



Australian Government  
Productivity Commission

# Review of the National Disability Agreement

## Productivity Commission Study Report *Overview*

January 2019

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# OVERVIEW

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## Key points

- The current National Disability Agreement (NDA) no longer serves its purpose, has a weak influence on policy, and its performance targets show no progress in improving the wellbeing of people with disability. A new agreement is needed to promote cooperation, enhance accountability and clarify roles and responsibilities of governments.
- The disability policy landscape has changed markedly since the NDA was signed in 2008.
  - The National Disability Insurance Scheme (NDIS) commenced in 2013, focusing on supports for approximately 475 000 people with significant and permanent disability. And the National Disability Strategy (NDS), which covers all people with disability (approximately 4.3 million), was endorsed by all Australian Governments in 2011.
- Improving the wellbeing of people with disability and carers across the nation requires a collaborative response from all levels of government, extending well beyond the NDIS to many other service systems, such as housing, transport, health, justice, and education.
- There is an important role for a new NDA that has at its core, the wellbeing and needs of *all* people with disability and their families and carers. The purpose of a new NDA would be to provide an overarching agreement for disability policy, to clarify roles and responsibilities, to promote cooperation and to enhance accountability. The new NDA should:
  - set out the aspirational objective for disability policy in Australia — *people with disability and their carers have an enhanced quality of life and participate as valued members of the community* — and acknowledge and reflect the rights committed to by Australia under the United Nations Convention on the Rights of Persons with Disabilities
  - outline the roles and responsibilities of governments in progressing that objective; the outcomes being sought for people with disability; and a nationally consistent performance reporting framework for tracking progress against those outcomes.
- The NDS should continue to play the essential role of articulating policy actions, with these actions explicitly linked to the new NDA's outcomes. The agreements governing the NDIS would remain separate to the NDA, but should be referenced throughout so that the NDA is reflective of the whole disability system.
- Roles and responsibilities in the NDA need to be updated to reflect contemporary policy settings, to reduce uncertainty and to address gaps in several areas — including in relation to advocacy, carers, and the interface between the NDIS and mainstream service systems.
- To facilitate greater clarity in responsibilities, governments should articulate and publish which programs they are rolling into the NDIS and how they will support people with disability who are not covered by the NDIS. They should also (through the COAG Disability Reform Council (DRC)) undertake a comprehensive gap analysis, with the new NDA outlining responsibilities for addressing any gaps. A gap analysis should be undertaken every five years.
- NDA performance reporting needs strengthening to improve transparency and accountability.
  - There should be a single person-centred national performance reporting arrangement across the NDA and NDS, with performance indicators and targets agreed to by the DRC.
  - A 'National Disability Report' should be tabled in Parliament biennially, outlining progress against the NDA's outcomes and performance metrics, and including the perspectives of people with disability and findings from policy evaluations undertaken as part of the NDA.
- A new NDA should be agreed by the start of 2020. It should be a living document, with updates made to schedules as required, and should be independently reviewed every five years.

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# Overview

In 2008, the Australian and State and Territory Governments agreed on a new framework for federal financial relations, to provide a foundation for collaboration on policy and service delivery, and to facilitate the implementation of reforms in areas of national importance. The centrepiece of this arrangement was the establishment of six National Agreements covering disability, education, health, housing, Indigenous reform, and skills and workforce development.

The Australian Government has asked the Productivity Commission to review nationally significant sector-wide agreements, beginning with the National Disability Agreement (NDA) (box 1). The Commission was asked to consider the relevance of the agreement in the context of contemporary policy settings and whether it needs updating in light of these.

## **1 The context has changed: the NDA is outdated**

The disability policy landscape has changed markedly since the NDA commenced a decade ago, and much of what is in the NDA is now outdated. In particular, the NDA does not reflect the implementation of the National Disability Insurance Scheme (NDIS), and the resulting transfer of responsibilities for many disability services from the Australian, State and Territory Governments to the NDIS, which are now governed by NDIS legislation and a series of other instruments and intergovernmental agreements.

Describing these changes as ‘seismic’, participants to this study suggested that the focus on the NDIS has taken all of the ‘oxygen out of the sector’ with limited attention placed on achieving better outcomes for people with disability in other areas, particularly for those not covered by the NDIS. There are approximately 4.3 million people in Australia living with a disability; of those, about 475 000 are expected to receive supports through the NDIS. Particular concerns have been raised in this study about the need to ensure that people with disability are able to access the mainstream services that are essential for daily life and personal wellbeing, such as education, transport and health.

Another notable development is the endorsement in 2011 by all Australian Governments of the National Disability Strategy 2010–2020 (NDS). The NDS aims to ensure that all mainstream services across the country, including health care, education, and housing, address the needs of people with disability. It establishes a high-level policy framework to guide government activity across mainstream and disability specific areas of public policy over its ten-year timeframe. The NDS is currently being reviewed by the Department of Social Services with the aim of developing a new framework for beyond 2020.

## Box 1      **About the National Disability Agreement**

The National Disability Agreement (NDA) is a high-level agreement between the Australian, State and Territory Governments that commenced in 2009. The NDA spans many aspects of disability policy, service provision, performance assessment and reporting (see below).

The current purpose of the NDA is threefold — to promote cooperation, enhance accountability, and clarify roles and responsibilities of governments in order to improve outcomes for people with disability, their families and carers. The purpose of the NDA originates from its overarching framework, the Intergovernmental Agreement on Federal Financial Relations, which also sets out the accountability framework for the National Agreements. Accountability is to be enhanced through simpler, standardised and more transparent public performance reporting, underpinned by clearer roles and responsibilities. This purpose is reflected in the NDA's statement to 'affirm the commitment of all Australian Governments to work in partnership, and with stakeholders including people with a disability, their families and carers, to improve outcomes for people with disability and to clarify roles and responsibilities'.

### Elements of the current National Disability Agreement



In light of these developments, this review has provided an opportunity to consider the ongoing relevance and role of the NDA, and importantly, to consider whether an NDA is needed at all given the significant changes in the policy landscape. This review has found

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that, although the current NDA is outdated and has lost relevance, a new, reinvigorated NDA could be a strong positive force to guide future disability policy. The original purpose of the NDA — *to promote cooperation, enhance accountability and clarify roles and responsibilities of governments* — is still highly relevant today given that responsibility for improving outcomes for people with disability remains shared across governments. It is arguably even more relevant, given the fundamental changes in those responsibilities over the past decade and because the disability sector is in transition.

Broadly speaking, the recommendations to revitalise the NDA in this report fall into three categories:

- improving cohesion in intergovernmental arrangements for disability policy (section 2)
- clarifying the roles and responsibilities of governments in the NDA (section 3)
- improving accountability mechanisms under the NDA (section 4).

## **2 A cohesive architecture for disability policy**

A key question for this study was whether a new NDA would be the most effective tool for facilitating cooperation, accountability and clarity of roles and responsibilities. The NDA is now one of several instruments currently in place that seek to enhance the quality of life of people with disability, their families and their carers.

The NDA, NDS and NDIS are each underpinned by different types of intergovernmental agreements, outcomes and performance reporting arrangements, with some overlap and duplication. The multitude of different agreements, strategies and plans are causing unnecessary complexity. Without a clear and logical link between the purpose and scope of each of these arrangements, there is a risk of confusion and reduced accountability for improving outcomes for people with disability and carers.

An overarching agreement is needed to clarify the relationship between all aspects of the disability policy landscape, and to facilitate cooperation between governments and promote greater accountability. Further, the Commission is of the view that a national agreement is likely to be the most effective instrument to influence and drive government policies and practices to achieve the agreed outcomes.

But in their current form, neither the NDA nor the NDS is broad enough or comprehensive enough to perform an overarching role.

- The strength of the NDS is the disability community's sense of ownership of it, driven in part by its extensive consultation processes. The NDS also has a stronger emphasis on the individual as it covers all people with disability (as opposed to the NDA's more narrow service delivery focus) and explicitly references the 'human rights imperative' of people with disability. It also details specific policy actions governments are taking to improve outcomes, whereas a statement of policy actions is largely absent from the current NDA.

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- Unlike the NDA, however, the NDS does not outline roles and responsibilities of governments, and does not involve a formalised performance reporting framework to measure progress towards improving outcomes. These are essential elements for achieving accountability to the community for government actions. The NDA also has elevated standing as one of the National Agreements in the Intergovernmental Agreement on Federal Financial Relations (IGA FFR) (the overarching framework for all National Agreements).

Given their relative strengths, both an NDA and NDS have an important role to play in the future policy landscape. But the two need to be updated and integrated, and their purpose needs to be made clear. There was strong support from participants for retaining the NDA and NDS, with many proposing that the NDA become the overarching agreement (box 2).

### **The NDA as an overarching agreement for disability policy**

The Commission's proposed architecture for disability policy in Australia is intended to unify the various agreements, strategies and policies relating to disability. Under this revised architecture, a new NDA would provide the overarching agreement, with the NDS and NDIS forming elements within that (figure 1).

As the overarching agreement, the new NDA would reconfirm the aspirational *objective* for disability policy in Australia, which under the current NDA is that '*people with disability and their carers have an enhanced quality of life and participate as valued members of the community*'. This objective was strongly supported by participants.

The *outcomes* of the NDA, however, need to be revised as these are used to guide government policy actions to improve wellbeing and provide the foundation for performance reporting. There should be a single set of outcomes across the NDA and the NDS, and as the overarching document, these should sit within the NDA. The current NDS outcomes should be adopted in the new NDA. They more comprehensively cover various aspects of quality of life for people with disability than the current NDA outcomes and are the product of extensive consultation with the community (figure 2).

