



Australian Government  
Productivity Commission

# National Disability Agreement Review

Productivity Commission  
Issues Paper

July 2018

The Commission has released this issues paper to assist individuals and organisations to prepare submissions.

It contains and outlines:

- the scope of the inquiry
- the Commission's procedures
- matters about which the Commission is seeking comment and information
- how to make a submission.

## The Issues Paper

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- the scope of the study
- the Commission's procedures
- matters about which the Commission is seeking comment and information
- how to make a submission.

Participants should not feel that they are restricted to comment only on matters raised in the issues paper. The Commission wishes to receive information and comment on issues which participants consider relevant to the study's terms of reference.

## Key study dates

Receipt of terms of reference	25 May 2018
Due date for submissions	24 August 2018
Final report to Government	25 January 2019

## Submissions can be lodged

Online: <http://www.pc.gov.au/inquiries/current/disability-agreement>

By post: National Disability Agreement Review  
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## The Productivity Commission

The Productivity Commission is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Its role, expressed most simply, is to help governments make better policies, in the long term interest of the Australian community.

The Commission's independence is underpinned by an Act of Parliament. Its processes and outputs are open to public scrutiny and are driven by concern for the wellbeing of the community as a whole.

Further information on the Productivity Commission can be obtained from the Commission's website ([www.pc.gov.au](http://www.pc.gov.au)).

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## Terms of reference

I, Scott Morrison, Treasurer, pursuant to Parts 2 and 4 of the *Productivity Commission Act 1998*, hereby request that the Commission undertake a review into the National Disability Agreement (NDA).

## Background

The NDA is a high-level agreement between the Commonwealth and state and territory governments relating to the provision of disability services for people with disability. It is a key accountability mechanism for the achievement of outcomes in the disability services sector, supported by Commonwealth and state own source funding provided separate to the agreement. It contains roles and responsibilities for each level of government and joins these efforts together through nationally agreed objectives and outcomes to measure performance in the delivery of services to people with disability, their families and carers.

## Scope

The intent of this review is to consider:

- the relevance of the objectives, outcomes and outputs of the NDA in the context of contemporary policy settings;
- progress against the performance framework of the NDA and the extent to which it has supported improved outcomes for people with disability, their families and carers including performance benchmarks and indicators, and associated timeframes and reporting responsibilities;
- the roles and responsibilities of the Commonwealth, and state and territory governments under the NDA; and
- whether the NDA needs updating in light of these considerations, to reflect the changing policy landscape, including the introduction of the National Disability Insurance Scheme (NDIS) and the National Disability Strategy (NDS).

In undertaking this review, the Commission should have regard to:

- Current reform priorities including:
  - the NDIS rollout including the progressive transition of disability services to full-scheme arrangements (noting that not all jurisdictions are at the same point in transition); and
  - implementation of the NDS.

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- The interface between the NDIS and mainstream service systems, noting that many people who are unable to directly access the NDIS may access support through alternative service providers, mainstream services, and their communities.
  - Responsibility for ensuring that people with disability have access to government services, provided by the Commonwealth and state and territory governments, together with development of agreed performance measures.

## **Process**

The Commission is to consult broadly, including with people with disability, their families and carers, other stakeholders and the Commonwealth and state and territory governments, and report within eight months of receipt of the terms of reference.

**The Hon Scott Morrison MP**

**Treasurer**

[Received 25 May 2018]

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## 1 How you can contribute to this study

This issues paper is intended to assist you to prepare a submission to this study. It sets out some of the issues and questions the Commission has identified as relevant at this early stage of the study. You do not need to comment on every issue raised in this paper and you are free to raise any other issues or ideas that are relevant to the terms of reference. Attachment A provides further details on how you can make a submission or brief comment.

**Submissions should be provided to the Commission by 24 August 2018.**

The Commission will consult with interested parties throughout this study, and there will be further opportunity for stakeholders to provide feedback on the review as well as the Commission's preliminary thinking through roundtable discussions. The final report will be submitted to the Australian Government by 25 January 2019.

## 2 Background to the study

In the 2017-18 Budget, the Commonwealth announced funding for the Productivity Commission to undertake 'independent reviews of nationally significant sector-wide agreements with the States and Territories', and to operate the COAG performance dashboard which tracks progress against outcomes specified in the national agreements (Commonwealth of Australia 2017, p. 169).

There are currently six national agreements covering health, education, disability services, skills and workforce development, affordable housing and Indigenous reform sectors. The national agreements were established under the *Intergovernmental Agreement on Federal Financial Relations* (IGA FFR) (2008), which recognises that the States have primary responsibility for many areas of service delivery but that coordinated action with the Commonwealth is necessary to respond to Australia's economic and social challenges.

The *National Disability Agreement* (NDA) is the first of the national agreements the Commission has been asked to review.

### About the National Disability Agreement

The NDA is a high level agreement between the Commonwealth and State and Territory Governments, signed by all Australian Governments in 2008 (with a 2009 commencement) and then updated in 2012. It spans many aspects of disability policy, service provision, performance assessment and reporting.

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The key elements of the NDA (which are largely the same across all national agreements), set out:

- nationally agreed objectives, outcomes and outputs for people with disability, their families and carers
- roles and responsibilities of each level of government in the provision and funding of disability services
- performance indicators and benchmarks that can be used to track progress towards the stated objective, outcomes and outputs
- agreed areas of reform and policy directions.

Each of these elements are covered in greater detail in the remainder of this issues paper.

## **The broader policy landscape**

The NDA is part of a broader set of policies and agreements that seek to enhance the quality of life of people with disability, their families, and carers (figure 1).

