

## Submission to Inquiry into Reducing Barriers to Business Dynamism in Australia

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## Executive Summary

We welcome the opportunity to contribute to the Productivity Commission's inquiry into barriers to business dynamism.

The remedial massage therapy and myotherapy sector contributes significantly to pain management, rehabilitation, mobility, and wellbeing outcomes for Australians.

The remedial massage therapy and myotherapy sector is overwhelmingly made up of small businesses and sole traders, with limited pathways for scaling, employing staff, or integrating into broader health-system structures. As the inquiry notes, *"when unnecessary barriers get in the way... we miss out on the potential social and economic benefits that flow from them."*

Despite strong consumer demand and a highly qualified workforce, the sector remains dominated by small businesses and sole traders, limiting its capacity to grow, employ staff, innovate, and integrate into broader health and digital health systems.

Evidence from Massage & Myotherapy Australia's 2026 Pulse Survey and 2023 Practitioner Survey highlights persistent structural barriers to business dynamism.

More than 85% of practitioners operate as sole traders and fewer than 12% have recruited staff in the past 18 months. Of those attempting to recruit, almost 89% reported difficulties, citing shortages of appropriately qualified, skilled, and experienced practitioners. Workforce participation is also constrained by low and unstable incomes, with most practitioners working part-time and earning below national averages.

Inconsistent recognition across multiple government schemes limits revenue stability, reduces client access to care, and prevents integration into multidisciplinary healthcare pathways. For example, remedial massage therapists and myotherapists (massage therapists) are recognised by private health funds, GP care plans, aged care and insurance schemes, yet they are excluded from national digital health identifiers, and numerous state injury insurance schemes and healthcare programs. This contradicts the Health Service Award and National Code of Conduct for Health Workers which include Massage Therapists yet they are afforded no legislated title or practice protection.

Consequently, the sector faces significant regulatory and administrative barriers that restrict growth and productivity. These barriers disproportionately affect small businesses and discourage investment, expansion, and employment.

Market distortion is further compounded by the absence of title or practice protection, allowing unqualified individuals to market themselves as massage therapists. This undermines consumer confidence, weakens professional standards, creates unfair competition, and contributes to reputational harm across the sector.

This submission recommends introducing risk-proportionate national regulation, title or practice protection, a nationally recognised accredited register, adoption of the national quality assurance program, stronger workforce development pathways, and inclusion within key health and digital health systems.

These reforms would improve consumer protection, strengthen workforce quality, reduce administrative burden, support innovation, and expand access to referral and funding pathways. This would create a more productive, sustainable, and competitive sector, enabling legitimate businesses to grow, employ staff, and contribute more effectively to Australia's health system and economy.

## A structurally constrained skilled workforce

This submission draws on extensive national evidence from Massage & Myotherapy Australia's 2026 Pulse survey of member employment characteristics (1800+ responses from 8300 members) and the Association's 2023 Practitioners Survey (10-year dataset). Together, these data sources provide the most comprehensive picture available of the structural, regulatory and workforce barriers limiting business dynamism in the remedial massage therapy and myotherapy sector.

### *Small businesses and sole traders*

Members responses to these surveys indicate that workforce expansion is limited by unnecessary regulatory / policy restrictions, high administrative burden for small businesses, difficulty finding qualified staff and appropriate clinic-space constraints.

Responses to the 2026 Survey indicate that:

- 85.34% of practitioners operate as sole traders; only 10–15% employ staff.
- Just 11.25% recruited in the past 18 months.

Among the 11+% of respondents to the 2026 survey who indicated an attempt to recruit:

- experienced difficulty 88.95%
- reported applicants lacked technical skills 55.70%
- applicants lacked experience 55.03%, and
- *applicants lacked appropriate qualifications* 46.98%.

Practitioners identify gaps in advanced treatment skills, clinical assessment, communication, and continuing education.

However, these emerging higher-level skills shortages cannot be filled by massage therapists with overseas or online qualifications, because they do not meet Australian health sector standards and competency requirements.