However, carer and family wellbeing is not a separate outcome in the current NDS. The current NDA more explicitly acknowledges the needs of carers and families through a separate, specific outcome. This is in line with the objective of the NDA, which refers to enhancing the quality of life and participation of carers. Given the vital role of carers and families, the new NDA should adopt a seventh outcome of carer and family wellbeing (in addition to the six outcomes in the current NDS).

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## Box 2      **Support for a National Disability Agreement**

### Allied Health Professions Australia:

AHPA strongly supports the continued need for a National Disability Agreement (NDA). We contend that it provides an important means of providing an overarching national approach to the needs of people with disability, one that is sorely needed to ensure consistency and coordination across different jurisdictions and patient cohorts. We note that while the NDIS may transform the lives of many Australians and will be the primary funder of services for a cohort of people, many more people experience disability and are likely to require support than will be eligible for the NDIS.

### National Disability Services:

The NDA is the appropriate mechanism for linking the National Disability Strategy, core elements of the NDIS bilateral agreements and other government commitments directed at creating an inclusive society for people with disability.

### Western Australian Government:

WA submits that the NDA be revised to clearly articulate the roles and responsibilities of the Commonwealth and the other jurisdictions to delineate what the NDIS and NDS will deliver to support people with disability.

### Queensland Advocacy Incorporated:

It can add value as a high-level commitment to and blueprint for the coordination of the federal partners across all areas of life (not only National Disability Insurance Scheme/supports) ... It can add value as the establishing agreement for a strategy leader that at once specialises in disability policy and inextricably is linked to the decision-making body COAG. There is a strong case for such an agreement. Nothing else currently serves those functions.

### Blind Citizens Australia:

A revised NDA, incorporating the NDS, with a clear delineation of responsibilities for the provision of disability services (possibly both specialist and mainstream) by Commonwealth, state and territory governments and with a robust performance framework would be much more likely to bring about real change than the NDS.

### Victorian Government:

Victoria considers that there is a broader and more substantive role for the NDA in an NDIS context, namely, to assist in maintaining focus on and momentum behind the broader national disability agenda.

### Brotherhood of St Laurence:

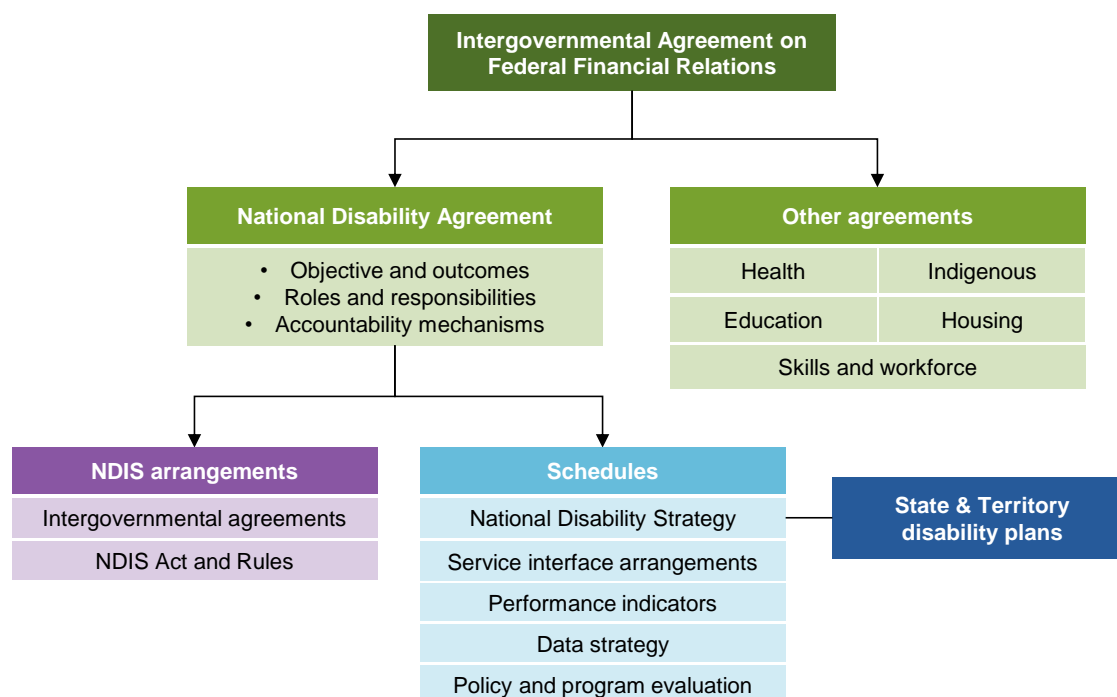
A focus on disability must be retained at a national level to ensure that both Commonwealth and states and territories are held accountable for delivering outcomes for people with disability. Although there is a National Disability Strategy and now the NDIS, both are insufficient because they do not carry the weight of an agreement in terms of meeting obligations.

It is important that the NDA's outcomes reflect feedback from consultation with people with disability, their families and carers. The concurrent review of the NDS will involve extensive consultation. Should this process reveal that revision to the outcomes is needed, these should be reflected in the new NDA.

Although the *scope* of the NDA is currently broad, in line with the objective of the NDA, it needs to be made more explicit in the new NDA that it covers all people with disability, as well as their families and carers, and that it covers all related services, including mainstream services. To improve *accountability*, the *roles and responsibilities* of governments also need

to be clarified and updated to reflect contemporary policy settings and the *performance framework* needs to be strengthened.

Figure 1 **A revised disability architecture**



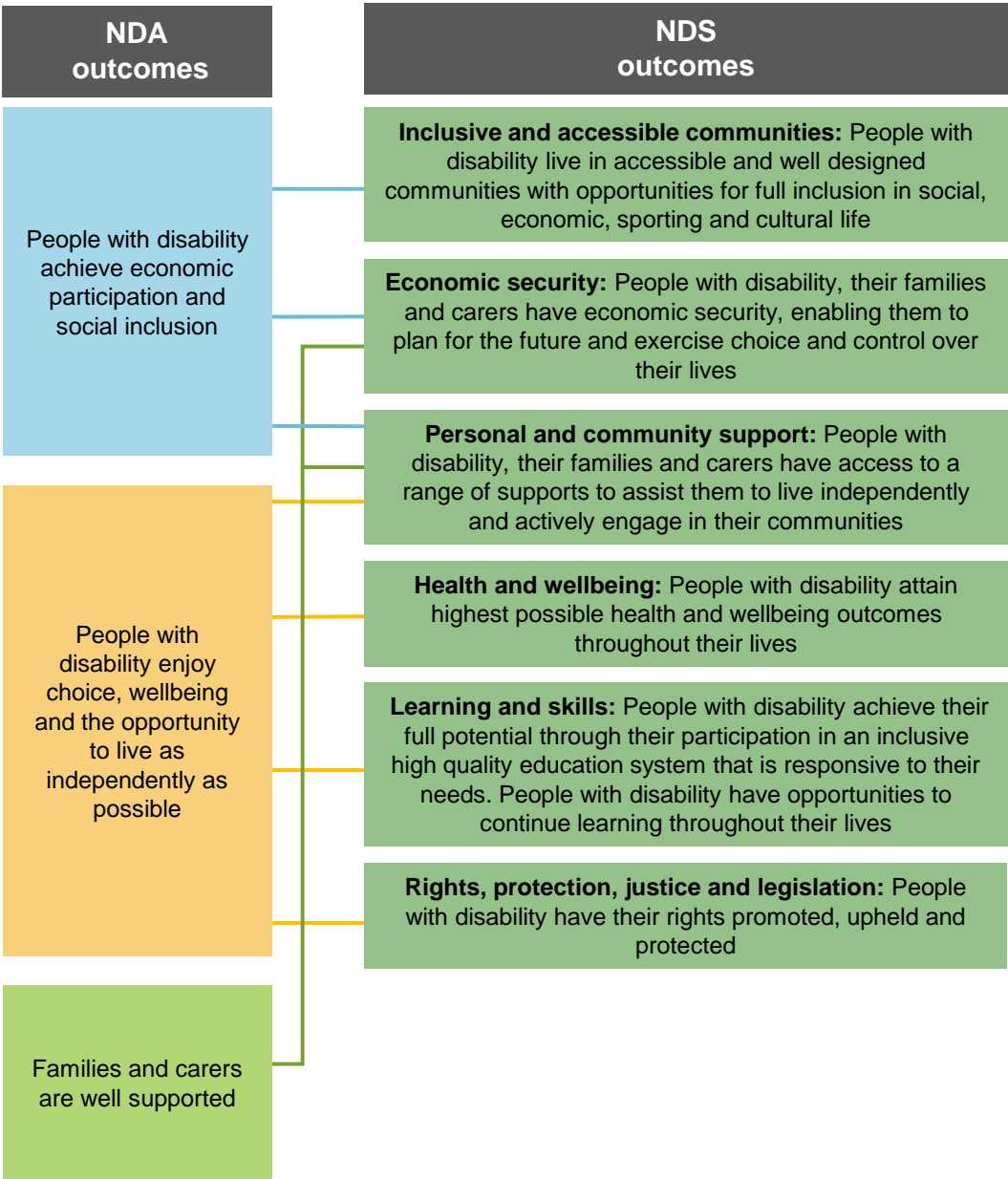
## The essential role of the NDS in the new framework

Policy directions and actions are an important component of an intergovernmental agreement, as they provide a link between the broad objectives and outcomes of the agreement and a reform agenda that can be implemented by governments. A statement of policy actions is largely absent from the current NDA. Although it contains a section titled ‘reform and policy directions’, these are mostly declaratory statements of intent. As a result, the NDA provides limited guidance on a disability reform agenda and it is difficult to assess the extent to which the agreement motivates government actions or improves outcomes for people with disability, their families and carers.

