

Hourly rate for the provision of physiotherapy services

Australian Physiotherapy Association

17 September 2025



Nous Group acknowledges Aboriginal and Torres Strait Islander peoples as the First Australians and the Traditional Custodians of Country throughout Australia. We pay our respect to Elders past and present, who maintain their culture, Country and spiritual connection to the land, sea and community.

This artwork was developed by Marcus Lee Design to reflect Nous Group's Reconciliation Action Plan and our aspirations for respectful and productive engagement with Aboriginal and Torres Strait Islander peoples and communities.

Disclaimer:

*Nous Group (**Nous**) has prepared this report for the benefit of APA (the **Client**).*

The report should not be used or relied upon for any purpose other than as an expression of the conclusions and recommendations of Nous to the Client as to the matters within the scope of the report. Nous and its officers and employees expressly disclaim any liability to any person other than the Client who relies or purports to rely on the report for any other purpose.

Nous has prepared the report with care and diligence. The conclusions and recommendations given by Nous in the report are given in good faith and in the reasonable belief that they are correct and not misleading. The report has been prepared by Nous based on information provided by the Client and by other persons. Nous has relied on that information and has not independently verified or audited that information.

© Nous Group

Executive Summary

Disclaimer: The APA does not set or recommend fees. This information is published to inform members and stakeholders of typical service delivery costs and economic value of physiotherapy based on independent research. Members should set their fees independently.

Background and context

Physiotherapy plays a vital role in Australia's health system and significantly contributes to Australia's health and wellbeing. The 47,500 physiotherapists¹ in Australia deliver significant economic value by improving client outcomes, reducing the need for more expensive medical interventions² and enhancing social and financial health and productivity.³

It is essential physiotherapy fees are sustainable and value-based to ensure the physiotherapy profession can continue to contribute to Australia's health and wellbeing. However, understanding the value of services and the local market and setting fees is complex and influenced by multiple factors. This includes:

- Physiotherapists support patients or clients with many different conditions with varying needs, including multi modalities, requiring different therapeutic approaches and expertise.
- Services are paid or funded in many ways including by private consumers, private consumers with health insurance rebates, consumers whose services are compensated by a scheme such as the National Disability Insurance Scheme, workers compensation or motor accident insurance schemes, and consumers entitled to Medicare rebates.
- Practices and physiotherapists operate in a variety of markets with costs of providing services and local competition from other practices and other allied health professions varying by location.

Currently fees for physiotherapy services in some settings and compensable schemes do not meet the costs of providing those services to pay salaries that attract and retain physiotherapists. Frequently fees in compensable schemes are below that of other allied health professions, despite the distinctive scope and value of physiotherapy. They are also often below fees charged to private patients despite patients in many schemes having more complex needs and more frequently multi-morbidities than private patients. These low fees are creating sustainability concerns in two forms; unsustainable working conditions for physiotherapists and unsustainable business models (i.e. profits) for physiotherapy practices.

Furthermore, the approaches to pricing services and valuing physiotherapists' expertise are not well-defined in the private sector, private health insurer rebates or compensable schemes. Ad-hoc approaches to pricing create confusion for stakeholders on the value of services and the fees required to ensure individual practices, and the sector, are sustainable.

To address these challenges, there needs to be an evidence-based framework that can be applied across different contexts of funding and service provision and signal to government the true cost and value of physiotherapy. This could come in the form of a guidance on a sustainable and value-based hourly rate and loadings for the provision of physiotherapy services (guidance on an hourly rate), backed with a strong and independent evidence base. This report provides this guidance and supporting evidence.

Approach and methodology

APA engaged Nous Group (Nous) to provide guidance on a sustainable and value-based hourly rate and associated loading for skill levels, experience, qualifications and location to support members to identify sustainable fees. Our approach considered the following contextual factors:

¹ Ahpra Physiotherapy Board reported over 47,500 registered physiotherapists; National Registration Data, December 2024, <https://www.physiotherapyboard.gov.au/About/Statistics.aspx>. In addition in 2025, the Australian Physiotherapy Association (APA) has 34,631 members.

² For example, keeping participants out of health and residential care facilities.

³ For example, preventing hospital admissions and reducing emergency department presentations, reducing strain on health systems. It also increases workforce safety and efficiency through physiotherapists who are responsible for manual handling and respiratory management training and safety.