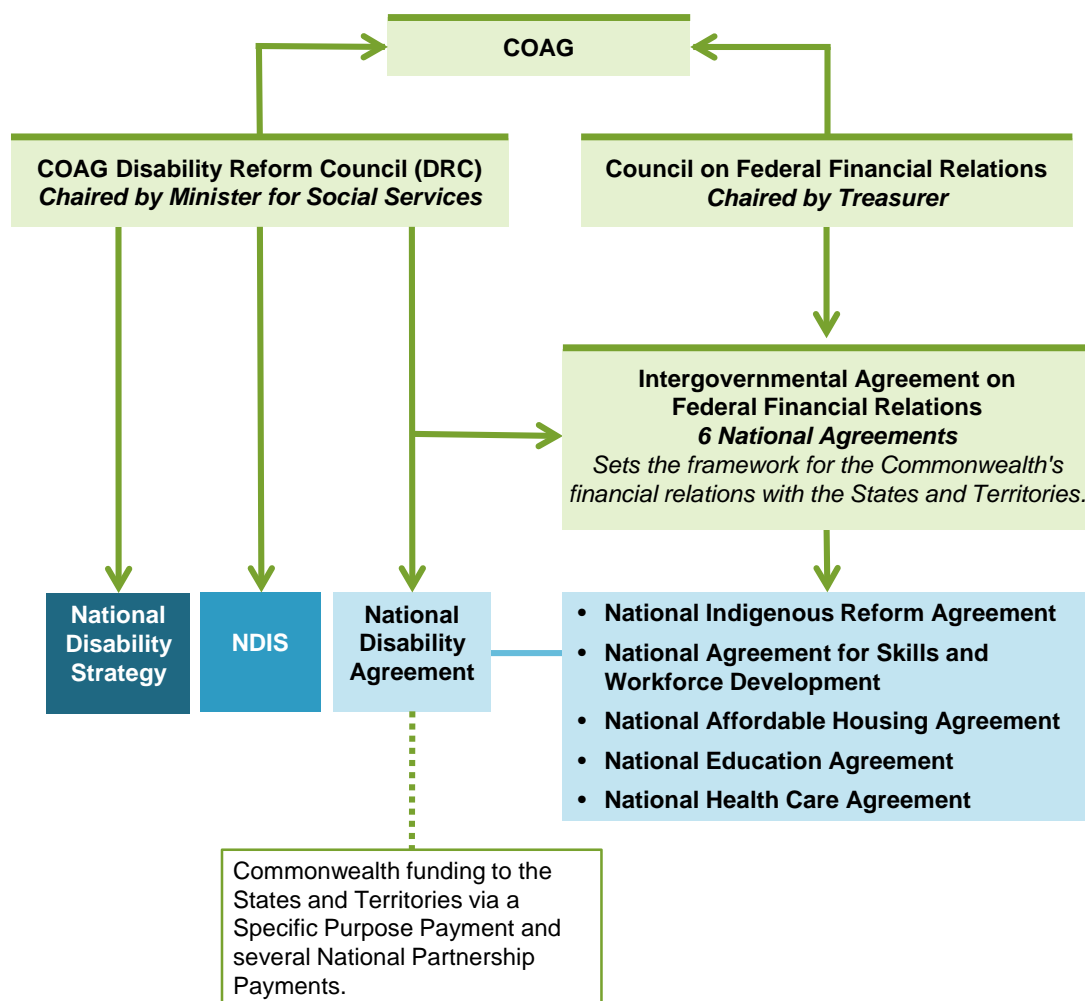
This broader policy landscape has undergone significant change in recent years. The most notable developments include the endorsement by the Commonwealth and State and Territory Governments, and the Australian Local Government Association, of the National Disability Strategy 2010–2020 (NDS) in February 2011. It includes the introduction and staged implementation of the National Disability Insurance Scheme (NDIS) from 1 July 2013, agreed to by Commonwealth and State and Territory Governments. Change continues apace as transitional issues with the NDIS are worked through, and States progressively implement the full scheme from 1 July 2018.

In addition to the cross-jurisdictional agreements outlined in figure 1, State and Territory Governments and some Local Governments also have their own disability legislation, as well as disability action plans.

## **The National Disability Strategy**

The NDS establishes a high level policy framework to guide government activity across mainstream and disability specific areas of public policy over its ten year timeframe (box 1). The NDS operates in conjunction with the NDA and other Commonwealth–State and Territory agreements but is broader in scope than the specialist disability support system under the NDA and the NDIS. It aims to ensure that all mainstream services and programs across the country — including healthcare, education, Indigenous reform and housing — address the needs of people with disability.

Figure 1 The policy architecture supporting the NDA



On 20 November 2017, the COAG Disability Reform Council agreed to commence work on disability reform post-2020 and the development of a new national disability framework. This includes bringing forward the formal evaluation of the NDS from 2021 to 2018 (COAG Disability Reform Council 2017).



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## Box 1      **The National Disability Strategy**

The National Disability Strategy (NDS) was signed by the Commonwealth and State and Territory Governments and the Australian Local Government Association to deliver a unified, national approach to improving the lives of people with disability, their families and carers, and to provide leadership for a community-wide shift in attitudes. Its purpose is to:

- establish a high level policy framework to give coherence to, and guide government activity across mainstream and disability-specific areas of public policy
- improve performance of mainstream services in delivering outcomes for people with disability
- give visibility to disability issues and ensure they are included in the development and implementation of all public policy that impacts on people with disability
- provide national leadership toward greater inclusion of people with disability.

The NDS has been supported by two implementation plans. The first plan, *Laying the Groundwork 2011-2014*, established the foundations to bring about reform in the planning and delivery of both mainstream and disability specific programs and services. The Strategy's second implementation plan, *Driving Action 2015-2018*, outlines new priority actions and builds on ongoing commitments to improving outcomes for people with disability across the Strategy's six policy outcome areas: inclusive and accessible communities; rights protection, justice and legislation; economic security; personal and community support; learning and skills; and health and wellbeing.

Source: COAG (2011).

