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**ABF response to:**

**Productivity Commission Position Paper – National Disability Insurance Scheme Costs**

**12 July 2017**

**About the Australian Blindness Forum**

The Australian Blindness Forum is the peak body representing blindness, low vision and rehabilitation in the blindness sector. ABF was formed in 1992 and is funded only by its members. ABF is an Australian public company limited by guarantee and governed by a Board of Directors.

Membership of ABF is open to any organisation that has as its primary objects the provision of services to people who are blind or vision impaired, or whose activities are substantially connected with the welfare of people who are blind or vision impaired. ABF is represented in every state and territory of Australia.

As Australia’s representative to the World Blind Union, the ABF has strong connections with the international blind and vision impaired community.

ABF and its member organisations support every person’s right to participate in and contribute to the community. This includes all people who are blind or vision impaired having the right to access services and technology and to live independently, inclusively and with dignity in the community.

This position is consistent with:

* the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD)
* National Disability Strategy 2010-2020 (NDS)
* the Disability Discrimination Act 1992 (DDA).

ABF comprises 15 blindness sector organisations, including consumers and service providers, whose expertise and knowledge across the sector are reflected in the following comments.

**Background**

ABF appreciates the opportunity to provide a response to the Productivity Commission (PC) Position Paper on National Disability Insurance Scheme (NDIS) Costs.

ABF made a submission to the PC’s Issues Paper on NDIS Costs on 24 March 2017. In that submission, ABF made the following overarching comments:

* the NDIA must acknowledge and refer people who are blind or vision impaired to specialist assessors with expertise in the blindness sector for planning and assessment to ensure accurate plans are prepared for participants and appropriate supports are recommended. This will reduce costs for the NDIS in the long-term.
* The needs of people who are blind or vision impaired are most often episodic that require supports and training in iterative and unpredictable ways. Therefore, amendments to the NDIS are vital to ensure people with disability who have episodic needs are able to flexibly access the appropriate supports. This will save the NDIA money in the longer term.
* The NDIS eligibility criteria excludes millions of people with disability, in particular, people with disability over the age of 65. This, together with the withdrawal of block or program funding for disability programs, has meant that the NDIS has actually reduced disability services for some people in states and territories and threatens the viability of specialist service providers.

In relation to the current Position Paper, overall ABF reiterates that the blindness sector believes it had a reasonable model for delivering specialist blindness services to consumers who are blind or vision impaired prior to the implementation of the NDIS. Since the roll out of the NDIS, service providers in the blindness sector are suffering due to uncertain funding streams and the inability to secure long term specialist staff. Similarly, consumers who are blind or vision impaired are not getting the right supports from the NDIS because of inaccurate plans conducted by generalist planners.

ABF has the following specific comments in response to the draft recommendations, findings and information requests.

**ABF response**

**How is the scheme tracking?**

**Draft Finding 2.1**

**The scale and pace of the National Disability Insurance Scheme (NDIS) rollout to full scheme is highly ambitious. It risks the National Disability Insurance Agency (NDIA) not being able to implement the NDIS as intended and it poses risks to the financial sustainability of the scheme. The NDIA is cognisant of these risks.**

**Draft Finding 2.2**

**While a different methodology is used, the National Disability Insurance Agency projections of scheme costs are broadly consistent with the Productivity Commission’s modelling of the scheme in 2011, after accounting for sector‑specific wage increases, population changes, and costs associated with participants aged over 65 years (who were not included in the Commission’s estimates).**

**Draft Finding 2.3**

**The National Disability Insurance Scheme, at the end of trial, came in under budget. This was in large part because not all committed supports were used (in 2015‑16 the utilisation rate was 74 per cent).**

**Based on trial and transition data, scheme costs are broadly on track compared to the National Disability Insurance Agency’s (NDIA) long‑term modelling. At this stage, early cost pressures (such as greater than expected numbers of children and higher than expected package costs) have been offset by lower than expected levels of utilisation.**

