Submission to NDIS Annual Pricing Review 2022-2023 Consultation

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This submission has been developed in consultation with AHPA's allied health association members.

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AHPA and the Disability Working Group

Allied Health Professions Australia (AHPA) is the recognised national peak association for Australia's allied health professions. AHPA's membership consists of 25 national allied health associations and a further 13 affiliate members, each representing a particular allied health profession. AHPA collectively represents some 200,000 allied health professionals and AHPA works on behalf of all Australian allied health practitioners, including the largest rural and remote allied health workforce numbering some 14,000 professionals.

Allied health professionals are a critical part of the National Disability Insurance Scheme ('NDIS'), providing a wide range of supports and services to help participants maintain and improve function, build their capacity to participate in community life, education and employment, and to access vital assistive technology.

AHPA's Disability Working Group (the Working Group) comprises policy and clinician representatives drawn from the range of AHPA's members that provide services in the NDIS. The Working Group is therefore informed by the views and experiences of both individual allied health professions and the allied health sector as a whole.

A note on therapy supports and orthotic/prosthetic supports

The Australian Orthotic Prosthetic Association (AOPA) is a member of AHPA's Disability Working Group. Orthotic and prosthetic supports are not therapy supports under the NDIS, with orthoses and prostheses instead being defined as assistive technology, and orthotic and prosthetic services assigned to the Custom Prostheses and Orthoses registration group.

However, orthotic and prosthetic services do include the clinical services (assessment, review and education) associated with the provision of orthoses and prostheses. These clinical services provided by orthotist/prosthetists parallel those provided by those allied health professions defined as providing NDIS therapy supports. Those orthotist/prosthetists are also regulated like other allied health professionals.

Accordingly, unless otherwise indicated, where this document refers to 'therapy' supports, services or providers, it should be read as also including orthotic and prosthetic supports, services or providers.

Overview

The Working Group has significant concerns regarding the financial and business impacts upon providers of therapy supports as a result of stagnant pricing limits for the past four years. In combination with rising business costs and inflation, and the aftermath of the pandemic, therapy providers are reporting significant business stress. Allied health providers are also experiencing high levels of burnout post-pandemic more generally[1], further affecting an already overstretched workforce.

It is important to note that many providers of therapy supports are not large providers, with forty-five per cent of providers registered to provide capacity-building therapy supports being sole traders[2]. Additionally, several allied health professions report that a large percentage of their workforce is part-time. For example, 40% of all speech pathologists work part-time, and the majority do not intend to (or are not able to) work full-time[3].

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[1] https://vahpa.asn.au/wp-content/uploads/2022/11/VAHPA-Your-Well-Being-Matters-Report-2022-Part1.pdf
[2] Pg 201 of Q1 Year 10 quarterly report https://www.ndis.gov.au/about-us/publications/quarterly-reports
[3] https://speechpathologyaustralia.cld.bz/Speech-Pathology-Workforce-Analysis-Preparing-for-our-future/8/

Following the pandemic, physiotherapy providers are reporting higher levels of burnout, and there has also been a shift within the workforce with regard to physiotherapists wishing to work part-time.

Therapy providers indicate that they were already operating within lean margins, but are now struggling to meet the demands of increasing business costs for things such as rent, utilities, and petrol in the case of mobile therapists.

Workforce Shortages and Thin Markets

Due to workforce shortages across the allied health sector, private providers are unable to keep pace with the wage increases that are required to secure or retain staff. This contributes to further pressure on the existing workforce as the demand for therapy services increases, without a corresponding increase in staffing hours, or in fact a decrease in staffing in some cases.

The impact of an overstretched therapy workforce upon thin markets is not being addressed by the Agency. The utilisation of therapy supports remains a significant problem. Total payments under Capacity Building - Daily Activity (the category most often used for payments of therapy supports) accounts for 56% of the annualised committed supports (as of December 2022)[4]. This indicates that **44% of therapy funds are currently remaining unspent** nationally.

