Occupational Therapy Australia

National Disability Insurance Agency

2026 Annual Pricing Review Consultation

February 2026



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Executive Summary

Occupational Therapy Australia welcomes the opportunity to contribute to the NDIA 2026 Annual Pricing Review. Occupational therapists play a critical role in enabling NDIS participants to achieve functional independence, participate in daily life, and access safe and appropriate supports. Occupational therapy services underpin key scheme objectives, including choice and control, early intervention, and long-term capacity building.

The sustainability of occupational therapy service delivery under the NDIS is under increasing pressure. Current price limits which have not increased in seven years do not reflect the true and rising costs of delivering high quality, evidence based, participant centered occupational therapy supports. Providers are facing significant cost escalation across wages, superannuation, professional indemnity insurance, business overheads, compliance, and workforce development. These pressures are occurring in the context of persistent workforce shortages and increasing participant complexity.

In addition, occupational therapy practice under the NDIS is characterised by high levels of non face to face work, including assessment, reporting, documentation, and coordination, as well as a strong reliance on in home and community based service delivery. Travel is not optional but is an essential and unavoidable component of occupational therapy services for many participants. The removal and restriction of travel funding has directly and negatively impacted on service availability, particularly for participants with mobility limitations and those living in regional and rural areas.

Evidence from OTA members indicates growing risks of provider exit, reduced service availability, and increasing wait times. Practices report limiting intake of higher complexity participants and withdrawing from less viable geographic areas. These trends directly undermine participant access, equity, and scheme sustainability.

Occupational Therapy Australia has significant concerns regarding the NDIA's current pricing methodology, including reliance on limited Medicare, Private Health Insurance, and publicly available website data. These data sources do not reflect the unique regulatory, administrative, and clinical complexity of NDIS funded occupational therapy practice. As a result, pricing decisions risk underestimating the real cost of service delivery and further entrenching unsustainable market conditions.

If the NDIA implements differentiated pricing, OTA cautiously supports the exploration of an approach that is based on professional skills, experience. This approach would incentivise workforce development, support quality and clinical governance, and help retain highly skilled practitioners within the NDIS market.

Occupational Therapy Australia strongly recommends a decisive pricing response to stabilise and strengthen the occupational therapy market under the NDIS. Specifically, OTA recommends:

1. **Deliver an immediate 11% uplift to OT hourly rates -** OTs have now weathered 7 years of frozen NDIA maximum fee rates, in a period of record inflation and rising business and household costs. Providers are at their limit and are absorbing costs, and many are closing.

2. **Reinstate 100 percent travel funding for occupational therapy** as a core component of service delivery. OTs must travel to conduct therapy and environmental assessments in a client's natural setting like their home, school or in the community. This is best practice, is required by the NDIS Practice standards, and is not a provider choice.
3. **Develop a fit-for-purpose allied health pricing model** – NDIA needs to work with the allied health sector and OTA to review therapy support pricing and ensure that NDIA rates reflect real costs, and include report writing, travel and MDT consultations.

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Introduction

Occupational Therapy Australia welcomes the opportunity to contribute to the 2026 NDIA Annual Pricing Review. Occupational therapists play a critical role in enabling NDIS participants to achieve their goals, increase independence, and participate meaningfully in everyday life, work, education and community activities.

Sustainable pricing is essential to ensure the continued availability, quality and geographic reach of occupational therapy services under the NDIS. Current price limits do not adequately reflect the real and increasing costs of delivering safe, evidence based, participant centered occupational therapy supports. This has resulted in growing financial pressure on providers, reduced service availability, and increased risk of provider exit, particularly in regional, rural and complex practice areas.

This submission strongly recommends an immediate increase of 11 percent to occupational therapy hourly rates, the reinstatement of 100 percent travel funding for occupational therapy, and develop a fit for purpose allied health pricing model.

About Occupational Therapy Australia

OTA is the professional association and peak representative body for occupational therapists in Australia. There are more than 34,000 registered occupational therapists (OTs) working across the government, non-government, private and community sectors in Australia1. Occupational therapists are allied health professionals whose role is to enable their clients to engage in meaningful and productive activities.