**The NDIA has put in place initiatives to address emerging cost pressures. It is too early to assess the effectiveness of these initiatives.**

**Draft Finding 2.4**

**Early evidence suggests that the National Disability Insurance Scheme is improving the lives of many participants and their families and carers. Many participants report more choice and control over the supports they receive and an increase in the amount of support provided.**

**However, not all participants are benefiting from the scheme. Participants with psychosocial disability, and those who struggle to navigate the scheme, are most at risk of experiencing poor outcomes.**

ABF agrees with the PC’s draft findings that the speed of the NDIS rollout has resulted in the NDIA not focusing enough on planning processes, resulting in poor outcomes for participants such as confusion, inadequate phone planning conversations, inadequate pre-planning support and ultimately poor quality plans for participants.

**Scheme eligibility**

**Draft Recommendation 3.1**

**When determining that an individual is eligible for individualised support through the National Disability Insurance Scheme under the disability requirements, the National Disability Insurance Agency should collect data on which of the activity domains outlined in section 24 of the National Disability Insurance Scheme Act 2013 (Cwlth) are relevant for each individual when they enter the scheme.**

The regulations that relate to the provision of services and eligibility should take into account existing relationships with service providers as evidence of eligibility. For example, if a potential participant has had Centrelink approval for a severe or profound condition or has been previously accepted by Government or state government services, eligibility should be automatic and the information should not have to be resubmitted.

**Information Request 3.2**

**The Commission is seeking feedback on the benefits and risks of maintaining ‘List A — Conditions which are Likely to Meet the Disability Requirements in section 24 of the NDIS Act’. In particular:**

* **to what extent does List A reduce the burden for people with permanent and significant disability of entering the National Disability Insurance Scheme under the disability requirements?**
* **is there any evidence that people who do not meet the disability requirements are entering the scheme under List A?**

While ABF acknowledges that List A includes a reference to Permanent Blindness, ABF is concerned that the risk of maintaining List A is that it excludes people with degenerative eye conditions. That is, people with an early diagnosis of vision loss will not necessarily have a substantially reduced functional capacity immediately upon diagnosis, but will have in years to come. If they reach the age of 65 before their functional capacity is substantially reduced, ABF is concerned they will not be covered by the NDIS despite being diagnosed before age 65.

This section of the NDIS Act needs to be reviewed and clarified to ensure people who are diagnosed with slow, progressive diseases are not excluded from the NDIS after the age of 65. This is subject to an individual in this situation being covered by the early intervention provisions as outlined in s.25 of the NDIS Act.

**Scheme supports**

**Information Request 4.1**

**Is the National Disability Insurance Scheme Act 2013 (Cwlth) sufficiently clear about how or whether the ‘reasonable and necessary’ criterion should be applied? Is there sufficient clarity around how the section 34(1) criteria relate to the consideration of what is reasonable and necessary?**

**Is better legislative direction about what is reasonable and necessary required? If so, what improvements should be made? What would be the implications of these changes for the financial sustainability of the scheme?**

ABF is concerned that, while the criteria in section 34 of the NDIS Act may provide sufficient clarity around ‘reasonable and necessary’ supports, it is imperative that the application of the criteria in s.34 of the NDIS Act by the NDIS planners includes a thorough understanding of the impact of the participant’s disability.

ABF is encouraged by the PC’s draft recommendation 4.2 below relating to the use of specialised planning teams and/or more use of industry knowledge and expertise. This would be of great benefit to participants who are blind or vision impaired in the assessment of reasonable and necessary supports.

**Information Request 4.2**

**Should the National Disability Insurance Agency have the ability to delegate plan approval functions to Local Area Coordinators? What are the costs, benefits and risks of doing so? How can these be managed?**

ABF acknowledges that Local Area Coordinators may be useful in having a role in plan approval functions due to their knowledge of the local area.