This aligns with earlier state-based utilisation data from the NDIS quarterly reports presented in Table 1 below:

Table 1 - Capacity Building – Daily Activity as a Proportion of Annualised Committed Supports

State	CB Daily activity utilisation-June 2022	Overall plan utilisation-June 2022	CB Daily activity utilisation-Sept 2022	Overall plan utilisation-Sept 2022
NSW	56%	76%	57%	78%
VIC	53%	72%	53%	74%
QLD	57%	77%	57%	77%
WA	58%	73%	58%	74%
SA	59%	74%	60%	77%
TAS	47%	77%	47%	79%
ACT	57%	74%	57%	78%
NT	45%	74%	45%	77%

[4] Pg 193 of Q2 year 10 Quarterly Report https://www.ndis.gov.au/about-us/publications/quarterly-reports

More recent data from the 'explore data' function of the NDIS website presents the following results for the six months to December 2022[5]. This data shows the underutilisation of supports continues.

Table 2 – Utilisation by Total by State – Current Financial Year

Utilisation by Total

The ratio between Payments and Committed Supports for the six-month exposure period.

Metric

Market concentration Payments Committed supports Utilisation Graph Table

Period	State/Territory	Support Category	Utilisation
Q2 FY22/23	NSW	All	77%
Q2 FY22/23	NSW	Capacity Building - Daily Activities	65%
Q2 FY22/23	VIC	All	73%
Q2 FY22/23	VIC	Capacity Building - Daily Activities	60%
Q2 FY22/23	QLD	All	76%
Q2 FY22/23	QLD	Capacity Building - Daily Activities	62%
Q2 FY22/23	WA	All	71%
Q2 FY22/23	WA	Capacity Building - Daily Activities	63%
Q2 FY22/23	SA	All	76%
Q2 FY22/23	SA	Capacity Building - Daily Activities	67%
Q2 FY22/23	TAS	All	76%
Q2 FY22/23	TAS	Capacity Building - Daily Activities	53%
Q2 FY22/23	ACT	All	75%
Q2 FY22/23	ACT	Capacity Building - Daily Activities	63%
Q2 FY22/23	NT	All	76%
Q2 FY22/23	NT	Capacity Building - Daily Activities	50%

This data supports the anecdotal reports of difficulty in meeting the demand for therapy services under the NDIS. Whilst the consultation paper highlights that therapy payments have increased, as the table above indicates, **the utilisation of therapy funds within plans is not keeping pace with improvements in overall plan utilisation.** The gap between therapy utilisation and that of plans more generally is more than 20% in some states.

Additionally, data from the recently released data cubes suggests that for certain professions that provide disability-related health supports, participants are not receiving services under these line items at all (further detail is contained with the submission from Speech Pathology Australia).

Limits to Efficiency Gains

The suggestion that over-stretched therapy providers should simply improve their efficiency, and somehow do more with less ignores the very real issues facing this workforce that is critical to participants. This includes the fact that therapy services are by nature

[5] https://data.ndis.gov.au/explore-data

tailored to the participant, and require **ongoing monitoring and adjustment** by a skilled, university-trained professional.
Therapy supports cannot be automated, or become 'set and forget', as they are in place to improve the lives of participants, following their specific goals and aspirations. For example, Occupational Therapy providers have reported that their NDIS revenues are on average 30% to 40% lower per clinician than other schemes and for private practice clients, due to the increased complexity of NDIS supports compared to other clients.

Equitable Indexation, GST Treatment and Inefficiencies

Therapy supports are incredibly valuable for participants and the scheme alike, enabling greater participation and building capacity, enhancing the overall quality of life, but also potentially reducing long-term costs under the NDIS. However, the refusal by the Agency to index therapy prices for the past four consecutive years indicates that this value is not well appreciated.

In 2022, indexation was applied to nursing supports due to inflation and the recognition of the increased costs of doing business, however, these same factors appear to have been ignored with regard to allied health providers. This inequity in approach to different professions affects the morale of other professions in the sector, particularly with state-based price differences for some therapy professions.

This inequity is worsened when the provision of some allied health services is GST-free and some practitioners are required to collect GST. NDIS participants are confronted with **service discrepancies** based on the category of support provided and the location at which the service is provided. This **hinders multidisciplinary care** provision and **worsens shortages** for some categories of therapy support by distorting the supply of services. The attached document provides further details and explanation (See Attachment 1 - Inequities due to the inconsistent application of GST on health services).

