they didn't explain her plan or how to use the portal. She is concerned the NDIA will cut any unspent plan portions from her next plan. 				
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Carer 4						
Cares for his adult son, an Australian resident, under 65 years old, living with autism spectrum disorder						
Support history	NDIA pathway	Participant-reported issues				
<p>No prior support from DSQ.</p> <p>NDIS funding (when he was living at home):</p> <ul style="list-style-type: none"> \$15 000 in total transport support respite services <p>NDIS funding (after review):</p> <ul style="list-style-type: none"> \$4 200 	<ol style="list-style-type: none"> His GP assisted with the initial paperwork. He completed the forms and dropped them at the NDIA office. The NDIA lost the forms and he had to resubmit them. Attended a face-to-face planning meeting conducted by the LAC. The NDIA promptly approved his plan. His plan was reviewed due to a change in circumstances (his son commenced living in a group accommodation, due to issues at home). The review was a 90-minute phone interview. The plan is now on-hold due to a further review. 	<ul style="list-style-type: none"> The plan isn't helping his son develop the skills required for independent living. The hostel rent is \$340 per week, but he only receives \$300 per week from Centrelink. The support in his new plan is grossly inadequate for someone living independently. Poor continuity of service providers. 				
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Participant 9						
An Australian resident, under 65 years old, living with retinitis pigmentosa (vision impairment) and a hearing impairment						
Support history	NDIA pathway	Participant-reported issues				
<p>No prior support from DSQ.</p> <p>NDIS funding:</p> <ul style="list-style-type: none"> \$30 000 core funding \$23 000 for assistive technology \$1 606 for community support cleaning services—three hours per week \$40 for maintenance of hearing aids 	<ol style="list-style-type: none"> He applied directly to the NDIA for funding. He was frustrated by the need to provide new reports from his specialists. His ophthalmologist is in Brisbane, which is not easy to attend. The NDIA lost the application forms and he had to resubmit them—this caused a five-month delay. He found the process daunting and confusing. 	<ul style="list-style-type: none"> The information about NDIS was bureaucratic and difficult to understand. His plan used standard font size for the text—this was difficult to read, given his disability. His GP didn't know how to complete the NDIS paperwork. A large portion of his plan is unspent due to difficulties finding services providers—he hasn't been able to find an optical behavioural specialist in his local region, or Brisbane. It was also difficult to find an OT in his region who was taking new clients. He hasn't been able to find someone to mow his lawn for the \$75 service limit prescribed by the NDIA. He is confused about the upcoming plan review and is concerned that unspent plan portions will be cut. NDIA spending requirements are complicated and inefficient—an OT report was required to approve the purchase of a new cane, valued at \$48. He is dissatisfied with the quality of the cleaning service. 				
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Carer 5			Cares for her adult son, an Australian resident, under 65 years old, living with cleft palate and communication impairments		
Support history	NDIA pathway	Participant-reported issues			
<p>DSQ previously funded:</p> <ul style="list-style-type: none"> \$24 000 per year for support services group housing and then a DHPW single unit attendance at a community social participation service—two hours per week <p>NDIS funding:</p> <ul style="list-style-type: none"> \$169 000 in total support workers for meal prep, housekeeping and social engagement speech therapy (quotes pending) 	<ol style="list-style-type: none"> Her son's details were transferred from DSQ to NDIA. She took every opportunity in the two years leading up to the transition to go to information sessions about the NDIS. The planning process was very hands-on and took a lot of time. 	<ul style="list-style-type: none"> Unsatisfactory communication from the NDIA—as the nominee, she doesn't get access to the information she wants. Sometimes letters go directly to her son and she doesn't know what is happening. Considerable time and effort is required to self-manage the services and coordinate everything. Delays in approving quotes for an \$8 000 speech device have been a barrier to accessing speech pathology services. 			
		Participant-identified improvement opportunity	Impact		
		<ul style="list-style-type: none"> Provide more help to navigate the NDIS portal. Improve the portal content—some service providers' descriptions are inaccurate. Focus on face-to-face meetings. Continue the coordination roles for longer than twelve months. Provide more information about service providers and what they can do. Provide support to service providers, so they complete forms correctly—to prevent unnecessary delays. Transport should be core funding—critical for social connections and service access. Continue the taxi subsidy scheme. Greater support for people to engage with local disability networks. 	<ul style="list-style-type: none"> Her son is employed three hours per week at a laundry. 		