- **Rates should reflect value and support practice sustainability:** Physiotherapy services deliver significant value to the Australian healthcare system by improving quality of life for patients and avoiding other healthcare costs for patients, government and insurers. To incentivise physiotherapists and practices to continue to provide services, fees must enable sustainable, attractive and competitive salaries and working conditions and ensure sustainable business models.
- **There is a gap between what consumers currently pay and what is required to ensure viability of the sector:** There is considerable variation in physiotherapy fees, depending on consumer type. Compensable schemes often pay less for physiotherapy than private consumers despite often supporting more complex patients. Fees in compensable schemes are also typically less than other comparable allied health professions.
- **Sustainability should be the primary objective for all physiotherapists when setting fees:** As a bare minimum, physiotherapy practices across Australia need to be sustainable to encourage new practices to enter the market and existing practices to continue to deliver physiotherapy services.

A sustainable and value-based hourly rate for standard physiotherapy services

Our analysis suggests an appropriate hourly rate for physiotherapy in Australia is \$261. This should be supported with loading for additional qualifications, experience or location to simplify messaging to the sector, funders (e.g. compensable schemes) and private clients.

Hourly rate:	\$261
--------------	-------

Physiotherapist practices or physiotherapists may charge higher rates, or loading, based on different pricing elements as outlined in Table 1, below.

Table 1 | Loading for physiotherapy services

PRICING ELEMENT	LOADING
Length of session	The rate should be applied to the length of the session e.g. \$130.50 for 30 minutes.
Years' experience	\$300 per hour for physiotherapists with extensive experience.
Titling or equivalent	\$313 per hour APA titling or equivalent qualification.
Specialisation	\$365 per hour for APA specialisation.
Regional, rural and remote locations	\$313 per hour for compensable schemes in rural and remote locations. Loading should vary to reflect additional costs of delivering services in the location.
Non-client time	Fees for non-client time, such as travel and reporting, should apply the hourly rate of a physiotherapist with the appropriate experience and qualifications. Where non-client time cannot be charged, it should be accounted for in a practice's business model.

Implementing the hourly rate

The hourly rate and loading are intended as guidance for practices and physiotherapists. Each physiotherapist or practice should consider their own circumstances and apply an hourly rate and loading that is appropriate to their needs.

APA can take several actions to support greater awareness of the cost and value considerations that inform pricing decisions for physiotherapy services:

1. Educate physiotherapists and practices on an evidence-based approach to pricing.
2. Continue to build the evidence base for the hourly rate and loading.
3. Continue advocacy for compensable schemes to set sustainable and value-based rates.
4. Better understand willingness to pay of consumers.
5. Support increased public understanding of the value of physiotherapy services.

Annual review approach

Guidance on an hourly rate and loading needs to be updated regularly by APA to reflect changes in the physiotherapy sector. This is essential to ensure the hourly rate and proposed loading continue to support sustainable and value-based pricing for physiotherapy services in Australia.

Two questions should be explored as part of the annual review process each year:

1. Does the hourly rate and loading still deliver on their purpose? This should consider changes in cost inputs (such as salaries) and sector trends in attraction, retention and professional development.
2. What else can be done to further enhance sustainability of the physiotherapy sector? This should consider the value delivered by physiotherapy services, including comparatively to other health professions.

Further information on background and context and the review's approach and methodology is included on the subsequent pages.

1 Background and context

Currently, the physiotherapy profession lacks a collective, evidence-based methodology for determining an hourly rate for physiotherapy services. This absence contributes to unsustainable fees across the sector, undermining both the sustainability of physiotherapy practices and equitable access to care.

To address these challenges, there needs to be:

- An evidence-based reference framework that can be applied across different contexts of funding and service provision. The guidance needs to acknowledge the nuance within the sector and align with the value delivered through service provision.
- Sustainable fees across the sector to signal to government the true cost and value of physiotherapy.⁴ The current push for 'harmonisation' is driving fees downward and threatening sector sustainability. Rates need to draw on accurate cost assumptions and sustainable pricing models that reflect market complexity.

An evidence-based hourly rate and options for loading can help address these challenges.

