InPractice 2025: Final report

Australian Physiotherapy Association

August 2013

Bold ideas | Engaging people | Influential, enduring solutions

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Contents

1 Executive summary

1.1 What will the physiotherapy Practice of the Future be like in 2025?

The physiotherapy practice of today plays an important role in the provision of primary care services in the Australian healthcare system. It is involved in the management of an increasing range of health conditions and wellbeing issues.

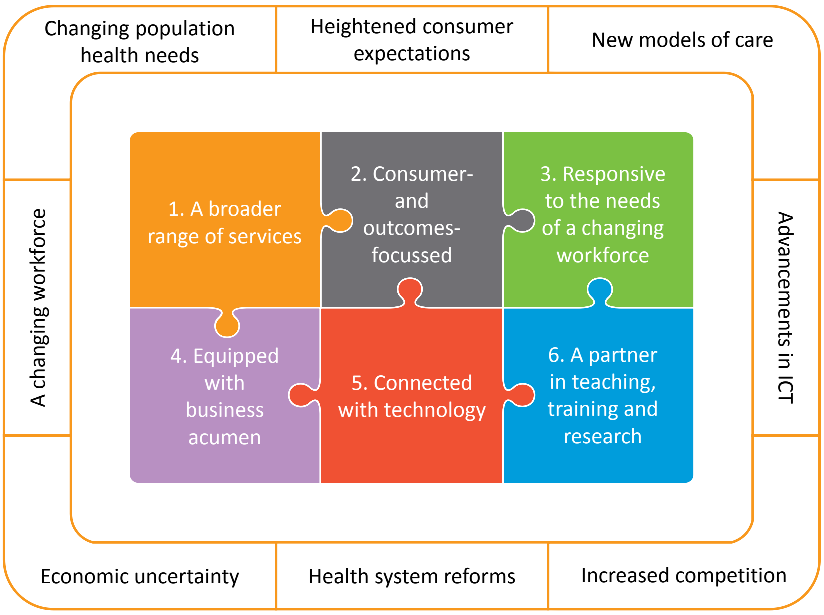
The physiotherapy practice of the future will be shaped by the challenges and opportunities of a changing healthcare environment. The Australian Physiotherapy Association (APA) engaged Nous Group (Nous) to collaboratively explore the question, "*What will the Practice of the Future look like in 2025?"* In commissioning this project, the APA sought to:

- provide members with insights to guide individual practice development and strategic planning
- inform the APA's strategic priorities and actions to achieve its future vision
- shape professional development programs that enable future growth of the profession.

The project specifically focused on the private physiotherapy practice ('the Practice'). It considered the role of the Practice, today and in 2025, in the context of both public and private healthcare delivery. Nous has engaged with internal and external stakeholders, including surveying the views of APA members. We acknowledge the important contribution of the Project Reference Group, the APA's Board and all the stakeholders who have generously contributed their time and expertise to this project. A list of stakeholder acknowledgements can be found in Appendix A.

Our vision of the physiotherapy Practice of the Future is captured in Figure 1 below.

Figure 1: The physiotherapy Practice of the Future



1.2 Eight strategic drivers will shape the Practice of the Future.

The strategic environment in which the Practice of the Future exists will be shaped by specific changes emerging in the health industry and broader socio-economic trends.

- **Changing population health needs:** An ageing and growing population will drive greater demand for services, particularly in relation to chronic and complex disease.
- **Heightened consumer expectations:** Across the health sector, consumers will expect greater levels of quality and safety, choice, participation in decision making, and value-for-money, enabled by greater access to information**.**
- **New models of care:** Changes to the way healthcare is provided will shape the relative levels of demand for different types of physiotherapy services and create new service development opportunities.
- **Advances in information and communications technology:** There will be new opportunities to integrate technology into all aspects of the Practice, ranging from marketing to clinical service provision.
- **Increased competition:** Traditional competitors will maintain a market presence, but new entrants such as private health insurers will challenge the position of the traditional physiotherapy Practice.
- **Health system reforms:** Major policy shifts at both state and federal levels of government will present both opportunities and challenges for the Practice in areas such as private health insurance reform, DisabilityCare¸ Medicare Locals, and contestability of public health services.
- **Economic uncertainty:** While the physiotherapy Practice has proven resilient in tough economic times, it is exposed to a decline in the broader economic environment.
- **A changing workforce:** The workforce of the future will enter the Practice at an earlier career stage. Staff will have higher and more diverse expectations of their employer. Low industry retention rates will drive a decline in the relative supply of experienced clinicians.

Many of the strategic drivers identified above are already impacting on the Practice of today. Their importance will escalate and intensify over the next 12 years. The physiotherapy Practice of the Future must respond effectively to these drivers of change if it is to position itself for success in 2025.

1.3 The Practice of the Future will demonstrate six key features.

The strategic drivers of change will affect different practices in different ways. However, common features will be evident in successful practices across the industry. Our assessment of the ingredients for success in the Practice of the Future is captured in the following six key features:

1. **A broader range of services:** The Practice of the Future will offer a more diverse range of products and services, reflective of its broader role in the health system. With a more multi-disciplinary approach to care, it will focus increasingly on 'wellness' and preventative health in a broad range of community settings, in addition to its traditional role in diagnosis and treatment.

2. **Consumer and outcomes-focused:** Equipped with evidence of the quality and cost-effectiveness of its services, the Practice of the Future will be more flexible and responsive to consumer needs.
3. **Responsive to the needs of a changing workforce:** The Practice of the Future will offer greater flexibility and complexity of working arrangements, with a greater focus on professional development and career paths. Experienced clinicians will be highly sought after by the Practice of the Future.
4. **Equipped with business acumen:** The need to be more commercially oriented and adept at building strategic partnerships in a more competitive healthcare market will see the Practice of the Future develop new capabilities in business management.
5. **Connected with technology.** A more sophisticated approach to marketing, increased administrative efficiency, greater use of clinical systems and more frequent use of remote service provision ('telehealth') will all be evident in the Practice of the Future.
6. **A partner in teaching, training and research.** The Practice of the Future will be more engaged in the development of the next generation of physiotherapists. Stronger links with universities will also see the Practice of the Future more involved in research.

1.4 These six key features will be applied differently in each Practice.

The diversity of today's physiotherapy practices will still be evident in 2025. Over time, practices have proven to be very resilient to changes in the external environment and have resisted major consolidation or homogenisation.

The average size of the typical practice will increase steadily to 2025, but most will still be considered relatively small businesses in the broader economy. Greater scale will commonly be driven by incremental growth as opposed to aggressive expansion or Practice consolidation. Practices equivalent to the current average of three clinicians or less and annual revenues of less than $500,000 (in today's terms) will continue to make up the largest segment of the industry. However, they will increasingly be considered 'smaller practices' as the size and number of large practices grow.

Large practices, multi-disciplinary practices and practice groups are well positioned to implement the features of the Practice of the Future. It is likely that these Practice types will enjoy strong growth over the next 10 years.

- **Able to offer consumers a 'one-stop-shop':** Larger practices will be able to offer the consumer a greater range and flexibility of services in one or more locations.
- **Aligned with the expectations of the workforce:** A critical mass of clinicians and activity will enable larger practices to more easily offer workplace flexibility, professional development, teaching, training and research opportunities.
- **Capable of competing for contracted services:** Winning contracted services will require scale. While this can be achieved through partnerships and alliances, larger practices will be more readily able to demonstrate their capacity and capability to deliver contracted services.

Smaller practices will need to identify and develop their niche. Implementing the key features of the Practice of the Future will enable them to establish this position in a more competitive market.

- **Focused on developing a competitive advantage:** Smaller practices will differentiate themselves in ways which may include a specific area of clinical expertise, a network of strong referrer relationships, innovative use of technology, or a unique geographic location.
- **Connected by alliances and partnerships:** Effective collaboration will be critical to the smaller practice. This might involve being part of a Practice network, a multi-disciplinary clinical network, or partnering with other practices on a contracted service opportunity.
- **Able to leverage technology:** Small practices will have an increasing opportunity to use technology to 'level the playing field' with the economies of scale enjoyed by larger practices in areas such as practice administration and marketing.

Practices of all types and sizes should consider the implications of the key features of the Practice of the Future for their individual context as part of their practice development and strategic planning processes.

1.5 The APA can support and enable the Practice of the Future.

The APA can contribute to the success of the Practice of the Future. Effective advocacy and marketing, facilitation of partnerships between practices and across the health system, development of standards and guidelines, training and support will enable practices to respond effectively to the strategic challenges to 2025.

- **Advocacy for a broader role in the healthcare system:** Consumers, stakeholders and the community need to know that the Practice of the Future can make a significant contribution to the future healthcare system and the health of the community. A national program of advocacy can complement local Practice marketing campaigns.
- **Facilitation of strategic partnerships and alliances:** The APA can connect the Practice to the key stakeholders and partners in the health industry critical to their future success. There are opportunities for the APA to take a leading role on the development of stronger partnerships with private health insurers, funders, Medicare Locals and universities. Some of the most important partnerships that the APA can help strengthen will be between the practices themselves.
- **Standards and guidelines which address future challenges:** Areas which will benefit from further guidance and direction from the APA include Practice accreditation, consumer communication of areas of interest/expertise, and use of new technologies.
- **Training and support to develop new skills:** The APA can support Practice owners and staff to develop new skills in the identified priority areas of business management, education and training, and information technology.

The APA should consider how these opportunities impact on their strategic priorities and actions as it seeks to achieve its vision for the future.

1.6 Conclusions

InPractice 2025 has articulated a vision for the physiotherapy Practice of the Future. The six key features of the Practice of the Future present opportunities and challenges to practices of all types and sizes. Practices of the Future will continue to be diverse. Future success will be enabled by an understanding of how the six identified key features can be applied to each individual Practice context.

The findings and insights of InPractice 2025 can now be used to inform strategic planning for physiotherapy practices, the APA and its members to engage with the challenges and opportunities posed by the Practice of the Future.