## Nation Disability Insurance Scheme

The introduction of the NDIS represents a fundamental shift in the disability policy and service delivery environment. At full scheme, the NDIS is expected to cover 475 000 people with disability, compared with around 270 000 prior to its introduction. Disability funding is expected to almost triple under the NDIS (PC 2017).

Over time, the NDIS will largely replace the current provision of specialist services to people with disability under the NDA. However, not all NDA service users will be eligible for the NDIS — only those with a permanent and significant disability will be eligible for individualised support packages under the scheme. The NDIS is broader than just supports for eligible participants. Information, linkages and capacity building (ILC) services are also provided under the NDIS. ILC services are designed to provide all people with disability, and their families and carers, with information and referrals to community and mainstream services, and promote awareness and acceptance of disability in the wider community.

The bilateral agreements supporting the NDIS delineate responsibilities for services to those found eligible for the NDIS to be provided within the scheme and in mainstream services, and set out requirements for continuity of supports for those currently receiving specialist disability services who are not eligible for the NDIS. The bilateral agreements also state that, unless otherwise agreed, the responsibility of governments to provide services to people not covered by the NDIS remains.

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## Disability funding arrangements

The NDA is supported by Commonwealth and State own source funding provided separate from the agreement. Since 2008-09, total expenditure on specialist disability services provided under the NDA averaged around \$7.5 billion per annum until 2016-17 (SCRGSP 2018).

At present, the Commonwealth provides funding for disability services to the States and Territories through a National Specific Purpose Payment (SPP) and various National Partnerships. This funding is not tied to the NDA and there is no provision for funding to be withheld if a State or Territory does not meet a performance benchmark specified in a National Agreement.

Funding arrangements are changing with the implementation of the NDIS. For example, once the NDIS reaches full scheme in a State or Territory, the SPP allocated to each jurisdiction will be fully redirected to the NDIS. Spending under the NDIS at full scheme is expected to be \$22 billion a year (PC 2017).

## 3 The Commission's task and approach

### What has the Commission been asked to do?

The terms of reference for this study were received on 25 May 2018. The Commission has been asked to review the NDA, focusing on:

- the relevance of its objectives, outcomes and outputs in the current policy context
- the roles and responsibilities of Governments under the agreement
- progress against the performance framework of the NDA, and the extent to which it has improved outcomes for people, including the performance benchmarks and indicators, and associated timeframes and reporting responsibilities
- whether the agreement needs updating in light of these considerations and the introduction of the NDIS and NDS.

The Commission is to have regard to current reform priorities, including the NDIS rollout and its interface with mainstream services, and the implementation of the NDS. It is also to have regard to the responsibility for ensuring that people with disability have access to government services, and the development of agreed performance measures.

### The Commission's approach

The disability services sector is changing rapidly, particularly with the introduction of the NDIS. The intention of this study is not to review the way that disability services, including under the NDIS, are delivered and funded, but rather to examine the purpose, relevance and scope of the NDA and, in light of that, consider what elements a contemporary and enduring

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agreement should contain. While specific funding levels and mechanisms are not part of the scope of this study, funding in general is relevant as a possible tool for achieving greater accountability.

All relevant policy elements form an important context for this review and need to be taken into account — especially the concurrent review of the NDS and ongoing bilateral negotiations related to the full scheme implementation of the NDIS — but they are not the subject of this review.

As this is the first of potentially six Commission reviews of national agreements, the framework and approach for reviewing the NDA could provide a foundation for future reviews. But given the unique attributes of each of the agreements, this need not necessarily be the case.

### A possible framework for assessment

At the heart of this study is the aim to promote the wellbeing of people with disability, their families and carers, and (as with all Commission work) the broader Australian community.

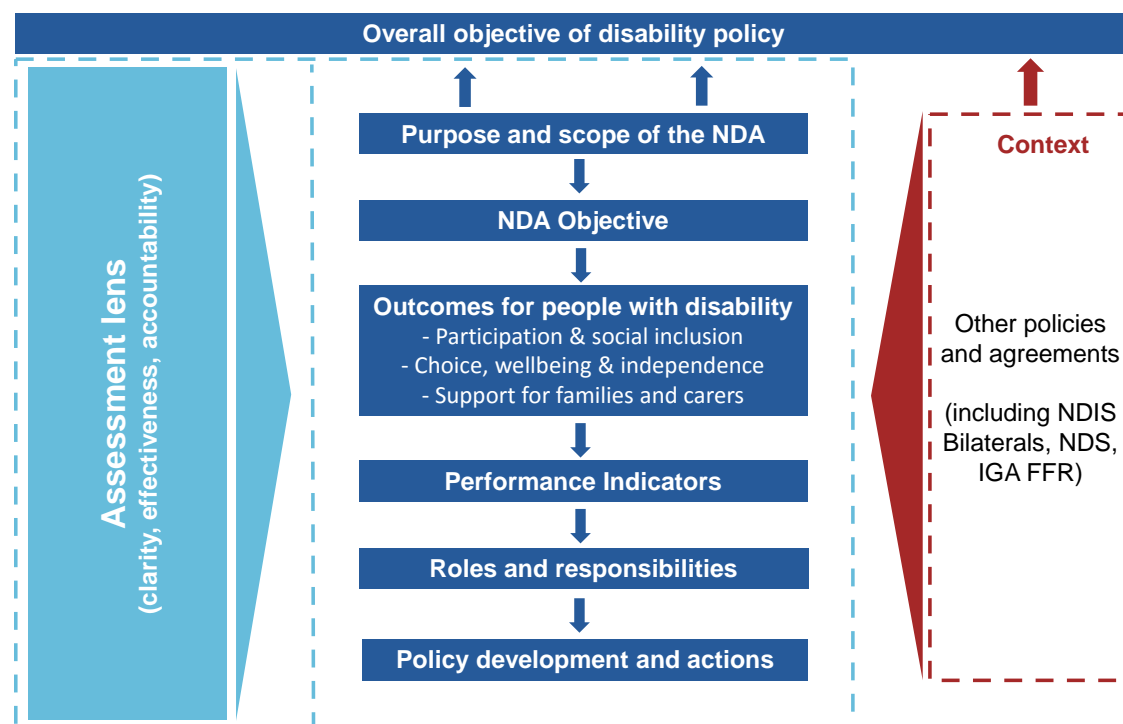
The key elements of the Commission’s early thinking on a possible framework for reviewing the NDA is outlined in figure 2. The intention of the framework is to clearly link government policy actions with the overall objective of disability policy, using performance reporting to enhance government accountability.

