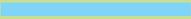
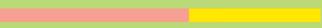


SECTION THREE

Governance





The Agency is meeting its legislated objectives in two broad ways through the *National Disability Insurance Scheme Act 2013* by:

- creating the Scheme, which is based on insurance principles; and
- increasing the capacity of the entire Australian community, including providers of mainstream health, education and social services, community organisations, businesses and employers, to play its part. The Agency's functions include developing and improving the disability sector by encouraging innovation, research and contemporary best practice.

The NDIA is committed to delivery on both of these objectives.

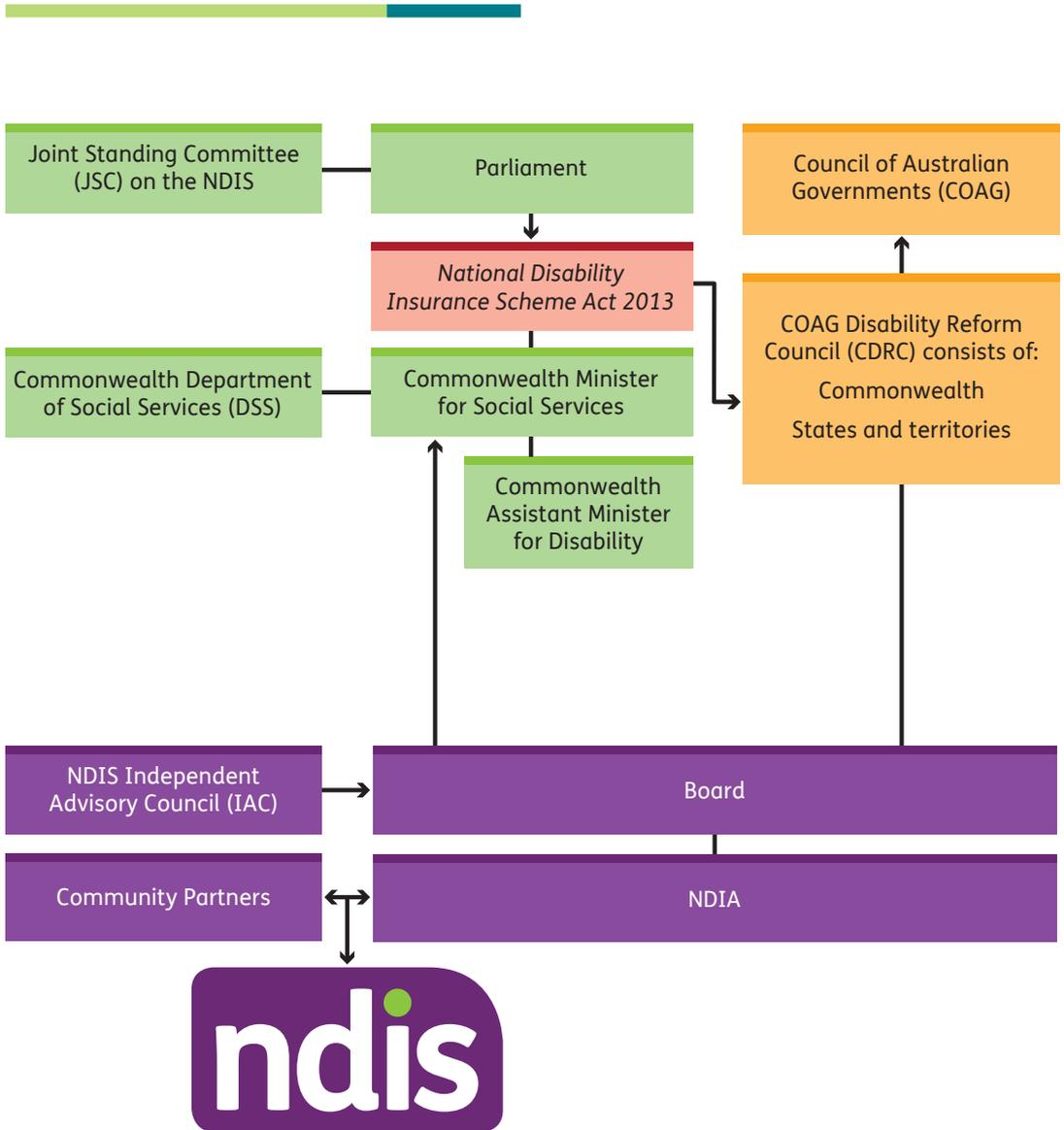


Governance arrangements

The governance for the NDIA is set out in the NDIS Act. Key elements of the Agency's governance are below:

- The Scheme is administered by the **National Disability Insurance Scheme Launch Transition Agency** (National Disability Insurance Agency or the Agency), which has been established under Commonwealth legislation, the *National Disability Insurance Scheme Act 2013* (NDIS Act).
 - The Agency is an independent statutory agency whose role is to implement the NDIS. The NDIA holds all funds contributed by the Commonwealth, states and territories in a single pool, manages Scheme funds, administers access to the Scheme and approves the payment of individualised support packages.
- The **Board of the Agency** is responsible for ensuring that the Agency performs its functions in an appropriate, efficient and effective manner. The Board determines the objectives, strategies and policies to be followed by the Agency. The Board manages its costs and liabilities from year to year including through the development of a reserve and investment of funds. Board membership is determined by the responsible Commonwealth Minister in consultation with the states and territories.
- The **Independent Advisory Council (IAC)** provides the Board with independent advice, on its own initiative or at the written request of the Board, which the Board must have regard to when performing its functions. The IAC is composed of people with disability, service providers and carers, and brings the crucial perspectives of these stakeholders to the work of the NDIA and the design of the Scheme.
- **Responsible Ministers:** The Hon Christian Porter MP, Minister for Social Services, has ministerial responsibility for the Agency, including the exercise of specific powers under the NDIS Act. Minister Porter was appointed as Minister for Social Services on 21 September 2015, with responsibility for disability. The Hon Jane Prentice MP is the Assistant Minister for Social Services and Disability Services, appointed on 18 February 2016. Assistant Minister Prentice is responsible for assisting Minister Porter with the transition of the NDIS to full Scheme.
- The **Council of Australian Governments (COAG) Disability Reform Council (DRC)** is made up of Commonwealth, state and territory treasurers and ministers for disability, and is chaired by the Minister for Social Services. It is the decision-making body on Scheme policy issues. The DRC oversees the implementation of the Scheme. It makes recommendations to COAG on the transition to full Scheme.

