NDIS price increases for a sustainable and vibrant disability services market

30 March 2019

The Federal Government has today announced an increase to price limits for therapy, attendant care and community participation under the National Disability Insurance Scheme (NDIS), effective 1 July 2019. These price increases will inject more than $850 million into the NDIS market in 2019-20 so that NDIS participants can access the quality and innovative services and supports that meet their individual needs.

Minister for Families and Social Services, Paul Fletcher, and Assistant Minister for Social Services, Housing and Disability Services, Sarah Henderson said the new prices include a minimum increase of almost $11 per hour for therapists and up to a 15.4 percent price increase to the base limit for attendant care and community participation.

“We are committed to the development of a vibrant disability services market that enables NDIS participants to have genuine choice and control over the services and supports they need,” Mr Fletcher said.

“We have consulted widely with participants, providers and the sector to inform and implement these changes.

“These changes form part of the National Disability Insurance Agency’s (NDIA) annual price review to update prices that reflect market trends, costs in wages and other influences. It also responds to regular monitoring of markets and responding to emerging issues.

“These processes have identified the need to increase prices for attendant care and community participation and we are responding to that.

“Substantial increases to the hourly rates for therapy also follow a comprehensive review of the price control arrangements and other market settings for therapy services through December 2018 to March 2019.

“These price increases are part of an overarching pricing strategy and commitment to review and respond to pricing evidence as required, and will encourage the development of a disability services market of appropriate size, quality and innovation,” Mr Fletcher said.

Ms Henderson said providers of attendant care would also be eligible for an additional pricing boost through a temporary transformation payment.

“The Government recognises the transition to a competitive market may be difficult for some providers and the changes we are announcing today complement a broad range of initiatives to support that transition,” Ms Henderson said.

“With the NDIS well under way, demand for disability services is growing rapidly, with more than 90,000 new jobs to be created over the next five years.

“The changes are part of ongoing pricing considerations that will be communicated to the sector in coming months, including the outcomes from the WA Market Review, in the lead up to the implementation of the new 2019-20 prices, effective 1 July 2019,” Ms Henderson said.

Graeme Innes, one of two independent members of the NDIA’s Pricing Reference Group and the former Australian Disability Discrimination Commissioner, explained that the pricing changes were considered by the Pricing Reference Group over a number of meetings and were supported by a strong body of evidence.

“We endorse the changes because we are satisfied that the increases are reflective of the adjustment that is needed to address sector concerns and ensure participants continue to be supported in achieving their goals,” Mr Innes said.

In addition to the support of the NDIA Pricing Reference Group, Andrew Rowley, a member of the NDIA’s Industry Reference Group and Managing Director and CEO of Ability First Australia (AFA), a not for profit strategic alliance between 14 of Australia’s leading disability service providers also welcomed the price increases.

“AFA expects this will help encourage investment in attendant care and therapy supports amongst the members of Ability First Australia,” Mr Rowley said.

The NDIA’s Pricing Reference Group guides NDIS price regulation activities and decisions to support NDIS objectives during the transition to a competitive market place. The NDIA would continue to improve market and price settings, using benchmarking methodologies to guide the process.

For further information about these price changes please visit the 'Price guides and information' page.

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