It is the position of the Working Group that all professions claiming under therapy supports should be equally recognised for the value that they bring to participants, with the same rate for therapy supports across professions and states and territories. In considering what this rate should be, indexation must be applied at a minimum, with a resulting rate of at least $214.65.

Evidence-Based Price Setting and the Need for Data

The Working Group would remind the Agency that in 2017, the Productivity Commission stated that setting prices "should be evidence-based, with the collection of data and public reporting on providers' characteristics and costs"[6]. Currently, there is a dearth of available information regarding therapy providers and the allied health workforce more generally. The burden of collecting this data is consistently being shouldered by therapy providers and peak bodies, with an expectation of constant proof and evidence, frequently at the personal cost of the organisation. This is despite current themes supporting what has previously been provided to the Agency. The issues that have been raised since 2018 are not improving, and in some areas are deepening.

6 Productivity Commission (2017) *National Disability Insurance Scheme (NDIS) Costs*
Pg. 33 https://www.pc.gov.au/inquiries/completed/ndis-costs#report

The demands upon the sector to provide their own data are not feasible, nor reasonable within the time frames that are given for pricing reviews. Indeed, several questions within this pricing review are not able to be adequately answered due to this issue around data.

AHPA, in conjunction with individual peak bodies, has consistently raised the need for the Agency to consult with the therapy sector regarding their characteristics and needs, and investigate its own payment data, as this is already being collected. Should additional information be requested from the therapy provider sector, this must be part of a funded project, with the provision of appropriate and reasonable timelines to be able to gather robust and accurate data.

The Working Group believes, in line with the original NDIS principles and design, that NDIS prices should be reflective of the standard that is expected from a scheme created to enable people with disability to 'live an ordinary life[7]'.

Focus on Costs and Inadequate Consideration of Economic Benefits

From the testimonials within the quarterly reports, the NDIS is assisting certain people with a disability to thrive, with access to the appropriate support. The NDIS also directly contributes to the economy, with a recent economic report estimating a multiplier effect of 2.25 and an economic contribution of $52.4 billion[8].

Additionally, within the recent report released by the Disability Royal Commission, it was identified that there is an economic cost of $4.8 billion per year related to underemployment, unemployment and reduced productivity of people with disability, and a further outcome gap of $14 billion in this domain. Economic costs "includes failure by government, business and other systems to provide equal opportunity to participate in the economy and equal access to quality services"[9].

When considering the economic impact of the scheme, there should be equal consideration given to the benefits - not just to people with disability, but for Australian society as a whole. Rather than focusing on cost-cutting measures and hindering the ability of service providers to be financially viable, the potential economic impact of hindering access to services for people with a disability that prevents their participation and inclusion must also be considered.

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

A driver that has become a more significant issue within the last year has been an increase in wage expectations due to inflation and increased cost of living. Therapy providers are also reporting impacts upon mental health and wellbeing and associated burnout due to the pandemic and three years of incredible strain upon the health system. Whilst this is technically not new, it is cumulative, and there are anecdotal reports of

[7] Independent Advisory Council Report October 2014 https://static1.squarespace.com/static/5898f042a5790ab2e0e2056c/t/5b1a003a562fa72ab72fbc07/1598505538299/Reasonable+and+necessary+support+across+the+lifespan%3A+An+ordinary+life+for+people+with+disability+%28October+2014%29+Advice.pdf

[8] *False Economy: The economic benefits of the National Disability Insurance Scheme and the consequences of government cost cutting.* Per Capita, November 2021. https://teamwork.org.au/about/

[9] https://disability.royalcommission.gov.au/news-and-media/media-releases/violence-abuse-neglect-and-exploitation-people-disability-costs-46-billion-annually

increased numbers of successful work cover claims due to burnout amongst physiotherapists in particular. The business impacts of Covid-19 are also felt with regards to increased client cancellations and staff absenteeism due to illness, and consumables costs such as personal protective equipment and rapid antigen tests.

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

The Working Group is unable to answer this question due to the limited timeframe and data.

3. 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?

