

3 December 2021

Annual Price Review  
National Disability Insurance Agency  
GPO Box 700  
Canberra ACT 2601

Level 11, 257 Collins Street  
Melbourne VIC 3000  
PO Box 38  
Flinders Lane VIC 8009  
T: (03) 8662 3300  
[psychology.org.au](http://psychology.org.au)

Submitted via email: [APR@ndis.gov.au](mailto:APR@ndis.gov.au)

Att: Dr David Cullen

Dear Dr Cullen

**APS Submission to the 2021 National Disability Insurance Scheme (NDIS) Annual Pricing Review**

Thank you for inviting the Australian Psychological Society (APS) to provide a submission to the 2021 National Disability Insurance Scheme (NDIS) Annual Pricing Review.

The APS is responsible for promoting excellence and ethical practice in the science, education and practise of psychology as the key discipline for the reducing the burden of mental ill-health and increasing the wellbeing of all Australians. It sees the importance of ensuring people with a disability receive high quality and effective psychological services to support their mental health and enable them to live active and fulfilling lives as valued members of the community.

The submission that follows addresses the consultation questions where relevant to psychology and member feedback.

The APS looks forward to being participating in the second round of consultations on pricing as foreshadowed and understands this will be informed by the current review and deliberations of the working groups appointed to look at a range of pricing issues.

Please do not hesitate to contact me if any further information is required from the APS. I may be contacted through my office on (03) 8662 3300 or by email at [z.burgess@psychology.org.au](mailto:z.burgess@psychology.org.au).

Kind regards

**Zena Burgess FAPS FAICD**  
Chief Executive Officer

## APS Submission to the 2021 NDIS Annual Pricing Review

The Australian Psychological Society (APS) appreciates the opportunity to submit a response to the 2021 NDIS Annual Pricing Review (the APR).

The APS views the NDIS as a landscape-altering Scheme for the provision of care to Australians with a physical, intellectual, sensory and/or psychosocial disability. We have a genuine interest in seeing Australians living with a disability optimising their quality of life and community participation. The APS highly values the work of members who provide psychological interventions to NDIS participants, their families and supporters.

The APS offers the following response to the current pricing review, noting the Terms of Reference and the key considerations of the Consultation Paper. We note the technical nature of many of the review questions. In addition, some of the questions are beyond the remit of the APS or were not pertinent to the membership.

Accordingly, the APS will respond to the questions of the Consultation Paper that are of specific relevance to psychology, while providing a response focused on the key considerations nominated within the Paper; that is:

1. *Simplifying NDIS pricing arrangements.*
2. *Pricing arrangements and price limits for therapy and nursing supports.*
3. *Pricing arrangements for support coordination and plan management.*
4. *Pricing arrangements that apply to supports delivered in regional, remote and very remote areas and*
5. *Economic conditions in states where economic trends are often different from other states.*

In offering our response, we also reflect upon the areas of particular concern to therapy services highlighted on page 7 of the Consultation Paper. That is, consideration of whether the NDIS pricing arrangements are appropriately aligned with those in comparable Australian Government and state schemes, and with the private market for therapy supports, by

- *Examining the nature of the markets for therapy and nursing services, including the extent to which the markets are made up of distinct segments, including in thin and undersupplied markets and in regional and remote areas*
- *Undertaking detailed benchmarking on therapy and nursing supports, including therapy assistants, against both relevant comparable Australian Government and state government schemes and the private mainstream markets and*
- *Examining the extent of competition in the market for therapy services.*

The APS strongly emphasises that the market-based approach under which the Scheme operates has potentially profound consequences for participants, and has raised this concern in previous submissions in response to NDIS-related consultations.

### Simplifying the NDIS Pricing Arrangements

The APS commends the intention to look at the NDIS pricing arrangements in terms of options to:

- *Simplify the NDIS price control framework. This includes simplifying pricing materials to better support participants to exercise choice and control*
- *Improve participant understanding and access to pricing materials. This includes developing plain English, interactive and automated materials and*
- *Reduce, as far as possible, the regulatory burden that pricing arrangements impose on participants and providers.*

In line with these objectives, the Consultation Paper seeks responses to the following specific questions.

