

# OPAN submission on:

IHACPA Consultation Paper on the  
Pricing Framework for Australian  
Support at Home Aged Care Services  
2026–27

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# About OPAN

Formed in March 2017, the Older Persons Advocacy Network (OPAN) is the national peak body for individual aged care advocacy support. OPAN contains a network comprised of nine state and territory organisations that have been successfully delivering advocacy, information and education services to older people across Australia for over 30 years. Our members are:

ACT	ACT Disability, Aged and Carer Advocacy Services	SA	Aged Rights Advocacy Service (ARAS)
NSW	Seniors Rights Service (SRS)	TAS	Advocacy Tasmania
NT	Darwin Community Legal Service	VIC	Elder Rights Advocacy (ERA)
NT	CatholicCare NT (Central Australia)	WA	Advocare
QLD	Aged and Disability Advocacy Australia (ADA Australia)		

OPAN receives funding from the Australian Government to deliver the National Aged Care Advocacy Program (NACAP). OPAN aims to provide a national voice for aged care advocacy and promote excellence and national consistency in the delivery of advocacy services under the NACAP.

OPAN's free services support older people and their representatives to understand and address issues related to Commonwealth funded aged care services. We achieve this through the delivery of education, information and individual advocacy support. In 2023–24 OPAN provided 44,428 instances of advocacy and information support, an increase of 20 percent since 2022–23.

OPAN is always on the side of the older person we are supporting. It is an independent body with no membership beyond the nine SDOs. This independence is a key strength both for individual advocacy and for our systemic advocacy.

OPAN works to amplify the voices of older people seeking and using aged care services and to build human rights into all aspects of aged care service delivery. OPAN acknowledges the knowledge, lived experience, wisdom and guidance provided by older people and advocates in preparing this submission.

# Pricing rights-based aged care supports

*"I'm very concerned about the \$15,000 lifetime cap on home modifications. To get a bathroom renovated costs a lot more than \$15,000. So, I really hope governments are going to reconsider this figure and make it a lot more viable for people to get the home modifications they need." <sup>1</sup>*

OPAN welcomes the opportunity to provide feedback to the Independent Health and Aged Care Pricing Authority (IHACPA) on the Pricing Framework for the Support at Home program in 2026–27. We do not underestimate the challenges of providing pricing advice to government that aims to achieve both rights-based care and control over government expenditure. We consider that one of the most important functions of this pricing advice is to reduce the 'postcode lottery' effect, through ensuring more equitable access to services and care outcomes for older people living in rural, regional and remote Australia.

Governments have a responsibility to ensure that human rights are respected and protected, and this includes ensuring that essential goods and services are accessible and affordable for all citizens. In implementing market-based aged care policies and programs, governments cannot outsource this responsibility. We acknowledge that IHACPA's pricing advice is limited to the Support at Home service list, but trust that our recommendations for prices currently set by government policy such as for supplements to base subsidies, assistive technology and home modification will also be passed on.

We are especially concerned about how prices for the Support at Home program may drive the choices older people make about their care and support. This is because government sets both individual budgets for Support at Home classification levels and the amount older people are expected to contribute to their services at a fixed proportion of the unit price. It has been reported that providers will likely increase their current prices by between 20–25 percent to compensate for the removal of package management and care management charges.<sup>2</sup>

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<sup>1</sup> [Keeping Our Lights On At Home](#), Jun 28, 2025, Independent aged care/disability advocates from around Australia speak out on the needs of older people to remain living with dignity and respect in their own homes.

<sup>2</sup> Department of Health, Disability and Ageing, [Summary of indicative Support at Home prices](#)

Older people who may have expected their contributions to be affordable based on the current prices published on My Aged Care may now find this estimate inaccurate and unaffordable. Older people's Support at Home fees will also fluctuate from month to month depending on their service usage and need for assistive technology and home modifications, making it even more difficult to budget effectively. Providers may need to offer bill smoothing options for participants to avoid the prospect of Support at Home bill shock.

While we strongly support replacing the basic daily fee with contributions based on services used, this does create inequity. The contribution rates are intended to be more financially equitable, so that everyone with similar means pays a contribution based on their income and assets, rather than a flat rate. However, people with higher service usage levels will pay more, making it less equitable for older people with higher support needs. This is unlike the situation in residential aged care, where older people's contributions are according to their means, regardless of their care and support needs.

