
ACTA Submission to Draft IHACPA Work Program 2026-27

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ACTA

Australian Community Transport Association

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 (now part of the University of Adelaide), and 31 pilot organisations, ACTA has demonstrated capability in sector-wide engagement, governance, and system change.

Commentary

Professor Michael Pervan
Chief Executive Officer
Independent Health and Aged Care Pricing Authority
Via email: submissions.ihacpa@ihacpa.gov.au

Dear Professor Pervan,

Draft IHACPA Work Program 2026–27

The Australian Community Transport Association (ACTA) welcomes the opportunity to provide feedback on the Independent Health and Aged Care Pricing Authority (IHACPA) Draft Work Program 2026–27.

ACTA is the national peak body representing community transport providers across Australia. Our members deliver essential mobility, social connection and access-to-care services for older Australians, people with disability, carers and those experiencing transport disadvantage conditions across Australia. Community transport is not simply a transport service; it is an enabling aged care support that allows people to remain living independently, attend medical appointments, access essential services, participate socially and delay entry into higher-cost care settings, such as residential aged care.

ACTA values IHACPA's growing role in aged care pricing and costing matters and supports transparent, consultative and evidence-based approaches to pricing reform. However, we wish to highlight urgent concerns regarding the timing, methodology and implementation readiness of pricing and cost collection activities relevant to community transport under Support at Home.

General Comment

Community transport providers are currently operating in significant uncertainty. While major reforms are progressing, many providers still do not know the future subsidy settings, pricing methodology or whether service delivery will remain financially viable under Support at Home.

This uncertainty is occurring while providers face rapidly rising input costs including:

- Fuel price volatility and recent increases
- Workforce shortages across health, aged care and transport sectors
- Rising wages
- Insurance, fleet maintenance and vehicle replacement pressures
- Technology and reporting system upgrades required for reform readiness;

Without timely and realistic pricing advice, providers are effectively operating blind.

I. Section 3.1(c): Development of the Pricing Framework for Australian Support at Home Aged Care Services and Support at Home Pricing Advice

ACTA submits that providers need pricing information sooner rather than later.

The current sequencing of pricing advice risks leaving providers unable to make decisions regarding:

- workforce retention and recruitment
- fleet investment
- service continuity
- subcontracting decisions
- participant intake capacity
- regional service coverage,
- budgeting for 2026–27.

Pricing advice based primarily on historic datasets may also fail to reflect current operating realities, particularly recent fuel increases and workforce cost escalation. These two factors are among the most material cost drivers for community transport providers.

Community Transport Evidence Already Exists

ACTA recently completed the **National Community Transport Pricing Model (NCTPM) Pilot**, undertaken in partnership with the University of South Australia and funded through iMOVE CRC. The pilot involved **31 community transport operators** across metropolitan, regional, rural and remote Australia.

The final report found:

- The **average cost of delivering a CHSP-funded community transport trip is approximately \$68**
- Current Commonwealth subsidy settings were approximately **\$35 per trip**
- In many cases, providers are absorbing significant losses to continue service delivery
- Labour accounts for approximately **60% of service delivery costs**,
- The proposed **National Variable Pricing Formula (NVPF)** improved the proportion of operators achieving at least 80% cost recovery from **16% under the current system to over 80%**.

Recommendation

ACTA calls on IHACPA to commission ACTA and sector partners to undertake an updated national cost collection and pricing refinement exercise using the NCTPM methodology to directly inform Support at Home pricing advice for community transport.

This would allow IHACPA to rapidly leverage an existing evidence base rather than start from first principles.

ACTA specifically recommends:

1. Bring forward community transport pricing advice wherever feasible.
2. Use real-time cost escalation inputs including fuel, wages and fleet costs and suggest trigger points where additional income can be claimed by providers. For example if the cost of fuel goes above \$2.30/litre then a trip cost will increase by \$0.20.
3. Recognise regional, rural and remote cost variation with commissioning of services.
4. Recognise participant support needs and assisted transport complexity.
5. Adopt or adapt the **National Variable Pricing Formula (NVPF)** as the preferred pricing methodology.
6. Work with ACTA and the University of Adelaide to undertake a social return study that demonstrates (or not) the additional social benefit above the transport component.
7. Adopt an interim pricing model for community transport during the transition period if final pricing advice is delayed. ACTA recommends IHACPA advise the Government to implement an interim pricing approach for community transport services under Support at Home, rather than continuing under inappropriate or outdated pricing settings. The National Community Transport Pricing Model (NCTPM) provides a strong, evidence-based foundation for realistic, sustainable, and fit-for-purpose pricing while broader Support at Home pricing arrangements are finalised.
8. Avoid rigid funding caps that limit access to care based on arbitrary thresholds rather than individual need. ACTA recommends Independent Health and Aged Care Pricing Authority advise the Government that funding arrangements under Support at Home should be grounded in person-centred, needs-based care, not predetermined caps

that may restrict access to essential services. Older Australians do not experience care needs according to fixed limits, and funding models should recognise each person's clinical circumstances, functional capacity, social context, and wellbeing needs.

II. Section 3.2(b): Support at Home Cost Collection

ACTA is concerned that the draft program may underestimate sector readiness challenges for cost collection.

IHACPA proposes cost collection across services that many providers will be delivering for the first time under a new operating model. In community transport specifically, many providers are still preparing systems, reporting structures and data architecture.

Without sector preparation, cost collection risks producing:

- incomplete datasets
- inconsistent definitions
- incomparable provider responses
- poor-quality activity data,
- distorted pricing outcomes.

Community Transport Requires Tailored Data Definitions

Community transport is not a standard unit-cost service. Cost drivers include:

- empty running between drop off and pick up/ non-passenger kilometres
- boarding and assistance time
- wait time for medical appointments
- escort support
- wheelchair accessible vehicle requirements
- volunteer utilisation
- geography and remoteness
- fleet age and utilisation,
- scheduling complexity.

Recommendation

ACTA calls on IHACPA to formally engage ACTA and the community transport sector to co-design:

1. community transport data definitions
2. minimum viable data sets
3. provider reporting templates
4. implementation readiness plans;

This would materially improve data quality and ensure 2026–27 pricing advice is based on usable evidence.

Strategic Reform Opportunity

The Commonwealth has an immediate opportunity to adopt the **National Community Transport Pricing Model (NCTPM)** and the **National Variable Pricing Formula (NVPF)** as the foundation for future aged care community transport pricing.

The model is already evidence-based, nationally tested and specifically designed for Australian service conditions. It reflects the real cost of delivering safe, trusted and person-centred transport for older Australians.

Without reform, many providers may continue cross-subsidising losses, reduce coverage, or exit service delivery altogether.

Conclusion

Community transport is a low-cost preventative support that reduces social isolation, improves healthcare access and helps older Australians remain at home longer. Yet it cannot continue sustainably under outdated flat-rate pricing settings.

ACTA urges IHACPA to act quickly, work directly with the sector, and utilise the NCTPM evidence base to deliver fair, contemporary and sustainable pricing advice under Support at Home.

Thank you for the opportunity to provide feedback. ACTA would welcome further engagement with IHACPA on these matters.

Yours sincerely,

Murray Coates

Chief Executive Officer

Australian Community Transport Association (ACTA)