The APA can help enable the success of the Practice of the Future through its advocacy agenda, facilitation of strong partnerships and alliances, development of standards and guidelines to address future challenges, and through equipping practices with the right training and support services.

The foundations of good clinical practice and sound business management will not change. The success of the Physiotherapy Practice of the Future will continue to be built upon the delivery high quality clinical care and strong relationships with consumers and referrers.

The opportunity for the Practice of the Future to play an important role in the healthcare system will be strengthened by a collaborative response by the APA and the profession to the challenges and opportunities identified by the InPractice 2025 Project.

2 Introduction

As the peak national body representing more than 13,000 physiotherapists nationally, the APA has identified a need to develop strategies that will equip the profession to meet the challenges and opportunities posed by a changing healthcare environment. The APA commissioned Nous Group (Nous) to undertake an analysis into the future trends in physiotherapy.

The scope of this project was specifically limited to the 'private' physiotherapy practice ('the Practice'). It considered the role of the Practice, today and in 2025, in the context of both public and private healthcare delivery.

In an environment that is constantly changing, the challenge for this project lay in answering the question, *"What will the Practice of the Future look like in 2025?"* The APA's intent was to unearth insights that provide an informed view of how it can best support the Practice of the Future.

This report presents key findings from the project in four main sections:

1. the state of the physiotherapy practice today
2. the eight strategic drivers that will shape the future external environment
3. the six key features of the Practice of the Future
4. challenges and opportunities for practices and the APA.

The APA intends to use the report for three primary purposes. To:

1. provide members with insights to guide individual Practice development and strategic planning
2. inform the APA's strategic priorities and actions to achieve its future vision
3. shape professional development programs that enable future growth of the profession.

As a national association, the APA reaches a wide range of members from diverse backgrounds. This report has been written in a way that ensures it is accessible to a broad audience, and attempts to communicate key project findings in the most engaging and useful manner.

We acknowledge the involvement of the Project Reference Group, the APA's Board and all the stakeholders who have generously contributed to the discussions and provided input to the development of the final report. The full list of stakeholders consulted can be found in Appendix A.

3 Today's Practice at a glance

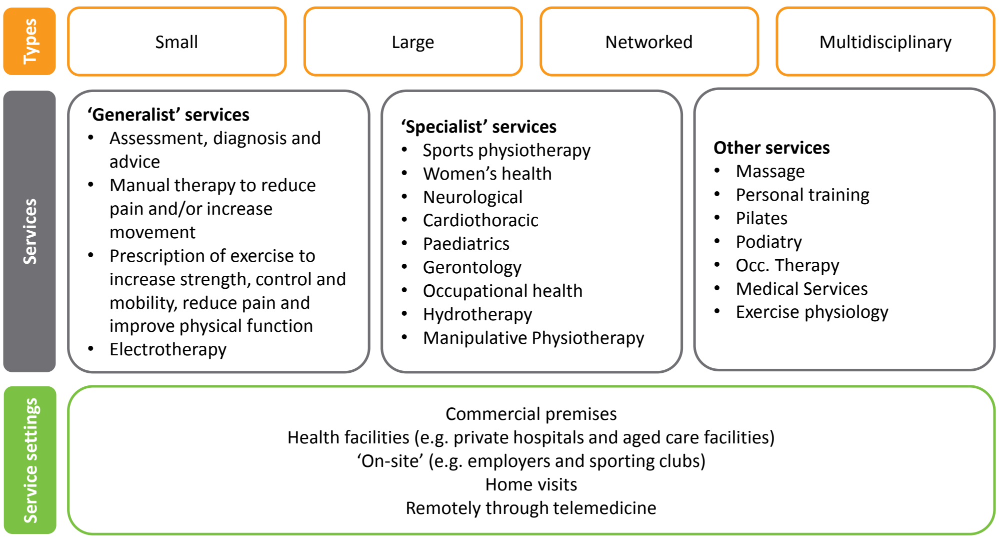
The physiotherapy Practice currently plays an important role in the provision of primary care services in the Australian healthcare system. The industry has grown quickly over the past five years and this is projected to continue to 2018 as the demand for health services continues to increase. Table 1 provides an overview of the key market characteristics of the Practice in Australia.

Table 1: Summary of the Practice's market characteristics[1]

Physiotherapy services market characteristics 2013	
Revenue	$1.5bn (up from $1.2bn in 2009-10)
Profit	$293.7m (up from $224.3m in 2009-10)
% of national health expenditure	1.0% p.a.
Forecast annual growth rate 2013-18	4.8% p.a.
Businesses	4,245 (up from 3,927 in June 2010)

The Practice is involved with the management of an increasing range of health conditions and wellbeing issues, and commonly delivers services across the domains of diagnosis, treatment and prevention. Figure 2 provides a snapshot of the types of Practices, the range of services provided, and the typical settings in which services are delivered. Each component of the Practice is expanded in the following sections.

Figure 2: Physiotherapy services and service settings



[1] IBISWorld. (2012). Physiotherapy Services in Australia. IBISWorld; Australian Bureau of Statistics. (2011). Health Care Services 2009-10 (cat. no. 8570.0). Australian Bureau of Statistics.

3.1 There are four main Practice types.

There is a diversity of Practices across the healthcare system. Four broad Practice types have been identified:

1. **Small practice:** This is often a sole practitioner or small partnership in a single practice location, and represents the typical Practice. It typically offers a limited range of general physiotherapy services or a highly specialised service. Small practices make up the largest segment of the industry.
2. **Large practice:** This Practice type offers a more comprehensive range of general physiotherapy services and/or multiple specialist services. They frequently operate from multiple locations. The facilities and equipment offered by this Practice are more extensive and often include gym areas and group or class activity spaces.
3. **Multi-disciplinary practice:** This Practice type does not specifically identify itself as a physiotherapy practice (e.g. Sports Medicine Centre). Physiotherapy services are provided as part of a broader range of health services delivered by a large number of health professionals. The ownership structure does not necessarily include physiotherapists.
4. **Practice network:** This involves a large number of private practices and physiotherapists linked by a more complex ownership structure. The network may include owned and/or franchised practices. The services and facilities vary across the network according to the size of each Practice location. The network may share centralised business management and support functions.

3.2 Practices offer a variety of healthcare services.

The Practice provides a variety of services across a range of service settings. This report categorises those services into three categories:

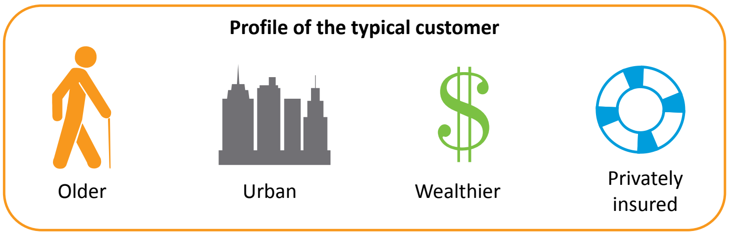
1. **'Generalist' physiotherapy services:** These services are typically offered by most practices and focus on the management of musculoskeletal conditions.
2. **'Specialist' physiotherapy services:** Many practices will have one or more area of specialisation or expertise which is focussed on a particular treatment, condition or consumer group. Some practices will focus solely on their area(s) of specialisation or expertise, whereas others will also offer generalist services.
3. **Other health services:** Physiotherapy practices increasingly include a range of other health professionals including medicine, podiatry, occupational therapy, exercise physiology, personal training and massage.

The specific services identified for each category are identified in Figure 2, above.

3.3 The consumer base is diverse.

The services of the Practice can benefit consumers of all ages and stages of life, across the community. However, there are some groups that generally access services more frequently than others. They are typically older, wealthier, privately insured, and live in urban areas (Figure 3).

Figure 3: Typical consumer profile of the Practice



In contrast to these general patterns of use, practices which offer 'specialist' services such as paediatric, neurological, or women's health physiotherapy cater for more specific consumer groups. The most common reason for consumers to visit a Practice is for the diagnosis and treatment of pain, loss of movement, mobility or physical function.[2]

Seven drivers of business success for the physiotherapy practice have previously been identified.[3] Findings from the InPractice 2025 survey showed that physiotherapists in private practice considered relationships with consumers to be the most important success factor out of the seven drivers (Figure 4).

Figure 4: Average ratings of the seven drivers of practice success

3.4 The workforce in each Practice is typically small but diverse.

The workforce of the typical Practice is small but varied. Private practices employ 37% of the entire physiotherapist workforce.[4] Based on recent registration data, this represents 8,651 physiotherapists.[5] However, only less than 2.6% of Practices employ more than 20 staff.[6] The Practice workforce extends beyond physiotherapists and varies according to the size and type of Practice involved. Figure 5 provides a profile of the practice workforce.

[2] Australian Physiotherapy Association. (2011). Physiotherapy Business Australia Benchmarking Survey Results. Australian Physiotherapy Association.

[3] IBISWorld. (2012). Physiotherapy Services in Australia. IBISWorld.

[4] Ibid.

[5] Physiotherapy Board of Australia. (2013). Physiotherapy Registrant Data: December 2012. Physiotherapy Board of Australia.

[6] Australian Bureau of Statistics. (2011). Health Care Services 2009-10 (cat. no. 8570.0). Australian Bureau of Statistics.