OPAN reiterates our earlier recommendation that personal care and respite care services should not require a participant contribution to ensure that price does not create a barrier to accessing these important service types. We remain concerned that the price of (and co-contributions to) Support at Home services may drive premature entry to residential aged care, costing both the government and the older person more. The aged care taskforce recommended that government raises awareness of existing financial products that enable older people to utilise their wealth in retirement and provide confidence they can afford future aged care costs.<sup>3</sup> However, older people need to see that the contributions they make are funding quality care and services, not just increasing provider profits.<sup>4</sup>

## Embedding human rights

OPAN strongly supports IHACPA's vision for all Australians to have fair access to transparent, sustainable and high-quality health and aged care. We support aged care pricing being referred to a body with specific expertise in this area. However, we do hold some concerns about the role of a body established under the National Health Reform Act 2011, where the only rights mentioned are those of the Commonwealth and States, in implementing the new rights-based Aged Care Act. We therefore make several recommendations to centre human rights in the approach to pricing.

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<sup>3</sup> Final report of the Aged Care Taskforce, 2024, [Quality, innovation and transparency Recommendation 20](#).

<sup>4</sup> OPAN, 2023, [Aged Care User Contributions position statement](#)

The first of these recommendations relates to the membership of IHACPA's aged care advisory committee. OPAN considers that the current membership of IHACPA's aged care advisory committee provides very considerable depth and breadth of expertise in health and aged care pricing and service delivery. However, we recommend the committee's functions would be enhanced by the appointment of a member with specific expertise in human rights, diversity and equity in service delivery.<sup>5</sup> A human rights approach to pricing services should ensure fair and equitable pricing that addresses the impacts on all older people, particularly members of diverse and marginalised communities.

We support IHACPA's move to establish an Aged Care Network (ACN) to support the development of their aged care pricing and costing advice. OPAN will participate in the ACN which will foster collaboration and provide a platform for effective bilateral communication with the aged care sector. The ACN will focus on underrepresented aged care cohorts and support public consultations to improve the quality and representativeness of IHACPA's pricing and costing advice. We consider the ACN will play an important role in reducing the likelihood of pricing contributing to market distortions and unintended consequences, such as reduced supply in thin markets as providers focus on competing for aged care workers and participants in metropolitan areas at the expense of rural, regional and remote areas.

*"There is a risk that providers with poor financial performance may lack the resources necessary to provide quality care to older people. Sustained financial pressure may also prompt providers to either exit the home care sector altogether or to concentrate operations in regions with stronger margins. In turn, this could undermine continuity of care for existing participants and reduce access to services, particularly in remote or rural areas where alternative services are limited."*<sup>6</sup>

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<sup>5</sup> Australian Human Rights Commission, 2012, [A human rights approach for ageing and health: Respect and choice](#)

<sup>6</sup> Sutton, N., Ma, N., Yang, J.S., Malady, L., Woods, M., Carnemolla, P., Lin, J. (2025) [Australia's Aged Care Sector: Mid-Year Report \(2024–25\)](#). UTS Ageing Research Collaborative. <https://doi.org/10.71741/4pyxmbnjq.29253743>

## Market stewardship

Aged care market stewardship is the responsibility of the Department of Health, Disability and Ageing and they require high quality advice from IHACPA to help address structural issues in the Support at Home market and ensure pricing helps older people exercise choice in an affordable and accessible marketplace. As the market steward, the department acts to guard against unfair practices by home care businesses which may increase costs to both the funder and the consumer.<sup>7</sup> Quasi-markets established by governments must recognise the inherent power imbalance between the consumer and business, and the limits of market-based policies in achieving social policy outcomes.<sup>8</sup>

Market stewards must design products and services with real-world human decision-making in mind, including consideration of why people might not be able to actively engage with a market and to develop consumer protections for people who cannot engage or 'choose not to choose'. Consumer choice in markets is most effective when:

- barriers to choice and decision-making (such as digital exclusion or financial distress) are reduced or removed
- information disclosed about the quality and price of the product is transparent, accessible and comprehensible
- comparisons can be made simply and easily between alternatives
- costs of switching between providers is minimised both in terms of time and financial costs
- consumers are aware of how to access, assess and act on the available information, tools and supports.<sup>9,10</sup>

The Consumer Policy Research Centre (CPRC) highlights the need for markets to be designed with older people in mind, addressing issues like inaccessible marketplaces, unfair product design, and a failure to account for how many older people make decisions.

