The C.A.R.E. Report™

Bi-Annual Allied Health Business Intelligence

August 2026

Featuring the AHPI — Allied Health Practice Index

Published by Shuriken Advisory Group

Executive Summary

For too long, the Australian allied health sector has relied on clinical data to measure success. We track patient outcomes, waitlists, and NDIS plan utilisation. Yet, when it comes to the commercial health of the practices delivering this care, the industry operates in the dark.

The C.A.R.E. Report changes that. Published bi-annually by Shuriken Advisory Group, this report introduces the **Allied Health Practice Index (AHPI)**—the definitive benchmark for the commercial performance of Australian allied health practices.

The data in this report reveals a sector in transition. While revenue is strong across most disciplines, structural inefficiencies—particularly in contractor compliance, NDIS cash flow management, and clinician utilisation—are severely eroding profit margins and enterprise value.

The AHPI (Allied Health Practice Index)

The AHPI is calculated by aggregating the commercial performance of allied health practices across four critical dimensions: **C*larity,** A*ccountability, **R*isk & Resilience, and** E*nterprise Value.

Practices are scored and assigned a 'Belt Ranking' from White Belt (Startup/High Risk) to Black Belt (Highly Profitable, Scalable, Exit-Ready).

Current AHPI National Average: 34 (Blue Belt)

The national average score currently sits at 34, placing the typical Australian allied health practice in the 'Blue Belt' category.

What this means: The average practice has achieved stability and consistent clinical demand, but remains heavily dependent on the founder for both clinical revenue and operational management. The transition from Blue Belt (owner-operator) to Purple/Brown Belt (scalable enterprise) remains the primary commercial bottleneck in the sector.

Belt Distribution (August 2026)

- **White Belt (16-18):** 8% (High risk, immediate intervention required)
- **Yellow Belt (19-26):** 15% (Foundational gaps, poor cash flow)
- **Green Belt (27-34):** 28% (Growing, but inefficient margins)
- **Blue Belt (35-44):** 31% (Stable, but owner-dependent)
- **Purple Belt (45-52):** 12% (Scalable, systems-driven)
- **Brown Belt (53-59):** 4% (Highly profitable, low owner reliance)
- **Black Belt (60-64):** 2% (Exit-ready, maximum enterprise value)

Commercial Benchmarks by Discipline

The AHPI reveals significant commercial variance between disciplines, largely driven by funding models (NDIS vs Medicare vs Private) and standard employment structures.

Discipline	Avg AHPI Score	Primary Commercial Constraint
Physiotherapy	42 (Blue)	Clinician retention and wage inflation eroding gross margins.
Occupational Therapy	38 (Blue)	NDIS payment delays causing cash flow stress; high demand but low utilisation.
Psychology	45 (Purple)	Contractor vs Employee compliance risks (sham contracting audits).
Speech Pathology	39 (Blue)	Waitlist management inefficiencies; underpricing of non-clinical time.
Podiatry	41 (Blue)	Revenue concentration risk (over-reliance on specific referral pathways).
Exercise Physiology	36 (Blue)	Facility overheads suppressing net profit margins.

The 4 Pillars of the C.A.R.E. Framework

1. Clarity (Financial Visibility)

The Data: Only 22% of practices can accurately report their gross profit margin per service line. **The Insight:** Practices are treating top-line revenue as the primary metric of success. However, rising clinician wages mean that revenue growth is often masking declining profitability. A healthy allied health practice must target a gross profit margin of 15% to 25% after all clinician costs.

2. Accountability (Systems & Team)

The Data: 68% of practice owners spend more than 20 hours per week on clinical delivery. **The Insight:** The “owner-operator trap” is the single biggest inhibitor to growth. Practices that score in the Purple and Brown belts have successfully transitioned the founder out of the treatment room and into the CEO role, relying on robust KPI dashboards for accountability rather than physical presence.

3. Risk & Resilience

The Data: 41% of practices have a revenue concentration risk, with more than 30% of income tied to a single source (e.g., NDIS or a specific medical centre). **The Insight:** The ATO is actively auditing allied health clinics regarding contractor arrangements. Practices operating under outdated service facility agreements or exposed sole-trader structures are carrying unacceptable levels of commercial risk.

4. Enterprise Value & Exit

The Data: 85% of practice owners do not know the current commercial valuation of their business. **The Insight:** You are either building a sellable asset or buying yourself a demanding job. Practices that rely on

the founder's clinical reputation have very little enterprise value. Maximum multiples are paid for clinics with diversified revenue, clean corporate structures, and documented operational systems.

AJ's Ninja Insight

> *"The most dangerous number in allied health right now is top-line revenue. I speak to practice owners every week who are celebrating $2M in billing, but they have $10,000 in the bank and they haven't paid themselves a commercial wage in six months.*
>
> *The AHPI data confirms this is a sector-wide issue. Stop looking at your waiting list and start looking at your margins. If your clinician utilisation is below 75%, or your NDIS debtor days are above 14, you are bleeding cash.*
>
> *The transition from a busy clinic to a valuable enterprise requires a fundamental shift from clinical thinking to commercial thinking."*
>
> **— Andrew Jeffers, Founder, Shuriken Advisory Group**

About the AHPI

The Allied Health Practice Index (AHPI) is compiled from proprietary data gathered via the CARE Assessment, Australia's leading commercial diagnostic tool for allied health practices.

Benchmark Your Practice

To find out where your practice sits on the AHPI and receive your custom Belt Ranking, take the free 5-minute CARE Assessment at:

shuriken.com/care-assessment