

Submission

To	Independent Health and Aged Care Pricing Authority
Topic	Consultation Paper on the Pricing Framework for Australian Support at Home Aged Care Services 2027-28
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About

We are an inclusive not-for-profit organisation working alongside more than 80,000 South Australians each year and have been creating positive change for South Australian communities for more than 120 years. We advocate for systems change across diverse social justice issues to shape public and social policy that delivers better outcomes for marginalised communities.

As both an aged care service provider and an aged care assessment provider, we see firsthand how timely access to high quality support can improve an older person's quality of life and reduce the risk of prematurely entering residential care or an acute health setting. Uniting Communities supports older South Australians to live independently and safely whilst remaining in their home by offering a wide range of practical and social supports that help people stay connected to their families and communities.

Through the Commonwealth Home Support and the Support at Home Programs, we provide flexible, person-centred assistance that reflects each individual's needs, preferences and goals. Our work is guided by dignity, choice and partnership, supporting people to remain in control of their daily lives while receiving the support they need. In 2025 Uniting Communities supported 2900 older people across metropolitan and regional South Australia in the Commonwealth Home Support Program, to manage everyday tasks and stay socially connected. This included support with cleaning, shopping, home maintenance, respite, transport as well as individual and group social activities that reduced isolation and actively supported community participation. Uniting Communities also provided a range of Allied Health and Nursing services to support people's health and wellbeing objectives to live independently in their home. These early supports play an important role in supporting older people to maintain their independence and continue living well at home.

In 2025 Uniting Communities supported 850 older people across metropolitan and regional South Australia under the Home Care Packages/Support at Home Program, offering coordinated, ongoing support for people with more complex or changing needs. We worked alongside clients and their families to develop care plans, recognising that people's needs and circumstances can shift at any time. Our care partners provide consistent support and guidance, helping ensure services remain responsive and aligned with each person's goals for independence and wellbeing.

Submission to Pricing Framework for Australian Support at Home Aged Care Services 2027-28

Uniting Communities thanks the Independent Health and Aged Care Pricing Authority (IHACPA) for the opportunity to provide input into the consultation on the Pricing Framework for Australian Support at Home Aged Care Services 2027–28. This submission outlines several crucial factors, including learnings from the NDIS system. In particular, it highlights the need for pricing frameworks to adequately account for industrial relations requirements and the true cost of recruiting and retaining this workforce. While pricing frameworks have been traditionally based on award rates most providers are paying above award to attract and retain staff. Ongoing incentives are therefore required to support workforce growth and encourage people to enter and remain in the industry.

While this consultation relates to the 2027–28 pricing framework, it necessarily intersects with the 1 July 2026 price cap arrangements. IHACPA should therefore consider current shortcomings in transitional and communication requirements, as these are fundamental to the effective implementation of any pricing framework.

Given the Federal Government has not yet released all necessary information regarding the transition of CHSP to Support at Home, including assessment processes, it is not practical for IHACPA to finalise further pricing frameworks at this time, as they will be heavily influenced by this information.

The assessment process remains unclear and represents the most significant barrier to transition from CHSP to Support at Home. There is no clarity on whether clients will be required to undergo reassessment or be allocated defined support levels, which has substantial cost and time implications given the large volume of CHSP clients. The lack of information from the Department is creating uncertainty for both providers and clients, with emerging concerns about affordability under Support at Home.

We are currently undertaking budgeting processes without knowing how much we will be permitted to charge for services, affecting both operational budgets and the setting of individual client budgets, with significant flow-on effects. In addition, once price caps are introduced, it takes approximately two months to develop pricing materials, update websites, and finalise branded resources. In regional communities, postal delivery alone can take up to two weeks. Additional time is required for internal pricing decisions and client conversations. To meet this timeframe, price caps would need to have been released by now.

Our key recommendations:

- **Pause the release of further pricing frameworks until price caps, CHSP transition arrangements, and clarity on ongoing care and provider obligations are confirmed, as these elements are foundational to pricing integrity and the development of workable, evidence-based pricing advice.**
- **Extend the 1 July 2026 timeframe for introducing price caps under Support at Home to allow sufficient time for transition and implementation.**
- **Provide dedicated financial support for cost collection activities. Current processes are resource intensive and disproportionately impact under resourced providers.**
- **Ensure Support at Home pricing aligns with existing Commonwealth pricing arrangements under CHSP so providers are not financially disadvantaged. Appropriate transitional arrangements must be implemented to ensure clients do not receive reduced funding for the same level of support.**

- Ensure new pricing guidelines account for increased compliance costs associated with quality, reporting and regulatory requirements.
- Ensure pricing guidelines reflect enterprise agreements, not just award rates, recognising that most providers pay above award wages to attract and retain staff. Workforce incentives are essential to address current shortages and encourage entry into the sector.

Consultation questions

Question 1: 'What further strategies or measures could IHACPA implement to simplify and help providers contribute to our cost collections?' and Question 2: 'How can IHACPA better support participation in our cost collections'

Unfortunately, we were unable to participate in the most recent cost collection due to the significant workload required and the lack of available staff resources to support this process. The level of detail requested would have required additional resourcing in a sector that is already under considerable pressure, and no additional support was provided to offset this burden.

We are concerned that the relatively small number of providers reported to have participated may not be representative of the broader sector. This raises risks regarding the robustness of the data and its capacity to accurately inform pricing advice, particularly given the diversity of provider size, service models and operating contexts.

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?

It is difficult to fully respond to this question in the absence of information, including a transition schedule, outlining how the transition from CHSP to Support at Home will occur. This information is critical to understanding the additional cost pressures that will arise as a result of the transition.