Physiotherapy plays a vital role in Australia's health system

Physiotherapy significantly contributes to Australia's health and wellbeing. The reach of physiotherapy is shown by the size of the profession; 47,500 physiotherapists at the end of 2024.⁵

Physiotherapy delivers significant economic value by:

- improving client outcomes
- reducing the need for more expensive medical interventions⁶
- enhancing overall social and financial health and productivity.⁷

However, setting fees for physiotherapy services is complex and influenced by multiple factors

The absence of adequate Medicare coverage, numerous compensable schemes, many private health insurance providers, and varying client financial capacity contribute to a pricing approach that does not reflect the service and expertise of many physiotherapists. This includes:

- **Individual providers in private practice** who set fees based on experience, market competition, and a desire to ensure accessibility to physiotherapy for all Australians. Providers have varying levels of experience and knowledge of pricing forces.
- **Government compensable and insurance schemes** who don't apply a consistent approach to determining fees. They typically prioritise scheme sustainability over compensating providers for the clinical expertise and the time required to meet the needs of clients and lack flexibility for individual complexity and multi-morbidities. Many schemes, such as NDIS and DVA, do not permit a gap fee.
- **Private health insurers** who influence pricing through rebate matrices and preferred provider programs, which often result in lower fees in exchange for client volume. Their motivations are primarily to keep membership and fees low for their members and are less concerned about sector sustainability.
- **Competing disciplines** who contribute major threats through skills overlap, imitation of scope and substitution of physiotherapy services through emerging disciplines. These threats are proliferated by

⁴ Nous is currently supporting APA to review the 2024-25 NDIA Annual Pricing Review (APR). This will consider the suitability of the methodology and the appropriateness of MBS and PHI data used to determine prices.

⁵ Ahpra Physiotherapy Board reported over 47,500 registered physiotherapists; National Registration Data, December 2024, <https://www.physiotherapyboard.gov.au/About/Statistics.aspx>. In addition, in 2025 APA has 34,631 members

⁶ For example, keeping participants out of health and residential care facilities.

⁷ For example, preventing hospital admissions and reducing emergency department presentations, reducing strain on health systems. It also increases workforce safety and efficiency through physiotherapists who are responsible for manual handling and respiratory management training and safety.

limited consumer understanding of the most appropriate service for their health needs and often lead to lowering rates to compete with other disciplines.

Current fees in many cases do not meet the costs of providing services. Fees are often lower than other allied health professions despite the distinctive scope of physiotherapy.

Many compensable schemes pay below the cost of delivering physiotherapy services. Physiotherapy practices often must choose to either not accept clients from compensable schemes with low rates (and consequently deny some people access to physiotherapy) or cross-subsidise losses through higher rates to private clients. Where practices choose to cross-subsidise losses, this creates a significant risk in two ways, it:

1. creates unsustainable businesses with low profits because, even when they charge high fees to private clients to offset losses from compensable schemes, they still can't charge enough overall to achieve sustainability.
2. incorrectly implies to funders that rates set by schemes are sustainable.

Fees often do not reflect the distinctive scope of physiotherapy. Australian physiotherapy profession employs a tiered model equivalent to the CanMeds Framework used in the medical field. Physiotherapy training pathways stand out in the realm of Allied Health due to the existence of a specialised career pathway leading to recognition as a Specialist Physiotherapist. This distinctive scope of physiotherapy should set it apart from other allied health professions through premium pricing. However, physiotherapy fees in compensable schemes are often lower than other professions. There is no compelling, evidence-based reason for the consistently lower fees. However, stakeholders said potential reasons are⁸:

- Other professions have lobbied governments and insurers more successfully for higher fees.
- A higher amount of non-client-facing time in other professions.⁹
- The volume of physiotherapy services and their representation in the schemes (i.e. a percentage increase in rates has a more significant impact on overall scheme costs than smaller professions).

Table 2 and Figure 1 overleaf provide two examples of schemes where hourly rates for a standard physiotherapy service in 2024-25 were lower than other allied health professions with the exception of exercise physiology in NDIS. This highlights the urgent need for an evidence-based pricing framework that reflects the true value of physiotherapy services.

⁸ Stakeholders shared varying views on the reason for differences in price and there is no evidence to support or oppose this finding, other than the third reason on the volume of physiotherapy in the schemes.