The Working Group would posit that higher pricing for NDIS clients is not as prevalent as the media discussion around the topic would suggest. According to data gathered from more than 700 speech pathologists this month, less than 23% report charging a higher rate for NDIS participants, with the vast majority charging all clients the same fee. Some therapy providers, in particular physiotherapists, in fact, report charging non-NDIS clients a higher fee, as this reflects the true costs of the service. It should also be noted that the recommended fee for psychologists for a 40-60 minute session is $280[10], whereas the NDIS price limit for psychologists is significantly lower at $214.41.

In the cases where a higher fee is charged, this is reported by therapists to be related to the complexity of the supports being offered, the level of skill involved and experience of the provider, and additional supervision and professional development requirements. Some therapists also report that the administrative burden of following up outstanding payments from self-managed and plan-managed participants, and the need for additional administrative staff to manage this and compliance demands necessitate a higher rate.

4. 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).

There is an unnecessary administrative and compliance burden of operating under the NDIS for allied health professionals who are already well-regulated through other mechanisms such as the Australian Health Practitioner Regulation Agency, and peak bodies in the case of self-regulating health professions. This registration burden simply does not exist under other programs.

For example, to provide services under Medicare the provider is only required to complete a single form, linked to their registration number under the relevant body. Payments under Medicare have been significantly automated to enable people using the service to pay on the day, and there are other in-built system features that streamline the rebate process for providers.

In comparison, under the NDIS, providers predominantly experience delays in receiving payments, particularly from plan managers, and a significant time cost is reported by therapy providers in chasing these payments.

[10] https://psychology.org.au/psychology/about-psychology/what-it-costs

Compliance and registration under NDIS incur a far greater financial and time cost than other systems. Therapy providers are **overwhelmingly de-registering** and choosing to see only self- and plan-managed clients due to the untenable burden. Whilst the consultation paper states that there has been an increase of 15% in registered providers providing therapy supports in the past year**, this is not comparable to the number of providers that were initially registered**, and have allowed their registration to lapse, or actively deregistered.

According to the September 2022 quarterly report, **just over half of all registered providers are no longer active**[11], therefore the scheme is actually operating with half the initial registered workforce. Registrations of new providers are not comparable to the number of therapy providers that were registered prior to the rollout of the NDIS quality and safeguarding framework and associated demands of registration.

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

Therapy providers indicate that they are experiencing **additional administrative burdens** related to the new NDIS worker screening, particularly with regard to waiting times for staff to be approved in Victoria. The infrastructure was seemingly not put in place to allow for the demand for these checks to be provided, and this has created a bottleneck, especially when the worker is from overseas.
This is in addition to the pre-existing time spent regarding administrative tasks such as review reports and chasing payments. Therapy providers have chosen to decrease this incredibly high burden by de-registering.

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

Barriers to registration include the administrative burden and cost both financially and in terms of the time spent preparing and undergoing an audit, and opportunity costs when this time could be spent delivering therapy. As the costs that auditors charge are not regulated**,** this is especially an issue with regard to providers in rural and remote areas who must also cover travel and accommodation for auditors, significantly adding to the quoted price.

Additionally, many therapy providers discuss that the policy requirements **do not correlate with increased safeguarding** for participants. For example, one larger therapy provider in Victoria reported that the auditors checked the number of bandaids within an on-site first aid kit, but were not interested in their measurements of the quality of the therapy that was being provided.

The combination of onerous financial and time burdens, and lack of applicability to the services being provided are serious deterrents to therapy providers undertaking the registration process. Data gathered from speech pathologists in a recent survey indicates that the administrative burden of being registered and the financial cost of auditing are two of the dominant reasons for not wanting to be registered.

Of those who are not registered, just under **95% indicated that they were not intending to register**. 46 speech pathologists indicated that they have in fact de-registered in the past 12 months, as the cost far outweighs the benefits. Indeed, therapy providers generally report

[11] Pg 89 of Q1 year 10 Quarterly Report https://www.ndis.gov.au/about-us/publications/quarterly-reports

that they no longer see any benefit to being a registered provider, beyond ensuring equity of access to service for agency-managed clients.

7. 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.

