ACTA Submission to IHACPA

Consultation Paper on the Pricing Framework for Australian Support at Home Aged Care Services 2027–28

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ACTA

Australian Community Transport Association

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About ACTA

The Australian Community Transport Association (ACTA) is the national peak body representing community transport providers across Australia. Established in 2011, ACTA unites organisations from every state and territory, QLD, NSW, TAS, SA, VIC, ACT, NT, and WA; giving the sector a strong, coordinated national voice. As a not-for-profit company limited by guarantee, ACTA is dedicated to advancing equitable, sustainable, and accessible community transport services nationwide.

ACTA has a proven track record of leading large-scale, complex sector reform and cutting-edge projects. As the key architect behind the development and national trial of the National Community Transport Pricing Model (NCTPM), delivered in partnership with the Department of Health, Disability and Ageing, the University of South Australia – UniSA (As of now, the University of Adelaide), and 31 pilot organisations, ACTA has demonstrated capability in sector-wide engagement, governance, and system change.

Background

The Independent Health and Aged Care Pricing Authority (IHACPA) has released the Consultation Paper on the Pricing Framework for Australian Support at Home Aged Care Services 2027–28. This consultation seeks stakeholder input to inform pricing advice for the Support at Home program.

ACTA's submission draws upon the National Community Transport Pricing Model (NCTPM), developed with UniSA and 31 providers nationally, offering Australia's first evidence-based pricing framework for community transport.

Executive Summary

The Australian Community Transport Association (ACTA) welcomes the opportunity to provide feedback on the Independent Health and Aged Care Pricing Authority's (IHACPA) Consultation Paper: Pricing Framework for Australian Support at Home Aged Care Services 2027–28. As the national peak body representing community transport providers across all jurisdictions, ACTA brings direct, evidence-based insight from leading the development and national pilot of the National Community Transport Pricing Model (NCTPM), in partnership with the University of South Australia and 31 providers nationwide.

ACTA strongly supports IHACPA's objective to establish a pricing framework that is sustainable, equitable, and capable of supporting high-quality service delivery under the Support at Home program. However, evidence from the NCTPM Pilot and broader sector engagement demonstrates that current and proposed pricing approaches risk entrenching

structural underfunding, particularly for non-clinical, community-based services such as community transport.

Community transport is not a discretionary or ancillary service. It is a core enabler of aged care system outcomes, supporting access to healthcare, social participation, reablement, and ageing in place. It operates as a person-centred, relational service that integrates mobility with care, monitoring, and social support, particularly for older Australians with complex needs and those living in rural, remote, and low-density population contexts.

The NCTPM evidence clearly demonstrates that flat-rate and averaged pricing approaches do not reflect the true cost of service delivery, with significant variation driven by geography, participant needs, and service model complexity. Without reform, there is a material risk that the transition to Support at Home will lead to:

- Reduced service availability and equity in thin markets (low-density population communities)
- Increased inequity for participants with high functional needs
- Rationing of essential trips, including access to medical services over long distances or for participants with higher support needs
- Increased financial instability across providers, resulting in provider exit and participant disruption
- A lack of clear delineation and usage between block funding, unit costing, variable pricing, and commissioning, undermining fair and sustainable reimbursement for service provision.

ACTA's submission provides a clear, evidence-based pathway to address these risks. Central to this is the adoption of a data-driven, activity-based pricing approach aligned with the NCTPM, alongside strengthened national data frameworks and targeted investment in provider capability.

ACTA also emphasises that the transition of CHSP into Support at Home should not proceed without pricing reform that is demonstrably fit-for-purpose for community transport. Maintaining CHSP as a standalone program in the interim is critical to ensuring continuity of essential services while pricing frameworks and data maturity are strengthened.

