

BILATERAL AGREEMENT BETWEEN THE COMMONWEALTH AND SOUTH AUSTRALIA

**Transition to a National Disability Insurance
Scheme**

Part 1 – Preliminaries

1. The Commonwealth of Australia (the Commonwealth) and the State of South Australia (South Australia) are committed to the implementation of a National Disability Insurance Scheme (NDIS) in South Australia.
2. This Agreement covers the roles and responsibilities for the transition to full coverage of an NDIS in South Australia, building on the lessons learned in trials conducted in New South Wales, Victoria, Western Australia, South Australia, Tasmania, the Australian Capital Territory and the Northern Territory.
3. The Parties agree to continue work through the Council of Australian Governments (COAG) Disability Reform Council, or equivalent multilateral forum, to refine and further develop the NDIS over time.
4. This Agreement is entered into on the understanding that South Australia will not be disadvantaged or worse off as a result of any subsequent agreement the Commonwealth makes with any other state or territory that could impact on financial contributions or risk sharing arrangements in South Australia.

Part 2 – Parties and Operation of Agreement

Parties to this Agreement

5. This Agreement is between the Commonwealth and South Australia.

Commencement and Duration of the Agreement

6. The Agreement will commence as soon as the Parties have signed the Agreement.
7. This Agreement will cover the transition period during which all existing clients of South Australian specialist disability services are moving into the NDIS and other transitional arrangements are being implemented.
8. The Agreement will expire on the date a subsequent agreement is signed by the Parties that expressly intends to replace this Agreement and where the parties agree that the transition phase has concluded.
9. The *Intergovernmental Agreement for the NDIS Launch* and its associated appendices and Memorandums of Understanding will continue to apply to children with disability until 30 June 2016.

Interoperability

10. This Agreement is to be considered in conjunction with:
 - a. *The National Disability Insurance Scheme Act 2013* (the NDIS Act 2013);
 - b. *The Heads of Agreement between the Commonwealth and South Australian Governments on the National Disability Insurance Scheme*; and
 - c. *The National Partnership Agreement on the DisabilityCare Australia Fund (once agreed)*

11. This Agreement is also to be considered in conjunction with the following South Australian legislation:

- a. *Disability Services Act 1993;*
- b. *Children's Protection Act 1993;*
- c. *Carers Recognition Act 2005;*
- d. *Criminal Law Consolidation Act 1935;*
- e. *Education Act 1972;*
- f. *Family and Community Services Act 1972;*
- g. *Family Relationships Act 1975;*
- h. *Education and Early Childhood Services (Registration and Standards) Act 2011;*
- i. *Guardianship and Administration Act 1993;*
- j. *Guardianship of Infants Act 1940;*
- k. *Health and Community Services Complaints Act 2004;*
- l. *Health Care Act 2008;*
- m. *Health Practitioner Regulation National Law (South Australia) Act 2010;*
- n. *Intervention Orders (Prevention of Abuse) Act 2009;*
- o. *Mental Health Act 2009;*
- p. *Motor Vehicle Accidents (Lifetime Support Scheme) Act 2013;*
- q. *Ombudsman Act 1972;*
- r. *Public Trustee Act 1995;*
- s. *Return to Work Act 2014;*
- t. *Supported Residential Facilities Act, 1992;* and
- u. *Victims of Crime Act 2001.*

12. This Agreement is separate to the Operational Plan that sets out implementation arrangements in South Australia as agreed by the Secretary of the Commonwealth Department of Social Services (or his delegate), the Chief Executive of the South Australian Department for Communities and Social Inclusion and the Chief Executive Officer of the National Disability Insurance Agency (NDIA).

13. The Operational Plan will be developed following the finalisation of this Agreement and will be reviewed and updated throughout the period of the Agreement.

14. Schedules to this Agreement will include, but not be limited to:

- a. Participant Transition Arrangements;
- b. Financial Contributions for Transition;
- c. Cross Billing and Budget Neutrality Arrangements;
- d. Continuity of Support Arrangements;
- e. Sector and System Readiness;
- f. Quality and Safeguards;
- g. Performance Reporting;
- h. Workforce;
- i. Mainstream Interfaces;
- j. Supports for Specialist Disability Housing; and
- k. Cross Billing and Budget Neutrality Arrangements: 2013-14 to 2015-16.

15. Nothing in this Agreement affects arrangements under the National Disability Agreement unless otherwise specified.

16. Arrangements for implementation of a National Injury Insurance Scheme are outlined in the *Heads of Agreement between the Commonwealth and South Australian Governments on the National Disability Insurance Scheme*.

Part 3 — Role and purpose of the agreement

17. This Agreement builds on the NDIS trial in South Australia. It outlines how the NDIS is expected to expand in the period before July 2018.

18. The Agreement details the agreed arrangements for transition to the full scheme NDIS in South Australia.

Part 4 - Roles and Responsibilities

Shared Roles and Responsibilities of the Parties

19. In addition to its roles and responsibilities outlined in existing frameworks outlined in clause 9, and consistent with the detail agreed in the Operational Plan, during the life of this Agreement, the Parties will, to the best of their endeavours:

- a. work together to minimise risks to the other party and assist the other party to manage unexpected risks by developing jointly agreed response strategies as issues arise;
- b. continue to work collaboratively, consulting with the NDIA, on ongoing refinement of the policy settings of the NDIS and settle operational matters as needed;

- c. engage with people with disability, their families and carers to provide input into ongoing refinements of the policy settings of the NDIS;
- d. report on progress, results and outcomes to inform ongoing refinement of the policy settings of the NDIS, including through input to and consideration of the NDIS evaluation, and by identifying where arrangements are having unintended impacts;
- e. share information to assist with policy development and scheme administration, subject to privacy requirements;
- f. prepare for the phasing of clients into the NDIS by providing the NDIA with access to available data on potential participants;
- g. prepare Commonwealth and South Australian programmes that are in scope for the NDIS for transition into the NDIS by aligning the service offers with the COAG Principles to Determine the Responsibilities of the NDIS and Other Service Systems;
- h. facilitate local implementation of the NDIS by preparing existing providers and clients to transition into the scheme, consistent with the phasing agreed at Schedule A and operational plans agreed between the Parties and the NDIA;
- i. facilitate the implementation of the NDIS by maintaining support for people with disability prior to the full roll-out of the NDIS in their area;
- j. support the NDIA to deliver Information, Linkages, and Capacity Building by coordinating and promoting links between the NDIS and mainstream services and non-government and community based support; and
- k. provide continuity of support for existing clients of disability services in accordance with Schedule D.

Part 5 – National Disability Insurance Scheme – transition to a full scheme

Aims of the Transition

20. In addition to the objects and principles outlined in the NDIS Act 2013, the South Australian transition will have the following further specific aims to:
- a. build upon the evidence from trial sites;
 - b. ensure that the transition of people with disability in South Australia to the scheme occurs as smoothly and effectively as possible, with minimal service gaps or disruptions, including in locations which border other jurisdictions;
 - c. provide the NDIA with sufficient capacity to meet the commitments outlined in this Agreement;
 - d. support the orderly transmission of relevant State-based community and population knowledge and systems to the NDIA where appropriate;

- e. encourage development of a sustainable market, and maintain a skilled workforce, where strategies for market development align with the phasing strategy and state priorities;
- f. ensure the transition is implemented in a way that does not inflate the cost of the full scheme;
- g. develop an environment where people with disability can exercise choice and control over the supports they choose by supporting a diverse and innovative workforce and market to grow and better meet the needs of its client base; and
- h. ensure that carers and the families of people with disability are active partners with the scheme, and are fully involved in decisions that affect them.

Participant Phasing

- 21. The Parties agree to priorities for transitioning people from the existing South Australian specialist disability system to the NDIS in accordance with Schedule A.
- 22. Detailed implementation phasing arrangements will be contained in the Operational Plan for transition in South Australia to be finalised following the finalisation of this Agreement.
- 23. Detailed phasing arrangements will be outlined in a legislative rule under the NDIS Act 2013.

Portability of Supports

- 24. Governments agree that once the NDIS is fully implemented as a national scheme, NDIS supports will be fully portable across Australia.
- 25. During the transition, portability will apply in all sites transitioning to the NDIS consistent with existing qualifying and ongoing residence requirements in the *National Disability Insurance Scheme (Becoming a Participant) Amendment Rules 2014*. This rule will be amended to ensure qualifying and ongoing residence requirements reflect transitioning sites and cohorts.

Continuity of Supports

- 26. Arrangements for Continuity of Support are outlined in Schedule D.

Sector and System Readiness

- 27. Key elements for readiness of the disability services market, including providers, broader sector workforce and participants, and existing systems for transition, are outlined in Schedule E. The Operational Plan agreed between the Parties and NDIA will detail implementation arrangements including arrangements to support readiness of the disability services market, including providers, broader sector workforce and participants.

Workforce

- 28. Arrangements for the first offer of employment to the NDIA for appropriately skilled South Australian Government staff working on programmes in the scope of the NDIS is outlined in Schedule H.

Quality and Safeguards

29. The Commonwealth and jurisdictions are working together with the NDIA on the design of a nationally consistent quality and safeguard system to be agreed by the Disability Reform Council by early 2016.
30. Existing State, Territory and Commonwealth quality assurance arrangements will apply until an approach, including agreed roles and responsibilities and any associated impact on funding contributions to the NDIS, is implemented.
31. Arrangements for Quality and Safeguards during transition in South Australia are outlined in Schedule F.
32. These arrangements will be reviewed by June 2016 to ensure they reflect the outcomes of Ministers' decisions.

Information, Linkages and Capacity Building

33. The Parties, in conjunction with the NDIA, agree to work together to ensure ILC type supports are available during the transition in line with phasing. This will ensure a robust ILC system that supports transition and complements support to participants. This will also assist in building capacity for non-participants, community and mainstream.
34. The Parties agree that the ILC arrangements for transition will be outlined in the Operational Plan and the transition details will be finalised by December 2015.

Consultation

35. The Parties, in conjunction with the NDIA, will jointly use existing consultative forums involving people with disability, families, carers and sector and community representatives to advise on refinements to, and further development of, the NDIS over time.

Collection and Management of Data

36. The Parties agree that during the transition period qualitative and quantitative data and information on any issues relevant to the roll-out of the NDIS, taken together with the outcomes from other jurisdictions, will be shared with all governments to facilitate national data collection and consolidation that will contribute to the analysis of costs, liabilities, service interventions, service delivery models and implementation strategies.
37. The data management approach, including data collection, storage and transfer, will be consistent with the information protocols developed between the Parties and the NDIA by December 2015.
38. The Parties agree to share client and provider information and data during the transition to manage continuity of support, financial accountability and effective interactions with supports and services outside the NDIS, subject to privacy and other requirements.

Performance and Financial Reporting

39. The Parties agree to the Performance Reporting arrangements at Schedule G.
40. The NDIA will provide to a nominated official a download from the database (de-identified as appropriate) of participant data at client unit record and aggregate level.

41. The NDIA will provide access to a nominated number of officials in South Australia, with the capacity for this access to be delegated to additional officials for a defined purpose or period of time, to the case management and financial management systems in real time on a read only basis. The officials will need to abide by the NDIA's confidentiality and privacy requirements.
42. Any reporting additional to that set out in the NDIS Act 2013 and this part of the Bilateral Agreement may be negotiated with the NDIA on a fee for service basis and cost neutral changes to reporting may be agreed between the NDIA and the Parties at any time.
43. The NDIA will be required to provide state-specific reports on Commonwealth and South Australian funding, covering funding, expenditure and in-kind services provided to participants at the end of every financial year.

Evaluation and Review

44. The Parties agree to input into the NDIS evaluation and jointly monitor its progress, results and outcomes to inform arrangements for full scheme.

Management of Risk

45. Pursuant to clauses 24 and 26 of the *Heads of Agreement between the Commonwealth and the South Australian Governments on the NDIS*, the Parties agree that the management of risk and unexpected costs to either South Australia and/or the Commonwealth is a vital part of ensuring that the NDIS is sustainable.
46. The Parties agree that South Australia and the Commonwealth will continually monitor and review risks including, but not limited to:
 - a. market, sector and system readiness to transition to the NDIS in accordance with Schedule E;
 - b. the implementation of the principles agreed by COAG in April 2013 (Schedule I) which determine the responsibilities of the NDIS and other service systems, particularly in terms of any gaps in services that may occur for individuals; and
 - c. cash flow pressures on the Commonwealth, South Australia and the NDIA during the transition to full scheme.
47. If financial or other risks, including those outlined between clauses 44 and 45 emerge at any time for either party, the party with primary responsibility for the risk will work with other parties including the NDIA to develop agreed mitigation proposals. Response strategies could include:
 - a. actions to improve provider and participant readiness, including targeted investment from the Sector Development Fund and initiatives that can be taken within existing programmes run by South Australia and/or the Commonwealth; and/or
 - b. changes to the participant phasing arrangements outlined in Schedule A, but other strategies will be fully pursued prior to considering this option. Should the agreed strategies include changes to participant phasing, the parties will jointly assess the need to adjust financial contributions outlined at Schedule B.
48. The Parties agree to use the escalation process outlined in clauses 54 – 56 to resolve issues, including issues that may arise relating to clauses 45 and 46.

Part 6 Financial contributions

Funding Contributions

49. The Parties agree to contribute to the NDIS in accordance with Schedule B and with regard to the commitment in the *Heads of Agreement between the Commonwealth and the South Australian Governments on the National Disability Insurance Scheme*.
50. The Parties agree to the long-term arrangements for Cross Billing and Budget Neutrality in accordance with Schedule C and with regard to the *2011 National Health Reform Agreement*.

Auditing Arrangements

51. The Commonwealth will request the Commonwealth Auditor-General to ensure the financial audit of the NDIA undertaken annually by the Australian National Audit Office under the *Auditor General Act 1997* (Cth) includes certification from him or her that funds paid by host jurisdictions to the NDIA have been acquitted consistently with this Agreement, including the schedules.

Part 7 Governance of the agreement

Variation of the Agreement

52. This Agreement may be amended at any time by agreement in writing by the South Australian Minister for Disabilities and the Commonwealth Minister for Social Services.

Variation to Schedules to the Agreement

53. The Parties agree that any amendments to the schedules can be agreed at any time by agreement in writing between the South Australian Minister for Disabilities and the Commonwealth Minister for Social Services.