However, ABF reiterates that all plans for people who are blind or vision impaired need to be developed in conjunction with a full specialist assessment by specialist assessors with expertise in the blindness sector before getting to the plan approval stage.

**Draft Recommendation 4.1**

**The National Disability Insurance Agency should:**

* **implement a process for allowing minor amendments or adjustments to plans without triggering a full plan review**
* **review its protocols relating to how phone planning is used**
* **provide clear, comprehensive and up-to-date information about how the planning process operates, what to expect during the planning process, and participants’ rights and options**
* **ensure that Local Area Coordinators are on the ground six months before the scheme is rolled out in an area and are engaging in pre-planning with participants.**

ABF supports this recommendation to ensure plans and the planning process are reviewed and improved to ensure a much better outcome for participants. ABF also recommends that the NDIA releases a draft plan for the participant to review for errors or omissions before the final plan is issued.

**Draft Recommendation 4.2**

**The National Disability Insurance Agency should ensure that planners have a general understanding about different types of disability. For types of disability that require specialist knowledge (such as psychosocial disability), there should be specialised planning teams and/or more use of industry knowledge and expertise.**

ABF supports this recommendation and submits that blindness is a type of disability that requires specialist knowledge and assessment which would benefit greatly from specialised planning teams and/or the use of industry knowledge and expertise. These measures would ensure accurate plans are prepared for participants who are blind or vision impaired and appropriate supports are recommended.

This is particularly important as it would recognise the episodic needs of people who are blind or vision impaired. This means their needs change and vary at different times which results in people who are blind or vision impaired accessing services and supports in an episodic, iterative and unpredictable way. For example, this may be due to assistance being required if someone moves house or jobs or their vision loss changes in some way. This makes the current NDIA planning process very difficult for people who are blind or vision impaired. Specialised planning teams would be able to allow for this type of support which is substantially different to many other disabilities.

ABF would also expect specialised planning teams would have an understanding the local environment of the participant which would assist greatly in the assessment of their day-to-day requirements, for example, through Orientation & Mobility training.

This initiative will reduce costs for the NDIS in the longer-term.

**Boundaries and interfaces with the NDIS**

**Draft Finding 5.1**

**It is a false economy to have too few resources for Information Linkages and Capacity Building, particularly during the transition period when it is critical to have structures in place to ensure people with disability (both inside and outside the National Disability Insurance Scheme) are adequately connected with appropriate services.**

**Draft Recommendation 5.1**

**Funding for Information, Linkages and Capacity Building (ILC) should be increased to the full scheme amount (of $131 million) for each year during the transition. The funds that are required beyond the amounts already allocated to ILC to reach $131 million should be made available from the National Disability Insurance Agency’s program delivery budget.**

**The effectiveness of the ILC program in improving outcomes for people with disability and its impact on the sustainability of the National Disability Insurance Scheme should be reviewed as part of the next COAG agreed five-yearly review of scheme costs. The ILC budget should be maintained at a minimum of $131 million per annum until results from this review are available.**

While ABF agrees that the initial funding for ILC was inadequate and welcomes the proposed increase in funding generally, ABF notes that the range and type of services initially promised to be funded under the ILC program has changed substantially. The original proposal was that ILC would reflect the “Tier 2” programs including block funding and early intervention programs. The goal of this was to continue to provide disability services to those who were not eligible for the NDIS. Now, the way the ILC program has been developed, it covers only tools and awareness programs, delivered by mainstream services for a limited time or on an ad hoc basis.

The ILC program as it currently stands is not going to provide any useful ongoing services and it will not help ensure individuals do not fall through the cracks – that will be done by the existing specialist service providers who, for many years, have been providing services free-of-charge to people with disability and will have to continue to do so despite substantial reductions in funding. Unless block funding or funded programs are created, resources and necessary skills will be lost and each disability group will lose their specialty.