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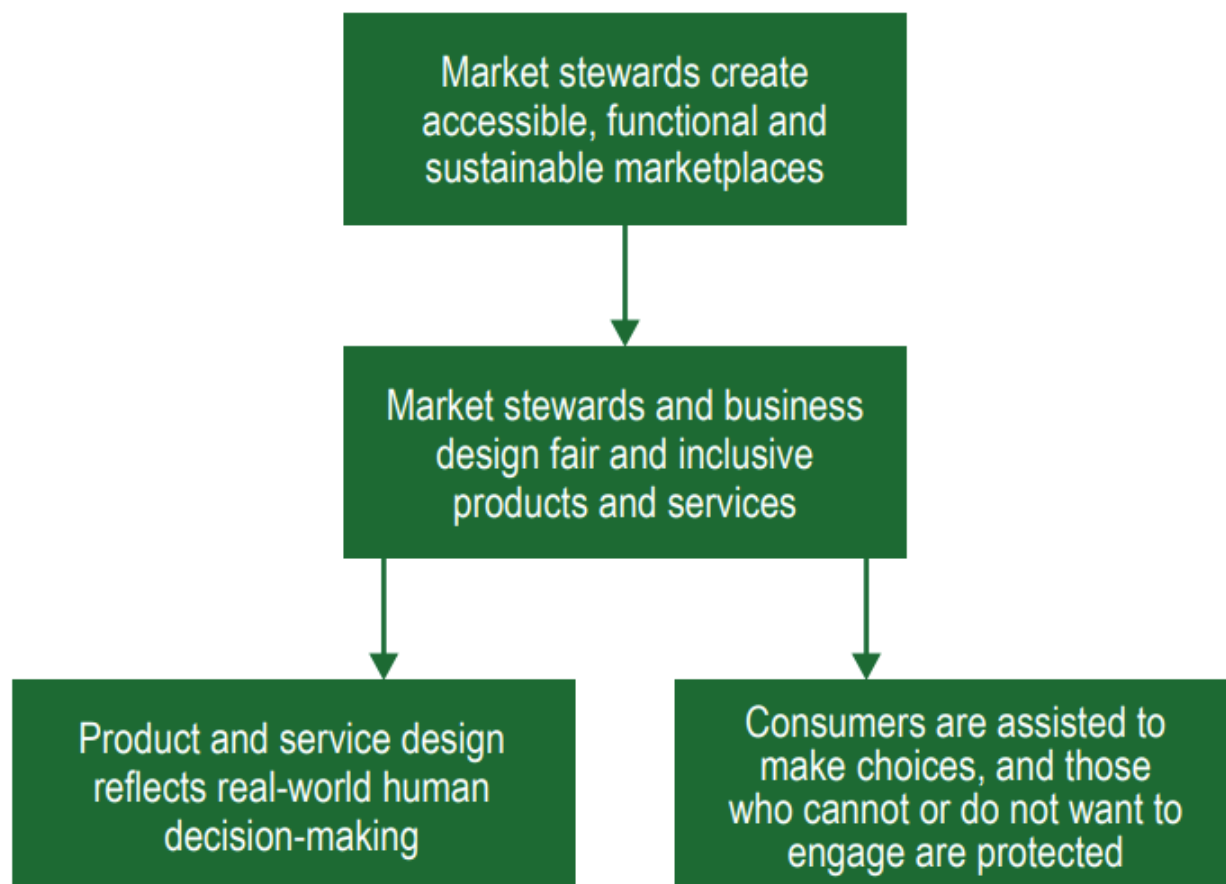
<sup>7</sup> Department of Health, Disability and Ageing, 2025, [Consumer protections for Support at Home prices – fact sheet for providers](#)

<sup>8</sup> Considine, M. (2022). *Careless State: Reforming Australia's Social Services*. Simon and Schuster.

<sup>9</sup> Consumer Policy Research Centre, 2020, [Choosing Care: the Difficulties in Navigating the Home Care Package Market](#)

<sup>10</sup> Consumer Policy Research Centre, 2020, [The Experiences of Older Consumers: Towards Markets that Work for People](#)

Figure 1: Consumer Policy Research Centre Hierarchy of Stewardship Priorities



Aged care reforms to date have greatly improved price transparency and reduced the costs of switching between providers. However, large gaps remain, and older people's wellbeing is considerably impacted by the financial decisions they must make when they do not have access to all the information they need.<sup>11</sup>

Finally, we consider that the current pricing framework approach will require substantial revision as the Support at Home program moves from the current single provider model (participant has only one registered provider who may contract associate providers) to a multi-provider model (participant may choose multiple registered providers for different service types). This may be as early as July 2027, when the Commonwealth Home Support Program (CHSP) may be incorporated into the Support at Home program.