The agreement can enhance accountability of governments for achieving the objectives of disability policy when there are clear and agreed outcomes for people with disability, measured by a transparent performance reporting framework, and supported by clearly defined roles and responsibilities of governments.

The proposed framework involves:

- separating the agreement into its component parts — objectives, outcomes, performance indicators, roles and responsibilities, and policy actions — and adding an additional component — the scope and purpose of the NDA.
- evaluating the agreement through the assessment lenses of clarity, effectiveness and accountability. Some parts of the agreement may also require more targeted assessment criteria. For example, performance indicators could be assessed using a range of criteria, including whether they can be clearly interpreted and are responsive to policy actions.
- considering the context of the NDA in relation to other policies and agreements, such as the NDIS Bilateral Agreements, the NDS and other National Agreements.

Figure 2 A possible framework for assessing the NDA



#### QUESTIONS

- Does the Commission’s representation of the policy architecture supporting the NDA in figure 1 adequately capture all relevant policy areas? Is anything missing?
- What framework and assessment criteria should be used to review the NDA? Is there anything missing from the proposed framework and criteria (in figure 2)? What other frameworks could be used?
- Should the Commission aim to apply the same framework across all reviews of national agreements? If so, could the framework proposed above be applied more generally?

## 4 Assessing the National Disability Agreement

### Purpose and scope of the NDA

Understanding the purpose of the NDA is important for assessing the relevance of the agreement, the extent to which the agreement needs updating, and whether each element of the agreement supports its purpose. A key consideration for this review is whether an

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agreement is still required under contemporary policy settings and, if so, what its purpose should be.

All agreements under the IGA FFR, including the NDA, are designed to ‘clarify the responsibilities and accountabilities of the Commonwealth and States and Territories’ (Part 3 Clause 7). The IGA FFR provides the accountability framework that applies to all National Agreements. The framework aims to enhance accountability of governments through simpler, standardised and more transparent performance reporting (such as indicators and benchmarks), underpinned by clearer roles and responsibilities (COAG 2008, p. 9).

The NDA itself does not contain an explicit purpose, although Governments agreed to its establishment to:

Affirm the commitment of all governments to work in partnership, and with stakeholders including people with disability their families and carers, to improve outcomes for people with disability and to clarify roles and responsibilities (COAG 2009, p. 2).

The scope of the NDA, in terms of who it covers, is broad. It covers all people with disability in Australia – about 4.3 million people, of which around 2.4 million require assistance with at least one daily activity (ABS 2016). In terms of services, the NDA covers specialist disability services.

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#### QUESTIONS

- *In light of developments in the disability policy landscape and intergovernmental funding arrangements, is an NDA still required?*
    - *If not, by what mechanism would outcomes for people with disability not covered by the NDIS (or related continuity of support arrangements) be achieved?*
    - *If so, how can the NDA remain policy relevant in an evolving policy environment?*
  - *What should be the purpose of the NDA? Is it an effective accountability mechanism for government actions relating to disability? If not, what are the more effective mechanisms that could be used?*
  - *What should be the scope of the NDA? Should it continue to cover all people with disability? What services should it cover (such as specialist disability services and/or mainstream services, including mental health, healthcare, aged care, education, transport, housing and justice)?*
  - *Is there a coherent link between the NDA and other related agreements, strategies and policies, such as the NDS, the NDIS and State and Territory disability strategies?*
    - *If not, what should be the relationship between each of these strategies and agreements? Is it necessary to have both an NDA and an NDS, and if so, why?*
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## Objectives, outcomes and outputs of the NDA

All National Agreements detail the mutually agreed objectives, outcomes and outputs being pursued by the Commonwealth and States and Territories — that is, what they expect to achieve from their joint involvement.

The *objective*, which defines the overarching aspiration for the NDA is that ‘People with disability and their carers have an enhanced quality of life and participate as valued members of the community’(COAG 2009, p. 3).

The *outcomes* describe the impact that government activity is expected to have on community wellbeing. They are designed to be strategic, high level and observable goals expressed in clear, measurable and achievable terms (COAG 2009, p. A1). The outcomes of the NDA are that:

- people with disability achieve economic participation and social inclusion
- people with disability enjoy choice, wellbeing and the opportunity to live as independently as possible
- families and carers are well supported.

Progress against these outcomes are tracked by the performance indicators and benchmarks outlined in the agreements (see below).

The *outputs* describe the services being delivered to achieve outcomes, as a way to broadly define roles and responsibilities, and to capture contributions to outcomes, particularly where outcomes themselves are difficult to measure or isolate (COAG 2008, p. E9). The outputs of the NDA are:

- services that provide skills and supports to people with disability to enable them to live as independently as possible
- services that assist people with disability to live in stable and sustainable living arrangements
- income support for people with disability and their carers
- services that assist families and carers in their caring role (COAG 2009, p. 3).

The outputs are not directly linked to any performance measures.

