

Fair Work Commission – Gender Undervaluation Priority Awards Review

Submission by the

Australian Physiotherapy Association

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Acknowledgement of Traditional Owners

The APA acknowledges the Traditional Custodians
of Country throughout Australia and their
connections to land, sea and community.

We pay our respect to their Elders past and present
and extend that respect to all Aboriginal and
Torres Strait Islander Peoples today.

About the Australian Physiotherapy Association

The Australian Physiotherapy Association's (APA) vision is that all Australians will have access to quality physiotherapy, when and where required, to optimise health and wellbeing, and that the community recognises the benefit of choosing physiotherapy. The APA is the peak body representing the interests of Australian physiotherapists and their patients. It is a national organisation with state and territory branches and specialty subgroups.

The APA represents more than 34,000 members. The APA corporate structure is one of a company limited by guarantee. The APA is governed by a Board of Directors elected by representatives of all stakeholder groups within the Association.

We are committed to professional excellence and career success for our members, which translates into better patient outcomes and improved health conditions for all Australians. Through our National Groups we offer advanced training and collegial support from physiotherapists working in similar areas.

Introduction

The Australian Physiotherapy Association (APA) welcomes the opportunity to support the Fair Work Commission's ('the Commission') review of gender-based pay inequities under the Health Professionals and Support Services (HPSS) Award.

In our earlier [submission](#)¹, the APA reaffirmed its strong commitment to gender pay equity and advocated for appropriate wage increases for physiotherapists. We emphasised the importance of broader structural reform to meaningfully readdress historical undervaluation of the profession—a disparity that has disproportionately impacted a female-dominated workforce.

We encouraged the Commission to consider the funding context within which physiotherapists operate, as this has a direct bearing on wage setting and sustainability. To support an equitable and practical outcome, we recommended that wage increases be introduced via a staged transition process—one that protects the financial viability of physiotherapy practice and ensures continued access to essential patient care throughout the reform period.

This submission builds on our previous contribution and reflects the APA's ongoing commitment to supporting the Commission's efforts to achieve gender pay equity through evidence-informed, practical reform.

¹ https://australian.physio/sites/default/files/submission-2025-05/APA_Submission_Fair_Work_Commission_May25.pdf

APA position

The APA supports gender pay equity and appropriate wage reform as essential steps towards a fairer and more sustainable workforce. However, these reforms cannot occur in isolation. The physiotherapy sector is facing a growing viability challenge, driven by the sustained erosion of value across multiple funding and pricing frameworks. This pattern is evident across the NDIS, DVA and the upcoming Support at Home model, each contributing to mounting pressure on physiotherapy practice sustainability.

Current pricing structures consistently undervalue the true cost and complexity of physiotherapy—particularly in community and mobile settings. These models often fail to account for the clinical, administrative and compliance demands that underpin safe, high-quality care. As a result, providers are experiencing growing pressure that threatens practice viability, workforce retention and participant access.

In this context, a phased wage increase is not about delaying reform—it is about ensuring it is implemented on a sustainable foundation.

To guide the Commission's deliberations, the APA has outlined three key recommendations:

1. The gradual phasing of proposed increases, particularly those of up to 28% at Level 1 Pay Points 2–4, over a six-year period to ensure the changes are implemented in a sustainable, equitable, and clinically safe manner. The APA additionally seeks clarification of the Commission's intention regarding the ongoing application of indexation to wage uplifts.
2. The upholding of differentiated entry-level recognition for physiotherapy graduates based on their AQF qualification level.
3. Broader consideration of the funding mechanisms that underpin wage structures to help protect business viability and ensure the enduring success of these reforms.

Key points and recommendations

1. Significant cost shock – private practices cannot sustain a 28% immediate increase

The proposed wage increases—ranging from 25.59% to 29.91% at early-career levels—represent a substantial financial impact, particularly for small and medium-sized physiotherapy businesses, which comprise the majority of providers in the sector. Importantly, industry data indicates these businesses operate on average profit margins of just 10%, leaving very limited capacity to absorb sharp increases in wages.

A uniform uplift of nearly 30% at graduate entry would place significant strain on practices, where the added costs of supervision, mentoring and professional development already make the development of new graduates' resource intensive for private practice.

The proposed uplift without a corresponding increase in revenue or external funding, would render many practices financially unviable, leading to:

- Reduction in service availability;
- Decreased employment of early-career clinicians;
- Increased fees passed on to patients, further limiting access to care.

To safeguard workforce growth and patient access, businesses must be supported and incentivised to employ new graduates, ensuring they receive the structured development needed to deliver safe, high-quality care.

Clarification request: CPI and Annual Wage Review increases

We respectfully request clarification from the Commission on whether the proposed phased-in increases will be applied in addition to future Annual Wage Review (CPI-linked) adjustments, or whether these annual adjustments will be incorporated within the work value uplift.