Escalation of Issues

54. Any Party may give notice to other Parties of a dispute under this Agreement.
55. Officials of relevant Parties will attempt to resolve any dispute in the first instance, through bilateral steering committees for transitioning sites and relevant multilateral officials groups.
56. If the issue cannot be resolved by officials, it may be escalated to the relevant Ministers and, if necessary, the Disability Reform Council or equivalent Ministerial Council and COAG.

Termination of the Agreement

57. In exceptional circumstances, either of the Parties may withdraw from this Agreement by giving 12 months' notice of its intention to do so, in writing, to the Disability Reform Council or equivalent Ministerial Council, and COAG.

58. Following notification of a Party's intention to withdraw from this Agreement, the terms of the withdrawal, including the date on which the Party will cease to be a Party, and any legislative changes and other arrangements that may be necessary as a consequence of the withdrawal will be negotiated in good faith and agreed between the Parties, on a basis which ensures continuity of support to participants.
59. The withdrawal of a Party shall not release that Party from meeting its agreed funding commitment to participants unless this is otherwise agreed by COAG through the process outlined in the escalation clauses above.

The Parties have confirmed their commitment to this Agreement as follows:

Signed *for and on behalf of the
Commonwealth of Australia by*

The Hon Malcolm Turnbull MP
Prime Minister



Signed *for and on behalf of
South Australia by*

The Hon Jay Weatherill MP
Premier of South Australia



1.1 DEC 2015

Schedule A

Participant Transition Arrangements in South Australia

1. This schedule is also to be read in conjunction with:
 - a. Schedule B: Financial Contributions for Transition in South Australia;
 - b. Schedule D: Continuity of Support Arrangements in South Australia; and
 - c. Appendix C to the *Bilateral Agreement for NDIS Launch between the Commonwealth and South Australia*.
2. The arrangements in this schedule will be implemented by the CEO of the National Disability Insurance Agency (NDIA) in accordance with phasing rules agreed by the Parties which will set out the obligations of the CEO.
3. The transition to the National Disability Insurance Scheme (NDIS) in South Australia will commence on 1 February 2016. The transition of all existing South Australian specialist disability clients will be completed by July 2018 and is expected to benefit around 32,284 people with disability when full scheme is implemented.
4. The participant phasing schedule has been designed with regard to the following considerations:
 - a. the advice of the NDIA on operational matters;
 - b. the readiness of the market and disability sector to transition to the NDIS in South Australia as outlined at Schedule E: Sector and System Readiness in South Australia;
 - c. the transition of existing disability systems managed by the Parties;
 - d. experience to date from the NDIS trials; and
 - e. the balance of high and low cost support packages, existing clients of South Australian specialist disability services, and other clients, in order to manage funding flows and fiscal risk to the scheme.
5. In South Australia, by July 2018, it is estimated that around 26,000 people will access the NDIS, including around 17,000 people from the existing South Australian specialist disability system that will be replaced by the NDIS. The remainder of the estimated population of around 32,284 is expected to access the scheme from July 2018 onwards.
6. The Parties agree that, in 2015-16, the number of NDIS participants aged 0-14 will increase from 5,085 to 8,500, with existing clients of the South Australian specialist disability services system, and others in this age group in crisis, to be prioritised. The increased intake will commence from 1 February 2016.
7. All remaining participants aged 0-14 will be prioritised for transition to the NDIS during 2016-17.

8. For all other participants, the Parties agree that the NDIS in South Australia will be implemented through a mix of ages and geographic location, based on South Australian Disability Regions, per the following order:
 - a. People aged 15-17 will commence transition from 1 January 2017;
 - b. Barossa, Light and Lower North and the Local Government Areas (LGA) of Playford, Salisbury and Port Adelaide Enfield (East) will commence transition from 1 July 2017;
 - c. The LGA of Tea Tree Gully, Limestone Coast and Murray and Mallee will commence transition from 1 October 2017;
 - d. Fleurieu and Kangaroo Island, Southern Adelaide, Eyre and Western, Far North and Yorke and Mid North will commence transition from 1 January 2018; and
 - e. Adelaide Hills, Eastern Adelaide and Western Adelaide will transition from 1 April 2018.
9. Existing clients are defined as people who are receiving specialist disability services funded or directly provided by the South Australian Department for Communities and Social Inclusion (DCSI) at the time they are due to transition to the NDIS. For funding purposes, existing clients will be identified as one of the following existing cohort categories:
 - a. Supported Accommodation;
 - b. Community Access;
 - c. Community Support; and
 - d. Respite.
10. To enable South Australia to transition all specialist disability funding into the scheme by the end of the transition period, the Parties agree to transition clients of existing disability services as seamlessly as possible, with streamlined eligibility and intake.
11. The Parties agree that dealing with unmet need during the transition period is an important part of this Agreement, where new and other clients include:
 - a. people not previously accessing any specialist disability supports from the South Australian DCSI;
 - b. people currently accessing Commonwealth specialist disability or Aged Care supports;
 - c. people currently accessing supports through other South Australian Government agencies; and
 - d. new incidence of disability.
12. The Parties agree that detailed planning of transition will be developed following the finalisation of this Agreement through the Operational Plan developed by South Australia, the Commonwealth and the NDIA.

13. The agreed annual participant intake (with approved plans), based on paragraphs 6-8 above is outlined in Tables 1 to 3 below:

Table 1: Estimated Participant Phasing for 2015-16 - Revised

Client Cohort	2015-16 Q1	2015-16 Q2	2015-16 Q3	2015-16 Q4	2015-16 Total
Existing Aged 0-14	55	75	1,189	1,753	4,838
New and Other Commonwealth/State Participants Aged 0-14	519	75	87	87	3,662
Total Cumulative Intake¹	5,234	5,384	6,660	8,500	

Note: Discrepancies in total due to rounding. Participant intake includes new participants and participants who age into the next age cohort. As a result, some people identified in the table above may be 15 at the end of 2015-16.

¹Includes 4,660 participants carried forward from 2014-15.

Table 2: Estimated 2016-17 Participant Intake (end period)

Client Cohort	2016-17 Q1	2016-17 Q2	2016-17 Q3	2016-17 Q4	2016-17 Total
Existing Aged 0-14	304	57	57	57	476
Existing Aged 15-17	78	80	413	413	985
Existing Aged 18-64	-	-	82	82	164
Subtotal Existing South Australian Clients	383	138	552	552	1,625
New and Other Commonwealth/State Participants Aged 0-14	346	593	593	593	2,125
New and Other Commonwealth/State Participants Aged 15-17	43	45	229	229	547
New and Other Commonwealth/State Participants Aged 18-64	-	-	45	45	91
Total Intake	772	776	1,420	1,420	4,387
Total Cumulative Intake¹	9,272	10,048	11,468	12,887	

Note: Discrepancies in total due to rounding. Participant intake includes new participants and participants who age into the next age cohort.

¹Includes 8,500 participants carried forward from 2015-16.

Table 3: Estimated 2017-18 Participant Intake (end period)

Client Cohort	2017-18 Q1	2017-18 Q2	2017-18 Q3	2017-18 Q4	2017-18 Total
Existing Aged 18-64	786	1,613	2,966	3,101	8,467
Supported Accommodation	-	307	871	532	1,710
Subtotal Existing South Australian Clients	786	1,921	3,837	3,633	10,177
New and Other Commonwealth/State Participants Aged 0-14	28	28	28	28	111
New and Other Commonwealth/State Participants Aged 15-17	4	4	4	4	14
New and Other Commonwealth/State Participants Aged 18-64	264	486	996	1,022	2,768
Total Intake	1,082	2,438	4,864	4,687	13,070
Total Cumulative Intake¹	13,969	16,406	21,270	25,957	

Note: Discrepancies in total due to rounding. Participant intake includes new participants and participants who age into the next age cohort.

¹Includes 12,887 participants carried forward from 2016-17.

14. The total agreed annual intake of participants (with approved plans), is outlined at Table 4 below:

Table 4: Estimated Annual Intake of Participants

Client Cohort	Trial	2016-17	2017-18	2018-19	Total
Existing South Australian Clients	4,838	1,625	10,177	-	16,640
New and Other Commonwealth/States Participants	3,662	2,762	2,893	6,326	15,644
Total Intake	8,500	4,387	13,070	6,326	32,284
Total Cumulative Intake	8,500	12,887	25,957	32,284	

15. The estimated number of people who turn 65 and choose to remain in the scheme, for which the Commonwealth is fully responsible, is outlined at Table 5 below, and are in addition to the number of participants outlined at Table 4 above:

Table 5: Estimated Number of People Aged 65 and Over

Client Cohort	2016-17	2017-18
Cumulative Participants Aged 65 and Over	0	432

16. The agreed participant intake does not include an allowance for replacing participants who exit the scheme, or turn 65 and become the full funding responsibility of the Commonwealth. In setting the state funding cap for 'new' participants, the Commonwealth and South Australia agree to set the state funding cap for 'new' participants at the number of Commonwealth-only clients plus an allowance for unmet need, excluding 'churn/newly eligible'. The Commonwealth and South Australia could then agree to direct the Agency to identify the number of participants during the transition phase who have either left the scheme or have aged in the scheme; and identify the level of additional 'new' participants (over and above the state funding cap for 'new' participants) who can be brought into the scheme. These additional 'new' participants will be included in the scheme without an additional funding contribution from South Australia.
17. To facilitate the smooth transition of participants into the NDIS, the NDIA will commence Local Area Coordination functions six months in advance of the scheduled phasing of a disability region.
18. Where possible, the Parties agree to provide appropriate available data to the NDIA prior to the commencement of transition, to support the transfer of clients to the NDIS and consistent with Schedule E: Sector and System Readiness in South Australia.
19. The Parties agree that the estimates in these tables will be monitored or reviewed as necessary in light of transition experience as per clause 53 of this Agreement.

Appendix A

South Australian Disability Regions by Local Government Authority

Adelaide Hills

Adelaide Hills
Mount Barker

Barossa, Light and Lower North

Barossa
Gawler
Light
Mallala

Eastern Adelaide

Adelaide
Burnside
Campbelltown
Norwood Payneham St Peters
Prospect
Unley
Walkerville

Eyre and Western

Ceduna
Cleve
Elliston
Franklin Harbour
Kimba
Lower Eyre Peninsula
Port Lincoln
Streaky Bay
Tumby Bay
Whyalla
Wudinna

Far North

Anangu Pitjantjatjara
Cooper Pedy
Flinders Ranges
Port Augusta
Roxby Downs

Fleurieu and Kangaroo Island

Alexandrina
Kangaroo Island
Victor Harbor
Yankalilla

Limestone Coast

Grant

Kingston
Mount Gambier
Naracoorte and Lucindale
Robe
Tatiara
Wattle Range

Murray and Mallee

Berri and Barmera
Karoonda East Murray
Loxton Waikerie
Mid Murray
Murray Bridge
Renmark Paringa
Southern Mallee
The Coorong

Northern Adelaide

Playford
Port Adelaide Enfield (East)
Salisbury
Tea Tree Gully

Southern Adelaide

Holdfast Bay
Marion
Mitcham
Onkaparinga

Western Adelaide

Charles Sturt
Port Adelaide Enfield (West)
West Torrens

Yorke and Mid North

Barunga West
Clare and Gilbert Valleys
Copper Coast
Goyder
Mount Remarkable
Northern Areas
Orroroo/Carrieton
Peterborough
Port Pirie City and Dists
Wakefield
Yorke Peninsula

Schedule B

Financial Contributions for Transition in South Australia

1. This schedule is to be read in conjunction with:
 - a. Schedule A: Participant Transition Arrangements in South Australia;
 - b. Schedule C: Cross Billing and Budget Neutrality Arrangements in South Australia;
 - c. Schedule D: Continuity of Support Arrangements in South Australia; and
 - d. Agreement between the Commonwealth and states and territories on 3 September 2015 at the Senior Officials Working Group meeting on the NDIS funding mechanism in transition.

Funding Arrangements

2. The Parties agree that, during the transition period, funding responsibilities are consistent with arrangements under the *Heads of Agreement between the Commonwealth and South Australia on the National Disability Insurance Scheme (NDIS)*, with:
 - a. South Australia responsible for providing an agreed, fixed per client contribution for each existing client that has transferred from State specialist disability services to the NDIS, and other participants, for an agreed number of participants under the age of 65 (Indigenous Australians under the age of 50) that amounts to 59.4 per cent of agreed package costs;
 - b. the Commonwealth responsible for an agreed, fixed per client contribution for each existing client that has transferred from State specialist disability services to the NDIS, other participants, that amounts to 40.6 per cent of agreed package costs and 100 per cent of participants 65 years and over, National Disability Insurance Agency (NDIA) operational and administration costs (including Information, Linkages and Capacity Building funded within the NDIS and NDIA operational costs);
 - c. the Commonwealth responsible for meeting 100 per cent of the risk of cost overruns above the contributions outlined above; and
 - d. South Australia and the Commonwealth sharing the risks of higher than expected clients under the age of 65 transitioning from State specialist disability services.
3. The Parties agree that, for the remainder of 2015-16, funding arrangements for the NDIS will be consistent with *Bilateral Agreement for NDIS Launch between the Commonwealth and South Australia*.
4. The Parties commit to making all contributions in respect of the trial period prior to 31 August 2016. South Australia will process all unpaid invoices after agreed adjustments have been made for the delay in transitioning existing clients in trial by the end of August 2016 and allow unspent cash for the South Australian trial to

remain in the scheme to be counted as part of South Australia's contribution to the ongoing cash ceiling outlined in paragraph 13 below.

5. Table 1 details the estimated contribution to package costs of South Australia and the Commonwealth. The agreed funding contribution by client cohort reflects an average estimated funding contribution and not the cost of individualised plans. The weighted average funding contribution is based on the entire South Australia population under 65 that is expected to transition to the NDIS and, therefore, is not representative of the expected average package cost at any point in time during the transition period.