Figure 6: NDIS Governance Framework



Agency Board

Ministerial Statements

In March 2017, the Minister for Social Services, the Hon Christian Porter MP provided NDIA Chairman, Dr Helen Nugent AO, with a Statement of Strategic Guidance (the Statement) in accordance with section 125 of the *National Disability Insurance Scheme Act 2013*.

The Statement sets out the Council of Australian Governments Disability Reform Council's expectations for the NDIA Board in delivering and implementing the NDIS. The Statement is publicly available on the NDIS website.

The Board is responsible for setting the Agency's strategic direction and for the performance of Agency functions under the NDIS Act.

The Board has obligations as the accountable authority under the *Public Governance, Performance and Accountability (PGPA) Act 2013*. Board members are appointed on a part-time basis for up to three years. Appointments are made by the Commonwealth Minister for Social Services and the appointment process is coordinated by the Department of Social Services.

Under the PGPA Act, members are required to disclose to the Minister any material personal interest in a matter that relates to the affairs of the authority. Board members are asked at each meeting whether a conflict arises between standing interests and the interests of the Agency, and to make a declaration of any interest.

Inaugural Board

The inaugural NDIA Board consisted of a Chair and eight members. Commonwealth legislation was passed in May 2016 to increase the size of the Board by three members, to be constituted of the Chair and 11 members.

The terms of four outgoing Board members, including inaugural Chair Mr Bruce Bonyhady AM, ended on 31 December 2016.

Board Members

A person is eligible for appointment as a Board member only if the Minister is satisfied that the person has the skills, experience or knowledge in the provision or use of disability services; the operation of insurance schemes, compensation schemes or schemes with long-term liabilities; financial management; or corporate governance.



**Dr Helen Nugent AO,
Chairman**

Dr Helen Nugent AO brings significant expertise to her role as Chairman of the Board. She has a strong background in financial

services, particularly in insurance amongst other appointments, and is also the Chairman of Australian Rail Track Corporation and Ausgrid, and is Non-Executive Director for Insurance Australia Group Limited (IAG).

In 2004, Dr Nugent was made an Officer of the Order of Australia for services to business, the arts and the community, and is currently the Chairman of the National Portrait Gallery of Australia. She holds a Bachelor of Arts (Hons) and a Doctorate of Philosophy from the University of Queensland, as well as an MBA (with Distinction) from the Harvard Business School.

Dr Nugent is also Chairman of the Board's People and Remuneration Committee. She routinely attends meetings of all other Committees.



**Ms Sandra
Birkenleigh**

Ms Sandra Birkenleigh is an experienced Non-Executive Director, bringing extensive experience in financial service and insurance

industries to the Agency. She currently holds board positions with MLC Insurance Ltd, Auswide Bank Limited, Horizon Oil Limited, 7-11 Holdings Limited (and its subsidiaries) and Sunshine Coast Children's Therapy Centre. She chairs the Audit Committee for each of these organisations. Ms Birkenleigh is also a member of the Council of the University of the Sunshine Coast and an independent member of the Audit Committee of the Reserve Bank of Australia, and the Chair of the Audit and Risk Committee for the Public Trustee of Queensland. She was formerly a partner with PricewaterhouseCoopers including their Governance, Risk and Compliance practice.

Ms Birkenleigh is Chairman of the Board Audit Committee.



Professor Rhonda Galbally AO

Professor Rhonda Galbally AO has been a member of the Board since its inception and was heavily involved in the creation of the Scheme.

Professor Galbally has vast experience in health development, disability, and social and housing policy, having in the past served as Chair of the National People with Disabilities and Carer Council. She was previously a CEO, Chair Board Director and member of government, working in both non-government and private entities.

Professor Galbally is a member of the Board's Sustainability Committee, and Principal Member of the Independent Advisory Council.



Mr Glenn Keys AO

Mr Glenn Keys AO has been a member of the NDIS Board since the Scheme's inception. He has long been involved in efforts to improve the lives of people with disability, including

through his involvement in the Special Olympics, the Down Syndrome Association and the disability housing sector. He has a background in the health sector as the co-founder and co-executive Chairman of Aspen Medical, and the Founder and Chairman for Project Independence, an initiative offering home ownership to people with disability. He was awarded an Officer in the General division (AO) in the 2017 Queen's Birthday Honours list for his distinguished service to disability, business and commerce and as an advocate for corporate social responsibility. Mr Keys was named 2015 Australian Capital Territory Australian of the Year.

He is a member of the Board's ICT Committee and has a child with an intellectual disability.



Ms Robyn Kruk AM

Ms Robyn Kruk AM has extensive experience as Chief Executive of national and state policy, regulatory and service delivery agencies, including NSW Health and

Premier and Cabinet. She established and served as inaugural CEO/Commissioner of the National Mental Health Commission. Ms Kruk is currently Chair, Board Director or member of international, national and state statutory, non-government and private entities in healthcare and emergency services, quality and safety, governance and mental healthcare.

Ms Kruk is a member of the Board's Risk Committee and People and Remuneration Committee.



Mr John Langoulant AO

Mr John Langoulant AO has extensive experience across many areas of public policy development and implementation as the Western Australian Under Treasurer. He is also

Chairman of government statutory authorities and member of several government special Councils and Inquiries. Mr Langoulant is also actively involved as a Non-Executive Director in several private and not-for-profit organisations.

Mr John Langoulant is a member of the Board's Audit Committee as well as being a Non-Executive Director since January 2017.



Mr Martin Lavery

Mr Martin Lavery is CEO of the Royal Flying Doctor Service of Australia. He is a member of the NSW Public Service Commission Board, the Australian Charities and

Not-for-Profit Commission Board, and chairs the Commonwealth's General Aviation Board. He is a former CEO of the hospital and aged care group, Catholic Health Australia. Mr Lavery is also a former Board Chair of two disability service organisations, Sunshine and Challenge Southern Highlands, and is a former Director of the New South Wales Muscular Dystrophy Association.

A lawyer by training, Mr Lavery is a member of the Board's Audit and Risk Committees.