Participant 10						
An Australian resident, under 65 years old, living with physical impairment to neck and back						
Support history	NDIA pathway	Participant-reported issues				
<p>DSQ previously funded:</p> <ul style="list-style-type: none"> home support (house work)—one hour per week <p>NDIS funding:</p> <ul style="list-style-type: none"> \$38 000 for assistance around the house, gardening and therapy program powered wheelchair (approval pending) kitchen modifications (getting quotes) 	<ol style="list-style-type: none"> She had help to prepare for the planning meeting. She had an Occupational Therapist assessment for her powered wheelchair prior to the planning meeting. The planning process was very slow and the NDIA lost her phone number. DSQ rang her and asked her to contact the NDIA to progress her plan. The NDIA initially offered a phone interview for the planning meeting. She felt pressured into accepting and had to be very assertive to insist on a face-to-face interview. 	<ul style="list-style-type: none"> The planning process was slow. She had a negative experience with the customer service over the phone. She had a negative experience with a service provider—service quality issues, overcharging and lack of administrative transparency. It is time-consuming to find service providers. She might not be able to use all the support worker time due to difficulties scheduling the service at convenient times. No updates about the request for her wheelchair. 				
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Participant 11						
An Australian resident, under 65 years old, living with autistic spectrum disorder, depression, lupus and fibromyalgia						
Support history	NDIA pathway	Participant-reported issues				
<p>No prior support from DSQ.</p> <p>NDIS funding:</p> <ul style="list-style-type: none"> \$27 000 in total core supports for house cleaning \$8 000 for psychology services \$2 000 for financial intermediary \$1 000 for low cost assistive technologies 	<ol style="list-style-type: none"> Initially she thought the NDIS was only for people with very high support needs. She went to an information session and did some internet research. Her psychologist made some helpful suggestions. She had to obtain detailed reports from a psychiatrist, psychologist, GP and allied health. She found the NDIS website confusing and it was hard to distinguish between her disability and medical conditions. Local disability networks and a peer support group were very helpful. She was very satisfied with the planning meeting—the planner was very respectful, sensitive and supportive to the needs of someone with autism. Throughout the planning process, LAC staff made useful suggestions to help her achieve her goals. NDIA approved her plan within two weeks. 	<ul style="list-style-type: none"> It can be hard to understand the NDIS language, for example, medical condition vs. disability, functional assessment criteria. Contradiction with mental health condition—NDIS needs her to prove that she has a lifelong disability, but she hopes to improve her condition. 				
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Carer 6			Cares for her son, an Australian resident, under 18 years old, living with autism and down syndrome		
Support history	NDIA pathway	Participant-reported issues			
<p>DSQ support:</p> <ul style="list-style-type: none"> • some non-recurrent funding (ages four–six) • ‘Your Life Your Choice’ funding (age six onwards)—therapy costs, medicine, equipment, travel <p>NDIS funding:</p> <ul style="list-style-type: none"> • \$170 000 in total • assistive technology • therapy support • respite • transport • support coordination 	<ol style="list-style-type: none"> 1. NDIA called at 8 pm—she thought it might have been a scam due to the time. 2. She received a follow-up call to confirm the initial contact was legitimate. 3. She submitted NDIS forms, but there was no response for a few months. 4. The planner failed to attend the face-to-face interview. 5. The planning meeting was rescheduled—the planner did not listen to her concerns and she was in tears during the interview. 6. She described the process as a ‘nightmare’ and said her complaints weren’t followed-up. 	<ul style="list-style-type: none"> • No one showed her how to navigate the NDIS system. • She hasn’t been able to find a qualified service provider for respite care in her region. • The NDIA staff often don’t know what they’re doing. • She described the Local Area Coordinator as ‘hopeless’. • Extensive paperwork—for example, a service agreement had to be signed to purchase nappies. 			
		Participant-identified improvement opportunity		Impact	
		<ul style="list-style-type: none"> • NDIS should fund the equipment her son needs. • Provide more flexibility in how the funding is spent. • Call people back when they leave a message. 		<ul style="list-style-type: none"> • None specified 	



