

 <p>Australian Government Department of Social Services</p>	<p>General Brief</p> <p>MS20-000498</p>
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To: Minister for Families and Social Services (for decision)
 To: Minister for the National Disability Insurance Scheme (for decision)

Subject: Transfer of the Information, Linkages and Capacity Building (ILC) grant program

Recommendations for Minister Ruston: That you

<p>1. Agree with Minister Robert to transfer policy and administrative responsibility for the ILC grant program from the National Disability Insurance Agency (NDIA) to the Department of Social Services (the department).</p>	<p>Agreed / Not Agreed</p>
<p>2. Agree the transfer occur as follows:</p> <p>a. The immediate transfer of policy responsibility for the future of the ILC grant program, including the lead on the evaluation of ILC grant program and development of a new Investment Strategy.</p> <p>b. Transitioning approximately 300 existing ILC grants as soon as practicable, with further advice on precise arrangements and timing to be provided.</p> <p>c. The department and the NDIA working closely to finalise the Individual Capacity Building grant round that closed on 6 May 2020, with further advice to be provided on how these grants will be transitioned to the department.</p> <p>d. The NDIA's two planned Economic and Community Participation grant rounds not proceed until the department provides you with further advice on options for the remaining uncommitted ILC grant funding.</p>	<p>Agreed / Not Agreed</p> <p>Agreed / Not Agreed</p> <p>Agreed / Not Agreed <i>Need to be mindful of COVID recovery imperatives.</i></p> <p>Agreed / Not Agreed</p>
<p>3. Agree the NDIA retain the Local Area Coordination function.</p>	<p>Agreed / Not Agreed</p>
<p>4. If you agree recommendations 1 to 3, agree the Secretary of the department write to the Chief Executive Officer (CEO) of the NDIA to advise of your decision and the implications for the NDIA's planned forthcoming grant rounds.</p>	<p>Agreed / Not Agreed</p>

Minister Robert's Comments

Ruston's

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Minister Ruston's signature:



Date: 28/5/2020

Recommendations for Minister Robert: That you

<p>1. Agree with Minister Ruston to transfer policy and administrative responsibility for the ILC grant program from the National Disability Insurance Agency (NDIA) to the Department of Social Services (the department).</p>	<p>Agreed / Not Agreed</p>
<p>2. Agree the transfer occur as follows:</p> <p>a. The immediate transfer of policy responsibility for the future of the ILC grant program, including the lead on the evaluation of ILC and development of a new Investment Strategy.</p> <p>b. Transitioning approximately 300 existing ILC grants as soon as practicable, with further advice on precise arrangements and timing to be provided.</p> <p>c. The department and the NDIA working closely to finalise the Individual Capacity Building grant round that closed on 6 May 2020, with further advice to be provided on how these grants will be transitioned to the department.</p> <p>d. The NDIA’s two planned Economic and Community Participation grant rounds not proceed until the department provides you with further advice on options for the remaining uncommitted ILC grant funding.</p> <p>3. Agree the NDIA retain the Local Area Coordination function.</p> <p>4. If you agree recommendations 1 to 3, agree the Secretary of the department write to the Chief Executive Officer (CEO) of the NDIA to advise of your decision and the implications for the NDIA’s planned forthcoming grant rounds.</p>	<p>Agreed / Not Agreed</p> <p>Agreed / Not Agreed</p> <p>Agreed / Not Agreed</p> <p>Agreed / Not Agreed</p> <p>Agreed / Not Agreed</p> <p>Agreed / Not Agreed</p> <p>Agreed / Not Agreed</p>

Minister Robert's Comments

Minister Robert's signature:.....

Date:..../..../ 2020

Key Issues:

1. The ILC consists of two components: the ILC grants program, and referral, information and capacity building services undertaken by Local Area Coordinators (LAC) as part of their broader role. This brief recommends transitioning ILC policy responsibility and grant delivery to the department, with the National Disability Insurance Agency (NDIA) retaining responsibility for LAC in the medium term.
2. The ILC seeks to give effect to what was originally conceived by the Productivity Commission as “Tier 2” of the National Disability Insurance Scheme (NDIS). In line with the original concept, ILC grant activities are available to all 4.4 million people living with disability in Australia, including those who are not NDIS participants. The original Tier 2 concept focused on providing supports to people with disability outside the NDIS to improve their outcomes, in turn reducing the likelihood they would require support from the NDIS.

3. The *National Disability Strategy 2010-2020* (NDS) provides Australia's key overarching disability policy framework for all 4.4 million people with disability. s47C

[Redacted]

4. s47C

[Redacted]

5. A properly integrated ILC remains a key lever, alongside other key programs and service systems, to intervene early for people with disability to improve their life outcomes, therefore reducing the likelihood of requiring support through the NDIS.

s47C

[Redacted]

Transition timing

7. A transition is recommended to occur over the coming months, with immediate priority given to transferring the policy responsibility, including lead for the evaluation of the ILC grant program and development of a new Investment Strategy. Moving the ILC now would give the department control of the program's redesign at a critical juncture. If a transfer is delayed, it would limit the department's ability to successfully reform the program.
8. Pending your agreement, the department can provide more detailed advice on arrangements for the transfer of existing ILC grants and current and upcoming grant rounds. The following arrangements are broadly proposed:

