

# Integrity of the National Disability Insurance Scheme

## Joint Standing Committee on the National Disability Insurance Scheme

Via email to [ndis.joint@aph.gov.au](mailto:ndis.joint@aph.gov.au)

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 35,000 members. The APA corporate structure is one of a company limited by guarantee and is governed by a Board of Directors elected by representatives of all stakeholder groups within the Association. Of the potential nine Directors, seven must be financial members of the APA, and up to two may be external, non-physiotherapist Directors.

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 and are committed to embedding cultural safety within the organisation, policy and education programs.

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## Executive summary

The Australian Physiotherapy Association (APA) welcomes the opportunity to contribute to the Joint Standing Committee inquiry into the Integrity of the National Disability Insurance Scheme.

**The APA contends that pricing integrity is not peripheral to scheme integrity; it is a practical determinant of it.**

For physiotherapy, the integrity question is not confined to fraud detection after the event. It begins much earlier, in the system settings that govern whether legitimate providers can remain in the market and whether participants can access timely and safe supports.

The scheme's under-pricing and poorly designed travel settings are not merely commercial concerns. They shape whether physiotherapy can be delivered safely, in the right setting, by the right professional, with enough time for documentation, multidisciplinary coordination, and regulatory compliance.

The National Disability Insurance Agency (NDIA's) own therapy guidance states that therapy supports must be effective, beneficial, and evidence-based. Those are integrity safeguards. But they depend on a pricing framework that makes compliant practice viable.

When prices are set using methods that systematically understate the true cost of delivering regulated, evidence-based practice, the scheme amplifies integrity risk by creating market fragility, reducing access to reputable providers, and increasing barriers to appropriate supports.

This submission focuses on terms of reference three and four, outlining how pricing integrity is an enabling condition for scheme integrity. Evidence provided by the APA, including an independent review of the NDIA's 2024–25 Annual Pricing Review by the Nous Group<sup>1</sup>, demonstrates that the current physiotherapy pricing methodology understates prevailing market costs due to non-like-for-like comparator data, invalid modelling assumptions (including session-duration), and insufficient recognition of NDIS service delivery complexity.

The APA asserts that the committee should treat reforms to pricing methodology and transparency as integrity reforms, alongside enforcement-focused measures and recent legislative reforms.

**The APA recommends urgent correction of the physiotherapy price limit; adoption of a transparent bottom-up costing model; funding travel as a standalone plan item; and monitoring metrics focused on both non-compliance risk and participant access.**

Recommended reform	Integrity outcome
<b>Correct the physiotherapy pricing base</b>	Reduced service curtailment and withdrawal; and  Less incentive for volume-driven practice, cross-subsidisation and lower-quality substitution.
<b>Funding travel as a standalone plan item</b>	Less burden on participants and providers;  Improved alignment with natural-environment best practice; and Improved access in thin markets.
<b>Therapy-specific integrity metrics</b>	Earlier detection of access collapse and reform failure.

## Introduction

The APA supports strengthening NDIS integrity machinery. However, enforcement-focused integrity policy will overlook a significant risk: fair and transparent pricing with the scheme.

The 2024–25 NDIS Annual Pricing Review (APR) reduced the national physiotherapy limit from \$193.99 to \$183.99 per hour, removed higher jurisdictional loadings in Western Australia, South Australia, the Northern Territory, and Tasmania, and reduced claimable travel labour to 50 per cent of the applicable therapy rate.

An independent review of the NDIA's 2024–25 Annual Pricing Review by the Nous Group<sup>1</sup> identified 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 NDIA's understanding of the cost of delivering physiotherapy supports. The 2025–26 price limit of \$183.99 per hour sits well below independent market evidence, which places the 75<sup>th</sup> percentile between \$215 and \$259 per hour. Private health insurance data shows a 70<sup>th</sup> percentile equivalent of \$236.50 per hour. This gap is significant. It affects provider viability, workforce retention and participant access to essential supports.

That matters for integrity because mispricing can itself produce non-compliance risk. When price limits do not reflect the real cost of compliant delivery, providers must withdraw or curtail services or face pressure to shorten sessions, reduce supervision, cross-subsidise, avoid best practice outreach, or limit work with complex participants.