**Draft Recommendation 5.2**

**The Australian, State and Territory Governments should make public their approach to providing continuity of support and the services they intend to provide to people (including the value of supports and number of people covered), beyond supports provided through the National Disability Insurance Scheme. These arrangements for services should be reflected in the upcoming bilateral agreements for the full scheme.**

**The National Disability Insurance Agency should report, in its quarterly COAG Disability Reform Council report, on boundary issues as they are playing out on the ground, including identifying service gaps and actions to address barriers to accessing disability and mainstream services for people with disability.**

ABF supports this recommendation to ensure better transparency relating to continuity of support and the services provided beyond the NDIS as many people fall outside the NDIS, in particular, people who are blind or vision impaired and over the age of 65.

**Draft Recommendation 5.3**

**Each COAG Council that has responsibility for a service area that interfaces with the National Disability Insurance Scheme (NDIS) should have a standing item on its agenda to address the provision of those services and how they interface with NDIS services. This item should cover service gaps, duplications and other boundary issues.**

**Through the review points of National Agreements and National Partnership Agreements under the Federal Financial Relations Intergovernmental Agreement, parties should include specific commitments and reporting obligations consistent with the National Disability Strategy. The Agreements should be strengthened to include more details around how boundary issues are being dealt with, including practical examples.**

No comment.

**Information Request 5.1**

**The Commission is seeking feedback on a mechanism to ensure that the States and Territories bear the cost of participants who were intended to be covered by the National Injury Insurance Scheme.**

No comment.

**Provider readiness**

**Draft Recommendation 6.1**

**The Australian Government should:**

* **immediately introduce an independent price monitor to review the transitional and efficient maximum prices for scheme supports set by the National Disability Insurance Agency (NDIA)**
* **transfer the NDIA’s power to set price caps for scheme supports to an independent price regulator by no later than 1 July 2019.**

**The body tasked with price regulation for scheme supports should:**

* **collect data on providers’ characteristics and costs. This should include appropriate funding to continue the business characteristics and benchmarking study currently undertaken by National Disability Services and Curtin University**
* **determine transitional and efficient prices for supports at a state and territory level**
* **comprehensively review and publish its price model on an annual basis. This review should be transparent, have public consultation, be evidence-based and evaluate the effectiveness of prices in meeting clearly-defined objectives**
* **assess and recommend when to deregulate prices for supports, with particular regard to the type of support and region, on the basis that prices should only be regulated as narrowly, and for as short a time, as possible.**

ABF supports this recommendation to introduce an independent price regulator.

**Draft Finding 6.1**

**In a market-based model for disability supports, thin markets will persist for some groups, including some participants:**

* **living in outer regional, remote and very remote areas**
* **with complex, specialised or high intensity needs, or very challenging behaviours**
* **from culturally and linguistically diverse backgrounds**
* **who are Aboriginal and Torres Strait Islander Australians**
* **who have an acute and immediate need (crisis care and accommodation).**

**In the absence of effective government intervention, such market failure is likely to result in greater shortages, less competition and poorer participant outcomes.**

**Information Request 6.1**

**In what circumstances are measures such as:**

**• cross-government collaboration**

**• leveraging established community organisations**

**• using hub and spoke (scaffolding) models**

**• relying on other mainstream providers**

**appropriate to meet the needs of participants in thin markets? What effects do each have on scheme costs and participant outcomes? Are there barriers to adopting these approaches?**

**Under what conditions should block-funding or direct commissioning of disability supports (including under ‘provider of last resort’ arrangements) occur in thin markets, and how should these conditions be measured?**

**Are there any other measures to address thin markets?**

For the last 130 years, all people who are blind or vision impaired have accessed services and supports from blindness sector service providers. These service providers are part of a small sector with specialist resources and expertise that are not provided in the mainstream. Some of the services provided could be considered within thin markets.