Carer 7			Cares for her adult son, an Australian resident, under 65 years old, living with autism and moderate intellectual impairment						
Support history	NDIA pathway	Participant-reported issues							
<p>DSQ support:</p> <ul style="list-style-type: none"> no support during childhood care was relinquished to the state when he was 12 years-old parents became his legal guardian when he was 18 years-old received \$500 000 of support per year— included one-on-one care, 24 hours per day. <p>NDIS funding:</p> <ul style="list-style-type: none"> \$374 000 in total living expenses daily support and activities support coordinator— two hours per week 	<ol style="list-style-type: none"> The office didn't have a phone when NDIS had rolled out. The initial plan only provided half the funds required for her son—he lives in a single-tenant unit, but the plan assumed he should be co-tenanted. Her son has a history of violence, which includes two instances of serious assault—co-tenanting is not appropriate. The plan doesn't describe how her son will achieve his goals, such as living independently. Their existing service provider was asked to provide a quote for their NDIS plan—NDIA rejected it, claiming insufficient justification and the amount was above the benchmark. The service provider has continued to support her son (as an act of good faith), even though they couldn't charge for their service. NDIA told her the support coordinator and service provider aren't doing their job properly. She found it very difficult to get clear information and advice about the plan and how to address her concerns. Some NDIA staff have also been rude to her. The plan has been put under administrative review, but this has not been conducted. She experienced significant and ongoing 'stress and distress at the hands of the NDIA'. 	<ul style="list-style-type: none"> The NDIS is mismanaged and disorganised—various planners and other staff provided conflicting information throughout the year. Planners lack the skills to work effectively with people with disability and their families/nominees. She can't find anyone in Toowoomba to help with her son's communication needs. 	<table border="1"> <thead> <tr> <th>Participant-identified improvement opportunity</th> <th>Impact</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> Provide clear and consistent information so people know what to expect—for example, progress updates, timelines for decisions and reviews, policy changes Inform people from the outset about the required quotes and evidence, and when they are required. Provide clear information about the meetings and what NDIS plans, for example, through a 'hands-on' workshop. If the NDIA requires more information, they should communicate this to all parties—nominee, support coordinator and service provider. Provide clear pathways for participants who need high levels of support. There needs to be an understanding of the emotional impact on people. The NDIA portal needs to be improved—it's very slow and she can't find information about the local provider. </td> <td> <ul style="list-style-type: none"> None specified </td> </tr> </tbody> </table>		Participant-identified improvement opportunity	Impact	<ul style="list-style-type: none"> Provide clear and consistent information so people know what to expect—for example, progress updates, timelines for decisions and reviews, policy changes Inform people from the outset about the required quotes and evidence, and when they are required. Provide clear information about the meetings and what NDIS plans, for example, through a 'hands-on' workshop. If the NDIA requires more information, they should communicate this to all parties—nominee, support coordinator and service provider. Provide clear pathways for participants who need high levels of support. There needs to be an understanding of the emotional impact on people. The NDIA portal needs to be improved—it's very slow and she can't find information about the local provider. 	<ul style="list-style-type: none"> None specified 	
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Participant 12						
An Australian resident, under 65 years old, living with chronic arthritis and spinal cord damage						
Support history	NDIA pathway	Participant-reported issues				
<p>Previously funded for:</p> <ul style="list-style-type: none"> \$300 000 from DSQ wheelchair and shower modifications from MASS It took more than 10 years to receive DSQ funding <p>NDIS funding:</p> <ul style="list-style-type: none"> \$300 000 in total 	<ol style="list-style-type: none"> She was involved with the NDIS process from the beginning. Face-to-face planning meeting—it was difficult to cover everything, and the planner didn't capture the complexity of her situation. An initial plan was approved in May and then a final one in June. She is happy with the plan, but the process could be improved. She self-manages her plan. 	<ul style="list-style-type: none"> The data transfer from DSQ to NDIA was problematic—the NDIA had incorrect contact details. There's a lot to learn. The application process for assistive technologies is disappointing—she paid \$1 800 for an OT report to apply for a spa hoist. The request was denied, and she can't use her spa. 				
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Participants 13 and 14						
Two Australian residents (a couple), under 65 years old, both living with hearing impairment						
Support history	NDIA pathway	Participant-reported issues				
<p>Previously funded for:</p> <ul style="list-style-type: none"> interpreter services from Deaf Services Queensland (DSQ). <p>NDIS funding:</p> <ul style="list-style-type: none"> \$1 400 (wife) and \$3 000 (husband) for interpreting services \$3 000 for assistive technology \$1 500 for work-related training—accounting software \$1 500 employment support 	<ol style="list-style-type: none"> They were initially confused about the NDIS. They attended a number of information sessions and workshops, but still felt it was complicated. The LAC came to the participants' home for a one-on-one information session for three hours. This was a very successful session and all their questions were addressed. Planning meeting conducted—took about three hours and they were happy with the process. The OT assessment for the housing modifications took three months. 	<ul style="list-style-type: none"> Staff didn't demonstrate much deaf awareness, for example, lights were often turned off during workshops. The planning document was difficult to understand. Selecting equipment is done online—this is a bit limited. Few choices of equipment (alarms, doorbells etc.) for deaf people, and the available equipment is expensive. Installation costs are also significant, for example electricians to install alarms. Requested an iPad for use with video relay service, which is especially useful when they don't have direct access to an interpreter. This was denied as an iPad can be used for other purposes and not solely for video relay service. 				
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Carer 8 Cares for her son, an Australian resident, under 18 years old, living with severe refractory epilepsy, acquired brain injury and a psychosocial diagnosis						
Support history	NDIA pathway	Participant-reported issues				
<p>Previously funded for:</p> <ul style="list-style-type: none"> \$328 000 from DSQ respite care (17 hours per day)—support worker and registered nurse transport allowance seizure alert dog overnight care (10pm–7am) remote camera for overnight care <p>NDIS funding:</p> <ul style="list-style-type: none"> \$106 000 in total respite care (support worker only) \$14 000 for occupational therapist 	<ol style="list-style-type: none"> 1. She obtained a large number of documents about NDIS. 2. Initial contact with NDIA, late 2016. 3. NDIA offered a telephone planning meeting, but she insisted on a face-to-face meeting. 4. Planning meeting conducted in May 2017. 5. The meeting was conducted in 1.5 hours and felt like a ‘tick and flick’ exercise. 6. No clear communication from NDIA following the meeting. 7. NDIA provided the finalised plan one week prior to the NDIS transition. 8. She is very unsatisfied with the plan—requested multiple reviews. 9. DSQ is providing temporary funding for a disability support worker to address the support shortfall. Queensland Health is providing temporary funding for a registered nurse. 10. She asked Queensland Health to help reach a resolution and engaged a lawyer to represent her case to the NDIA. 	<ul style="list-style-type: none"> The planner didn’t appear to be appropriately trained. The goals in the finalised plan were not the original goals. NDIA don’t provide a case manager—this is particularly frustrating for a difficult case with ongoing reviews. NDIA rarely responds to emails or returns phone calls. The NDIS plan lacks critical support that was provided by DSQ—overnight care, a registered nurse, transport allowance. There wasn’t a reference package for epilepsy and it is being treated as a medical condition, not a disability. The NDIS portal is difficult to use. She feels that no one has taken the time and effort to understand their issues—during the initial planning and subsequent reviews. The NDIS has ‘become a burden, not a support’. The experience has been ‘dehumanising’. 				
		<table border="1"> <thead> <tr> <th>Participant-identified improvement opportunity</th> <th>Impact</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> Provide more guidance on what the funding amounts can be spent on. Provide a draft plan before activation. The process needs to be simpler. Provide people with a clear flowchart so they know what to expect. The NDIS should provide a safety net for high needs clients. Care models from DSQ should be transferred to the NDIS, especially if they were recurrent prior to the transition. </td> <td> <ul style="list-style-type: none"> None specified </td> </tr> </tbody> </table>	Participant-identified improvement opportunity	Impact	<ul style="list-style-type: none"> Provide more guidance on what the funding amounts can be spent on. Provide a draft plan before activation. The process needs to be simpler. Provide people with a clear flowchart so they know what to expect. The NDIS should provide a safety net for high needs clients. Care models from DSQ should be transferred to the NDIS, especially if they were recurrent prior to the transition. 	<ul style="list-style-type: none"> None specified
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Source: Queensland Audit Office.



E. Summary of state-based systems compared to NDIS

In 2011, the Productivity Commission summarised how the NDIS is intended to overcome problems of current state-based disability service systems.

