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# 19 Implementation

## 19.1 Implementation in outline

In this report, the Commission has laid out a blueprint for a coherent response to the significant problems that bedevil the provision of disability support services. But while many people need help urgently, implementation cannot occur overnight. The Commission's proposals concern arrangements for the long run:

- They involve two major new national programs on a scale much larger than the sum of all the current state-based disability and accident arrangements, so careful and detailed preparatory work will be needed.
- Different pathways and contingencies are possible and need to be planned for.
- No matter how careful the planning, the introduction of the NDIS, a wholly new and very complex scheme, will inevitably encounter some early difficulties. These would be more manageable and less likely to be serious if the scheme started on a relatively small scale.

Moreover, implementation will confront the difficulties of a major reform being undertaken within a system that has multiple jurisdictions with established systems, overlapping responsibilities and a long-standing shortfall in funding. For such reasons, existing state and territory disability services will have to remain as they are for a while and, even after the introduction of the new arrangements, coexist for some time. During this period, the Australian Government should supplement funding under the National Disability Agreement to reduce some of the worst rationing of support services. This would also help to alleviate pressures on the state schemes during the transition to the NIIS and the NDIS.

This chapter is about the various phases in the implementation of the NIIS and NDIS. The proposed timetable is discussed below and summarised in tables 19.1 and 19.2.

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## 19.2 Implementation of the NIIS

Chapter 18 has laid out a detailed implementation plan for the NIIS, noting several reasons why its overall implementation could be rapid. This would be helped by the strong knowledge base that already exists. Some jurisdictions have already made a successful transition from fault-based to no-fault motor vehicle accident schemes (the Lifetime Care and Support scheme in New South Wales, for example), and a number of others have undertaken detailed work on the possible implementation of a no-fault system. The Heads of Treasuries Insurance Issues Working Group had earlier looked at possible national arrangements for the sharing of information through a central database, benchmarking, and consistent actuarial valuations. Senior state insurance executives meet regularly, and working groups such as the Heads of Compulsory Third Party Authorities and Heads of Workers' Compensation Authorities are well versed in many of the issues.

To facilitate implementation, the Commission proposes that a full-time high level taskforce comprising representatives from all jurisdictions should be established. The initial priority should be the creation of a no-fault motor vehicle accident insurance scheme in all jurisdictions by the end of 2013 (table 19.1). Other forms of catastrophic injury (as specified in chapter 18) should be covered by 2015. To facilitate this, the Commission has recommended that funding begin in 2014, to establish a funding pool prior to the processing of any claims.

**Table 19.1 Implementation of the NIIS**

<i>Date</i>	<i>Milestone</i>
Second half of 2011, or early 2012	COAG would: <ul style="list-style-type: none"><li>• agree to the establishment of the NIIS, whereby states would implement no-fault accident insurance schemes for long-term care of new cases of catastrophic injury</li><li>• agree to have these arrangements in place in all jurisdictions for motor vehicle accidents by the end of 2013</li><li>• establish a full-time high level taskforce to help implement this</li></ul> The taskforce would report back regularly to Heads of Treasuries meetings and COAG on milestones reached
end 2013	NIIS to cover catastrophic injuries from motor vehicle accidents in all jurisdictions on a no-fault basis
2015	People suffering catastrophic injuries from other causes should be covered by at least 2015
2020	Independent review of the NIIS

This would require a memorandum of understanding between jurisdictions, or other provisions that provide a framework for cooperation and joint activities. (Some

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existing cooperative agreements between the states in relation to disability services are noted in box 19.1.)

### **Box 19.1 Existing cooperative agreements between the states**

#### *Memorandum of Understanding (MOU) between Victoria and NSW*

The aim of the MOU is to assist ADHC and the Victorian Department of Human Services to engage in a collaborative approach to the delivery of specialist disability services in cross-border regions of NSW and Victoria:

- To establish arrangements for the better coordination of service delivery of cross-border specialist disability services
- To enable eligible individuals living in a cross-border community to access specialist disability services funded by the State other than their State of residence, where it is considered appropriate to do so
- To establish an ongoing forum in which cross-border issues can be discussed and resolved
- To facilitate a better understanding of each department's policies and services as it affects day to day regional business.