Add to this the fact that vast number of clients accessing existing specialist services in the blindness sector will not be eligible for an individually funded package of supports under the NDIS (primarily due to the age limit).

Therefore one measure to address thin or small, specialised markets is a continuation of block or program funding for the blindness sector to ensure the future sustainability of blindness services in Australia and the continuation of services to those individuals not eligible for the NDIS. This would be consistent with recommendations put forward in the Productivity Commission’s 2011 report in regards to Tier 2 of the scheme.

**Information Request 6.2**

**What changes would be necessary to encourage a greater supply of disability supports over the transition period? Are there any approaches from other consumer-directed care sectors — such as aged care — that could be adopted to make supplying services more attractive?**

Specialist sector knowledge is required for specific disabilities such as blindness and vision impairment. With the current uncertainty of funding, it is very difficult for established service providers in the blindness sector to maintain this specialist expertise and skills – such as Braille Instructors and Orientation and Mobility Instructors – during the transition period. Transitional funding arrangements would encourage a greater supply of specialist disability supports in the blindness sector over the transition period.

**Workforce readiness**

**Draft Finding 7.1**

**It is unlikely that the disability care workforce will be sufficient to deliver the supports expected to be allocated by the National Disability Insurance Agency by 2020.**

**Draft Recommendation 7.1**

**The roles and responsibilities of different parties to develop the National Disability Insurance Scheme workforce should be clarified and made public.**

* **State and Territory Governments should make use of their previous experience in administering disability care and support services to play a greater role in identifying workforce gaps and remedies tailored to their jurisdiction.**
* **The Australian Government should retain oversight of workforce development, including how tertiary education, immigration and aged care policy interact and affect the development of the workforce. In doing so, the Australian Government should pay particular attention to immigration policy to mitigate workforce shortages over the transition period.**
* **The National Disability Insurance Agency should provide State and Territory Governments with data held by the Agency to enable those jurisdictions to make effective workforce development policy.**
* **Providers of disability supports should have access to a clear and consistent mechanism to alert those tasked with market development about emerging and persistent workforce gaps.**

**Information Request 7.1**

**What is the best way for governments and the National Disability Insurance Agency to work together to develop a holistic workforce strategy to meet the workforce needs of the National Disability Insurance Scheme?**

The introduction of the NDIS and the separation of people under 65 into the NDIS and those over 65 into the aged care sector has had an enormous impact on service providers in the disability sector.

Managing clients under both the NDIS and the aged care system has had a huge impact on the disability workforce as the two systems are so different and require completely different administration systems and two different quality assurance systems. This has increased costs for service providers in the disability sector.

Retention of staff and their expertise would be improved if there was job certainty in the disability sector. This would include more full-time positions, flexibility of working hours and recognition of the enormous value and cost-saving opportunities volunteers in the disability sector provide. There is a need to maintain specialist skills which cannot be sustainable with a wholly market-driven approach.

A holistic workforce strategy must also encompass the relevant tertiary education and training that is required to equip the disability workforce to meet the needs of the NDIS. In particular, as part of the National Disability Strategy, all education courses, degrees and diplomas should have a disability awareness component and a Universal Design component. These two elements of any tertiary courses would provide a deeper understanding of the disability sector, including an understanding of the built environment, and it would make business and the community more accessible for people with disabilities. This in turn would make people with disability more able to be independent and less support would be required.

