

2023-24 Annual Pricing Review

Terms of Reference

Overview

1. The supply of disability goods and services in Australia has undergone significant reform since the creation of the National Disability Insurance Scheme (NDIS), commencing from 1 July 2013. The National Disability Insurance Agency (NDIA) has responsibility for administering the NDIS and facilitating the markets for disability goods and services. Further information on the markets for disability goods and services can be found on the NDIS [website](#).
2. Where possible, the NDIA utilises market mechanisms to deliver the level of supply required to meet participant demand and deliver the required mix of goods and services. These are produced at market clearing prices, also known as efficient prices, to meet the needs of participants. However, market mechanisms might not work in non-existent or underdeveloped markets to deliver the required mix of disability supports or produce efficient prices.
3. To address these issues, the NDIA has a role, as market steward, to create an efficient and sustainable marketplace through a diverse and competitive range of suppliers who are able to meet the structural changes created by a consumer-driven market. As market steward the NDIA has responsibility for:
 - (a) empowering people supported by the NDIS to exercise choice and control.
 - (b) maintaining and expanding the supply of high-quality disability supports.
 - (c) driving efficiency and innovation in the market for those supports.
 - (d) Supporting the transition of NDIS over the longer term to a more deregulated outcomes-based approach.
4. As part of its market stewardship role, the NDIA caps the prices that registered providers can charge for some supports and applies other price controls, including billing rules. These are set out in the *NDIS Pricing Arrangements and Price Limits* and associated documents, which are available on the NDIS [website](#).
5. The NDIA continually monitors and reviews its price control framework and other market settings to determine whether they are still appropriate. The Annual Pricing Reviews (APR) are an important part of that monitoring and review process.

The National Disability Insurance Scheme Review

6. The Minister for the NDIS and Government Services, the Hon Bill Shorten MP, announced the NDIS Review in October 2022. The final report was delivered to Disability Reform Ministers in November 2023, and released publicly on 7 December 2023. The final report makes 26 recommendations with 139 actions to change the system that supports people with disability. The full report can be found [here](#). In response to the

Review, the Australian Government, along with states and territories, has committed to reforming the NDIS. These recommendations encompass legislative reforms, foundational supports, service navigation, housing and living support, provider registration, and an innovative early childhood approach. The full government response to the Review is expected to be released in 2024.

The Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability

7. The final report of the Royal Commission was released on 29 September 2023 with 222 recommendations for reform. The full report can be found on the Royal Commission's website [here](#). A Commonwealth Disability Royal Commission Taskforce has been established to coordinate the Australian Government's response to the Royal Commission, setting priorities, providing advice, and bringing together all affected portfolios in a unified effort.

Scope of the Annual Pricing Review

8. The APR acknowledges the comprehensive insights from the Independent NDIS Review and the Disability Royal Commission. While these reviews offer extensive recommendations for systemic reform, this APR focusses specifically on non-structural adjustments to the current price settings. It aims to implement immediate, impactful improvements with the existing framework of pricing established in the NDIS Pricing Strategy 2019, ensuring ongoing supply of support and continuity of access to services for NDIS participants, while broader structural reforms are considered for future implementation by the Australian Government.
9. The APR will examine, through engagement with participants, providers and community and government stakeholders and targeted research, whether the Scheme's existing price control framework (pricing arrangements and price limits) continue to be appropriate or if modification is required.
10. The APR will have an increased focus on participants, with a dedicated consultation paper to gather participants' perspectives. This participant engagement will ensure that the APR is inclusive of the voices of both providers and participants.
11. In particular, the APR will review the pricing arrangement and price limits:
 - (a) that apply to supports delivered by disability support worker (DSW) by updating the *NDIS Cost Model for Disability Support Workers*;
 - (b) for therapy supports to ensure participants receive value for money, while providers strive to improve quality of service and increase efficiency, with a particular emphasis on pricing benchmarks;
 - (c) for support coordination to promote service quality and value for money, with a focus on participants experiences when utilising support coordinators to oversee their supports;
 - (d) in relation to the NDIS Cancellation policy, which changed from two days to seven days in line with the Social, Community, Home Care and Disability Services (SCHADS) Award. The analysis will examine the impact on participants choice and control.

12. In framing its recommendations, the Annual Pricing Review will be cognisant of the objects and principles set out in the National Disability Insurance Scheme Act 2013, including that the NDIS should:
- (a) support the independence and social and economic participation of people with disability;
 - (b) enable people with disability to exercise choice and control in the pursuit of their goals and the planning and delivery of their supports;
 - (c) facilitate the development of a nationally consistent approach to the access to, and the planning and funding of, supports for people with disability;
 - (d) promote the provision of high quality and innovative supports that enable people with disability to maximise independent lifestyles and full inclusion in the community;
 - (e) adopt an insurance-based approach, informed by actuarial analysis, to the provision and funding of supports for people with disability; and
 - (f) be financially sustainable.

Process and timing

13. The APR will commence in December 2023 and deliver updates and recommendations to the NDIA's Board, for implementation from 1 July 2024.

Key Dates

Date	Activity
January 2024	Release of 2023-24 APR Terms of Reference and Consultation Paper
Sunday 3 March 2024	Closing date for submissions to the 2023-24 APR Provider public consultation
Sunday 17 March 2024	Closing date for submissions to the 2023-24 APR Participant public consultation
June 2024	Announce results of the 2023-24 APR Release the 2024-25 NDIS Pricing Arrangements and Price Limits Release the 2024-25 price limits (after the Fair Work Commission's Annual Minimum Wage Decision expected in early to mid-June 2024)
1 July 2024	Implementation of the 2024-25 pricing arrangements

Further information

14. Further information on the Review is found on the NDIS website on the [Annual Pricing Review page](#).