#### *The Tri-State Agreement*

The Western Australia, South Australia and the Northern Territory Governments in 2004 formed the Tri-State Disability Services Group to develop a framework agreement to ensure a coordinated approach to providing disability services to the Ngaanyatjarra, Pitjantjatjara and Yankunytjatjara lands covering 350 000km<sup>2</sup> across the three jurisdictions.

The framework agreement has guided the operations of the three jurisdictions in delivering services to the people of the region over the past five years.

#### *The Interstate Portability Protocol*

In 2000, the Disability Services Ministers endorsed a national policy framework regarding the interstate transfer of people with a disability. This framework or Protocol establishes a mechanism to assist people with a disability transferring between jurisdictions to negotiate programs and services to achieve a comparable level of support. Work is currently underway to improve the implementation of the Protocol across jurisdictions.

*Source:* NSW Government (sub. 536, pp. 49–50).

The key stakeholders in the NIIS will be the state and territory governments. But the Australian Government would play a facilitation role, and perhaps contribute to the premium pool in those jurisdictions where the injury risks are higher (chapter 18). More broadly, it could encourage the states and territories to establish an NIIS as a

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quid pro quo of the very large additional revenue contributions it would make to the NDIS.

When established, the NDIA (itself a federated institution) would act as a facilitator, to ensure clear linkages between the various state and territory government schemes. It would:

- host regular meetings of the CEOs of the accident scheme agencies
- act as a forum to address issues such as greater consistency in eligibility, definitions and assessment; the appropriate benchmark standard of care; reporting standards; and benchmarking of performance
- be the central repository for data and its analysis
- assist in undertaking cooperative trials across jurisdictions, combined research studies, and diffusion of any lessons from innovations undertaken by a given jurisdiction.

### **19.3 Implementation of the NDIS**

#### **Early negotiation between all governments**

The Australian Government and the state and territory governments should negotiate early on the NDIA and the NDIS.

The initial objective should be to get agreement to allow detailed work to begin immediately on creation of the NDIS and the NDIA, irrespective of how the pathway to a new system unfolds. Examples of such detailed work are given below.

For other matters, such as the structural aspects of the NDIA and the NDIS, early work may need to wait until sufficient jurisdictions have given in-principle support and the broad shape of the scheme has been settled. The Australian Government should be responsible for drafting legislation to establish and underpin the NDIS, but in consultation with state and territory governments.

#### **A taskforce should oversee preparatory work**

To oversee an early start on essential preparations, all governments, through the Council of Australian Governments (COAG), should establish a high level taskforce comprising senior officials from all jurisdictions and appropriate individuals with experience in liability and insurance. In view of the commercial, corporate model of

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governance proposed for the scheme (chapter 9), the taskforce should be headed by a person with insurance or disability experience who has driven change successfully in a large organisation, appointed with the agreement of all jurisdictions. The taskforce should operate on a full-time basis, and report back regularly to Heads of Treasuries meetings and to COAG on agreed milestones in the planning for the commencement of the NDIS.

A key task will be to develop the details and drafts of the proposed intergovernmental agreements and the associated revenue arrangements, including setting out the financing obligations of the Australian Government and the reciprocal introduction of tax reform by state and territory governments. This will involve close liaison between Heads of Treasuries and the taskforce.

Governments should seek to achieve in-principle agreement on these matters at an early meeting of COAG in 2012, and final agreement in early 2013. This should allow the scheme to commence at the beginning of 2014-15.

While the main task of the implementation taskforce will be to obtain intergovernmental agreement and cooperation, there are also many ‘nuts and bolts’ issues that will need to be resolved early in order to successfully implement the NDIS. This separate stream should be the responsibility of a expert project management team. While this team would initially be under the control of the implementation taskforce, over time that responsibility would shift to the board of the NDIA.