The travel changes are a particularly clear example undermining scheme integrity and equitable service delivery. The 2024–25 APR's abrupt reduction in travel reimbursement 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 followed by a five per cent cut.

This rapid shift placed undue stress on an already strained workforce. 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, NDIS participants living in Groote Eylandt, which has the highest known prevalence of Machado-Joseph Disease per capita globally, until recently relied on fortnightly outreach visits. Machado-Joseph Disease 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 providing NDIS services nationally 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.

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 sector to gather feedback. The NDIS Annual Pricing Review 2025-26 consultation on pricing explicitly excluded feedback from providers on travel pricing. This lack of consultation and oversight risks further deterioration of service delivery in the communities that need it most.

Pricing is an integrity control. Poor pricing limits can create higher participant risk if it pushes supports out of homes, schools, and community settings where they are most effective even more so where it pushes high-quality evidence-based support providers out of the Scheme.

## Terms of Reference

### TOR 3: The effectiveness and adequacy of successive government policies to improve scheme integrity

The NDIS was never designed to be cost neutral. It was built to generate returns, both human and economic. The scheme now supports more than 270,000 workers in more than 20 professions, and modelling from the False Economy report estimates its economic contribution at over \$52 billion in 2020–21, with a multiplier effect of 2.25.<sup>2,3</sup>

**Physiotherapists, as frontline providers, see disconnect between policy intent and participant experience. Policy responses have focused on projected expenditure growth and participant volumes, while ignoring actual cost drivers. The result is a reform agenda shaped by optics rather than evidence.**

**Scheme uptake beyond initial projections has produced blunt cost-containment measures that restrict access instead of addressing inefficiencies in pricing architecture, planning design and service delivery. To restore integrity, the pricing framework must be structurally reframed.**

Travel should be funded as a standalone item. Plans must reflect the true breakdown of provider recommendations. And reform must be grounded in actual expenditure data.

Government has a clear responsibility to ensure that people with disability have access to services that are well governed, safe, and delivered to best-practice standards. High-quality support is a rights-based obligation at the core of the NDIS.

Pricing decisions that prioritise cost containment over clinical integrity risk undermining safety, workforce capability, long-term integrity and sustainability.

The APA supports strengthened prevention and enforcement initiatives. However, for therapy supports (including physiotherapy), core integrity risks are not fully addressed unless pricing methodology and transparency are treated as integrity controls.

Under-pricing and restrictive travel settings reduce access to high quality support, particularly outreach-based supports delivered in homes and community settings. When access collapses, participants are more vulnerable to inducements and other sharp practices. Sustainable, meaningful access to appropriate supports protects against scams and abuse.

#### Case study – Shelley

*A criminal perpetrating a romance scam spent months grooming Shelley, a 65-year-old NDIS participant. The scammer pretended to be a celebrity and said they would move to Australia to be with Shelley. Over several months Shelley sent more than \$9,000 in gift cards, leaving them unable to afford expenses to cover basic needs.*

*Shelley's physiotherapist and disability carer noticed the warning signs and reported their concerns to Scamwatch. This case highlights the crucial role of NDIS providers in recognising red flags and the need for stronger referral processes to protect victims.*

- NDIS report: ACCC observations on consumer issues in the NDIS (February 2026)<sup>4</sup>

**The APA submits that the effectiveness of integrity policy should be assessed not only by enforcement outputs but by whether policy settings maintain a stable, high-quality market that facilitates participants' choice, control and agency in therapy supports.**

#### **TOR 4: Any legislative or other reforms required to strengthen scheme integrity**

The APR has faced criticism for lacking transparency and being shaped by internal agency priorities rather than independent oversight. While the Independent Pricing Committee has produced strategic advice aimed at guiding reform, many of its key recommendations have not been adopted. Nor have those from other independent bodies, such as the Independent Health and Aged Care Pricing Authority (IHACPA), whose pricing data strategy remains unpublished and unaddressed. Instead, recent decisions reflect a shift toward tighter agency control, raising concerns about the integrity and independence of the pricing process.