Mr Jim Minto

Mr Jim Minto is a Non-Executive Director of Singapore based Dai-ichi Life Asia Pacific, a Non-Executive Director of Equity Trustees Limited and Independent Chairman

of New Zealand-based life insurer Partners Life Limited. He retired as Group CEO and Managing Director of life insurer TAL (formerly TOWER Australia) in March 2015. He had been in that role since November 2006 and prior to that was Group CEO of the Trans-Tasman TOWER Limited Group. Mr Minto has extensive experience in the financial services sector. A Chartered Accountant, Mr Minto retired in 2015 as Chair of the Association of Superannuation Funds of Australia and was a panel member of the Australian Government's Review of Natural Disasters Insurance in 2011.

Mr Minto is Chairman of the Board's Risk Committee.



Mr Paul O'Sullivan

Mr Paul O'Sullivan has been Chairman of Optus since October 2014. Mr O'Sullivan is a member of the Board of Commissioners of Telkomsel – Indonesia's

largest mobile communications company. He is a Director of Coca-Cola Amatil Limited; Healthscope, one of Australia's leading private healthcare operations and HOOQ Pte Ltd, a joint venture between Singtel, Warner Bros and Sony Pictures Entertainment. Mr O'Sullivan is also a Board Member of the St George and Sutherland Medical Research Foundation and a member of the Advisory Board of the UNSW Bright Alliance.

Mr O'Sullivan is Chairman of the Board's ICT Committee and a member of the Risk and People and Remuneration Committees.



Ms Estelle Pearson

Ms Estelle Pearson has extensive experience in the insurance and injury compensation sector having worked as an Actuary and consultant in this sector since 1989.

She is currently a Director of Finity Consulting Pty Limited, an actuarial and consulting firm and was previously on the Council of the Actuaries Institute, serving as President in 2015.

Ms Pearson is a member of the Board's Sustainability Committee and a member of the Audit Committee.



Ms Andrea Staines

Ms Andrea Staines is a Non-Executive Director with ten years' experience on listed, unlisted, government and for-purpose Boards in the care, infrastructure and

transport arenas. Ms Staines is on the Board of UnitingCare Queensland, and was previously on the boards of Goodstart and Early Learning Services. Her executive career was in airlines. She was a member of Qantas ExCo, as CEO Australian Airlines (mark II), an Asia-Australia subsidiary which she co-launched. Previously, Ms Staines worked in finance and strategy at Qantas and at American Airlines' Dallas headquarters.

Ms Staines is a member of the Board's ICT and Audit Committees.



Mr John Walsh AM

Mr John Walsh AM is one of Australia's leading actuaries. He is a retired Partner of PricewaterhouseCoopers, where he worked for over 20 years in the areas

of social policy and funding across accident compensation, health and disability. He has personal experience of disability, having lived with quadriplegia following a rugby league accident in his early-twenties. Mr Walsh is also a Board member of the Australian Commission for Safety and Quality in Healthcare.

He is currently Chair of the Board's Sustainability Committee and a member of the Board's ICT Committee.

Previous Board Members

(1 July 2016 to 31 December 2016)

Mr Bruce Bonyhady AM (Chair)

Mr Bruce Bonyhady AM was the inaugural Chairman of the Board. Mr Bonyhady has worked for over 25 years to improve the lives of people with disability and is widely regarded as one of the driving forces behind the creation of the Scheme. Mr Bonyhady's term of office expired on 30 December 2016.

Ms Fiona Payne

Ms Fiona Payne has more than 25 years' experience on boards and committees in the community sector. Ms Payne was a member of the Board's Sustainability Committee and ICT Committee and has a son with a vision impairment. Ms Payne's term of office expired on 30 December 2016.

Ms Geraldine Harwood

Ms Geraldine Harwood brought many years of expertise across the disability sector in Tasmania to the NDIA. Ms Harwood was a member of the Board's Audit, Risk and Finance Committee. Ms Harwood's term of office expired on 30 December 2016.

Mr John Hill PSM

Mr John Hill is a former Deputy Under Treasurer with the South Australian Department of Treasury and Finance bringing extensive knowledge of government and financial matters to the Scheme. Mr Hill was Chair of the Agency's Board Audit, Risk and Finance Committee, and a member of the Sustainability Committee. Mr Hill's term of office expired on 30 December 2016.

Board members' positions, terms and meetings attended are detailed in Appendix 2.

Board committees

There are a number of Board committees in place to ensure that the NDIA meets its governance requirements. In February 2017, the structure of the Board committees was expanded to include five committees.

Table 5: NDIA Board committees 2016-17 financial year

July 2016 – February 2017	February 2017 – June 2017
Audit, Risk and Finance Committee	Audit Committee
Sustainability Committee	Sustainability Committee
Information and Communication Technology (ICT) Committee	Information and Communication Technology (ICT) Committee
	Risk Committee
	People and Remuneration Committee

Audit Committee

The Audit Committee was established in compliance with section 45 of the PGPA Act and assists the Board in the management and oversight of the quality and integrity of the accounting, auditing and financial reporting of the NDIA.

Board members on the Committee are Ms Sandra Birkenleigh (Chairman), Mr John Langoulant AO, Mr Martin Laverty and Ms Estelle Pearson. The Audit Committee also has two independent members, Ms Marian Micalizzi and Ms Helen Williams AO.

The Australian National Audit Office (ANAO) attends Audit Committee meetings as external auditor, along with appointed internal auditors.

Sustainability Committee

The Sustainability Committee's objective is to provide advice in assessing, monitoring, reporting on and managing the financial sustainability of the NDIS.

Board members on the Committee are Mr John Walsh AM (Chairman), Professor Rhonda Galbally AO, Mr Jim Minto and Ms Estelle Pearson. The Committee includes one external member, Mr Tom Karp.

Previous members of the Sustainability Committee in the 2016-17 financial year were Mr John Hill PSM and Ms Fiona Payne, and external member Mr Peter Whiteford.

Information and Communication Technology Committee

The Information and Communication Technology (ICT) Committee assists the Board in the management and oversight of the Agency's ICT solutions including providing input to the Board on the design, development, delivery and performance of the ICT strategy and systems.

Board members on the ICT Committee are Mr Paul O'Sullivan (Chairman), Mr Glenn Keys AO (previous Chairman), Ms Andrea Staines and Mr John Walsh AM. The committee has two independent members, Mr Serdar Avsar and Ms Helen Williams AO.

Former board member Ms Fiona Payne was a member of the ICT Committee.