Policy actions are instead detailed in the current NDS, but there is no link between these and the NDA’s outcomes. Under our proposed framework, the NDS would continue to play an essential and complementary role with its purpose remaining largely unchanged — *to guide government activity across mainstream and disability-specific areas of public policy, drive improved performance of mainstream services in delivering outcomes for people with disability, and provide leadership towards greater inclusion of people with disability*. In doing so, it would detail the specific policy actions and reform priorities agreed by

governments, and these should be explicitly linked to the new NDA’s outcomes. The NDS would be updated as required to reflect changing needs and priorities.

Figure 2      **Comparison of outcomes across the NDA and NDS**



The NDA and NDS would work towards a shared objective, a single set of outcomes and performance reporting framework (all specified in the NDA), and the NDS would become a schedule to the NDA. Making the NDS a schedule to the NDA should not be viewed as diminishing its role or significance. Rather, by clearly placing the NDS within a broader agreement that has clearly defined outcomes and performance reporting requirements, the

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accountability of governments for implementing the policy actions and commitments in the NDS will be improved.

## The NDIS in the new framework

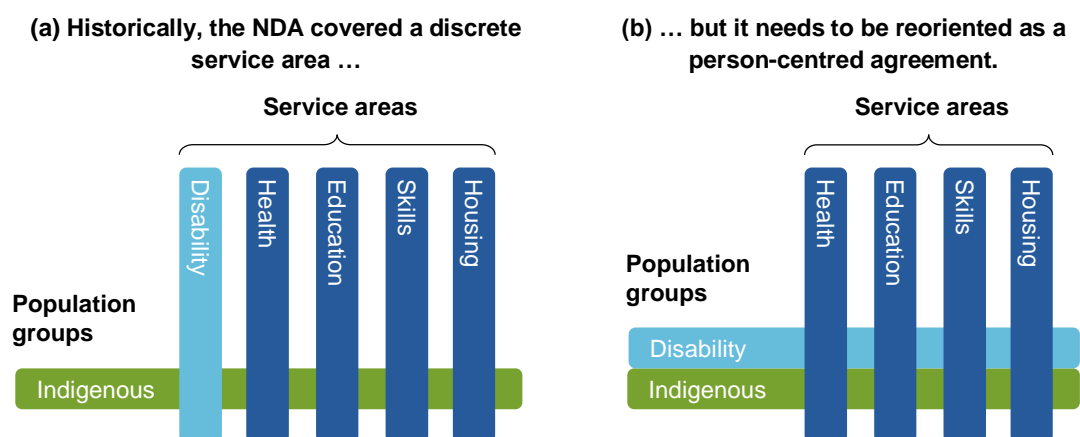
As an overarching agreement, it is crucial that the NDA contains a clear statement of its relationship to the NDIS. Given the narrow scope of the NDIS, its bilateral agreements and legislation would remain separate from the NDA. But the NDA should be clear that it covers all people with disability, including NDIS participants. Specific reference to certain aspects of the NDIS should be included in the NDA, including its Information, Linkages and Capacity Building (ILC) program, which covers all people with disability (section 3). The performance framework of the NDA would also cover outcomes for all people with disability, including NDIS participants.

## Reorienting the NDA as a person-centred agreement

To be consistent with contemporary approaches to disability policy, the NDA needs to be reoriented away from a service delivery focus, towards a person-centred approach that has at its core the individual needs, rights and aspirations of people with disability, as well as the needs of their carers and families. In other words, the NDA needs to be reconceptualised as an agreement that interacts with all mainstream service systems and other agreements, similar to the approach used for the Indigenous agreement (figure 3).

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**Figure 3      How do Commonwealth–State agreements fit together?**



We propose three strategies to give effect to this approach.

- The preliminaries of the NDA should affirm a person-centred approach to disability policy. They should also explicitly acknowledge the United Nations Convention on the Rights of Persons with Disabilities, and articulate how and to what extent the new NDA is intended to fulfil Australia’s commitments under that convention.

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- The mainstream services covered by other agreements impact on the lives of people with disability and their carers, including health, education, and housing. In recognition of this, and in order to enshrine the cross-cutting nature of the NDA, the commitments and obligations of governments under the new NDA should be reflected in the other Commonwealth-State agreements (including National Partnerships). Doing so could help raise the prominence of issues people with disability face when accessing mainstream services and prompt action.
  - Governments should ensure that processes for developing and implementing the new NDA are underpinned by genuine engagement with people with disability.

### **3 Clearer roles and responsibilities of governments**

Clearly defined roles and responsibilities are fundamental for achieving accountability to the community and for ensuring that adequate supports are available for all people with disability and their carers. With the changes in the disability policy landscape that have taken place over the past decade, the roles and responsibilities in the NDA are now out of date and need to be updated. Most notably, the development of the NDIS, and the shared responsibility for it, is not reflected in the current NDA.

#### **Reflecting shared responsibilities for the NDIS in the new NDA**

The responsibilities of governments for the NDIS have been extensively negotiated and set out in various instruments. The NDA does not need to restate these responsibilities in detail, but in order for it to effectively function as the overarching agreement covering all people with disability, the NDIS needs to be brought into the fold. To do so, the NDA should:

- outline the role of the NDIS in providing supports to people with permanent and significant disability, such as by referencing its purpose and scope
- make clear that the Australian, State and Territory Governments share responsibility for the NDIS (including for stewardship of the NDIS market), and outline those responsibilities by referring to NDIS-related instruments such as bilateral agreements, NDIS Rules and the NDIS Act, which set these responsibilities out in detail
- include a statement that affirms governments' commitment to clarifying what supports to NDIS participants are to be provided through mainstream service systems and what are to be provided through the NDIS. The *Principles to Determine the Responsibilities of the NDIS and Other Service Systems* and the accompanying *Applied Principles and Tables of Services* (APTOS), outline in broad detail the responsibilities of the NDIS and 11 mainstream service areas (including health, education, transport and justice). These documents should be included as a schedule to the NDA.

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## The ILC program should be reflected in the NDA

The NDIS ILC program provides information, linkages and referrals to connect people with disability, their families and carers with appropriate disability, community and mainstream supports. ILC is available to all people with, or affected by, disability including their families and carers, and is an important link between services provided through the NDIS and services provided outside it. Given its broad remit and role in the landscape of services that will be available to non-NDIS participants, it is essential that the new NDA clearly and in detail reflects the role of the ILC program.

Although the ILC policy and commissioning frameworks are clear in what the ILC program is intended to achieve, in practice there is confusion over what the purpose of the program is, and what services are to be funded through it. Some people see a broad role for the ILC program, including as a direct funder of disability supports for people outside the NDIS. However, when fully rolled out, the ILC program's budget (of about \$130 million per year) is commensurate with the program being primarily an information and referral service. In order to reflect the ILC program in the NDA, governments, in conjunction with the National Disability Insurance Agency (NDIA), should clarify the role of the program and the types of services that it will fund, before it is fully rolled out in 2019-20.

## A coordinated approach to workforce development is needed

A ready and capable workforce, both within and outside the NDIS, is essential to providing high-quality supports and services and improving the wellbeing of people with disability. Actions to develop the disability care workforce have so far been piecemeal and uncoordinated, although there are indications of progress in this area, with COAG recently tasking skills officials to work alongside disability officials to develop and support a national disability workforce strategy.

Governments should clarify the responsibilities of different parties to develop the disability care workforce. They should also clarify responsibilities for advancing the capabilities of all disability care and mainstream workers (including healthcare workers and workers in the community sector) to deliver accessible, inclusive and culturally responsive supports to people with disability. These responsibilities should then be reflected in the NDA.

## **By clarifying responsibilities, the NDA could assist to address gaps**

Many participants raised concerns about gaps in services for people with disability and carers. In some cases, concerns stem from the introduction of the NDIS — for example, there is concern that as funding for programs is rolled into the NDIS (such as some community mental health programs, carer supports and community access and inclusion programs) people who are not eligible for the NDIS may no longer be able to access these services. There are also concerns that a lack of clarity at the interface of the NDIS and mainstream service systems, particularly the health system, is leading to people missing out on, or

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experiencing delayed access to, some services. In other cases, gaps predate the introduction of the NDIS, and accessibility and inclusion challenges in these areas remain, particularly in relation to transport, housing and public and recreation facilities.

Unclear responsibilities have added to considerable concern about gaps in the services available for people with disability and carers. Of course, a lack of clarity in responsibilities is not the only factor that contributes to service gaps, but it can contribute to a policy environment where gaps are able to emerge and persist. This can make it difficult for governments to be held accountable to the community for the services they are responsible for and the outcomes they achieve.

Governments are taking action to clarify responsibilities and address some service gaps, particularly relating to NDIS interface issues. The COAG Disability Reform Council (DRC) has prioritised resolution of interface issues in six service areas — health, mental health, criminal justice, child protection and family support, transport (including school transport), and personal care in schools. These processes will help to address gaps in services for NDIS participants, but there are also uncertainties relating to the provision of other disability services, in particular for those outside the NDIS. This includes advocacy services, supports for carers, supports for people with psychosocial disability, and community access and inclusion programs (box 3). Responsibilities for these services should be clarified and set out in the new NDA.

### A gap analysis would help to comprehensively identify gaps ...

The gaps identified in this study are not exhaustive. A gap analysis — which involves identifying community needs and government objectives, and assessing them against the services that are available or planned — should be conducted through the DRC as a matter of urgency, and be completed by the end of 2019. This would help governments comprehensively identify where gaps are and would also support service providers in their planning. Where gaps are due to unclear responsibilities, the analysis can provide a basis upon which governments can agree on who is responsible for addressing gaps.

Any actions needed to resolve gaps could be included in the NDS and, where necessary, responsibilities of government updated in the NDA. In considering how service gaps can be addressed, it is important to recognise that not all gaps can feasibly be eliminated. Judgment about what is reasonable is required when determining the extent to which adjustments are to be made for people with disability, balancing the costs and benefits of doing so to people with disability and the community more broadly.