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<sup>11</sup> Lowies, B., Kutin, J., Russell, R., Cornell, V., Altieri, B., Andrew, J., Marriner, T. & Lushington, K. (2021). [The psychological wellbeing and financial decision-making of older Australians in times of uncertainty](#). Adelaide, Australia: University of South Australia.

## Pricing principles

OPAN broadly supports the pricing principles providing guidance for IHACPA's development of pricing advice, with the following additions:

**Access to services** – pricing should support timely and equitable access for those assessed as needing in-home aged care services.

OPAN recommends that prices should not create a barrier to access for older people, especially those who are financially disadvantaged.

**Quality care and services** – pricing should support the delivery of evidence-based care and services that are person-centred, culturally appropriate and meet the Aged Care Quality Standards.

OPAN recommends that pricing should support providers to invest in supervising, developing and training aged care workers as well as fair wages and conditions for workers to enable them to provide quality care and services to older people.

**Pricing equity** – prices should be fair and equitable and account for cost variations faced by some providers in delivering care and services, including in thin markets.

OPAN recommends making explicit that thin markets include consideration of cost variations for delivering care and services to diverse communities and geographic locations.

**Evidence-based** – the development of pricing advice should be based on the best available information.

OPAN recommends that the best available information includes that derived through consultation with older people, their families and carers.

**Transparency** – all steps in the development of pricing advice for in-home aged care services should be clear and transparent.

OPAN recommends that pricing advice should include sector feedback on government policy that is outside the scope of the current consultation.

**Efficiency** – prices should promote efficiency in the delivery of in-home aged care services over time and optimise the value of the public investment in the aged care sector.

OPAN recommends efficiency should include consideration of the needs of each older person to receive the length of visit they need, irrespective of any minimum shift length for aged care workers.

**Sustainability** – pricing should consider the sustainability of the in-home aged care sector now and into the future.

OPAN recommends pricing should consider improving the sustainability of in-home aged care relative to pricing for residential aged care.

**Administrative efficiency** – pricing arrangements should promote effective and efficient processes and should not unduly increase the administrative burden on in-home aged care providers.

OPAN recommends that pricing arrangements promote consumer protections in all administrative processes employed by providers to collect participant contributions, including the use of debt collectors.

**Minimising undesirable and inadvertent consequences** – pricing should minimise susceptibility to gaming, inappropriate rewards and perverse incentives.

OPAN recommends that pricing includes consideration of consumer protections against opportunistic and unreasonable price increases and to prevent price caps becoming de-facto price targets.

**Innovation** – pricing arrangements should respond in a timely way to the introduction of evidence based, effective new technologies and support innovations that improve participant outcomes and service efficiency.

OPAN recommends that pricing arrangements contribute to frequent review and updating of the assistive technology and home modifications list for Support at Home.

OPAN recommends an additional pricing principle as follows:

**Consistent with the Statement of Rights** – pricing should promote the rights of older people to an adequate standard of living, health, self-determination, equality and non-discrimination, consistent with the Statement of Rights.

## Service types, locations and population groups that IHACPA should focus on in future cost collections

OPAN recommends that IHACPA should focus on:

### Service types

- Review pricing for the Assistive Technology and Home Modifications (AT-HM) Scheme to ensure the low, medium and high subsidy levels accurately reflect the costs of prescription, purchase and wrap-around supports for safe and effective use of aids and equipment.
- Review pricing for the restorative care and end-of-life care pathways to ensure subsidy levels accurately reflect the costs of providing time limited, co-ordinated multidisciplinary team care.

- Review pricing of care management to ensure the price accurately reflects the depth and breadth of care management activities – clinical, non-clinical, direct and indirect. We note the summary of changes made to the aged care act rules indicates an indicative price of \$120 per hour for care management has been used to calculate the care management supplement paid to providers on behalf of older people who are eligible. *“We have now drafted the Rules relating to the rates of the Care Management Supplement. The supplement is to be equivalent to 3 hours of care management for a quarter, with care management being paid at \$120 per hour (noting no prices are detailed in the service list for the first 12 months of operation of the Act, but eventually the provision could point to that price point).”*<sup>12</sup> Include in the review the adequacy of 3 hours of additional care management per quarter for people with complex needs who require intensive support.<sup>13</sup>

## Locations

- Review pricing of transport services, with a view to differential funding for older people’s transport needs according to their Modified Monash Model (MMM) geographic location.
- Review the viability supplement pricing for MMM 4–7 localities together with assessment of the need for a supplement for equity of service provision in MMM 3 areas.