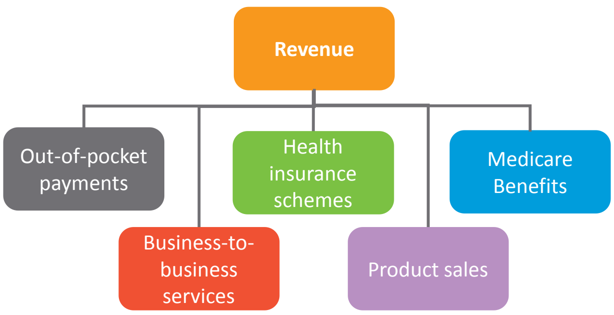
Figure 5: Workforce categories and description

Role	Description
Practice Owner/Partners	Owners/Partners are usually experienced physiotherapists. They are responsible for management of the Practice in addition to their clinical duties. 25% of all physiotherapists in private practice are owners/partners
Staff Physiotherapists	Responsible for the delivery of clinical services, staff physiotherapists will often work part-time across a number of clinics. They may also be engaged on a contractor arrangement.
Other Health Professionals	Clinics offering multidisciplinary services will also engage a range of health professionals on an employment or contracted basis. Alternatively, these professionals may conduct their own practice under a sub-tenancy arrangement.
Physiotherapy Assistants	Larger Practices may also employ a physiotherapy assistant to perform a combination of administrative and clinical support duties.
Support staff	Most Practices will engage the services of part- or full-time administrative support staff to manage reception and basic small business administration tasks.
Corporate staff	The larger Practices or networked Practices may also employ corporate staff with specific expertise in business management.

3.5 Cost and revenue are primarily driven by a few factors.

Cost and revenue structures drive the financial sustainability of the Practice. The complexity of the financial structures and profitability of a Practice depend on a range of factors, such as its size and ownership structure. Figure 6 provides an overview of the revenue sources and cost breakdown for the Practice.

Figure 6: Summary of Practice revenue



On average…

- Net profit of the Practice is **12.47%**
- Consultation fees generate **94.85%** of total revenue the Practice
- The fee charged per consultation in 2012 is **$79.25** with a consultation time of **40.8 minutes**.

Source: Benchmarking.com.au (2011). Physiotherapy services; Millward Brown. (2012). 2012 Assessment of Market Rates for Physiotherapy Services.

Consultation fees are the primary source of revenue for the Practice. The majority of services provided by the Practice today are engaged directly by individual consumers on a 'fee-for-service' basis and are not provided under contract. The Practice is typically regarded as part of the private healthcare system, and relies on a mix of revenue sources that underpin its business model:

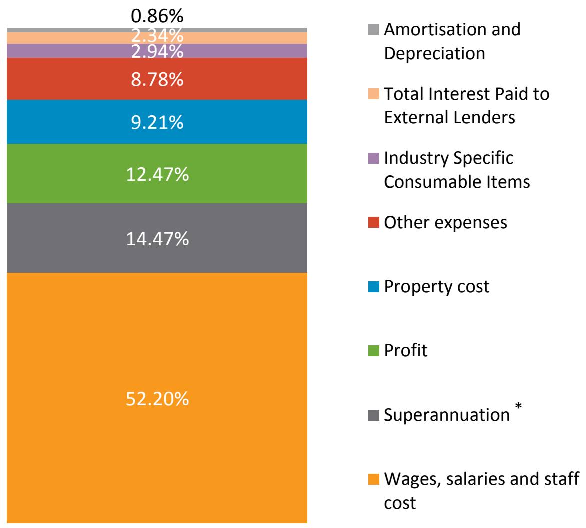
- **Out-of-pocket payments:** This makes up 94.86% of revenue across the industry.

- **Access to public and private health insurance schemes:** While many of the services provided by the Practice are engaged privately, a significant component of these services are reimbursed or subsidised by insurance schemes:
    - private health insurance
    - state-based Workcover and transport accident schemes.
- **Limited access to Medicare benefits:** Only a very small proportion of services are reimbursable under the Medicare Benefits Schedule. The Department of Veterans Affairs provides comprehensive access to this relatively small group of consumers.
- **'Business-to-business' services:** Physiotherapy practices may also provide services on behalf of other organisations on a contracted basis. The key organisations which the physiotherapy Practice may contract its services to include:
    - private hospitals and health services
    - aged care providers
    - employers
    - sporting clubs
    - schools.
- **Product sales:** Sale of equipment related to treatment services also provide a supplementary income stream for some practices.

The physiotherapy Practice is a labour-intensive rather than capital-intensive enterprise. Clinician and support staff's wages and salaries are the most significant cost item, which account for more than 50% of the typical practice's cost base. An indicative cost profile of the typical Practice can be found in Figure 7.

Figure 7: Average cost breakdown of the Practice

Average cost breakdown of the Practice
By percentage to total revenue



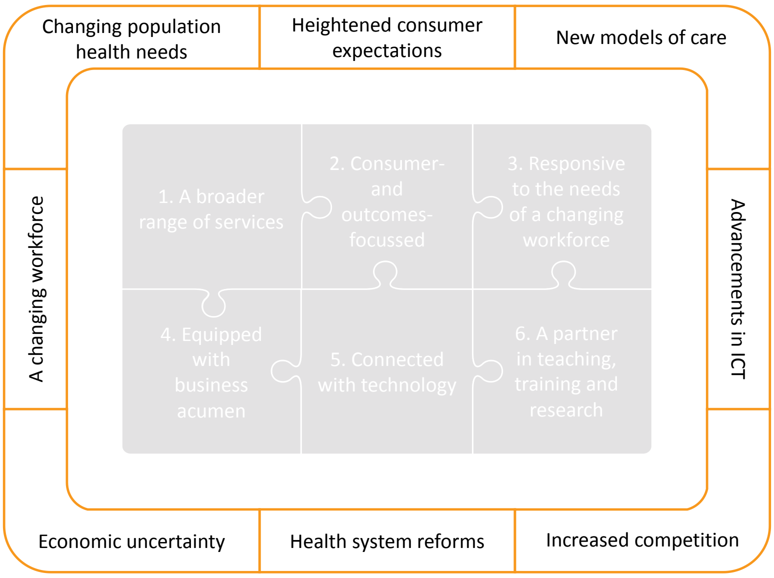
*Superannuation costs includes principals/owners' component

Source: Benchmarking.com.au (2011). Physiotherapy services

4 Eight strategic drivers will shape the Practice's future environment.

The future strategic environment is likely to be shaped by eight key drivers. They consist of a combination of some new, potentially disruptive elements and extrapolations of trends have already begun. Figure 8 outlines the drivers, which will each be discussed in detail in the following sections.

Figure 8: Strategic drivers



4.1 Changing population health needs

An ageing and growing population will drive greater demand for services, particularly in relation to chronic and complex disease. Changes will include:

- **An older community:** Australia's ageing population will increase the demand for the services of the Practice of the Future. Aged care-related services will be a particular area of growth. Older Australians, those aged 65 years and above, are more likely to consult a physiotherapist (2,882 per 100,000 population), followed by those between 25 and 64 years of age (2,679 per 100,000 population) and subsequently those under 24 years old (1,043 per 100,000 population).[7]
- **Increased prevalence of chronic disease:** Australia will continue to experience a rise in the prevalence of chronic disease, partly fuelled by the ageing population and lifestyle factors.[8] This will drive an increasing need for multi-disciplinary treatment programs for conditions such as diabetes, arthritis and heart disease.

[7] IBISWorld. (2012). Physiotherapy Services in Australia. IBISWorld.

[8] Australian Institute of Health and Welfare. (2012). Australia's Health 2012. Canberra: Australian Insitute of Health and Welfare.

4.2 Heightened consumer expectations

Consumer expectations of quality and safety, participation in decision-making, choice and value-for-money will continue to increase, facilitated by greater access to information. These trends will tend to have a greater impact on industries that rely on highly personalised services where costs of switching to competitors or substitutes are low, such as physiotherapy. Consumer expectations will be driven by:

- **Quality and safety:** Consumers of the future will expect an even higher level of service quality and safety. This is likely to be reflected in greater regulatory obligations and standard compliance. Increasingly transparent quality and safety standards will shape consumer expectations of service delivery in the future.
- **Consumer engagement:** Consumers expect to be an active participant of their care journey. They will want to be included in decision-making, kept up-to-date with accurate information, and be fully informed of risks and likely outcomes.
- **Demand for choice:** Consumers will exercise their right to choose how they receive their health services. They will be less accepting of a 'one-size-fits-all' approach.
- **Availability of information:** Continued advances in information and communications technology (ICT) will make it easier for consumers to become more aware of health conditions, treatment options and quality of services.

4.3 New models of care

New models of healthcare provision will shape the relative levels of demand for different types of services and evolve new service opportunities for the Practice of the Future.

- **Evidence-based:** Evidence that supports the relative efficacy of physiotherapy interventions is continuing to grow. Future demand for specific physiotherapy services or treatments will be strengthened by the extent to which their benefits can be proven.
- **Extended scope of practice:** Opportunities will arise for physiotherapists to extend the range of treatments they provide, particularly into areas previously considered part of the medical and nursing professions.
- **Changes in medical technology and practice:** Advances in diagnostic imaging, pharmaceuticals, anaesthesia and surgical techniques will continue to impact on the range of services provided by the physiotherapy practice.
- **Multi-disciplinary and inter-disciplinary care:** The Practice of the Future will be increasingly likely to provide services in coordination with other health professionals, particularly to address chronic and complex disease management. This is likely to include both multi-disciplinary and interdisciplinary approaches care. Multidisciplinary care involves a coordinated approach to using the separate services of a range of different health professionals. Interdisciplinary care takes a more 'consumer-centred' approach in which the care team collaborates on the joint assessment, diagnosis and management of the consumer's health needs.
- **Home-based healthcare:** Shorter lengths of inpatient care for acute health conditions, improvements in remote monitoring technology, consumer choice and regulatory change in areas such as aged care will drive a greater demand for home-based care for conditions which were previously managed on an inpatient basis.

4.4 Advances in information and communications technology

Continued advances in information and communications technologies, together with a greater level of uptake by consumers and referrers, will affect all aspects of the Practice ranging from marketing to clinical service provision.