Current problem	How the proposed arrangements would address the current problem
Poor national insurance (people without a disability have no clear coverage if they acquire a disability)	Full coverage of all Australians for the costs of long-term disability care and support, so people without a disability could feel confident that they or their families would be supported in the event of a significant disability. Insurance has value for people even if they make no claims.
Inequitable (for example, what you receive in assistance depends on where you live)	A national scheme with national standards and entitlements that would cover people with significant disabilities arising from non-accidents. State-based arrangements for no-fault insurance coverage of all catastrophic accidents—with minimum national standards.
Underfunded with long waiting lists	Funding would be doubled and tied to the Commonwealth Government's revenue-raising capacity (characterised by more efficient and sustainable taxes).
Failures to intervene early (for example, people stuck in hospital because of insufficient funds for minor home modifications)	The schemes, like all insurers, would aim to minimise long-term costs, so they would have a strong incentive to undertake early intervention where it is cost-effective. The scheme would spend dollars to save more dollars and people would not have to wait for basic supports like wheelchairs and personal care.
Fragmented	Universal schemes; locally responsive within nationally coherent framework; funds and assessments portable across borders and support providers.
Lack of clear responsibilities	Assessments under the NDIS would identify and facilitate referrals to the right supports outside the NDIS.
People with disabilities and their families are disempowered and have little choice	People would be able to choose their provider or providers. They could choose to have a disability support organisation manage their packages or to act in other ways on their behalf. They would be able to manage their own funds if they wish (within rules).



Current problem	How the proposed arrangements would address the current problem
Little future planning	The NDIS would encourage and support people into work and/or being more involved in the community. People's short- and long-term plans would be reflected in their individual support packages.
Family and carers are devalued	The support provided by families would be considered in assessments, and where appropriate, carers also assessed and given additional supports.
Insufficient engagement with the community	The NDIS would leverage a bigger role for community groups and not-for-profit organisations to connect people with disabilities with the community.
Economically unsustainable	Appropriate funding would stabilise the withdrawal of informal care under the present crisis-based system (which is leading to the costly withdrawal of informal supports by non-coping carers).
Inefficient with weak governance	The new scheme would be run to insurance principles by a commercial board with strong and constant monitoring by Queensland Treasury. Advice from a council of stakeholders (people with disabilities, carers and providers). People with disabilities and their families would have more control over the services they receive. They would have a strong incentive to maximise outcomes, and a direct stake in cutting waste and unnecessary services. Many safeguards to ensure costs did not get out of control. Benchmarking against schemes overseas and between the National Injury Insurance Scheme Queensland and NDIS.
People have no confidence about the future: what services will and will not be available	The scheme would focus on long-term care and support needs. People would have clear entitlements to their assessed needs. There would be arrangements to guide people through the system, with strong complaints and appeals mechanisms. Strong reserves to buffer the insurance fund. The scheme funds would not be tied to the annual budget cycle but would have mandated funding hypothecated to a separate fund.
Poor information, poor data collection for disability services to ensure efficient management	Information provision through web and other means by a single national agency, disability support organisations to act on behalf of people, availability of objective information about supplier performance; coherent collection of data by the scheme to manage costs and to assess outcomes.
Poor evidence base	Research function and evidence-based practice.

Source: Productivity Commission 'Disability Care and Support' report, 2011.



F. Summary of transition responsibilities

Schedule I of the *Bilateral Agreement between the Commonwealth and Queensland: Transition to a National Disability Insurance Scheme* (bilateral agreement) set out the arrangements between the NDIS and mainstream agencies during transition. They determine funding and service delivery responsibilities to ensure that people with disability have the same right of access to services across all states and territories and achieve the intended goals of the *National Disability Strategy 2010–20*.

In summary, the general principles aim to ensure:

- clear funding and delivery responsibilities
 - the NDIS will fund personalised supports related to people’s disability support needs (determined as reasonable and necessary adjustment)
 - state-based mainstream agencies will continue to provide services as part of their universal service obligations
- there is national consistency and equal right of access to services for all NDIS participants, regardless of where they live
- governments have regard to efficiency, existing statutory responsibilities, and policy objectives of other service systems, and operational implications
- interactions of people with disability with the NDIS and other mainstream service systems should be as seamless as possible, including to
 - integrate planning and coordinated supports
 - promote referrals and transitions
 - support a ‘no wrong door’ approach.

The Operational Plan (which puts the bilateral agreement into action by setting out how the Queensland and Commonwealth governments will work with the NDIA to implement the transitional arrangements required for full scheme) further considers how these principles are implemented, noting that there is still national policy consideration about how to align them.

Responsibilities that further define funding responsibilities for each service system are referred to as ‘applied principles’. The principles relevant to health and justice systems are in the following tables.



Health

Applied principles—Health

1. Commonwealth and State and Territory health systems have a commitment to improve health outcomes for all Australians by providing access to quality health service based on their needs consistent with the requirements of the National Healthcare Agreement and other national agreements and in line with reasonable adjustment requirements (as required under the Commonwealth Disability Discrimination Act or similar legislation in jurisdictions).
2. The above health system will remain responsible for the diagnosis, early intervention and treatment of health conditions, including ongoing or chronic health conditions. This may involve general practitioner services, medical specialist services, dental care, nursing, allied health services, preventive health care, care in public and private hospitals, and pharmaceuticals (available through the PBS).
3. Health systems are responsible for funding time limited, recovery-oriented services and therapies (rehabilitation) aimed primarily at restoring the person's health and improving the person's functioning after a recent medical or surgical treatment intervention. This includes where treatment and rehabilitation are required episodically.
4. The NDIS will be responsible for supports required due to the impact of a person's impairment/s on their functional capacity and their ability to undertake activities of daily living. This includes 'maintenance' supports delivered or supervised by clinically trained or qualified health professionals (where the person has reached a point of stability regarding functional capacity, prior to hospital discharge (or equivalent for other healthcare settings) and integrally linked to the care and support a person requires to live in the community and participate in education and employment.
5. The NDIS and the health system will work together at the local level to plan and coordinate streamlined care for individuals requiring both health and disability services recognising that both inputs may be required at the same time or that there is a need to ensure a smooth transition from one to the other.

Note: In applying these principles, consideration will be given to alignment with services funded under the National Health Reform Agreement, with a view to avoiding overlap or gaps. PBS—Pharmaceutical Benefits Scheme.



