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National Disability Insurance Agency
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Canberra ACT 2601
Submitted by email: APR@ndis.gov.au

Dear Annual Pricing Review Team,

APS Submission to the 2025-2026 NDIS Annual Pricing Review

The Australian Psychological Society (APS) welcomes the opportunity to provide a submission to the 2025-2026 NDIS Annual Pricing Review. As the largest professional association for psychologists in Australia, the APS is committed to advancing the scientific discipline and ethical practice of psychology in ways that support the wellbeing of all Australians, including NDIS participants. Psychologists deliver essential therapy and functional supports under the NDIS. APS member insights into pricing structures, workforce sustainability, administrative burden, and service delivery models are therefore critical to ensuring NDIS pricing arrangements are safe, sustainable, and reflective of actual practice conditions in order to provide quality services to NDIS participants.

This submission is informed by consultation with APS members currently delivering psychology services under the NDIS. The APS has responded to those consultation categories most relevant to psychology, including differentiated pricing and therapy. The APS does not support the introduction of differentiated pricing for psychology services under the NDIS. While recognising the NDIA's objective of improving value and sustainability, differentiated pricing presents significant risks, including unintended system fragmentation, reduced equity of access, increased administrative burden, and workforce withdrawal, particularly for those supporting participants with the highest and most complex needs.

Psychology services under the NDIS already involve substantial coordination, reporting, and service navigation activities that are not adequately captured by standard hourly pricing or existing benchmarks such as Medicare. In the absence of clear, discipline-specific quality measures and pricing mechanisms aligned to the true cost drivers of NDIS psychology service delivery, differentiated pricing is unlikely to improve quality or outcomes and may undermine participant choice, continuity of care, and workforce sustainability.

Thank you for the opportunity to contribute to the 2025-2026 NDIS Annual Pricing Review. If further information is required, I would be happy to be contacted through the National Office on (03) 8662 3300 or by email at z.burgess@psychology.org.au

Yours sincerely,

Dr Zena Burgess, FAPS FAICD
Chief Executive Officer

Response to Consultation Questions

Differentiated Pricing

If the NDIA implements differentiated pricing (different price limits for different circumstances) what should be the primary basis for differentiation?

The Australian Psychological Society (APS) does not support the introduction of differentiated pricing within psychology services under the NDIS, due to the following considerations:

Risk of unintended system fragmentation. Experience in other funding arrangements, including in Medicare, suggests that differentiated pricing can contribute to the emergence of tiered service structures within the profession. Such fragmentation has proven challenging and, at times, divisive, influencing patterns of service provision, workforce participation, and perceptions of professional value over time. While these may begin as non-economic impacts of differentiated pricing, there are considerable downstream economic effects as noted below. The APS is, therefore, cautious about replicating these dynamics within the NDIS, particularly in a Scheme intended to promote equity, choice, and continuity of care for people with disability.

Potential impacts on equity of access and ethical considerations. The APS notes ethical considerations associated with differentiated pricing in psychology services. Pricing structures that vary according to participant characteristics or service classifications risk creating differentiated access to care that is not aligned with support needs. Funding models that may unintentionally privilege some participants over others raise concerns about equity of access, particularly for participants with higher and more complex needs.

Differentiated pricing also introduces a potential tension between professional judgement about participant need and financial incentives linked to complexity or service categorisation. This creates ethical risk by placing providers in positions where decisions about service intensity or categorisation may be perceived as being influenced by financial incentives, even when decisions are appropriate.

NDIS participants often experience heightened vulnerability, power imbalance, and dependence on service systems. Funding models that introduce differentiated financial incentives therefore require careful scrutiny to avoid unintended harm and to maintain trust in professional decision-making.

Increased administrative and compliance burden without clear benefit. Introducing multiple price tiers is likely to add complexity to service delivery, billing, and compliance requirements. This may further increase the administrative burden already experienced by NDIS providers, diverting provider time away from participant care, without clear evidence that such complexity improves participant outcomes or service quality.

Differentiated pricing would also increase the administrative and decision-making burden for the NDIA itself, requiring planners to make more complex judgements about service categorisation and eligibility, introducing additional line items and processes, and increasing the risk of delays in planning and review decisions. These delays would be felt most acutely by participants, compounding access barriers rather than addressing them.

Potential for provider withdrawal and market consolidation. Differentiated pricing that does not reflect the real cost drivers of providing psychology supports may lead providers to withdraw from the NDIS, narrow their scope of practice, or selectively avoid participants with complex needs to remain viable. Over time, this risks market consolidation towards larger providers, reducing participant choice, and diminishing access to much needed services including in rural, remote and regional areas.

