

30 January 2026

Mr Josh Burns MP

Chair
Joint Committee of Public Accounts and Audit
Parliament House
Canberra ACT 2600

Via email: jcpaa@aph.gov.au

Dear Mr Burns,

Submission to the Joint Committee of Public Accounts and Audit: Inquiry into the Administration of the National Disability Insurance Scheme

I am pleased to provide the Australian Physiotherapy Association's submission to the Committee's inquiry into the administration of the National Disability Insurance Scheme. In support of this submission, we attach an independent review by the Nous Group of the National Disability Insurance Agency's 2024–25 Annual Pricing Review, with a particular focus on physiotherapy supports.

The Nous analysis presents a clear and evidence-based assessment of the current pricing framework. It identifies significant methodological weaknesses in the Annual Pricing Review and highlights a material misalignment between the NDIA's modelling assumptions and actual market conditions. This misalignment has direct implications for provider viability, workforce sustainability and participant access to essential supports.

These pricing concerns point to broader structural pressures within the Scheme's funding architecture. When pricing, planning and regulatory settings are not aligned with the realities of support delivery, the effects are felt quickly through reduced access, disrupted continuity of supports and, for many participants, a decline in functional capacity that increases demand on other parts of the health and social systems. A sustainable NDIS depends on pricing that is grounded in evidence and reflects the real cost of delivering safe, quality-assured supports. These issues sit squarely within the Committee's oversight of the Scheme's administration and financial stewardship.

Our submission outlines opportunities to strengthen the transparency, methodological rigour and governance of the Annual Pricing Review. These improvements would support a more stable provider market, enhance participant outcomes and reinforce the long-term financial sustainability of the Scheme. We offer this contribution in the spirit of constructive engagement and with a shared commitment to ensuring that the NDIS continues to deliver on its promise to people with disability.

The Australian Physiotherapy Association would welcome the opportunity to provide further evidence or analysis to assist the Committee in its deliberations.

Yours sincerely,



Dr Rik Dawson
National President

Submission to the Joint Committee of Public Accounts and Audit's inquiry into the administration of the National Disability Insurance Scheme

Introduction

The Australian Physiotherapy Association (APA) welcomes the opportunity to contribute to the Joint Committee of Public Accounts and Audit's inquiry into the administration of the National Disability Insurance Scheme. In response to the Committee's invitation of 28 November 2025, the APA provides this submission and attaches an independent review by the Nous Group of the National Disability Insurance Agency's 2024–25 Annual Pricing Review, with a particular focus on physiotherapy supports. This analysis is offered to support the Committee's examination of pricing integrity, market stewardship and the structural settings that shape the Scheme's long-term sustainability.

There is growing evidence that the pricing settings for physiotherapy supports reflect a broader pattern of structural pressures within the Scheme's funding architecture, rather than isolated anomalies. In practice, the price limits set by the Agency do not align with the time, regulatory requirements and clinical expertise needed to deliver safe and effective supports. This has created a persistent gap between what it costs to provide high-quality care and what the Scheme is prepared to fund. That gap affects access for participants, places pressure on provider viability and ultimately weakens the Scheme's ability to deliver the outcomes it was designed to achieve. These issues go directly to the Committee's examination of the administration of the Scheme, the integrity of the Annual Pricing Review process and the effectiveness of the NDIA's stewardship of the provider market.

Policy settings have increasingly centred on expenditure projections rather than the actual cost drivers of support delivery. This has resulted in cost-containment measures that limit access to supports instead of addressing inefficiencies in pricing, planning design or service pathways. These pressures have direct consequences for Scheme sustainability, particularly when foundational supports such as physiotherapy are under-priced and participants are unable to maintain functional capacity. The downstream impact is felt across the health and social systems, where avoidable deterioration leads to higher and more complex costs.

Areas of the Inquiry relevant to this submission

To frame the APA's contribution, this submission responds directly to the areas identified in the Committee's media release announcing the inquiry. In particular, the Committee has indicated it will examine:

- the management of financial sustainability risks, including claimant and provider compliance with NDIS claim requirements
- the monitoring, measurement and reporting of NDIA performance
- the regulatory performance of the NDIS Quality and Safeguards Commission
- the Department of Health, Disability and Ageing's policy advice to government

The APA's submission focuses on the first two of these areas, where pricing settings, market stability and NDIA performance reporting directly intersect with physiotherapy service delivery. These are the domains where the APA holds strong evidence and can make a constructive, credible contribution to the Committee's work.

1. APR methodology and NDIA performance reporting

The Annual Pricing Review is the mechanism through which the Agency demonstrates that pricing reflects the real cost of delivering safe, high-quality supports. The current methodology falls short of this task. It relies on narrow data inputs, outdated benchmarks and modelling assumptions that do not reflect the complexity of NDIS support delivery environments.

These weaknesses compromise governance, distort performance reporting and weaken financial accountability. The consequence is a pricing framework that does not describe the market it is intended to regulate. It masks emerging fragility, understates the cost of delivering regulated supports and creates a false sense of efficiency.

The Agency has indicated that improvements to the APR are underway, but the next Review cycle is already in progress and physiotherapy still lacks an agreed, evidence-based cost foundation. Without a credible cost basis, contemporary benchmarks or transparent methodological settings, the Review cannot produce reliable pricing decisions. The Scheme is effectively being asked to reform on top of assumptions that do not reflect the real cost of delivering physiotherapy supports. Until this foundation is corrected, the APR cannot fulfil its role as a credible mechanism for pricing or market stewardship.