There are many practical issues that the project management team would need to address:

- *Data and the systems that underpin it* will be critical. These will act like navigation systems, providing continual feedback and informing small ongoing adjustments that will help keep the NDIS on track. Without this feature, the scheme would not be able to effectively monitor outcomes or keep costs under control. For example, under a constrained budget it would mean the re-emergence of rationing and under a flexible budget it would risk the financial sustainability of the scheme. In either case, it would imply less than ideal outcomes for people with a disability and their families. To avoid this, there is a need for high quality, real-time data to be produced and incorporated into day-to-day decision-making. Work should begin on:
  - developing processes for achieving agreement on data standards and content, assessment standards and protocols and standards for services, electronic patient records and so on

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- devising the administrative and IT arrangements to allow communication and reporting between the NDIA and the many assessors, suppliers, and others that will have a role to play (and for whom regular communication and reporting will be important for the smooth running of the NDIS). One possibility would be to start with fairly standard and relatively flexible commercial software packages that are already used in some jurisdictions, but simpler approaches may also work just as well for some parties providing services in the NDIS, as effective communication need not require common or highly sophisticated IT systems. (These matters are discussed in chapter 12.)
  - further developing of *the costing and governance model*, including the planning of monitoring and reporting requirements
  - developing *the invoicing and payment systems* for both service providers and people receiving self-directed funding or vouchers
  - Development would start on *the assessment toolbox* so that a reasonable measure would be available at the commencement of the scheme. The Australian Government would fund its development and it would be tested in pilot form in some states for selected groups of existing clients.
  - The detailed elements of how *self-directed funding* would work and what rules should apply would need to be agreed to.
  - The fine details on the role of *non-government intermediaries (DSOs)* would need to be determined, arrangements put in place to encourage their formation, and people with disabilities would need to be made aware of their potential role in the new scheme.
  - Work would be needed with interested support and advocacy groups to plan how to build confidence so that people with disabilities will exercise choice in the new arrangements. People with disabilities and their carers will be looking for information and guidance about the assessment procedures, case management, self-directed funding and complaints mechanisms. Existing disability organisations and advocacy groups should play a key role in disseminating this information.
  - Arrangements would also be set in train to encourage capacity building for service providers, who would face a considerably altered client base and client expectations and would require encouragement and guidance to develop appropriate skills and to support their workforce (including training for staff in new service offerings and in dealing with consumers with much greater autonomy to make their own decisions).

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- Quality monitoring of *service providers* would be required to protect the interests of clients. The taskforce would oversee the development of the precise procedures and arrangements for implementing the arrangements spelt out in chapter 10, including standards, reporting requirements and other quality controls.
  - Consideration would need to be given to expanded and more appropriate *accommodation options*, by engaging with private developers.
  - Planning should also commence:
    - for a *regional presence* for the scheme. NDIA staff would be regionally-based, with regional managers (decision-makers) and local area coordinators. People would be able to make enquiries to their local area coordinator, their regional office or through the call centres. The Commission envisages that the NDIA would operate out of, say, 180 sites around Australia (drawing on existing office space where possible). Usually, assessment would be undertaken in a person's home (this will typically be more convenient and allows for easy discussion about home modifications, local supports, transport options etc). Medicare or Centrelink offices would be appropriate in remote areas such as Weipa or the Tiwi Islands.
    - on *workforce development*, in view of the expected large increase in demand
    - to build an evidence base for possible *early intervention* programs
    - to develop a strategy to ensure the appropriate *inclusion of Indigenous people* in the NDIS
    - to develop *information dissemination* strategies (for example, web design) and to prepare for a future *research* role.

The costs of setting up the NDIS, while significant, would be reduced by using the NSW LTCS scheme, TAC, ACC or MAIB schemes as sources for well-tested procedures, guidelines and operating systems.

The taskforce should also start work on the structural elements of the NDIS, once its agreed form is clear. As noted in chapter 9, Commonwealth legislation would be needed to establish the NDIS and the NDIA, and to set in train processes for the creation of the appointment panel for the board, appointment of the board, appointment of the advisory council, the appropriation of funds (and the formula relating to these) and funds management. Such legislation can be sequenced as needed, starting with an early establishment Act, which can be followed later by a financing Act, and the main Act for the scheme.

