

Appendices

Appendix 1: Response from the Department



EAP17/1083

Mr Ian Goodwin
Deputy Auditor-General
Audit Office of New South Wales
GPO Box 12
SYDNEY NSW 2001

Dear Mr Goodwin

Response to Audit Report – Building the readiness of the non-government sector for the NDIS

Thank you for your letter of 21 December 2016 in which you provide the final audit report 'Building the readiness of the non-government sector for the NDIS'.

Developing the capacity of the disability sector within NSW has been a key area of focus for my department. Since 2012, NSW has been a leader in industry development and has invested significantly in supporting our disability sector to thrive and innovate in a consumer-driven environment.

I am encouraged that the report has recognised our success in building a robust disability services sector which empowers people with disability and increases their participation in social and economic life. The strategies implemented by the NSW Government have prepared many NSW disability service providers to navigate the challenges and opportunities presented by the transition to the NDIS.

The Department of Family and Community Services (FACS) accepts the findings of the audit report and enclosed with this letter is our response to the four recommendations outlined. We acknowledge that to achieve the objectives we have set for the next phase of transition, it is essential to continue to support the growth of a diverse disability service sector which can appropriately meet the needs of people with disability.

The department's role in this area is ceasing following the full implementation of the NDIS in NSW in June 2018. During the transition to the NDIS, we will continue to collaborate with our national and state government counterparts to identify opportunities to strengthen sector capacity and importantly, to share the lessons we have learned and embed and transmit NSW knowledge into the national scheme.

Should you or your officials wish to discuss this further, please contact Samantha Taylor, Executive Director, NDIS Implementation on 9377 6013 or by email at Samantha.Taylor8@facs.nsw.gov.au

Yours sincerely

A handwritten signature in blue ink, appearing to read 'M. Coutts-Trotter', written over the 'Yours sincerely' text.

Michael Coutts-Trotter
Secretary

Encl.

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**Performance Audit – Building the readiness of the non-government sector for the NDIS
Response by the Department of Family and Community Services
to report recommendations**

1. Building the capacity of the non-government sector

Recommendation 1:

Work with the Australian Government, National Disability Insurance Agency (NDIA) and other NSW Government agencies to identify gaps and develop the capacity of specialist clinical services, focusing on regional and rural areas.

RESPONSE:

The Department of Family and Community Services **accepts** Recommendation 1.

Ensuring a thriving market of disability service providers is crucial to improving choice and control for people with disability, and the Department recognises the importance of supporting existing specialist clinical services, particularly in regional and rural areas, throughout transition.

The Department has implemented and funded a range of initiatives to support the growth of the specialist disability workforce in NSW, and to support sector capacity in regional and rural areas.

In December 2016, the NSW Government entered into Working Arrangements with the Australian Government and the NDIA in relation to People with Complex Needs, and Market and Provider Readiness. Throughout the transition to the NDIS, the Department will work closely with other agencies to implement these arrangements, and to support the development and implementation of the NDIS Rural and Remote Servicing Strategy. From 2018, these arrangements will transition to, and form part of, the full scheme implementation of the NDIS.

The Department is also working with the NSW Department of Industry on the Disability Sector Scale Up program, to support the continued growth of the disability sector and workforce in NSW.

Recommendation 2:

Continue to implement projects to increase the number of organisations that can support Aboriginal and Torres Strait Islander and culturally and linguistically diverse communities.

RESPONSE:

The Department of Family and Community Services **accepts** Recommendation 2.

As recognised in the audit report, the Department has implemented a number of projects with a specific focus on developing the sector to meet the needs of Aboriginal and Torres Strait Islander and culturally and linguistically diverse (CALD) communities until transition is completed in 2018.

In late 2016, the Department developed two new projects focused on supporting the Aboriginal disability sector: *Building Capacity for Aboriginal People*; and the *Aboriginal Disability Provider Grants Program*.

The Department will continue to develop and implement projects targeting both the Aboriginal and Torres Strait Islander and CALD sectors during transition.

The Department will also work with the NDIA and the Australian Government to support the development and implementation of strategies to ensure that Aboriginal and CALD communities have access to appropriate services under the NDIS.

2. Helping non-government providers develop their capability

Recommendation 3:

Target remaining capability building assistance to less prepared providers, including via one-to-one support and mentoring in identified areas of weakness.

RESPONSE:

The Department of Family and Community Services **accepts** Recommendation 3.

The Department will continue to develop and deliver programs and initiatives to support disability service providers and build capacity within the sector until transition concludes in 2018.

The Department has supported, and will continue to support during the transition, the Sector Support Consultants program, which, as the audit report notes, has proven effective in supporting the capacity of providers via one-to-one support. The Department has worked with National Disability Services (NDS) to extend this program throughout transition.

The Department will complete a second round of provider readiness assessments in 2017, to update the data on sector readiness, and to guide further work with providers during the transition to the NDIS.

3. Coordinating sector development

Recommendation 4:

Continue working with the Australian Government and the NDIA to ensure lessons from sector capability programs are shared.

RESPONSE:

The Department of Family and Community Services **accepts** Recommendation 4.

The Department will continue to actively contribute to national and sector and market policy, and engage with the Australian Government and NDIA to share resources and lessons learned from the NSW experience.

In December 2016, the Market and Provider Readiness Working Arrangements were agreed between the NSW Government, the Australian Government and the NDIA. As part of the implementation of these arrangements, NSW will share its expertise and experience in disability sector and market development.

Principles for developing the non-government sector

The Department of Family and Community Services **accepts** the broader principles for developing the non-government sector.

The principles outlined are consistent with the Department's approach to the development of non-government organisations across the organisation, in sectors such as community housing and child and family services, and will be considered as part of future sector development initiatives in those areas.