Table 1: Agreed annualised funding contribution to the NDIS for participants under the age of 65

	2016-17	2017-18
Children Aged 0-14	\$16,761	\$17,482
Children Aged 15-17	\$28,279	\$29,964
Supported Accommodation	\$194,870	\$203,249
Other South Australian Existing Clients	\$49,559	\$51,690
Residential Aged Care	\$86,324	\$90,036
New and Other Participants	\$27,316	\$29,120
Weighted Average	\$39,677	\$41,383

6. From 1 July 2016, the Parties agree that South Australia will contribute funding on a monthly basis in arrears, based on the actual number of existing clients (including trial participants, subject to paragraph 10 below) and other participants entering the NDIS each month, multiplied by the agreed per client funding contribution. The number of existing and other participants who will enter into the scheme during transition will be limited to the sequencing detailed in schedule A Participant Transition Arrangements in South Australia.
7. South Australia is contributing its existing available funding for specialist and other disability services and supports, therefore:
 - a. South Australian contributions are based on the actual intake of existing clients who have transitioned to the NDIS;
 - b. South Australian contributions are based on an agreed per client funding contribution for different cohorts, and may increase or decrease based on actual participant intake;
 - c. the agreed per client funding contribution for different cohorts is based on a weighted full scheme national average cost per participant;
 - d. South Australian contributions for participants are capped at the total estimated intake of existing and the quarterly intake of other participants, as outlined in Schedule A: Participant Transition Arrangements in South Australia; and

- e. for the purpose of South Australia making a contribution, an existing South Australian client is assessed as having transitioned to the NDIS at the time of plan approval.

8. The Parties agree that:

- a. the NDIA is responsible for funding all support costs associated with the plan once a participant has an approved plan in place; and
- b. administrative details of this arrangement will be finalised through the Operational Plan developed by South Australia, the Commonwealth and the NDIA.

9. The indicative average annual cost of participants during transition is outlined in Table 2.

Table 2: Agreed annualised funding contribution to NDIS package costs for participants under the age of 65 at the end of the financial year.

	2016-17	2017-18
Weighted Average Package Cost during transition ¹	\$18,004	\$31,229

¹The average funding contribution is based on the agreed transition arrangements as outlined in Schedule A: Participant Transition Arrangements, and therefore does not reflect the expected long-term average funding contribution.

10. The parties agree that in 2015-16, the maximum number of participants aged 0-14 in South Australia will be 8,500, with no additional contribution required from South Australia. During transition, South Australia will continue to fund its share of 5,085 participants aged 0-14, including population growth, and will jointly share the costs of any participant aged 0-14 that enters the scheme under agreed transition arrangements above 9,500.

11. The Parties will separately agree, by December 2015, the method of calculating invoices to enable the provision of the required contribution by each party, with estimates of contributions as outlined in Tables 3 and 4. At a minimum, the invoice will:

- a. include South Australia's contribution to package costs;
- b. include additional contributions, including the repayment of Intergovernmental payments on the Commonwealth's behalf, as outlined at Table 6; and
- c. be calculated based on the age of participants at the time the invoice is raised, where relevant.

12. As South Australia will contribute funding on a monthly basis in arrears during transition, the Commonwealth may need to make earlier cash contributions to address any cash flow issues associated with this arrangement. The Commonwealth will ensure that the NDIA has access to cash equivalent to a floor of one month of agreed annual funding contributions for participants in the scheme at the end of the previous month less in-kind contributions for the participants in the scheme. These early payments, if made by the Commonwealth to address cash flow issues, will be offset against later payments once cash has built up in the scheme and before the end of the financial year in which they are made. At the commencement of full

scheme South Australia will pay all outstanding invoices for the transition period in addition to its contribution to full scheme.

13. The Parties will allow cash to build up in the scheme up to a ceiling. The cash ceiling will be equivalent to three months of total agreed annualised funding contributions in respect of those participants in the scheme with an approved plan as at the end of each month. Calculations of the cash ceiling will be updated each month by the NDIA. Where the level of cash that has built in the scheme approaches the cash ceiling, the NDIA invoicing will limit contributions by the parties to the level of the cash ceiling, as calculated at the end of that month.
14. The Parties agree that cash that builds in the scheme can be used by the NDIA to manage cash flow risks and to manage costs back to the agreed total funding, if commitments in plans are higher than expected. If the NDIA cannot manage costs back to the agreed total funding then consistent with the responsibilities in paragraph 2(c) the Commonwealth will work with other parties, including the NDIA, to develop agreed mitigation proposals which could include changes to participant phasing arrangements to allow the Commonwealth to supplement the NDIA so that it can meet its commitments.
15. The NDIA will issue all invoices within 15 days of the end of every month. South Australia will pay all invoices issued by the NDIA within 30 days of the end of each month. This allows sufficient time for the NDIA to calculate an invoice based on actual participant numbers, and for South Australia and the Commonwealth to agree the value of the invoice.
16. The expected funding contribution from South Australia is outlined at Table 3, subject to the client phasing in Schedule A and the agreed annualised funding contribution at Table 1 above.

Table 3: Estimated South Australian funding contribution for participants under the age of 65

	2016-17 (\$m)	2017-18 (\$m)	Total (\$m)
Existing South Australian Clients	\$37.4	\$198.6	\$235.9
Other participants	\$13.8	\$66.7	\$80.5
Estimated South Australian contribution¹	\$51.1	\$265.3	\$316.4

¹South Australia's contribution is based on the actual intake of clients multiplied by the agreed per client funding contribution and therefore may be higher or lower than the estimated total contribution outlined in this table.

17. The estimated financial contribution from the Commonwealth is outlined at Table 4:

Table 4: Estimated Commonwealth funding contribution for participants

	2016-17 (\$m)	2017-18 (\$m)	Total (\$m)
Existing South Australian Clients	\$63.9	\$193.9	\$257.9
Other participants	\$71.6	\$91.0	\$162.7
Participants aged 65 and over	\$0.0	\$9.3	\$9.3
Estimated Total Commonwealth contribution¹	\$135.6	\$294.3	\$429.8

¹Does not include administration and other costs not associated with a participant's plan.

Intergovernmental Payments

18. The Parties agree that the Intergovernmental payments currently provided by the Commonwealth to South Australia for the purpose of providing disability services to individuals should be paid to the NDIA on behalf of the Commonwealth by South Australia, in line with clients transitioning to the NDIS.
19. Intergovernmental payments include:
- a. the National Disability Specific Purpose Payment (NDSPP);
 - b. the relevant portion of the National Partnership Agreement on Pay Equity for the Social and Community Services Sector (SACS NP); and
 - c. Cross-billing arrangements for Indigenous participants aged 50 to 64 years in specialist disability services as set out in Schedule C: Cross Billing and Budget Neutrality Arrangements in South Australia (Cross-Billing).
20. The Parties agree that there will be a separate process to cease the NDSPP from 1 July 2018 and that this process will consider any changes to indexation rates during transition.
21. The Parties agree that:
- a. repayment of Intergovernmental Payments will be calculated based on the actual number of existing state specialist disability clients that transfer to the NDIS, with payments arrangements consistent with paragraph 2 above; and
 - b. South Australia will provide the Budget Neutral Adjustment to the Commonwealth as an additional payment administered via the NDSPP, to be provided in even monthly instalments to NDIA over the transition period, as outlined in Schedule C: Future Arrangements for Budget Neutrality and Cross Billing in South Australia.
22. Repayment of funding under the SACS NP is subject to the extension of the current National Partnership, which is due to expire on 30 June 2016.
23. The Parties agree that the Commonwealth will no longer provide Intergovernmental payments to South Australia, relating to Specialist Disability Services, from 1 July 2018.

24. The agreed annualised repayment of Intergovernmental payments by client cohort is outlined at Table 5:

Table 5: Annualised repayment of Intergovernmental payments for NDIS participants

	2016-17	2017-18
Existing Age 0-14	\$1,784	\$1,855
Existing Age 15-17	\$3,058	\$3,180
Other Existing	\$5,275	\$5,486
Supported Accommodation	\$20,743	\$21,572
Weighted Average	\$5,619	\$5,843

The above repayments assume the extension of the current SACSNP which is due to expire on 30 June 2016.

25. The estimated repayment of Intergovernmental payments is outlined at Table 6:

Table 6: Estimated Repayment of Commonwealth Intergovernmental payments for participants

	2016-17 (\$m)	2017-18 (\$m)
Repayment of Commonwealth Intergovernmental payments	\$10.5	\$41.7
Budget Neutral Adjustment, via NDSPP ¹	\$23.2	\$24.0
Total	\$33.6	\$65.6

Cash and In-Kind Contributions

26. The Parties agree to minimise in-kind contributions to the NDIS, and where possible cash out in-kind programmes to accelerate the transition from in-kind services to cash contributions. The Parties agree that where it is not possible to cash out programmes before they transition to the NDIS, they will:

- a. ensure that contracts with providers can be adjusted to facilitate the cashing out of programmes once the transition to the scheme has commenced, where reasonable; and
- b. consider whether the remainder of the contract can be novated to the NDIA and, where contract novation occurs, provide funding to the NDIA at the value of the novated contract on a monthly basis (or as otherwise agreed with the NDIA) until the contract terminates.

27. SA's in-kind contribution includes the costs of SA-provided specialist disability accommodation. This could include existing and new specialist accommodation, on the basis that investment in new stock aligns with the agreed Specialist Disability Accommodation Pricing and Payments Framework and is undertaken in consultation with the NDIA.

28. The balance of cash and in-kind contributions during the transition period will be finalised by March 2016 and included as a revision to this Schedule.
29. The pricing and value of any in-kind contributions at full scheme will be separately agreed by June 2018.

Full scheme Arrangements

30. If South Australia continues to provide in-kind contributions to the NDIS from Intergovernmental payments at full scheme, adjustments to funding arrangements will be made to allow the Intergovernmental payments to be ceased by 1 July 2018 and to ensure that overall funding to the NDIS is unchanged.
31. It is expected that full scheme funding arrangements for South Australia will commence from 1 July 2018. From 2018-19, South Australia will contribute its fixed \$723 million (indexed at 3.5 per cent per annum) to the NDIS, but if the transition of existing clients into the scheme is not complete:
- a. South Australia will recover from the NDIA all costs associated with existing clients who have not entered the scheme; and
 - b. the Commonwealth may also make adjustments to its full scheme contribution to reflect ongoing support needs outside of the NDIS.
32. Funding arrangements for full scheme also need to consider any changes for full scheme by governments arising from new policy design (such as quality and safeguards and housing), scheme experience and the 2017 Productivity Commission review of scheme costs.
33. The parties agree that a funding mechanism for full scheme contributions will be agreed by March 2018 and will include details of timing and basis of payments.

Payments from the DisabilityCare Australia Fund

34. The minimum annual payment to South Australia from the DisabilityCare Australia Fund is outlined at Table 7:

Table 7: Payments to South Australia from the DisabilityCare Australia Fund

	2015-16 (\$m)	2016-17 (\$m)	2017-18 (\$m)
Payments to South Australia	6.3	13.1	13.6

35. The final payment schedule will be reflected in the National Partnership Agreement on the DisabilityCare Australia Fund or through revision of Table 7 above.

Schedule C

Cross-billing and Budget Neutrality Arrangements in South Australia

1. This schedule is to be read in conjunction with:
 - a. Schedule A: Participant Phasing Arrangements in South Australia;
 - b. Schedule B: Financial Contributions for Transition in South Australia;
 - c. Schedule D: Continuity of Support Arrangements in South Australia; and
 - d. Schedule K: Cross-billing and Budget Neutrality Arrangements in South Australia 2013-14 to 2015-16.
2. The Parties agree that the roles and responsibilities outlined in Schedule F of the National Health Reform Agreement will be maintained. The Commonwealth will continue to have financial responsibility for aged care and specialist disability services for older people aged 65 years and over (and Indigenous Australians aged 50 years and over). In addition, the Commonwealth will progressively take over service delivery responsibility for specialist disability services for older people as the National Disability Insurance Scheme (NDIS) continues to roll-out.
3. South Australia will continue to have financial responsibility for disability and aged care services for younger people aged under 65 years (Indigenous Australians aged under 50), until such time as those people transition to the NDIS. This schedule does not change existing responsibilities outside the scope of these services, including health and hospital services and the supply of aids and equipment to people not eligible for the NDIS.
4. This schedule covers the cross-billing arrangements for transition in 2016-17 to 2017-18. Budget neutrality arrangements will continue beyond 2017-18.
5. The Parties agree that the change in roles and responsibilities will be made cost neutral through a Budget Neutral Adjustment payment. The Budget Neutral Adjustment is fixed at the 2013-14 level identified in Schedule K: Cross-billing and Budget Neutrality Arrangements in South Australia 2013-14 to 2015-16 and grown through time at 3.5 per cent per annum.

Cross-billing

Younger People in Commonwealth Residential Aged Care and Home Care Packages

6. South Australia agrees to pay the Commonwealth for the estimated costs of younger people aged under 65 (Indigenous Australians aged under 50 years) in residential aged care and Home Care Packages, for the period 2016-17 to 2017-18.
7. The agreed amount that South Australia will pay the Commonwealth will be calculated by multiplying the agreed number of younger people in residential aged care and Home Care Packages by an agreed average unit cost, with:
 - a. the agreed average unit cost calculated by growing the average unit cost for 2013-14 identified in Schedule K: Cross-billing and Budget Neutrality

Arrangements in South Australia 2013-14 to 2015-16 by 3.5 per cent per annum;

- b. the agreed number of younger people each year equal to the number of Younger People in Residential Aged Care and Home Care Packages identified in 2013-14 less the number of younger people that are estimated to transition to the NDIS (or that have otherwise exited), as outlined in Schedule A: Participant Transition Arrangements in South Australia; and
- c. where a younger person transitions during the year, part year effects are taken into account.

8. The agreed unit costs for cross-billing are outlined at Table 1:

Table 1: Agreed Cross-billing Unit Costs

Cohort	2015-16	2016-17	2017-18
Younger People in Residential Aged Care	\$73,416	\$75,986	\$78,645
Younger People with Home Care Packages	\$22,235	\$23,014	\$23,819

9. The agreed number of people subject to Cross-billing arrangements is outlined at Tables 2 and 3:

Table 2: Cross-billing Population (at 30 June)

Cohort	2015-16	2016-17	2017-18
Younger People in Residential Aged Care	458	458	0
Younger People with Home Care Packages	62	62	0

Table 3: Cross-billing Population (full year equivalent)

Cohort	2015-16	2016-17	2017-18
Younger People in Residential Aged Care	458	458	342
Younger People with Home Care Packages	62	62	42

10. The agreed South Australian cross-billing payment to the Commonwealth for younger people in Aged Care is outlined at Table 4, and is the product of multiplying Tables 1 and 3:

Table 4: Total South Australian Cross-billing Contributions

Cohort	2015-16 (\$m)	2016-17 (\$m)	2017-18 (\$m)
Younger People in Residential Aged Care	\$33.6	\$34.8	\$26.9
Younger People with Home Care Packages	\$1.4	\$1.4	\$1.0
Total South Australian Contribution	\$35.0	\$36.2	\$27.9

Older People in South Australia Specialist Disability Services

11. The Commonwealth agrees to pay South Australia for the cost of delivering Specialist Disability Services to Older People (aged 65 years and over, or Indigenous Australians aged over 50), for the period 2016-17 to 2017-18, less:

- a. the agreed amount of funding provided to South Australia through the National Disability Specific Purpose Payment for Older People in South Australian Specialist Disability Services; and
- b. the agreed amount of funding provided to South Australia through the National Partnership Agreement on Pay Equity for the Social and Community Services Sector for Older People in South Australian Specialist Disability Services, subject to the extension of the current National Partnership which is due to expire on 30 June 2016.