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In the event that not all jurisdictions agree by February 2013 to the establishment of the NDIA, the Australian Government should proceed with those jurisdictions that do. It is important that reforms not be delayed unnecessarily.

*Targeted consultation will be needed*

This preparatory work would draw on the skills and knowledge of practitioners in the field, and would seek to build upon the best features of the current state schemes. The taskforce would need to consult with key groups to reach a position on many of the matters listed above. For example, discussions would need to be held with:

- disability professionals and insurance experts, about terminology, data definitions, assessment standards and protocols
- people with disabilities, about how the proposed scheme should work and how it would interact with them
- service providers, about administrative procedures, the proposed arrangements for self-directed funding and quality control measures.

However, these consultations should be about implementation, and it is important that they be well targeted and not prolonged. Their primary purpose would be to obtain particular information and to test the practicality and appropriateness of the proposed building blocks of the scheme.

The important thing is to start early on areas where progress would lead to more effective building blocks for better future provision of disability support services, almost irrespective of the final shape of the scheme, and not wait for the structural and legal aspects of the scheme to be agreed upon. The latter approach would lead to completely unnecessary delays in implementing better support programs for people with disabilities.

The Commission sees its proposed timetable (table 19.2) as realistic and achievable. Other large public policy changes have also been introduced to tight timeframes in the past. The Job Network — a sweeping change in employment services across Australia — took two years to implement. The Higher Education Contribution Scheme was also introduced over a very short period, as was Medibank (box 19.2).

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### **Box 19.2 Implementing Medibank**

Medibank started on schedule, on 1 July 1975. In nine months, the Health Insurance Commission had increased its staff from 22 to 3500, opened 81 offices, installed 31 minicomputers, 633 terminals and 10 medium-sized computers linked by land-lines to the central computer, and registered and issued health insurance cards to 90% of the Australian population. Its information technology was, for its day, state of the art, but the enormous burden of processing around 150 000 claims a day caused severe problems for some months. It was December before the processing delays had been overcome ...

*Source:* Scotton (2000, pp. 9–11).

### **Implement the NDIS slowly and build it up over time**

Even with successful completion of the preparatory work discussed above, the proposed NDIS would be too large and complex to implement fully at a single start date. It would need to be rolled out in a carefully staged way. Consequently, many people who would be entitled to support services under the guiding legislation would not be able to receive them until the scheme was fully operational, which will take several years (five years, in the Commission's view). The drafting of the legislation should include a timetable for the transition to a full scheme. But once fully operational, the scheme would provide support services to all who are entitled, as specified in the legislation.

As noted in chapter 3, the Commission is recommending that the NDIS provide three tiers of support (and therefore, three somewhat different populations of customers):

- tier 1: promoting opportunities for people with disabilities, and creating community awareness of the issues that affect people with disabilities; and minimising the impact of disability
- tier 2: information, referral and web-based services
- tier 3: the provision of funded individualised supports.

When the NDIA first begins operation, it would need to be able to begin delivering tier 1 and tier 2 services, at least initially at a basic level. Delivery of these services should improve quickly, as the NDIA refines its processes and learns more.

For the all-important tier 3 services, the Commission proposes that the scheme would begin with a group of clients that is sufficiently large, but not unmanageably so. While all people with disabilities entitled to support from the NDIS have high

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needs, there are too many for the scheme to incorporate all of them at the proposed starting date for the scheme (July 2014). The scheme needs to begin slowly to allow the NDIA to test its procedures, learn about what elements of the scheme work best and determine what adjustments need to be made. The administrative arrangements will need to be bedded down, links with external assessors and support providers made functional, regional offices opened and staffed, and so on. The capacity of the available workforce of experienced assessors and case managers to handle a sizeable intake load, and the effectiveness of internal processes to equilibrate their decisions, would also be an important constraint.