The services provided by governments, and the population and service needs of people with disability all evolve over time, so it is important that a gap analysis is conducted on a regular basis. Provision for a gap analysis to be conducted by the DRC at least every five years should be included in the new NDA. This timing coincides with our proposal for the NDA to be independently reviewed on a five-yearly basis.

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### Box 3      **The need for clarity for some disability services**

Most disability services will be funded through the National Disability Insurance Scheme (NDIS). However, some will not, and responsibility for their provision can be unclear. The Commission has not undertaken an exhaustive analysis, but has identified several service areas where there are widespread concerns about gaps and where responsibilities are unclear. These should be clarified in the National Disability Agreement.

- *Advocacy services.* Some advocacy functions (such as decision supports and capacity-building) have been funded by the National Disability Insurance Agency (NDIA). But many functions of advocates, particularly systemic advocacy, can be unsuited to an individualised funding model like the NDIS (in part, because they benefit people with disability even if they do not directly access them). Some States have withdrawn and then reinstated funding for the period covering the transition and earlier stages of the NDIS. It appears that some governments may be operating on a 'wait and see' basis pending confirmation of what funding will be provided through the Australian Government's National Advocacy Program and the NDIS.
- *Support for carers.* There are widespread concerns about future support for carers outside the NDIS, particularly as funding of some existing programs (such as for carer respite) is being rolled into the NDIS. The Australian Government has announced some services, but it is not clear what State and Territory Governments intend to provide or how they will interface with Commonwealth services.
- *Supports for people with psychosocial disability.* There is potentially a large gap in the number of people with severe psychosocial disability not eligible for the NDIS. Psychosocial disability relates to the effects (through impairments or restrictions) on someone's ability to participate fully in life as a result of mental ill-health. About 282 000 people aged up to 65 are estimated to have severe psychosocial disability requiring supports. Once the NDIS is fully implemented, approximately 64 000 people are estimated to be covered on the basis of a primary disability of psychosocial disability. Funding of some services used by non-NDIS participants is being transferred to the NDIS from existing Australian Government programs, including the Personal Helpers and Mentors, Day to Day Living, Partners in Recovery and Mental Health Carer Respite programs. Participants also raised concerns about gaps caused by the transfer of (already underfunded) community mental health programs to the NDIS.
- *Community access and inclusion programs.* Community access and inclusion programs support people with disability to participate in community events such as sport and recreation, the arts and general socialising. Participants raised concerns that the responsibility of the NDIA (through Information, Linkages and Capacity Building grants) and State and Territory Governments to fund these services is unclear, particularly as funding for some programs (such as the Total Recreation program in the Northern Territory and the Neighbourhood Connections program in Victoria) is uncertain or being discontinued as the NDIS rolls out.

... but first, governments should clarify services to be provided outside the NDIS ...

In its 2017 study on NDIS Costs, the Commission recommended that before the NDIS is fully implemented, all governments should make public — through the DRC — their approach to providing continuity of support (to clients of disability programs who are not eligible for the NDIS), and the services they intend to provide to people with disability beyond those provided

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through the NDIS. A similar recommendation to clarify what services will be rolled into the NDIS was made in early 2018 by the Joint Standing Committee on the NDIS.

With the exception of the Australian Government, governments have published little information about how they intend to ensure continuity of support, including precisely what disability services they will provide. To enable a gap analysis to be undertaken, and to provide certainty for people with disability, governments should immediately articulate exactly what services they will provide (and how) to people with disability. This is particularly important for services outside the NDIS, where the weight of concern about service gaps lies.

### ... and commit to improving the accessibility of mainstream services

Ensuring that mainstream services are accessible to people with disability is a persistent challenge. Poor accessibility can result in worse health outcomes, less participation and inclusion in society, and a reduction in dignity, autonomy and independence.

The importance of mainstream services in providing support to people with disability has long been recognised. The current NDA recognises that disability services, which are the focus of the agreement (and now largely provided through the NDIS) are complemented by mainstream services. And under the NDS, governments agreed that all mainstream services, including healthcare, education, transport and housing, should be available and fully accessible for people with disability.

The new NDA should acknowledge that all governments — Australian, State, Territory and Local — share responsibility for ensuring that reasonable adjustments are made to their mainstream services so that they are *accessible, inclusive and culturally responsive in meeting the needs of all people with disability*, particularly those with complex needs who may need differentiated support. This can include Indigenous people, people from culturally and linguistically diverse backgrounds, and people with multiple and complex disabilities (including psychosocial disabilities).

The role of local governments should be recognised in the NDA. This could be through a provision that recognises their influence on the lives of people with disability, especially through their role in planning and building regulations, and their involvement in supporting and delivering many community programs and services.

To effectively drive change, a statement in the NDA of governments' responsibility for improving mainstream services needs to be complemented by specific policy commitments, and details on exactly how governments intend to implement these commitments. These should be detailed in the new NDS beyond 2020. The NDA's performance reporting and evaluation framework can also play a role. Indicators relating to the use of, and experiences with, mainstream services by people with disability could help to identify accessibility issues, and facilitate the assignment of responsibilities to improve these services.

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## 4 An improved performance reporting framework

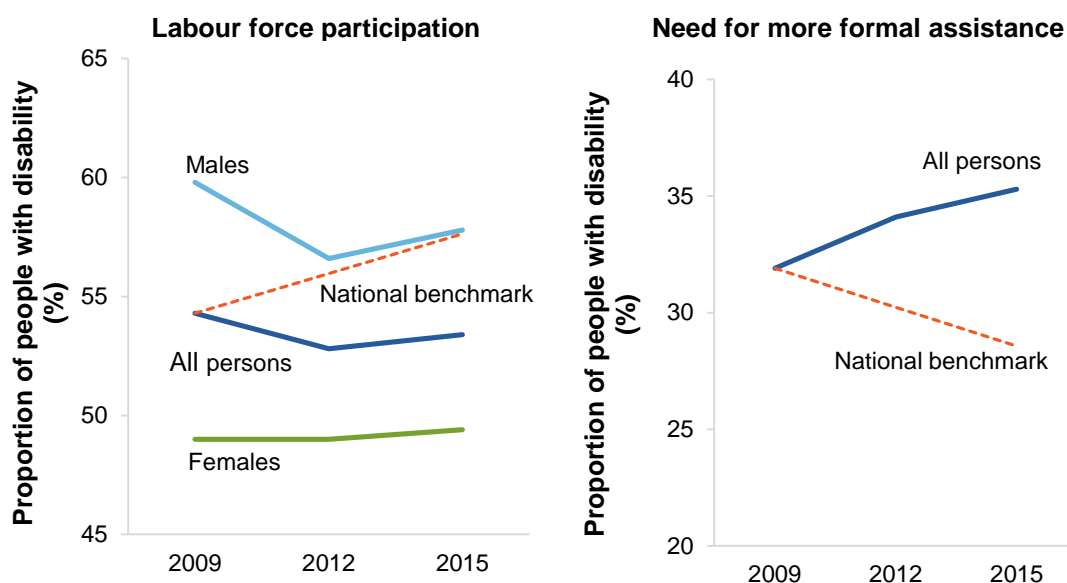
A commitment to performance reporting is a key element of the current NDA and is the main public accountability mechanism in the agreement. A well-designed performance reporting framework can improve government accountability by providing information to the community about progress against objectives and outcomes and the effectiveness of government policies. It can provide a spur to action for governments and the community and be a catalyst for change.

The NDA's current performance reporting mechanisms do not appear to have been effective in spurring government and community action. There has been very limited progress against the NDA's outcomes and performance metrics, with most indicators and benchmarks showing no significant change since 2009 (figure 4). It is unlikely that the performance targets in the NDA will be met.

- Labour force participation of people with disability declined by 0.9 percentage points between 2009 and 2015 (the target is for a five percentage point increase by 2018).
- The proportion of people with disability reporting a need for more formal assistance increased by 3.4 percentage points between 2009 and 2015 (the target is for a five percentage point decrease by 2018).
- A performance benchmark for the NDA's third outcome — families and carers are well supported — was not assigned a quantitative target under the agreement, and the relevant indicators in the NDA do not show any significant improvement.

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Figure 4 **Progress towards the NDA's performance targets**



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There are also deficiencies and gaps with some of the existing performance indicators, which makes it difficult to get a full picture of progress towards outcomes. In particular, the current NDA does not contain any performance indicators that specifically correspond to people's experiences with mainstream services or the impact of mainstream services on the NDA outcome areas.

A strengthened performance framework is needed in the new NDA to improve accountability to people with disability, their families and carers and to the wider community. A revised framework (figure 5) is proposed to comprehensively assess progress towards outcomes for people with disability and carers and to provide greater accountability (through more rigorous reporting and policy evaluation).

The key elements of the framework are:

- person-centred outcome areas (sometimes referred to as outcome 'domains') that specify what outcomes are being sought for people with disability and carers
- performance indicators, which measure progress against each of the outcomes, and (if desired) the specification of a quantitative target for priority performance indicators
- high-quality data for measuring performance indicators
- a statement of policy actions (in the NDS) that are explicitly linked to each outcome area
- rigorous evaluation of policy actions (which can also serve to inform the selection or use of performance indicators and outcomes)
- a public reporting process that outlines what is reported and how often, and by whom.

## **A holistic person-centred approach to performance reporting**

The revised framework is underpinned by a person-centred approach to performance reporting, which involves the identification of outcome areas that reflect aspects of quality of life and wellbeing (consistent with the objective of the NDA). Although services are critically important to the achievement of outcomes, they constitute a mechanism to achieve outcomes. They are not outcomes themselves and thus are not represented as so. That said, it is important that the effectiveness and efficiency of government programs are measured, which could be done in a systematic way through policy evaluation.