Occupational therapy is a person-centred health profession concerned with promoting health and wellbeing through participation in occupation (activities). Occupational therapists achieve this by working with people with disability, including children with developmental delays and/or disability, to enhance their ability to engage in the occupations they want, need, or are expected to do; or by modifying the occupation or the environment to better support their occupational engagement. Occupational therapists provide services across both clinical and non-clinical settings across the lifespan and have a valuable role in supporting children with developmental disorders including physical, intellectual, chronic and/or progressive disability.

Occupational therapists work in a diverse range of settings including small, medium and large private practice, rehabilitation settings, paediatric services, and community services.

OTA supports more than 11,000 members working across disability, health, mental health, aged care, education, community and private practice settings.

[1] Occupational Therapy Board of Australia (Australian Health Practitioner Regulation Agency), 2025; https://www.occupationaltherapyboard.gov.au/News/Annual-report.aspx

OTA works to promote excellence in occupational therapy practice, support workforce sustainability, and advocate for policy and funding settings that enable high quality services for participants. OTA has a strong commitment to evidence-based practice, professional standards, and ongoing professional development.

Role of Occupational Therapy Under the NDIS

Occupational therapists have a critical role in providing services within the National Disability Insurance Scheme (NDIS), supporting people living with physical, intellectual, psychosocial and other disabilities. Occupational therapists work in a diverse range of settings within the NDIS as sole traders, small, medium and large private practices, as both registered and unregistered providers.

Occupational therapists help to unlock the value of the NDIS by working with scheme participants to identify goals and engage them with appropriate supports and services that promote independence, social connection, economic participation and protect and sustain physical and mental health. They deliver services including:

- functional capacity assessment;
- prescription and implementation of assistive technology and/or environmental modifications;
- positive behaviour support;
- driving assessments (when specifically trained to do so); and
- targeted, goal-focussed capacity building, for example, activities of daily living (ADL), or ADL training with participants with physical and/or psychosocial disability.

Occupational therapists are highly skilled in assessing the degree to which a person's disability affects their level of function in daily tasks. Based on these assessments, occupational therapists make recommendations for, and then deliver, interventions that enhance and maintain an individual's functional capacity, and prescribe supports, aides and assistive technology that help everyday Australians live as engaged, valued and contributing members of society.

These services are essential to establishing reasonable and necessary supports and to enabling participants to live safely and independently. Occupational therapy practice frequently requires in home and community based service delivery, collaboration with families and support networks, and detailed written reporting. Travel is not optional but is a core and unavoidable part of service delivery for many participants, particularly those with complex needs, mobility limitations, or living outside major metropolitan areas.

Occupational Therapists are registered health professionals who are subject to a range of stringent conditions and standards that are set by national law and regulated by the Australian Health Practitioner Regulation Agency (AHPRA) which provides a high degree of trust and protection for Australian consumers.

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Current State of the NDIS OT Provider Market

The occupational therapy provider market is under increasing strain. Data from OTA members shows that providers are experiencing rising operating costs, workforce shortages, increasing administrative and compliance burdens, and constrained pricing that does not reflect the true cost of service delivery.

Many practices report reducing service availability, reducing travel or mobile service delivery, limiting intake of higher complexity participants, or withdrawing from regional and rural areas. These trends directly undermine participant access, choice and control and place pressure on remaining providers.

Without meaningful pricing reform, there is a significant risk of further provider exit and reduced access to occupational therapy supports across the scheme.

Key Recommendations

Occupational Therapy Australia recommends that the NDIA:

1. **Deliver an immediate 11% uplift to OT hourly rates** - OTs have now weathered 7 years of frozen NDIA maximum fee rates, in a period of record inflation and rising business and household costs. Providers are at their limit and are absorbing costs, and many are closing.
2. **Reinstate 100 percent travel funding for occupational therapy** as a core component of service delivery. OTs must travel to conduct therapy and environmental assessments in a client's natural setting like their home, school or in the community. This is best practice, is required by the NDIS Practice standards, and is not a provider choice.
3. **Develop a fit-for-purpose allied health pricing model** – NDIA needs to work with the allied health sector and OTA to review therapy support pricing and ensure that NDIA rates reflect real costs, and include report writing, travel and MDT consultations.

