



Joint Statement:

The road to best practice NDIS pricing

Well-designed pricing and payment frameworks can improve participant outcomes, increase service quality and support NDIS sustainability.

Pricing decisions need to align incentives for participants, workers, providers, and government.

- **Participants** need pricing that enables them to get the right supports, at the right time from the right people.
- **Workers** need price settings that support secure ongoing employment, with wages that reflect the skills they bring on to this essential work.
- **Providers** need prices that reflect the true cost of delivering high quality services and enable them to invest in their workforce.
- **Everyone** needs a NDIS that delivers value for money, meets its objectives and enhances human rights.

We hear reports of price gouging, over-charging or over-servicing. At the same time participants cannot easily access information on quality and prices. Providers are increasingly concerned that they will not be able to provide supports under the current price caps set by the NDIA. Workers are feeling the impact of restrictive funding levels, resulting in less supervision and support, training and paid hours.

NDIS pricing and approaches to date have not responded to these issues and are failing to support sector sustainability, innovation in service delivery for participants or wage growth for workers.

The price is definitely not right

The NDIS Review final report recommends reform to pricing and payment frameworks to improve incentives for providers to deliver quality supports to participants (NDIS Review recommendation 11). This includes transitioning responsibility for advising on NDIS pricing to an independent authority.

As representative bodies, we welcome the government's early support of recommendations from the NDIS Review in the 2024 Budget to improve pricing approaches. We call on government to take the next steps and commit to work with people with disability and the sector to set the stage for a new era of transparent and independent NDIS pricing.

What is best practice pricing?

Pricing that supports quality services, consumer outcomes, a skilled and well-resourced workforce and a diverse and innovative provider market should:

- Be independent, transparent, fair and accountable.
- Explicitly incorporate consumer perspectives and outcomes in pricing decisions.
- Incentivise outcomes, such as community inclusion, service innovation, ongoing upskilling of the workforce.
- Recognise that participant support needs, where the support is delivered, and the skills needed and training required to deliver the support all matter.
- Support quality and safeguarding frameworks and continuous sector development and improvement to drive quality.
- Enable workforce attraction, retention and development through valuing the important work performed by workers and the resources needed to do this work well.
- Consider the industrial relations environment and support better working conditions and wage growth.
- Be data driven and evidence based. Price disclosure and accurate service cost data should support pricing and market efficiencies.

Why an independent pricing body?

Independence is a crucial element of best practice pricing.

The NDIA is currently responsible for setting prices and price rules. At the same time the NDIA must ensure that the NDIS is sustainable. Inevitably pricing becomes a tool to offset budget pressures rather than a vehicle to deliver quality, participant outcomes or ensure service availability.

The creation of a price regulator independent of the NDIA and government departments would bring NDIS price regulation in line with the approach adopted by health and aged care systems, essential services price regulators and international market leaders and respond to recommendations made by the Productivity Commission and the NDIS Review. A new independent NDIS price regulator would as a core function ensure that real-world data informs pricing decisions on an ongoing basis to support a sustainable, innovative and quality focused sector and workforce.