At present, the static pricing for therapy supports is limiting the wages that therapy providers are able to offer staff. The price limits have not kept pace with the consumer price index (CPI) increases that workers reasonably expect. The workforce demand across the entire allied health sector, is negatively impacting the ability to attract and retain workers within the NDIS.

One therapy provider in regional Victoria reports

"Our waiting lists for OT and SP have been closed for the better part of 3 x years. We have been advertising for therapists for this whole time and have had less than 5 applications. We just can't compete with some of the wages offered because of the significant shortage of therapists."

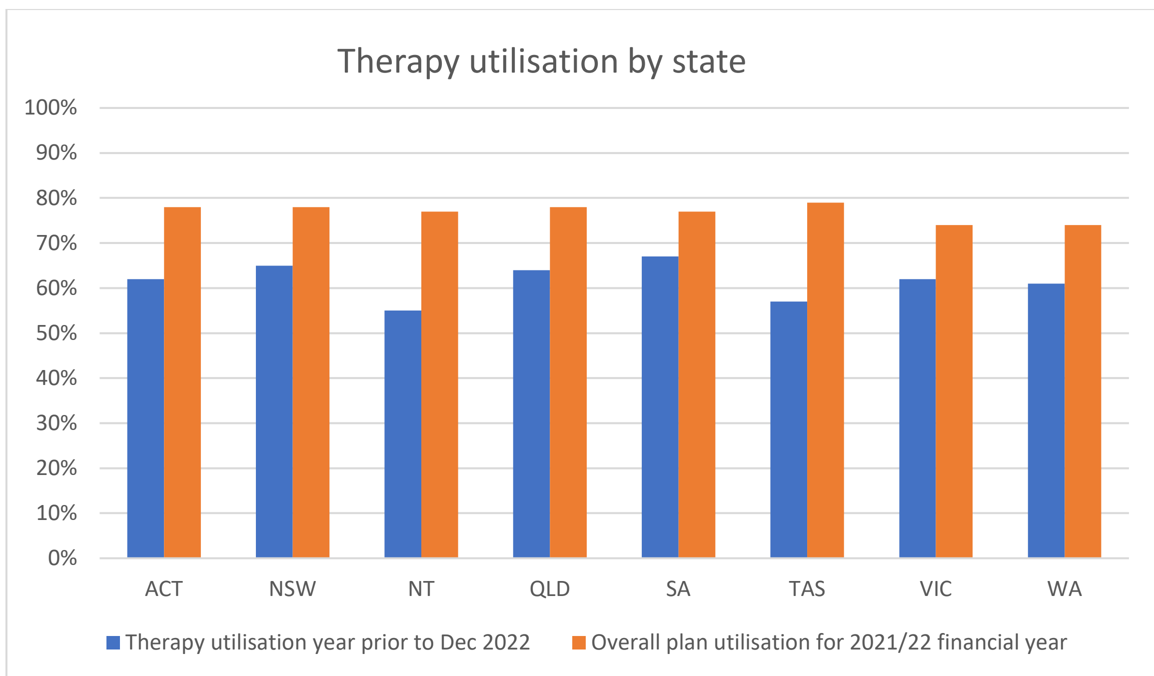
8. How have NDIS pricing arrangements and price limits assisted in meeting the sector demand and/or supply for NDIS supports? Please provide evidence.

Following on from the previous question, NDIS pricing arrangements and price limits have NOT assisted in meeting sector demand. The price limits for therapy supports have not increased for the past four years, and in combination with workforce supply issues, providers of therapy supports are unable to meet the demand.

This is reflected in the long waiting lists reported in all areas, including metropolitan areas with a higher supply of therapists. Several businesses report that they have had to close their waiting lists, as they simply do not have the staff to take on new participants.

The resulting thin markets are evident in the utilisation data below. Please note that these columns represent the payment data within the data cubes[12] for capacity building supports, compared with the reported overall utilisation for the 2021/2022 financial year (as the latter was impossible to determine from the data cubes, due to missing data).

[12] https://data.ndis.gov.au/data-downloads



The price limits, **particularly around group supports**, also hamper efforts by therapy providers to improve efficiency and provide alternative models of service. Groups are simply not financially viable under the current pricing arrangements, and therefore the therapists that provide them, in line with the evidence-based practice for particular techniques, report that they make a loss.

