



Australian Government
Department of Social Services

MINUTE

Ref: EC20-000886

SECRETARY

Through:

Catherine Rule
Deputy Secretary
Disability and Carers Stream

Cc:

Peter Broadhead, Group Manager, Participants and Performance

SUBJECT: Transitioning administration of the Information, Linkages and Capacity Building Program (ILC) from the National Disability Insurance Agency (NDIA) to Department of Social Services (the department)

Recommendations:

- 1. That you **note** considerations for transition of the ILC from NDIA to the department.

NOTED / PLEASE DISCUSS

Secretary:..... / /2020

Issues:

- 1. **s22** [Redacted]
The intention of ILC is to support all people with disability, not just those with individualised plans through services such as information provision, referral, community capacity building and web support. The ILC has two components: Local Area Coordination (LAC) and grant funding. Further background is at **Additional Information**.

- 2. **s22** [Redacted]

- 3. **s22** [Redacted]

s 22

[Redacted]

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§22 [Redacted]

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- [Redacted]. The move 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 National Disability Strategy.

§22 [Redacted]

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s22 [Redacted]

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- [Redacted]

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- [Redacted]

[Redacted]

- [Redacted]

s 22 [Redacted]

Flora Carapellucci
Group Manager
Commonwealth/State Policy
7 May 2020

Additional Information

1. ILC was outlined conceptually in the 2011 Productivity Commission Inquiry on Disability Care and Support, originally described as Tier 2 support. The intention of ILC was to reduce or defer the entry of some people with disability into the NDIS by supporting all people with disability, not just those with individualised plans, through services such as information provision, referral, community capacity building and web support.
2. ILC has two components:
 - a. Local Area Coordination funded approximately \$450 million per annum. This is appropriated directly to the NDIA through Program 1.2 – Community Inclusion and Capacity Development Grants and is delivered through the NDIA’s partners in the community.
 - b. Grants to assist people with disability funded \$132 million per annum. Since 2017 this is appropriated to DSS through Program 3.2 and NDIA undertake administration of the grants. DSS reimburses NDIA for grant payments made to service providers.
3. The Disability and Carers Stream considers there are significant benefits in transitioning ILC grants to the department. These include:
 - a. better alignment with the broader disability system and services which are the primary responsibility of the department and not the NDIA, such as Disability Employment services; disability carer reform.
 - b. the department has significantly more experience in administering grants than the NDIA. The Community Grants Hub already run ILC assessment processes and details of ILC grants are already in FOFMS.
 - c. the ability to increase the decision making role of Ministers in ILC selection process, including the design of programs (which is currently determined by the NDIA Board).
 - d. and, the capability to respond more quickly, flexibly and effectively to program design concerns s47C [REDACTED]. This includes adjusting funding models to reflect differences in maturity of local ILC markets, rather than adopt a one size fits all approach.

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 <p>Australian Government Department of Social Services</p>	<p align="right">General Brief</p> <p align="right">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

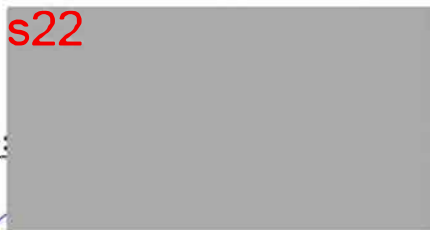
<p>1. Agree with Minister Robert to transfer policy and administrative responsibility for the ILC grant program from the National Disability Insurance Agency (NDIA) to the Department of Social Services (the department).</p>	<p>Agreed / Not Agreed</p>
<p>2. Agree the transfer occur as follows:</p> <p>a. 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>Agreed / Not Agreed</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>Agreed / Not Agreed</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>Agreed / Not Agreed <i>Need to be mindful of COVID recovery imperatives.</i></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>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

Disagree

s22

Minister Ruston's signature:



Date: 23/5/2020

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>Agreed / Not Agreed</p> <p>Agreed / Not Agreed</p> <p>Agreed / Not Agreed</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

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.

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[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:

17. s47C

18. s47C

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



Australian Government
Department of Social Services

Kathryn Campbell AO CSC
Secretary

Ref: EC20-001006

Mr Martin Hoffman
Chief Executive Officer
National Disability Insurance Agency
GPO Box 700
CANBERRA ACT 2601


Dear Mr Hoffman

I am writing to you regarding the Information, Linkages and Capacity Building Program (ILC).

While ILC grant funds are appropriated to the Department of Social Services (the department), to date the program has been administered by the National Disability Insurance Agency (NDIA).