- **Telehealth arrives:** Future practices will be able to explore the potential to deliver more innovative service models outside the physical facilities of the practice. Implementation of the National Broadband Network will make these opportunities more accessible in remote locations.
- **Personally Controlled Electronic Health Record (PCEHR):** Consumers' medical information will be more readily shared amongst health professionals, creating new opportunities for collaboration to improve to service quality.[9]
- **Increased mobility:** Further advances and uptake of mobile computing and smartphone technology will create new possibilities, and expectations, for engagement with the healthcare consumer.
- **Social media endures:** Social media enables an environment where information is fluid and current. While there are clear benefits in consumer engagement[10], challenges must be managed accordingly.

4.5 Increased competition

A changing external environment will alter the competitive forces acting upon the Practice of the Future. While traditional competitors will maintain a market presence, new entrants are likely to represent the most important future competitive threat. Competitors can be categorised into five types:

1. **Traditional competitors:** Osteopaths, chiropractors, occupational therapists and exercise physiologists are examples of the traditional competitors providing some similar services to the Practice. The intensity of competition will depend on how they respond to the strategic drivers identified in this paper.
2. **Diversified private health services:** Home nursing providers, private hospitals aged care providers are already providing physiotherapy services, particularly in the area of aged and home care services.
3. **Private health insurers (PHIs):** Further 'vertical integration' of major health insurers toward direct service provision will present a new corporate model of physiotherapy practice.
4. **Inter-Practice competition:** Greater consumer expectations for choice and value in health services, combined with access to online information will create a more competitive internal market between physiotherapy practices.
5. **Public health services:** The public health system currently provides parallel services in outpatient departments, emergency departments, rehabilitation programs and community health centres (in Victoria). However, access to these services is limited and this is unlikely to change in future.

[9] Deloitte. (2011). Expected benefits of the National PCEHR System. Deloitte.
[10] PwC Health Research Institute. (2012). Social media "likes" healthcare: From marketing to social business. PwC.

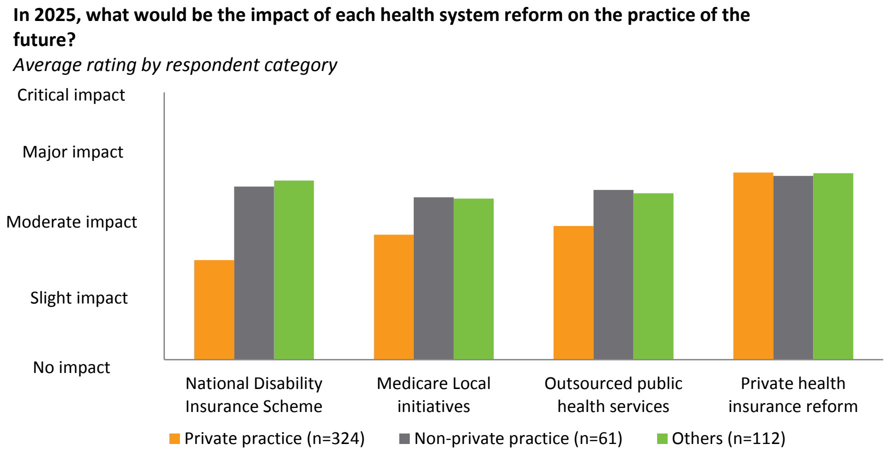
4.6 Health system reforms

Changes to the health system and regulatory reforms will create a different operating environment for the physiotherapy Practice. Reforms such as DisabilityCare and introduction of Medicare Locals are already well underway, while others such as public service outsourcing and private health insurance reform are emerging.

- **Private health insurance (PHI) reform:** There is potential for the removal or reduction of the PHI Rebate[11] and progressively more stringent means-testing is likely. Private practices will be impacted where price-sensitive consumers reduce their use of services because they have opted out of PHI membership.
- **DisabilityCare:** Australians with disabilities will have the means to make informed decisions on services they wish to receive in the future. Consumers will have greater choice as to which health services they access for care.
- **Medicare Locals:** Initiatives to increase the coordination between the private and public primary care sector will create new opportunities. Use of competitive tendering is likely to be a more frequent feature of commissioned service provision by Medicare Locals.
- **Contestability of public health service provision:** A renewed interest in the outsourcing of clinical services to the private sector has been evident in the priorities of public health systems in Victoria and Queensland.[12] There is potential for these initiatives to include physiotherapy services in future.

Figure 9 shows how private practice physiotherapists, physiotherapists not in private practice, academics and students (the latter two are included as ‘Others’) rate the impact of each health system reform. The results are an output from the InPractice 2025 member survey.

Figure 9: Survey responses of the impact of health system reforms



Source: InPractice 2025 member survey

[11] Cheng, T. (2011). Measuring the Effects of Removing Subsidies for Private Insurance on Public Expenditure for Health Care. Melbourne Institute Working Paper 26/11. Retrieved from http://www.melbourneinstitute.com/downloads/working_paper_series/wp2011n26.pdf

[12] Examples of this change is evident in the Victorian Competitive Elective Surgery Initiative (Department of Health Victoria, 2013) and the Queensland Blueprint for Better Healthcare (Queensland Health, 2013).

4.7 Economic uncertainty

Unlike the public health sector, the physiotherapy Practice is more immediately vulnerable to downturns in the economy which impact the consumer's level of disposable income. Concurrently, a decline in the economic climate will impact the government's ability to fund initiatives such as DisabilityCare, MLs and the PHI rebate. A potential decline in economic prosperity will see real reductions or growth constraints in areas of public health expenditure.

4.8 A changing workforce

Emerging trends in the current physiotherapy workforce suggest that the Practice of the Future will have to manage their staff differently.

- **Increased number of graduates:** The number of graduates is projected to increase by 56% between 2012 and 2016.[13] However, this is unlikely to address existing skill shortages[14] from unequal distribution across metropolitan, regional and remote areas.
- **Workforce retention:** Registration data indicates there is a significant decline in physiotherapist numbers after age 30.[15] The Practice of the Future is likely to find it increasingly difficult to recruit and retain more experienced clinicians.
- **Gen-Y to the fore:** A 'Gen-Y' workforce will expect flexible working hours and increased autonomy. Expectations of career paths and professional development will be greater.
- **Graduates in private practice:** There is slight shift of graduate employment in the public hospital sector to the private practice sector. In a recent study, the proportion of graduates who were employed in private practices increased from 34.7% to 41.8% between 2011 and 2012. In contrast, graduates that were employed in the public sector declined from 48.3% to 38% in the same period.[16]
- **Dual-qualified clinicians:** Graduate-entry programs and post-graduate studies will produce more physiotherapists able to draw upon their previous experience in another health profession, such as nursing or exercise physiology, or academic background.
- **More specialisation:** As the profession continues to mature and the broader healthcare environment becomes more clinically complex, there will be an increase in the number and range of specialist physiotherapists.

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[13] Health Workforce Consulting. (2013). Final Report Physiotherapy Education Funding. Health Workforce Consulting.

[14] Department of Education, Employment and Workplace Relations. (2012, November 17). Skill Shortage List - Australia. Retrieved from Freedom of Information: http://foi.deewr.gov.au/system/files/doc/other/ausskillshortagelistdec2012.pdf

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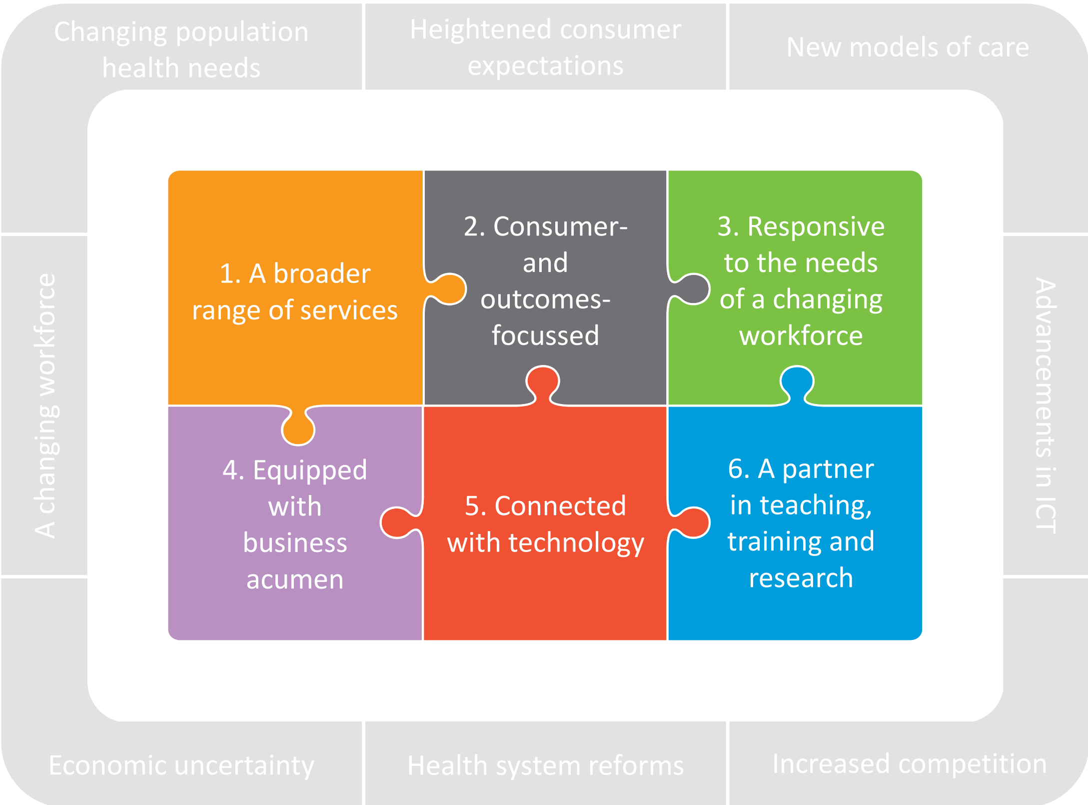
5 Six key features of the Practice of the Future

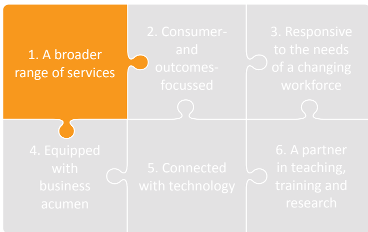
The strategic drivers of change will impact different practices in different ways. However, there will be common features evident in successful practices across the industry. Our assessment of the ingredients for success in the Practice of the Future is captured in the following six key features (Figure 10).