The limits on travel, and how and when it can be charged are also having a severe negative impact on participants in rural and regional areas accessing support. The lack of additional funding for travel limits the number of therapy services that can be provided, and in some cases, this limitation is leading to families undertaking the burden of travel themselves. This further disadvantages families and participants who are not able to travel to receive support.

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

Firstly, the price for therapy supports must be raised, and indexation applied to reflect inflation at a minimum. Allied health businesses are not able to attract new staff unless they are able to offer competitive salaries, and many businesses are unable to absorb the onboarding costs with non-existent profit margins. Longer term, there is a desperate need to gather workforce data regarding allied health, and specifically what would attract and retain therapists to the sector.

Secondly, it has been previously identified that there is a need to incentivise providers to provide NDIS-based placements for students. A solution could be grants established to run placements in the sector, as part of the Information, Linkages and Capacity Building program. This would allow students to upskill in this area enabling them to be more ‘job ready’ for the NDIS, lessening initial training costs, but also potentially establishing pathways for employment with existing therapy providers.

Also, the Agency must look at the pricing arrangements for significant business costs such as travel and supervision. Removing the travel cap in rural and remote areas, providing additional travel budgets for participants in rural and remote areas, or where in areas where

there are thin markets would allow therapy providers to more easily supply workers. In addition, allowing supervision to be charged as part of providing a safe and effective service would better reflect these costs to therapy providers, and encourage them to enter or remain in the market.

In addition, the Working Group would strongly urge the Agency to consider how the pricing for group supports currently acts as a barrier to providing these alternate models of service and hindering improved efficiency. Due to restrictions on the way these are costed, therapists are unable to run groups, they are simply not financially viable. Those therapy providers who report running groups do so at a loss, disincentivising this as a model that could allow for greater numbers of participants to be seen when part of evidence-based programs of support.

Finally, the inequity of inconsistent application of GST can be resolved by following recommendation 15 of the NDIS Annual Pricing Review 2021-2022, which recommended the NDIA devise a method to pay GST amounts “off plan” to enable price limits to be set GST-exclusive[13]. Considering the significant challenges created by the current inefficient system (see Attachment 1), it is crucial for the NDIA to take immediate action. This action would ultimately result in a more transparent, fairer and more equitable NDIS pricing system that benefits all participants and providers.

[13] https://www.ndis.gov.au/media/4567/download?attachment p. 16

Attachment 1 - Inequities due to the inconsistent application of GST on health services

Allied health professionals who provide therapy supports to NDIS participants confront complicated and confusing requirements for the application of GST between various participants. Past NDIS determinations also intersect with the “A New Tax System (GST) Act” (the Act) to create uneven and inequitable outcomes for NDIS participants.

Background

The Goods and Services Tax (GST) was introduced in Australia on July 1, 2000, as a value-added tax on most goods and services consumed within the country. However, health services were exempt from this new tax, to ensure that essential goods and services remain affordable and accessible to all Australians.

The Act initially set a descriptive list of allied health services deemed non-taxable. This list includes health professions like physiotherapists, speech pathologists, dietitians, chiropody, acupuncture, naturopathy, herbal medicine, and others, in a total of 22 different occupations. The evolving nature of health care and its expansion over the past 20 years, however, has rendered this aspect of the Act not fit for purpose.

Although the Act initially established disability care as one of the areas for exemptions, not all services provided through the NDIS are non-taxable. Service providers must rely on the NDIS determination of the GST legislation to identify which supplies are taxable and which are non-taxable[14].

Many of the important health services supporting NDIS clients today attract GST, adding cost for essential health services while creating confusion and uncertainty for both allied health professionals and their clients.

Unlike other schemes, the NDIA has made the situation particularly challenging by incorporating GST into the NDIS price limits. This creates a significant disparity between taxable and non-taxable professionals.