- Question 1.**     **What changes could be made to the NDIS pricing arrangements to increase choice and control for participants; and/or reduce transactional costs for providers; and/or support innovation in the delivery of supports?**
- Question 2.**     **How can the content and structure of pricing arrangements be simplified, while maintaining their integrity?**
- Question 3.**     **How can the pricing arrangements be communicated in a simpler way?**

The APS offers the following observations and propositions.

The current structure of the NDIS pricing arrangements and how they are communicated are inherently complicated. The APS agrees that it would be advantageous to address and potentially rewrite the NDIS pricing arrangement schedule.

With regard to the issue of participant choice and control, the reality is that many participants express confusion about the NDIS pricing arrangements and fee schedule, and rely on the advice of practitioners to clarify the applicable arrangements.

Consequently, the APS unequivocally supports the intention to clarify the pricing arrangements to increase participant choice and control. We fully endorse the development of simpler and more understandable pricing materials, including “plain English, interactive and automated materials”.

The APS emphasises that the current practice of attaching documents to the NDIS website and notifying stakeholders (providers and participants) via advisory bulletins may not constitute the most viable communication strategy.

With this in mind, and because psychologists are experts in communication, the APS would be pleased to partner with the NDIS to develop more effective communications strategies.

## Therapy Supports

The APS commends the intention to examine the NDIS pricing arrangements in terms of options to establish:

- *Whether the NDIS pricing arrangements align with other comparable Australian Government and state schemes, and with the private market for therapy supports*
- *The nature of the markets for therapy and nursing services*
- *A benchmarking of therapy and nursing supports and*
- *The extent of competition in the market for therapy services.*

In line with these objectives, the Consultation Paper seeks responses to the following specific questions.

**Question 14. Are the current price limits for therapy supports appropriate? If not, why not? Please provide evidence.**

**Question 16. What considerations should be taken into account when comparing NDIS arrangements for therapy and nursing supports to Australian Government and state government schemes and the private market?**

**Question 17. Are there any other issues with the pricing arrangements for therapy supports? For example, would a “per consultation” billing approach be more appropriate for therapy supports? Are the travel and non-face-for billing arrangements appropriate for therapy supports? Please provide evidence.**

The APS believes current price limits for therapy supports need to be formally reviewed biennially and set at a rate that will ensure responsiveness to NDIS participants’ requirements. In addition, pricing limits need to be set at a rate that will incentivise practitioners to provide their services within the NDIS - again to ensure that participants’ needs are met, and further, to provide participants with choice and ‘best fit’ for therapy supports.

The APS acknowledges prices are a key intervention-delivery determinant under any system or scheme, the NDIS included. We believe, however, that fee rates cannot be determined in isolation from other considerations. There are various reasons for this assertion.

First, it is well understood that the fees under the NDIS pricing arrangements are meant to operate as maximum “caps”. The APS acknowledges that this is a price-limiting, not a price-setting, approach and that it is not obligatory for practitioners to charge the upper limit. This price flexibility inevitably creates the potential for variation in what is charged by practitioners under NDIS plans and self-managed plans. When there is a heavy focus on price, there will be a tendency for the maximum to become the default position for practitioners and the capped max de facto becomes the set fee.

The APS is aware of psychologists who do not charge the maximum fees for therapy supports. We are also aware of potential criticism of psychologists who may charge the maximum fee. The APS has a set of recommended fees which act as a guideline for practitioners and the public, however, we have no knowledge about the hourly average, modal or fee range charged by practitioners for therapy supports.

The APS is aware that a detailed review of therapy pricing arrangements was published in March 2019. This review recommended the NDIA set price caps for therapy supports based on the 75th percentile of the observed private billing distribution. Based on what the APS understands, the NDIA rationale for this was to ensure participants are able to choose and fund different providers in the market and receive value for money.

The APS also believes that beyond pricing considerations, focus must be given to “supply side” cost(s). We note that recognition of the importance of addressing costs is implicit to the considerations and questions around “regionality” and the issues of less populous/geographically larger states raised later in the Consultation Paper. We acknowledge that regionality for some states can be associated with increased costs, however, argue that this approach to the provision of higher fees for additional costs will need to be carefully reviewed for its complexity.