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Section 1: Key Cost Drivers Impacting OT Practice Sustainability

Occupational therapy practices face significant cost pressures that are not adequately reflected in current NDIS pricing,

Broader economic measures like ongoing inflationary pressures continue to impact the allied health sector. NDIA's own APR 2025-26 consultation paper notes that inflation in the health sector remains above the headline inflation rate. Despite this, OT rates have not been increased in seven years. Rates have not even been indexed, despite indexes being applied to other fees and rates in an inconsistent manner.

Wage growth is also a significant economic factor with NDIA's own consultation paper noting wage growth in the health industry remains higher than the all-industries wage growth rate. This is consistent with reports from occupational therapists who report the following key economic drivers that are increasing costs:

- Wage growth driven by workforce shortages and competition for skilled practitioners (with reports of increases between 4% - 12%)
- Superannuation increases and statutory employment on-costs.
- Rising professional indemnity and workers compensation insurance premiums.
- Ongoing professional development and credentialing requirements.
- Business overheads including rent, utilities, IT systems, and compliance costs. (Reports include costs of rent increasing from 5% to 100% depending on location, and utilities also going up significantly from between 10% and 100%).
- Travel time and vehicle costs, including fuel, maintenance and insurance.
- Non billable time associated with reporting, care coordination, and documentation.

OTA surveyed its members to seek input on the major economic drivers of costs. Out of 106 responses to a ranked matrix question on business costs, responses show that staffing costs (wages/super/tax) have increased the most, with a weighted average score of 7.83 out of 10. Other significant cost increases include rent (7.23), insurance (6.96), vehicle costs (6.78), and utilities (6.69). Lower increases were seen in marketing/advertising (2.39) and professional fees (3.17).

These cost drivers have increased substantially in recent years and continue to rise due to broader economic conditions. Current price limits do not provide sufficient margin to cover these costs while maintaining quality, supervision, and workforce development.

OT's report a number of other changes to their business as a result of the freeze of the NDIA hourly rate for the seventh year in a row, including reduction in services and taking on other non NDIS related work, as outlined in the table below.

Business impacts of NDIS rate freeze (January 2026) (n=106)

Reduced staff numbers	17.59%
Frozen recruitment	32.41%
Changed types of clients you accept	60.19%
Reduced client loads	18.52%
Reduced services offered	37.96%
Changed types of services offered	47.22%
Ceased mobile/outreach services	20.37%
Reduced mobile/outreach services	58.33%
Started to take on more non-NDIS work/clients	76.85%

Recommended rate increase

Based on this data, OTA recommends an immediate 11% uplift to OT hourly rates to meet rising business costs and stem the rising rates of service reductions and changes. Based on Ability Roundtable data, a 7% increase was previously recommended[2]. Since that time, further data collated through OT profession suggests that 11% is required to enable a sustainable workforce and ongoing access to OT services.

OTA also strongly supports the recommendation made by AHPA that a therapy sector advisory body be established to monitor the impact of NDIS policy and pricing changes on allied health service sustainability and inform future pricing and policy settings. This body should particularly focus on the impact of the changes to travel and future differentiation.

[2] "Presentation to DSC Conference 2025 – Sector Sustainability", Michael Bink, 20 May 2025, https://www.abilityroundtable.org/post/presentation-to-dsc-conference-2025-sector-sustainability

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Section 2: Therapy provider travel rate

OTA was concerned that the NDIA's participant survey includes questions related to the changes to travel that came into effect in 2025, but the equivalent provider survey does not ask about the impact that the changes to travel have had on their service delivery. Failure to directly ask providers about the service impact of these changes is a significant oversight by the NDIA and is likely to lead to inaccurate or incomplete data from those who have responded to the very limited survey offering.

OTA is also concerned that the cut to travel funding is leading to inadvertent costs in other areas of NDIS billing. Halving the travel rate has meant many providers have reduced offering travel to a client's home or other community setting.

In the real example provided by an OT working in MMR 5 (regional) area in QLD, the use of NDIS funds to pay for disability support workers to support participant travel to an OT clinic surpasses the costs of a mobile OT providing travel-based services (if billing at 100% of the rate, and applying the travel limit for MMR5 region travel).