Summary of Recommendations

R1	Retain the Commonwealth Home Support Programme (CHSP) as a standalone program until pricing frameworks for community transport are demonstrably fit-for-purpose and supported by robust data.
R2	Adopt the National Community Transport Pricing Model (NCTPM) as the primary pricing framework for community transport services, incorporating distance, participant needs, and geography as core cost drivers.
R3	Establish nationally consistent community transport data standards, aligned with the NCTPM Pricing and Policy Arrangements Guide, to support accurate, comparable, and policy-relevant cost data collection.
R4	Embed data collection within operational systems (e.g. TMS integration) to enable real-time, trip-level data capture and reduce administrative burden on providers.
R5	Fund sector-wide capability uplift, including investment in technology, workforce training, onboarding, and change management, to support participation in cost collections and implementation of new pricing models. This should be sector-led and funded directly by government.
R6	Introduce commissioning approaches for low-density population communities (thin markets), recognising that fee-for-service models are not viable in these contexts.
R7	Apply service-specific pricing adjustments, recognising that non-clinical, mobile services such as community transport have fundamentally different cost structures compared to clinical services.
R8	Incorporate explicit pricing adjustments for rural and remote service delivery, reflecting higher travel distances, workforce constraints, and infrastructure costs.
R9	Recognise and price the additional costs associated with culturally safe service delivery, particularly for Aboriginal and Torres Strait Islander communities, through co-designed frameworks and appropriate loadings.
R10	Capture and price complexity associated with diverse populations, including language support, communication needs, and safeguarding requirements.
R11	Recognise community transport as essential aged care infrastructure, embedded within care planning, funding models, and system design.
R12	Support ongoing national data collection and research, including expansion of the NCTPM evidence base to capture under-represented cost drivers and participant cohorts.

R13	Establish a formal partnership with ACTA in pricing and data development, including governance structures, advisory mechanisms, and co-design processes.
R14	Align pricing reform with broader aged care system objectives, including reablement, prevention, and ageing in place, recognising the enabling role of transport.
R15	Implement a staged transition approach, ensuring pricing reform, data maturity, and sector readiness are achieved prior to full integration of CHSP into Support at Home.
R16	Clearly define funding mechanisms, including block funding, unit pricing, commissioning, and variable pricing, and their appropriate application.
R17	Deliver a targeted communications campaign to support participant understanding of pricing changes, including explaining cost increases as a correction from historically suppressed pricing due to long-standing contractual arrangement.

Commentary and Answers to the Consultation Questions

Consultation Question 1: What further strategies or measures could IHACPA implement to simplify and help providers contribute to our cost collections?

IHACPA can significantly improve participation and data quality in cost collections by shifting from administratively burdensome reporting to integrated, activity-based data capture aligned with service delivery. Evidence from the National Community Transport Pricing Model (NCTPM) demonstrates that accurate cost measurement is best achieved through trip-level data collection embedded within operational systems, rather than retrospective financial reporting.

The NCTPM Pilot utilised Transport Management Systems (TMS) to extract real-time operational data, including distance, participant needs, and service characteristics, supported by structured onboarding, training, and validation processes. This approach reduced reporting burden while improving data accuracy and consistency.

Consistent with the Pricing and Policy Arrangements Guide, IHACPA should prioritise the development of nationally consistent data standards aligned with service-level cost drivers and provider platforms. This includes enabling automated data capture, reducing duplication across reporting streams, and supporting providers through targeted investment in digital

capability and change management. Providers should also be supported through appropriate funding to enable participation.

Simplification should therefore be understood not as reducing data requirements, but as embedding data collection within service delivery systems, ensuring that cost collections reflect real-world operations while minimising administrative burden.

Consultation Question 2: How can IHACPA better support participation in our cost collections, particularly from:

Participation in cost collections is fundamentally constrained by structural capacity limitations across the sector, particularly among smaller and community-based providers. Evidence from the NCTPM Pilot demonstrates that meaningful participation requires active support rather than passive compliance expectations, including investment in systems, workforce capability, and culturally appropriate engagement models.

For small providers, IHACPA should fund capability uplift, including access to appropriate software, training, and onboarding support, recognising that these organisations often operate with limited administrative resources. The Pricing and Policy Arrangements Guide recommends national investment in technology adoption and sector readiness to support accurate and consistent data collection and reporting. Peak bodies are well positioned to support this process, given their established relationships with providers and technology partners, enabling consistent and reliable data practices across the sector.