The Minister for Families and Social Services, Senator the Hon Anne Ruston and the Minister for the National Disability Insurance Scheme, the Hon Stuart Robert MP, have recently decided the administration of ILC would be better placed within the department. This is to ensure closer alignment with other disability services and initiatives, such as the National Disability Strategy, the National Disability Information Gateway and Disability Employment Services.

Minister Ruston and Minister Robert's decision includes the transfer of policy responsibility for the ILC grant program to the department, including the lead on the evaluation of the ILC and development of a new ILC Investment Strategy. It also includes the department and the NDIA working together to transition the management of existing ILC grant agreements from the NDIA to the department as soon as practicable.

The Ministers' decision has implications for the one current and two proposed ILC grant rounds. Ministers expect the department and the NDIA to work closely to finalise the Individual Capacity Building grant round that closed on 6 May 2020, including determining how and when these grants will transition to the department.

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It will be important this change is carefully managed to ensure a seamless transition for stakeholders, including existing service providers and the broader disability sector. To achieve this outcome I consider it important we align our communications. Further there are a number of legal and administrative issues the department and NDIA will need to work through to give effect to this transition, including resourcing implications.

I propose a transition committee be established between the department and the NDIA to manage this change. The lead contact within the department is Ms Flora Carapellucci, Group Manager, Commonwealth/State Policy. Ms Carapellucci can be contacted on s47E(d) or flora.carapellucci@dss.gov.au. I would appreciate you advising of an appropriate contact in the NDIA.

Yours sincerely

s22

} June 2020



GPO Box 700
Canberra ACT 2601
1800 800 110

ndis.gov.au

Ms Kathryn Campbell
Secretary
Department of Social Services

Via email: Kathryn.campbell@dss.gov.au

Dear Secretary

I acknowledge your letter of 3 June 2020 informing the NDIA of the Government's decision to transfer responsibility for the administration of the Information Linkages and Capacity Building (ILC) program to the Department of Social Services (DSS). The Board considered your letter on 10 June 2020.

The NDIA is committed to the ongoing success of the ILC program. It is important not just to the broader disability strategy. It is also strategically critical as part of the overall National Disability Insurance Scheme (NDIS). It plays an important role not only in the capacity building of people with disability outside the individual funding of the NDIS, by providing access to community and mainstream services, but also supports funded NDIS participants through greater access to individual and community capacity building activities that generate increased community and economic inclusion. Both roles are integral to the availability of the NDIS for future generations of people with disability through ensuring the Scheme's financial sustainability. It provides alternate forms of support for those who might otherwise seek individual funding in the Scheme and supplements the formal supports available to Scheme participants.

The NDIA's commitment to the ILC program is seen in the way the NDIA has worked with DSS and state and territory governments through the Disability Reform Council in developing the current ILC investment strategy and evaluation plan. This has taken into account the National Disability Strategy as well as the need to transition state and territory ILC type arrangements. The NDIA will be pleased to assist DSS staff with any future evaluation of current activities as well as the development of a new ILC investment strategy.

The Board and management agree that transitioning the administration of the ILC program to DSS will require careful management and engagement with government and sector stakeholders who have contributed to the development of the ILC program to date.

The NDIA supports the establishment of a joint transition committee to align communications as well as to identify and resolve legal and administrative issues associated with transferring the function. The lead contact within the NDIA will be s 47F General Manager of Government and ILC Programs. s 47F is contactable by phone on s 47F or by email on s 47F

Yours sincerely

A large grey rectangular redaction box covering the signature area, with the text 's 22' written in red on the left side.

Martin Hoffman
Chief Executive Officer
National Disability Insurance Agency
15 June 2020

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Senator the Hon Anne Ruston
 Minister for Families and Social Services
 Senator for South Australia
 Manager of Government Business in the Senate

The Hon Stuart Robert MP
 Minister for the National Disability Insurance Scheme
 Minister for Government Services

Ref: MS20-900349

The Hon Scott Morrison MP
 Prime Minister
 Parliament House
 CANBERRA ACT 2600

Dear Prime Minister 

We are writing about the Information Linkages and Capacity Building (ILC) grants program, which to date has been administered by the National Disability Insurance Agency (NDIA). In reviewing the broad picture of support for the 4.4 million Australians with disability, we consider responsibility for the ILC program is best placed with the Department of Social Services (the department), and have decided to transfer the program from the NDIA to the department. We seek your formal endorsement of our decision, and agreement for funding under Outcome 3, program 3.2, relating to the National Disability Insurance Scheme (NDIS), to be reallocated to reflect the transfer.

