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Stakeholder Engagement Team  
National Disability Insurance Agency  
GPO Box 700  
Canberra ACT 2601

Submitted by email to: [apr@ndis.gov.au](mailto:apr@ndis.gov.au)

Dear Stakeholder Engagement Team

**APS Response to Annual Pricing Review 2022-23 Consultation Paper**

The Australian Psychological Society (APS) welcomes the opportunity to provide a response to the NDIA 2022-23 Annual Pricing Review (APR). The APS understands that due to the 2022-23 APR running concurrently with the NDIS Review, the scope will be more targeted and focus on the price limits of the following supports:

- supports delivered by disability support workers
- therapy supports
- support coordination
- plan management

The APS is the peak body for psychology in Australia, representing more than 28,000 members nationally. In responding to the APR consultation paper, we have focussed on the questions relevant to the profession of psychology and services provided by psychologists within the National Disability Insurance Scheme (NDIS).

If any further information is required from the APS, I would be happy to be contacted through the national office on (03) 8662 3300 or by email at [z.burgess@psychology.org.au](mailto:z.burgess@psychology.org.au)

Yours sincerely

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Chief Executive Officer

## **APS Response to Annual Pricing Review 2022-23 Consultation Paper**

### ***Therapy Supports***

**Question 6. What has been the main cost driver in delivering NDIS therapy supports over the past year? Is this different to the past few years?**

- For psychologists, there has been no significant change to underlying cost drivers of NDIS therapy supports.
- The cost drivers of therapy supports provided by psychologists continue to be driven by labour costs, which are shaped by the market rate for psychological services. Noting that many psychologists are self-employed or work in small practices, labour costs have been subject to the significant inflationary pressures as noted at page 7 of the Consultation Paper.
- Nonetheless, there are also significant supply-side issues. APS members have reported a significant increase in waiting lists and a reduction in their ability to take on new clients since the COVID-19 pandemic began. This increased demand for psychologists has occurred amidst a continued workforce shortage for psychologists. Independent modelling has shown that the shortage of psychologists is more acute than in other mental health professions. Psychologists are therefore continually making difficult decisions about whether to accept new referrals and which clients they are able to see. The provision of NDIS therapy supports by psychologists are subject to these constraints.
- The APS understands that registration and verification aim to ensure the safety of participants and the quality of services provided. We argue, however, that this contributes to cost drivers in delivering therapy supports and, in the case of a regulated profession such as psychology, is not necessary. Sign on costs for psychologists potentially drive costs up and act as a disincentive for practitioners to work in the NDIS, as do costs associated with audits and compliance.
- Pricing limits, as a form of cost control, need to be set at a rate that will incentivise practitioners (i.e., psychologists) to provide their services within the NDIS to ensure that participants' needs are met, and to provide participants with choice and 'best fit' for therapy supports.
- The APS has a set of recommended fees which act as a guideline for practitioners and the public (currently \$280 for a 46 – 60 minute session).
- In addition to rural and remote locations, there are other thin or underserved markets which inherently attract increased costs - for example, those associated with complex needs and behavioural support. 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 disincentives for providing psychological services are not addressed, there will be an inevitable drift of practitioners away from the NDIS with negative flow-on effects for participants.

**Question 7. What proportion of your therapy revenue is derived from NDIS compared to other funding sources?**

- There is currently no data available to provide a profession-level view of psychologists and the proportion of their therapy revenue derived from the NDIS. While the APS is actively enhancing its data from members particularly in relation to the NDIS, we note that there is significant diversity across psychologists in their practice types, client base and funding sources.

- Some psychologists specialise in working with people with disability, including the provision of early childhood interventions. Naturally, the proportion of clients who are NDIS-funded would therefore be greater for these providers.
- As noted below however, the APS is concerned about perceived and actual barriers for psychologists to provide NDIS services. We note that the proportion of NDIS therapy services provided (and therefore revenue derived) may be artificially limited because of these factors. That is, psychologists would be providing more NDIS therapy supports to people with disability if funding and regulatory parameters allowed them to do so.