Gradual implementation would allow the NDIA to refine the scheme's processes with a client base that is not overwhelming; build robust and well-functioning assessment, funding and case management processes; fine tune administrative arrangements; and allow for a measured recruitment process that would encourage good staffing selection (rather than a rush to select a large number of people in a short time period).

Moreover, given the inevitable uncertainties about the exact costing of the scheme before its commencement (chapter 16), the early phase would be used to provide a much more precise estimate of the longer-run size of the Australian Government's premium contributions to the NDIS premium fund. It is difficult to predict such matters as how many people with disabilities will apply to the NDIA for services and support, what their assessments will reveal in the way of reasonable and necessary support, what mix of needs they will have, how much informal care they can reasonably be expected to rely upon themselves, and so on.

The phased introduction of the scheme would reduce the risks of costly, abrupt changes to the services market, as funding shifts from block to individualised funding.

It would give service providers time to adapt their administrative systems, and to train and recruit new staff.

### *NDIA staffing*

Some participants have queried how the establishment of NDIA could be achieved quickly, given the need for large numbers of qualified staff. In this regard it is important to note that the NDIA would be an assessment and funding agency operating to strong insurance principles. It would provide individualised assessment and funding but would not itself deliver support services and would not replace any specialist disability service.

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The Commission's consultations suggest that recruitment of allied health professional as assessors is feasible in the timeframe outlined. Rollout would be strictly staged.

The NDIA will require a small nucleus of senior management and administrative staff, and a regional network of local area coordinators, regional managers and administrative staff. In large part these are likely to be selectively recruited from large and small insurance organisations, disability service agencies, NGOs, local government and state and territory disability departments/commissions. Importantly, as the NDIA is about implementing a new approach, it would be essential that NDIA workers adhere to the key principles of the NDIA in their day-to-day operations (a people focus, choice, certainty, high quality service, and common sense in expenditure). Under the model proposed by the Commission, service providers are also likely to be seeking to recruit additional staff, and from much the same sources.

The NDIA will need to have some people with a strong understanding of the present arrangements in order to make the transition go smoothly. While these people are likely to come from a variety of sources including NGOs and support organisations, the NDIA may see merit in engaging suitable employees currently employed by state governments in local and state organisational roles. The Commission has been advised that there are legislative approaches that the NDIA could use, if it wished (and there was a need) for suitable staff to be recruited to the NDIA in a manner that would safeguard accrued entitlements.

Nevertheless, as a CAC Act body, the NDIA would not employ staff under the Public Service Act. Its recruitment process would be strictly merit-based, and would be on whatever terms and conditions the NDIA saw as necessary to attract the skills it needed.

The proposed transition period for implementing the NDIS would allow time for people employed in state and territory government disability departments to decide whether to apply for positions in the NDIA, stay in the state government services field, or choose other roles.

As the Commission is recommending a regional network with locally-based staff (including managers), a substantial geographical relocation of employees is not expected.

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### *Which people to start with?*

Our proposal would be to select a few regions that each contained a modest number of people who were likely to be eligible for the scheme (say, around 10 000 per region) and launch the scheme in those regions in July 2014. Together, they would form a ‘test bed’ where early problems could be identified and ironed out, the efficacy of the toolbox tested and refined, and more precise estimates of likely scheme costs arrived at.

Many state governments expressed a readiness to host the initial launch of the NDIS in their jurisdiction.

- The New South Wales Government nominated the Hunter region as appropriate, ‘due to its population size and mix of rural and metropolitan settings; and the existence of a current single access point for community care (sub. DR922, p. 5 and attachment A).
- The Victorian Government said it was ‘very well-placed to host the first stage of implementation of an NDIS, and is keen to do so’, referring to its 15 years’ experience in implementing a self-directed approach to disability services and its ‘excellent reputation for successfully managing lifetime care and support schemes’ through TAC and WorkSafe Victoria (sub. DR996, p. 1).
- The South Australian Government advocated its involvement in the first phase as an opportunity for early alignment of its own blueprint for disability policy reform with the NDIS agenda (sub. DR861, p. 1).
- The Queensland Government said that, in view of ‘the significant development of the Business Information System in Queensland, which collects information on the delivery of disability services [and] from disability support organisations and providers, Queensland would be well placed to be a trial jurisdiction for the development of any new, national system’ (sub. DR1031, p. 20).
- The Tasmanian Government said that Tasmania is ‘an appropriately sized and distinct region for such a roll out, and would be well positioned given the reforms undertaken to date in the specialist disability services sector’ (sub. DR1032, p. 18).