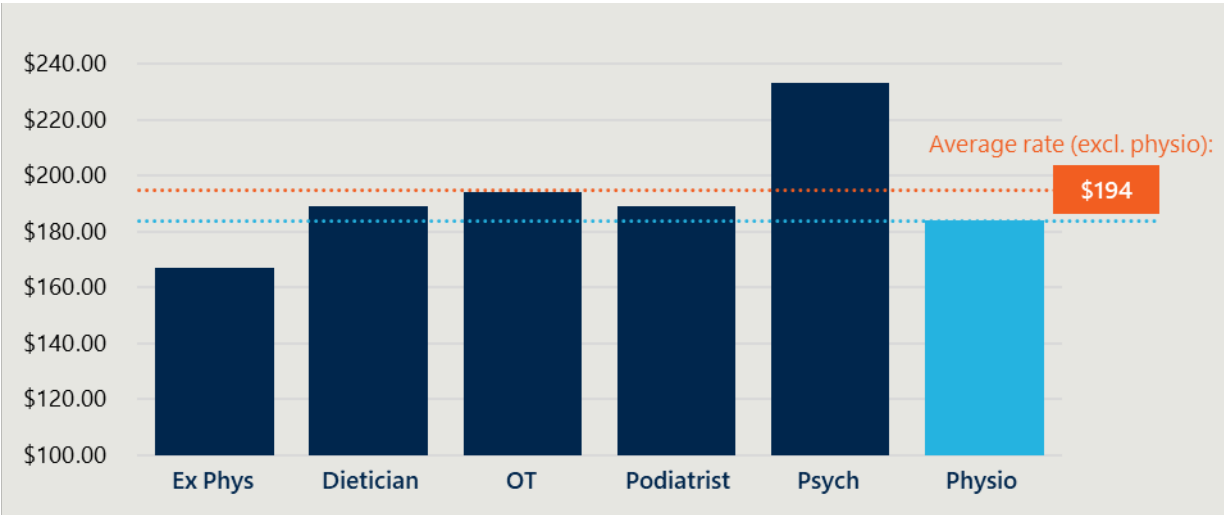
⁹ For example, a comparative study in stroke rehabilitation units across four European countries found that physiotherapists consistently spent a higher proportion of their day on therapeutic activities (direct patient care) than occupational therapists (OTs). OTs allocated more time to non-therapeutic activities, such as administration and coordination. Source: Putman, K. *et al.* (2006) 'Use of time by physiotherapists and occupational therapists in a stroke rehabilitation unit: A comparison between four European rehabilitation centres', *Disability and Rehabilitation*, 28(22), pp. 1417–1424. doi: 10.1080/09638280600638216.

Table 2 | Hourly rates for a standard service in Comcare 2024/25¹⁰

	Comcare
Chiropractor	196
Exercise physiologist	176
Occupational therapist	206
Osteopath	235
Physiotherapy	172
Psychologist	268

Changes to NDIS pricing, came into effect on July 1, 2025, and are reflected in Figure 1. Physiotherapy rates have been standardised nationally and the new rate, \$183.99 is a reduction of \$10-\$40 depending on the state or territory) in the maximum rate charged for physiotherapy services through the NDIS. Rates for other allied health professions, except for podiatrists and dieticians, remain unchanged or have increased.¹¹

Figure 1 | National maximum hourly rates for a standard service in 2025/26 (NDIS)



Current sector challenges are unsustainable for individual physiotherapists and practices

Sustainability challenges in the sector come in two forms; unsustainable working conditions for physiotherapists; and unsustainable business models (i.e. profits) for physiotherapy practices.

There is a significant gap in what physiotherapists think they should be earning and what they actually earn. Respondents of a 2025 APA member survey said base salaries for physiotherapists with five to ten years’ experience should be, on average, \$127,300. However, respondents also said, based on their experience as a physiotherapist or experience as an employer, a physiotherapist with five to ten years’ experience currently earns an average of \$105,600.¹²

Stakeholders said to compensate for lower wages, physiotherapists often take on increased workloads to earn a sustainable income. This takes two forms; some physiotherapists work more hours to generate more revenue and some take on more administrative duties instead of hiring administrative support.