Each feature is explored in more detail in the following section. It is important to note that there are interrelationships between the different key features. The opportunities and challenges presented by the six key features for physiotherapy practices and the APA are then discussed in Section 6.

Figure 10: Key features of the Practice of the Future



5.1 A broader range of services



The physiotherapy Practice of the Future will offer a more diverse range of services, reflective of a broader role in the health system. Health reform, changing population health needs and increasing consumer expectations will create new opportunities for service diversification. New ways of delivering physiotherapy services will respond to new models of healthcare.

A broader range of services will be characterised by:

- a new focus on 'wellness'
- a greater involvement in multi-disciplinary care
- an increased role in aged care, disability services and chronic disease
- more involvement in provision of packaged and contracted services
- products as well as services.

5.1.1 A new focus on 'wellness'

The rise in chronic and complex disease, combined with greater awareness of the benefits of disease prevention and early intervention, will increase the role of the Practice of the Future in providing wellness services. Wellness services seek to optimise consumer health and wellbeing rather than focusing on the episodic treatment of disease or injury. Services provided are likely to include:

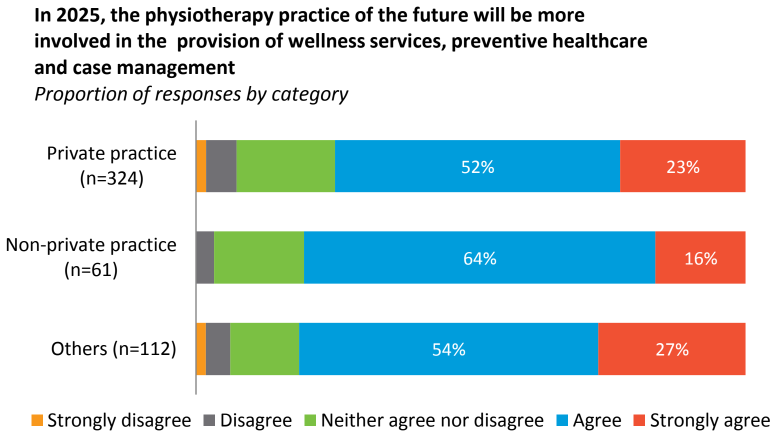
- exercise programs focused on health optimisation rather than rehabilitation
- health coaching services that encourage personal goal-setting and self-management
- advice on general health, work, lifestyle and diet.

Wellness services are frequently offered as part of occupational health services. This area represents an important opportunity of growth for the Practice of the Future. Employers are beginning to understand the importance of healthy and fit-for-work employees, and are willing to invest in services that sustain a healthy workforce. Some private practices are already beginning to offer pre-employment and ergonomic assessments, exercise programs and on-site physios to employers as services to employers.

Health insurers are already offering a multi-disciplinary model of wellness services to members with chronic disease. This may include either direct (employed) or contracted allied health services as part of the model of care. As the evidence of their efficacy builds, this model will increasingly be adopted for other population groups.

Approximately 77% of respondents to the InPractice 2025 survey agreed or strongly agreed that the Practice of the Future will be, "More involved in provision of wellness services, preventative healthcare and case management" (Figure 11).

Figure 11: Survey responses on the Practice of the Future's focus on wellness services



Source: InPractice 2025 member survey

The Practice of the Future will also link in more closely with the community to provide wellness services. These services are likely to be delivered across a range of settings in the community including local industries, government, sporting clubs and other health services (e.g. disability and aged care). Growing opportunities to forge close ties with Medicare Locals and private health insurers could further facilitate the role of the Practice in delivery of such services to the community.

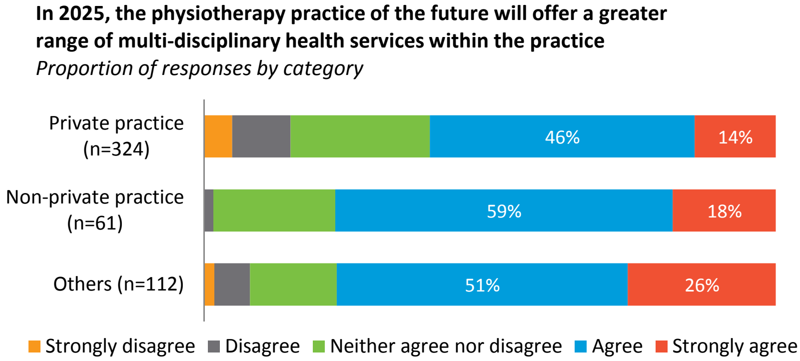
5.1.2 A greater involvement in multi- and interdisciplinary care

The Practice of the Future will have more frequent involvement in leading or contributing to the provision of multi-disciplinary care. Recognition of the benefits of this approach will create opportunities for:

- **Multi-disciplinary practices:** There will be a stronger business case for the Practice to provide a 'one-stop-shop', or a network, of coordinated multi-disciplinary health services. More practices will identify themselves according to a specialised area of consumer need rather than a set of profession-specific services.
- **Clinician collaboration:** With a greater number of consumers and funders requiring the input of multiple health professionals, today's multi-disciplinary practice will move from being a co-tenancy arrangement towards an integrated team. The team will be characterised by a clear understanding of the agreed goals, roles and collaboration required to achieve a consumer-focussed outcome.
- **Inter-disciplinary care:** Increased collaboration between health professionals within a single practice creates opportunities to better integrate care across disciplines. For some consumers with complex needs this will provide opportunities to adopt an inter-disciplinary approach in which the process of assessment, diagnosis and treatment is shared amongst the care team.
- **Coordinators of care:** For some consumer groups with complex needs, the Practice will take on the role of coordinating and managing an inter-disciplinary approach to consumers.

Approximately 66% of respondents to the InPractice 2025 believed that the Practice of the Future will offer a greater range of multi-disciplinary services (Figure 12).

Figure 12: Survey responses on the Practice of the Future's involvement in multi-disciplinary care



Source: InPractice 2025 member survey

5.1.3 An increased role in aged care, disability services and chronic disease

A combination of regulatory change, consumer choice, and increased demand will see some areas of the physiotherapy Practice grow rapidly over the next 10 years. Those areas likely to experience the most rapid growth are:

- **Aged care:** The Practice of the Future will be expert in providing aged care services. A greater proportion of its consumers will receive some form of funding support from the aged care system.
- **Disability services:** The Practice of the Future will utilise the opportunity created by DisabilityCare to provide a greater range of services for consumers with a disability. The practice will help support and enable their increased participation in work, sport and leisure activities.
- **Chronic disease:** Consumers will increasingly seek the services of the Practice for management of the major chronic diseases. This will include those traditionally managed by the Practice, such as arthritis, but will also involve a greater role in the management of diabetes, obesity, heart disease, osteoporosis and mental health.

5.1.4 More involvement in provision of packaged and contracted services

The Practice of the Future will diversify its consumer base and sources of revenue with packaged and contracted services. Consumers and funders will increasingly expect these services to be delivered to a defined consumer group for an agreed set of service outputs and health outcomes, rather than a 'fee-for-service' model.

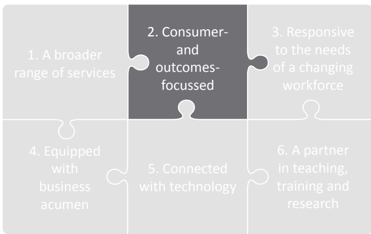
- **Private health insurers:** The opportunity to take a preventative approach to member health is already a focus for private health insurers. While some insurers will choose to become service providers in their own right, the Practice of the Future will also take on a greater role in contracting for the delivery of these services.
- **Care packages**: Services will more frequently be delivered under a packaged care model in which the consumer or their case manager negotiates with the Practice for a program of care services.
- **Public health services:** The practice will be more involved in developing partnerships between the public and private healthcare providers. Increased 'contestability' for the provision of public health services will see the Practice of the Future providing its services under contract with Medicare Locals, local hospital networks and funders.

- **Employers:** Already an important component of many practices, the greater focus on wellness will provide greater demand for the Practice of the Future to contract with employers for the delivery of occupational health programs**.**
- **Home care:** The Practice of the Future will be capable of providing a greater proportion of its services in the home to consumers of aged care, disability and post-acute care services. New technologies will support a more efficient model of remote consultations and clinician mobility.

5.1.5 Products as well as services

The Practice of the Future will continue to complement its services with associated products such as books, instructional videos, exercise equipment and medical supplies. Many of these 'media-related' products, such as books or DVDs, will shift to being online content which can be accessed on demand by the consumer. For example, this might be a subscription to access a range of wellness content including exercise programs, lifestyle assessment and advice from the Practice website delivered to a smartphone.

5.2 Consumer and outcomes-focused



Individuals and organisations will be more demanding of the physiotherapy Practice, with expectations of quality and safety, participation in decision-making, choice and value-for-money. In this environment, the importance of evidence-based practice will be both a clinical and commercial imperative.

A consumer and outcomes focus will be characterised by:

- an evidence-based and 'value-driven' approach to treatment
- greater flexibility and responsiveness to consumer needs
- being equipped to respond to greater consumer and community scrutiny.

5.2.1 An evidence-based and 'value-driven' approach to treatment

Consumers will more frequently expect evidence of clinical outcomes, safety and the cost-effectiveness of their recommended course of treatment. The Practice of the Future will be equipped to provide and discuss this information with consumers and funders. It will involve the consumer in decisions on treatment options, equipped with its own evidence to demonstrate the cost-effectiveness of its services. This will be particularly important to an increased number of organisations and funders which engage their services under contract.

