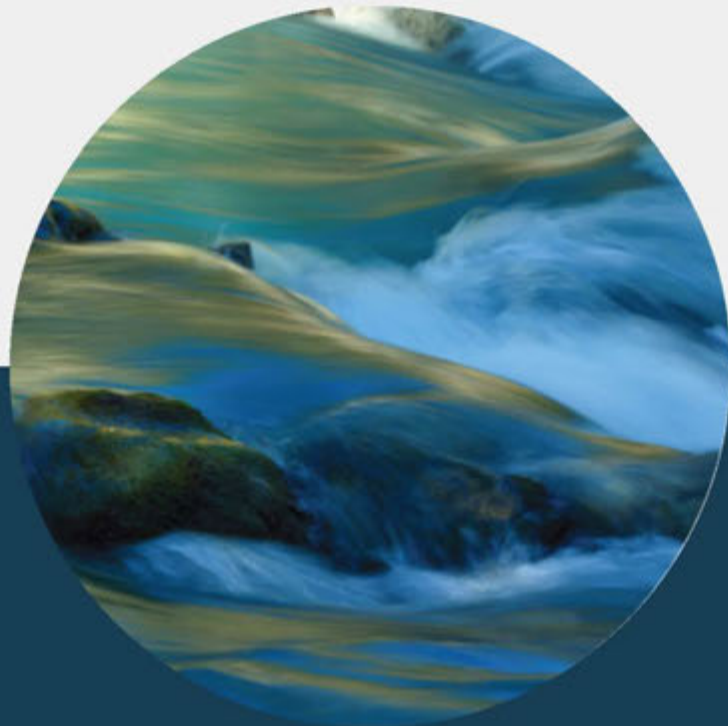


PRODUCTIVITY COMMISSION – PART B – WORKFORCE & SYSTEMS CONSULTATION



OTSi

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A System and Workforce Capable of Delivering What's Needed

29 July 2025

Introduction

OTSi (Occupational Therapy for Support and Inclusion) welcomes the opportunity to respond to the Department of Social Services' consultation on the Section 10 NDIS Supports Rules. Our submission draws on the expertise of occupational therapists supporting people with invisible and hidden disabilities, including psychosocial, cognitive, intellectual, and other less visible disabilities. This submission (Part B) follows our earlier 'Part A' submission dated 15th July 2025.

Occupational therapists (OTs) are uniquely positioned to contribute to the future of Australia's mental health and psychosocial disability systems. The current occupational therapy evidence-base for mental health and psychosocial disability, is summarised in Appendix 1. The Productivity Commission's *Mental Health and Suicide Prevention Agreement Review – Interim Report* outlines opportunities for strengthening foundational supports and reforming service delivery. To realise this vision, the Commission must support a system and workforce capable of delivering scalable, innovative, and person-centred care. This includes recognising the full scope of occupational therapy in mental health, building interdisciplinary collaboration—particularly with the peer workforce—and creating robust pathways across the stepped care model. Mental health occupational therapy is grounded in person-centred, trauma-informed, and culturally responsive practice that values co-production and partnerships with lived experience leaders (Roper, Grey & Cadogan, 2018; Department of Health, 2011).

This paper outlines how mental health occupational therapy supports a comprehensive system reform agenda aligned with participation, citizenship, and functional outcomes (Fontaine, 2019; Kirsh et al., 2019). Our previous submission emphasised the benefits of the ICF framework and this framework is highly compatible with occupational therapy practice.

OT as a Core Workforce in Stepped Care

Stepped care models demand flexibility, diversity, and depth in workforce skills. Mental health occupational therapists operate across all levels of the stepped care continuum—from promotion and prevention through to acute intervention and psychosocial disability supports. Our skillset¹ encompasses:

- Functional, support need, and occupational assessment;
- Individualised intervention grounded in evidence-based practice;
- Environmental and assistive technology adaptations;
- Integration of sensory and function-focused interventions;

¹ See Appendix 1 for evidence-base summary

- Collaborative interdisciplinary planning, especially across transitions.

OTs apply a social model of health and disability to assess and support the person's function, environment, and occupations—making them essential in tailoring supports to life stage, complexity, and context (Hammell, 2007; Department of Health, 2011). Occupational Therapy has been the primary allied health profession engaging with people with psychosocial disability in the NDIS, under a participant choice-based based.