While launching the scheme in more than one region would be logistically more demanding than a single site, the willingness of many states to host the first stage of the scheme may help ameliorate such difficulties. (The Commission notes that Victoria has already established an implementation taskforce.)

In the second year (2015-16), the scheme would expand Australia-wide, and should be fully operational by 2018-19. In the intervening years, more people with

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disabilities would be brought into the scheme. Groups that might be considered for the early rollout stages might include:

- people with newly-acquired disability who would meet the criteria for support under the scheme; this would allow the NDIA to learn about helping clients from the onset of disability, allow for the optimal use of early intervention measures, and might limit the scheme's exposure to cost escalations, were these clients to be brought in at a later date
- children aged under five years who have substantial core activity limitations, as early investments have the potential to have high long-run payoffs
- select groups for whom involvement in pilot early intervention programs looks promising; this would inform future therapies and approaches to disability
- people who are now cared for by ageing carers, thus benefiting both the person with a disability and the aged carer
- people who have been inappropriately placed in nursing homes.

Many participants, in their responses to the draft report, drew attention to the extreme difficulties faced by particular groups of people with disability and argued for their early inclusion. The Commission is very sensitive to these issues, and aware of the stresses that many people are under. But it is also aware of the risks to the scheme of undue haste. In its view, the practicality of particular levels of intakes each year and the makeup of those groups should be a matter for the NDIA to manage as it sees fit. As it built up its internal capacity and refined its procedures to reflect what it had learned while supporting clients who took part in the trials, it would be well placed to decide such matters. For example, it might choose to take on much larger numbers of clients in the second and subsequent years, as its systems, procedures and workforce were more established and the NDIA had become a more experienced agency.

However, many people have been waiting a long time for better services, so the process for incorporating people into the scheme must not be open-ended. The Commission proposes that the NDIA's legislation should give the NDIA some flexibility, but should specify that all those who met the criteria for entitlement must be receiving services by 2018-19.

**Table 19.2 Implementation of the NDIS**

<i>Date</i>	<i>Milestone</i>
Second half of 2011, or early 2012	<p>COAG would:</p> <ul style="list-style-type: none"> <li>• agree to an MOU that sets out in-principle agreement that the NDIS should commence in stages from July 2014</li> <li>• create a <b>high level taskforce</b> with agreement of participating jurisdictions, to be headed by a person with insurance or disability experience who has driven change successfully in a large organisation (appointed with the agreement of participating jurisdictions)</li> </ul> <p>The taskforce would:</p> <ul style="list-style-type: none"> <li>• develop a draft intergovernmental agreement for final signing in 12 months</li> <li>• establish an expert <b>project management implementation team</b> with experience in commercial insurance and disability to work full time on planning the details of the scheme <ul style="list-style-type: none"> <li>– including targeted consultation and early work on key operational arrangements, including assessment tools, risk management and transition arrangements</li> </ul> </li> <li>• report regularly to Heads of Treasuries meetings and COAG on milestones reached in the planning for the commencement of NDIS in July 2014</li> </ul>
July 2012 to June 2013	<p><i>During 2012-13, the following need to be well underway:</i></p> <ul style="list-style-type: none"> <li>• drafting of legislation</li> <li>• preparing MOUs with government departments</li> <li>• developing data collection protocols</li> <li>• researching appropriate IT arrangements</li> <li>• recruiting and training of staff</li> <li>• testing of assessment tools</li> <li>• preparing manuals</li> <li>• determining pricing arrangements</li> <li>• working with providers to identify likely areas of workforce shortage and strategies to address them, with a particular focus on regional launch sites</li> <li>• drawing up of tenders</li> <li>• developing communications strategies</li> <li>• detailed planning for the regional launch sites, including with new and potential service providers, DSOs, NGOs and community groups</li> </ul> <p>By Feb 2013: final consideration and agreement by COAG to the intergovernmental agreement, including an agreement on funding arrangements</p> <p>March to June 2013: Commonwealth to introduce legislation to create NDIS and NDIA, with an initial appropriation</p> <ul style="list-style-type: none"> <li>• state legislation and further Commonwealth legislation to follow</li> </ul> <p>Announcement of the NDIA board</p>