Indicative role of the NDIS and other parties—Health

Reasonable and necessary NDIS supports for eligible people

- Elements of community re-integration which enable the person to live in the community such as assistance with activities of daily living and home modifications.
- Active involvement in planning and transition support, on the basis of the person having reached a point of stability regarding functional capacity, prior to hospital discharge (or equivalent for other healthcare settings) wherever there is a need for ongoing maintenance support.
- Prosthetics, orthoses and specialist hearing and vision supports (excluding surgical services) where these supports directly relate to a person's permanent impairment.
- Allied health and other therapy directly related to maintaining or managing a person's functional capacity including occupational therapy, speech pathology, physiotherapy, podiatry, and specialist behaviour interventions. This includes long term therapy/support directly related to the impact of a person's impairment/s on their functional capacity required to achieve incremental gains or to prevent functional decline. Also includes allied health therapies through early intervention for children aimed at enhancing functioning.
- The delivery of nursing or delegated care by clinically trained staff (directly or through supervision) where the care is required due to the impact of a person's impairment/s on their functional capacity and integral to a person's ongoing care and support to live in the community and participate in education and employment (including, but not limited to, PEG feeding, catheter care, skin integrity checks or tracheostomy care (including suctioning)).
- The delivery of routine personal care required due to the impact of a person's impairment/s on their functional capacity to enable activities of daily living (for example routine bowel care and oral suctioning) including development of skills to support self-care, where possible.

Other parties

- [Jointly with NDIS] Provision of specialist allied health, rehabilitation and other therapy, to facilitate enhanced functioning and community re-integration of people with recently acquired severe conditions such as newly acquired spinal cord and severe acquired brain injury.
- Acute and emergency services delivered through Local Hospital Networks including, but not limited to, medical and pharmaceutical products (available through PBS), medical transport, allied health and nursing services (where related to treatment of a health event), dental services and medical services covered under the Medicare Benefits Schedule, or otherwise government funded (including surgical procedures related to aids and equipment).
- Sub-acute services (palliative care, geriatric evaluation and management and psychogeriatric care) including in-patient and out-patient services delivered in the person's home or clinical settings.
- Rehabilitative health services where the purpose is to restore or increase functioning through time limited, recovery-oriented episodes of care, evidence-based supports and interim prosthetics, following either medical treatment or the acquisition of a disability (excluding early interventions). When a participant is receiving time limited rehabilitation services through the health system, the NDIS will continue to fund any ongoing 'maintenance' allied health or other therapies the person requires and that are unrelated to the health system's program of rehabilitation.
- Preliminary assessment and disability diagnosis as required for the determination of an individual's eligibility for the NDIS (for example developmental delay).
- General hearing and vision services unrelated to the impact of a person's impairment on their functional capacity as determined in the NDIS eligibility criteria (for example prescription glasses).



Indicative role of the NDIS and other parties—Health

- Any funding in a person's package would continue for supports for people with complex communication needs or challenging behaviours while accessing health services, including hospitals and in-patient facilities.
- Training of NDIS funded workers by nurses, allied health or other relevant health professionals to address the impact of a person's impairment/s on their functional capacity and retraining as the participant's needs change.
- Aids and equipment to enhance increased or independent functioning in the home and community.
- In relation to palliative care, functional supports as part of an NDIS participant's plan may continue to be provided at the same time as palliative care services, recognising that supports may need to be adjusted in scope or frequency as a result of the need to align with the core palliative care being delivered through sub-acute health services.
- Funding further assessment by health professionals for support planning and review as required.
- The coordination of NDIS supports with supports offered by the health system and other relevant service systems.
- Inclusion of people with disability in preventative health and primary health care delivered through General Practice and community health services, including dental and medical services covered under the Medicare Benefits Schedule.
- Intensive case coordination operated by the health system where a significant component of case coordination is related to the health support.



Justice

Applied principles—Justice

1. The criminal justice system (and relevant elements of the civil justice system) will continue to be responsible for meeting the needs of people with disability in line with the National Disability Strategy and existing legal obligations, including making reasonable adjustments in accordance with the *Disability Discrimination Act 1992* (CTH), through:
 - a) ensuring its systems, supports and buildings are accessible for people with disability including appropriate communication and engagement mechanisms, adjustments to the physical environment, accessible legal assistance services and appropriate fee waivers;
 - b) general programs for the wider population, including programs to prevent offending and minimise risks of offending and reoffending and the diversion of young people and adults from the criminal justice system; and
 - c) the management of community corrections, including corrections-related supervision for offenders on community-based orders.

2. Other parties and systems will be responsible for supports for people subject to a custodial sentence or other custodial order imposed by a court or remanded in custody. This includes where a court has ordered a person reside in a prison, or other facility accommodating people on custodial orders such as youth detention and training facilities, secure mental health facilities or secure facilities for people with disability. These parties are responsible for meeting the day-to-day care and support needs of people with disability in these custodial settings, including supervision, personal care and general supports which are also required by the general custodial population, and also general supports to enable skill development and living skills and promote the effective transition of people with disability out of custodial settings, in line with supports offered to other people in custodial settings.

3. The health system, mental health system and other parties will be responsible for operating secure mental health facilities which are primarily treatment focused.

4. The NDIS will continue to fund reasonable and necessary supports required due to the impact of the person's impairment/s on their functional capacity in a person's support package where the person is not serving a custodial sentence or other custodial order imposed by a court or remanded in custody. As such the NDIS would fund supports where the person is on bail or a community-based order which places controls on the person to manage risks to the individual or the community (except in the case of secure mental health facilities).

5. The NDIS will fund specialised supports to assist people with disability to live independently in the community, including supports delivered in custodial settings (including remand) aimed at improving transitions from custodial settings to the community, where these supports are required due to the impact of the person's impairment/s on their functional capacity and are additional to reasonable adjustment.