Prior to the halving of the therapy support rate for travel, if the OT shares the travel costs between 3 participants in a regional town and delivers supports to 3 clients in their individual homes. In this example, the OT's fees include face to face supports and travel of one hour each way from their clinic location (using appropriate caps for MMR 5 travel), amounting to $1,454.93 (noting the OT does not charge for non-labor travel costs like KMs).

Following the halving of the travel rate, and the OT withdrawing mobile services, the 3 clients now travel to the OT's clinic based location in a MMR2 region, and each participant requires a support worker to prepare them for their session, travel with them to the clinic, and remain for the duration before their return to the clients' home. Note that support worker travel costs include an additional 0.25 hours at beginning and end of each travel session to assist the participant to prepare for the journey and session and transfer into and out of their vehicle. The total costs for both the OT, and the support worker, are $2297.00. The total costs for the NDIS are now much higher, raising questions about the efficient use of scheme funds.

We note that our members report that as a result of the halving of the NDIS therapy support rate for travel, 90.35% have reduced client trave and 75% have started charging for non-labour travel costs after the rate cut (up from 29% charging prior to the decrease).

Based on widespread service impacts, OTA recommends that NDIA reinstate the ability for occupational therapists to charge 100% of the therapy support hourly rate (subject to travel time caps), as travel is a core part of occupational therapy service provision.

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Section 3: Develop a fit for purpose Allied Health Model

OTA has significant concerns regarding the continued reliance on limited Medicare, Private Health Insurance, and publicly available website data to inform occupational therapy pricing.

OTA echoes the concerns raised in the October 2025 report by Nous Group for the Australia Physiotherapy Association3, which identified serious issues with the economic modelling and methodology utilized in the NDIA's 2025 Annual Pricing Review decision with respect to physiotherapy pricing decisions and found the review underestimated the prevailing market rates. OTA contends that the same issues also apply to the modelling undertaken for occupational therapy fees. The 2025 APR decision recommended no increase to occupational therapy fees, despite significant increases in provider costs, and data supplied by OTA that shows that costs have increased.

Use of a single Medicare Item 10958 which applies to chronic disease management is not representative of a complex disability care service. Notwithstanding the assumptions made by regressive modeling for session lengths which OTA contends is not a sound methodology, this limited data set also ignores the other MBS items that may be more comparable for NDIA equivalent work which include (and also have higher MBS rebates) including MBS 82010 - Complex neurodevelopmental disorder and disability services.

Use of scraped website data is not transparent or a large enough sample. The review only looked at 50 data points for occupational therapy, which is a very small sample. As with physiotherapy data, we note that public website listings often do not reflect internal pricing structures or MBS-specific arrangements, and reflect varied pricing that may be applied based on individual client needs or reimbursement by various schemes. There is a risk that use of this data misrepresents actual market prices and session durations for segments of the market.

Use of a single data set from one un-named Private Health Insurer is also of concern. This data set only contained 6,476 occupational therapy claims and it is unclear if this insurer is representative of the broader HI market, or whether this data might be distorted by preferred provider programs which may reduce fee rates.

OTA is hopeful that NDIA's broader review of therapy support pricing that will occur in 2026/27 will adopt a more robust methodology to estimate appropriate pricing, and build on stakeholder feedback on the limitations of the current approach.

[3] (2025) Australian Physiotherapy Association, Review of the 2024-25 APR with respect to physiotherapy, 21 October 2025, online <https://australian.physio/sites/default/files/APA-Report-Review-NDIA-202425-Annual-Pricing.pdf>

Occupational Therapy Australia

OTA recommends the development of a fit-for-purpose allied health pricing model. NDIA needs to work with the allied health sector and OTA to review therapy support pricing and ensure that NDIA rates reflect real costs, and include report writing, travel and MDT consultations.

Conclusion

Occupational Therapy Australia strongly urges the NDIA to take decisive action to address the growing sustainability challenges facing occupational therapy providers. An immediate 11 percent increase to OT hourly rates, reinstatement of 100 percent travel funding, and future exploration of a credential based differentiated pricing framework in the coming review of therapy support pricing.

1. **Deliver an immediate 11% uplift to OT hourly rates** - OTs have now weathered 7 years of frozen NDIA maximum fee rates, in a period of record inflation and rising business and household costs. Providers are at their limit and are absorbing costs, and many are closing
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Contact

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