12. The total agreed amount that the Commonwealth will pay South Australia will be calculated by growing the cost for 2013-14 identified in Schedule K: Cross-billing and Budget Neutrality Arrangements in South Australia 2013-14 to 2015-16 by 3.5 per cent per annum.

Table 5: Agreed Commonwealth Cross-billing Contributions to South Australia

Cohort	2015-16 (\$m)	2016-17 (\$m)	2017-18 (\$m)
Older People in Specialist Disability Services (Aged 65 and Over)	\$28.9	\$29.9	\$30.9
Older People in Specialist Disability Services (Indigenous Aged 50-64)	\$1.3	\$1.4	\$1.4
Total Commonwealth Contribution	\$30.2	\$31.3	\$32.4

13. As the Commonwealth is progressively taking administrative responsibility for Older People in Specialist Disability Services, as outlined in Schedule D: Continuity of Support Arrangements in South Australia, South Australia will repay the Commonwealth the costs associated with older people who transition to Commonwealth continuity of support arrangements.

14. Where an Indigenous person aged 50-64 transitions as a participant of the NDIS, South Australia will transfer funding to the NDIS, as a Commonwealth contribution, as outlined in Schedule B: Financial Contributions for Transition in South Australia.

Funding Arrangements

15. The funding arrangements for Cross-billing, will be consistent with the NDIS, as outlined in Schedule B: Funding Contributions for Transition in South Australia, with:
- a. South Australia payments for Younger People in Residential Aged Care and Home Care Packages, to be provided on a monthly basis in arrears based on the actual number of people who have yet to transition to the NDIS; and
 - b. contributions from South Australia capped at the total estimated value of older people in South Australian Specialist Disability Services and Younger People in Residential Aged Care and Home Care Packages, as at 30 June 2016, grown by 3.5 per cent per annum.
16. Parties agree that all cross-billing payments will cease on 30 June 2018.

Budget Neutral Adjustment

17. The Parties agree that during transition a Budget Neutral Adjustment is made each year to offset the additional cost to the Commonwealth of net additional financial responsibilities taken on as part of the National Health Reform Agreement (i.e. the additional cost to the Commonwealth of Home and Community Care for older people, and the cost of specialist disability services for older people, less the costs of responsibilities transferred to South Australia for younger people in aged care).
18. The Parties agree that the Budget Neutral Adjustment for 2016-17 to 2017-18 is calculated by growing the Budget Neutral Adjustment for 2013-14 identified in Schedule K: Cross-billing and Budget Neutrality Arrangements in South Australia 2013-14 to 2015-16 by 3.5 per cent per annum.
19. The Budget Neutral Adjustment over the period 2016-17 to 2017-18, which reflects a net contribution to the Commonwealth, is outlined in Table 6.

Table 6: Budget Neutrality Adjustment to the Commonwealth:

Amounts	2016-17 (\$m)	2017-18 (\$m)
Budget Neutral Adjustment	\$23.2	\$24.0

20. The parties agree that during the NDIS transition period, 1 July 2016 to 30 June 2018, South Australia will provide the Budget Neutral Adjustment to the Commonwealth as an additional repayment of the National Disability Specific Purpose Payment (NDSPP) as outlined in Schedule B: Financial Contributions for Transition in South Australia.
21. As the National Disability Specific Purpose Payment will have fully transitioned to the NDIS by the end of 2017–18, the Parties agree that, from 1 July 2018 South Australia will increase its contribution to the National Disability Insurance Agency by \$24.8 million (indexed at 3.5 per cent per year). This will be in addition to the South Australian full scheme contribution of \$723 million as set out in the *Heads of Agreement between the Commonwealth and South Australia Governments on the National Disability Insurance Scheme*.

Schedule D

Continuity of Support Arrangements in South Australia

1. This schedule is to be read in conjunction with:
 - a. Schedule A: Participant Phasing Arrangements in South Australia;
 - b. Schedule B: Financial Contributions for Transition in South Australia; and
 - c. Schedule C: Cross-billing and budget neutrality arrangements in South Australia.
2. The Parties agree that it is important that the roll out of the National Disability Insurance Scheme (NDIS) in South Australia is managed so that people are not disadvantaged during the transition to the full roll out of the NDIS.

Continuity of Support: Definition and Principles

3. People with disability, their families and carers will be provided with continuity of support that will ensure that the support they receive once the NDIS is introduced will enable them to achieve similar outcomes to the outcomes they were aiming to achieve prior to introduction of the NDIS.
4. Continuity of support will apply for people resident in an area or part of a cohort that is transitioning to the NDIS if:
 - a. They currently receive support but do not meet the access requirements outlined in the *National Disability Insurance Scheme Act 2013* (the NDIS Act 2013), or are receiving supports that do not meet the definition of reasonable and necessary supports in the NDIS Act 2013; and
 - b. the funding for this support is attributed to a programme/service that will cease when the NDIS is introduced.
5. The assistance provided to people through continuity of support will aim to support people to live as independently as possible by working with them to reduce their need for supports or to access supports from other systems, where appropriate. Where a person's support needs are reduced through capacity building work, or are met by other service systems, the assistance through continuity of support will be phased out.
6. The Parties agree that people with significant ongoing needs will be provided with assistance to prevent hardship where this would significantly undermine the person's wellbeing, or social and economic participation.
7. The types of assistance provided through continuity of support should be flexible because the assistance that best builds the person's capacity to live independently may be different from the supports the person was accessing previously. The flexibility could, for example, include up-front investments that assist people to live more independently. If a person receiving continuity of support is under 65 years of

age and has had a change in their circumstances which means they may meet NDIS access requirements, the person can make an access request to the NDIA to become a participant at any time.

Continuity of Support: People Aged 65 and Over and Indigenous People Aged 50 and Over

8. The Parties agree that:
 - a. administrative responsibility for people aged 65 and over receiving specialist disability services will transfer to the Commonwealth, consistent with the timeframes for transition of NDIS-eligible participants in South Australia; and
 - b. administrative responsibility for Indigenous people aged 50 and over receiving specialist disability services, and ineligible to participate in the NDIS, will transfer to the Commonwealth, consistent with the timeframes for transition of NDIS-eligible participants in South Australia.
9. The Commonwealth will, in consultation with South Australia, determine the administrative arrangements for providing continuity of support for people aged 65 and over (Indigenous people aged 50 and over) referred to in clause 8 above by March 2016. In developing these arrangements, the Commonwealth and South Australia will confirm current service delivery data including the number of in scope clients.
10. The schedule to transfer administrative responsibility to the Commonwealth has been designed with consideration of an orderly approach in line with the transition of eligible participants from South Australian specialist disability services to the NDIS.
11. In South Australia, it is estimated that a total of 2,732 people currently in receipt of specialist disability services will transfer to the Commonwealth.
12. The Parties agree that the transfer of this cohort in South Australia will be implemented on a staged geographical basis in the following sequence:
 - a. Barossa, Light and Lower North and the Local Government Areas (LGA) of Playford, Salisbury and Port Adelaide Enfield (East) will commence transition from 1 July 2017;
 - b. The LGA of Tea Tree Gully, Limestone Coast and Murray and Mallee will commence transition from 1 October 2017;
 - c. Fleurieu and Kangaroo Island, Southern Adelaide, Eyre and Western, Far North and Yorke and Mid North will commence transition from 1 January 2018; and
 - d. Adelaide Hills, Eastern Adelaide and Western Adelaide will transition from 1 April 2018.
13. The Parties agree that detailed planning of transfers will be developed following finalisation of this Agreement, as part of the Operational Plan developed by South Australia, the Commonwealth and the NDIA for the transition of NDIS-eligible participants.

14. The estimated quarterly transfer, based on transition arrangements in paragraph 12, above is outlined at Tables 1 below:

Table 1: Estimated Transfer of Administrative Responsibility in 2017-18

	2017-18 Q1	2017-18 Q2	2017-18 Q3	2017-18 Q4
Estimated number of participants to transition to Commonwealth Administration	473	327	1,023	909
Total cumulative transfer	473	800	1,823	2,732

15. The parties agree that the timetable for transferring low intensity/episodic clients to the Commonwealth will be reviewed by March 2016, with any changes to be reflected in revisions to this schedule.

16. The estimate in Table 1 above is the estimated number of existing clients in South Australian-funded services who will require continuity of support arrangements and who are aged 65 and over. If the actual number of people who require continuity of support arrangements and who are aged 65 and over exceeds the estimate outlined at Tables 1 above, the Commonwealth will provide access to existing programmes on the same basis as other people with a need for support who are aged 65 and over.

17. The estimated cost to the Commonwealth of providing continuity of support for people aged 65 and over, and Indigenous people aged 50 to 64, currently in South Australian specialist disability systems, is outlined at Table 2 below.

Table 2: Estimated Cost – Continuity of Support for Older People

	2016-17 (\$m)	2017-18 (\$m)
Estimated cost of Continuity of Support for older people in South Australian specialist disability services	\$0.0	\$27.7

18. Table 2 reflects the estimated cost of continuity of support for the people identified in paragraph 14 above. If the actual cost to the Commonwealth of providing continuity of support for existing clients in state-funded services exceeds the estimate outlined at Table 1 above, the Commonwealth will provide access to existing programmes on the same basis as other people with a need for support who are aged 65 and over.

Continuity of Support: People under 65 years

19. The parties agree that:

- a. the Commonwealth will be responsible for administration arrangements for providing continuity of support to people under the age of 65, and under the age of 50 for Indigenous people, in receipt of Commonwealth administered disability programs/services; and

- b. South Australia will be responsible for administration arrangements for providing continuity of support to people under the age of 65, and under the age of 50 for Indigenous people, in receipt of South Australian administered disability programs/services.

Intergovernmental Payments

20. Both parties agree that the intergovernmental payments currently provided by the Commonwealth to South Australia will be repaid to the Commonwealth based on the actual number of existing state specialist disability services clients who transferred to Commonwealth administrative arrangements in that year, consistent with funding arrangements outlined in Schedule B: Financial Contributions for Transition in South Australia.

21. Intergovernmental payments include:

- a. the National Disability Specific Purpose Payment (NDSPP);
- b. the relevant portion of the National Partnership Agreement on Pay Equity for the Social and Community Services Sector (SACS NP); and
- c. Cross-billing arrangements for older people in specialist disability services aged over 65 and Indigenous People aged 50-64 who are ineligible for the NDIS, as set out in Schedule C: Cross Billing and Budget Neutrality Arrangements (Cross-Billing).

22. Repayment of funding under the SACS NP is subject to the extension of the current National Partnership, which is due to expire on 30 June 2016.

Funding Arrangements

22. The funding arrangements for continuity of support will be consistent with the NDIS, as outlined in Schedule B: Funding Contributions for Transition in South Australia, with South Australian repayments for Older People in Specialist Disability Services, to be provided on a monthly basis in arrears based on the actual number of people who have left South Australian specialist disability services.

23. The agreed funding contribution by client is outlined at Table 3 below:

Table 3: Annualised repayment Unit Costs for Continuity of Support clients

	2016-17	2017-18
Older People in Specialist Disability Services	\$18,532	\$19,591

24. The estimated amount that South Australia will repay the Commonwealth will be calculated by multiplying the number of older people who have left South Australian Specialist Disability Services by the agreed average unit cost, with the estimated number of Older People in South Australian Specialist Disability Services equal to the number older people who are estimated to transition to continuity of support arrangements. Where a person aged over 65 transitions during the year, part year effects are taken into account.

25. Where a person aged over 65 leaves a South Australian Specialist Disability Service, and does not transfer to Commonwealth continuity of support arrangements, South

Australia will provide the Commonwealth with funding equal to the agreed unit cost, adjusted for part year effects.

26. The estimated repayment of Intergovernmental Payments is outlined in Table 4.

Table 4: Estimated repayment of Intergovernmental Payments

	2016-17 (\$m)	2017-18 (\$m)
Repayment of Intergovernmental Payments ¹	\$0.0	\$28.5

¹The estimated repayment of Commonwealth grants is greater than the estimated cost (Table 2) of providing Continuity of Support. This reflects the fact that while continuity of support applies to a fixed and declining cohort, the Commonwealth has taken responsibility for all older people with disability through the NDIS and aged care.

Cash and In-Kind Contributions

27. The Parties agree that South Australia will not provide any in-kind services as part of continuity of support arrangements.

Schedule E

Sector and System Readiness in South Australia

1. The Parties agree that full scheme costs for the National Disability Insurance Scheme (NDIS) must be sustainable.
2. The Parties agree that transition arrangements will be managed so that providers, the workforce, individuals, the National Disability Insurance Agency (NDIA) and existing systems are prepared to operate in the NDIS system.
3. The Parties agree to recognise and support practical steps to support sector and system readiness.
4. The Parties recognise and support that to be able to meet the timeframes envisaged for processing access requests and developing plans under this Agreement, the NDIA will need:
 - a. access to data from governments and providers, that is in the form, and quality, required to support the transition of people in existing programmes into the NDIS;
 - i. including data from current programmes that allows the NDIA and governments to understand the characteristics of clients and the support they receive, and to remove potential double counts for transitioning clients; and
 - b. to establish mechanisms to efficiently and effectively transfer information between the NDIA, stakeholders and service providers that avoid regulatory burden on providers.
5. The Parties recognise and support that to be able to operate in the market-based system envisaged for the NDIS within the timeframes envisaged for transition under this Agreement, providers and participants will need to be ready to move to the NDIS system at the point of transition consistent with Schedule A: Participant Transition Arrangements in South Australia.
 - a. For providers this means that they understand the costs of their business and are able to operate within a contestable environment and interact with NDIA system; and
 - b. For participants this means being ready to undertake goal-based planning and exercise control and choice over the supports they receive.
6. The Parties agree that existing funding and contracting arrangements and the Sector Development Fund will be used to build readiness in the following areas:
 - a. building participant capacity for choice and control;
 - b. developing the capacity of providers to participate in a more contestable market;
 - c. workforce growth and development; and
 - d. developing a market in rural and remote South Australia.