Impacts on Services to NDIS Participants

For instance, services such as Art and Music Therapy have the same price limits as Audiology, Dietitian, Physiotherapy, and Social Work services in the NDIS Therapy Supports. However, the supply of their services is taxable and is included in the price limit. This decreases the effective hourly rate they earn. This situation is worse for services like Exercise Physiology and Counsellors, which not only have a much lower price limit than their allied health professional equivalents but also must remit GST to the tax office from this lower price limit.
When the supply of services to some participants, but not others, is tax-free, the supply of practitioners is distorted and creates shortages for the participants that generate a GST liability for the practitioner (e.g. supportive therapy for children over 7 years of age.)

[14] https://www.ato.gov.au/business/gst/in-detail/your-industry/gst-and-health/?page=6

The confusion and inequity are highlighted in the table below:

Inequities of Service to NDIS Participants

Service discrepancies	
The tax status of services provided to NDIS participants depends on which category of support is defined by the NDIS	
*Example 1: Exercise physiology and music therapy services provided through **Early Childhood supports** will be GST-Free.* *The same services, if provided through **Therapy Support** or **Physical Wellbeing Activities** support attract GST. This can impact workforce availability for children over 7.*	GST-Free service vs GST taxable service
The tax status of services provided to NDIS participants depends on which service provider is engaged to provide the support	
Example: Cognitive Behaviour Therapy (CBT) provided by a psychologist to support behaviour modification is GST-Free. *CBT provided by a counsellor to support behaviour modification attracts GST*	GST-Free service vs GST taxable service
Location settings	
The tax status of the service provided to an NDIS participant depends on the location of the service provision	
Example: Exercise physiologist services would be GST-Free if the services are provided in an NDIS-funded facility but will attract GST if the same service is provided in a clinic or in the participant's home.	GST-Free service vs GST taxable service
Provision of Assistive Technology	
The provision of assistive technology generally does not attract GST, however, the ongoing maintenance of said assistive technology may.	
Example: An orthotist/prosthetist provides a patient with a new prosthesis, and they adjust a right shoe modification that was previously supplied. The new prosthesis is GST-free, but the shoe modification attracts GST.	Mixed supply of GST free and GST taxable
The provision of a GST-free medical aid may not attract GST, but the provision of a generic spare part may attract GST.	
*Example: an orthotist/prosthetist provides a patient with **a stump sock** that does not attract GST.* *The same orthotist/prosthetist supplies another patient with **a spare buckle** for their orthosis which does attract GST*	GST free supply vs GST taxable supply
Ongoing management of Assistive Technology	
The modification of some assistive technology attracts GST.	
*Example: An orthotist/prosthetist adjusts an **ankle foot orthosis**. This service does not attract GST.* *However, the same orthotist can provide a similar adjustment for a **wrist hand orthosis**, and this service would attract GST*	GST-free service vs GST taxable service
Hindering Multidisciplinary Care	
Inconsistencies with the application of GST hinders the provision of multidisciplinary due to administrative burden and patient confusion	
*Example 1: An **orthotist/prosthetist** has a combined assessment with a **physiotherapist**. The physiotherapy portion of the assessment does not attract GST, however, the orthotist/prosthetist does.*	Mixed supply of GST free and GST taxable
*Example 2: A family has funding for a **psychologist** and an **art therapist**. The fee charged for psychology does not attract GST, however, the fee for art therapy does.*	Mixed supply of GST free and GST taxable

Proposed Solution

The final report of the NDIS Annual Pricing Review 2021-2022 recognised this problem and acknowledged that an "off-plan" GST payment approach is utilised by several other schemes.

This “off-plan” approach has the potential to:

- increase participant choice and control,
- simplify the planning process, and
- prevent artificial inflation of price limits when some providers are subject to GST while others are not.

This led to recommendation 15, advising the NDIA to devise a method to pay GST amounts “off plan” to enable price limits to be set GST-exclusive[15]. Considering the significant challenges created by incorporating GST into the NDIS price limits, it is crucial for the NDIA to take immediate action.

Recommendation

AHPA is urging the NDIA to implement this “off-plan” approach in the next NDIS Pricing Arrangements and Price Limits to eliminate the current discrepancies, simplify the planning process, and ensure that all providers are subject to the same price limits, regardless of their GST status.

This action would ultimately result in a more transparent, fairer and more equitable NDIS pricing system that benefits all participants and providers.

[15] https://www.ndis.gov.au/media/4567/download?attachment p. 16