Risk Committee

The Risk Committee assists the Board in the management and oversight of the Agency's approach to risk management. The role of the Risk Committee is to advise the Board in relation to the development and implementation of the NDIA's overall risk management approach.

Board members on the Risk Committee are Mr Jim Minto (Chairman), Ms Robyn Kruk AM, Mr Martin Laverty and Mr Paul O'Sullivan.

People and Remuneration Committee

The People and Remuneration Committee's role includes supporting the Agency to attract, retain and develop high-performing employees, overseeing strategies, frameworks and programs related to people and remuneration and providing recommendations to the Board on CEO succession planning.

Board members on the People and Remuneration Committee are Dr Helen Nugent AO (Chairman), Professor Rhonda Galbally AO, Ms Robyn Kruk AM and Mr Paul O'Sullivan.

Audit, Risk and Finance Committee

The Audit, Risk and Finance Committee (ARFC) operated until 31 December 2016, when it was replaced by a dedicated Audit Committee and Risk Committee.

Board members on the Audit, Risk and Finance Committee were Mr John Hill PSM (Chair), Ms Geraldine Harwood and Mr Martin Laverty. The ARFC also had two independent members, Ms Marian Micalizzi and Ms Helen Williams AO.

Independent Advisory Council

The Independent Advisory Council (IAC) continues to play an integral role in bringing the views of participants, families and experts in the disability sector to the heart of the NDIS by providing independent advice based on the experience of its members and their networks. IAC members include people with disability, carers, advocates, disability experts and academics.

During 2016–17, IAC advice to the Board consisted of:

- how to best work with, and benefit, people with intellectual disability;
- equitable access to the NDIS by people with cognitive impairment on the margins of society;
- equitable access to the NDIS by people with cognitive disability in touch with the criminal justice system;
- building capacity and reducing vulnerability of participants who are isolated from the community, such as those in residential and day services or institutions; and
- enhancing personal safeguards.

In addition, the Advisory Council produced numerous discussion papers and reports relating to the themes of self-determination, capacity

building, independence, social and economic participation and inclusion, reducing vulnerability and enabling positive risk, and equity.

The Advisory Council made submissions to the Senate Community Affairs Committee into the delivery of outcomes under the National Disability Strategy 2010–2020 to build inclusive and accessible communities, and to the Joint Standing Committee on services under the NDIS for people with psychosocial disabilities related to a mental health condition.

The term of the inaugural IAC expired on 30 June 2017. The members of this Advisory Council consisted of:

Professor Rhonda Galbally AO (Principal Member)

Dr Ken Baker AM

Dr Dean Barton-Smith AM

Ms Jennifer Cullen

Mr Kurt Fearnley OAM*

Ms Sylvana Mahmic

Ms Janet Meagher AM

Ms Joan McKenna-Kerr

Dr Gerry Naughtin

Mr Michael Taggart

Mr Dale Reardon

(*Mr Fearnley resigned from the Independent Advisory Council on 5 May 2016)

Each of the foundation members are to be thanked for their hard work and detailed contributions to the Advisory Council's advice and for assisting the Advisory Council to work effectively and productively as a group over the past four years.

From 1 July 2017, there will be an expanded Advisory Council in place, ensuring broader representation for people with disability during this critical period for the NDIS. For the first time, the Advisory Council will include representatives with intellectual disability and deaf blindness. Professor Rhonda Galbally AO will continue in her role as Principal Member of the Advisory Council.

Vale Lois Gatley

The Board, IAC and NDIA staff paid tribute to inaugural NDIS Independent Advisory Council member, Ms Lois Gatley who passed away on 23 July 2016. Ms Gatley was a dedicated advocate for the NDIS, people with disability and carers and will be remembered as a determined and compassionate colleague.

Executive Management Group

The Executive Management Group (EMG) leads NDIA staff and Partners to deliver a high-quality experience for participants and produce better outcomes.

The EMG is made up of the Chief Executive Officer (CEO), the Chief Operating Officer (COO) and three Deputy CEOs. It is the primary forum for operational decision-making, and providing strategic advice to the Board.

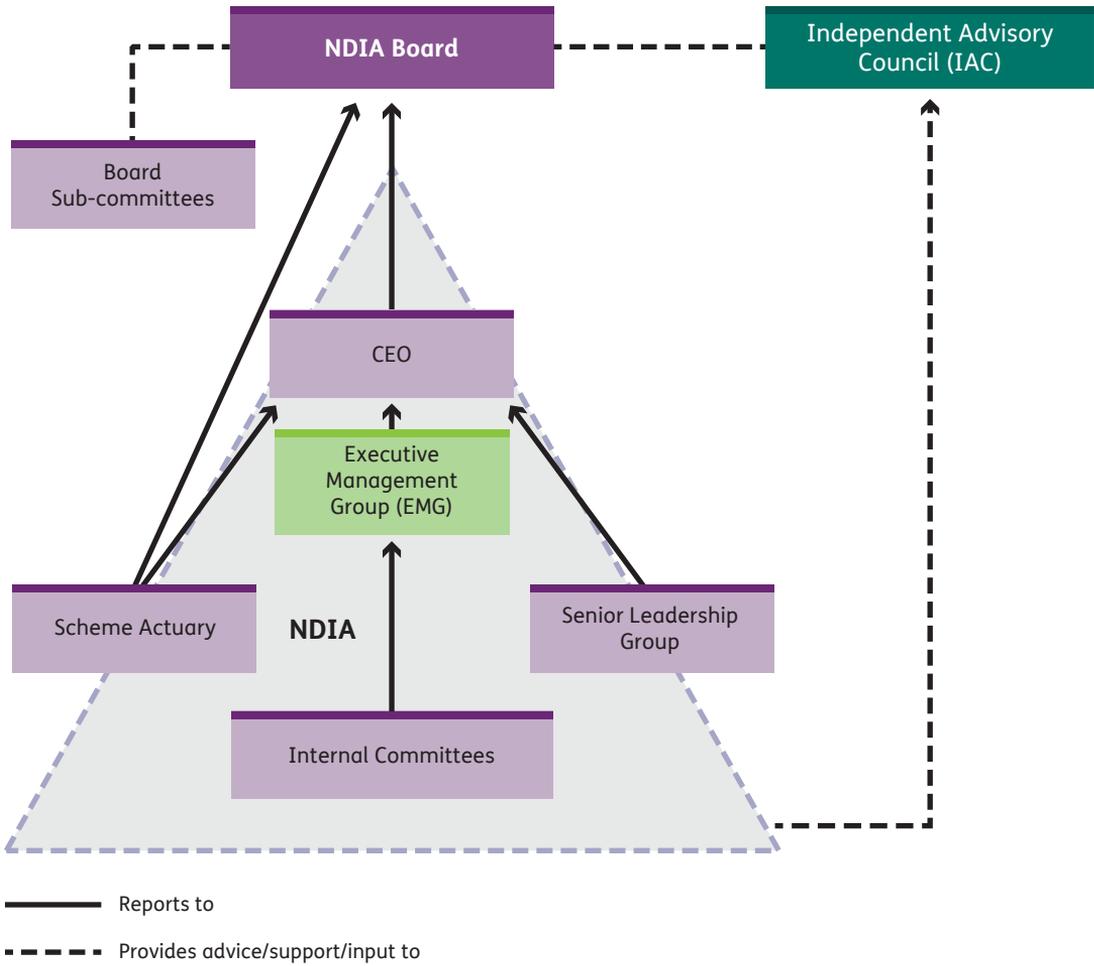
The EMG is chaired by the CEO and reports to the Board.