What is the single biggest risk of differentiated pricing the NDIA must address?

The single biggest risk of differentiated pricing is that it unintentionally reduces access to much needed supports for participants with the highest and most complex needs, undermining equity, continuity of care, and the core objectives of the NDIS.

Compared to therapy in health/aged care settings, rate how much additional time/effort each aspect requires under the NDIS?

Psychologists routinely undertake substantial unfunded activity under the NDIS, including coordination with multiple stakeholders, interpretation of NDIS rules and decisions, extensive reporting to justify and maintain funding, and NDIS service navigation to prevent inappropriate plan reductions or withdrawal of supports.

This work is essential to participant outcomes and continuity of supports yet is either unpriced or inadequately priced under standard hourly models. APS analysis consistently shows that psychology under the NDIS functions as a core capacity-building support, enabling participant independence, self-advocacy, and more effective engagement with broader support systems[1]. These contributions are central to Scheme outcomes but are not reflected in current pricing benchmarks or utilisation metrics.

In addition to system and administrative demands, NDIS psychology supports are inherently complex, requiring higher levels of service flexibility and adaptation to participants' fluctuating capacity, communication needs, and functional goals. For example, standard 50-minute sessions are often not appropriate, requiring flexibility in session length, increased preparation and follow-up time, and larger buffers between appointments. This reduces the number of clients that can be seen per day and materially lowers billable time, impacts not reflected in standard hourly pricing models.

Compared to psychological therapy delivered in health or aged care settings, the provision of NDIS psychology supports requires significantly more time and effort across multiple aspects of service delivery, including:

- **Documentation and reporting.** NDIS psychology requires extensive reporting to justify supports, respond to plan reviews, and defend ongoing funding. This level of documentation has no equivalent in most health or aged care settings.
- **Service coordination and liaison.** Psychologists routinely liaise with support coordinators, plan managers, families, support workers, and other providers. While the NDIS includes roles such as plan managers and support coordinators, these services are variable, often limited in scope, and do not consistently cover the level of coordination and service-navigation work required to deliver psychology supports. As a result, a greater proportion of this work is required of psychologists as compared to other settings, where such functions may be more institutionally embedded within service structures.
- **Administration, system navigation and billing.** Navigating plan rules, responding to inconsistent guidance, managing billing processes, and explaining the NDIS to participants creates a substantial administrative burden associated with individualised, plan-based funding models, rather than more centrally administered funding arrangements in other settings.

The cumulative impact is structural rather than incremental. NDIS psychology involves therapy with coordination, service navigation and documentation, much of which remains unfunded under current pricing models.

Does the MBS (i.e., recommended fees) provide an appropriate benchmark for pricing NDIS therapy supports (including psychology). If not, what alternative benchmark would be more appropriate?

Fees charged for MBS psychology services are not appropriate as a benchmark for NDIS psychology supports. Benchmarking against Medicare, private health, and workers' compensation schemes assumes services are functionally comparable. For psychology, they are not. NDIS psychology differs fundamentally due to:

- The different goals and purposes of psychology supports in a NDIS context;
- Significant underfunded coordination, reporting, and service navigation work;
- Greater administrative and compliance burden and costs;
- Increased variability in the duration of service delivery.

APS members consistently report that MBS recommended fees and rebates are significantly underpriced for psychology. Using the MBS as a benchmark risks driving psychologists out of the NDIS and undermining equity and Scheme objectives.

If benchmarking is used, it should be informational only, with explicit adjustment for NDIS-specific cost drivers rather than implicit price compression. To reiterate the above, current MBS recommended fees and rebates are inadequate and fail to account for the unfunded aspects of providing psychology services. This situation would only be compounded within the context of the NDIS.

Additional considerations

Are there any additional workforce, service quality or administrative considerations (specifically related to pricing) that the NDIA should consider that are not captured in the questions above?

In addition to the issues addressed above, members identified several workforce, service quality and administrative considerations with direct implications for pricing.

