# Western Australia Market Review

# Terms of Reference

## Overview

1. On 12 December 2017, the Prime Minister and Premier of Western Australia announced a new Bilateral Agreement for Transition to the National Disability Insurance Scheme (NDIS) in Western Australia.
2. As part of this transition, the National Disability Insurance Agency (NDIA) will review existing price controls and other market settings to determine whether they are appropriate for Western Australia. Specifically, the review will consider whether existing price controls and other market settings would support the sustainable, efficient delivery of disability goods and services to participants in Western Australia.

## Scope of the Review

1. The review will examine, through research and consultation with industry, community and government stakeholders:
   1. the state of the markets for the delivery of disability goods and services in Western Australia, including any substantial differences from the markets for the delivery of disability goods and services in other jurisdictions, including:
      1. labour costs in Western Australia, relative to other jurisdictions;
      2. the costs of delivering disability goods and services in Western Australia, and in remote areas of Western Australia, relative to other jurisdictions;
      3. the existing level of competition in the markets for the delivery of disability goods and services in Western Australia, and the efficiency of service providers in those markets, relative to other jurisdictions; and
      4. benchmarks for disability goods and services from related sectors in Western Australia (e.g. motor accident insurance; aged care), relative to other jurisdictions; and
   2. whether the existing NDIS support catalogue, and the price controls and associated rules set out in the NDIS Price Guide:
      1. would support the sustainable, efficient delivery of disability goods and services to participants in Western Australia;
      2. are appropriate for Western Australia (e.g. allowances for provider travel); and
      3. can accommodate existing Western Australian service delivery models (including innovative support options).
   3. whether any material differences that currently exist in the cost of delivering disability goods and services in Western Australia, relative to other jurisdictions, are likely to be sustained or transitory.
2. The Review will make recommendations on whether NDIS price controls and other market settings, including the recommendations of the NDIS Independent Pricing Review, are appropriate for Western Australia, or should be modified, including for transitory differences how quickly Western Australian arrangements should converge to those in other jurisdictions.
3. In framing its recommendations, the Review will be cognisant of the objects and principles of the NDIS, as set out in the *National Disability Insurance Scheme Act 2013*, including that the NDIS should:
   1. support the independence and social and economic participation of people with disability;
   2. enable people with disability to exercise choice and control in the pursuit of their goals and the planning and delivery of their supports;
   3. facilitate the development of a nationally consistent approach to the access to, and the planning and funding of, supports for people with disability;
   4. promote the provision of high quality and innovative supports that enable people with disability to maximise independent lifestyles and full inclusion in the community;
   5. adopt an insurance based approach, informed by actuarial analysis, to the provision and funding of supports for people with disability; and
   6. be financially sustainable.

## Process and timing

1. The WA Market Review was announced in December 2018 and recommendations will be delivered to the NDIA’s Pricing Reference Group in April 2019, for implementation from 1 July 2019.

Indicative Timeline

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| **Timeframe** | **Activities** |
| Jan 2019 | Consult and engage with stakeholders and develop discussion paper |
| Feb – Mar 2019 | Release discussion paper and invite responses |
| Apr – May 2019 | Pricing Reference Group considers responses and makes recommendations |
| Jul 2019 | Recommendations are implemented as part of the annual price review cycle for implementation for 1 July 2019 |

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