The outcomes in the new NDA (as discussed earlier) should form the foundation for the NDA's performance reporting framework (figure 6). Sub-outcomes can be used to describe in more detail the desired results from government policy in each outcome area and aid in accountability by providing a clearer link between outcomes and performance indicators and policy actions. Sub-outcomes do not necessarily have to have one or more performance indicators associated with them. Some sub-outcomes may be more suited to program evaluation than measurement via performance indicators.

Figure 5 Elements of a revised performance and evaluation approach

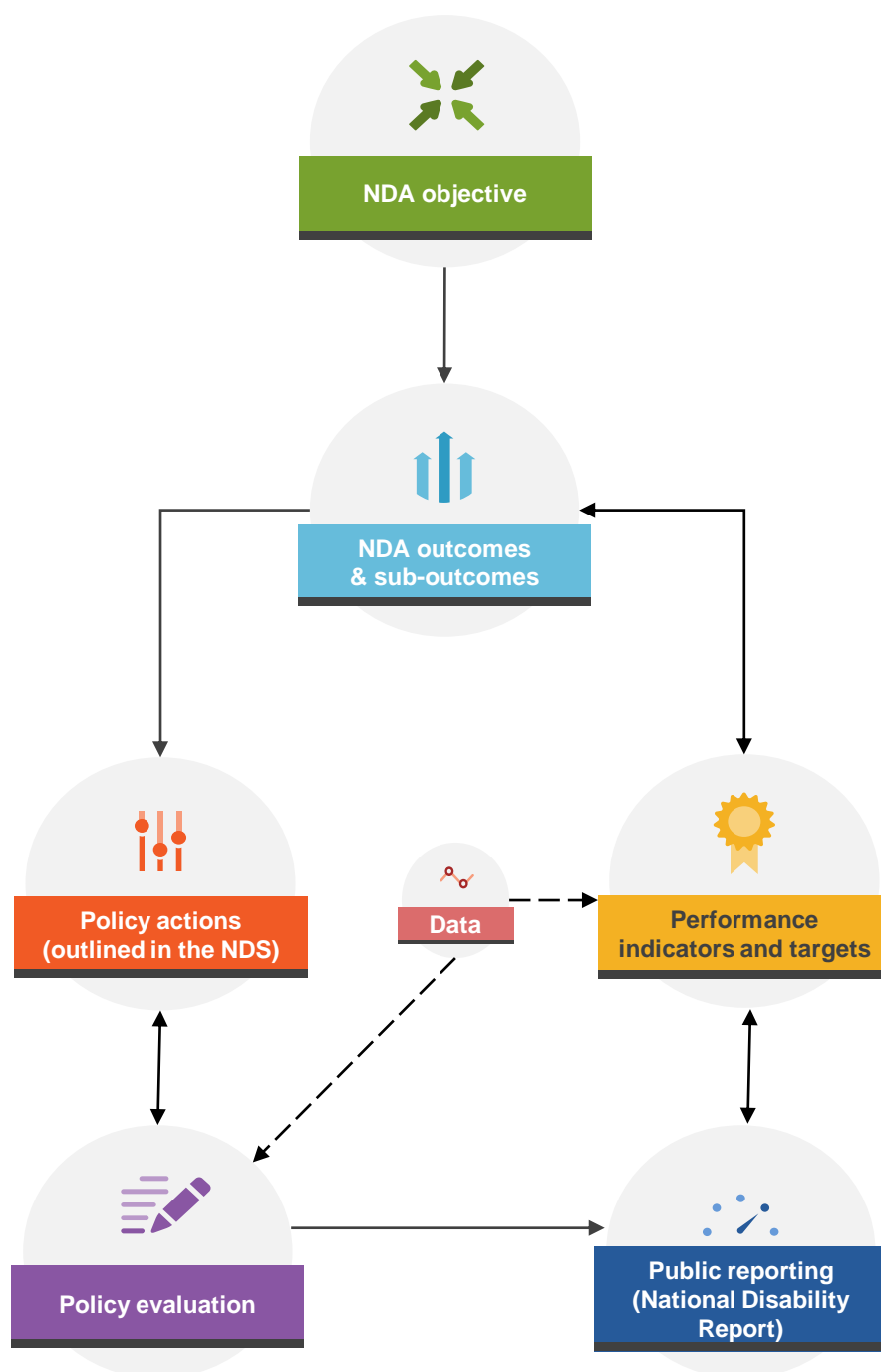
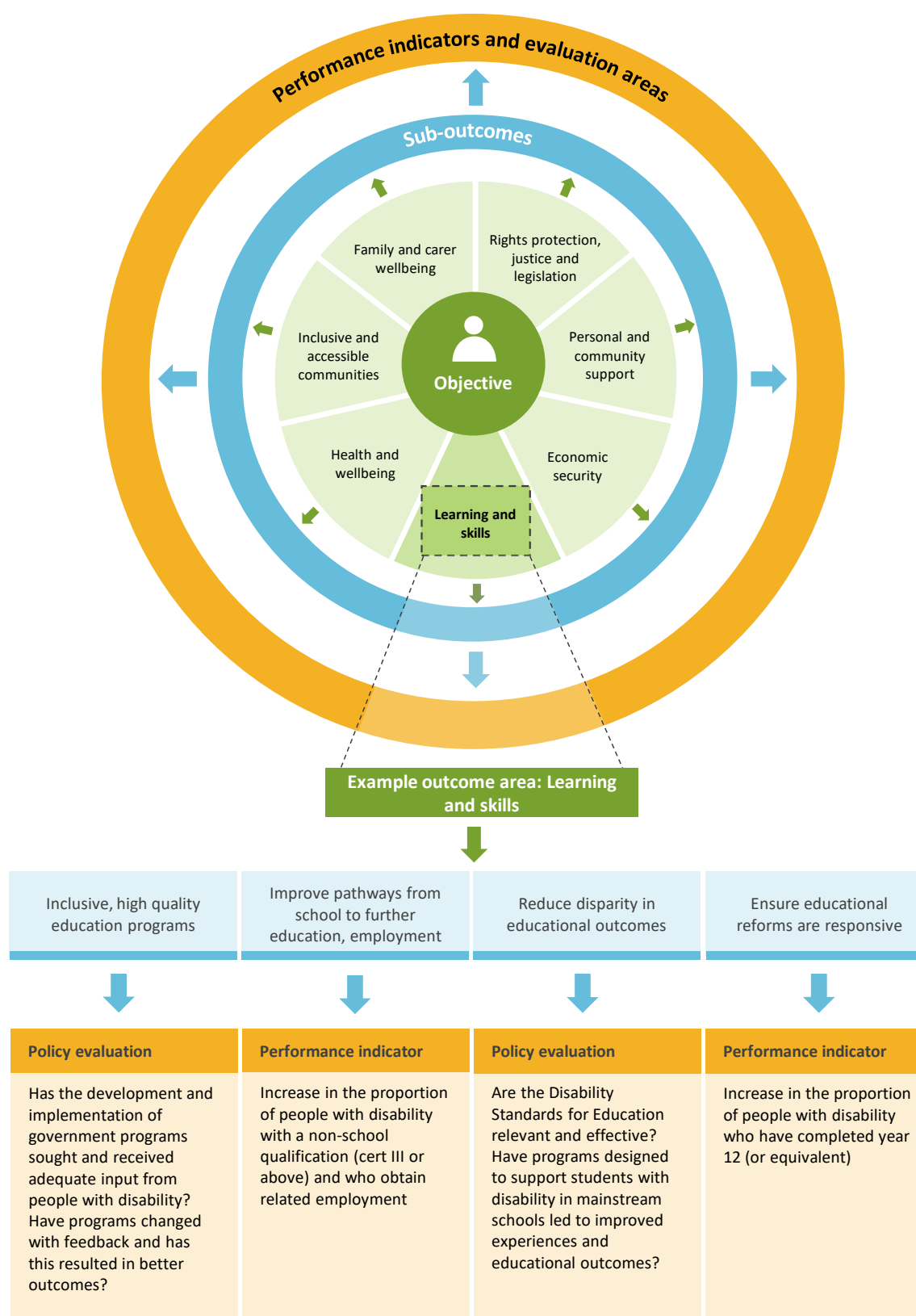


Figure 6 Mapping outcomes to indicators and areas for evaluation



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## **Revised and more comprehensive performance metrics**

Performance indicators for the new NDA will need to be developed to measure progress towards each outcome area. The NDA's performance indicators should be expressed in terms that describe people's experiences with services and relate to progress towards the outcomes of the agreement. Clear principles and criteria (outlined in chapter 5 of this report) should guide the selection of indicators to ensure that they are effective measures of progress, and importantly, that the indicators are both meaningful to the community and capable of being influenced by government policy.

The ultimate purpose of performance reporting is to enhance accountability of governments, which is undermined if a clear link between policies and performance indicators is not present. At the same time, performance indicators should collectively give as complete a picture as possible of the lives of people with disability and their carers using the minimum number of indicators required to do so.

Targets can act as an additional accountability mechanism in a performance reporting framework, by helping to focus government attention on specific, achievable outcomes over a defined period. They can also enable the community to judge the significance of any progress that has been made. Various methods can be used to set targets but regardless of the approach used, evidence of the ability of an indicator to be strongly influenced by government policy (and by extension, affect the relevant outcome or sub-outcome) is a key requirement for an indicator to be used as a target.

The Commission has not proposed a comprehensive set of performance indicators or targets in this report — these should be developed and agreed as part of the negotiations on the new NDA and in consultation with people with policy expertise and people with lived experience of disability, as well as data experts. Responsibility for formulating new performance metrics should be assigned to the Senior Officials Working Group (SOWG) of the DRC, supported by a new working group.