7. The Parties are committed to leveraging existing government investment in sector development activities and infrastructure and will work with the NDIA to determine how existing tools, resources and systems can be adopted or funded to support the NDIS where appropriate.
8. The Parties agree that they will facilitate the NDIA working with prospective participants and providers ahead of phasing in.
9. The Parties agree to monitor market, sector, participant, workforce and system readiness, including through:
 - a. monitoring the completeness and quality of data available to the NDIA about people in existing programmes who are due to transition into the NDIS;
 - b. the NDIA building a picture of provider characteristics, numbers, and capacities;
 - c. developing a mechanism to determine workforce requirements based on the population to phase in against reference packages;
 - d. monitoring the capacity of providers to recruit locally; and
 - e. using state and territory held information about regions to assist the NDIA with service and workforce mapping.
10. The Parties agree that these monitoring arrangements will take account of the challenges associated with rural and remote service delivery.
11. The Parties agree that these arrangements will be used to continually review market, sector, participant, workforce and system readiness to transition to the NDIS and that if this monitoring indicates significant concerns that put agreed transition arrangements at risk, then a strategy for addressing the issues will be developed.
12. The Parties agree that participants should not be put at risk and that the agreed strategy could include changes to the phasing schedule.

Schedule F

Transition arrangements for quality and safeguards in South Australia

1. This schedule sets out quality and safeguards assurance arrangements during the transition to the full National Disability Insurance Scheme (NDIS) in South Australia from July 2016 to July 2018.
2. All governments agree that quality and safeguards are important to effectively support the phasing of a large number of participants into the NDIS, including vulnerable and high-need cohorts.

National Framework for Quality and Safeguards

3. The parties and the National Disability Insurance Agency (NDIA) are working together on the design of a nationally consistent quality and safeguarding system to be agreed by the Disability Reform Council (the Council) by early 2016.
4. The NDIS quality and safeguarding system will be consistent with the principles agreed by the Council as set out in the Consultation paper released on 17 February 2015.
5. Existing South Australian and Commonwealth quality and safeguarding systems will apply until the approach, including agreed roles and responsibilities, is implemented.
6. This schedule will be reviewed by June 2016 to reflect the outcomes of Ministers' decisions and incorporating consequent implementation arrangements.

Transition Arrangements

7. During the transition to full scheme, South Australia and the Commonwealth will continue to operate existing quality systems for providers seeking to register with the NDIA to offer supports funded by the NDIS and existing safeguarding arrangements for participants, including existing approaches to the regulation of restrictive practices.
8. **Table 1** sets out the quality and safeguarding arrangements that will be in place in South Australia during transition. This reflects current responsibilities and would be amended, subject to any transitional arrangements agreed by governments as part of transition to a nationally consistent risk-based NDIS quality and safeguarding system by July 2018 (as per paragraph 5).

Table 1 – Quality and safeguard assurance arrangements during transition

	Applicable legislation	Quality standards	Accreditation and assurance processes	Complaints and investigation	Critical incident reporting	Regulation of the use of restrictive Practices
South Australia funded programmes	Applicable state legislation	National Standards for Disability Services Other relevant state standards	Accreditation body Or independent Quality evaluation Or contract management	Complaints / Incident Unit in Department for Communities & Social Inclusion Community Visitor Scheme Health & Community Services Complaints Commissioner Ombudsmen Public Advocate/ Guardians	Care Concern Investigation Unit in Department for Communities & Social Inclusion Applicable state legislation Or Policy enforced via contract	Applicable state legislation Or Policy enforced via contract
Commonwealth funded programmes including employment services	<i>Disability Services Act 1986</i>	National Standards for Disability Services	Accreditation bodies for AEDs and Advocacy Additional Program specific accreditation for early intervention Relevant Commonwealth government departments	Commonwealth Ombudsman Aged Care Commissioner	Policy enforced by contract	

9. In regard to decisions or actions taken by the NDIA, NDIS participants will have access to Administrative Appeals Tribunal for merits review of decisions. They can also access the Commonwealth Ombudsman if they have a complaint about the administration of the NDIA.

10. The Parties agree to work together to manage any inconsistencies with existing South Australian quality and safeguard legislation for compatibility with transition arrangements.

11. Parties agree to work together, with the NDIA, to keep South Australian registered providers and NDIS participants well informed of the progression of transition arrangements to full scheme implementation.

New Providers

12. During the transition to full scheme, it is anticipated that there will be a large number of new entrants to the market as well as individuals wishing to register as providers in their own right. South Australia or Commonwealth quality and safeguarding arrangements will apply to these new providers.
13. The Parties will work collaboratively with the NDIA to streamline registration processes for new providers and minimise duplication and costs for both the Agency and support providers during the transition to full scheme.
14. For example, where applicants for NDIA registration have not previously been assessed or accredited to provide services for people with disability, but have received equivalent recognition of their compliance against standards in respect of a relevant human service program, for example an aged care or family and children's services, these would be taken into account to streamline assessment of suitability to provide NDIS funded supports.
15. The Parties also agree to closely monitor registration processes to ensure choice and control for participants is not undermined and that safeguards remain risk-based, particularly for the registration of new providers.

Monitoring and Risk Management

16. The parties agree to monitor quality and safeguards arrangements during transition.
17. Working arrangements between the Commonwealth, South Australia and the NDIA to ensure appropriate management and monitoring of quality and safeguard arrangements during transition will be set out in the Operational Plan to support the implementation of transition in South Australia to be agreed following finalisation of this Agreement. Operational plans will include specific roles and responsibilities and information exchange.
18. The Parties agree to work with the NDIA, through the development of the Operational Plan, to ensure that working arrangements are established to give effect to this schedule, in particular, in the areas of monitoring, complaints management, incident management and reporting, and provider registration.
19. If monitoring of quality and safeguard arrangements indicates that participants and agreed transition arrangements are at risk, a jointly agreed strategy for addressing issues will be developed, consistent with clause 54-56 of this Agreement.

Schedule G

Integrated National Disability Insurance Scheme Performance Reporting Framework

Purpose

1. This Schedule sets out the mechanisms that will be used to assess the performance of the National Disability Insurance Scheme (NDIS) and specifies how that performance will be reported.
2. It incorporates relevant content contained in the Annex to the Intergovernmental Agreement on NDIS Launch on performance reporting, which is superseded for the transition to full scheme by this Schedule. This Schedule should be read in conjunction with clauses 36 to 40 of this Agreement.
3. The parties agree that a number of the outcome measurements are being piloted during the transition period to full scheme and will therefore be reviewed and possibly revised at the annual review of this Schedule.

Integrated NDIS Performance Reporting Framework

4. The Integrated NDIS Performance Reporting Framework is based on the accountability requirements of the governance structure for the NDIS. It will comprise the following components:

NDIS Performance

- a. Reporting requirements at this level are designed to meet the accountability requirements of the Council of Australian Governments Disability Reform Council (DRC).
- b. NDIS Performance comprises agreed outcomes, key performance indicators (KPIs) and measures designed to assess the extent to which the NDIS is achieving the outcomes intended by governments, as set out in the NDIS legislation.
- c. Because of the longer term focus on NDIS outcomes, reports at this level will be provided annually to the DRC from the NDIA Board.

National Disability Insurance Agency (NDIA) Operational Performance

- d. Reporting at this level has two purposes. First, it satisfies the requirements specified in the legislation for the NDIA Board to report on expenditure and activities in relation to the NDIS. Second, it provides information on various aspects of NDIA operations that will contribute directly to the achievement of NDIS outcomes and KPIs. This will give DRC insight through the year on progress towards achieving the outcomes of the NDIS.
- e. Reports at this level will be provided quarterly by the NDIA Board to the DRC, and will be disaggregated to jurisdictional levels, as well as providing national totals.

NDIS Activity in Jurisdictions

- f. Reporting at this level is designed to provide jurisdictions with the information they require to meet their own individual accountability requirements, especially in the budgetary reporting context.
- g. This information will be provided monthly by the NDIA to nominated officials in each jurisdiction.
- h. This information will be provided in datasets accessed through the data warehouse, rather than in written reports. This will include de-identified participant data at the level of client unit record and aggregate level for all services provided in the trial area, if so specified by individual jurisdictions.

Data Sources

- 5. All data for these reports will be sourced from the NDIA's IT systems. In the longer term data may also be sourced from the Commonwealth Department of Human Services and linked to the NDIA's data in order to measure increases in social and economic participation for people with a disability and for people caring for people with a disability.

Annual Review

- 6. This Schedule will be reviewed annually through the transition period, and amended as agreed.

Level A – Annual NDIS Performance

- 7. Outcomes, KPIs and performance measures for the NDIS (Level A) are set out in Table 1 below. Data for this level of reporting will be generated from the NDIA's IT systems, and written reports will be provided annually by the NDIA Board to the DRC.

Table 1: NDIS Outcomes, KPIs and Performance Measures

Outcome	KPIs	Performance Measures
1. People with disability lead lives of their choice	3.1 People with disability achieve their goals for independence, social and economic participation	1.1.1 Proportion of participants, and their families and carers, who report improved economic and social outcomes (as measured by the NDIA outcomes framework) 1.1.2 Proportion of participants who attain the goals outlined in their plans (as measured by the NDIA's Goal Attainment Scale) 1.1.3 Participant satisfaction
	3.2 Increased mix of support options and innovative approaches to provision of support in response to assessed need	1.2.1 Mix and number of provider services 1.2.2 Proportion of participants with capacity building supports
	3.3 People with disability are able and are supported to exercise choice	1.3.1 Proportion of participants, and their families and carers, who report being able to exercise choice (as measured by the NDIA outcomes framework)
2. NDIS is a financially sustainable, insurance-based NDIS	2.1 Effective estimation and management of short-term and long-term costs	2.1.1 Comparison of actual expenditure against projected expenditure 2.1.2 Changes in medium and long-term expenditure projections 2.1.3 Projected expenditure matches projected revenue over the medium-term and long-term 2.1.4 NDIANDIA operating expenses ratio 2.1.5 Reduction of long-term cost trends against population, price and wages growth 2.1.6 Estimated future lifetime costs of support for current clients (NPV) - Including disaggregation for new and existing clients by client group
	2.2 Benefits are realised from targeted investment strategies in enhanced disability support	2.2.1 Effectiveness of early intervention in reducing estimated lifetime costs of support measured: - in the short-term through case studies which include targeted investment; - in the long-term through estimated returns from this investment
3. Greater community inclusion of people with disability	3.1 People with disability are able to access support from mainstream services	3.1.1 Referrals to mainstream services (participants and non-participants through Information, Linkages and Capacity Building (ILC)) 3.1.2 Proportion of participants accessing mainstream services
	3.2 Community awareness of people with disability	3.2.1 Activities undertaken by the NDIA to increase community awareness of the issues that affect people with disability.
	3.3 Effectiveness of Local Area Coordination (LAC) and other funded community capacity building	3.3.1 Number of people supported through ILC

Level B – Quarterly NDIA Performance Reporting

8. The NDIA Board will report quarterly to the DRC on aspects of operational performance that contribute directly to the achievement of outcomes for the NDIS. These requirements, and their relationship to the overarching NDIS outcomes and KPIs, are set out in Table 2 below. Also set out in Table 2 below are the requirements for quarterly reporting from the NDIA Board to the DRC under the legislation. This information will be provided at the national level, and also disaggregated to the level of individual host jurisdictions.
9. Participant outcomes will be measured using a draft outcomes framework, which is currently being piloted in the NDIS trial sites by the NDIA. Trends in indicators will be monitored, as well as comparisons between Australians without disability and people with a disability in other OECD countries. In addition to the outcomes framework, individual participant goal attainment as outlined in participant plans will be measured using the Goal Attainment Scale (GAS).

Table 2: Quarterly Reporting from the NDIA Board to DRC

Outcome	Measures	Indicators
1. People with disability lead lives of their choice	1.1 Outcomes for participants and their families	1.1.1 Proportion of participants, and their families and carers who report improved economic and social outcomes (as measured by the NDIA outcomes framework) 1.1.2 Proportion of participants who attain the goals outlined in their plans (as measured by the NDIA's Goal Attainment Scale) 1.1.3 Participant satisfaction
	1.2 Provision of support in response to assessed need	1.2.1 Number of registered service providers by characteristics and market profile 1.2.2 Access request to receiving support within different timeframes
2. NDIS is a financially sustainable, insurance-based NDIS	2.1 Participant characteristics and their families	2.1.1 Access requests made by outcome 2.1.2 Eligible participants against bilateral targets, including key characteristics 2.1.3 Participants with approved plans against bilateral targets 2.1.4 Trends in plan approvals 2.1.5 Access request to plan approval within different timeframes 2.1.6 Ineligible participant numbers and key characteristics
	2.2 Support packages	2.2.1 Committed support 2.2.2 Actual payments 2.2.3 Average and median package costs by sub-groups of the population and for all participants compared with the expected averages and medians, including trends 2.2.4 Details of participants with second plans, including length and value of supports 2.2.5 Distribution of package costs
	2.3 Projections	2.3.1 Cost of the NDIS in dollar terms and as a percentage of GDP (split by participants aged under 65 and over 65). This measure will include NDIA operating costs
3. Greater community inclusion of people with disability	3.1 Mainstream services	3.1.1 Number of participants accessing mainstream services by service type
	3.2 LAC	3.2.1 Number of participants and other people with a disability supported by LACs by participant characteristics 3.2.2 Descriptions of activities undertaken on ILC including dollars spent by regions and activities
	3.3 ILC	3.3.1 Number of participants and other people with a disability supported by ILC activities by participant characteristics 3.3.2 Descriptions of activities undertaken on ILC including dollars spent by regions and activities

Level C – NDIS Activity in Jurisdictions

10. The NDIA will provide certain financial and NDIS activity information to the Commonwealth Minister and each host jurisdiction's Minister, as provided for in section.175 of the *National Disability Insurance Scheme Act 2013*. This information will be provided on a monthly basis (including year to date totals), in datasets accessed through the data warehouse. It will not be provided through written separate reports.