Last year's physiotherapy pricing changes are formally presented by the NDIA as "fairer" pricing and value-for-money policy, but independent evidence affirms that the cost and pricing foundations are methodologically unreliable for disability physiotherapy and risk embedding structural under-pricing.

The Nous Group review concludes that the NDIA's 2024–25 Annual Pricing Review methodology underestimated prevailing market rates for physiotherapy due to regression-based session-duration assumptions (around 45 minutes) that diverge from typical private-market sessions (about 30 minutes) used to convert session fees into hourly benchmarks, limited and inappropriate comparator data (MBS, scraped website listings, and a single private insurer dataset), and insufficient accounting for the operational complexity of delivering therapy supports in the NDIS.

**Under-pricing can push providers toward volume-maximising behaviour, cross-subsidisation, service withdrawal and substitution of staffing models that do not match participant risk (for example, replacing physiotherapists with less qualified roles). These are not merely sustainability issues; they are integrity pressures because they increase the likelihood of avoidable non-compliance and participant exposure to unethical conduct.**

The APA welcomes the passage of reforms to strengthen safeguarding and integrity, including new offences and expanded regulatory tools. To strengthen integrity for therapy supports, non-legislative reforms are also required:

**The NDIA should urgently review and correct the physiotherapy pricing decision made in the 2024–25 Annual Pricing Review.** The attached evidence indicates that the current price limit is not based on a sufficiently reliable methodology and does not reflect the actual cost of physiotherapy delivery under the NDIS.

**Travel should be funded as a standalone line item in participant plans.** Travel is integral to community-based and natural-environment physiotherapy, particularly for children, participants with mobility limitations, and participants in thin markets. A separate travel line item would reduce ambiguity in claiming and better align pricing policy with quality and practice standards.

**The NDIA should review the impact of July 2025 changes to therapy travel settings and publish monitoring data on access, outreach, and equity impacts, especially in thin markets.**

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*"Last week I met a participant who has had her therapy reduced within her plan. I asked, 'What's been the downside of the reduction of your physiotherapy?' She said, 'I can no longer walk'." - Dr Martin Laverty:*

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- From the Community Affairs Legislation Committee hearing on the National Disability Insurance Scheme Amendment (Integrity and Safeguarding) Bill 2025 (February 2026) <sup>5</sup>

## References

1. Nous Group 2025, Review of the 2024–25 APR with respect to physiotherapy, report prepared for the Australian Physiotherapy Association, 21 October. (Attachment 1)
2. Australian Government Productivity Commission. (2011). Disability care and support: Inquiry report (Report No. 54). Productivity Commission. <https://www.pc.gov.au/inquiries-and-research/disabilitysupport/report/>
3. False Economy: The economic benefits of the NDIS and the consequences of government costcutting - Per Capita. (2021). Per Capita. [https://percapita.org.au/our\\_work/false-economy-theeconomic-benefits-of-the-ndis-and-the-consequences-of-government-cost-cutting/](https://percapita.org.au/our_work/false-economy-theeconomic-benefits-of-the-ndis-and-the-consequences-of-government-cost-cutting/)
4. Australian Competition and Consumer Commission (2026). NDIS report: ACCC observations on consumer issues in the NDIS, Australian Competition and Consumer Commission. <https://www.accc.gov.au/about-us/publications/ndis-report-accc-observations-on-consumer-issues-in-the-ndis>
5. Senate Community Affairs Legislation Committee (2026). Public hearing on the National Disability Insurance Scheme Amendment (Integrity and Safeguarding) Bill 2025, 24 February, Parliament of Australia, Canberra. [https://parlinfo.aph.gov.au/parlInfo/download/committees/commsen/29382/toc\\_pdf/Community%20Affairs%20Legislation%20Committee\\_2026\\_02\\_24.pdf;fileType=application/pdf#search=%22committees/commsen/29382/0000%22](https://parlinfo.aph.gov.au/parlInfo/download/committees/commsen/29382/toc_pdf/Community%20Affairs%20Legislation%20Committee_2026_02_24.pdf;fileType=application/pdf#search=%22committees/commsen/29382/0000%22)