### *An employment, career and income constrained sector*

Additionally, among those who employ staff, 67.68% employ casual staff, 35.37% part-time, 19.51% employ full-time staff.

This indicates unstable demand and limited capacity to offer secure employment.

This claim is further supported by responses to the 2023 Practitioners Survey indicating that around three-quarters (74%) of qualified professional massage therapy practitioners work part time, which is 2.5 times higher than the national average.

- Of these, 42% work between 17 and 32 hours a week.
- 64% earn less than \$1,200 weekly and 41% earn less than \$800 per week.
- The workforce is experienced, with 46% aged over 50 years, and 70% having over six years' experience in the industry.
- Also, 93% have a Diploma in Remedial Massage or Advanced Diploma in Myotherapy, and 2% have a Bachelor's degree in Health Science

Respondents also identified barriers to dynamism, growth and expansion as follows:

- lack of recognition as qualified health professionals - 56%

- lack of understanding of the benefits of remedial massage therapy and myotherapy - 53%
- competition from unqualified massage outlets - 50%
- low private health insurance rebates - 42%
- reputation of the profession - 41%

The Submission outlines how various regulatory barriers inflate these characteristics and conditions, and acts as disincentives to expansion and innovation or to undertake a career in the remedial massage therapy and myotherapy sector at all.

### Market distortion, regulatory and administrative burdens

Government policies have not kept pace with the significant developments in competency and standards of Australia's professional massage sector.

Businesses face a complex and inconsistent regulatory environment, restricting productivity revenue, growth and employment.

Across major public funding systems, the professional sector's contribution to pain management, mobility, rehabilitation and wellbeing is significantly constrained or unrecognised at all, by fragmented and inconsistent treatment policy and/or recognition of professional qualified remedial massage therapists and myotherapists.

For professional massage therapists, 85.34% of whom are sole traders, the uncertainty and lack of recognition create revenue instability, reduce client continuity, and limit opportunities for business growth or employment.

For clients and patients, access to clinically beneficial services that support mobility, pain management and quality of life are limited.

#### *Inconsistent or absent rebates in state and federal injury schemes*

Across WorkSafe, TAC, MAIB and CTP schemes, recognition of professional massage therapists varies widely:

- Some schemes allow massage therapy by qualified massage therapists; others only fund it when approved by a registered health practitioner, or only when administered by a Registered health practitioner or exclude it entirely.
- Where rebates exist for Registered and Self-regulated Health Practitioners, they are often below the cost-of-service delivery, making participation financially unviable.
- Practitioners report slow approval processes and heavy reporting requirements, which are particularly burdensome for small businesses.

As a result, many practitioners choose not to register as providers, reducing client and patient access and limiting the sector's ability to contribute to rehabilitation pathways.

#### *Exclusion from National Digital Health systems*

Qualified professional massage therapists and myotherapists are not eligible for HPI-I numbers under the current Health ID Act, preventing participation in:

- My Health Record
- Provider Connect Australia
- Digital care coordination

This exclusion reduces clinical efficiency, increases duplication, undermines patient safety and blocks innovation.

It is another area in which regulation creates disincentives to enter the profession, uncertainty about career development, income streams, professional recognition and business expansion.

#### *Reputational and regulatory confusion from sex-work decriminalisation*

The coexistence of the Health Services Acts, Health Awards (defining massage therapy as a health service) and a general legislative and regulatory shift to decriminalise or legalise sex work across Australia has created a confusing regulatory gap.

Clear regulatory guidance is urgently needed.

Unqualified operators, quasi-massage businesses, and sex-work-adjacent services can market themselves as “massage therapists,” creating unfair competition and eroding trust and creating confusion for potential patients and clients for healthcare treatment and risking public safety.

Across Australia, the decriminalisation and legalisation of sex work has unintentionally intensified long-standing problems for the professional massage sector, particularly around professional standards, regulation, reputation, and workplace safety.

The core issue is conflation: when sex work and massage coexist legally, the public struggles to distinguish between them, and regulators struggle to enforce ethical boundaries.