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QUESTIONS

- *Are the objectives, outcomes and outputs of the NDA relevant in the context of contemporary policy settings? Are they clear and consistent?*
    - *How do they, or should they, relate to the six outcomes articulated in the NDS and the outcomes of the NDIS?*
  - *To what extent should the outcomes be aspirational (worked towards but not necessarily achieved within a specified time period), versus achievable within a defined period?*
  - *Should there be specific performance measures linked to the outputs and if so, what should they be?*
- 

## Roles and responsibilities of Governments

The NDA sets out the high-level roles and responsibilities of the Commonwealth and State and Territory Governments, as well as their shared roles and responsibilities, in a range of areas affecting people with disability and their carers (figure 3). In conducting this review of the NDA, the Commission will examine whether the roles and responsibilities are articulated in a clear and transparent manner, and whether they are allocated effectively.

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Figure 3      **Summary of roles and responsibilities in the current NDA**

Commonwealth	Shared	State and Territory
Provision of: <ul style="list-style-type: none"> <li>- employment services</li> <li>- income support</li> <li>- some funds to State and Territories</li> </ul>	Funding/pursuing research  Improving continuity of care  Improving outcomes for Indigenous people with disability	The provision of disability services.  Funding/regulating community care services for people under 65 (50 for Indigenous Australians) <sup>b</sup>
Funding disability services delivered by the States for the aged	Provision of data	Funding packaged community and residential aged care delivered under C'wealth programs for people under 65 (50 for Indigenous Australians) <sup>b</sup>
Investing in initiatives to support policy priorities	NPA-TRAD commitments <sup>a</sup>	Developing policy/reform directions
Developing policy/reform directions	Aligning legislation	Developing policy/reform directions

<sup>a</sup> National Partnership Agreement on Transitioning Responsibilities for Aged Care and Disability Services <sup>b</sup> Except for Victoria and Western Australia.

Data source: COAG (2012).

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The focus of the disability services referred to in the NDA are those that are specifically designed to meet the needs of people with disabilities (specialist disability services). But as noted in the agreement, these are complemented by mainstream services such as education, primary health care, and justice. Responsibilities for mainstream services are outlined outside the NDA and are shared by Commonwealth and State and Territory Governments.

How disability services and mainstream services will work together is the subject of ongoing consideration. The NDIS has changed the roles and responsibilities of governments since the updated NDA was agreed in 2012, most notably with the Commonwealth now sharing responsibility with the States for the provision of disability services<sup>1</sup>. This sharing of responsibilities is creating confusion about who exactly is responsible for which services and user cohorts. The balance of some other shared responsibilities, such as data collection and research, have also changed.

In its review of NDIS Costs (2017), the Productivity Commission identified a lack of clarity in the roles and responsibilities of governments related to:

- market stewardship, which means facilitating the timely creation and development of the disability support market and ensuring that it develops in a way that meets objectives
- workforce development, including ensuring there are enough qualified workers to deliver high quality supports
- the funding of advocacy services (which includes systemic advocacy, individual advocacy and self-advocacy)
- the provision of disability services to people who are not eligible for the NDIS and not covered by continuity of support arrangements
  - some States have signalled that they will not provide any specialist disability services and that all services to people with disability outside the NDIS will be provided through mainstream services, whereas others have stated that they will continue to provide specialist disability services in addition to mainstream services.
- the way the NDIS interfaces with mainstream services.

The Commission also found that there was significant confusion about the role of Local Area Coordinators in the NDIS, and that funding for ILC activities was too low (PC 2017).

This lack of clarity could be contributing to gaps and duplication in the provision of disability services, and could be an impediment to accountability. Insufficient resourcing of ILC activities could also disadvantage those found ineligible for the NDIS.

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<sup>1</sup> Other agreements are also relevant. For example, the *Transitioning Responsibilities for Aged Care and Disability Services in Victoria* agreement aligned Victoria's responsibilities to older Australians with those of other States (except WA) under the NDA.



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## QUESTIONS

- *How have the roles and responsibilities of Governments changed since the NDA was updated in 2012? Are roles and responsibilities clear?*
  - *What criteria should be used to assess roles and responsibilities of Governments under the NDA?*
  - *In light of the changing policy landscape (particularly with respect to the NDIS), do the roles and responsibilities of Governments in the NDA need to change? How?*
    - *What role should the NDA play in assigning responsibilities for all disability services between governments? How should this relate to the responsibilities set out in the NDIS bilateral agreements?*
    - *Should the roles and responsibilities of mainstream services to people with a disability be more clearly outlined in a national agreement?*
  - *Should the agreement set out responsibility for reforms to broader regulation that affect people with disability (such as building standards)?*
  - *How has the introduction of the NDIS impacted on access to services for people not eligible for the NDIS?*
    - *Where are the main gaps in services outside the NDIS? What are the problem areas?*
    - *To what extent does the NDIS (for example, through the provision of ILC activities and Local Area Coordinators) cater to people outside the NDIS?*
    - *What role could the NDA play in assigning responsibilities for addressing service gaps identified in the current arrangements?*
  - *Should the agreement have regard to the way States and Territories are delivering services to people with a disability outside the NDIS (for example, through mainstream services or through specialist disability services)? If so, why?*
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## **The NDA's performance framework — benchmarks and indicators**

The NDA sets out a performance reporting framework, comprising nine performance indicators and three performance benchmarks. These indicators exist to aid public accountability by measuring progress towards the outcomes of the NDA (figure 4).

As outlined in figure 2 depicting the Commission's assessment framework, performance reporting is a key element of accountability — data on the performance indicators and benchmarks are published annually to aid accountability.

The terms of reference for this review ask the Commission to consider progress against the performance framework of the NDA (including its associated timeframes and reporting responsibilities) and whether it has supported improved outcomes for people with disability, their families and carers.

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## Performance indicators

The performance indicators largely relate to the economic, social and community participation of people with disability and their carers, as well as satisfaction with services (COAG 2009, p. 6). Where possible, indicators are to be broken down for key subgroups: Indigenous people with disability, people with disability who live in remote or regional areas, and older carers (COAG 2009, p. 5).

