**FAQ – Market Approach (Statement of Opportunity and Intent)**

Q: Why has the NDIA produced the Market Approach?

A: The Market Approach responds to feedback that there is uncertainty around the roles and responsibilities which the Agency will undertake in the market. The Market Approach outlines that the Agency:

a. Seeks to create a new dynamic and non-inflationary market for disability supports that is equitable and sustainable;

b. Will adopt a risk-based, fair and minimalist approach to regulation; and

c. Has an important role as a market steward and that the NDIS Market Approach will identify key issues and themes and guide the Agency approach.

Q: What are the key things the Market Approach describes?

A: The Market Approach outlines:

1. How the Agency will define market-stewardship and how this affects providers;
2. The context of the NDIS and the subsequent opportunities for providers;
3. How the Agency will approach the market in relation to the supply of supports and services in the NDIS marketplace; and
4. The characteristics of the new NDIS Marketplace and how this changes the way providers will do business.

Q: Are there things that the Market Approach does not cover?

A: The Market Approach does not seek to address the following:

1. The approach to the ‘demand’ (participant) side of the market, which is addressed in the ILC Commissioning Framework; and
2. The post transition quality and safeguards arrangements of the scheme, which are being addressed by the Commonwealth Department of Social Services (DSS).
3. Market approaches that might apply after transition to full scheme is completed.

Q: Why is there a need for a market steward?

A: The Agency recognises that it will take time for the transition to a market-based approach to develop. The three year transition period will see a shift from a government welfare system to one where individuals choose their own supports and services, funding available more than double and replace a system that was recognised as fragmented and underfunded. In order for a successful transition, previous experience shows that there is a need for government to oversee the change.

Q: Did the Trials inform the development of the Market Approach?

A: Yes – The trials demonstrated that market mechanisms for the provision of disability support services can and do function. Trials have shown that:

* Growth in suppliers of disability support services – including sole traders and small to medium enterprises
* Gaps have been filled by new providers as well as providers from adjacent business sectors (e.g. sports, financial services, ICT etc.).

Q: This document seems to lack detail – what will the Agency do if a large provider collapses?

A: The Market Approach does not seek to provide “one size fits all” solutions to problems with demand or supply in the disability support market.

The Agency acknowledges that there is great diversity in demand and supply for disability support services across Australia (such as by geographic region, by remoteness classification, by disability types or by service types). Given there are many combinations and permutations, it is not possible to prescribe a market intervention for every scenario.

Rather, the Market Approach flags that the Agency will monitor the market for problems with demand and supply, assess and consider those problems, determine whether a response is required. The Market Approach provides guidance on a range of market interventions which the Agency may take, depending on the circumstances of each individual situation.

 Detailed responses for specific issues and risks are being documented, in line with this Market Approach, as part of the Market and Sector Working Arrangements being developed with each jurisdiction.