6. Where a person is remanded in custody NDIS funding for reasonable and necessary supports in the participant's plan will continue to be available to the person when they are released.

7. The NDIS and the justice system will work closely together at the local level to plan and coordinate streamlined services for individuals requiring both justice and disability services recognising that both inputs may be required at the same time or through a smooth transition from one to the other.

Note: Governments acknowledge that the NDIS interface with justice is complex. Consistent with the approach to all interface areas, the lessons learned from NDIS trial will assist governments in refining the supports most appropriately provided by the NDIS and those most appropriately provided by other service systems.



Role of the NDIS and other parties—Justice

NDIS reasonable and necessary supports for eligible people

Other parties

Supports for people in contact with the criminal justice system currently living in the community (including people on bail, parole and non-custodial orders)

- | | |
|--|---|
| <ul style="list-style-type: none"> ▪ Coordination of NDIS supports in collaboration with the supports offered by the justice system, including for victims, witnesses and alleged offenders with disability. ▪ Supports to address behaviours of concern (offence related causes) and reduce the risk of offending and reoffending such as social, communication and self-regulation skills, where these are additional to the needs of the general population and are required due to the impact of the person's impairment/s on their functional capacity and are additional to reasonable adjustment. ▪ The NDIS will continue to fund the reasonable and necessary supports including the funded supports outlined in the participant's plan, including assistance with planning, decision making, scheduling, communication, self-regulation and community living. | <ul style="list-style-type: none"> ▪ Pre-sentence psychological and psychiatric reports regarding cognitive ability, psychiatric conditions or other matters required to assess a person's ability to plead in court or considerations prior to sentencing or diversion. ▪ Support for people with disability including victims and witnesses of crime to access and navigate the justice system including guardianship, advocacy, community visitors and legal support. ▪ Reasonable adjustment to mainstream services provided to individuals, organisations and systems that have contact with the justice system that provide services to people with disabilities. ▪ Court-based support programs and specialist lists, including bail support. ▪ Management of offenders to ensure compliance with supervised orders or conditions. ▪ Early identification and intervention programs and post-custody services to prevent (re)offending, including in accessible formats for people with disability. ▪ Offence specific interventions which aim to reduce specific criminal behaviours, reasonably adjusted to the needs of people with a disability and which are not clearly a direct consequence of the person's disability. ▪ Intensive case coordination operated by the justice or other service systems where a significant component of the case coordination is related to the justice system. |
|--|---|



Role of the NDIS and other parties—Justice

Supports for people subject to custodial sentences or other custodial orders (including people on remand)

- Coordination of NDIS supports with the supports offered by the justice and other service systems.
- For people in a custodial setting (including remand) the only supports funded by the NDIS are those required due to the impact of the person's impairment/s on their functional capacity and additional to reasonable adjustment, and are limited to:
 - aids and equipment;
 - allied health and other therapy directly related to a person's disability, including for people with disability who have complex challenging behaviours;
 - disability specific capacity and skills building supports which relate to a person's ability to live in the community post release;
 - supports to enable people to successfully re-enter the community; and
 - training for staff in custodial settings where this relates to an individual participant's needs.
- Where a person is remanded in custody, NDIS funding for reasonable and necessary supports in the participant's plan will continue to be available to the person when they are released.
- Pre-sentence psychological and psychiatric reports regarding cognitive ability, psychiatric conditions or other matters required to assess a person's ability to plead in court or considerations prior to sentencing or diversion.
- Offence specific interventions which aim to reduce specific criminal behaviours, reasonably adjusted to the needs of people with a disability and which are not clearly a direct consequence of the person's disability.
- Early identification and primary intervention programs, post-custody services to prevent (re)offending, including in accessible formats for people with disability.
- Meeting the day-to-day support needs of people while in custodial settings (as well as forensic services in custodial settings) including personal care, fixed aids and equipment (for example, hoists and specialised beds) and supports required by reasonable adjustment.
- Secure accommodation facilities (including the accommodation, general operations and supports available to all people in the facility) where a person is residing in this facility due to a custodial order, including supervision, personal care and fixed aids and equipment.
- Support for people to access and navigate the justice system including guardianship, advocacy, community visitors and legal support.
- Intensive case coordination operated by the justice or community services systems where a significant component of case coordination is with justice or enforcement agencies.
- Advising, consulting and assisting prison systems to improve supports for eligible prisoners including the development and implementation of behaviour management, risk and case management plans.



Role of the NDIS and other parties—Justice

- Implementing practical disability training available to Corrections Officers and other criminal justice staff and additional specific disability training to staff having high contact with people with disability within the prison.
 - Assisting prison staff to understand individual client's needs and human rights, especially in relation to triggers for challenging behaviours, de-escalation strategies, issues associated with vulnerability and interaction with other prisoners, as specified in any behavioural plan the person may have.
 - Cultural, linguistic and religious support for people in custody (including Aboriginal Liaison Officers, Cultural Liaison Officers, Chaplaincy).
 - Training and skills to increase people's capacity to live in the community post-release, in line with the supports offered by these systems to other people in custodial settings, as part of the reintegration process and to reduce recidivism, including general education services and self-regulation.
-



Role of the NDIS and other parties—Justice

Supports for people subject to custodial sentences or other custodial orders (including people on remand)