Decriminalisation in some states means sex services can legally include “massage-like” components in the communication and advertising. Consequently, regulators cannot restrict terminology or service descriptions that contribute to public confusion.

This blurs the distinction between qualified professional massage therapists who provide health services and sex workers.

The provision and promotion of both services constitute a failure to comply with applicable health services legislation and the National Code of Conduct for Healthcare Workers. The Code expressly prohibits sexual or intimate relationships with clients, reflecting the professional, regulatory, and ethical obligations imposed on healthcare practitioners. Sex workers are not subject to the same healthcare-specific education, regulatory oversight, or professional standards that govern qualified massage therapists.

Additionally professional associations cannot effectively discipline members who legally offer both therapeutic massage and sexual services. Even when such conduct breaches the National Code of Conduct for Health Workers, the legality of sex work creates a regulatory loophole.

This reputational risk is amplified by national media coverage of sexual-assault cases involving massage therapists whom are not association members and some of whom are association members. Consequently, the public perception becomes: “*massage therapy is unsafe or sexualised*”, even when the majority of practitioners are ethical trained health professionals.

Respondents to a 2022 Pulse Survey (8,600 members) found:

- 54% experience sexual harassment or requests for sexual services at least yearly, often weekly or daily.
- 74% regularly take steps to protect themselves or staff.
- 80% believe their profession is devalued due to confusion with quasi-massage or sexual services.

This is not theoretical harm - it is daily reality for some professional massage therapists.

Media reports from Ballarat (2026) and Wagga Wagga (2026) highlight ongoing harassment, with women's health advocates stressing that such behaviour is not harmless, but part of a broader pattern of intimidation and gendered violence. Additionally, consumers, the wider community and health sector cannot easily distinguish between qualified and unqualified practitioners, reducing trust and suppressing demand for legitimate services.

The consequences of these multiple issues for the massage sector are significant:

- undermines professional standards
- creates disincentives to enter the profession
- limits investment and dynamism in the profession
- complicates enforcement of the National Code of Conduct
- blurs consumer expectations
- increases sexual harassment of legitimate professional remedial massage therapists and myotherapists healthcare workers

### *Exclusion from the NDIS*

Changes to NDIS Support Rules have stopped access to remedial massage therapy and myotherapy, provided by appropriately qualified Professional massage therapists, for people with disability.

The changes have caused widespread confusion about whether remedial massage therapy and myotherapy can be funded at all, as a Support under new rules.

Evidence from the Pulse Member Employment Survey 2026 and the 2023 Practitioners Survey shows that these barriers directly reduce business viability, limit client access, and prevent integration into multidisciplinary care.

Prior to the changes remedial massage therapy and myotherapy provided by qualified remedial massage therapists and myotherapists, was a core support for many participants, not an optional add-on.

Prior to the changes, 73.4% of practitioners treated NDIS clients, many of whom rely on regular treatment to manage pain, mobility and functional wellbeing. This included clients with multiple impairments, including:

- 88.12% physical
- 64.15% neurological
- 35.42% psychosocial
- 28–29% cognitive or sensory

The need or dependency on support services provided by qualified professional remedial massage therapists and myotherapists is further supported because clients who can afford these treatments are self-funding:

- 41.5% now pay privately
- 6.8% have reduced treatment frequency
- 4.8% are using private health insurance
- 11.6% rely on practitioner discounts or alternative arrangements

Additionally, a Pulse survey of Massage & Myotherapy Australia's 8,600 members provides a specific example of how professional remedial massage therapists and myotherapists help people with autism live more fulfilling and productive lives,

The survey asked Members to respond to six specific questions relating to the number and frequency of clients and treatments. Their responses revealed that:

- close to 41% of respondents to the survey indicated that they treat clients with autism
  - of those who responded to this question, over 75% indicated that one in three of their clients have autism
- the frequency of treatment varied with:
  - the highest being once per month at 50%
  - more than once per month 27.4%
  - once per week 13.5%;
  - more than once per week 6.0%
- close to 80% of respondents indicated that treatment was ongoing:
  - around 21% provided therapy for a specific period
- the age of clients varied with over 71% of respondents indicating the age range of clients was over 18 years:
  - 10.6% aged 6 to 12 years;
  - 16.98% aged 13 to 17 years.