In the absence of this detail, we can highlight the ongoing changes affecting providers that have already increased compliance and establishment costs. These include legislative and regulatory requirements that must be factored into pricing, such as quality standards, work health and safety obligations, staff training and supervision, transport and mileage, and workforce recruitment and retention. Providers are operating in increasingly thin markets, with significant pressure to recruit and maintain staffing levels amid growing demand driven by an ageing population.

In addition, changes to systems and processes, including the need to maintain and upgrade IT and program systems, require significant investment and represent a substantial cost for providers. Consideration must also be given to the balance between volunteer and paid workers, as not all providers have the capacity to rely on a large volunteer workforce. In many cases, this will necessitate greater reliance on paid staff. As an industry, there is a shared commitment to delivering high quality care; however, pricing must adequately reflect these increasing compliance and operating costs to ensure providers are appropriately resourced to meet required standards.

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?

There are a number of cost pressures unique to rural and remote locations. Transport costs are a significant factor, including higher fuel prices, limited access to fuel, and increased travel time.

Operational costs such as training, recruitment and supervision are also heightened in rural and remote areas, as staff are often required to travel long distances. Where support workers are widely dispersed, there are increased costs associated with supervision, monitoring and contractor oversight.

Additional pressures arise in thin markets where providers may operate without a local organisational office or site, further limiting workforce availability. Client setup costs are also higher due to large geographic distances and fewer available staff, requiring more time and travel to establish services to ensure face to face services remain an integral part of providing services to older people already experiencing high levels of social isolation.

In rural areas, CHSP services are often delivered through hospitals, and there is concern that these service providers will not transition to become a provider under the Support at Home program. This would require remaining providers to service much larger geographic areas at higher cost and would further exacerbate workforce shortages, placing additional pressure on the rural health system.

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.

Higher cost pressures apply across most service types in rural and remote locations. While some cost drivers may differ between clinical and non-clinical services, there are significant shared challenges across all service types, including workforce shortages, travel time and supervision requirements. Changes to Modified Monash Model (MMM) classifications have resulted in many regions being reclassified into higher remoteness categories, highlighting the increased complexity and cost of resourcing services in these areas.

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?

Cost pressures vary significantly depending on whether services are delivered in remote locations, such as the APY Lands, where large distances travelled and limited infrastructure increase delivery costs. These pressures differ between communities and must be reflected in flexible and adaptable pricing arrangements that respond to local needs and circumstances.

It is critical that IHACPA consult with Aboriginal Community Controlled Aged Care Organisations (or equivalent community-led organisations) to inform pricing adjustments. These organisations can provide evidence of transition-related cost pressures, including the need for targeted funding and resourcing to meet quality and compliance requirements. Importantly, cost structures and compliance obligations for community-led organisations governed by community members may differ from those of clinically or commercially led providers, and pricing should appropriately reflect these differences.

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?

Clients living in the community are presenting with increasing levels of complexity, and this is expected to continue. These pressures are exacerbated by system constraints that limit the ability to respond to high-needs clients. For example, delays in access to residential aged care due to limited availability mean some clients remain in the community for longer periods, despite requiring levels of support more appropriately delivered in residential settings. As a result, some providers are required to adjust service delivery and support clients beyond the level they are funded for, effectively delivering more intensive and costly care within lower funding allocations.

Experience from the NDIS demonstrates that pricing models which do not adequately recognise client complexity can fail to account for the additional time and service intensity required for some individuals. Where clients require significantly more support hours, it becomes more difficult for providers to deliver services efficiently within existing price settings. In addition, for clients from culturally and linguistically diverse backgrounds, service delivery often involves working with family units as well as the individual, further increasing time and resource requirements. In the absence of pricing that reflects these factors, providers are left subsidising the cost of care.

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.

These cost pressures apply across all service types and are not limited to specific services. Clients from Aboriginal and Torres Strait Islander communities, and those with diverse backgrounds and life experiences, access a broad range of services and may require additional support such as enhanced case management, coordination and engagement regardless of service type. As a result, increased costs are experienced across the full spectrum of service delivery rather than being confined to clinical or non-clinical services alone.

Additional feedback: learnings from the NDIS

There are clear examples within the NDIS where inappropriate pricing settings have had adverse impacts on some of the most vulnerable participants. A proportion of NDIS providers are operating at a loss because pricing does not adequately reflect the true cost of service delivery. For example, some participants were transitioned onto lower-value plans, making it financially unviable for providers to deliver the level of support required. Where pricing is set too low, providers are unable to sustainably support clients.

These pricing settings have also contributed to the emergence and worsening of thin markets, as providers lack sufficient incentive to operate in certain locations or deliver more complex supports. This has been observed in outer metropolitan areas of Adelaide and is further exacerbated in regional and remote locations. It is critical that aged care reforms consider these lessons from the NDIS. Given the similarities between the two systems, incorporating the lessons learnt with pricing and policy design will help reduce the risk of unintended consequences for both providers and clients.

Conclusion

We appreciate the opportunity to provide a submission to the IHACPA Pricing Framework 2027-28. Uniting Communities supports the development of a pricing framework for Support at Home that is sustainable, transparent and reflective of the true cost of service delivery. As outlined in this submission, current uncertainty regarding transition arrangements, assessment processes and the timing of price caps presents significant risks for providers and clients.

IHACPA's pricing advice must account for workforce realities, compliance obligations, geographic and demographic cost pressures, and the diversity of provider models across the sector. Learnings from the NDIS demonstrate the consequences of pricing that does not adequately reflect complexity, transition impacts and market sustainability. Getting pricing right from the outset will be critical to supporting high-quality, equitable and sustainable aged care services under Support at Home.