To reduce the possibility for duplicative performance reporting under the NDA and NDS, performance reporting should be merged into a single document, given that both the NDA and NDS will have the same outcomes and sub-outcomes. Further, as the overarching agreement relating to disability policy in Australia, measures of outcomes under the NDIS should converge towards that of the NDA, or at least not be inconsistent with it.

## **A comprehensive data strategy**

Performance reporting is not possible without access to adequate data. An absence of adequate data undermines the basis for performance reporting, and can adversely affect policy making. Currently, performance data for the NDA is (almost exclusively) based on the ABS' Survey of Disability, Ageing and Carers (SDAC) and the Australian Institute of Health and Welfare's Disability Services National Minimum Data Set. The ongoing

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availability of data from these sources is uncertain, and there is a risk that some data may not be available — particularly data on use of services provided outside the NDIS (box 4).

The new NDA could help to provide certainty for the data collections on which performance reporting relies via a commitment by governments to continue to provide funding to enable the SDAC to be collected every three years, as well as a commitment to collect data on mainstream services used by people with disability. There are a number of ways the data gaps could be filled, including by making greater use of other national data sets, such as the Nationally Consistent Collection of Data on School Students with Disability. The significant potential for linking data sets, such as linking disability support services data to national hospital data, Medicare Benefits Schedule data and the Pharmaceutical Benefits Scheme data, also remains unrealised. The Productivity Commission's recommendations in its inquiry on Data Availability and Use remain relevant in this regard.

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**Box 4            There is a risk of inadequate data for NDA reporting**

There is a risk that the two main data sets used to measure progress against the NDA's current performance metrics will be inadequate in the future.

- The Australian Institute of Health and Welfare's Disability Services National Minimum Data Set is scheduled to conclude in 2018-19 as States and Territories withdraw from funding some disability services as the NDIS approaches full implementation. Although reporting will occur under the NDIS, this will not provide a comprehensive picture of the broader services environment and outcomes for all people with disability and carers. Additional data are required to capture use of, and experiences with, mainstream services.
- The ABS' Survey of Disability, Ageing and Carers (SDAC) is conducted by the ABS every six years, although since 2009, additional surveys have been conducted every three years, contingent on funding from the Australian Government and the States and Territories. However, the agreement to fund the SDAC triennially lapses in 2019 and the ABS has indicated that without further funding, the SDAC will likely revert to a six-yearly frequency and that estimates will be less reliable (which reduces the ability to have meaningful disaggregated data). Seven of the current nine indicators of the NDA rely on SDAC data, as do many of the indicators in the National Disability Strategy.

The SOWG of the DRC, advised by a new working group, should ensure that a strategy is in place to collect the necessary data where those data are not currently available. This will help to prevent the emergence of sustained data gaps that could compromise performance reporting and ultimately, accountability. The data strategy should be included as a schedule to the NDA.

## **An embedded and complementary role for policy evaluation**

There are currently no provisions in the NDA for evaluating or tracking how policy actions contribute to the NDA's agreed outcomes. Reports on the progress of the NDS have largely been descriptive (detailing actions taken by governments) rather than providing analysis on

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the effectiveness of government actions, and to date only two reports have been published. In addition, audits of disability research in Australia by the Centre for Disability Research and Policy (in 2014 and 2017) found a dearth of structured policy evaluation and that the body of evidence about ‘what works’ in the disability space is patchy, with particular gaps in the research relating to vulnerable groups (including Indigenous and culturally and linguistically diverse populations).

A process is needed for evaluating which government policies and programs are effective in improving outcomes for people with disability. This would help to provide a more fulsome picture of how people with disability are affected by government policy.

The new NDA should include a formalised process for policy evaluation. The operational aspects of the policy evaluation program should be set out in a schedule to the NDA, and should include protocols relating to:

- *how policy evaluation will be carried out.* This could be through commissioning evaluations of what works in specific areas, such as labour force participation, or in particular service areas, such as health or education. Alternatively, it could be a synthesis of research undertaken by others, including government agencies and research bodies. It is important that commissioned research and evaluations are chosen strategically, in consultation with experts and people who have lived experience of disability. Research and evaluations should focus on the outcomes achieved and assess the *impact* of selected policies or programs on a specific outcome or sub-outcome of the NDA
- *a timetable for which policies will be evaluated and when.* Priority areas could be identified from performance reporting and consultation with the community. If particular indicators reveal lack of progress then the types of government policy actions that are linked to the relevant indicator could be an area for evaluation. For example, labour force participation has not improved since the commencement of the NDA, so a potential area for evaluation could be the Disability Employment Services program
- *how the findings of evaluation will be disseminated.* The ‘National Disability Report’ (discussed below) should synthesise the results of evaluations and highlight examples of what works for adoption more broadly.

The schedule (including the priority areas for evaluation) should be agreed by governments as part of the negotiations on the new NDA. The Steering Committee for the Review of Government Service Provision (the same body responsible for developing the proposed National Disability Report), advised by a new working group, should have ongoing responsibility for the administration of the policy evaluation program.

## **A strengthened and more influential performance reporting approach**

For performance reporting to be an effective public accountability mechanism, progress against the NDA’s outcomes needs to be transparent to the community and have a credible

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and influential profile. During consultations for this study, it was apparent that there is low public awareness of the NDA and its associated performance reporting.

The low profile of the NDA could be partly due to the way performance reporting is undertaken. Responsibility for NDA reporting has shifted between various agencies over the past ten years — from the COAG Reform Council to the Department of the Prime Minister and Cabinet in 2015. The Department of the Prime Minister and Cabinet then established the Performance Reporting Dashboard, which was recently handed over to the Productivity Commission. This shifting of responsibilities may have created confusion about who is responsible for reporting, and created an impression that performance targets are not a high priority for governments.

In addition, the Report on Government Services (RoGS) reports on the performance metrics of the NDA using its own performance indicator framework, which the NDA indicators are aligned with. But the RoGS does not accord specific prominence to the NDA targets or indicators, which are reported in conjunction with other indicators on disability services (in line with the main purpose of the RoGS). Although this provides comprehensive information on the NDA indicators, the large volume of information in the RoGS reduces the ease with which the NDA's performance metrics can be monitored.

### A National Disability Report to be published biennially

The influence and profile of performance reporting for the NDA would be strengthened by tabling a 'National Disability Report' in the Australian Parliament, similar to the Prime Minister's annual report to Parliament on 'Closing the Gap' for Indigenous people. Tabling reports in Parliament helps to draw attention to information and can prompt public discussion and critical evaluation of disability policy settings.

The National Disability Report would outline progress against the outcomes of the new NDA. But it would be more than just a description of data and indicators, and should include a qualitative assessment of progress towards the NDA's outcomes, including findings from policy evaluation. The report should be tabled biennially by the relevant Commonwealth Minister responsible for disability and similar reports could be tabled in State Parliaments.

The report could be developed using an approach similar to the Overcoming Indigenous Disadvantage report, with responsibility for its development assigned to the Steering Committee for the Review of Government Service Provision, supported by a new working group. The working group should include people who have experience in policy, possess data expertise, and represent people with disability. It is essential that any reporting on outcomes includes the perspectives of people with disability. The working group could, and desirably should, be comprised of the same representatives as the working groups proposed earlier to advise on the NDA's performance metrics, data strategy and evaluation program.

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## **5 A new National Disability Agreement for 2020**

The elements of the new NDA proposed in this report (summarised in table 1) provide a foundation upon which governments should seek to reach agreement by the start of 2020. There is opportunity in 2019 for governments to advance many of the outstanding issues relating to the full implementation of the NDIS, and in particular, to address service interface issues. The review of the NDS also provides a means for governments to identify policy priorities to progress change in the seven outcome areas of a new NDA.

To meet a 2020 timeframe, several concurrent streams of work will need to commence immediately, and be progressed while the new NDA is being negotiated. In part, these are negotiations that need to take place between governments (for example, roles and responsibilities to resolve gaps and NDIS interface issues). And in some cases, the recommendations in this report involve the creation of a new entity with responsibility for determining specific matters (for example, new indicators and targets are to be developed by the SOWG of the DRC, and a new working group is to be established to support the development of the National Disability Report and the policy evaluation program).

Some of the recommendations proposed in this report also relate to matters to be contained in schedules to the NDA (such as the NDS), which can be negotiated separately to the main agreement. Although it would be desirable, it is not essential that the new NDS be finalised before a new NDA is signed.

## **6 Some broader issues**

In undertaking this review, a number of issues have emerged relating to the broader architecture supporting Australia's National Agreements — the IGA FFR. The IGA FFR was developed in recognition that, while States and Territories have primary responsibility for many policy areas, coordinated action in those areas may be necessary. All of the National Agreements under the IGA FFR (with the exception of the National Indigenous Reform Agreement) were initially associated with funding from the Australian Government to the States and Territories, but these payments were not tied to any performance requirements.

Much has changed in intergovernmental relations since the IGA FFR was agreed to in 2008. In particular, there have been changes to funding arrangements. For disability, the National Specific Purpose Payment associated with the NDA will be fully rolled into funding for the NDIS by 2020 (there may, however, be a need to devise new funding arrangements for specific areas of work in the new NDA, including for data collection, policy evaluation and reporting). National Specific Purpose Payments associated with other National Agreements (for health, education and housing) have also been replaced with tied funding arrangements set out in new Commonwealth-State agreements, which in some cases continue to operate alongside the original National Agreements. There have also been changes in institutional

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arrangements that are not reflected in the current IGA FFR, including in relation to the performance reporting role of the (now abolished) COAG Reform Council.

More broadly, the IGA FFR is silent on how the various agreements interact. The needs of people with disability cut across many government service areas, potentially necessitating an explicit statement about how the NDA interacts with other agreements.