5.2.2 Greater flexibility and responsiveness to consumer needs

The Practice of the Future will tailor its services to the increasing expectations of consumers and their individual needs. This will include:

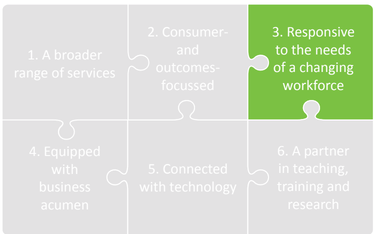
- **Time:** Consumers will expect to access the Practice of the Future when it suits them. This will mean more extended hours of operation – early mornings, evenings and weekends.
- **Location:** The Practice of the Future will be capable of providing a greater proportion of its services at home, in the workplace or at school. This will be particularly important to the growing number of consumers seeking aged care, disability and chronic disease management services.
- **Duration:** Emerging services such as chronic disease management and wellness services will require a more flexible approach to the consultation model. The traditional initial/standard consultation structure will become more flexible and tailored to individual consumer needs.
- **Consultation type:** While the traditional individual consultation will remain the most common form of service provided by the Practice, the use of home consultations, remote consultations, classes and exercise groups will make up a greater proportion of Practice activity.

5.2.3 Equipped to respond to greater consumer and community scrutiny

The consumer and the community will expect greater levels of information to be available from the Practice of the Future about the quality of the services they are receiving. Consumers will do their own research to find the Practice of the Future which offers the best expertise for their individual needs.

- **Expertise and specialisation:** The Practice of the Future will clearly communicate their areas of expertise to a more informed consumer. This will require new ways of communicating the differences between specialisation and areas of interest.
- **Practice ratings:** The Practice of the Future will be ready to respond to a greater level of public scrutiny and debate about the services it provides. Consumers will use social media and other forums to share their experiences with the Practice. A ‘tripadvisor.com’ for the physiotherapy Practice is not far away.
- **Accreditation:** This will be an increasingly important means by which the Practice of the Future substantiates the quality of the services it provides. Organisations seeking to contract with the Practice of the Future may require accreditation as a prerequisite.
- **Quality and safety:** The Practice of the Future will be ready to provide evidence of the outcomes it achieves to the consumer. There will be a greater opportunity and incentive to develop new ways share this (de-identified) information amongst peers for quality improvement.

5.3 Responsive to the needs of a changing workforce



The workforce of the future will enter the Practice at an earlier career stage, with higher and more diverse expectations of their employer. While the number of graduate physiotherapists has been increased in recent years, the expected growth in demand for physiotherapy services over the next 10 years will mean that competition for clinical staff is intense. The Practice of the Future will need to establish itself as an 'Employer of choice' in the health sector. To achieve this will require:

- greater flexibility and complexity of working arrangements
- the ability to compete effectively to recruit and retain a range of clinicians
- professional development and support for early-career clinicians.

5.3.1 Greater flexibility and complexity of working arrangements

Historically, the physiotherapy Practice is accustomed to flexibility in working arrangements. But generational change and increasing workforce diversity will require the Practice of the Future to look for new and innovative ways in which it can meet the individual needs of its staff.

- **Variety of work:** The Practice of the Future will accommodate workforce preferences for variety in working times and locations, caseloads and colleagues.
- **Joint appointments:** Practices will increasingly look to partner with other practices to offer a combined package of clinical experience to attract the best clinicians.

5.3.2 Ability to compete effectively to recruit and retain a range of clinicians

The clinical workforce of the future will comprise a more diverse range of skills and experience. The Practice of the Future will be able to better tailor its workforce to the needs of its consumers.

- **Experienced clinicians:** The trend for many mid-career physiotherapists to exit clinical practice means that competition for highly experienced staff will be intense. The Practice of the Future will depend on the expertise of a smaller number of experienced clinicians to support early-career physiotherapists.
- **Less experienced clinicians:** Practices are likely to implement a range of strategies to retain less experienced physiotherapists, which include offering partnership positions or tiered entry into the Practice at an early point.
- **More specialists:** While the proportion of highly experienced clinicians will decline, there will be an increased role for specialisation in many practices seeking to meet the consumer expectation for the 'best possible' care. Specialisation in cardiorespiratory and neurological physiotherapy will have a greater role in the Practice of the Future.
- **The important role of the generalist:** Conversely, the emergence of a more clinically diverse consumer group in the areas of aged care, disability care and chronic disease management will emphasise the importance of the physiotherapist with a broad base experience in the Practice of the Future.

- **A greater role for the physiotherapy assistant:** Many of the new services provided by the Practice of the Future will be amenable to the services of the physiotherapy assistant, particularly in the areas of wellness services and chronic disease management.
- **Dual-qualified clinicians:** Recruiting staff with a second qualification such as exercise physiology or sports science will be increasingly common for the physiotherapy Practice of the Future.

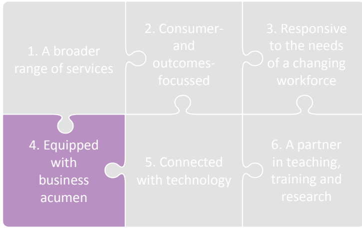
5.3.3 Professional development and support for early-career clinicians

Driven by the greater needs and expectations of its workforce, the Practice of the Future will provide a more comprehensive program of professional development and support to its clinicians.

- **Clinical skills development:** A broader range of services and consumers, combined with a higher proportion of early-career clinicians, will increase the importance of a structured program of clinical skills development within the Practice of the Future.
- **Mentoring and support:** For junior staff this will be a more important role for the experienced clinician in the Practice of the Future, complementing clinical skills development.
- **Career pathways:** The Practice of the Future will offer early-career clinicians the prospect of a more structured career path from graduate to practice owner.

The package of professional development, career pathways and support offered by the Practice of the Future will be a key competitive advantage to attract the best graduates and early-career physiotherapists.

5.4 Equipped with business acumen



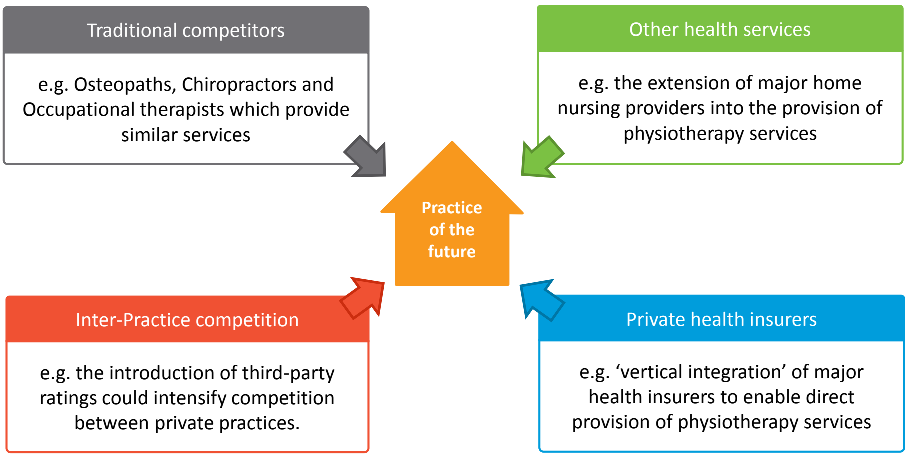
The need to be more commercially oriented and adept at building strategic partnerships in a more competitive healthcare market will see the Practice of the Future develop new capabilities in business management. These capabilities will include the ability to:

- compete effectively against traditional competitors and new entrants
- win business in packaged care and contracted services
- build effective partnerships and alliances
- engage a team of expert advisors.

5.4.1 Competes effectively against traditional competitors and new entrants

A growing demand for physiotherapy services will be accompanied by greater levels of competition. The Practice of the Future will understand and maximise its competitive advantage in this environment. Figure 13 shows the four main sources of competition for the Practice of the Future.

Figure 13: Competitors of the Practice



- **Traditional competitors:** Other health professionals offering similar services under a similar service model will continue to compete with the Practice of the Future along conventional lines. The practice will differentiate itself from traditional competitors through developing greater levels of expertise and specialisation in the services it provides.
- **Other health services:** As the range of services of consumers and service of the Practice expand, so too will its competitors. Medical centres, health services, aged care providers, disability service providers will extend the services into the same areas the Practice of the Future will target for growth.
- **Private health insurers:** These will be increasingly involved in direct or contracted service provision. As a significant source of revenue for the Practice, this situation creates the potential for either a strong partnership or significant competition.

- **Inter-Practice competition:** The greatest competitive threat to the Practice of the Future will be another Practice of the Future. An empowered consumer and generational change will see the traditional norms of professional competition challenged.

5.4.2 Able to win business in packaged care and contracted services

The Practice of the Future will be more involved in providing 'packaged care' and services under contract for the public and private health systems, employers and other organisations. Success in this area will require a more sophisticated business model than the traditional 'fee-for-service' approach.

- **A new business model.** The Practice of the Future will develop more sophisticated pricing structures for a more competitive and consumer-focused environment. Contracted services and 'packaged care' will require the practice to have a more detailed understanding of its cost structures than the traditional 'fee-for-service' approach.
- **Business development skills**. The Practice of the Future will win service contracts through its ability to develop 'business-to-business' relationships and respond effectively to tender opportunities.

5.4.3 Able to build effective partnerships and alliances

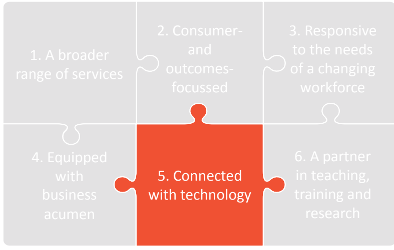
The Practice of the Future will be equipped with the business skills to optimise the balance between competing effectively and forging partnerships across the healthcare industry for mutual benefit, including:

- **Between Practices:** This will range from formal network structures or franchises, to more informal arrangements. The opportunities presented to the Practice of the Future will include access to larger contracted service opportunities, potential for joint appointments, and shared staff professional development programs.
- **With other health professionals:** The increased role of multi-disciplinary care will see the Practice of the Future establishing more extensive links between professions to both coordinate care and partner on contract opportunities.
- **Across the healthcare system:** Continued system reforms and a broadening of the role of the Practice of the Future will create new opportunities to get involved in improving our healthcare system. This will see the practice establishing stronger linkages with Medicare Locals, Local Hospital Networks, private hospital groups, disability and aged care services providers.