The Steering Committee for the Review of Government Service Provision (SCRGSP) has overall responsibility for collating performance data. The Productivity Commission, as secretariat for the SCRGSP, publishes the annual Report on Government Services (RoGS), which contains a range of performance data relevant to disability. The data published in the RoGS map to a significant degree to the performance indicators of the NDA (figure 4).

As part of its assessment of the NDA, the Commission will consider whether the performance indicators of the NDA are suitable, and whether the indicators adequately measure progress against agreed outcomes. A set of criteria that could be used for assessing the indicators are set out in box 2.

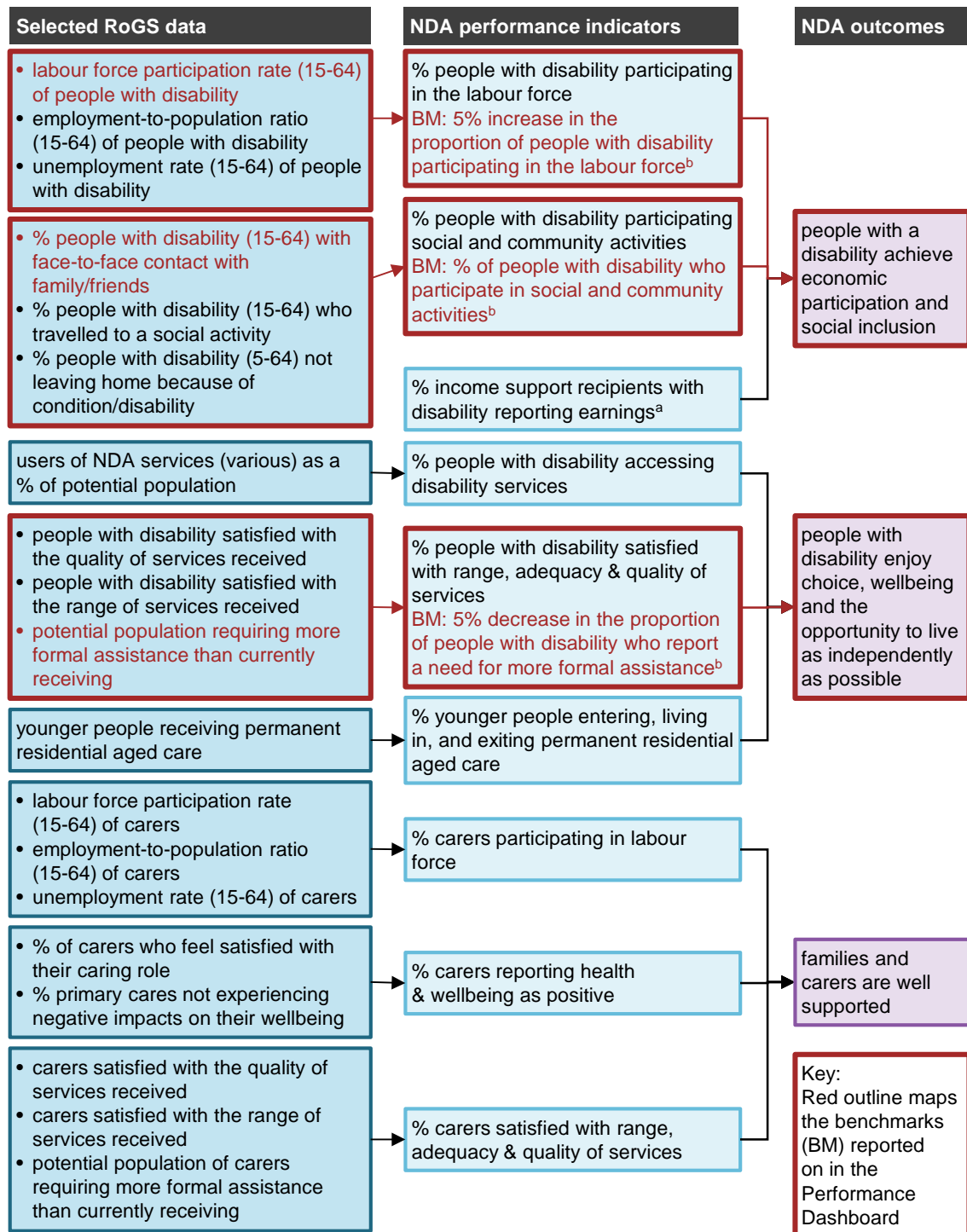
### Box 2      **Criteria to assess performance indicators**

In its *Overcoming Indigenous Disadvantage* report the Steering Committee for the Review of Government Service Provision identified several criteria to assess the suitability of the indicators used for tracking progress on overcoming Indigenous disadvantage. These criteria align to a significant degree to those set out in the Intergovernmental Agreement on Federal Financial Relations (2008). The criteria are:

- the indicator can be affected/influenced by government policy
- it is available in a timely manner
- change in the indicator affects desired outcomes over time.
- the indicator is meaningful to people with disability, their carers, and families.
- the indicators is unambiguous and clear in meaning and interpretation.
- the indicator is supported by logical or empirical evidence
- an indicator currently exists and/or ease of developing supporting datasets.

Source: SCRGSP (2016, p. 2.7).

Figure 4 Mapping between measures and NDA performance indicators



<sup>a</sup> This indicator is not measured in the RoGS but is reported in the Department of Social Services' Payment Demographic Data in two measures: the proportion of Newstart and Youth Allowance recipients with a disability who report income, and the proportion of Disability Support Pension recipients with a disability who report income. <sup>b</sup> Each NDA benchmark (BM) is listed alongside the relevant indicator it measures.

Sources: Constructed using COAG (2009) and SCRGSP (2018).