ILC provides grants of around \$134 million per annum to organisations to deliver projects in the community that benefit all Australians with disability, their carers and families, by connecting them with broader systems of support, building the capacity of organisations and individuals, and creating more inclusive communities. ILC contributes to the sustainability of the NDIS by building the capacity of the community, people with disability, their families and carers, which in turn will reduce the need for funding of individualised supports for people with disability.

The transfer from the NDIA to the department will allow for better alignment of ILC with disability policy and programs managed by the department. This includes the National Disability Strategy – which provides Australia's key overarching disability policy framework for all Australians with disability – disability employment services, disability advocacy and the disability information gateway benefiting all people with disability.

Suite MG.60, Parliament House, Canberra ACT 2600 Tel: 02 6277 7560 Email: minister@dss.gov.au

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The Commonwealth will continue to abide by its commitments in the NDIS bilateral agreements with states and territories to support the implementation of ILC by “promoting collaboration and partnership with local communities and other service systems to create greater inclusivity and accessibility of people with disability”.

Further, we have indicated the department will take forward the work commenced by the NDIA to develop a new evidence-based ILC strategy for consideration by disability ministers, as agreed by the then Disability Reform Council in December 2019. In the meantime, the ILC will be administered in accordance with two key documents, the ILC Policy Framework 2015 and the ILC Investment Strategy that commenced in early 2019.

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The department and the NDIA are working collaboratively to transition the ILC through a joint ILC transition committee, as agreed between the Secretary of the department and the CEO of the NDIA. The transition committee has agreed on approaches to stakeholder communication, risk management, the transfer of responsibility on current grants and planned grant rounds, and is considering resourcing implications in accordance with the principles outlined in the Machinery of Government guidelines provided by the Australian Public Service Commission.

Under current funding arrangements, ILC grant funds are appropriated to the department through Program 3.2.4 and the department reimburses the NDIA for ILC grant payments made. This is reflected in the NDIA’s Program 1.2. The Department of Finance has advised a reallocation is required to remove the related entity relationship between the department and the NDIA, noting there will be a transition period in 2020-21 to enable the NDIA to make final payments under existing grant agreements.

As such, we seek your agreement to:

- remove the related entity payment arrangement for ILC grants in the department’s and the NDIA’s estimates following the transition period in 2020-21
- decrease the NDIA Operating Costs (SM20/0874/ERC refers) and increase the department’s departmental appropriation by the resourcing costs of managing the ILC, with the amount to be agreed between the department and the NDIA and verified by the Department of Finance.

The net impact of the transfer of administrative responsibility of the ILC to the department is budget neutral as it does not involve any increase or reduction in overall Commonwealth expenditure.

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We appreciate in advance your urgent consideration of this matter, to facilitate the ongoing timely and efficient administration of this program, including the initial payment for 138 successful applicants announced on 1 September 2020 for the most recent ILC grant round.

Copies of this letter have been provided to the Treasurer, the Hon Josh Frydenberg MP, and the Minister for Finance, Senator the Hon Mathias Cormann, for their information.

Yours sincerely

s22



Anne Ruston

11/9/2020

s22



Stuart Robert

11/9/2020



PRIME MINISTER

Reference: MC20-145896

30 SEP 2020

Senator the Hon Anne Ruston
Minister for Families and Social Services
Parliament House
CANBERRA ACT 2600

The Hon Stuart Robert MP
Minister for the National Disability Insurance Scheme
Minister for Government Services
Parliament House
CANBERRA ACT 2600

Dear Ministers

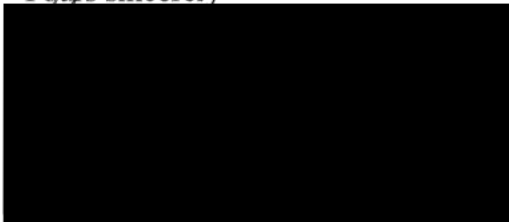
Thank you for your joint letter dated 11 September 2020 regarding the transfer of administrative responsibility for the Information, Linkages and Capacity Building (ILC) grants program from the National Disability Insurance Agency (NDIA) to the Department of Social Services (the Department).

s22

I have reviewed your advice and agree with the proposal as outlined in your letter, on the understanding that the NDIA Board has considered and agreed with the proposal, and that consultation with government and sector stakeholders, including State and Territory disability ministers, has also occurred. I understand this transfer will be budget neutral as it does not involve any change to overall Commonwealth expenditure.

A copy of this letter has been provided to the Treasurer, the Hon Josh Frydenberg MP, the Minister for Finance, Senator the Hon Mathias Cormann, and the Australian Public Service Commissioner, Mr Peter Woolcott AO, for their information.

Yours sincerely



SCOTT MORRISON