Release of Information

11. Release of information provided under this Schedule will be consistent with the information protocols to be developed between the Parties and the NDIA by December 2015.

Relationship to NDIS Evaluation Strategy

12. Reporting under the Integrated NDIS Performance Reporting Framework will complement the NDIS Evaluation. The evaluation will provide a series of point-in-time snapshots, largely focussing on outcomes for individuals, carers and families. By contrast, information under the Performance Reporting Framework will be provided on a regular schedule (monthly, quarterly or annually) and will provide insights into the operation of the NDIS and the way it is being administered by the NDIA. It will include information on NDIS participants, but also on providers of supports and fiscal sustainability.

Schedule H

Workforce

1. The Parties agree to give effect to clause 35 of the *Heads of Agreement between the Commonwealth and South Australian Governments on the National Disability Insurance Scheme* (Heads of Agreement), being that the first offer of employment for the National Disability Insurance Agency (NDIA) should be to appropriately skilled existing South Australian Government disability staff.
2. The Parties agree that the appointment of an appropriately skilled workforce to the NDIA within the required timeframes is essential to the ongoing success of the National Disability Insurance Scheme (NDIS).
3. For the purposes of this Schedule H, the term "disability staff" means all South Australian Government staff materially affected by the national roll-out of the NDIS, regardless of whether the roles are directly involved in the delivery of services to clients.
4. The Parties recognise and value the skills of South Australian Government disability staff and that these skills will be a valuable contribution to the successful implementation of the NDIS.
5. The Parties are committed to working together to place South Australian Government disability staff, in accordance with this Schedule, into ongoing roles within the NDIA.
6. The objectives of this Schedule H ensure:
 - a. the workforce requirements of the NDIA are able to be fulfilled within the required timeframes;
 - b. the South Australian Government and South Australian Government disability staff have an understanding of the NDIA's workforce requirements;
 - c. the South Australian Government is able to manage the availability of staff to deliver South Australia's existing disability support related services to existing clients during the transition period; and
 - d. South Australian Government disability staff have information on the overall recruitment approach of the NDIA and the employment arrangements prior to commencement with the NDIA.

Nature of Employment

7. The Commonwealth, NDIA and the South Australian Government are committed to do everything practicable to attract and employ suitably skilled staff to ongoing roles within the NDIA.
8. Staff selected for ongoing employment in the NDIA will be engaged under Section 72 of the *Public Service Act 1999* (PS Act). As such, this agreement only applies to engagement of South Australian Government disability staff in respect of ongoing employment covered by the PS Act.
9. The Australian Public Service Commission (APSC) work level standards will be used to identify the NDIA's classification level that most closely equates to the substantive level of work the individual South Australian Government disability staff member is undertaking in their state government employment, at the time of movement. Following a confined merit based selection process, suitable selected staff will be

offered employment at this level, where a vacancy exists. However, where no vacancies exist at that level, South Australian Government disability staff may choose to be considered for employment in the NDIA below that level.

10. These arrangements do not apply to senior executive positions.

Recruitment process

11. The Parties have agreed to a confined merit based selection process to fill ongoing roles within the NDIA targeting South Australian Government disability staff. This is consistent with provisions under Clause 35 of the Heads of Agreement where the recruitment process for NDIA roles will be initially confined to South Australian Government disability staff. The Parties agree that the NDIA's selection process in relation to South Australian Government staff will precede any normal recruitment processes run by the NDIA for ongoing employment.

12. The NDIA will ensure that the process for identifying eligible staff to fill roles in the NDIA is consistent with the principles for merit selection set out in the PS Act and is open and transparent, and that staff can demonstrate that they have the appropriate skills, experience and qualifications for the roles. All assessment processes for South Australian Government staff must be based on the specific skills and qualifications required for the specified role.

13. All offers of employment from the NDIA to South Australian Government staff must be consistent with the PS Act and merit based selection processes.

14. Persons with disability will be encouraged and supported to participate in this process.

15. The three-step process for the transition of South Australian Government disability staff to the NDIA to support the national roll-out of the NDIS, will accord with APS recruitment policies and processes, and is as follows:

STEP 1 – Planning

- a. The NDIA will identify the jobs to be performed, skills, experience and qualifications required, Australian Public Service (APS) classification structure, category of employment, locations for servicing participants, and the number of staff required which will also inform the funding provisions on movement to the NDIA.
- b. The NDIA will work with the South Australian Government to conduct role evaluations against APS work level standards to identify appropriate matching of APS/South Australian Government classification levels, including remuneration matching practice, where applicable.

STEP 2 – Selection

- a. The NDIA will provide a Fact Sheet as part of the selection process to outline the nature of employment on offer and that the NDIA will conduct a confined merit selection process to employ South Australian Government disability services staff that are suitable for the NDIA's role requirements.
- b. The NDIA will provide the South Australian Government with a detailed list of roles subject to the confined merit selection process, including location, classification, full-time equivalent allocation and position descriptions. This information will be circulated to disability services staff of the South Australian Government.

- c. Expressions of interest by interested staff will be made direct to the NDIA through its recruitment portal.
- d. The NDIA will establish a recruitment panel to assess applications and conduct a merit based selection process that will consider an employee's skills and qualification for a role.
- e. The recruitment panel will include a representative from the South Australian Government.
- f. The recruitment panel will make recommendations for employment consistent with the merit-based recruitment practices in the Commonwealth.
- g. The NDIA will confirm with the South Australian Government the names of staff who are successful in the selection process.
- h. The NDIA will undertake the applicable pre-employment checks.

STEP 3 - Appointment of Selected Staff

- a. The NDIA will finalise the listing of selected staff and communication will be sent to the South Australian Government advising it of those staff who have received offers of employment and accepted those offers. Date of engagement will be agreed between the Parties.
- b. The NDIA will provide a final listing of names, classifications, roles and salaries of selected staff to the APSC to formalise the transfer under section 72 of the PS Act.
- c. The Commissioner will consider the request and sign a determination to engage selected staff as NDIA (Commonwealth) employees.

Security clearance

- 16. Police checks of selected staff will be undertaken prior to an offer being made.
- 17. Selected staff placed in roles within the NDIA that require access to protected information will be subject to the required level of security vetting consistent with APS guidelines.

Transition process

- 18. An agreed schedule to transition suitably skilled South Australian Government disability staff to the NDIA to support the national roll-out of the NDIS will be developed with the aim of minimising any disruption to ongoing service delivery of the South Australian Government.

Continuity of Service

- 19. For all staff who are engaged under Section 72 of the *Public Service Act 1999* continuity of service and recognition of prior service will be recognised for annual leave and long service leave.

Probation

- 20. Selected staff will not be required to serve a probationary period of employment on commencement with the NDIA.

Terms of Employment

21. Selected staff will be offered terms and conditions of employment as provided in the FAHCSIA Enterprise Agreement (whilst it applies to employment in the NDIA), or its successor.
22. The terms and conditions of employment of these staff will be the FaHCSIA Enterprise Agreement as it has effect under Schedule 1 of the *National Disability Insurance Scheme Act 2013* (NDIS Act).

Leave Entitlements

23. Leave entitlements will be as per the FAHCSIA Enterprise Agreement as it has effect under Schedule 1 to the NDIS Act.
24. The South Australian Government agrees to provide funding for the entitlements recognised for annual and long service leave for South Australian Government disability staff who are successful in the selection process, with a probability factor for long service leave provision to be agreed between South Australia and the NDIA.
25. In addition to the terms and conditions as provided in the FAHCSIA Enterprise Agreement, arrangements to allow the recognition of certain leave entitlements as outlined below will apply.
26. These arrangements will be subject to funding associated with recognised entitlements (annual and long service leave) being transferred with the selected staff.

Annual Leave

27. Selected staff may elect to have their existing annual leave entitlement paid out by the South Australian Government or have their existing accrual transferred to the NDIA.
28. If selected staff do not have their existing annual leave entitlement paid out, the South Australian Government department will transfer any existing annual leave accrual and associated funding to the NDIA.

Long Service Leave

29. Selected staff may elect to have their existing long service leave entitlement paid out by the South Australian Government on departure, or have their South Australian Government service recognised for the purposes of long service leave entitlements in the NDIA.
30. Selected staff without sufficient service with the South Australian Government to have a current entitlement to long service leave will have their period of service with the South Australian Government recognised for the purposes of long service leave entitlements for the NDIA.

Personal Leave

31. Personal leave balances will not be transferred to the NDIA.

Superannuation

32. The NDIA will make compulsory employer contributions as required by the applicable legislation and fund requirements.
33. The current default superannuation fund in the NDIA is the Public Sector Superannuation Accumulation Plan (PSSap). The NDIA will provide employer

superannuation to members of the PSSap at the rate applying in the PSSap Trust Deed, which is currently 15.4 per cent of an employee's fortnightly contribution salary.

34. Where selected staff elect to continue their membership in the South Australian Government Super SA superannuation scheme, the Commonwealth, NDIA and the South Australian Governments agrees to investigate whether staff engaged by the NDIA can continue membership of Super SA, and whether employer superannuation contributions will match those members of the PSSap.
35. Any additional superannuation options will be dependent on the rules of the employee's current scheme and any other legislative or fund requirements.

Communications

36. The Parties agree to a collaborative and cooperative approach between the NDIA and South Australian Government departments consistent with the aims of this Agreement.
37. The NDIA will regularly consult with local South Australian Government state managers on recruitment activities and opportunities throughout the transition period with the objective of allowing South Australian Government disability services non senior executive employee opportunities for ongoing NDIA roles ahead of external recruitment processes.

Schedule I

Arrangements for the interface between the NDIS and mainstream services in transition

1. This schedule sets out the arrangements between the National Disability Insurance Scheme (NDIS) and other service systems during the transition to the full NDIS in South Australia.
2. The Parties agree that the effective interfaces between the NDIS and other service systems (mainstream systems) are critical to ensure that participants in the scheme achieve positive outcomes, and cost-shifting, duplication and/or the creation of service gaps is avoided.
3. In April 2013, the Council of Australian Governments (COAG) agreed the interactions between the NDIS and mainstream services would be guided by a set of Principles to determine the responsibilities of the NDIS and other service systems.
4. All governments agree the funding and delivery responsibilities of the NDIS and mainstream services will continue to be guided by the Principles set out in Table 1 below.

Table 1: Principles to Determine the Responsibilities of the NDIS and Other Service Systems

1. People with disability have the same right of access to services as all Australians, consistent with the goals of the National Disability Strategy which aims to maximise the potential and participation of people with disability.
2. The NDIS will fund personalised supports related to people's disability support needs, unless those supports are part of another service system's universal service obligation (for example, meeting the health, education, housing, or safety needs of all Australians) or covered by reasonable adjustment (as required under the Commonwealth Disability Discrimination Act or similar legislation in jurisdictions).
3. Clear funding and delivery responsibilities should provide for the transparency and integrity of government appropriations consistent with their agreed policy goals.
4. There should be a nationally consistent approach to the supports funded by the NDIS and the basis on which the NDIS engages with other systems, noting that because there will be variation in non-NDIS supports funded within jurisdictions there will need to be flexibility and innovation in the way the NDIS funds and/or delivers these activities.
5. In determining the approach to the supports funded by the NDIS and other service systems governments will have regard to efficiency, the existing statutory responsibilities and policy objectives of other service systems and operational implications.
6. The interactions of people with disability with the NDIS and other service systems should be as seamless as possible, with a no wrong door approach, and minimising the impact of system and organisational boundaries on people with disability, enabling coordinated and integrated plans, supports, referrals and transitions.

5. **Attachment A** provides the applied principles that assist to further define the funding responsibilities of the following eleven service systems:
 1. Health;
 2. Mental Health;
 3. Early Childhood Development;
 4. Child Protection and Family Support;
 5. School Education;
 6. Higher education and Vocational Education and Training;
 7. Employment;
 8. Housing and Community Infrastructure;
 9. Transport;
 10. Justice; and
 11. Aged Care.

6. The South Australian Operational Plan will further consider the implementation of the intersections between the principles, noting that further policy to align with these principles is being considered nationally.

Review

7. In addition to the six general principles, the Applied Principles and Tables of Support previously agreed by COAG are currently being reviewed. Following consideration by COAG, an updated version will be published on the COAG website that will further define the responsibilities of the NDIS and other systems during transition to the NDIS.

Escalation

8. The 2015 review of the Applied Principles and Tables of Supports identified that escalation procedures are required to address areas where operationalisation of the Applied Principles and Tables of Supports results in unintended consequences.
9. The escalation clauses in this Agreement (clauses 54–56) will be used to address these areas.
10. The Disability Reform Council, or equivalent, will continue to review the operation of the Applied Principles and Tables of Supports and provide advice to COAG, as needed.

PRINCIPLES TO DETERMINE THE RESPONSIBILITIES OF THE NDIS AND OTHER SERVICE SYSTEMS

All governments have agreed that our vision is for an inclusive Australian society that enables people with disability to fulfil their potential as equal citizens. To achieve this vision, all Australian governments, non-government organisations, business and the wide community have a role to play. The interactions of the NDIS with other service systems will reinforce the obligations of other service delivery systems to improve the lives of people with disability, in line with the National Disability Strategy.

Governments agree that the principles outlined in this document will be used to determine the funding and delivery responsibilities of the NDIS and other systems in achieving this vision. The NDIS launch sites provide governments with an opportunity to review interactions between the NDIS and other service systems and consider any lessons arising out of launch.

These applied principles, and arrangements needed to operationalise them, will be reviewed through the process set out in Part 8 of the Intergovernmental Agreement for the NDIS Launch. Based on this review and on the lessons from launch, the Standing Council on Disability Reform may provide advice to COAG on amendments to the Applied Principles and 'tables of supports', in consultation with other Ministerial Councils as appropriate. The Agency Board may also report to the Standing Council and COAG on the operation and effectiveness of the interface with other service systems.