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## QUESTIONS

- *To what extent has the performance framework of the NDA supported improved outcomes for people with disability, their families and carers? Has it influenced government policy?*
  - *Does public reporting against the indicators serve to ensure that governments are held accountable for their policies and actions relating to disability? If not, why not, and how could this be improved?*
  - *Are the criteria for good performance indicators listed in box 2 suitable? If not, what should be added/changed? How do the existing indicators perform against those criteria?*
  - *Are there other measures relating to people with disability and/or their carers that should be added as indicators in the NDA?*
  - *How should the significance of changes in indicators be judged? For example, what magnitude of change in the indicators should be targeted?*
  - *What level of disaggregation should the indicators provide? For example, should they be articulated at the national or jurisdictional level? Should they be disaggregated by type of support, nature of disability (such as those covered by the NDIS and/or those outside the NDIS)?*
- 

## Performance benchmarks

The performance benchmarks are designed to demonstrate the rate of progress being made by governments at a national level. They are expressed as a quantifiable change in a performance indicator over a period of time. The IGA FFR states that they should be few in number, high level, and reflect the highest order, most challenging goals toward attainment of outcomes (COAG 2008, p. A2).

There are three performance benchmarks in the NDA.

1. People with disability achieve economic participation and social inclusion — between 2009 and 2018 there will be a five percentage point national increase in the proportion of people with disability participating in the labour force.
2. People with disability enjoy choice, wellbeing, and the opportunity to live as independently as possible — between 2009 and 2018, there will be a five percentage point national decrease in the proportion of people with disability who report a need for more formal assistance.
3. Families and carers are well supported — the agreement specified that further work was to be undertaken to develop a quantifiable target for this benchmark (COAG 2009, p. 6), although to date a target has not been established.

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The Performance Dashboard publishes information on progress against the performance benchmarks specified in the NDA. Maintenance of the Performance Dashboard was recently transferred from the Department of Prime Minister and Cabinet to the SCRGSP.

The most recent Dashboard data (for 2015) suggest that the first two benchmarks are not on track to be achieved by 2018 (figure 5). The Dashboard also reports on the proportion of people with disability who participate in social and community activities. This measure has declined, from 76.6 per cent in 2009, to 71.4 per cent in 2015 (SCRGSP 2018). Unlike the first two benchmarks, the third does not have an associated national target and is not reported on in the Performance Dashboard.

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#### QUESTIONS

- *Are the current benchmarks of the NDA still relevant? What should they be beyond 2018? For example, what magnitude of change should be targeted and over what time period?*
  - *How should the benchmark of ensuring that families and carers are well supported be measured?*
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#### A national performance reporting system for disability?

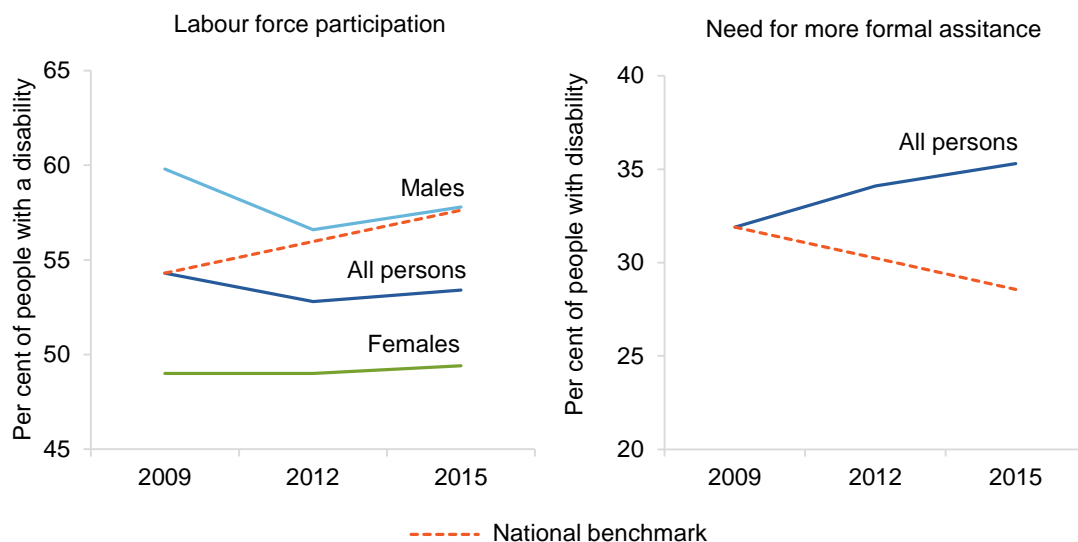
The IGA FFR makes reference to a national performance reporting system — a single, integrated, national reporting system that will reduce collection costs and confusion in interpreting performance. Under such a system, there would be improvements in duplications, overlap, inconsistencies, data gaps, and timeliness of data collection.

There are two key datasets that collect information on people with a disability, and the data from these sources are used in various performance reporting frameworks, including the RoGS. These two datasets are:

- the ABS Survey of Disability, Ageing and Carers (SDAC), which collects information on the level of support needs of people with disability
- the Australian Institute for Health and Welfare Disability Service National Minimum Dataset (DSNMDS), which collects information on government provided or funded services for people with a disability.

While the NMDS is released annually, the ABS releases the SDAC every six years, with an interim three-year release if funding is secured from Commonwealth, State and Territory Governments. In its NDIS Costs study, the Productivity Commission expressed concern that the SDAC's future is uncertain, noting that the survey's frequency and representativeness were at risk without an ongoing funding commitment from jurisdictions (PC 2017, p. 480).

Figure 5 Progress against performance benchmarks of the NDA



Source: Constructed using SCRGSP (2018).