**Draft Recommendation 7.2**

**The National Disability Insurance Agency should publish more detailed market position statements on an annual basis. These should include information on the number of participants, committed supports, existing providers and previous actual expenditure by local government area.**

**The Australian Government should provide funding to the Australian Bureau of Statistics to regularly collect and publish information on the qualifications, age, hours of work and incomes of those working in disability care roles, including allied health professionals.**

**Draft Recommendation 7.3**

**The National Disability Insurance Agency’s (NDIA) guidelines on paying informal carers who live at the same residence as a participant should be relaxed for core supports for the period of the National Disability Insurance Scheme (NDIS) transition. Such payments should be:**

* **accessible under clearly defined and public guidelines, which make reference to worker shortages in the relevant market using the NDIA’s information about providers and supports in the participant’s region**
* **set at a single rate determined by the NDIS price regulator in a transparent manner**
* **reviewed by the NDIA as part of plan reviews.**

**Information Request 7.2**

**How has the introduction of the National Disability Insurance Scheme affected the supply and demand for respite services? Are there policy changes that should be made to allow for more effective provision of respite services, and how would these affect the net costs of the scheme and net costs to the community?**

No comment.

**Participant readiness**

**Information Request 8.1**

**Is support coordination being appropriately targeted to meet the aims for which it was designed?**

**Draft Recommendation 8.1**

**The National Disability Insurance Agency should implement the eMarketPlace discussed in the Integrated Market Sector and Workforce Strategy as a matter of priority.**

ABF would be concerned that the eMarketPlace – as an online platform designed to provide participants with timely information on the number, quality and past performance of providers – is able to ensure the certification and relevant experience of service providers as well as all equipment and products offered. ABF is concerned that a product found on the eMarketPlace by a participant may not necessarily be appropriate for that participant. However, if the participant purchases the product, the money spent may have been wasted and the participant would then need to wait for a review of their plan to rectify the situation.

It is also imperative that the eMarketPlace is made accessible to people with disability, particularly people who are blind or vision impaired. ABF members and associates report that the NDIS Participant Portal and other NDIS materials have not been accessible to their clients. Therefore, any new online platforms must be made accessible to the people who need to use them.

**Information Request 8.2**

**Is there scope for Disability Support Organisations and private intermediaries to play a greater role in supporting participants? If so, how? How would their role compare to Local Area Coordinators and other support coordinators?**

**Are there any barriers to entry for intermediaries? Should intermediaries be able to provide supports when they also manage a participant’s plan? Are there sufficient safeguards for the operation of intermediaries to protect participants?**

ABF is comfortable with the current safeguards in place to protect participants although this initiative would provide more scope for specialised sector support.

**Governance**

**Draft Recommendation 9.1**

**The requirement that changes to National Disability Insurance Scheme Category A Rules have unanimous agreement from the Australian Government and all host jurisdictions should be relaxed.**

No comment.

**Draft Recommendation 9.2**

**The Western Australian Government and Australian Government should put in place arrangements for Western Australia to transition to the National Disability Insurance Scheme. Any decision to join the national scheme should be made public as soon as possible.**

No comment

**Draft Recommendation 9.3**

**The National Disability Insurance Agency should publicly report on the number of unexpected plan reviews and reviews of decisions, review timeframes and the outcomes of reviews.**

ABF supports this recommendation and recommends the information should be disaggregated by primary disability type.

**Draft Recommendation 9.4**

**The performance of the National Disability Insurance Scheme (NDIS) should be monitored and reported on by the National Disability Insurance Agency (NDIA) with improved and comprehensive output and outcome performance indicators that directly measure performance against the scheme’s objectives.**

**The NDIA should continue to develop and expand its performance reporting, particularly on outcomes, and Local Area Coordination and Information, Linkages and Capacity Building activities. The NDIA should also fill gaps in its performance reporting, including reporting on plan quality (such as participant satisfaction with their plans and their planning experience, plans completed by phone versus face-to-face, and plan reviews).**

**The Integrated NDIS Performance Reporting Framework should be regularly reviewed by the NDIA and the COAG Disability Reform Council and refined as needed.**

ABF supports this recommendation.

**Draft Recommendation 9.5**

**In undertaking its role in delivering the National Disability Insurance Scheme, the National Disability Insurance Agency needs to find a better balance between participant intake, the quality of plans, participant outcomes and financial sustainability.**

ABF supports this recommendation.