Recent systematic reviews and meta-analyses highlight that sensory processing challenges are a psychosocial disabilities. (Van den Boogert, 2022²). Occupational Therapists use sensory modulation interventions to identify task and environmental modifications to address participation barriers.

Lifespan Focus and Evidence Base

Occupational therapists address function-focused mental health needs across the lifespan. Their evidence-informed interventions span perinatal care to older age, ensuring continuity of support grounded in developmental understanding and participation goals (Arbesman et al., 2013; Acharya, 2014; Clarke et al., 2001).

Mental health OTs understand the distinct occupational needs and barriers experienced by children, young people, adults, older adults, and people from vulnerable or marginalised communities. They use a tailored, trauma-informed approach to support identity, daily living, and inclusion across life domains (Edgelow et al., 2019; Kirsh et al., 2019).

Partnering with the Peer Workforce

OTSi strongly supports the role of the peer workforce and recognises their unique and indispensable expertise. Occupational therapists and peers work synergistically, with complementary skillsets:

- OTs focus on functional capacity, participation, and environmental modification;
- Peer workers bring lived experience and relational engagement;
- Both share a commitment to person-centred, rights-based support.

Co-designed workforce models can combine occupational therapy and peer skillsets, supporting integrated and recovery-oriented care. The principles of co-production—emphasised in both occupational therapy and lived experience leadership—are central to effective partnerships (Roper, Grey & Cadogan, 2018; Fontaine, 2019).

Innovation, Not Replication

The foundational supports proposed in the PC Interim Report must not replicate under-evaluated or outdated programs (e.g., PHaMs). Instead, we call for:

² [Sensory processing difficulties in psychiatric disorders: A meta-analysis - PubMed](#)

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- National trials of innovative psychosocial models, evaluated against participation, function, and economic metrics;
- Co-designed pilots involving OTs, peer workers, and consumers;
- Integrated navigation roles to bridge foundational and NDIS-funded supports.
- Funding for research into how occupational therapy currently address functional capacity for people with psychosocial disability in the NDIS

Occupational therapists bring an evidence base in sensory modulation, occupation-based interventions, and environmental adaptation to design scalable, client-centred models (Fox et al., 2019; Fitzgibbon & O’Sullivan, 2018).

Avoiding Workforce False Dichotomies

The clinical/non-clinical divide is a false dichotomy that limits innovation. Instead, we urge a whole-of-workforce approach focused on capability, outcomes, and function:

- Fund occupational therapy as a core psychosocial support, not as an optional clinical add-on;
- Invest in Allied Health Assistants (AHAs) to extend OT reach via structured delegation;
- Embed genuine capability in foundational supports, avoiding tokenistic or low-value models.

Mental health OTs are regulated professionals with a broad, holistic scope. Their work aligns with both recovery and rights-based models, and is recognised in stepped care mental health system design (Australian Government, 2014; Occupational Therapy Australia, 2017).

Strengthening the Workforce System

To support reform, workforce planning must reflect the full landscape. The PC Interim Report rightly identifies workforce pressures. We add:

- NDIS reforms have cultivated a flexible, innovative OT workforce. Many practices are female-led, operate in small practices, and include workers with disability or lived experience; with a high proportion who are also parents and carers.
- Federal mental health reforms must not favour large national providers at the expense of responsive, community-based services;
- PHNs should be funded and tasked with mapping, engaging, and commissioning services from this diverse, high-impact workforce.

This aligns with national competency standards recognising collaborative care, cultural safety, and client-centred practice (Australian Occupational Therapy Competency Standards, 2018).

OTSi Recommendations

1. Commission national trials of innovative psychosocial support models co-designed with occupational therapists and peer workers, evaluated against functional and participatory outcomes.
2. Invest in a psychosocial navigator workforce blending allied health and peer skills, embedded in local systems.
3. Recognise and fund mental health occupational therapy as a core element in foundational supports, particularly for people with complex or fluctuating functional needs. For example, please see the attached focused functional intervention model which includes a range of strategies to embed occupational therapy intervention in service provision.
4. Adopt a whole-of-workforce approach that integrates peer, allied health, and AHA roles, rejecting outdated clinical/non-clinical divides.
5. Commission and fund community-based providers, including small, female-led, disability-inclusive practices through PHNs or other funding options
6. Develop a national peer workforce scope of practice to support collaboration, safety, and service quality.
7. Integrate OT in stepped care design, particularly in transitions between levels of support, and across NDIS and non-NDIS systems.
8. Include occupational therapists in service design, governance and co-design initiatives linked to foundational support reform.