- Coordination of NDIS supports with the supports offered by the justice, disability, education, health, and community services and other systems.
- For young people in youth training centres (or youth justice centres) the only supports funded by the NDIS are those which are required due to the impact of the person's impairment/s on their functional capacity and additional to reasonable adjustment, and are limited to:
 - aids and equipment;
 - allied health and other therapy directly related to a child or young person's disability, including for children and young people with disability who have complex challenging behaviours;
 - disability specific capacity and skills building supports which relate to a person's ability to live in the community post-release;
 - supports to enable people to successfully re-enter the community; and
 - training for staff in custodial settings where this relates to an individual participant's needs.
- Intensive case coordination operated by the justice or community services systems where a significant component of case coordination is with justice or enforcement agencies.
- Support for people to access and navigate the justice system including guardianship, advocacy, community visitors and legal support.
- Meeting the day-to-day support needs of young people while in residential centres including supervision, personal care, fixed aids and equipment (for example, hoists and specialised beds) and supports required by reasonable adjustment.
- Implementing practical disability training available to Corrections Officers and other criminal justice staff and additional specific disability training to staff having high contact with people with disability within the prison.
- Offence specific interventions which aim to reduce specific criminal behaviours, reasonably adjusted to the needs of young people with a disability (for example, therapeutic services to address problematic sexual or violent behaviour or difficulties with self-regulation).
- Early identification and intervention programs and post-custody services to prevent (re)offending, including in accessible formats for young people with disability.
- Secure accommodation facilities (including the accommodation, general operations and supports available to all young people in the facility) where the purpose of this accommodation is to safeguard the community or prevent (re)offending.
- Mental health services (as described in the Mental Health interface).
- Drug and alcohol services (as described in the Health interface).
- Education services (as described in the Education interface).

Source: *Bilateral Agreement between the Commonwealth and Queensland.*



G. Summary of recent independent reviews of disability services

National Disability Insurance Scheme—Management of the Transition of the Disability Services Market, Australian National Audit Office

On 9 November 2016, the Commonwealth Auditor-General tabled a report titled *National Disability Insurance Scheme—Management of the Transition of the Disability Services Market*. The report focused on the management of the transition of the disability services market by the Commonwealth Department of Social Services (DSS) and the National Disability Insurance Agency (NDIA).

The auditor-general reported on issues such as how DSS and NDIA were planning and implementing the transition and meeting future market challenges. He found that, although DSS and the NDIA had established, or had taken steps to establish, the key building blocks for a successful transition of the disability services market to the new National Disability Insurance Scheme (NDIS) arrangements, many risks and some gaps remained.

The report acknowledged that both DSS and the NDIA had recently changed their organisational arrangements to improve their ability to fulfil their respective market oversight roles, providing for continued and improved data collection and analysis practices.

Building the readiness of the non-government sector for the NDIS, New South Wales Audit Office

On 23 February 2017, the Auditor-General of New South Wales (NSW) tabled a report titled *Building the readiness of the non-government sector for the NDIS: Department of Family and Community Services* (the NSW equivalent of Queensland's Department of Communities, Disability Services and Seniors). The audit assessed the effectiveness of the Department of Family and Community Services' management of the risks of the NDIS transition, focusing on the department's work to build readiness of the non-government sector.

The audit found that the department has managed the risks of the transition to the NDIS effectively by increasing the overall capacity of the sector and investing in provider capability building initiatives. But it also found that more work is needed to build the sector's capacity to provide services to people with more complex support needs and to help existing providers complete the transition to the NDIS successfully.



General issues around the implementation and performance of the NDIS, joint standing committee of the federal parliament on the NDIS (*in progress*)

The joint standing committee (the committee) released its progress report on 7 September 2017 on its inquiry into the process that people with disability go through to become NDIS participants, and how they have received and used their package of supports. The committee is also examining service providers' experience in transitioning to the scheme. It is due to report its findings in 2018.

The scope of the inquiry includes examining:

- Australian National Audit Office performance audit reports and future potential audits
- the Productivity Commission's interim report on NDIS costs
- policy and legislation development
- disability sector reform
- measures announced by the Commonwealth Government in its 2017–18 Budget.

National Disability Insurance Scheme (NDIS) Costs—Productivity Commission

In October 2017, the Productivity Commission (the commission) conducted a review of NDIS costs in its report titled *National Disability Insurance Scheme (NDIS) Costs*. The commission looked at the sustainability of the scheme costs, cost pressures, whether efficiencies have been achieved within the scheme, and the impact on mainstream services.

Using data from national trial and transition sites, the commission found that:

- NDIS costs are broadly on track with the NDIA's long-term modelling, but this is in large part because participants have not used all committed supports
- while some cost pressures are emerging (such as higher numbers of children entering the scheme), the NDIA has put in place initiatives to address them
- the benefits of the NDIS are also becoming apparent
- in the transition phase, the NDIA has focused too much on quantity (meeting participant intake estimates) and not enough on quality (planning processes) in supporting infrastructure and market development
- for the scheme to achieve its objectives, the NDIA must find a better balance between participant intake, the quality of plans, participant outcomes, and financial sustainability
- NDIS funding arrangements should better reflect the insurance principles of the scheme. Governments need to allow flexibility around the NDIA's operational budget and commit to establishing a pool of reserves.



H. Audit objectives and methods

The objective of the audit was to assess how effectively the Queensland Government is managing the transition to the National Disability Insurance Scheme (NDIS) and how well prepared it is to oversee services post transition to NDIS. We addressed the objective through the following lines of inquiry.

**Figure H1
Audit scope**

Lines of Inquiry		Criteria	
1	Queensland inter-governmental governance arrangements for the NDIS ensure accountability and achieve value for money.	1.1	Do the Queensland inter-governmental governance arrangements for the NDIS provide an adequate control framework to address Queensland's key risks?
		1.2	Do the payments made under the bilateral agreement comply with the <i>Financial Accountability Act 2009</i> and regulations?
		1.3	Is Queensland appropriately monitoring and managing funding issues during transition to ensure value for money at full scheme?
2	State funded services effectively integrate with the new NDIS operating model to provide continuity of care for people with disability.	2.1	Has the Queensland Government identified and integrated its mainstream services that: <ul style="list-style-type: none"> • need to be redesigned to interface with the NDIS? • support 'hard-to-reach' participants in transitioning to NDIS? • support transition from state-funded services (for example, hospitals and correctional centres) to NDIS funded packages?
		2.2	Do governance structures provide sufficient oversight to effectively coordinate mainstream services and decommission in-scope state funded disability services during transition to full scheme?