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Table 19.2 (Continued)

Date	Milestone
July 2012 to June 2013 (continued)	<p>The NDIA board to commence formally</p> <ul style="list-style-type: none"> <li>• the board to appoint a CEO</li> <li>• the board to appoint interim staff from the taskforce executive, the project management implementation team, and/or from elsewhere, as determined by the board</li> <li>• staff recruitment to begin</li> </ul> <p>The NDIA should be established by June 2013.</p>
July 2013 to June 2014	<p><i>During 2013-14:</i></p> <ul style="list-style-type: none"> <li>• NDIA staffing levels would be rising (including regional offices)</li> <li>• IT infrastructure would be purchased</li> <li>• workforce strategy would be implemented</li> <li>• capacity building would commence, including providing information and assistance to service providers in preparation for moving away from block-funding</li> </ul> <p>Intensive work for rollout of the scheme in selected launch regions, including:</p> <ul style="list-style-type: none"> <li>• appoint and train NDIA regional managers (July - Dec)</li> <li>• establish local and regional offices for NDIA for the initial launch regions (July – Dec)</li> <li>• regional managers would engage with existing and potential service providers (Aug – Dec) <ul style="list-style-type: none"> <li>– and check on their preparations for expansion in 2014, including recruitment, and testing of IT systems (early 2014)</li> </ul> </li> <li>• intensive training of allied health professionals as NDIS assessors for the initial launch regions (early 2014)</li> <li>• recruitment and training of local area coordinators</li> <li>• public information campaigns and outreach in the initial regional launch sites by local area coordinators to local disability organisations, people with disabilities, existing and potential service providers, local community service groups and local media (early 2014)</li> <li>• information sessions in these regions for people with disabilities, their families and carers, service providers and the general community (early 2014) <ul style="list-style-type: none"> <li>– what the NDIS will do for people</li> <li>– the assessment process</li> <li>– people’s rights and responsibilities</li> </ul> </li> <li>• disability support organisations may also undertake group information sessions</li> <li>• call for interest and pre-registration of those participating in the initial launch</li> </ul>

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**Table 19.2 (Continued)**

<i>Date</i>	<i>Milestone</i>
<b>July 2014</b>	<p>In July 2014, the NDIS would commence providing full services in a few regions of around 10 000 clients per region</p> <ul style="list-style-type: none"> <li>thereby providing high quality services to many thousands of people, while allowing fine-tuning of the scheme in the light of lessons learned</li> </ul> <p>Throughout 2014-15, all local and regional offices would be established across Australia, with local staff engaged and trained</p> <ul style="list-style-type: none"> <li>a national information campaign would be undertaken, including information sessions by local area coordinators to local disability organisations; people with disabilities, their families and carers; existing and potential service providers; local community service groups; local media; and the general community <ul style="list-style-type: none"> <li>in all regions, work would commence with local groups on a compact to increase social participation and employment opportunities for people with disabilities</li> </ul> </li> </ul> <p>The NDIA would work with providers to monitor the developing workforce and to address emerging shortages.</p>
July 2015	<p>In July 2015, the NDIS would extend nationally to cover all of Australia</p> <ul style="list-style-type: none"> <li>progressively it would be expanded to cover all relevant people with a disability, commencing with all new cases of significant disability and some of the groups most disadvantaged by the current arrangements.</li> </ul>
2016-17	Second year of national rollout
2017-18	Third year of national rollout NDIA evaluation of effectiveness of self-directed funding
2018-19	Final year of national rollout: all current and new clients to be receiving NDIS services
2020	Independent review of NDIA and NDIS

*Initial costs would be low*

Only a rough estimate of the expected annual costs of implementing the NDIS over the proposed timeframe can be given. It is clear that early costs would be minimal, as the key challenges in the first few years will be to plan effectively, and to get the legislation and the organisational structure of the NDIA in place.