For providers delivering services to Aboriginal and Torres Strait Islander communities, participation must be co-designed. Culturally safe service delivery involves additional time, relational engagement, and locally embedded workforce models that are not adequately captured through standardised reporting approaches. Similarly, Aboriginal and Torres Strait Islander health practitioner and health worker services operate within integrated and holistic care models, requiring flexible data frameworks that reflect blended service delivery rather than discrete activity reporting.

For providers supporting people with diverse backgrounds and life experiences, including culturally and linguistically diverse (CALD) communities, IHACPA should incorporate data

elements that capture functional complexity, such as language support, communication requirements, and safeguarding considerations.

Overall, IHACPA should adopt a tiered and supported participation model, underpinned by co-design with peak bodies such as ACTA. This approach will ensure that cost collections are inclusive, representative, and reflective of real service delivery conditions.

Consultation Question 3: What cost pressures and supporting data and evidence should IHACPA consider when developing the pricing approach for the transition of the Commonwealth Home Support Program (CHSP) to the Support at Home program?

The transition from CHSP to Support at Home presents significant risks if pricing approaches do not reflect the true cost of service delivery. Evidence from the NCTPM Pilot demonstrates that the current flat-rate subsidy model is structurally inadequate, with the average cost of a community transport trip estimated at approximately $68, significantly exceeding the current CHSP subsidy.

The UniSA Final Report identifies key cost drivers that must be incorporated into pricing frameworks, including distance, participant support needs, and geography, all of which materially influence service delivery costs. These factors are operationalised through the National Variable Pricing Formula (NVPF), demonstrating that pricing must be responsive to observable cost drivers rather than based on averaged assumptions.

Labour costs account for approximately 60% of total service delivery costs, with increasing workforce pressures and declining volunteer availability further exacerbating financial sustainability challenges. Capital inputs, including fleet maintenance, vehicle replacement, and infrastructure represent a critical, yet historically underfunded, component of service delivery.

The Pricing and Policy Arrangements Guide further emphasises the importance of recognising service model complexity, including door-to-door and chair-to-chair services, which embed social support, welfare monitoring, and culturally appropriate care within service delivery.

Based on this evidence, ACTA's position is that the Support at Home pricing framework is not yet fit-for-purpose for community transport. CHSP should therefore remain a standalone program until pricing frameworks fully incorporate these cost drivers and data maturity improves.

A targeted communication strategy is also required to support participants' understanding of pricing changes. This should clearly explain that current cost increases reflect a transition to pricing that more accurately represents the true cost of service delivery, rather than the historically suppressed pricing sustained through cross-subsidisation, philanthropic contributions, and legacy funding arrangements.

There is also a need for transparent engagement with government regarding the realities of price realignment, including the likelihood of a one-off "catch-up" adjustment and its implications for forward budget estimates.

Consultation Question 4: Compared to services in metropolitan areas, what cost pressures and supporting data and evidence should IHACPA take into account when considering pricing adjustments for services provided in rural and remote locations?

The NCTPM Pilot demonstrates that cost pressures in rural and remote areas are systemic and structural, rather than marginal variations. Providers in these regions face significantly higher unit costs due to long travel distances, low trip density, and limited opportunities for route optimisation.

The Pricing and Policy Arrangements Guide highlights that low-density population communities require tailored pricing and commissioning approaches, as standard funding models are insufficient to sustain service delivery in these contexts.

Additional cost pressures include increased vehicle wear and maintenance, higher fuel consumption, workforce shortages, and the need to maintain standby capacity to ensure service availability. The UniSA Final Report further identifies that geographic factors must be explicitly incorporated into pricing frameworks, with differentiated base fares and distance-based adjustments reflecting remoteness.

Importantly, the evidence supports the need for both commissioning and block funding arrangements in thin markets. Under the NCTPM, commissioning refers to the strategic allocation of funding based on the cost of ensuring service availability (for example, funding tied to maintaining vehicles, coverage, and readiness to deliver services), rather than the volume of trips delivered. In contrast, block funding refers to the mechanism through which funding is provided (e.g. periodic or lump-sum payments), rather than what is being funded.