Conclusion

Occupational therapy offers a proven, adaptable, and evidence-informed approach to functional recovery and participation. Our profession stands ready to work alongside peers, carers, and communities to build a system and workforce capable of delivering what's needed—today and into the future. We would welcome the opportunity to meet with the Productivity Commission to further discuss our submissions.

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Appendix 1: Evidence Summary – Occupational Therapy in Mental Health and Psychosocial Disability

This appendix summarises the current international evidence base for occupational therapy (OT) in the context of mental health and psychosocial disability. It draws on systematic reviews, meta-analyses, and clinical trials evaluating OT-led interventions across domains such as daily living, social participation, cognition, and vocational functioning.

Systematic & Scoping Reviews

1. D'Amico et al. (2018) conducted a systematic review of 61 studies focused on serious mental illness (SMI), finding strong evidence for psychoeducation, cognitive-based, and occupation-based OT interventions. Moderate support was found for skills training, with limited evidence for technology-based supports.
2. Rocamora-Montenegro et al. (2021) reviewed 35 studies involving adults with SMI and found that psychosocial interventions (e.g., life and social skills training) were most common. Interventions were mostly group-based, multi-disciplinary, and delivered over 3–6 months.
3. Stephenson et al. conducted a rapid review synthesising 25 studies on OT-led psychosocial interventions. Strong support was found for cognitive remediation, psychoeducation, skills training, and vocational rehabilitation.

Intervention Outcomes & Specific Trials

4. Shimada et al. (Japan) conducted longitudinal RCTs comparing group OT (GOT) to GOT plus individualised OT (IOT). Five-year follow-up showed better outcomes in social function, independence, and reduced re-hospitalisation.
5. A 2017 meta-analysis of 11 RCTs (N ≈ 520) showed medium effect sizes for occupational performance (Hedges' $g \approx 0.50$) and small effects for wellbeing.
6. OT-led Individual Placement and Support (IPS) models show strong evidence for competitive employment and moderate evidence for supported education.
7. A meta-analysis of 31 trials on early psychosis (N = 2,811) showed small to moderate improvements in functioning, with cognitive remediation and multi-component models having larger effects.
8. Return-to-work OT programs for depression showed strong evidence for symptom reduction and functioning improvements. Lifestyle approaches for anxiety had more limited support.

Summary Table of OT Interventions in Mental Health

Intervention Domain	Evidence Strength	Outcomes	Key Notes
Psychoeducation / Cognitive-based / function-focused OT	Strong	ADLs, sleep, leisure, occupational performance; functional outcomes	Core domains supported by systematic reviews
Function-focused & Psychosocial interventions	Moderate to Strong	Social participation, work-readiness	Frequently delivered in groups
Individual Placement & Support (IPS)	Strong	Competitive employment, education	Effective when combined with cognitive/social interventions
Early intervention multi-component programs	Small–Moderate	Social functioning, community integration	CRT and combined models most effective
OT for depression (return-to-work)	Strong	Symptom reduction,	Moderate evidence for anxiety lifestyle programs

		functional recovery	
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Bottom Line

There is strong international evidence that occupational therapy—particularly psychoeducational, cognitive-based, psychosocial, and vocational interventions—can improve functional, social, and vocational outcomes for people with mental illness or psychosocial disability. However, the field would benefit from further assessor-blinded, profession-specific RCTs to confirm causal attribution and intervention efficacy.

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Appendix 2: Focused Functional Interventions

FOCUSED FUNCTIONAL INTERVENTIONS



OTSi

For hidden & invisible disabilities

About OTSi

Occupational Therapy Society for Invisible Disabilities (OTSi) is a national society whose purpose is to enable Occupational Therapists who work alongside people with hidden and invisible disabilities, to reduce barriers to full participation in our world as active citizens of Australia.

Our focus is on ensuring access to resources, opportunities, and supports for people of all ages with invisible disabilities, including access to Occupational Therapy. OTSi has a strong voice in systemic advocacy and policy direction, as well as enabling individuals to build better lives.