## Recommendations

### 1. *Legislated recognition of practice*

Regulatory clarity will separate health services from sex work services and strengthen enforcement of the National Code.

- Title or practice protection ensures only qualified practitioners can use professional titles, reducing market confusion.
- A legislated recognised profession is eligible for government innovation programs.
- Legitimate businesses no longer compete with low-cost, low-skill or inappropriate operators.
- Clearer market boundaries encourage investment, expansion and hiring.
- This creates a more efficient, higher-trust market, enabling legitimate businesses to scale.

### 2. *Enabling Integration with Health Systems*

A national workforce strategy, centralised employment platform, and qualification-recognition pathways will support industry development and dynamism.

Lack of recognised regulation limits eligibility for HPI-I numbers, Provider Connect Australia, and integration with multidisciplinary care.

- A recognised regulatory framework supports inclusion in digital health systems.
- Integration with NDIS, state injury schemes and Medicare becomes more feasible.

- Businesses gain access to new referral pathways and funding streams.
- Professionalisation encourages adoption of digital tools, data systems and new service models.
- Businesses can diversify, specialise and innovate with confidence.

This expands market access, revenue stability and opportunities for innovation, which in turn drives long term productivity growth and sector modernisation.

### *3. Improving Workforce Quality and Reducing Skills Mismatch*

A more skilled workforce increases productivity, service quality and business capacity to expand.

Without uniform government recognised minimum standards, the sector faces skills shortages, inconsistent training quality, and difficulty recruiting qualified staff.

- Accreditation of RTOs that meet sector standards and requirements ensures consistent, higher-quality training.
- Title or practice protection ensures only AQF-qualified practitioners can enter the health workforce.
- A national register supports workforce planning and mobility.

### *4. Increasing consumer confidence and demand*

National legislation to support the Certified Practitioner® quality assurance program will promote the professionalism of participating remedial massage therapists and myotherapists and health professionals

A national registration system to support the quality assurance program increases transparency and accountability which can be supported by streamlined onboarding in national and state-based schemes and nationally consistent regulation.

- Consumers can verify practitioner credentials, improving confidence and willingness to seek care.
- Stronger public protection reduces reputational damage to the sector.
- Clear separation of health services from sex work reduces harassment and reputational harm.
- Businesses face fewer risks, complaints and reputational threats.

Higher consumer confidence leads to increased demand, supporting business growth and employment. A safer environment encourages business investment, staff retention and sector stability.

## Conclusion

The current unregulated environment creates uncertainty, undermines professional standards, and allows unqualified or inappropriate operators to compete unfairly with legitimate healthcare practitioners.

The professional massage therapy sector faces significant regulatory, administrative, workforce, digital-integration and reputational barriers that limit business dynamism. These include:

- Exclusion from NDIS, state injury schemes and other health service schemes such as support to provide massage therapy and myotherapy services to people with autism
- Higher level skills shortages and recruitment challenges

- High administrative burden
- Limited access to capital
- Inconsistent regulation
- Lack of recognised pathways for growth
- Regulatory contradictions created by the overlap of health-service obligations and decriminalised sex work
- Exclusion from national digital health systems

Reforming these systems will unlock productivity and growth in several key ways. Implementing risk-stratified regulation, title or practice protection, and a national quality assurance accreditation register will:

- reduce market confusion
- improve consumer trust
- strengthen public safety
- raise workforce standards
- reduce administrative burden
- support digital health integration
- enable fair competition
- unlock new funding and referral pathways

Together, these reforms remove structural barriers that currently suppress business growth, investment and innovation across a sector overwhelmingly made up of small businesses that contribute meaningfully to community health and wellbeing.

They create the conditions for a more dynamic, productive and sustainable remedial massage therapy and myotherapy sector, fully aligned with the Productivity Commission's objectives.