Regardless of location, there are other thin or underserved markets which inherently attract increased costs - for example, those associated with complex participant needs and behavioural support needs. The costs associated with the provision of quality services where there is a higher level of complexity and need must also be considered. If the cost disincentives of providing a service are not addressed, there will be an inevitable drift away from service delivery with the obvious deleterious consequences for participants.

Finally for the sake of clarity, the APS contends that some attention needs to be given to a clearer description of how rates for service deliveries within the pricing arrangements are actually constructed. An example of this relates to the GST costs applicable for health and mental health services as opposed to assessment and disability services that are not considered a health intervention under the Scheme. The APS is aware that there is confusion around this for participants and practitioners.

With respect to the questions regarding “similar system comparability”, the APS believes that the NDIS is experiencing the same service demand pressures as compensable schemes. For example, increasing service utilisation are being experienced in these schemes. This is probably reflective of a number of forces - both economic and social, that do not only apply to the NDIS.

Where such pressures do apply solely to the NDIS, they relate to the nature of disability and the potential for any participant to possess a sensory, cognitive or physical impairment disability that is life-long and, notwithstanding the functional improvements that can be developed, is intractable.

It is noteworthy that comparators to other schemes and systems - whether they belong to federal or state jurisdictions - unlike the NDIS, do not have sign-on costs. It is similarly notable that, under the NDIS, practitioners who provide services under participant self-managed plans are not required to register for Third Party Verification (TPV) costs. This is clearly anomalous on many levels.

The APS understands that the use of TPV is ostensibly to ensure that the safety of participants and quality of the interventions provided to them. We argue, however, that it is a blunt instrument and there are possibly more effective strategies to assure the provision of quality services.

We are aware that other schemes do have contractual arrangements for providers (e.g., SIRA in NSW) and criteria that must be met by practitioners and that such schemes reserve the right to restrict the capacity to provide services under them to practitioners who do meet those requirements.

The APS is unaware as to whether the utility of TPV has have been evaluated. For the considerable fees involved, it would be most helpful for the Scheme to demonstrate the gains that have ensued from its application.

With respect to the other issues associated with the current pricing arrangements for therapy supports, the APS has had overwhelming feedback from members that providing services as a small-to-medium size practice is not a viable option under the NDIS. Many members, with significant experience in the disability sector, particularly behaviour management, have chosen to not register for the NDIS or have declared their intention to cap their services or cease providing services under the Scheme.

The APS has observed in past submissions (see the reference list below) that there are many reasons for psychologists choosing not to provide services under the NDIS, including:

- The inability of small-to-medium practices to meet the costs associated with TPV processes (with respect to registration, but more particularly, certification) which are, as the APS understands it, levied every three years,
- The excessive complexity and increasing bureaucracy associated with registration, and

- Ongoing delays associated with NDIA responsiveness to practitioner enquiries.

The APS suggests that the NDIA consider partnering with us in order to support:

- Management of the TPV process for psychologists, funded by the NDIS, and at a lower cost to practitioners, and
- Establishing a benchmark for the cost of psychological practices in each state to inform this and/or future pricing arrangements reviews that seek to increase innovation in the delivery of services.

The Australian Productivity Commission in its 2017 report about the NDIS noted that:

*The interface between the NDIS and other disability and mainstream services is critical for participant outcomes and the financial sustainability of the scheme. Some disability supports are not being provided because of unclear boundaries about the responsibilities of the different levels of government. Governments must set clearer boundaries at the operational level around 'who supplies what' to people with disability, and only withdraw services when continuity of service is assured.*

## Regional, Remote and Very Remote Areas

The APS commends the intention to look at the NDIS pricing arrangements that apply to supports delivered in regional, remote and very remote areas.

The Consultation Paper seeks responses to the following specific questions.

**Question 20. Are the costs of delivering supports in outer regional, remote and very remote areas higher than in metropolitan areas? If yes, why and by how much? Please provide evidence.**

**Question 21. Are any amendments required to the NDIS pricing arrangements to better recognise the costs of delivering services in regional, remote and very remote areas? If yes, please, provide details and evidence.**

The APS well-understands that the costs in delivering services in regional, remote and very remote locations have the potential to outstrip those in metropolitan areas. However, it is also the case that some costs may be more reasonable than in metropolitan areas; for example, those pertaining to housing.