Significant costs would not be incurred until the NDIS began providing supports to people with disabilities. This is scheduled to commence in July 2014, and costs would then rise over the subsequent four fiscal years. The full \$6.5 billion net additional cost would not be felt until 2018-19.

More details of cost estimates are contained in chapter 16.

**Table 19.3 Estimated annual operating costs of the NDIS, 2011-12 to 2018-19**

<i>Year</i>	<i>Stage of implementation</i>	<i>Likely annual costs</i>
remainder of 2011-12	} getting agreement } planning the details of the scheme	\$10 million
2012-13		setting up legislation
2013-14	} bedding down administrative arrangements	\$550 million
2014-15	scheme begins with regional rollouts	\$900 million (net)
2015-16	first full year of national rollout	\$2.4 billion (net)
2016-17	second full year of national rollout	\$3.9 billion (net)
2017-18	third full year of national rollout	\$5.4 billion (net)
2018-19	final year — rollout now complete	\$6.5 billion (net)

In addition, the NDIS would need to build up a reserve for smoothing fluctuations in claims and to meet contingencies. The Commission proposes that the Australian Government should build up reserves during the start-up years, so that future reserve requirements after establishment of the full scheme would be negligible, and may not be required at all.

## 19.4 Interaction between the two schemes

There are likely to be some economies of scope between NDIS and NIIS (for example, some local area coordinators, assessors and support providers may undertake the same function for clients in both schemes). In such cases, it would be important to streamline compliance burdens, for example, in relation to reporting and performance monitoring, to avoid a ‘doubling-up’ of such requirements.

In time, there may be some logic in bringing the NIIS into the NDIS. However, as discussed in chapter 18, this is not clearcut, as there are some differences between the two schemes, and the gains from a merger might not be worth the costs. The Commission considers it much more important that governments address the undoubted problems of the present arrangements through the NDIS and NIIS, rather than wait many more years in an attempt to achieve a consensus on a single all-encompassing scheme.

The Commission recommends that, in 2020, governments should institute an independent and public inquiry into the appropriateness of a merger. After this period of operation, sufficient experience and information would be available to better establish the costs and benefits of this.

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RECOMMENDATION 19.1

*In the second half of 2011 or early 2012, the Australian Government and the state and territory governments should, under the auspices of COAG, agree to a memorandum of understanding that sets out an in-principle agreement:*

- *that the NDIS should commence in stages, with:*
  - *regional rollouts undertaken in several states and territories commencing in July 2014*
  - *full national coverage in 2015-16 for some high priority groups*
  - *progressive coverage of all groups in subsequent years, with a fully operational scheme by 2018-19*
- *to follow the reform timetable for the NIIS specified in recommendation 18.6.*

RECOMMENDATION 19.2

*To give effect to recommendation 19.1, state and territory governments and the Australian Government should create:*

- *a full-time high level taskforce from participating jurisdictions and an expert project management team to commence work on the detailed implementation of the NDIS, including all transition arrangements*
  - *to be headed by a person with insurance or disability experience who has driven change successfully in a large organisation, appointed with the agreement of all jurisdictions*
  - *with a draft intergovernmental agreement to be prepared for final consideration and agreement by COAG in February 2013*
- *a full-time high level taskforce from all jurisdictions to commence work on the implementation of the NIIS by the states and territories*
- *the NDIA by June 2013.*

RECOMMENDATION 19.3

*In the period leading up to the full introduction of the NDIS, the Australian Government should supplement funding under the National Disability Agreement to reduce some of the worst rationing of support services, particularly for supported accommodation and respite.*

*In 2020, there should be an independent public inquiry into the operation of the NDIS and its effectiveness in meeting the needs of people with disabilities. The review should also encompass the review of the NIS as set out in recommendation 18.7.*