Invisible & Hidden Disabilities

The term 'hidden and invisible disability' is an umbrella term and acknowledges that the impacts of hidden and invisible disability are often poorly misunderstood or overlooked. We commit to shining a light on the impact of invisible and hidden disabilities alongside people who experience them, and to work to address barriers to active participation, and barriers to societal recognition and understanding. OTSi approach underscores the importance of empathy and awareness in interactions and accommodations, to build a more inclusive world.



Unmet need for interventions to enhance functional capacity:

Significant proportions of people with disabilities cannot currently access evidence-based interventions to enhance functional capacity, delivered by Occupational Therapists.

There is a large identified and unmet need for OT to enable these cohorts to live full lives and to participate in our communities, through building functional skills, and addressing disability-related participation barriers.

This issue is compounded by:

- A high threshold to access NDIS and increased rates of revocation of NDIS access.
- The limited nature of existing Medicare Items to address functional capacity for these cohorts and the cost-prohibitive nature of co-payment systems.
- The absence of function-focused foundational supports in the community.

The impacts:

- Reduced social and economic participation
- Barriers to community access, engagement and to living an independent life
- The higher risk of hospitalisation.
- Increased costs due to needs not being met. If the NDIS is the only program that offers functional capacity building programs, then that will continue to be "the only oasis in the desert".



Recommendations:

Enable access to evidence-based interventions delivered by qualified and skilled Occupational Therapists (with possible support from Allied Health Assistants under supervision) focused on building and enhancing functional capacity, for the identified cohorts.

This could be achieved through::

- **The introduction of a new Medicare item centralising Focused Functional Strategies for use by Occupational Therapists via GP referral for the target disability cohort.**
- **The creation of an escalation pathway to access a foundational support package focused on Occupational Therapy delivered Focused Functional Interventions (FFI) through Mainstream, Primary Care systems and services.**
- **The creation of a foundational support package focused on occupational therapy delivered Focused Functional Interventions.**
- **Further co-design of Focused Functional strategies for each cohort. The Focused Functional Interventions concept has been co-designed with people with lived experience but requires further co-design with people with lived experience, Disability representative groups, Peak bodies etc**



Focused Functional Interventions:

Could include:

- Executive functioning and cognitive strategies/ approaches
- Routine development and life-skill development
- Social connecting/ social prescribing
- Vocational - work and study engagement
- Creativity/ Occupation/ Activity -based strategies
- Sensory based strategies
- Activity grading and energy conservation

Target groups could include:

- Autistic people
- ADHDeers
- Neurodivergence
- Intellectual Disability
- ME/CFS & Long Covid
- Psychosocial Disability
- Mental Illness
- Dementia
- Other hidden and invisible disabilities

Focused Functional Interventions are required in Individual and Group formats, across the lifespan