¹⁰ Hourly rate data taken from Comcare (<https://www.comcare.gov.au/service-providers/medical-allied-health/treatment-rates>),
¹¹ NDIS 2024-2025 Annual Pricing Review data: <https://www.ndis.gov.au/providers/pricing-arrangements/making-pricing-decisions/annual-pricing-review>
¹² APA member pulse survey data, n=301 (May 2025). More details on survey data available in Appendix C.

The increased workload contributes to burnout and unsustainability for individual physiotherapists. This can be seen in the 19 per cent of physiotherapists who intend to leave the profession in the next five years.¹³ Low wages also further proliferate structural inequality by placing additional burden on physiotherapists, who work part time and are frequently primary care givers, to work longer hours to earn a sustainable income. In many cases this has a disproportionate impact on women. 2023 APA Workforce Census data found that 76 per cent of male respondents were employed on a full-time basis, compared to 52 per cent of women.¹⁴

In addition, the sector is seeing an increasing shift towards shorter-term career paths for physiotherapists. Many reach the perceived 'top' of their scope of practice and leave the sector due to lack of opportunities. APA 2023 workforce census data found that of the respondents considering leaving physiotherapy in the next five years, 24 per cent stated 'lack of career progression' as their reason why.¹⁵

Likewise, many physiotherapist practices face challenges of sustainability. Stakeholders said that low profit margins discourage physiotherapists from investing in establishing new practices and encourage them to 'sell' and exit the sector. In addition, low margins have flow on effects to how the practices are operated. Stakeholders said low margins prevent practices from investing in development and training of their staff, impacting employee satisfaction and risking quality and safety of care.

Sustainability is threatened further by impending cost pressures for practices. The Fair Work Commission announced provisional wage increases under the Health Professionals and Support Services Award 2020 (HPSS) – an award that covers the majority of employees in the private sector. Stakeholders said the increase could be up to 30 per cent for physiotherapists and is likely to increase for entry-level employees (such as new graduates) more than senior roles.¹⁶ There are also rising expectations of quality and safety alongside increasing regulation. This will likely contribute to lower utilisation for physiotherapists and increase the burden of senior practitioners to spend more time mentoring others. It can also result in additional costs associated with relevant accreditation or training, compounding pressures in a context where there is already a lack of incentivised supports for physiotherapy (such as teaching or placement payments).

In addition, stakeholders have said lack of compensation for APA titling or specialisation discourages physiotherapists from investing in further training and qualifications. APA titling is a formal recognition awarded by the Australian College of Physiotherapists (ACP) to physiotherapists who have demonstrated advanced expertise and experience in a specific area of practice. It signifies a high level of clinical knowledge and professional development. APA specialisation is a credential also awarded by the ACP and represents the highest level of clinical expertise and leadership in a particular field of physiotherapy.

Titling and specialisation support physiotherapists to further advance skills to be able to treat more complex clients and treat clients more effectively and efficiently. The lack of a higher salary or financial incentives for additional study discouraged approximately 45 per cent of physiotherapists from undertaking further physiotherapy study.¹⁷ The lack of support for advanced skill acquisition has significant impacts beyond titling and specialisation, on the profession and consumers in the broader health system.

Physiotherapists and physiotherapy practices should be adequately compensated for the value they deliver to Australian society. Viable and sustainable business models and working conditions are essential for continuing to have high quality physiotherapy available in Australia.

Fees are not consistently structured to reflect the value that is being delivered

The approaches to setting fees and valuing physiotherapists' expertise are not well-defined in private practices and compensable schemes. As shown in Table 2 above, physiotherapy rates in compensable schemes differ from other professions without clear justifications as to why.

¹³ This is mainly driven by inadequate remuneration, burnout and a lack of career progression. Source: Australian Physiotherapy Association, 2023 Workforce Census, November 2023, https://australian.physio/sites/default/files/advocacy/APA_2023_Workforce_Census_Report_FA_May24.pdf

¹⁴ Ibid

¹⁵ Ibid 12

¹⁶ Australian Physiotherapy Association, Gender-based undervaluation – priority awards review, April 2025, <https://australian.physio/advocacy/gender-based-undervaluation>

¹⁷ Ibid 12

The absence of an evidence-based approach to rate setting has led to a sector-wide trend of unsustainable fees and inconsistencies in the perceived value of services. This sits across multiple stakeholders:

- **Private consumers** often do not understand the value of physiotherapy services and the additional value derived from titling, specialisation or experience. Some consumers also perceive other allied health professions (such as chiropractors or exercise physiologists) as 'comparable services', placing further pressure on physiotherapy fees to compete with a larger supply of alternatives to consumers.
- **Practices** often do not understand how to communicate the value of their services and how they can reflect this in their fee schedules. This idea has been reinforced by key sector stakeholders, particularly raising concerns for the impacts on early career physiotherapists who lack the confidence or experience to set sustainable fees.
- **Compensable schemes** also demonstrate limited understanding of levels of qualification or titling through the lack of rate matrices. Some schemes acknowledge specialisation and complexity by setting different fees for appointment type; however, this is inconsistent and varies across jurisdictions and individual schemes.

An evidence-based approach to calculating an appropriate loading could help to address the confusion, support sector sustainability and create better understanding of the relative value of experience and knowledge. Loading should consider several different approaches that reflect cost and value. Table 3 below summarises each approach, their benefits and risks.

Table 3 | Options for different approaches to applying loadings to the hourly rates

Pricing element	Benefits and reasons for use	Potential risks
Level of qualification, titling and specialisation	<ul style="list-style-type: none"> • Provides career pathways. • Promotes working to scope. • Reflects and encourages individual physiotherapist investment (time and money) in education and specialist skills. • Attracts clients seeking tailored expertise and better outcomes. • Recognises the operational reality of physiotherapists with additional qualifications or specialisation often having higher salaries. 	<ul style="list-style-type: none"> • May de-value standard care. • Some consumers may not understand the value of, and be willing to pay for, qualifications and specialisation.
Years' experience	<ul style="list-style-type: none"> • Rewards accumulated expertise. • Provides career pathways. • Encourages retention of experienced practitioners. • Recognises the operational reality of more experienced physiotherapists often having higher salaries. 	<ul style="list-style-type: none"> • Years' experience does not always align with expertise or capability. • Could undervalue early career professionals. • Risks overemphasising tenure over capability.
Location	<ul style="list-style-type: none"> • Accounts for cost-of-living differences. • Responds to shortage of supply in some areas. • Higher fees can increase perception of value in more affluent areas. 	<ul style="list-style-type: none"> • Creates extra complexity for companies with practices in multiple locations. • Could penalise consumers in rural areas who may not have higher capacity to pay.

There is work under way to increase rates across the sector

Profession-wide and individual efforts are also encouraging a sector-wide shift. For example, volunteers are supporting advocacy through data collection and preparing submissions for government agencies (such as IHACPA and DVA), that are reflective of sector needs. These efforts rely on funder decision making and receptiveness to achieve change.

An independent evidence base should continue to be developed to inform hourly rates and support negotiations

Nous has been engaged to report on an appropriate hourly rate and associated loading that reflects skill levels, experience and qualifications within the profession to ensure financial sustainability of physiotherapy. APA proposed developing a guidance on an hourly rate, for the purposes of:

- Generating discussions of sustainability and value of physiotherapy services.
- Supporting advocacy efforts by having an hourly rate that can be shared with consumers and funders.
- Providing guidance for members of the profession who do not have the knowledge, confidence or experience to determine their own rates.

It is crucial it captures the complexity of funding matrices and the breadth of the sector. It must also be supported by clear evidence and rationale to support implementation.

Hourly rates and loading should be tested with and informed by the sector

As part of developing the hourly rates, Nous surveyed and consulted with sector leaders. Feedback provided indicated the hourly rates and loading proposed in this report are sustainable and align with best practice approaches to pricing physiotherapy in private practice and government schemes.