1. People with disability have the same right of access to services as all Australians, consistent with the goals of the National Disability Strategy which aims to maximise the potential and participation of people with disability.
2. The NDIS will fund personalised supports related to people's disability support needs, unless those supports are part of another service system's universal service obligation (for example, meeting the health, education, housing, or safety needs of all Australians) or covered by reasonable adjustment (as required under the Commonwealth Disability Discrimination Act or similar legislation in jurisdictions).
3. Clear funding and delivery responsibilities should provide for the transparency and integrity of government appropriations consistent with their agreed policy goals.
4. There should be a nationally consistent approach to the supports funded by the NDIS and the basis on which NDIS engages with other systems, noting that because there will be variation in non-NDIS supports funded within jurisdictions there will need to be flexibility and innovation in the way the NDIS funds and/or delivers these activities.

5. In determining the approach to the supports funded by the NDIS and other service systems governments will have regard to efficiency, the existing statutory responsibilities and policy objectives of other service systems and operational implications.

6. The interactions of people with disability with the NDIS and other service systems should be as seamless as possible, with a no wrong door approach, and minimising the impact of system and organisational boundaries on people with disability, enabling coordinated and integrated plans, supports, referrals and transitions.

Applied principles

In addition to the six general principles, applied principles have been developed in a range of other service systems to assist governments to further define the funding responsibilities during the launch of the NDIS.

Applied principle have been developed for:

1. Health

2. Mental health

3. Early childhood development

4. Child protection and family support

5. School education

6. Higher education and Vocational Education and Training (VET)

7. Employment

8. Housing and community infrastructure

9. Transport

10. Justice

11. Aged care

1. HEALTH

APPLIED PRINCIPLES — HEALTH

1. Commonwealth and State and Territory health systems have a commitment to improve health outcomes for all Australians by providing access to quality health services based on their needs consistent with the requirements of the National Healthcare Agreement and other national agreements and in line with reasonable adjustment requirements (as required under the Commonwealth Disability Discrimination Act or similar legislation in jurisdictions).
2. The above health system will remain responsible for the diagnosis and clinical treatment of health conditions, including ongoing or chronic health conditions, and other activities that aim to improve the health status of Australians, including general practitioner services, medical specialist services, dental care, nursing, allied health services (including acute/post-acute), preventive health, care in public and private hospitals, pharmaceuticals, and other universal health entitlements.
3. The above health system will also be responsible for funding time limited, goal-oriented services and therapies where the predominant purpose is treatment directly related to the person's health status or after a recent medical or surgical event, with the aim of improving the person's functional status including rehabilitation, palliative care, or post-acute care.
4. The NDIS will be responsible for supports related to a person's ongoing functional impairment and that enable the person to undertake activities of daily living, including "maintenance" supports delivered or supervised by clinically trained or qualified health practitioners where this is directly related to a functional impairment and integrally linked to the care and support a person requires to live in the community and participate in education and employment.

2. MENTAL HEALTH

APPLIED PRINCIPLES — MENTAL HEALTH

1. The health system will be responsible for:
 - a. supports related to mental health that are clinical in nature, including acute, ambulatory, continuing care, rehabilitation/recovery and early intervention, including clinical support for child and adolescent developmental needs; and
 - b. any residential care where the primary purpose is for inpatient treatment or clinical rehabilitation, where the service model primarily employs clinical staff.
2. The health and community services system will be responsible for supports relating to a co-morbidity with a psychiatric condition where the co-morbidity is clearly the responsibility of that system (e.g. treatment for a drug and/or alcohol issue).
3. The NDIS will be responsible for non-clinical supports that focus on a person's functional ability, including those that enable people with mental illness or a psychiatric condition to undertake activities of daily living and participate in the community and in social and economic life.

3. CHILD PROTECTION AND FAMILY SUPPORT

APPLIED PRINCIPLES — CHILD PROTECTION AND FAMILY SUPPORT

1. In recognising the statutory role of the child protection system and in line with the National Framework for Protecting Australia's Children 2009-2020:
 - a. Other parties will be responsible for promoting the safety of children from abuse and neglect, including public education on child safety, management of the statutory child protection system including reports of child protection.
 - b. The NDIS will ensure its rules and processes are consistent with jurisdictional child protection legislation, including reporting requirements.
2. The child protection, community services, family support, education and/or health sectors will continue to be responsible for general parenting programs, counselling and other supports for families, including making these accessible and appropriate for families with disability, that are provided both to the broad community and families at risk of child protection intervention.
3. The child protection system will be responsible for meeting the needs of children with disability in out-of-home care, where these supports are not additional to the needs of children of similar age in similar out of home care arrangements, including support to carers of children in out-of-home-care.
4. Where a child with disability is in out of home care, the NDIS will fund supports specific to the child's disability (or development delay) which are additional to the needs of children of similar ages, in similar out of home care arrangements. The diversity of out of home care arrangements is recognised and the level of 'reasonable and necessary' supports will reflect the circumstances of the individual child. The standard supports provided by the child protection system to carers relevant to their out of home care arrangement will continue.
5. The NDIS will be responsible for support for children, families and carers required as a direct result of the child's disability, including supports that enable families and carers to sustainably maintain their caring role, including community participation, therapeutic and behavioural supports, additional respite and aids and equipment.

4. EARLY CHILDHOOD DEVELOPMENT

APPLIED PRINCIPLES — EARLY CHILDHOOD DEVELOPMENT

1. The early childhood education and care sector will continue to be responsible for meeting the education and care needs of children with a development delay or disability, including through inclusion supports that enable children to participate in early childhood education and care settings.
2. The health system, including child and maternal health services, will be responsible for supports which are clinical in nature, including acute, ambulatory, continuing care and new-born follow-up.
3. The NDIS will be responsible for personalised individualised supports, specific to a child's disability (or development delay) which are additional to the needs of children of a similar age and beyond the reasonable adjustment requirements of early childhood development service providers.
4. The NDIS will be responsible for early interventions for children with disability (or development delay) which are:
 - specifically targeted at enhancing a child's functioning to undertake activities of daily living (not supports, such as school readiness programs, which are specifically for the purpose of accessing a universal service, such as education); and
 - likely to reduce the child's future support needs which would otherwise require support from the NDIS in later years, including through a combination and sequence of supports (not including medical and health treatments outlined in the health interface).
5. The implementation of the NDIS' responsibilities in regard to early childhood development services will need be aligned with other early childhood services being provided and take account of relevant workplace relations arrangements, duty of care, quality standards and state-based scheme such as 'working with children checks'.

[Note: Linkages with the 'Child Protection and Family Support Applied Principles' and 'Education Applied Principles']

5. SCHOOL EDUCATION

APPLIED PRINCIPLES — SCHOOL EDUCATION

1. The allocation of responsibilities between the NDIS and schools will be consistent with the legal obligations of schools, and governments' policy objectives for education including:
 - a. the compulsory nature of schooling
 - b. the current responsibilities schools have for reasonable adjustment, under the Disability Standards for Education;
 - c. curriculum and planning, including requirements for students to receive the legislated number of hours instruction or meet class attendance requirements.
2. In recognising the universal and statutory role of the schooling system:
 - schools will be responsible for personalising learning and support for students that primarily relate to their educational attainment (including teaching, learning assistance and aids, school building modifications and transport between school activities); and
 - the NDIS will fund supports that the student would require which are associated with the functional impact of the student's disability on their activities of daily living (i.e. those not primarily relating to education attainment), including personal care and support and transport to and from school. Any funding arrangements for individual students will recognise the operational requirements and educational objectives of schools.
3. The allocation of funding responsibilities will avoid placing inappropriate legal or financial obligations on schools or on the NDIS.

[Note: Further work will be undertaken on how students personal care needs will be assessed, the calculation of the level of funded supports for personal care and how these funds will be managed/administered.]

6. HIGHER EDUCATION AND VOCATIONAL EDUCATION AND TRAINING (VET)

APPLIED PRINCIPLES — HIGHER EDUCATION AND VOCATIONAL EDUCATION AND TRAINING (VET)

1. The allocation of funding responsibilities between the NDIS and both the Higher Education and Vocational Education and Training (VET) providers will be consistent with the legal obligations and governments' policy objectives for education including the current responsibilities education providers have for 'reasonable adjustment', under the Disability Standards for Education;
2. Higher Education and VET providers will be responsible for the learning and support needs of students that primarily relate to their educational and training attainment (including teaching, learning assistance and aids, building modifications and transport between education or training activities), as well as general transition supports from education or training to employment.
3. The NDIS will fund supports that the student would require which are associated with the functional impact of the student's disability on their activities of daily living (i.e. those not primarily relating to education or training attainment), including personal care and support, transport from home to and from the education or training facility and specialist transition supports required as a result of the person's disability, consistent with the individualised approach to funding that is to be adopted by an NDIS.

7. EMPLOYMENT

APPLIED PRINCIPLES — EMPLOYMENT

1. Employment services and programs, including both disability-targeted and open employment services, will continue to be responsible for providing advice and support to:
 - a. people with disability to prepare for, find and maintain jobs; and
 - b. employers to encourage and assist them hire and be inclusive of people with disability in the workplace (e.g. support, training and resources, funding assistance to help employers make reasonable adjustments, and incentives for hiring people with disability, such as wage subsidies).
2. Employers will continue to provide work-specific support to people with disability related to recruitment processes, work arrangements and the working environment in line with the *Disability Discrimination Act 1992*, including workplace modifications, work-specific aids and equipment, and transport within work activities.*
3. The NDIS will be responsible for supports related to daily living that a person would require irrespective of the activity they are undertaking (including personal care and support and transport to and from work) consistent with the individualised approach to funding that is to be adopted by the NDIS.
4. The NDIS will be responsible for frequent and ongoing supports that assist people with disability to take part in work where the person has work capacity and is unlikely to be able to find or retain work in the open market, including with the assistance of employment services.
5. The NDIS will be responsible for individualised assistance to support a person with disability to transition into employment, where these support needs are additional to the needs of all Australians and specifically required as a result of a person's functional impairment, such as training on dress, workplace relationships, communication skills, punctuality and attendance, and travelling to and from work. **

*[*Where a person's employment includes a program of training, such as apprenticeships the, training organisations will also be responsible for providing reasonable adjustment, in line with the Disability Discrimination Act 1992 and the Disability Standard for Education.]*

*[** Commonwealth officials will continue to work through arrangements with the Departments of Human Services and Education, Employment and Workplace Relations where supports offered by the NDIS are similar to those offered by Centrelink and/or employment services.]*

8. HOUSING AND COMMUNITY INFRASTRUCTURE

APPLIED PRINCIPLES — HOUSING AND COMMUNITY INFRASTRUCTURE

1. Public and community housing providers will continue to provide accommodation for people in need of housing assistance in line with existing allocation and prioritisation processes, including appropriate and accessible housing for people with disability, routine tenancy support, and ensuring that new publicly-funded housing stock, where the site allows, incorporates Liveable Design features.
2. Housing and homelessness services remain responsible for homelessness-specific services, including through homelessness prevention and through outreach and access to temporary and long term housing for people who are homeless, or at risk of homelessness.
3. Parties responsible for community infrastructure will continue to improve the accessibility of the built and natural environment (including roads and footpaths) through planning and regulatory systems and through building modifications and reasonable adjustment where required.
4. The NDIS will be responsible for support to assist individuals with disability to live independently in the community, including by building individual capacity to maintain a tenancy and support for appropriate behaviour management.
5. The NDIS will be responsible for home modifications for accessibility specific to individuals in private dwellings, and in some cases in legacy public and community housing dwellings on a case-by-case basis and not to the extent that it would comprise the responsibility of housing authorities to develop, maintain and refurbish, stock that meets the needs of people with disability.
6. The NDIS is also responsible for user costs of capital in some situations where a person requires an integrated housing and support model and the cost of the accommodation component exceeds a reasonable contribution from individuals.

9. TRANSPORT

APPLIED PRINCIPLES — TRANSPORT

1. The public transport system will be responsible for ensuring that transport options are accessible to people with disability, including through concessions to people with disability to use public transport (including parties choosing to provide concessions for the total cost of transport) and compliance with relevant non-discrimination legislation including the Disability Standards for Accessible Public Transport.
2. Others parties will continue to be responsible for transport infrastructure, including road and footpath infrastructure, where this is part of a universal service obligation or reasonable adjustment, including managing disability parking and related initiatives.
3. The NDIS will be responsible for funding supports for individuals that enable independent travel, including through personal transport-related aids and equipment, training to use public transport and modifications to private vehicles (i.e. not modifications to public transport or taxis).
4. The NDIS will be responsible for reasonable and necessary costs associated with the use of taxis or other private transport options for those not able to travel independently

[Note: links with the 'Education Applied Principles' and 'Employment Applied Principles' regarding transport to and from work/school]

10. JUSTICE

APPLIED PRINCIPLES — JUSTICE

1. The criminal justice system (and relevant elements of the civil justice system) will continue to be responsible for meeting the needs of people with disability in line with the National Disability Strategy and existing legal obligations, including making reasonable adjustments in accordance with the *Disability Discrimination Act 1992* (Cth), through:
 - a. ensuring its systems, supports and buildings are accessible for people with disability including appropriate communication and engagement mechanisms, adjustments to the physical environment, accessible legal assistance services and appropriate fee waivers;
 - b. general programs for the wider population, including programs to prevent offending and minimise risks of offending and reoffending and the diversion of young people and adults from the criminal justice system;
 - c. the management of community corrections, including corrections-related supervision for offenders on community based orders.
2. Other parties and systems will be responsible for supports for people subject to a custodial sentence or other custodial order imposed by a court. This includes where a court has order a person reside in a prison, or other facility accommodating people on custodial orders such as youth detention and training facilities, secure mental health facilities or secure facilities for people with disability. These parties are responsible for meeting the day-to-day care and support needs of people with disability in this custodial settings, including supervision, personal care and general supports which are also required by the general custodial population, and also general supports to enable skill development and living skills and promote the effective transition of people with disability out of custodial settings, in line with supports offered to other people in custodial settings.
3. The health system, mental health system and other parties will be responsible for operating secure mental health facilities which are primarily clinical in nature.
4. The NDIS will continue to fund the full range of supports related to the impact of a person's disability in a person's support package where the person is not serving a custodial sentence or other custodial order imposed by a court. As such the NDIS would fund supports where the person is on remand or a community based order which places controls on the person to manage risks to the individual or the community (except in the case of secure mental health facilities).
5. The NDIS will fund specialised supports to assist people with disability live independently in the community, including supports delivered in custodial settings aimed at improving transitions from custodial settings to the community, where these supports are required as a result of a person's functional impairment and additional to supports required by all Australians in similar custodial settings.