- **Blurred boundary between mental health and psychosocial disability.** Separating mental health services from psychosocial disability is often artificial and time-intensive to navigate. Psychologists spend significant unpaid time managing system boundaries and participant confusion, particularly where presentations are complex or fluctuating. Pricing and benchmarking models that assume clear separation risk underestimating service costs.
- **Unclear distinction between "clinical" and "non-clinical" supports.** Inconsistent classification of psychology supports leads to repeated requests for justification and extensive reporting when plans are reviewed or funding is reduced. This creates unpredictable workload and increases unfunded administrative effort. Furthermore, psychology supports may be subsequently delayed or stopped inappropriately, leading to disruption and unnecessary distress for participants.
- **Participant caution and underutilisation of funds.** Members report that many participants underuse approved funds due to uncertainty about what supports the NDIS will fund and a lack of clear, consistent guidance on spending rules, even where supports are functionally appropriate. This is consistent with research indicating that participants often limit their use of plan funds in response to unclear guidance and complexity within the Scheme[2], which has implications for how plan utilisation data is interpreted in pricing assessments.
- **Impact of travel pricing and access for regional and complex clients.** Reductions in travel pricing have reduced outreach, particularly in remote, rural and regional areas. This increases access barriers for participants with complex needs and shifts costs to elsewhere in the system.
- **Workforce sustainability and participant choice.** The cumulative impact of pricing pressure, unpaid work, and the administrative and regulatory burden is discouraging psychologists from working within the NDIS, reinforcing risks already outlined above regarding workforce attrition, market consolidation, equity of access, and reduced participant choice.

Therapy

How is your therapy workforce primarily employed?

APS members delivering psychology services under the NDIS are employed across a range of practice models. The workforce is predominately comprised of sole practitioners and private practitioners working within small to medium group practices, alongside psychologists employed by larger provider organisations.

What is the typical duration of a NDIS therapy session delivered by your organisation or practice?

Psychology sessions delivered under the NDIS are typically scheduled for one hour. However, members report that session duration may extend beyond one hour where slower pacing, additional emotional regulation, processing time, or safety considerations are required, including for participants with cognitive impairment, trauma histories, psychosocial disability, or neuropsychological needs. This requires greater flexibility with session length to account for the above, plus additional preparation and follow-up.

What percentage of this session time is direct therapy, documentation, coordination, or other?

For psychology supports, session time is almost entirely direct therapeutic engagement. Members consistently report that the full session is devoted to direct therapy.

Documentation, reporting, coordination, and liaison largely occur outside session time and frequently require substantial additional effort. This includes liaison with support workers, support co-ordinators, and other providers, as well as reporting to enable continued funding, respond to reviews, or maintain plan supports. This work is essential to participant outcomes but is often unpaid or exceeds funded time allocations.

Recommendations

Based on the issues outlined above, the APS makes the following recommendations:

Recommendation 1: Do not introduce differentiated pricing for psychology supports under the NDIS

Do not implement differentiated pricing for psychology supports. Differentiated pricing risks reducing access for participants, undermining equity, and introducing a potential tension between professional judgement about participant need and financial incentives linked to complexity or service categorisation.

Recommendation 2: Address core cost drivers through base pricing design

Ensure base pricing reflects the structural realities of NDIS psychology support provision, including unfunded coordination, reporting, service navigation, flexible session lengths, and scheduling buffers. These cost drivers apply across participants and should be recognised consistently in pricing.

Recommendation 3: Do not benchmark NDIS psychology pricing to MBS and other health settings

MBS fees and rebates are not an appropriate benchmark for NDIS psychology pricing. NDIS psychology supports differ in purpose, scope, administrative burden, and service delivery requirements.

Recommendation 4: Reduce administrative and compliance burden before introducing pricing complexity

Prioritise simplifying administrative, reporting, and compliance requirements rather than introducing additional pricing tiers or service classifications. Increasing pricing complexity will compound existing administrative burdens, delay planning, and reduce provider capacity for participant support.

Recommendation 5: Assess pricing reforms through a workforce sustainability and access lens

Assess all pricing decisions for their impact on workforce participation, provider viability, participant choice, and access, including impacts in regional, remote, and rural areas, and for participants with complex needs. Pricing models that do not support sustainable psychology service delivery increase the risk of provider withdrawal and market consolidation.

Recommendation 6: Engage with the APS early in the design of pricing models and assumptions

Engage with the APS early in the development of pricing models, assumptions, and cost drivers for psychology supports. Early, collaborative engagement will support accurate modelling of service delivery and reduce risks associated with consultation on isolated pricing components.

The APS would like to acknowledge and sincerely thank the members who so kindly contributed their time, knowledge, experience and evidence-based research to the development of this submission

References

1. Australian Psychological Society. (2024). *Psychologists are a critical pillar of the NDIS*. https://psychology.org.au/insights/psychologists-are-a-critical-pillar-of-the-ndis
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