5.4.4 Engages a team of expert advisors

The Practice of the Future will have greater appetite to utilise services by external experts to navigate sophisticated business models. For example, engagements with marketing and legal consultants will be more common, especially for large practices or practice groups that operate with more complexity.

5.5 Connected with technology

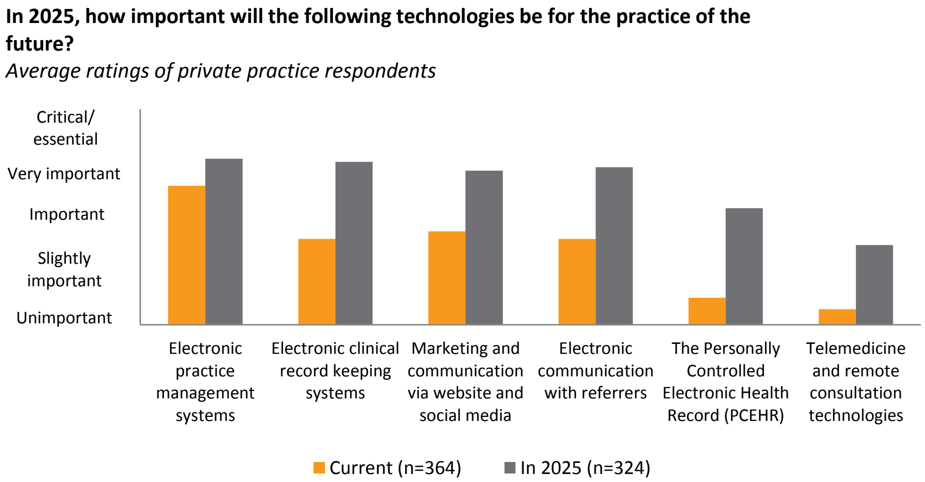


Existing and new technologies will become increasingly important for practice management, marketing and clinical care. Respondents to the InPractice 2025 survey identified that increased use of technology for administrative, clinical and marketing functions as very important to the success of the Practice of the Future (see Figure 14).

This increased use of technology will:

- enable a more sophisticated approach to marketing
- enable administrative efficiencies and outsourcing opportunities
- enable remote service provision that will complement traditional consultation
- require additional Investment in technology products and services.

Figure 14: Relative importance of different technologies to the Practice of the Future



Source: InPractice 2025 member survey

5.5.1 A more sophisticated approach to marketing

Further expansion of social media platforms and mobile computing will provide the Practice of the Future with the means to more precisely target its marketing efforts and build stronger relationships with existing and prospective consumers:

- consumers of all ages will expect to engage with the Practice electronically
- social media and an advanced web presence will create the potential for a richer consumer ‘experience’ of the Practice of the Future
- practices will continue to leverage social media and increased accessibility to the internet to engage with consumers groups previously not considered a part of their ‘local market’.

The benefits of a more significant online presence for the Practice of the Future will bring with them the risk of potential adverse publicity or reputational damage possible as a result of using these less controlled communication channels.

5.5.2 Administrative efficiencies and outsourcing opportunities

Most practices already utilise some form of practice management system. This will increasingly offer opportunities to automate, centralise or outsource 'transactional' administration functions. For example, the Practice of the Future will offer online and mobile appointment booking capability. Greater access to cloud computing services will enable the Practice of the Future to consider outsourcing business administration functions such as such as payroll and billing.

The Practice of the Future will have the capability to capture a full range of clinical information electronically at the 'point of care', using a combination of mobile computing and biometric devices. Assessment will include a range of clinical notes, voice, images, video and biometric data. Clinical systems will improve care, efficiency and collaboration.

- **Improved care:** The Practice of the Future will use clinical systems to provide a more comprehensive range of measures for assessment and reassessment. Aggregated data will enable the Practice to more readily conduct clinical audit activities to develop a powerful evidence base for the efficacy of its services
- **More efficient:** Effective integration between the point-of-care, clinical records and the practice management system will enable clinicians in the Practice of the Future to spend more time focused on the consumer and less time on tasks associated with 'administering' clinical information
- **e-Health integration:** Progress on the national e-health agenda and the concurrent adoption of similar technologies by other health professionals, health services and funders will enable the multi-disciplinary care team to collaborate more effectively. Practices of the future will more readily be able to share de-identified data for quality improvement and research.

5.5.3 Remote service provision will complement the traditional consultation

Remote consultations and 'telehealth' are not new to the physiotherapy Practice. However, it has only been adopted on a limited basis due to a combination of technological, commercial and regulatory constraints. Advances in biometric technology, clinical systems, and broadband infrastructure, together with changes in consumer expectations, will increase use of the remote consultation.

The ways in which the Practice of the Future might use remote consultation include:

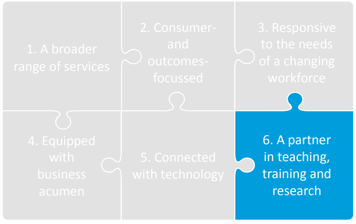
- a schedule of face-to-face clinics in rural and remote areas complemented by more regular 'remote reviews'. The Practice of the Future has the potential to efficiently expand its geographic reach and potential consumer base
- clients will upload biometric data and video analysis data to track progress against rehabilitation program goals. Clinicians can then conduct a 'desktop' review and follow-up with the consumer remotely or in person if required
- Consumers of wellness services and packaged care will be able to conveniently and cost-effectively access the expertise of the Practice from their home or workplace.

In most cases, remote service provision will not replace the role of the face-to-face individual consultation. It does have the potential to improve the consumer experience of the Practice and in some cases may offer improvements care outcomes.

5.5.4 Additional Investment in technology products and services are expected

Additional investment and costs associated with technology will offset gains generated from administrative efficiencies. The expenses are likely to be attributed to software and hardware maintenance, staff training and development, and risk management activities. Overall, practices will still gain a net benefit from the use of more advanced and integrated practice management systems as clinical systems will improve care and optimise productivity. As a result, practices are likely to engage with a greater number of technology savvy or support staff to drive the business of the Practice.

5.6 A partner in teaching, training and research



The Practice of the Future will be more engaged in the development of the next generation of physiotherapists. Stronger links with universities, combined with the imperative for evidence-based practice, will also see the Practice of the Future more involved in research. This will be characterised by:

- a more significant role in teaching entry level physiotherapy students
- stronger partnerships with universities
- greater involvement in the research agenda.

5.6.1 A more significant role in teaching entry level physiotherapy students

The broader role of the Practice in the health system will combine with an increased number of entry level students and greater constraints on the public hospital system to increase the role of the Practice of the Future in education.

- **More clinical placements:** The Practice of the Future will offer a greater range and number of clinical placement opportunities for undergraduate and postgraduate students.
- **Practice clinical educators**: The skills required to support increased student numbers will see an emerging role for the clinical educator in the Practice. Practice clinical educators may work across a network or alliance of Practices to support their involvement in teaching and training.

5.6.2 Stronger partnerships with universities

With more graduates entering the Practice of the Future and a greater involvement in training students, the Practice of the Future will work more closely with universities. It will make a more significant contribution to the teaching and research agenda for the profession.

- **Involvement in academic teaching:** Experienced clinicians already make an important contribution to academic teaching. This role will expand in line with the greater proportion of clinical placements being conducted in the Practice of the Future.
- **Contribution to the teaching syllabus:** Graduates will need to be better prepared to enter the Practice of the Future at an earlier stage in their career. To support this objective, the Practice will make a greater contribution to the development of the academic syllabus.

5.6.3 Greater involvement in the research agenda

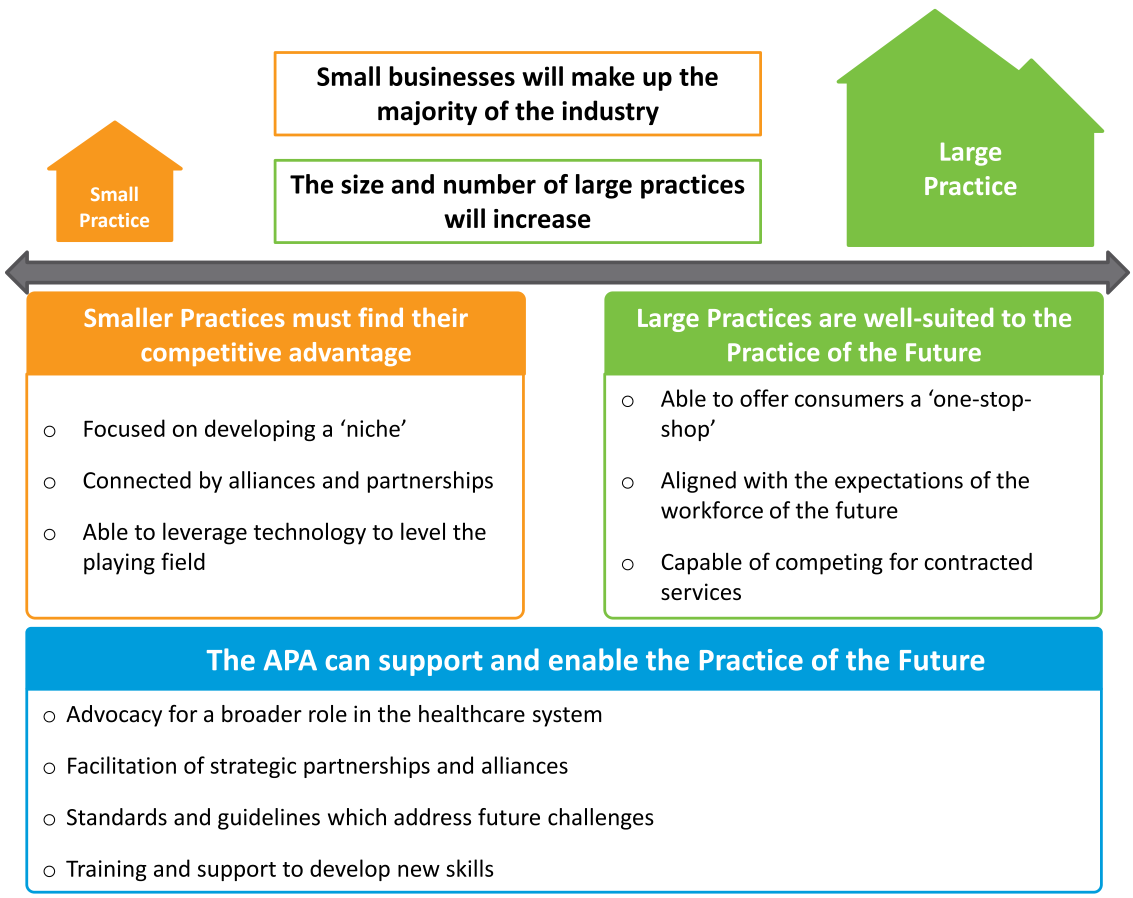
Greater involvement in teaching and academia will provide more opportunities for the Practice of the Future to collaborate on research activities. Equipped with more data from clinical systems and driven by consumer and funder expectations for evidence of outcomes and cost-effectiveness, the Practice of the Future will be increasingly engaged in setting its own research agenda.