11. AGED CARE

APPLIED PRINCIPLES — AGED CARE

1. The aged care system will continue to be responsible for access to quality and affordable aged care and carer support services, including through subsidies and grants, industry assistance, training and regulation of the aged care sector, information assessment and referral mechanisms, needs-based planning arrangements and support for specific needs groups and carers.
2. Consistent with Principle 6 of the *Principles to Determine Responsibilities of the NDIS and Other Service Systems*:
 - a. where a participant chooses to move from the NDIS to the aged care system there will be a seamless approach to the person's transition between these systems, with the person supported at all points during the transition to ensure people receive appropriate supports as they age
 - b. The NDIS and the aged care system will recognise their relative areas of expertise and seek to leverage this expertise as appropriate.
3. A participant can choose to continue to receive supports from the NDIS after age 65, or can choose to take up an aged care place.
 - a. A person ceases to be a participant in the NDIS when the person enters a residential care service on a permanent basis, or starts being provided with community care on a permanent basis, and this first occurs only after the person turns 65 years of age (residential care service and community care have the same meanings as in the *Aged Care Act 1997*).
 - b. All parties will fulfill the responsibilities set out under Schedule F of the National Health Reform Agreement in relation to aged care and disability services, to the extent relevant to Parties of the Agreement (Clause 17 NDIS IGA).
4. An NDIS participant under the age of 65 can choose to purchase support from an aged care provider and the NDIS will fully meet these 'reasonable and necessary' support costs.

Schedule J

Supports for Specialist Disability Housing

1. The NDIS 'user cost of capital' funding stream will support the availability of specialist disability housing for participants with high support needs who require and prefer such specialist accommodation to live independently. Residents will be expected to make a reasonable contribution to the cost of their accommodation.
2. The Parties agree that participants of the National Disability Insurance Scheme (NDIS) who require specialist disability housing support will not be disadvantaged during the transition to the full NDIS and will be supported to pursue their independent living goals.
3. Whilst South Australia is likely to reduce its market share of disability service provision, it will pursue ownership and management arrangements for specialist disability housing that deliver the best outcomes for clients at the lowest cost.
4. The NDIS will support specialist disability housing, including for:
 - a. participants¹ in existing supported accommodation, such as group homes, large residential centres, cluster or village based accommodation, and who use centre-based respite;
 - b. participants who currently reside in a residential aged care facility; and
 - c. participants who access alternative or innovative accommodation that is appropriate for people who require specialist disability housing to live independently, as determined by the National Disability Insurance Agency (NDIA).
5. The Parties recognise that the NDIS will not be responsible for delivering general housing for people with disability, such as affordable options for those on lower incomes. Consistent with the mainstream principles at Schedule I: Mainstream Interfaces, the NDIS will complement, but not replace, the efforts of the housing sector, Commonwealth, State and Local governments, and families.
6. The NDIS will support access to affordable housing options for people with disability through local area coordination and Information, Linkages and Capacity Building, by helping people with disability link to other systems such as social and community housing; and support people with disability to engage with the private rental market to identify appropriate options. Where reasonable and necessary, participants will also be able to access, through individual package funding, accommodation-related supports such as home modifications, assistance with tenancy obligations, linen service, food preparation, garden maintenance, and the like.

Funding Principles

7. The assistance provided for specialist disability housing will follow the principles of choice and portability for clients, and innovation and sustainability for providers. There are a number of NDIS design and pricing elements that will underpin the approach to funding specialist disability housing:
 - a. a mix of potential funding streams may be utilised to address existing and new specialist disability housing;
 - b. funding would be based on the efficient lifecycle cost of delivery of specialist disability housing representative of typical providers;
 - c. residents will be expected to provide a reasonable contribution towards their accommodation;
 - d. funding is provided for both existing and new supply of specialist disability housing, as well as for both private and publicly owned specialist disability housing;
 - e. providers of specialist disability housing will be expected to finance ('cash-flow') the purchase or build of accommodation and their operations; and
 - f. funding will allow for the continuity of supply from providers and also ensure there is scope for change and innovation over time.
8. The lifecycle costs that will need to be addressed by the NDIS, resident contributions and land appreciation include:
 - a. an efficient cost of purchase, lease or construction for new specialist disability housing, including land and buildings;
 - b. an efficient cost of capital (finance) for new and existing specialist disability housing;
 - c. an efficient cost of depreciation, which allows for the replacement of specialist disability housing (existing and new supply) at the end of their useful life; and
 - d. an efficient accommodation-related operational cost of specialist disability housing, including facilities management, rates, insurance, utilities, repairs and maintenance.
9. Therefore, the NDIS funding support for specialist disability housing will be based on the following formula:
$$\text{NDIS funding support} = (\text{asset base} \times \text{cost of capital}) + \text{accommodation related operating costs} + \text{depreciation} - \text{land appreciation} - \text{resident contribution}$$
10. The Commonwealth and State and Territory Governments (the States) have agreed to develop by December 2015 a framework for funding participants and/or providers for specialist disability housing, including the treatment of land under existing buildings. This may include a suite of prices or adjustments (loadings) for geography, accommodation type, occupancy (individual or group based) or other factors as appropriate.

Participants

11. Funding to support participants who require specialist disability housing will be available, if it is reasonable and necessary, for:
 - a. participants who are currently in specialist disability housing and wish to stay there;
 - b. participants who are currently in specialist disability housing who wish to explore options to change their accommodation arrangements; and
 - c. over time, participants who are not currently in specialist disability housing, but for whom specialist disability housing would be reasonable and necessary, including participants whose circumstances change or who represent new or unmet demand.
12. The Parties recognise it is likely that people currently residing in supported accommodation have already established, through State processes, a need for reasonable and necessary housing based supports, but requires confirmation by the NDIA.
 - a. It is envisaged that at a minimum, funding for specialist disability housing will fund current clients in the existing stock of supported accommodation; and that participants deemed eligible from existing waiting lists for which support would be reasonable and necessary would be given priority.
13. The Commonwealth and the States have agreed to develop by December 2015 a framework to identify the participants for whom funding for specialist disability housing is reasonable and necessary and its appropriate uses.
14. Administrative and funding responsibility for people aged 65 and over in specialist disability housing will transfer to the Commonwealth, consistent with the timeframes for transition of NDIS eligible participants in South Australia. Refer to Schedule A: Participant Transition Arrangements in South Australia and Schedule C: Cross Billing and Budget Neutrality Arrangements.

Reasonable Resident Contribution

15. The life-cycle costs associated with specialist disability housing will need to be addressed through NDIS funding, land appreciation and a reasonable resident contribution.
16. Most participants who require specialist disability housing will be reliant on social welfare payments. All residents will be expected to make a reasonable contribution to the cost of their accommodation based on their circumstances.
17. The Commonwealth and the States have agreed to develop a framework by December 2015 to determine how much residents will be expected to contribute and how that will impact NDIS funding for specialist disability housing. This may be similar to current supported accommodation arrangements, approaches to resident contributions in social housing or any other approaches considered appropriate.

¹ Including participants with psycho-social disability.

Schedule K

Cross Billing and Budget Neutrality Arrangements in South Australia: 2013-14 to 2015-16

Purpose

1. The parties agree that the roles and responsibilities outlined in Schedule F of the National Health Reform Agreement will be maintained. The Commonwealth will continue to have financial responsibility for aged care and specialist disability services for older people aged 65 years and over (and Indigenous Australians aged 50 years and over). In addition, the Commonwealth will progressively take over service delivery responsibility for specialist disability services for older people as the National Disability Insurance Scheme (NDIS) continues to roll out.
2. South Australia will continue to have financial responsibility for disability and aged care services for younger people aged under 65 years (Indigenous Australians aged under 50), until such time as those people become eligible for the NDIS. This schedule does not change existing responsibilities outside the scope of these services, including health and hospital services and the supply of aids and equipment to people not eligible for the NDIS.
3. The change in roles and responsibilities will be made cost neutral over this period through a Budget Neutral Adjustment. This Budget Neutral Adjustment will be fixed at the 2013-14 level and grown through time.
4. This schedule covers the cross-billing and budget neutrality arrangements for 2013-14, 2014-15 and 2015-16 financial years.
5. Cross-billing and budget neutrality for 2011-12 and 2012-13 were covered in the National Partnership Agreement on Transitioning Responsibilities for Aged Care and Disability Services. Arrangements for cross-billing and the Budget Neutral Adjustment for 2016-17 onwards are outlined in Schedule C: Cross billing and budget neutrality arrangements in South Australia.

Cross-billing

Younger people in residential aged care and home care packages

6. South Australia agrees to pay the Commonwealth for the estimated costs of younger people aged under 65 (Indigenous Australians aged under 50 years) in residential aged care and Home Care Packages, for the period 2013-14 to 2015-16.
7. The estimated cost in each year of this schedule will be calculated by multiplying the number of younger people in residential aged care and Home Care Packages by the average unit cost, with:
 - a. The average unit cost for the 2013-14 financial year calculated by dividing the total costs in that year, by the number of people in care on 30 June 2014. The average unit cost is then grown by 3.5 per cent per annum.
8. The agreed unit costs for cross-billing are outlined at Table 1:

Table 1: Cross-billing unit costs

Cohort	2013-14	2014-15	2015-16
Younger People in Residential Aged Care	\$68,535	\$70,934	\$73,416
Younger People in Home Care Packages	\$20,757	\$21,483	\$22,235

9. The estimated number of people subject to cross-billing arrangements is outlined at Table 2:

Table 2: Cross-billing population (as at 30 June)

Cohort	2013-14	2014-15	2015-16
Younger People in Residential Aged Care	458	458	458
Younger People in Home Care Packages	62	62	62

10. The estimated cross-billing contributions are outlined at Table 3 as the product of multiplying Tables 1 and 2:

Table 3: Total cross-billing contributions

Cohort	2013-14 (\$m)	2014-15 (\$m)	2015-16 (\$m)
Younger People in Residential Aged Care	\$31.4	\$32.5	\$33.6
Younger People in Home Care Packages	\$1.3	\$1.3	\$1.4

Older people in South Australian Specialist Disability Services

11. The Commonwealth agrees to pay South Australia for the cost of delivering specialist disability services to older people (aged 65 years and over, or Indigenous Australians aged over 50), for the period 2013-14 to 2015-16, less:

- a. the estimated amount of funding provided to South Australia through the National Disability Specific Purpose Payment (SPP) for older people in South Australian specialist disability services; and
- b. the estimated amount of funding provided to South Australia through the *National Partnership Agreement on Pay Equity for the Social and Community Services Sector (SACS)* for older people in South Australian specialist disability services, subject to the extension of the current National Partnership which is due to expire on 30 June 2016.

12. The estimated cross-billing contributions are outlined at Table 4:

Table 4: Total cross-billing contributions

Cohort	2013-14 (\$m)	2014-15 (\$m)	2015-16 (\$m)
Older People in Specialist Disability Services (aged 65 and over)	\$27.0	\$27.9	\$28.9
Older People in Specialist Disability Services (Indigenous aged 50 – 64)	\$1.2	\$1.3	\$1.3

13. As per Clause 11, the cross-billing contributions for specialist disability services to older people is in addition to funding provided to South Australia for older people through the National Disability SPP, and the National Partnership Agreement on SACS. The funding for older people in these agreements is outlined at Table 5:

Table 5: Funding for older people in the National Disability SPP and the National Partnership Agreement for SACS

Cohort	2013-14 (\$m)	2014-15 (\$m)	2015-16 (\$m)
National Disability SPP - Older People in Specialist Disability Services (aged 65 and over)	\$15.3	\$16.2	\$16.9
National Disability SPP - Older People in Specialist Disability Services (Indigenous aged 50-64)	\$0.25	\$0.25	\$0.26
National Partnership Agreement for SACS - Older People in Specialist Disability Services (aged 65 and over)	\$0.27	\$1.5	\$2.2
National Partnership Agreement for SACS - Older People in Specialist Disability Services (Indigenous aged 50-64)	\$0.004	\$0.02	\$0.03

Budget Neutral Adjustment

14. The Parties agree that the Budget Neutral Adjustment is calculated in 2013-14 to offset the additional cost to the Commonwealth of net additional financial responsibilities taken on as part of the National Health Reform Agreement (i.e. the additional cost to the Commonwealth of Home and Community Care (HACC) for older people, and the cost of specialist disability services for older people, less the costs of responsibilities transferred to South Australia for younger people in aged care).

15. The Parties agree that from 2013-14, the Budget Neutral Adjustment is fixed at the 2013-14 amount and grown at 3.5 per cent per annum. The arrangements for the

Budget Neutral Adjustment for 2016-17 and beyond are detailed in Schedule C: Cross Billing and Budget Neutrality Arrangements in South Australia.

Table 6: Budget Neutral Adjustment to the Commonwealth

Amounts	2013-14 (\$m)
Younger people in residential aged care	\$31.4
Younger people in Home Care Packages	\$1.3
Older people in specialist disability services (aged 65 years and over)	-\$27.0
Older people in specialist disability services (Indigenous aged 50 – 64)	-\$1.2
Additional cost to the Commonwealth for HACC	-\$25.4
Budget Neutral Adjustment	\$20.9
Total	0

Payment Arrangements

16. With respect to the 2013-14 costs, South Australia will pay the Commonwealth the balance of all payments in a single payment of \$25.4 million by 31 December 2015.
17. With respect to the 2014-15 costs, South Australia will pay the Commonwealth the balance of all payments in a single payment of \$26.3 million by 31 March 2016.
18. With respect to the 2015-16 costs, South Australia will pay the Commonwealth the balance of all payments in a single payment of \$27.2 million 30 June 2016.

Table 7: Calculation of net payments for 2013-14, 2014-15 and 2015-16

Amounts	2013-14 (\$m)	2014-15 (\$m)	2015-16 (\$m)
Younger People in Residential Aged Care	\$31.4	\$32.5	\$33.6
Younger People in Home Care Packages	\$1.3	\$1.3	\$1.4
Older People in Specialist Disability Services (aged 65 and over)	-\$27.0	-\$27.9	-\$28.9
Older People in Specialist Disability Services (Indigenous aged 50 – 64)	-\$1.2	-\$1.3	-\$1.3
Budget Neutral Adjustment	\$20.9	\$21.6	\$22.4
Total payment from South Australia to the Commonwealth	\$25.4	\$26.3	\$27.2

Expiry of the Schedule

19. This schedule will expire on 30 June 2016.