This review of the NDA has provided only partial insight into the effectiveness of the IGA FFR as an overarching framework for Australia's National Agreements. A comprehensive consideration of this question has not been possible as part of this review. But the above developments and the future reviews of other agreements may point to a need to consider whether the IGA FFR itself needs to be revised.

**Table 1 A proposed blueprint for a new National Disability Agreement**

<i>Element</i>	<i>What</i>	<i>How</i>
<b>National Disability Agreement</b>		
<b>Preliminaries</b>	<p>Purpose: a clear statement of purpose of the NDA (rec. 2.1).</p> <p>Scope: reorient the NDA as a person-centred document covering <i>all</i> people with disability, families and carers (recs. 6.1, 6.2).</p>	<ul style="list-style-type: none"> <li>• Include statement of purpose in preliminaries of the NDA: to promote cooperation, enhance accountability for outcomes and clarify roles and responsibilities of governments.</li> <li>• Include statement affirming a person-centred approach to disability policy and explicitly acknowledge the UNCRPD.</li> <li>• Include a commitment to reflect NDA commitments and obligations in other Commonwealth–State agreements.</li> </ul>
<b>Objective</b>	Clearly stated objective (rec. 2.2).	<ul style="list-style-type: none"> <li>• Reaffirm current objective of the NDA.</li> </ul>
<b>Outcomes</b>	A statement that describes the impact of government activity on the wellbeing of people with disability and carers (rec. 2.3).	<ul style="list-style-type: none"> <li>• Update NDA outcomes: adopt the six current outcomes in the NDS and add an outcome for families and carers.</li> <li>• Adopt a single set of outcomes across the NDA and NDS.</li> </ul>
<b>Roles and responsibilities</b>	<p>Clear roles and responsibilities in relation to the NDIS to reflect changes in the policy and service environment (recs. 3.1, 3.2, 3.3, 3.4).</p> <p>Clear statement of roles and responsibilities of governments to provide disability services outside the NDIS, to assist in addressing gaps in services (recs. 3.5, 3.6, 3.7).</p> <p>Embed roles and responsibilities for disability in mainstream service systems (recs. 3.3, 3.8).</p>	<ul style="list-style-type: none"> <li>• Outline and reflect the role of the NDIS.</li> <li>• Reference NDIS legislation, rules, and bilateral and intergovernmental arrangements.</li> <li>• Reflect responsibilities for developing the capabilities of the disability care workforce.</li> <li>• Outline and reflect the role of ILC.</li> <li>• Outline responsibilities for disability services, including psychosocial services, advocacy, community programs and support for carers.</li> <li>• Include commitments to: <ul style="list-style-type: none"> <li>– publish continuity of support arrangements and what services will be rolled into NDIS</li> <li>– undertake a gap analysis to identify gaps, and review gaps every 5 years.</li> </ul> </li> <li>• Include a commitment to ensure mainstream services are inclusive, culturally responsive and effective for people with disability.</li> <li>• Reflect responsibilities for developing capabilities of mainstream service workforce.</li> </ul>
<b>Accountability mechanisms</b>	<p>Performance framework: measure progress against outcomes of the NDA (rec. 5.1).</p> <p>Evaluation: build an evidence base for what works (rec. 4.1).</p> <p>Public reporting (recs. 5.2, 5.4).</p>	<ul style="list-style-type: none"> <li>• Include new indicators and targets against revised outcomes of the NDA, to be agreed by DRC (supported by the SOWG).</li> <li>• Include a commitment to and process for policy and program evaluation.</li> <li>• Include provisions for SCRGSP to develop a biennial National Disability Report, which will publicly report: <ul style="list-style-type: none"> <li>– progress against the NDA's outcomes</li> <li>– key findings from policy evaluations.</li> </ul> </li> <li>• Require the relevant disability Minister to table the National Disability Report in Parliament.</li> </ul>
<b>Review</b>	An up-to-date and contemporary NDA (rec. 6.3).	<ul style="list-style-type: none"> <li>• Include a provision for five-yearly independent reviews of the NDA.</li> </ul>

(continued next page)

Table 1 (continued)

<i>Element</i>	<i>What</i>	<i>How</i>
<b>Schedule: National Disability Strategy</b>		
<b>Action Plan</b>	Policy commitments and reform actions (rec. 2.1).	<ul style="list-style-type: none"> <li>Specify policy commitments and reform actions.</li> <li>Explicitly link commitments and actions to revised NDA outcomes.</li> </ul>
<b>Schedule: NDIS and mainstream services interface arrangements</b>		
<b>Roles and responsibilities</b>	Clarify interface arrangements for NDIS and mainstream services (rec. 3.7).	<ul style="list-style-type: none"> <li>Incorporate the <i>Principles to determine the responsibilities of the NDIS and Other Service Systems</i> and the accompanying <i>Applied Principles and Tables of Services</i> as a schedule to the NDA.</li> </ul>
<b>Schedule: Performance indicators</b>		
<b>Accountability mechanisms</b>	Comprehensive list of performance indicators (rec. 5.1).	<ul style="list-style-type: none"> <li>Include a list of performance indicators, to be developed by the Senior Officials Working Group of the DRC.</li> </ul>
<b>Schedule: Data Strategy</b>		
<b>Accountability mechanisms</b>	Adequate data collection to enable performance reporting (rec. 5.2).	<ul style="list-style-type: none"> <li>Set out a data strategy that outlines operational details for collecting and maintaining datasets.</li> <li>Include commitment to collection of data on mainstream services and funding SDAC.</li> <li>Identify available NDIS data and outline arrangements for public access to those data.</li> <li>Outline framework governing linking of datasets.</li> </ul>
<b>Schedule: Policy and program evaluation — detailed arrangements</b>		
<b>Accountability mechanisms</b>	Operational details for policy evaluation program (rec. 4.1).	<ul style="list-style-type: none"> <li>Set out detailed arrangements for policy and program evaluation, including: <ul style="list-style-type: none"> <li>how evaluation will be carried out</li> <li>who will be responsible for undertaking the evaluation</li> <li>a timetable for when and what policies or interventions will be evaluated.</li> </ul> </li> <li>SCRGSP to have ongoing responsibility for administration and implementation of this schedule.</li> </ul>



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# Recommendations and findings

## The current National Disability Agreement is out of date

### FINDING 4.1

The current National Disability Agreement has fallen out of date and does not reflect contemporary policy settings. As a result, it is a weak driver of disability policy and reform actions. Government action has been primarily motivated by the National Disability Strategy.

### FINDING 3.1

The roles and responsibilities in the current National Disability Agreement are out of date and need to be updated to reflect the current policy environment, particularly the introduction of the National Disability Insurance Scheme.

## A new overarching agreement is needed

### FINDING 2.1

Responsibility for improving outcomes for people with disability remains shared between all Australian Governments. The purpose of the current National Disability Agreement — to promote cooperation, enhance accountability and clarify roles and responsibilities of governments — is therefore still highly relevant today. But there is a need for an overarching agreement to fulfil this purpose and to provide a clear link between all aspects of the contemporary disability policy landscape.

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#### FINDING 2.2

The National Disability Strategy (NDS) has a vital role to play in the disability policy landscape.

- It is a strong focal point for people with disability, has a person-centred focus, and reflects the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities.
- It is also specific about government policy actions to improve outcomes for people with disability, their families and carers, especially with respect to accessibility and inclusion.

However, the NDS needs to be clearly integrated with, and explicitly linked to, the National Disability Agreement, with a common set of objectives and outcomes between the two instruments.

#### RECOMMENDATION 2.1

The Australian, State and Territory Governments should develop and enter into a new National Disability Agreement (NDA) by the beginning of 2020.

The new NDA should become the overarching agreement for disability policy in Australia. Its scope should be broad to capture all people with disability, their families and carers, and all services to people with disability, including mainstream services. It should outline:

- the purpose of the NDA, and how it links to the National Disability Strategy (NDS) and the National Disability Insurance Scheme (NDIS)
- the aspirational objective for disability policy
- the roles and responsibilities of governments in progressing that objective
- the outcomes being sought for people with disability and carers
- a nationally consistent performance reporting framework for tracking progress against those outcomes.

The purpose of the NDS should be to set out the agreed government policy actions in relation to each of the new NDA's outcome areas and the NDS should become a schedule to the NDA. The NDIS related instruments would remain separate to the NDA, but their link to the NDA should be explicitly outlined through references in the NDA and, where relevant, schedules to the NDA.

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#### RECOMMENDATION 2.3

There should be a single set of outcomes across the National Disability Agreement (NDA) and the National Disability Strategy (NDS). As the overarching agreement, the outcomes should be outlined in the NDA. The new NDA should adopt the six outcome areas of the current NDS, with the addition of a seventh outcome for families and carers.

## A modern, person-centred disability agreement

#### RECOMMENDATION 6.1

In drafting the new National Disability Agreement (NDA), signatory governments should commit to a person-centred approach to disability policy, which seeks to recognise and address the rights, needs and aspirations of people with disability. The preliminaries of the new NDA should affirm this approach.

The preliminaries should also explicitly acknowledge the United Nations Convention on the Rights of Persons with Disabilities and articulate how and to what extent the new NDA is intended to fulfil Australia's commitments under that convention.

#### RECOMMENDATION 2.2

The current objective of the National Disability Agreement (NDA) — that people with disability and their carers have an enhanced quality of life and participate as valued members of the community — is aspirational and broad enough to capture all elements of disability policy and should be reconfirmed in the new NDA.

#### RECOMMENDATION 6.2

To enshrine the cross-cutting nature of the National Disability Agreement (NDA), the obligations of governments under the NDA should be reflected in other National Agreements — and, where relevant, other Commonwealth–State agreements.

To facilitate this, the new NDA should include a commitment to reflect, in those other agreements, the responsibilities, performance targets and policy commitments of governments under the NDA.