Our recommendation of a six-year phasing schedule is based on the assumption that CPI or Annual Wage Review adjustments are included within the total 28% increase. If, however, the Commission's intention is for CPI-based increases to be applied on top of the proposed work value adjustments, the resulting compounded effect could exceed 40–46% over six years, posing a significant financial sustainability concern.

In that scenario, we would recommend extending the phasing period, consistent with previous Fair Work determinations in sectors such as community and disability services.

Clear guidance on this matter is essential to assist employers with workforce planning and maintain the viability of physiotherapy service delivery during the transition period.

Recommendation: Proposed six-year phasing timeline

We propose the following model for phasing in the proposed increases of up to 28%, with the assumption that annual wage review adjustments (CPI-linked) are not additionally applied:

Date	Increase Applied	Cumulative Total
1 July 2026	5%	5%
1 July 2027	5%	10%
1 July 2028	5%	15%
1 July 2029	5%	20%
1 July 2030	5%	25%
1 July 2031	3%	28%

This phased approach provides employers with sufficient time to:

- Adjust pricing structures and service models where feasible;
- Advocate for necessary funding increases from NDIA, Medicare, DVA, and insurers;
- Maintain employment levels and staff development;
- Safeguard equitable access to physiotherapy, especially in rural, remote, and low-income communities.

2. Standardisation at AQF7 devalues key entry pathways into the profession for post-graduate qualifications

The proposed change to standardise physiotherapy graduate entry at AQF 7 raises concerns about how physiotherapy qualification levels are recognised and rewarded in early career stages.

The physiotherapy workforce is currently supported by a balanced mix of graduates from AQF 7, 8 and 9 entry-level programs (28%, 39% and 33% respectively²). Maintaining differentiated entry-level recognition for AQF Level 7, 8 and 9 physiotherapy graduates is critical to preserving the integrity of Australia's education and workforce pipeline. A blanket classification at the AQF 7 rate would devalue the qualifications held by 72% of new entrants, disincentivise higher qualification programs and narrow the diversity of entry pathways.

Recommendation:

The APA urges the Commission to uphold differentiated entry-level recognition for physiotherapy graduates based on their AQF qualification level. A differentiated entry-level recognition rightly reflects the advanced training undertaken by these graduates and should be retained through the 4th to 6th year classification to ensure alignment with national workforce capability and future health system needs.

3. Funding cuts compound the risk to patients and practices

Recent funding reviews present a challenging inconsistency for the physiotherapy sector. The APA is supportive of the Commission's efforts to achieve gender pay equity through evidence-informed, practical reform, and appreciates that this process is highlighting concerns about underpayment and the need to recognise the value of the profession.

Notwithstanding the intent of wage increases, they are being introduced in an environment where key funding mechanisms are either stagnant or being reduced — including NDIS pricing cuts, stagnant Medicare rebates and inadequate DVA funding. This misalignment places considerable pressure on business sustainability and risks undermining the capacity of providers to deliver accessible, high-quality care.

The recently announced 2025–2026 NDIS Pricing Arrangements lower physiotherapy hourly rates by up to \$40 in some states, halve travel allowances and impose a travel cap of no more than 50% of the appointment time, further cutting revenue.

These changes are particularly difficult for rural and regional providers, where travel is essential, and for vulnerable clients who rely on home-based or outreach care.

Compounding this pressure is the slow and fragmented implementation of aged care reform, alongside widespread uncertainty across the sector. Together, these factors risk undermining the sustainability of service delivery and workforce retention at precisely the moment when stability is most needed.

² 2024 completions; Source data provided by the Australian Physiotherapy Council, 28 August 2025.

The current funding environment, combined with persistent undervaluation of physiotherapy services, reflects a narrowing of value that fails to recognise the true cost and complexity of care. Outdated fee structures and misaligned pricing models continue to undervalue the profession, placing financial pressure on providers and limiting patient access, clinical outcomes and workforce sustainability. These issues highlight a growing disconnect between proposed funding arrangements and the operational realities of physiotherapy practice. Without proper alignment to market conditions, statutory obligations and the demands of service delivery, provider capacity will continue to decline.

Recommendation

The APA seeks to highlight the need for greater alignment across government processes to ensure that measures designed to strengthen the workforce do not unintentionally undermine these very goals. Alignment between wage policy and funding models is essential to support sustainable business models, workforce growth, and patient access.

Conclusion

The APA strongly supports gender equity and fair remuneration. However, without a deliberate, phased approach, the proposed increases risk undermining already fragile physiotherapy services—particularly in the face of NDIS pricing reductions, stagnant Medicare and DVA funding, and the narrow operating margins faced by providers.

We urge the Commission to adopt, at minimum, a six-year phased implementation pathway to ensure these reforms succeed—not only in principle, but in practice. This is essential to delivering sustainable change while protecting patient access, especially in regional, rural and under-resourced communities.

We thank the Commission for its leadership on this important issue and appreciate the opportunity to contribute. The APA remains committed to continued engagement as the process moves forward.