**Information Request 9.1**

**The Commission is seeking feedback on the most effective way to operationalise slowing down the rollout of the National Disability Insurance Scheme in the event it is required. Possible options include:**

* **prioritising potential participants with more urgent and complex needs**
* **delaying the transition in some areas**
* **an across-the-board slowdown in the rate that participants are added to the scheme.**

**The Commission is also seeking feedback on the implications of slowing down the rollout.**

ABF would support a slowing down of the roll out of the NDIS. However, this would be dependent on ensuring no one is deemed ineligible due to any delays in the roll out. For example, if the roll out of the NDIS is slowed down, it would be imperative that someone who is presently eligible in their area would be deemed to be eligible in the future roll out. This would be particularly relevant for potential participants who are nearing the aged of 65.

ABF would also support a slowing down if it means the quality of plans and supports is increased. However, existing funding streams must be maintained to ensure pre-NDIS services are continued.

The NDIA could consider outsourcing particular roles to specific disability sectors to assist in the roll out.

**Funding arrangements**

**Draft Finding 10.1**

**The objective of the escalation parameters is not specified in the Bilateral Agreements between the Australian Government and the State and Territory Governments at full scheme.**

**The existing escalation parameters are unlikely to reflect the full increase in National Disability Insurance Scheme (NDIS) costs over time, which would result in the Australian Government bearing a higher share of NDIS costs over time.**

**Information Request 10.1**

**The Commission is seeking views on the role of the escalation parameters in the Bilateral Agreements between the Australian Government and the State and Territory Governments.**

**Should escalation parameters be set on the basis of maintaining a constant real per capita contribution to the National Disability Insurance Scheme by State and Territory Governments; or should they be more explicitly tied to scheme costs so that the proportion of funding allocated to the Australian Government and the State and Territory Governments is maintained over time?**

No comment.

**Draft Finding 10.2**

**Responsibility for funding National Disability Insurance Scheme (NDIS) cost overruns should be apportioned according to the parties best able to manage the risk. This is not the case in the transition period, as the Australian Government bears all the risk of any cost overruns, but not all the control.**

**The governance arrangements for the NDIS do not allow the National Disability Insurance Agency to respond swiftly when factors outside its control threaten to impose cost overruns.**

**Information Request 10.2**

**The Commission is seeking information on the best way to align the ability to control cost overruns with the liability to fund cost overruns. Possible options include:**

* **estimating the proportion of cost overruns that the Australian and State and Territory Governments are responsible for and allocating funding responsibility accordingly**
* **altering the governance arrangements of the National Disability Insurance Scheme to give the Australian Government greater authority to manage the risk of cost overruns, to better reflect their funding liability.**

No comment.

**Draft Recommendation 10.1**

**At full scheme, the annual operating budget for the National Disability Insurance Agency should be set within a funding target of 7-10 per cent of package costs with the expectation that, on average, it would sit at the lower end of the band.**

**The National Disability Insurance Agency should be required, in its annual report, to state reasons why it has not met this target in any given year.**

**Draft Recommendation 10.2**

**The Australian Government should reconsider the staffing cap on the National Disability Insurance Agency, given the importance of developing internal capability and expertise.**

ABF supports reconsidering a staffing cap on the NDIA. ABF submits that the specialist expertise in specific disability sectors, such as the blindness sector, could be engaged and funded by the NDIA and could supplement the specialist capability and expertise of the NDIA.

**Information Request 10.3**

**The Commission seeks feedback on the level of a future contingency reserve that would enable the National Disability Insurance Agency to operate like an insurance scheme, and how this would best be implemented, including any transitional arrangements.**

No comment.

**Draft Recommendation 10.3**

**In-kind funding arrangements should be phased out by the end of transition and should not form part of the intergovernmental agreements for full scheme funding. Should in-kind funding persist beyond transition, jurisdictions should face a financial penalty for doing so.**

ABF supports in-kind funding being phased out.