The purpose of the EMG is to:

- advise the CEO on overall strategic direction, priorities, management and performance;
- oversee the Agency’s financial position by allocating resources and monitoring performance and risk;
- oversee EMG governance committees; and
- ensure the Agency meets its regulatory requirements.

In addition, the Agency has internal committees that provide coordinated decision-making on matters relating to people and culture, operational policy and transition to full Scheme.

Figure 7: Agency Governance Structure



Executive team



Chief Executive Officer (from 28 August 2017)

Robert De Luca

Robert De Luca joined the NDIA as CEO on 28 August 2017. Mr De Luca was previously Managing Director of BankWest. During Mr De Luca's time as Managing Director, BankWest invested significantly in improving the experience of its one million customers.

Under his leadership, BankWest won the AIM WA WestBusiness Pinnacle Award for Corporate Social Responsibility Excellence in 2016 and WGEA Employer of Choice for Gender Equality. Mr De Luca has an extensive background in financial services, change management, and a strong and ongoing focus on the customer experience and equality in all his roles. He is married with three children, and is defined by his family, values and passion to make a difference.



Chief Executive Officer (until 28 August 2017)

David Bowen

David Bowen was NDIA CEO until August 2017. He was appointed when the Agency was established in May 2013. Prior to this, he worked as a consultant to the Commonwealth Treasury and DSS on the NDIS. He was a member of the Independent Panel advising the Productivity Commission on its review of the formation of the NDIS and was Chair of the National Injury Insurance Advisory Committee until his appointment as CEO of the NDIA.

Mr Bowen has had close to 30 years' experience in personal injury insurance issues. He was General Manager of the NSW Motor Accident Authority from 1998 to 2010 and during that time established the NSW Lifetime Care and Support Authority.

Executive team (continued)



Chief Operating Officer (until 29 September 2017)

Grant Tidswell PSM

Grant Tidswell was the Chief Operating Officer (COO) until September 2017. Mr Tidswell commenced with the Agency in August 2016 and was responsible for ensuring the successful transition to full Scheme. Mr Tidswell's permanent position is with the Department of Human Services (DHS) as the Deputy Secretary responsible for the Department's operational capability that delivers face-to-face, telephony and claim processing services across Australia for the Medicare, Child Support and Centrelink programs.

Mr Tidswell led Centrelink's operational response to a number of emergencies, notably the flood and cyclone emergencies across Australia in early 2011, the Victorian bushfires in 2009 and the Northern Territory Emergency Response. For his work in response to the Victorian Bushfire crisis, he was awarded the Public Service Medal in the Queen's Birthday Honours List in June 2010.



Acting Deputy Chief Executive Officer,
Participants and Planning

Stephanie Gunn

Stephanie Gunn joined the Agency in 2012 and has held a number of different roles across operational design and service delivery. Through her lived experience with disability, she has developed a passion for inclusive communities. She has led the Agency's work on building the capacity of communities to be more inclusive of people with disability and how to create opportunities for people with disability in their community.

Ms Gunn was appointed Acting Deputy CEO, Participants and Planning in February 2017. She oversees regional sites, continual refinement of the participant experience, ensuring work practices preserve the financial sustainability of the Scheme and embedding the approach to Partners in the delivery of the government-agreed implementation schedules. Ms Gunn has worked at a senior executive level in a number of federal Australian agencies including a core role in the establishment of the National Blood Authority.



Acting Deputy Chief Executive Officer,
Markets and Supports

Vicki Rundle PSM

Vicki Rundle joined the NDIA in October 2015 from the Commonwealth Department of Employment. Ms Rundle led the early rollout of the NDIS for NSW, ACT, SA and Tasmania, then moved into a national operations and coordination role until early February 2017 when she assumed the role as Acting Deputy Chief Executive Officer for the Markets and Supports Division.

Ms Rundle has worked in senior executive roles across the Commonwealth and state government in a range of health and human services across policy, service delivery reform and corporate roles. She was awarded a Public Service Medal in the 2013 Australia Day Honours List for her work on the COAG national early childhood quality reforms.

Ms Rundle is a Graduate Member of the Australian Institute of Company Directors, and a qualified coach recognised by the Institute of Executive Coaching and Leadership.



Acting Deputy Chief Executive Officer,
Governance and Stakeholder Relations

Margaret McKinnon

Margaret McKinnon joined the NDIA in May 2017 from the Department of Social Services (DSS). In her former role with DSS, she worked on policy responsibility for NDIS markets and workforce and the establishment of the national quality and safeguards arrangements for the NDIS at full Scheme. Prior to this, she ran a range of corporate functions in the Department.

Ms McKinnon has worked in a number of senior executive roles in the Commonwealth Education and Employment portfolios including as Group Manager of Job Services Australia – the privatised employment network. She was previously responsible for policy and programs dealing with the Vocational Education and Training and Schools sector as well market development for Australia's education engagement internationally.

Previous EMG members

- **Louise Glanville**
Former Deputy CEO, Governance and Stakeholder Relations, Louise Glanville departed the NDIA in May 2017.
- **Ian Maynard**
Former Deputy CEO, Operations, Ian Maynard departed the NDIA in February 2017.
- **Carolyn Smith**
Former Deputy CEO, Organisational Capability, Carolyn Smith departed the NDIA in September 2016.