The APA submits that transparency and accountability would be strengthened if the NDIA published the data sources, modelling assumptions and parameters underpinning the Annual Pricing Review, including session-length assumptions.

2. Pricing settings and systemic market risk

A sustainable NDIS depends on a stable provider market. Current pricing settings are eroding that stability. Price limits do not reflect regulatory obligations, workforce pressures or the complexity of delivering supports to participants with higher needs.

Providers are withdrawing, service availability is tightening and participants are experiencing delays and reduced continuity of supports. These pressures have predictable financial consequences. When foundational supports are under-priced, participants lose function, require more intensive interventions and place greater demand on hospitals, informal supports and other systems.

Cost containment at the point of pricing becomes cost escalation elsewhere. A more robust pricing framework is essential to reversing this trend.

The APA submits that an independent methodological review of the Annual Pricing Review would provide a more reliable foundation for future pricing decisions and support more effective market stewardship

3. Physiotherapy pricing and evidence of market misalignment

The Nous Group review identifies a clear misalignment between the NDIA's physiotherapy price limit and actual market conditions. The assumption of a 45-minute session length, despite a 30-minute market norm, artificially suppresses hourly rates and distorts the Agency's understanding of the cost of delivering physiotherapy supports.

The 2025–26 price limit of 183.99 dollars per hour sits well below independent market evidence, which places the seventy-fifth percentile between 215 and 259 dollars per hour. Private health insurance data shows a seventy percentile equivalent of 236.50 dollars per hour.

This gap is significant. It affects provider viability, workforce retention and participant access to essential supports.

The APA submits that the physiotherapy price limit warrants reconsideration, consistent with the findings of the Nous Group review, to ensure alignment with market conditions and sustainable support delivery.

4. Implementation of review recommendations

The findings highlight the importance of embedding independent expertise into pricing decisions. Transparent justification for any departure from expert advice would strengthen confidence in the pricing framework and ensure decisions are grounded in evidence rather than administrative convenience.

The APA submits that pricing governance would be strengthened by a formal requirement to incorporate independent expert advice, or to provide transparent justification where alternative approaches are adopted.

5. Restoration of fair and sustainable travel pricing

The 2024–25 NDIS Annual Pricing Review's abrupt reduction in travel reimbursement has created significant barriers to service delivery. These changes were introduced with insufficient consultation and minimal notice, forcing physiotherapy providers to adapt quickly to cuts while grappling with rising costs, all after a six-year price freeze. This rapid shift has placed undue stress on an already strained workforce and undermines best practice, which is explicitly endorsed by NDIS guidance. Delivering therapy in natural settings, such as participants' homes or communities, is critical to achieving meaningful outcomes, particularly for those who struggle with mobility or are unable to travel due to their disability or other barriers.

In the Northern Territory, where access to services is already limited, these cuts have had devastating effects. For example, Groote Eylandt, which has the highest known prevalence of Machado-Joseph Disease (MJD) per capita globally, relied on fortnightly outreach visits for participants. MJD causes progressive loss of mobility, speech, and independence, and without regular, on-country physiotherapy, these individuals now face worsening health outcomes. The necessary outreach across Groote Eylandt and five Homelands has ceased due to the unsustainable economics of travel under the new pricing structure.

A recent survey of APA members revealed that close to 50 per cent had reduced or ceased travel outreach services in the past six months because of the new pricing limits. Without urgent action to restore fair travel compensation, these cuts will continue to undermine the accessibility, quality, and equity of services under the NDIS.

Moreover, there is no evidence that the NDIA is actively monitoring the impact of these changes on access, nor any evidence of meaningful engagement with the provider sector to gather feedback. The current NDIS Annual Pricing Review consultation on pricing explicitly excluded feedback from providers on travel pricing, despite asking participants to provide input. This lack of consultation and oversight risks further deterioration of service delivery in the communities that need it most.

The APA submits that travel should be funded as a standalone item to ensure equitable access to services across metropolitan, regional, and remote areas.

Conclusion

Taken together, the evidence demonstrates that the current pricing architecture is not supporting a stable or sustainable provider market. The misalignment between pricing settings, support complexity and quality expectations is contributing to reduced access, workforce pressures and avoidable escalation of participant needs. Our members see this misalignment every day in the support environments they work in, where pricing constraints limit the ability of participants to maintain function and engage effectively with the supports they are funded to receive.

The Annual Pricing Review, in its current form, does not provide a reliable foundation for pricing decisions or performance oversight. Its methodological limitations and lack of transparency weaken confidence in the pricing framework and obscure the real conditions shaping support delivery across the Scheme.

Strengthening the methodological integrity, transparency and governance of the APR would support a more stable provider market, improve participant outcomes and contribute to the long-term sustainability of the Scheme. A pricing framework grounded in evidence, contemporary practice and clear accountability is essential to enabling participants to maintain function, build capacity and realise the benefits of the supports they are funded to receive.

The Australian Physiotherapy Association would welcome the opportunity to provide further evidence to assist the Committee.

Attachment 1

Nous Group Review of the 2024-25 APR with respect to physiotherapy

Australian Physiotherapy Association
21 October 2025