Source: Queensland Audit Office.

We do not have the mandate to audit the quality of services delivered by non-government service providers under the NDIS as it is a national scheme.



Entities subject to this audit

- Darling Downs Hospital and Health Service
- Department of Communities, Disability Services and Seniors
- Department of Health
- Department of Justice and Attorney-General
- Department of the Premier and Cabinet
- Metro South Hospital and Health Service
- Office of the Public Guardian
- Public Trustee of Queensland
- Queensland Treasury
- The Public Service Commission.

Audit approach

The audit was conducted between May 2017 and May 2018. The audit included:

- interviews with state government agencies (including regional offices), including consultation with relevant stakeholders such as statutory entities (for example, Office of the Public Guardian, Public Trustee), peak or representative bodies (for example, National Disability Services), and the Queensland Civil and Administrative Tribunal
- consultation with recipients of services under NDIS
- analysis of national and state demographic data including the Australian Bureau of Statistics (ABS)
- documentation review, including of departmental briefings and agenda papers from state and national governance/oversight frameworks.

Townsville, Mackay, and Toowoomba were the first three regions in Queensland to transition to the NDIS. As Townsville was the first region to transition, we visited in September 2017, interviewing participants and their carers, non-government organisations, and mainstream agencies. We also visited Toowoomba as it was the most recently completed region to transition.

How mainstream services interface with the NDIS

We chose to examine how two different mainstream agencies are:

- identifying potentially eligible NDIS participants
- redesigning their processes to interface with the NDIS.

We selected the discharge process for spinal or brain injury patients and prisoners to understand how people transition from state-funded institutions (hospitals and prisons) to a nationally-funded community service under the NDIS.



Hospital discharge (Queensland Health)

The Princess Alexandra Hospital within the Metro South Hospital and Health Service in Brisbane manages the Spinal Unit and Acquired Brain Injury Unit. These units are a statewide service and treat patients with serious spinal and/or brain injuries transferred from other Queensland hospitals. The nature of injuries for people in these units are often serious and lifelong, so most patients under the age of 65 are expected to transition to the NDIS. Even though the Brisbane region has not yet transitioned to the NDIS, spinal and brain injury patients are being transferred back to their homes in regions that have completed NDIS transition.

The Toowoomba region began transition to the NDIS in January 2017. We included Darling Downs Hospital and Health Service within scope to gain a broader understanding of the level of preparation for a hospital and health service that has already transitioned all divisions/services.

Prison discharge—Department of Justice and Attorney-General (Queensland Corrective Services)

Correctional centres (prisons) are located across the state. We visited three prisons. One was in a region that had transitioned to the NDIS. The other two prisons were not in regions that have transitioned to the NDIS, but prisoners were being discharged into regions that had transitioned.

People with impaired decision-making

The audit scope includes a separate line of inquiry examining the Queensland guardianship and administration system to reflect the specific needs and protections for NDIS-eligible people with impaired decision-making. This group is one of the most vulnerable of all NDIS client groups. Their human rights and ability to exercise choice and control are, by legal necessity, restricted.

Despite representing a sub-set of NDIS-eligible people, the implications for these clients have far-reaching and serious consequences when compared to other people with disability who will continue to interact with, and access, mainstream services independently post-transition. We will be reporting on this line of inquiry separately and it will form the basis of a subsequent report to parliament.



I. Queensland participant satisfaction with the planning process

At the end of the planning process, the National Disability Insurance Agency (NDIA) surveys a sample of participants about their satisfaction with the planning process. The survey is focused on the planning experience and does not cover all aspects of the NDIS.

Figure IA is an extract from the December 2017 Disability Reform Council Quarterly Report.

Figure IA
NDIS satisfaction reporting

Table E.27 Proportion of Participants rating their level of agreement as strongly agree, agree, neutral, disagree or strongly disagree in response to statements about the planning process – QLD

QLD	Very good	Good	Neutral	Poor	Very Poor
Overall, how would you rate your experience with the planning process today?	65%	27%	5%	3%	1%
1. The planner listened to me	73%	24%	2%	0%	1%
2. I had enough time to tell my story and say what support I need	74%	22%	3%	0%	1%
3. The planner knows what I can do well	56%	31%	10%	2%	1%
4. The planner had some good ideas for my plan	59%	29%	10%	1%	1%
5. I know what is in my plan	48%	33%	12%	4%	3%
6. The planner helped me think about my future	56%	29%	11%	3%	0%
7. I think my plan will make my life better	56%	24%	16%	2%	2%
8. The planning meeting went well	68%	25%	5%	1%	1%

Source: December 2017 Disability Reform Council Quarterly Report.



Auditor-General reports to parliament

Reports tabled in 2017–18

1.	Follow-up of Report 15: 2013–14 Environmental regulation of the resources and waste industries	September 2017
2.	Managing the mental health of Queensland Police employees	October 2017
3.	Rail and ports: 2016–17 results of financial audits	December 2017
4.	Integrated transport planning	December 2017
5.	Water: 2016–17 results of financial audits	December 2017
6.	Fraud risk management	February 2018
7.	Health: 2016–17 results of financial audits	February 2018
8.	Confidentiality and disclosure of government contracts	February 2018
9.	Energy: 2016–17 results of financial audits	February 2018
10.	Finalising unpaid fines	February 2018
11.	Queensland state government: 2016–17 results of financial audits	February 2018
12.	Investing for Success	March 2018
13.	Local government entities: 2016–17 results of financial audits	March 2018
14.	The National Disability Insurance Scheme	May 2018



Audit and report cost

This is the first of two reports on the National Disability Insurance Scheme. The audit and report to date cost \$595 000. The audit included five individual reports to the in-scope entities.

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Performance engagement

This audit has been performed in accordance with ASAE 3500 *Performance Engagements*.

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