The Scheme Actuary, Chief Risk Officer and Advisor to the Chief Operating Officer also attend EMG meetings as observers:

- Scheme Actuary, Sarah Johnson.
- Chief Risk Officer, Paul O'Connor.
- Advisor to the Chief Operating Officer, Carolyn Hogg.

Sarah Johnson, Actuary of the Year

Sarah Johnson has been recognised for her vital role in the formation of the NDIS and was named 2016 Actuary of the Year by the Actuaries Institute. The award, presented in September 2016, acknowledges her important work in ensuring the sustainability of the Scheme.

Ms Johnson was appointed as the Scheme Actuary of the NDIS in November 2013. In this role, she is responsible for assessing and reporting on the financial sustainability of the Scheme so that management and the Board can make informed decisions about the Scheme's continuing sustainability and direction.

"The award is a fitting recognition of the important role Ms Johnson has played in creating the world-class insurance Scheme," David Bowen said.

"We have a huge responsibility in ensuring the long-term sustainability of the NDIS to ensure the Scheme is in place to support generations to come. Sarah's contribution as Scheme Actuary to this goal is critical."

Reportable items

Human Rights Complaints

The Australian Human Rights Commission (AHRC) can investigate and conciliate complaints about breaches of human rights law, including the *Disability Discrimination Act 1992*. The AHRC received one complaint in which the Agency was named as a party. The complaint has now been concluded.

At 30 June 2017, 55 of the 186 applications for review received in 2016–17 had been finalised, and 131 matters remained undecided. One of the undecided matters has been to hearing and a decision was pending at 30 June 2017.

Of the 55 finalised matters, 12 were varied by the AAT with the agreement of the Agency and the applicant, 19 were dismissed by the AAT because they were outside the AAT's jurisdiction and 21 were withdrawn by the applicant. Three matters proceeded to a hearing, where the AAT affirmed two decisions of the Agency and one decision was varied by agreement.

Refer to Appendix 3 for a list of Administrative Appeals Tribunal reviews heard in 2016-17.

In 2016-17, there were nine matters heard by the AAT. Eight of these matters were decided, of which six had a decision published by the AAT. One decision was pending as at 30 June 2017.

Administrative Appeals Tribunal

The Administrative Appeals Tribunal (AAT) can, in response to applications, review decisions made by the Agency under the *National Disability Insurance Scheme Act 2013* (NDIS Act), including decisions about whether a person meets the access criteria to become a participant in the Scheme, the supports provided under the Scheme and the registration of providers of support.

Table 6: AAT reviews - comparison in years 2013-14, 2014-15, 2015-16 and 2016-17

Year	Reviews related to access decisions	Reviews related to supports funded under NDIS plans	Reviews related to a decision not to conduct a plan review	Total new applications for year for review of Agency decisions	Total applications for AAT for year as percentage of active participants
2016-17	42	130	14	186	0.21%
2015-16	10	33	3	46	0.15%
2014-15	7	12	0	19	0.11%
2013-14	9	9	0	18	0.25%

Federal Court of Australia appeals

The Agency has had two Federal Court of Australia and one full Federal Court Appeal. One appeal, Mr Liam McGarrigle (VID962/2016), was regarding funding the full reasonable and necessary costs of transport to attend supported employment and a day program; and one appeal, Mr Christopher Nairn (VID329/2017), was regarding a Plan review under section 48(2) of the NDIS Act on a question of the AAT's jurisdiction under section 99(f) to conduct a review of the statement of participant supports.

Appeal ruling as test case

In March 2017, the NDIA decided to appeal the Federal Court decision in relation to the case of Mr Liam McGarrigle.

While it is intended that the Scheme will fund reasonable and necessary supports, the NDIS Act specifically requires the Agency to “take into account what is reasonable to expect families, carers, informal networks and the community to provide” amongst other criteria when determining what supports are reasonable and necessary to fund.

The NDIA decided to ask the Federal Court for the fullest clarity, given the implications for the future sustainability of the Scheme.

Maintaining the financial sustainability of the Scheme is central to delivering the Scheme to all of those who need it now and in the years to come.

Due to the case having implications beyond this distinct matter, the Agency agreed to pay the reasonable legal costs of the appeal for Mr McGarrigle, regardless of the outcome.

In August 2017, the Federal Court determined the case should be remitted back to the AAT for a further hearing.

The NDIA welcomes the opportunity for a full and detailed discussion of the matter before the AAT.

Parliamentary Joint Standing Committee on the National Disability Insurance Scheme

On 1 September 2016, the House of Representatives established the Joint Standing Committee on the NDIS with a membership of five senators and five members. The Committee is tasked with inquiring into the following:

- the implementation, performance and governance of the NDIS;
- the administration and expenditure of the NDIS; and
- such other matters in relation to the NDIS as may be referred to it by either House of the Parliament.

After 30 June each year, the Committee is required to present an annual progress report to Parliament on the activities of the Committee during the year, in addition to other reports on any other matters it considers relevant.

The Committee is currently conducting four inquiries with reports due in late 2017:

- the provision of hearing services under the NDIS;
- the provision of services under the NDIS for people with psychosocial disabilities related to a mental health condition;
- transitional arrangements for the NDIS; and
- provision of services under the NDIS Early Childhood Early Intervention Approach.

The Committee did not table a progress report in 2016 due to the Federal Election.

Australian National Audit Office Performance Audit Reports

The Auditor-General is responsible for providing auditing services (both financial and performance) to the Parliament and public sector entities, supported by the Australian National Audit Office (ANAO). The ANAO's five-year audit strategy from 2015 for the NDIS includes a series of potential performance audits over the forward period.

The first phase of performance audits included an assessment of the management of the approach taken to transitioning the disability services market to the NDIS market arrangements. The ANAO tabled its report in Parliament in November 2016. The audit focussed jointly on the Agency and DSS.

The audit found that DSS and the Agency had established the building blocks for a successful transition of the disability services market to the NDIS, but some risks and gaps remained.

While the report contained no findings or subsequent action items for the Agency, the Agency and DSS continue to work with state and territory governments to implement the Bilateral Agreements to transition to a full Scheme NDIS. Each Bilateral Agreement includes a System and Sector Readiness Schedule, which sets out agreed activities to prepare the market and workforce and respond to any sector or system readiness issues in each state or territory.