**Question 8. Is there a price difference between rates for your NDIS participants compared to non-NDIS participants? If so, what is the rationale for the price difference?**

- Once again, there is currently no data available to address this question directly. In any event, psychologists' fees are largely market driven, with some regulatory influence including NDIS price caps, Medicare fee rebates and other price limits in other funding sources.
- As noted above, NDIS therapy supports, depending on the level of complexity, may require more experienced and qualified psychologists. Fees charged may reflect both this additional level of expertise and additional complexity in the participant's needs and goals.
- Ultimately, NDIS price caps for psychologist-specific services (other than for NDIS participants in Remote or Very Remote areas) are currently 16 to 23% lower than the APS recommended fee of \$280 for a 46 -60 minute consultation. Psychologists are, in effect, regularly undercharging for their services when providing NDIS services.

### ***Registration Costs***

**Question 11. Please provide an estimation of time spent by your employees to complete administrative tasks associated with registration, audits and compliance relative to other sectors (private or public).**

- Time associated with NDIS administrative task varies across providers and is dependent on the setting in which they work. The APS has received consistent feedback from members that administrative tasks associated with registration, audits and compliance are excessive compared with other sectors (e.g., other insurance-based schemes such as workers' compensation).
- The psychology workforce is characterised by a high number of part-time practitioners who are likely to be in solo private practice. The inflexible administrative burden of registration, audits and compliance is particularly disproportionate for these practitioners.

**Question 12. Has the time spent on NDIS administrative/registration tasks increased in the past year?**

Unable to comment as no data available.

**Question 13. What do you see as the benefits and barriers to registration? If any, please provide more details.**

- There is no benefit to registration for psychologists or their NDIS clients, relative to the significant costs. Psychology is already a heavily regulated professional group with defined competencies and standards. Psychologists have repeatedly pointed out the considerable time, effort, expense, and delay involved in applying for registration, which can take upwards of 12 months, and in then maintaining registration.

- This has been a significant disincentive for psychologists to become registered providers thereby disadvantaging NDIS clients who have reduced access to services.
- The benefits mentioned at page 14 of the Consultation Paper have little relevance to a highly regulated, collegiate and in-demand profession such as psychology.
- Moreover, psychologists who are registered note that their registration does not confer any additional benefit, and that the effort of registration is not recognised in interactions with the NDIA.

### ***Labour Market***

**Question 14. How have NDIS pricing arrangements and price limits assisted your ability to hire and retain workers compared to other sectors and the private market? Please provide evidence.**

- NDIS pricing arrangements and price limits do not, for the most part, have a direct impact on the labour market in terms of psychologists' decision to practise under this Scheme. The key issue is about case mix: the decision about whether to accept NDIS-funded clients and in what proportion. Current pricing arrangements and price limits, on top of registration costs, may have a negative impact on psychologists' capacity to hire and retain worker as compared to other sectors and the private market.

**Question 15. How have NDIS pricing arrangements and price limits assisted in meeting the sector demand and/or supply for NDIS supports? Please provide evidence.**

- As noted above, current pricing arrangement and limits are currently acting as a disincentive for participation, especially when psychologists have ample opportunity to provide high-quality and effective services without arbitrary administrative and financial constraints. Unfortunately, current pricing settings operate to the detriment of participants and would-be-participants with an undervaluing of psychological services and the contribution of therapy provided by psychologists.

**Question 16. In your view, what is the best way(s) to address workforce issues?**

- Simplify registration, compliance and other administrative burdens for psychologists who are a regulated workforce and therefore obligated to adhere to an ethical code;
- As noted in our previous submissions, partner with the APS to identify pathways for provisional psychologists to work within the NDIS;
- Address upstream funding and policy issues in relation to the training of psychologists;
- Remedy the culture of the NDIA which is experienced by members as hostile to the profession of psychology.