Alongside the NDA, both the NDS and the NDIS report against their own performance frameworks. The NDS, in its progress reports to COAG, reports against its six broad outcome areas. Most of the data are sourced from the ABS and RoGS. The National Disability Insurance Agency produces a quarterly report to the COAG Disability Reform Council, and reports a range of measures under three NDIS outcomes.

1. People with disability achieving their goals for independence, social and economic participation: 15 measures ranging from information about participants with approved plans to participant satisfaction with the National Disability Insurance Agency (NDIA).
2. Financial sustainability of the scheme: 15 measures ranging from participant numbers to the total cost of supports and payments to providers.
3. Community inclusion of people with disability: 4 measures ranging from the proportion of participants accessing mainstream services, to community awareness activities undertaken by Local Area Coordination (NDIA 2018).

In addition to performance reporting, progress against outcomes requires good quality data and research about what works for people with disability. The NDA states that all Australian Governments are responsible for funding and pursuing research that improves the evidence base for national policy. The NDS states that a key part of an effective strategy is the development of good quality data and research to highlight the most effective means of providing mainstream services for people with disability. Similarly, the NDIS will rely on good quality data and evidence to inform its approach to disability support, and to understand emerging risks to the financial sustainability of the scheme (PC 2017, p. 470).

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#### QUESTIONS

- *To what extent has a coherent national performance reporting system been achieved?*
    - *What needs to be improved? For example, are there duplications, overlaps, inconsistencies and data gaps? Are data provided in a timely manner?*
    - *How are improvements best achieved?*
  - *How relevant is the current performance reporting framework of the NDA in light of the implementation of the NDIS? How can outcomes for people outside the NDIS be adequately monitored?*
  - *Is it possible to effectively separate out performance against NDA objectives and outcomes from those of the NDS and NDIS?*
  - *Is the relationship between outcomes, outputs, benchmarks and indicators clear? If not, what changes to the structure of the agreement should be made?*
  - *Is the collection and publishing of data, and funding of this, adequately dealt with in the NDA?*
    - *Are existing datasets adequately resourced to provide the necessary evidence base for performance reporting under the NDA, NDS and NDIS?*
    - *Are there gaps in what data are collected (for example, in relation to the disability workforce)? How could data collection and publication be improved?*
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## **Reform and policy directions**

The NDA contains a list of reform and policy directions. They provide further guidance on the policy parameters that would achieve the objectives and outcomes of the Agreement. They are largely general in nature, and tend to express the commitment of governments to broad policy goals, rather than specific actions. For example, Governments agreed to ensure that ‘services are person centred’ and ‘support the role of families and carers ... ’ (COAG 2009, p. 7).

With the development of the NDIS and the NDS (which itself contains policy directions and areas for future action under each of its six outcomes), many of the NDA’s reform and policy directions are now outdated.

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#### QUESTIONS

- *Is the NDA an effective vehicle for articulating reform and policy directions? If so:*
    - *How should they relate to or interact with the policy directions and future actions articulated in the NDS and NDIS?*
    - *How should these be determined and what should they be?*
    - *How should progress be assessed?*
  - *How relevant are the existing reform and policy directions of the NDA and should they be clearly linked to measurable outcomes in the NDA?*
  - *Does it make sense to separate them, or should the NDA and NDS be merged into a single agreement?*
  - *Has the NDA been effective in shaping and driving policy directions and reform for disability? What are the examples of success?*
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## References

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- 2018, *Report on Government Services*, Canberra.

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## Attachment A: How to make a submission

### How to prepare a submission

Submissions may range from a short letter outlining your views on a particular topic to a much more substantial document covering a range of issues. Where possible, you should provide evidence, such as relevant data and documentation, to support your views.

Please send submissions to the Commission by **24 August 2018**.

### Generally

- Each submission, except for any attachment supplied in confidence, will be published on the Commission's website shortly after receipt, and will remain there indefinitely as a public document.
- The Commission reserves the right to not publish material on its website that is offensive, potentially defamatory, or clearly out of scope for the inquiry or study in question.

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### In confidence material

- This is a public review and all submissions should be provided as public documents that can be placed on the Commission's website for others to read and comment on. However, information which is of a confidential nature or which is submitted in confidence can be treated as such by the Commission, provided the cause for such treatment is shown.
- The Commission may also request a non-confidential summary of the confidential material it is given, or the reasons why a summary cannot be provided.
- Material supplied in confidence should be clearly marked 'IN CONFIDENCE' and be in a separate attachment to non-confidential material.
- You are encouraged to contact the Commission for further information and advice before submitting such material.

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## Privacy

- For privacy reasons, all **personal** details (e.g. home and email address, signatures, phone, mobile and fax numbers) will be removed before they are published on the website. Please do not provide a these details unless necessary.
- You may wish to remain anonymous or use a pseudonym. Please note that, if you choose to remain anonymous or use a pseudonym, the Commission may place less weight on your submission.

## Technical tips

- The Commission prefers to receive submissions as a Microsoft Word (.docx) files. PDF files are acceptable if produced from a Word document or similar text based software. You may wish to research the Internet on how to make your documents more accessible or for the more technical, follow advice from Web Content Accessibility Guidelines (WCAG) 2.0<<http://www.w3.org/TR/WCAG20/>>.
- Do not send password protected files.
- Track changes, editing marks, hidden text and internal links should be removed from submissions.
- To minimise linking problems, type the full web address (for example, <http://www.referred-website.com/folder/file-name.html>).

## How to lodge a submission

Submissions should be lodged using the online form on the Commission's website. Submissions lodged by post should be accompanied by a submission cover sheet.

Online\*      [www.pc.gov.au/inquiries/current/disability-agreement](http://www.pc.gov.au/inquiries/current/disability-agreement)

Post\*        National Disability Agreement Review  
Productivity Commission  
Locked Bag 2, Collins Street East  
Melbourne VIC 8003

\* If you do not receive notification of receipt of your submission to the Commission, please contact the Administrative Officer.