A second performance audit is being undertaken. Its focus is decision-making controls for financial sustainability. This is being undertaken in three tranches. Fieldwork for the first tranche – access decisions – commenced in early 2017. Its focus is to assess the effectiveness of controls being implemented and/or developed by the NDIA to ensure that NDIA access decisions are consistent with legislative and other requirements. The final report is expected to be tabled in Parliament in late 2017.

Freedom of information

Entities subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an Annual Report. The Agency has displayed on its website a plan showing what information it publishes in accordance with the IPS requirements.

Under the FOI Act a person may seek access to information that is held by the Agency that concerns them or is otherwise appropriate for public release.

During 2016–17, the Agency received 84 freedom of information requests for access to copies of documents. There were six requests for internal review of an access decision. In 2016–17, the Agency received notification that one request is subject to a review by the Office of Australian Information Commissioner (OAIC).

Ombudsman complaints

The Agency is a prescribed authority for the purposes of the *Ombudsman Act 1976* (Ombudsman Act) and accordingly, the Commonwealth Ombudsman may investigate complaints from individuals, groups or organisations about the administrative actions of the Agency. Section 8 of the Ombudsman Act requires the Ombudsman to inform the principal

officer of the Agency before commencing an investigation and to conduct such an investigation in private. The Ombudsman may conduct an investigation in any such manner, and make any inquiry as he or she thinks fit. The Agency may be requested to provide assistance and information relevant to an investigation. The Ombudsman may inform the relevant Minister and bring the conduct to the notice of the principal officer of the Agency.

The Commonwealth Ombudsman progressed 131 section 8 investigations about the Agency during 2016–17. The Agency provided file material and responses to the Ombudsman's questions. The Ombudsman closed 60 of the matters. Of the 131 investigations, 38 were finalised without further action.

Privacy Act

The Agency complies with its privacy obligations as required under both the *Privacy Act 1988* and the NDIS Act.

Compliance includes the Agency ensuring its practices and procedures are consistent with requirements under the Australian Privacy Principles, such as having an established privacy policy and maintaining a privacy incident and complaints register.

The Agency actively promotes privacy awareness through the appointment of a Privacy Contact Officer and through the ongoing development of training materials for Agency staff. Advice is also provided to staff regarding the Agency's privacy obligations under law, particularly as it relates to ensuring promotion of one of the general principles guiding actions under the NDIS Act, which is to ensure that people with disability have their privacy and dignity respected.

During 2016-17, the Agency responded to one privacy complaint lodged with the OAIC.

NDIA property

The Agency continues to expand its presence and property across the country. Co-location of public-facing service delivery centres and non-public facing offices with other government services and agencies is a key strategy to ensure property locations are in the most appropriate and accessible areas for participants and staff. Standalone NDIS sites have been chosen only when co-location options are not available.

In line with the Bilateral Agreements signed with state and territory governments, the NDIA established six standalone service delivery sites and 39 co-located service delivery sites in 2016-17, bringing the total number of sites to 79 across Australia.

As part of identifying these sites, the NDIA worked collaboratively with the Department of Human Services (DHS), Australian Taxation Office, Department of the Prime Minister and Cabinet and other Commonwealth, state and territory government agencies to maximise the number of co-located NDIS offices.

Preparation is also underway with DHS for future sites required to achieve full Scheme rollout.

The Agency ensures properties are accessible for people with disability. All sites are designed with consideration of the three key elements of accessible design: equity, independence and dignity.

New national office

In May 2017, the Agency reached a new milestone in the development of its Geelong national office with the signing of a Construction Agreement. Through a joint venture with DHS, construction is expected to be completed in late 2018.

The new building is expected to increase the efficiency of head office operations, and make it easier for staff across Australia to engage with national office staff.

Ecological and sustainable development

The Agency has continued to introduce ecological and sustainable measures that reduce energy and consumption costs at each of its sites including:

- installing energy-efficient T5 fluorescent lights and LEDs for open-plan areas and meeting rooms together with motion sensor control for the lighting;
- installing energy-efficient variable refrigerant flow air-conditioning systems that are operated via time clock;
- installing low-flow sanitary fixtures; and
- supplying general waste and recyclable waste bins to suit the size of the tenancy.

The new national office, currently under construction, will meet or exceed the Government's 5 star National Australian Built Environment Rating System requirement when completed.

Fleet vehicles

The Whole of Government arrangement for fleet vehicle selection has undergone a significant change as the motor industry no longer builds Australian made vehicles. The Agency has been proactive in moving to a wholly hybrid passenger vehicle base where available. The vehicles use both a conventional engine and electric motor to achieve significantly better fuel efficiency than their non-hybrid counterparts. In terms of greenhouse emissions, the hybrid vehicles selected reduce tailpipe CO₂ emissions and stationary noise and will considerably reduce annual fuel costs. The selection of four wheel drive vehicles is still limited to petrol and diesel options as no hybrid option is available. The Agency's total fleet number has increased from 91 in 2015-16 to 151 in 2016-17.

Workplace health and safety

The NDIA acknowledges its responsibilities under the *Work Health and Safety Act 2011 (WHS Act)*, the *Safety, Rehabilitation and Compensation Act 1988* and anti-discrimination legislation.

The Agency takes all reasonably practicable measures to protect the health, safety and welfare of its workers while at work, including providing a safe work environment. The NDIA's Work Health and Safety Policy and Health and Safety Management Arrangements promote consultation, prevention and early intervention, and are aligned with a steadfast commitment to safeguard and value Agency employees.

The NDIA recognises that effective health and safety management systems are good business practice and contribute to reducing work-related injury and illness occurrences and costs. The Agency also supports access to information about overall health and wellbeing for staff.

Specific actions in 2016–17 included:

- development of a Health and Safety Management Plan with extensive staff consultation, which provides a structured approach to achieve the objectives of the Agency's Work Health and Safety (WHS) Policy;
- enhancing the Rehabilitation Management System documentation to better support health and wellbeing, and injury and illness management;
- improving WHS risk management by establishing reporting and trend analysis against metrics;
- re-launching the Wellness and Culture Champions Network nationally;
- delivery of prevention of psychosocial injury training nationwide; and
- availability of the National Influenza Vaccination Program, which 640 staff accessed.