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- a. Approximately 300 existing ILC grants to transition as soon as practicable. The transfer requires detailed planning including a number of practical, administrative and legal issues. Pending your agreement the department will provide more detailed advice including proposed timing, and advice on any expiring grants including sensitivities and handling. The department's current understanding is around 100 grants are due to expire in the first six months of 2020-21.
- b. The Individual Capacity Building grant funding round (\$85 million over 2020-21 and 2021-22) closed on 6 May 2020 with outcomes due in July 2020. There is a strong expectation in the sector this round will proceed. The department will remain closely involved in the selection process and explore ways to ensure any new grants could be transitioned to the department quickly.
- c. The NDIA is planning two Economic and Community Participation grant rounds (approximately \$54 million over 2020-21 and 2021-22) to proceed from mid-June 2020 (MB20-000032 from the NDIA, at Attachment A, refers). s47C

9. ILC funds in 2019-20 are fully committed in current grants. The table below provides an overview of the full ILC appropriation over the next two financial years, including funds committed in existing grants (legally committed), and uncommitted funds. The one current and two proposed grant rounds outlined above would largely commit these funds. The department will provide further advice on options for uncommitted ILC funds in 2020-21 and 2021-22. Funding from 1 July 2022 onwards would be subject to a reform of the program including the development of a new ILC Investment Strategy.

	2020-21	2021-22
Full appropriation	\$132.835 million	\$134.694 million
Legally committed	\$56.975 million	\$56.323 million
Uncommitted	\$75.860 million	\$78.371 million

Legal and financial considerations

10. The department is directly appropriated ILC grant funds through Program 3.2 – National Disability Insurance Scheme. s42

While the department has not yet conducted detailed planning for transition, and legal issues may arise during that detailed planning process, the department is not currently aware of any legal impediments to the transfer.

11. Currently the ILC is administered by the NDIA and the department reimburses ILC grant payments made. The NDIA Board is the decision making body for decisions on grants. The NDIA does not have any specific legislative requirement to deliver the ILC, however utilises the powers under Sections 13 and 14 of the *National Disability Insurance Scheme Act 2013* (NDIS Act) to provide general supports to people with disability who are not participants.
12. Bilateral agreements with states and territories note state and territory financial contributions can be used to fund the ILC, but do not require them to be, and to date state and territory contributions have not been used for this purpose. There is no obligation under the existing legislative framework to seek agreement from states and territories to ILC transitioning from NDIA to the department.
13. Theoretically, NDIA could continue to make ILC grants even if responsibility for ILC was transferred to the department, however, this is unlikely without the requisite funding to support the program.

Local Area Coordination

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14. Funding for the LAC function is appropriated directly to NDIA and is discrete from ILC grants. The primary function of LACs is to undertake initial plan development with NDIS participants on behalf of the NDIA, a function that was initially conceived to be a role for NDIA staff. LAC grant agreements require LAC personnel to utilise 20 per cent of their effort on ILC-type activities, providing information, referrals and helping people navigate the local service system. The LAC function and ILC grants are discrete and not contingent on each other.
15. As LAC activities are linked to NDIA's core function of administering the NDIS through plan development, and the LAC network is part of the NDIA's national footprint, it is not recommended that responsibility for LACs be transitioned to the department. The LAC function and ILC grants can be separately administered without any adverse impacts on people with disability. Any move of LAC functions would need to be carefully considered, noting there is significant work underway in the NDIA to look at alternative models of participant planning which could impact the LAC function in future. The LAC function is also evolving as the NDIS matures.
16. Key related activities underway in the department are not at a stage that would support any effective transition or change at this time, particularly the implementation of the Disability Information Gateway that needs time to mature and disability advocacy reform rolling out over the next 24 months. Similarly the Integrated Carer Support Service provides some help for carers to navigate service systems for people with disability. It is recommended that the LAC function remain with the NDIA now s47C

Sensitivities:

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19. The department understands there are around 50 NDIA staff who work on ILC grants, mostly based in Geelong and Melbourne (Victoria), and a small number in the Australian Capital Territory and South Australia. A detailed plan would be developed to manage any transfer of resources (including staff or associated ASL), noting any funding transfer would need to be agreed with the Department of Finance.
20. The department is not aware whether stakeholders in the disability sector have knowledge of the NDIA's proposed upcoming grant rounds. Clear messaging would need to be developed to aid the sector's acceptance of any change to both upcoming grant opportunities and a transfer of responsibility should it proceed. The messaging could highlight the benefits of better connecting ILC to other related grant activities in the department, and ensuring a closer connection between the ILC and the new NDS.

Next Steps

21. Pending your agreement the department will develop a more detailed transition plan and handling approach.

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22. To facilitate an orderly transition, the department proposes the Secretary write to the CEO of the NDIA to advise of the Government's decision and the implications for the proposed upcoming grant rounds.

Consultation: The Chief Finance Officer and Chief Counsel were consulted in the preparation of this brief.

Attachments:

Attachment A: Copy of MB20-000032 – NDIA Brief

Contact Officer: Stephen Moger
Position: Branch Manager
Branch: Disability Policy
Phone/Mobile: s 47E(d)

Cleared by: Flora Carapellucci
Position: Group Manager
Group: Commonwealth/State Policy
Phone/Mobile: s 47E(d)

Cleared by: Catherine Rule
Position: Deputy Secretary
Phone/Mobile: s 47E(d)

Signature: s22

Date: 27/05/2020