6 Implications for today's Practice

The six key features of the Practice of the Future present opportunities and challenges to practices of all types and sizes. Practices of the Future will continue to be diverse. Future success will be enabled by an understanding of how the six identified key features can be applied to an individual practice's context, as part of practice development and strategic planning processes.

Figure 15 outlines the high-level implications for smaller and larger practices, along with opportunities and challenges for the APA to support the future success of the physiotherapy Practice of the Future. These are discussed in turn below.

Figure 15: Summary of implications for today's Practice and the APA



6.1 A broad range of Practice types and sizes

The diversity of today's physiotherapy practices will still be evident in 2025. As an industry, physiotherapy practices have proven to be very resilient to changes in the external environment. They have also been resistant to major consolidation or homogenisation.

The average size of the typical Practice will increase steadily by 2025, but most will still be considered relatively small businesses in the broader economy. Greater scale will commonly be driven by steady, incremental growth rather than a need for aggressive expansion or Practice consolidation. Practices equivalent to the current average of three clinicians or less, with annual revenues of less than $500,000 (in today's terms), will continue to make up the largest segment of the industry. However, they will increasingly be considered 'smaller practices' as the size and number of large practices grow. Large practices, multi-disciplinary practices and practice groups are well-suited to deliver the features of the Practice of the Future. It is likely that these Practice types will enjoy will enjoy strong growth over the next 10 years.

6.2 Large practices are well-suited to the Practice of the Future

A diversity of consumers and revenue sources, combined with economies of scale, mean that the larger practices are more likely to be resilient should the future include a period of economic downturn.

6.2.1 Able to offer consumers a 'one-stop-shop'

Large practices will increasingly benefit from the consumer expectation for convenience and choice. They will have the potential to offer the consumer an on-site multi-disciplinary care team, or a team of experts in different areas of Practice. Large practices will be more readily able offer greater flexibility and responsiveness for a choice of consultation time, location and duration that is afforded by a larger workforce.

6.2.2 Aligned with the expectations of the workforce of the future

With a 'critical mass' of clinicians and activity within the one organisation, the workforce of the future will be attracted to the large Practice. A greater capacity to offer flexible working arrangements, a diversity of clinical experience, in-house professional development program and more opportunities for involvement in teaching and research will all add to the employee value-proposition for the large Practice.

6.2.3 Capable of competing for contracted services

Competing successfully for contracted services will require scale. While this can also be achieved through partnerships and networks, the large Practice will be more readily able to demonstrate its capability to deliver contracted services in a business-to-business environment for the public and private health system, employers and other organisations.

6.3 Smaller practices must identify and develop their 'niche'

Smaller practices will need to develop a niche business which cannot easily be replicated by others. The smaller Practice will need to leverage its competitive advantage through the development of strong partnerships and alliances, and the earlier adoption of technologies

6.3.1 Focused on developing a competitive advantage

The niche in which the smaller practice finds its competitive advantage will vary. It may include an area of clinical expertise, a network of strong referrer relationships, innovative use of technology, or a geographic location.

Informed and demanding consumers are likely to be willing to pay a premium or travel for practices known for their expertise in a particular clinical area. But a niche will not necessarily mean clinical specialisation or a narrowing of the scope of services. Many smaller practices may find their strength lies in their capability as a generalist, able to quickly meet the increasingly diverse range of consumer needs in the areas of aged care, disability and chronic disease management.

6.3.2 Connected by alliances and partnerships

Strong alliances and partnerships will be critical for the small Practice. This might involve being part of a Practice network or franchise, a multi-disciplinary clinical network, partnering on a bid for a service contract or attracting workforce through joint appointments.

6.3.3 Able to leverage technology to level the playing field

Technology will be a more important enabler for the smaller Practice than the large Practice. Technology will offer the smaller Practice the potential to derive efficiencies which would otherwise only be enjoyed by larger competitors with economies of scale. Efficiencies in Practice administration, access to cost-effective marketing, and the potential to automate or outsource of administrative functions are some of the areas which will differentiate the smaller Practice of the Future.

6.4 The APA can support and enable the Practice of the Future

The APA can contribute to the success of the Practice of the Future. Effective advocacy and marketing, facilitation of collaboration between practices and across the health system, development of standards and guidelines, and the provision training and support will enable practices respond effectively to the strategic challenges to 2025.

6.4.1 Advocacy for a broader role in the healthcare system

Consumers, stakeholders the community need to know that the Practice of the Future can make a more significant contribution to the future healthcare system and the health of the community. A national program of advocacy can complement local Practice marketing campaigns

6.4.2 Facilitation of strategic partnerships and alliances

The APA can connect the Practice to the key stakeholders and partners which enable future success. There is opportunity for the APA to take a leading role on the development of stronger partnerships with private health insurers, funders, Medicare Locals and universities.

Some of the most important partnerships which the APA can help strengthen will be between practices. Opportunities for greater collaboration between practices have been identified in the areas of workforce, teaching and training and contracted services.

6.4.3 Standards and guidelines which address future challenges

The challenges and opportunities for the Practice of the Future include areas which will benefit from further guidance from the APA:

- **Practice accreditation:** Wider adoption of the Practice accreditation scheme will be an important element of meeting the consumer expectation for an externally validated quality standard.
- **Areas of interest/expertise:** A more consumer-focused framework for communicating areas of clinician expertise will be required for the Practice of the Future to meet the expectations of a more informed consumer.
- **New technologies:** As the Practice of the Future becomes more technology-enabled, there will be an increasing need for guidance on the use of new technologies which impact on clinical practice.

6.4.4 Training and support to develop new skills

Developing the Practice of the Future will require Practice owners and staff to develop new skills in the priority areas of:

- **Business management:** To equip Practice owners for a more competitive and complex commercial environment. This includes offering advice or services to develop Practice capability in areas such as contract management, relationships building and tender applications.
- **Education and training:** To meet the professional development expectations of the workforce of the future and ready the Practice for student supervision.
- **Technology:** To realise the potential benefits of a technology-enabled Practice.

The APA is well-positioned to coordinate access to expert training and support, tailored to meet the specific requirements of the physiotherapy practice.

7 Conclusions

InPractice: 2025 has articulated a vision for the physiotherapy Practice of the Future.

In 2025 the role of the Practice in the healthcare system is likely to be broader, offering a greater range of services in new ways to more consumers. It will be focused on the consumer and on outcomes, delivering high quality, cost-effective services. The ability to recruit, retain and develop a changing workforce will be essential for its success.

Practices will be equipped with the business acumen to achieve success in a more competitive and commercially complex healthcare system. Technology will provide the Practice of the Future with new ways to market, administer, deliver and improve its services. The Practice of the Future will be a partner in teaching, training and research, where there will be opportunities to make a greater contribution to the future of the profession.

The six key features of the Practice of the Future present opportunities and challenges for practices of all types and sizes. Practices of the Future will continue to be diverse and future success will be enabled by an understanding of how the six identified key features can be applied to each individual Practice context.

Large practices groups and multi-disciplinary practices are well-suited to take advantage of the features of the Practice of the Future. There is likely to be more of them and they will be larger. But the small practices continue to make up the majority of the industry. In 2025 it will be increasingly important for them to understand and develop their competitive advantage – the niche area of service which is not easily replicated by others in a more competitive environment.

The APA can help enable the success of the Practice of the Future. It has an opportunity to do this through alignment of its advocacy agenda, facilitation of strong partnerships and alliances, development of standards and guidelines to address future challenges and through equipping practices with the right training and support services.

The findings and insights of InPractice 2025 can now be used to inform strategic planning for physiotherapy practices, the APA and its members to engage with the challenges and opportunities posed by the Practice of the Future.

The foundations of good clinical practice and sound business management will not change. The success of the Physiotherapy Practice of the Future will continue to be built upon the delivery high quality clinical care and strong relationships with consumers and referrers.

The opportunity for the Practice of the Future to play an important role in the healthcare system will be strengthened by a collaborative response by the APA and the profession to the challenges and opportunities identified by the InPractice 2025.

Appendix A Acknowledgements

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Stakeholders consulted		
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Australian Physiotherapy Association	National Advisory Committee Australian Physiotherapy Association Board of Directors	
External stakeholders	Health Workforce Australia Australian Medicare Local Alliance Allied Health Professionals Australia National Primary Health Care Partnership	

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