This distinction is critical. In low-density population contexts, funding must reflect the cost of maintaining service availability, not solely the number of units delivered, as per-trip funding models are not viable where demand is low but services remain essential. Block funding can therefore be used as the payment mechanism to deliver commissioned outcomes, ensuring providers are sustainably funded to maintain operations.

IHACPA should adopt pricing and commissioning approaches that explicitly recognise rural and remote service conditions, rather than applying uniform pricing adjustments across fundamentally different service environments.

Consultation Question 5: Do higher costs or different cost pressures associated with services provided in rural and remote locations apply to all service types, or only to specific services? For example, clinical services in comparison to non-clinical services.

The evidence indicates that higher costs associated with rural and remote service delivery do not apply uniformly across all service types and are particularly pronounced in non-clinical, mobile services such as community transport.

The University of South Australia - Final Report demonstrates that community transport costs are highly sensitive to distance, time, and participant needs, with service delivery involving significant travel, coordination, and support components. In contrast, many clinical services operate within fixed-site models, where costs are less directly influenced by geography. Community transport services are inherently mobile and relational, requiring travel across large geographic areas, coordination of multiple participants, and the provision of additional support functions.

These characteristics amplify the impact of rural and remote cost drivers.
The Pricing and Policy Arrangements Guide reinforces that pricing approaches must be service-specific, reflecting differences in delivery models and cost structures, rather than applying uniform adjustments across all service types.

Consultation Question 6: What cost pressures and supporting data and evidence should IHACPA take into account when considering pricing adjustments for services provided for people from Aboriginal and Torres Strait Islander communities?

Services delivered to Aboriginal and Torres Strait Islander communities involve additional cost pressures associated with culturally safe, person-centred service delivery. Pricing should be based on the functional requirements of each individual, recognising that support needs will vary. A one-size-fits-all approach is not appropriate in this context.

The NCTPM operates on the basis of high and low functional support needs at the individual level. These classifications are not determined by demographic characteristics such as race, sex, age, or sexual orientation, but by the actual resources and level of effort required to deliver a quality, person-centred service.

The NCTPM Pricing and Policy Arrangements Guide explicitly identifies the need to incorporate culturally appropriate care within community transport service models. This recognises that service delivery often requires additional time, workforce capability, and

flexibility. These cost pressures include extended engagement time, the need for a trusted local workforce, culturally appropriate communication, and service delivery across remote and dispersed communities. Importantly, these factors are often under-recorded in current data systems, resulting in systemic underfunding.

These considerations should be incorporated into functional needs assessments to ensure that pricing accurately reflects the true cost of delivering culturally safe and appropriate services.

Consultation Question 7: What cost pressures and supporting data and evidence should IHACPA take into account when considering pricing adjustments for services provided for people with diverse backgrounds and life experiences?

Services delivered to people with diverse backgrounds and life experiences, including culturally and linguistically diverse (CALD) populations, involve additional complexity that directly impacts cost structures.

The UniSA Final Report identifies that participants requiring language support, communication assistance, or additional safeguarding measures may incur higher service delivery costs, even where these are not consistently captured in existing datasets. Community transport services frequently provide additional coordination, translation support, and extended service time to ensure safe and effective service delivery for these groups.

As outlined above, this additional resource consumption and effort should be recognised and priced within the higher functional support category under the NCTPM.

IHACPA should therefore support mechanisms to capture and appropriately price these additional cost drivers, based on an individual's functional needs. The current Single Assessment framework does not adequately capture this level of complexity. Enabling providers to exercise informed judgement at the point of service delivery ("at the coalface") should be considered, with appropriate accountability mechanisms in place. This could

include a sampling or audit process to ensure that classifications of high and low support needs are justified and applied consistently.

Consultation Question 8: Do higher costs or different cost pressures associated with services provided for people from Aboriginal and Torres Strait Islander communities, or people with diverse backgrounds and life experiences, apply to all service types, or only to specific services? For example, clinical services in comparison to non-clinical services.

We are unable to comment on this aspect, as our evidence base and expertise are specific to community transport and do not extend to other service types.