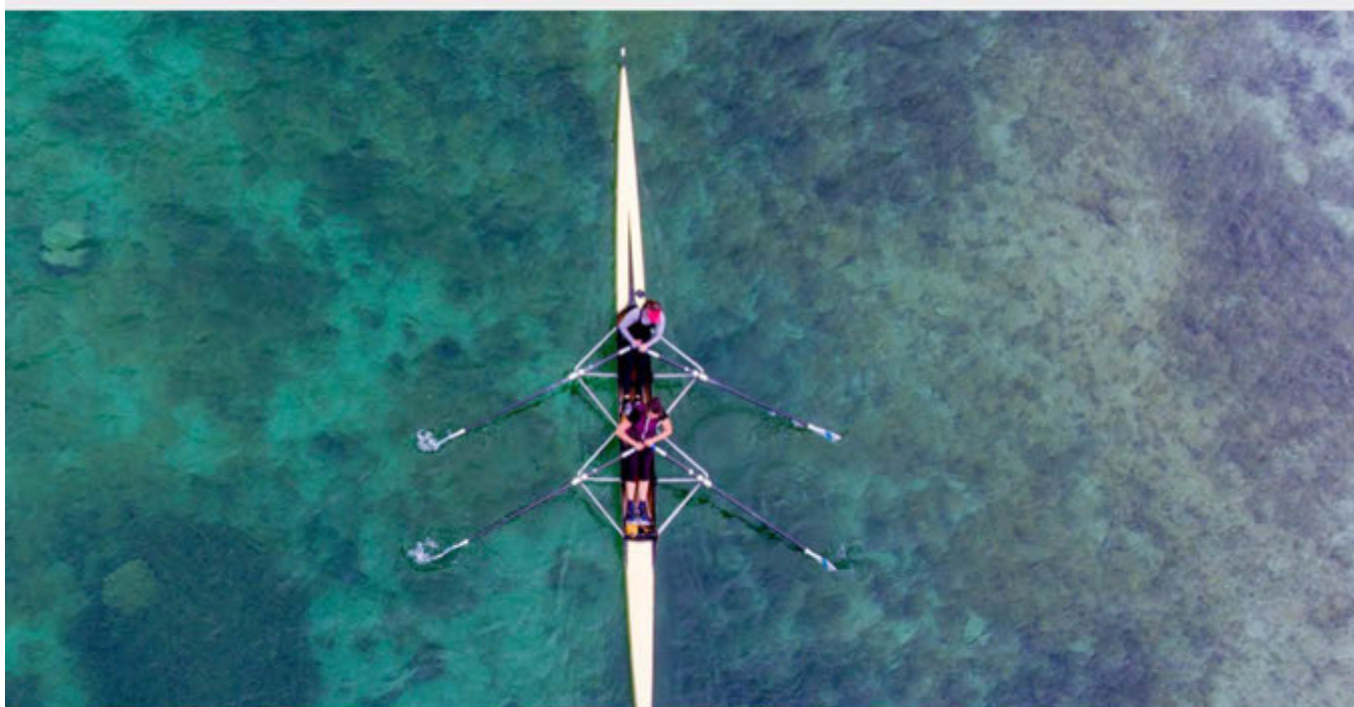
Workforce Ready Occupational Therapy:

Occupational therapy is a person-centred, outcomes-based and participation-focused, profession with current national reach.

Occupational Therapists are degree qualified (Bachelor and/or Masters and Doctorates) and regulated by the Australian Health Practitioner Regulation Authority

There is a large national network of Occupational Therapists already established in communities to deliver support to this cohort. Occupational Therapy is by far the leading Allied health discipline already providing services to these groups (eg autism, psychosocial and intellectual disabilities) under the NDIS.

Utilising the skills of existing providers in building capacity within Foundational Supports is cost effective, supportive of community, small businesses and the Carer economy.



Policy Drivers:

There is an **URGENT** need to build foundational supports in the community for the groups identified.

NDIS reform will result in cohorts who experience significant functional impact from a range of disabilities being unable to meet the NDIS threshold. This includes people who have not completed all of the NDIS requirements for therapies for their disability type.

The proposed Focused Functional Interventions will meet the needs of various groups with invisible disabilities that are the current focus of Government Enquiries:

- ADHDers as per the ADHD enquiry
- Mental Illness challenges
- People with long covid as per the long covid enquiry
- Children with School Can't/School refusal.

The Mental Health Unmet Needs Analysis (2024) identifies extensive unmet psychosocial need within Australian communities, this is likely to be an underestimation of the scale of unmet need and it is likely to expand following NDIS reform.

Existing Medicare items such as Better Access to Mental Health, target mental -health specific interventions or 'focused psychological strategies', and do not focus on building functional capacity

**Focused Functional Interventions
are required in Australia and can fill this gap
cost effectively**

Principles

Focused Functional Interventions are based on core principles in client centred practice

Focused Functional Interventions need to be:

- Neurodiversity-affirming
- Strengths based
- Individualised
- Trauma Informed
- Focused on Person-centred goals
- Neurodiversity-affirming
- Recognising the person as expert in their disability
- Working collaboratively with the broader workforce, including Lived Experience workforce



Proposal

That Government support the establishment of a package of Occupational Therapy sessions designed for children and adults with invisible disabilities for example, through a new appropriately funded Medicare item number - Focussed Functional Interventions (FFI) enabling improved access to an evidence -based, high-quality, outcome-focussed, capacity-building therapy

That referrals for the annual Occupational Therapy FFI package be made through GPs and outcomes reported back through referring GP

Focussed Functional Intervention (FFI) by Occupational Therapists could also be offered as a targeted foundational support package offering people choice about the way they want their FFI therapy support to be delivered and administered

Contact OTSi for further details

- * costings
- * evidence
- *workforce
- * needs

Email: admin@OTSi.net.au