In 2016–17, the Agency reported eight incidents to Comcare pursuant to section 38 of the WHS Act. Comcare deemed two of those incidents as “not notifiable”. The Agency undertook four investigations under Part 10 of the WHS Act.

The WHS Act requires the Agency to provide statistics of any notifiable incidents of which it became aware of during the year that arose out of the conduct of business or undertakings by the entity, and any investigations conducted and notices given.

Refer to Appendix 4 for a summary of incidents pursuant to section 38 of the WHS Act.

Purchasing arrangements

The majority of the Agency's corporate and ICT services are provided by DHS through shared services arrangements.

These arrangements are governed by the ICT Services Schedule, the Business Services Schedule and the Shared Services Schedule, as agreed by the Agency and DHS.

The services provided through shared service arrangements with DHS include:

- **People Services** – payroll, travel and accessibility support.
- **Financial Services** – asset management and accounting operations.
- **ICT Business Services** – staff, participant and provider portals, Enterprise Data Warehouse.
- **ICT Infrastructure Services** – Network, Desktop and End User Computing services.
- **Other Corporate Services** – security, fleet, records management, procurement and stationery.

These shared service arrangements also enable the delivery of contact centre services on behalf of the Agency. As the current provider of these functions, DHS ensures resources are in place to respond to participants and providers calling the Agency's 1800 number.

The Agency also has a Memorandum of Understanding with DSS for the provision of library and limited ICT services.

The Agency has Bilateral Agreements with states and territories that outline how the Scheme is expected to operate in sites including the roles and responsibilities of the Commonwealth and respective state and territory governments.

Advertising and market research

The organisations listed below provided advertising and market research services to the Agency in 2016-17. Under section 311A of the *Commonwealth Electoral Act 1918*, only payments above \$13,000 (inclusive of GST) are listed below.

Table 7: Payments to market research and polling organisations in 2016-17

Provider name	Service provided	Amount paid \$ (incl GST)
Arc Research	Market research	161,040.00
Crosby Textor	Market research	138,358.00

Table 8: Payments to direct mail organisations in 2016-17:

Provider name	Service provided	Amount paid \$ (incl GST)
Carbine Media Pty Ltd	Direct Mail	14,300.00
Carbine Media Pty Ltd	Direct Mail	14,300.00

Table 9: Payments to media advertising organisations in 2016-17:

Provider name	Service provided	Amount paid \$ (incl GST)
Dentsu Mitchell Media Australia Pty Ltd	Advertising	13,706.54
Dentsu Mitchell Media Australia Pty Ltd	Advertising	23,302.53
Dentsu Mitchell Media Australia Pty Ltd	Advertising	16,863.11
Dentsu Mitchell Media Australia Pty Ltd	Advertising	85,758.98

Grants programs

Three types of grants were administered by the Agency in the 2016-17 financial year:

- Community Inclusion and Capacity Development grants, including Information, Linkages and Capacity Building Grants – read more about ILC in Chapter 1.
- Grants to support Partners in the Community – Local Area Coordination and Early Childhood Early Intervention activities.
- Miscellaneous NDIA grants.

Internal Audit and Risk Management

Internal audit

The Agency had an internal audit program in place throughout 2016-17. The risk-based program assists the Agency to identify and strengthen potential weaknesses across the control and governance processes in place to manage the Agency's risks.

The objectives of the Agency's internal audit program are to provide assurance to the CEO and Board that the Agency's financial and operational controls are functioning efficiently, effectively, economically and ethically whilst assisting management to improve the Agency's business performance.

The Board's Audit Committee has overall responsibility for the internal audit program, including determining the audits to be conducted, receiving reports, and monitoring management action taken to address audit findings. The 2016–17 internal audit program focussed on transition to full Scheme, and included learning and development, Agency's costing, program reporting, property management, data integrity and the Partners in the Community sourcing processes.

Risk management

The approach adopted by the Board is set out in the Agency's risk management strategy that has been developed to comply with the NDIS Risk Management Rules 2013 (RMR). Consistent with the RMR, and reflecting the insurance basis of the Scheme, the Board uses the Australian Prudential Regulation Authority's Prudential Risk Standard (CPS220) as the standard by which risk management activities are assessed in the Agency.

The risk management strategy:

- outlines the risk governance relationship between the Board, committees of the Board and Agency senior management;
- sets out specific risk management roles and responsibilities; and
- describes the processes for identifying and assessing risks, for how the Agency raises staff risk awareness and develops an appropriate risk culture, and for the annual review process by which the Agency assesses the effectiveness of its risk management framework.

The Board and the Agency focus on early risk identification, mitigation and monitoring, in particular for strategic risks that could materially impact on the success of the Scheme.

The Agency has in place a Chief Risk Officer and associated Enterprise Risk team, who report directly to the CEO. The Agency's approach to risk can be explained as follows:

- The Board sets the strategic intent through the Corporate Plan and determines the Agency's strategic risks, approves the risk management strategy and risk appetite statements. The Board oversees the building of an appropriate risk culture and provides a risk management declaration.
 - The Board's Risk Committee oversees the risk management strategy, its implementation and the regular review of its efficiency and effectiveness. It formulates draft risk appetite statements and tolerances for Board approval, and notifies the Board of any significant breach of, or material deviation from, the risk management strategy or framework.
 - The Board's Audit Committee provides assurance of the Agency's internal control environment.
 - The Board's Sustainability Committee assesses, monitors, reports and manages Scheme financial sustainability including oversight of risks to Scheme.
- The NDIS Act establishes the role of the Scheme Actuary who is responsible for assessing the financial sustainability of the Scheme and identifying recommendations to manage or address these risks. The Scheme Actuary prepares an annual sustainability report which includes a discussion of the Agency's risk management arrangements and any recommendations in relation to inadequacies. This can be viewed in Section 4.
 - In addition, the Chief Risk Officer assists the Board and its executive by providing objective risk review, oversight, monitoring and reporting. This oversight role has independent reporting access to the Board through the Risk Committee.

Operational implementation

Operational and project risks are monitored and managed by the Agency's senior executives regularly. Senior executives are supported in this task by an Agency-wide framework which facilitates the identification and reporting of risks for consideration and action. Oversight is provided by the senior executive Enterprise Risk Committee.

Indemnities and insurance

The NDIA purchased directors' and officers' liability insurance from Comcover for 2016-17 and the premium paid for this cover was \$567,903. No legal claims were made against any senior manager of the NDIA during 2016-17.