Accurate data is required to establish (1) the current geographical distribution of practitioners and (2) the additional costs associated with operating a practice in regional, remote and very remote locations. The APS would be pleased to partner with the NDIA to produce the required evidence around these and other factors impacting current pricing arrangements in these locations.

The APS contends that amending NDIS pricing arrangements to better recognise the costs of delivering services in regional, remote and very remote areas is only one aspect of addressing the complexities of factors that may be influencing the provision of appropriate supports in these locations. Other considerations include:

- Market deepening and
- Addressing support costs.

In addition to examining current pricing arrangements, reducing other service-associated costs needs to be considered, along with how to increase efficiencies within the system via administrative fiat. Current administrative costs and obligations (e.g., associated with registration, TPV and reporting) should also be addressed.

Other incentives, outside of the current pricing arrangements, may also be considered to motivate practitioners (psychologists in particular) to provide services in regional, remote and very remote areas. These might include:

- Zone allowances
- Supervision allowances and
- Continuing professional development supports.

We would be happy to partner with the NDIA in a joint project to assess the effectiveness of such innovations.

## Western Australia, South Australia and Queensland

An aspect of the current review is to examine NDIS pricing arrangements in terms of options to: Consider economic conditions in states where economic trends are often different from other states and territories. In particular, in Western Australia, Queensland and South Australia... to see if temporary adjustments to price controls are needed to better manage the market in these states.

In line with these objectives, the Consultation Paper seeks responses to the following specific questions.

- Question 23.** Are the conditions of employment (for example, wages, leave entitlements, shift loadings, breaks, superannuation, minimum shift requirements, minimum weekend callout durations) of workers in the Western Australia, South Australian or Queensland disability sector workforce substantially different from those that apply in other jurisdictions? If yes, why and by how much? Please provide evidence.
- Question 24.** Are there shortages of particular skills in Western Australia, South Australia or Queensland, relative to other jurisdictions? If yes, why? Please provide evidence.
- Question 25.** Do providers of disability goods and services in Western Australia, South Australia or Queensland face higher non-labour input costs (including government charges) than providers in other jurisdictions? If yes, why and by how much? Please provide evidence.

The APS commends the intention of the current review to examine current NDIS pricing arrangements with respect to the question of whether there are shortages of particular skills in Western Australia, South Australia or Queensland, relative to other jurisdictions and the need to consider the economic conditions and trends within each region. We note the Modified Monash Model<sup>1</sup>, which classifies areas of health service delivery according to geographical remoteness, and clearly recognises the greater cost of delivery in outer regional, remote and very remote areas, as compared to metropolitan areas. Obviously benchmarking data is required with respect to understanding the impact of different economic conditions and trends in Western Australia, Queensland and South Australia. As far as the APS is aware, however, this data does not currently exist for psychologists working in these jurisdictions. Further consultation is required.

## Final Comment

The APS again expresses its appreciation for the opportunity to submit to the current NDIS annual pricing review, and emphasises our willingness to partner with the NDIA around education, training and research for providers and other stakeholders requiring information about psychological matters pertinent to the NDIS.

## References

APS submission to the National Disability Insurance Scheme Public Consultation Paper Proposal for a National Disability Insurance Scheme Quality & Safeguarding Framework, April 2015.

APS submission to the Joint Standing Committee (of the Federal Parliament) on the National Disability Insurance Scheme Inquiry into the Provision of services for people with psychosocial disabilities related to mental health conditions under the National Disability Insurance Scheme, August 2017.

APS submission to the Joint Standing Committee (of the Federal Parliament) on the National Disability Insurance Scheme (NDIS) Inquiry into transitional arrangements for the NDIS, August 2017.

National Disability Insurance Scheme (NDIS) Costs: Productivity Commission Issues Paper, February 2017  
APS submission to the Joint Standing Committee (of the Federal Parliament) on the National Disability Insurance Scheme (NDIS) Inquiry into Market Readiness for the NDIS, February 2018.

APS submission to Joint Standing Committee (of the Federal Parliament) Inquiry into the National Disability Insurance Scheme: NDIS Planning, September 2019.

APS submission to the Joint Standing Committee on the NDIS of the Australian Parliament Inquiry into Independent Assessments under the NDIS, April 2021.

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<sup>1</sup> <https://www.health.gov.au/resources/publications/modified-monash-model-fact-sheet>