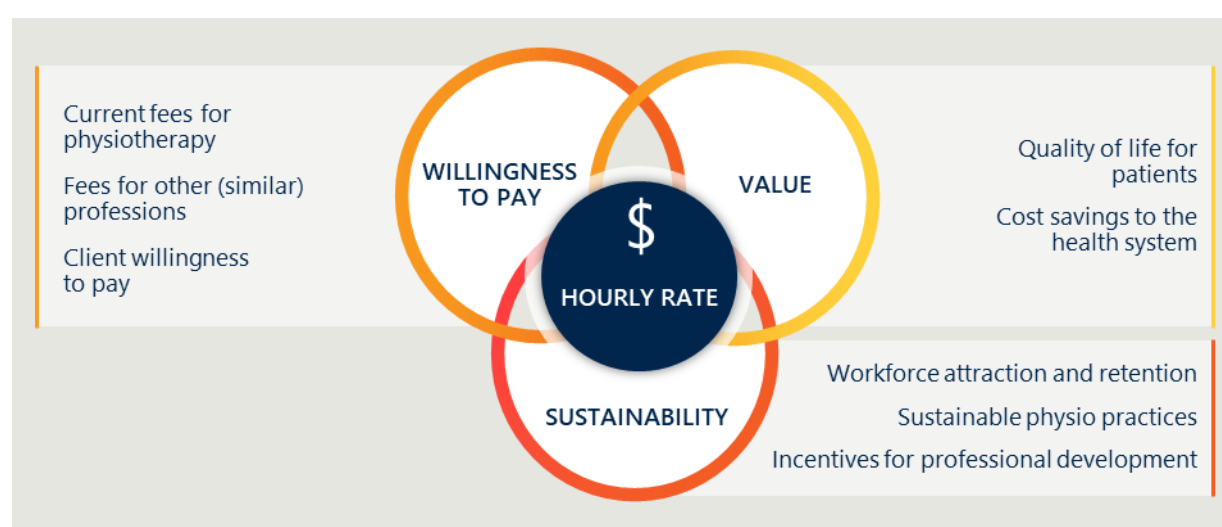
2 Approach and methodology

Considering appropriate hourly rates requires consideration of fee, sustainability and economic value

Nous' approach (outlined in Figure 2) to developing hourly rates and loading considers:

1. **Willingness to pay:** what is currently paid for the provision of physiotherapy services across Australia?
2. **Sector sustainability:** what are the cost base and profits required to create a sustainable sector?
3. **Value of services:** what is the perceived and real value delivered by physiotherapy services?

Figure 2 | Nous framework for determining hourly rates and loading for the provision of physiotherapy services



The framework was applied over three stages

Nous used this framework to develop the hourly rate across three stages as outlined in Table 4. Nous regularly tested emerging content and insights with APA throughout the project.

Table 4 | Outline of Nous' approach

STAGES	KEY ACTIVITIES
Stage 1 Understanding current state	<ul style="list-style-type: none"> ▶ Reviewed existing fee schedules and survey responses to develop understanding of the current pricing and matrices. ▶ Reviewed documentation and engaged APA to understand sector priorities. ▶ Gathered data on costs, fees and profit margins of physiotherapy practices for scenario modelling.
Stage 2 Testing current state against the intended future state	<ul style="list-style-type: none"> ▶ Tested understanding of current state and desired future state with key stakeholders through: an APA member survey, virtual roundtables with sector representatives, continuous testing with APA project team. ▶ Tested pricing scenarios to understand the impact of changes in profits and salaries on fee.
Stage 3 Developing the hourly rate and loading	<ul style="list-style-type: none"> ▶ Consolidated findings into an hourly rate and associated loadings that embeds priorities for the sector in the context of the current situation.

About this report

This executive summary forms part of a larger evidence-based report developed by Nous Group for the Australian Physiotherapy Association (APA), which provides comprehensive analysis and detailed findings on sustainable physiotherapy rates in Australia.

Following a comprehensive legal review to ensure compliance with competition and consumer laws, the APA determined that certain elements of the report—including the full methodology, margins and underlying pricing data—must remain confidential to operate in accordance with the Australian Competition and Consumer Act 2010.

The APA leadership team has endorsed releasing the executive summary report in its current form to safeguard all parties while ensuring this valuable resource can be safely used by members and the broader market.

This executive summary is provided to support members to make informed business decisions strengthen the sustainability of their practice models.

Additionally, the APA will use this evidence-based research to engage with policy makers and key stakeholders, advocating for recognition of sustainable hourly rates that reflect the true value and costs of delivering quality physiotherapy services across Australia. This dual approach ensures members have access to critical information while strengthening the profession's voice in policy discussions that impact the sustainability of physiotherapy practice.

Contact

Nous Group

nousgroup.com/contact-us

Australian Physiotherapy Association

australian.physio/contact-us