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#### RECOMMENDATION 6.3

The new National Disability Agreement (NDA) should be a 'living document' and make use of schedules to set out more detailed arrangements or operational matters, with the schedules amended as circumstances warrant.

It should also include an explicit commitment to independently review the agreement as a whole every five years.

## Clarifying roles and responsibilities of governments

#### RECOMMENDATION 3.1

The new National Disability Agreement (NDA) should outline the role of the National Disability Insurance Scheme (NDIS) in providing supports to people with permanent and significant disability. It should make clear that the Australian, State and Territory Governments share responsibility for the NDIS, including a shared responsibility for stewardship of the NDIS market. Such responsibilities, as are set out in NDIS related instruments (such as Bilateral Agreements, NDIS Rules and the *National Disability Insurance Scheme Act 2013 (Cwlth)*), should be referenced in the NDA.

#### FINDING 3.2

The Information, Linkages and Capacity Building (ILC) program is an important link between services provided through the National Disability Insurance Scheme and services provided outside it. It is available to all people with, or affected by, disability including their families and carers.

Although the ILC policy and commissioning frameworks are clear in what the ILC program is intended to achieve, in practice there is confusion over what the purpose of the program is, and what services are to be funded through it.

#### RECOMMENDATION 3.2

The new National Disability Agreement should clearly and in detail reflect the role of the Information, Linkages and Capacity Building (ILC) program in supporting all people with disability, their families and carers.

In order to do so, the Australian, State and Territory Governments, in conjunction with the National Disability Insurance Agency, should clarify the role of the ILC program and the types of services that it will fund, before the ILC program is fully rolled out in 2019-20.

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#### RECOMMENDATION 3.3

The new National Disability Agreement (NDA) should include a statement that affirms governments' commitment to a shared responsibility for, and an agreed approach to, workforce development (noting that this requires coordination across the health, community services and aged-care sectors).

The Australian, State and Territory Governments should also work together to immediately clarify, and make public, their responsibilities for developing the disability care workforce. This includes responsibilities for advancing the capabilities of all disability care and mainstream service workers to deliver accessible, inclusive and culturally responsive supports to people with disability. These responsibilities should then be reflected in the NDA.

#### RECOMMENDATION 3.4

The new National Disability Agreement should set out the responsibilities of the Australian, State and Territory Governments to provide disability services outside the National Disability Insurance Scheme (noting that these could be provided through mainstream systems), in particular where there is lack of clarity including for:

- services to people with psychosocial disability
- advocacy services, including systemic, individual, legal and self-advocacy
- carer services, in particular respite services
- community access and inclusion programs.

#### FINDING 3.3

A gap analysis — which involves identifying community needs and government objectives, and assessing them against the services that are available or planned — would help governments identify where service gaps exist. It would also provide guidance as to where roles and responsibilities need to be further clarified in the new National Disability Agreement.

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#### RECOMMENDATION 3.5

The Australian, State and Territory Governments should, through the COAG Disability Reform Council, undertake a comprehensive gap analysis, which involves identifying community needs and government objectives, and assessing these against the services that are available or planned.

As a first step, governments should immediately articulate and publish:

- which programs will be discontinued as funding is rolled into the National Disability Insurance Scheme (NDIS)
- how they will discharge their continuity of support obligations
- exactly what services they will provide to people with disability who are not eligible for the NDIS or covered by continuity of support arrangements.

So that it can inform the drafting of the new National Disability Agreement (NDA), the gap analysis should be completed by no later than the end of 2019, and the results made public. The NDA should include a provision for a gap analysis to be undertaken at least every five years, and be updated accordingly following each gap analysis.

#### RECOMMENDATION 3.6

The new National Disability Agreement (NDA) should include a statement that affirms governments' commitment to clarifying what supports to National Disability Insurance Scheme (NDIS) participants are to be provided through mainstream service systems and what are to be provided through the NDIS.

The new NDA should also incorporate the *Principles to Determine the Responsibilities of the NDIS and Other Service Systems* and the accompanying *Applied Principles and Tables of Services* via a schedule to the NDA.

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#### RECOMMENDATION 3.7

The new National Disability Agreement (NDA) should assist with addressing barriers that people with disability face in accessing mainstream services by:

- clearly stating that the Australian, State, Territory and Local Governments share responsibility for ensuring their mainstream services make reasonable adjustments so that the services they provide are accessible, inclusive, and culturally responsive in meeting the needs of people with disability, particularly those with complex needs who may need differentiated support
- recognising the important role Local Governments have to play in improving the lives of people with disability, especially through their role in planning and building regulations, and involvement in many community programs and services
- detailing in the National Disability Strategy the agreed policy directions and commitments of governments (including those to improve mainstream services) (recommendation 2.1) and incorporating the evaluation of policies to improve mainstream services into the policy making cycle (recommendation 4.1)
- ensuring governments commit to reflect in other agreements their commitments and obligations under the new NDA (recommendation 6.2).

## Progress against the NDA's performance framework

#### FINDING 5.1

There has been very little progress towards the National Disability Agreement's (NDA) outcomes, with most performance indicators and targets showing that progress has gone backwards, or not changed significantly. It is unlikely that the performance targets in the NDA will be met.

- Labour force participation of people with disability declined between 2009 and 2015.
- The proportion of people with disability reporting a need for more formal assistance has increased since 2009.
- A performance target for the NDA's third outcome — families and carers are well supported — was not assigned a quantitative target under the agreement, and the relevant indicators do not show any significant improvement towards the outcome.

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#### FINDING 5.2

There are limitations in the National Disability Agreement (NDA) performance reporting framework relating to gaps in coverage and the clarity of indicators.

- The absence of indicators measuring outcomes relating to use of mainstream services, such as health and education, by people with disability means that the current NDA performance framework does not capture many important aspects of daily life.
- Not all indicators of the NDA can be clearly interpreted, such that an increase or decrease can be unambiguously interpreted as an improvement or deterioration in performance.

## Improved reporting for enhanced accountability

#### RECOMMENDATION 5.1

The new National Disability Agreement (NDA) should adopt a person-centred performance reporting framework that measures progress towards the outcomes of the new NDA.

The Senior Officials Working Group of the COAG Disability Reform Council should develop a comprehensive set of performance indicators (and any associated targets) to measure progress against the outcomes of the revised NDA, based on transparent criteria for selecting performance indicators, and drawing on advice from policy and data experts, and people with disability.

Performance indicators should strike a balance between providing comprehensive information about the lives of people with disability, families and carers, and utilising the minimum necessary number of indicators.

To enable indicators to be revised as new data becomes available, the performance indicators of the new NDA should be listed in a schedule to the agreement, and be updated as warranted.

#### FINDING 5.3

The provision of adequate data is essential for a person-centred performance reporting framework to function effectively. There is uncertainty regarding the future availability of data that has historically been collected relating to disability, chiefly the Disability Services National Minimum Data Set and the Survey of Disability, Ageing and Carers. And there are significant gaps in data relating to use of, and experience with, mainstream services by people with disability.

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#### RECOMMENDATION 5.2

The new National Disability Agreement (NDA) should establish a clear strategy for the collection, funding, and reporting of data required for the agreement's performance reporting framework. This should include:

- a commitment to the collection of data on the use of, and experiences with, mainstream services — including health, education, public transport, justice, and housing — by people with disability where this does not already occur
- ensuring funding to enable the triennial collection of the ABS' Survey of Disability, Carers, and Ageing (or equivalent) with a sample size at least comparable to that of the 2015 survey
- outlining the data held by the NDIA and data sharing arrangements
- a framework governing the linking of data sets based on the recommendations of the Productivity Commission's inquiry into *Data Availability and Use*.

An appropriate working group (as in recommendation 5.4) should support the Senior Officials Working Group of the COAG Disability Reform Council to ensure that strategies are in place to collect necessary data for performance reporting where those data are currently unavailable, and thereby prevent the emergence of sustained data gaps. The strategy and operational details relevant to the working group should be outlined in a schedule to the NDA.

#### RECOMMENDATION 5.3

Performance reporting under the new National Disability Agreement (NDA) and National Disability Strategy should be merged, utilising a single national performance reporting framework, and resulting in a single performance reporting document.

Performance reporting under the National Disability Insurance Scheme should utilise the same performance framework as (or at a minimum a framework that is not inconsistent with) the framework of the new NDA.

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#### RECOMMENDATION 4.1

The new National Disability Agreement (NDA) should include a commitment to undertake policy and program evaluation, in addition to its performance reporting requirements. Detailed arrangements for the policy evaluation program should be set out in a schedule to the NDA, and should include:

- a timetable that specifies when and what types of policies and programs will be evaluated
- protocols for undertaking the evaluations.

The Steering Committee for the Review of Government Service Provision should have ongoing responsibility for the administration of the policy evaluation program.

The results and findings from evaluations should be publicly reported and disseminated through the National Disability Report (recommendation 5.4).

#### RECOMMENDATION 5.4

Progress towards the outcomes of the new National Disability Agreement (NDA) should be publicly disseminated via a biennial National Disability Report, which the relevant Commonwealth Minister responsible for disability should table in the Australian Parliament. The report should include analysis of:

- progress towards the NDA's outcomes and associated performance metrics
- whether selected policies and programs are achieving improved outcomes for people with disability, their families and carers (using the policy evaluation process outlined in recommendation 4.1).

The National Disability Report should also become the formal reporting mechanism for the National Disability Strategy beyond 2020.

COAG should direct the Steering Committee for the Review of Government Service Provision to develop the report, supported by a (permanent) working group made up of representatives from Australian, State and Territory Governments, people with disability, the ABS, National Disability Insurance Agency and Australian Institute of Health and Welfare.

Arrangements for the development and tabling of the report, and the operation of the working group, should be outlined in the new NDA.