## Population groups

### Aboriginal and Torres Strait Islander people

OPAN recommends that IHACPA conduct a pricing study on the costs of providing older Aboriginal and Torres Strait Islander people with assistance to maintain connection with their community, Country and Island Home as specified in the Statement of Rights.

### People living with dementia

While many people living with dementia will benefit from additional short-term funding available through the AT–HM scheme, the list of items is generally more targeted towards physical support needs. Cognitive and carer supports must be largely funded from the individual’s ongoing classification budget. To reduce the risk of ‘adverse selection’<sup>14</sup>, OPAN recommends the dementia and cognition supplement is reinstated to

<sup>12</sup> Department of Health, Disability and Ageing, [Summary of key changes to the new Aged Care Rules](#)

<sup>13</sup> Brotherhood of St Laurence, 2025, [Critical Interim Support: innovative case management for older people experiencing barriers to accessing aged care services](#)

<sup>14</sup> Dr Stephen Duckett, 2024, [Submission on new Aged Care Act](#)

the Support at Home program. This will help reduce barriers to provider willingness to accept people with higher support needs as Support at Home participants.

### **Older people with disability**

OPAN recommends that the Support at Home classification structure and pricing framework ensures that older people with disability who are not eligible for the NDIS solely due to their age can access equivalent supports to those available through the NDIS.<sup>15</sup>

### CHSP transition

For the pricing approach for the transition of the Commonwealth Home Support program (CHSP) to the Support at Home program, OPAN recommends IHACPA should:

- Review pricing of respite care across in-home and community based, overnight cottage-style and residential respite care service types. IHACPA should focus on ensuring that that subsidy levels do not create disincentives for providers to offer these service types that support care relationships and assist older people to stay at home for longer with the support of family and friend carers. This should include consideration of the relative weight of the fixed costs of service delivery, variable costs of providing respite care to older people with complex needs and the support required to make respite care more accessible for both carers and people receiving care.
- Assess the access and equity benefits to older people, particularly those living in regional, rural and remote Australia, of the transport service type continuing to operate as a separate sub-component of the Support at Home program.

## Services for older people living in rural and remote areas

### Viability supplement

The viability supplement is intended to help with the cost of providing services in rural and remote areas. It is currently payable to providers of home care services to older people living in areas with Modified Monash Model (MMM) ratings of MMM 4 or higher.

As previously stated, OPAN recommends review of the adequacy of viability supplement pricing for MMM 4–7 localities together with assessment of the need for a supplement for service provision in MMM 3 areas.

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<sup>15</sup> OPAN and AFDO, 2023, [Discussion Paper, Supports for older people with disability](#)

## Transport costs

OPAN recommends that IHACPA should undertake a cost collection study on transport costs in the Support at Home program with a view to ensuring equity between metropolitan and rural dwellers and ensuring that transport costs do not pose a barrier to older people's access to health care and social support.

***"Transport is a nation-wide issue for people on a home care package (HCP). We urgently need a review of the fee structure so that we don't have to up-grade our HCP funding to provide us with the financial means to accommodate our transport needs.***

***Rather than focusing on one government-subsidised service paying for/supporting another government-subsidised service, the older people who need and use the service should be at the centre.***

***I strongly believe that older people like me living in regional, rural and remote areas need an extra subsidy or supplement paid to providers so that the travel subsidy will be enough to get to needed services the same as someone living in Hobart."*** <sup>16</sup>

Helen provided testimony at the Senate Community Affairs Legislation Committee inquiry into Aged Care Bill in late 2024 because she had reached the limits of her self-advocacy regarding increased transport costs. She had previously accessed CHSP funded community transport with a flat rate of co-contribution to travel from her rural location to the city for regular allied health care appointments. After commencing on a home care package, travel was charged at a per km rate. Each trip cost her package over \$100. As a rural dweller, she was significantly disadvantaged and began to trade-off transport for other support services at home. This had a negative impact on her health, and she had a recent unplanned hospital admission. Helen had to apply for a higher-level package purely to fund transport costs.

OPAN recommends that in recognition of inequities caused by additional transport costs for both individuals and providers, IHACPA review the amount of individual subsidy allocated under Support at Home to older people living in regional, rural and remote Australia and the amount of viability supplement paid to providers in those areas.

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<sup>16</sup> Helen, witness at Senate Community Affairs Legislation Committee inquiry into Aged Care Bill 2024 [Provisions] [Public Hearing Friday 4 October 2024, Devonport Tasmania](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/AgedCareBill2024/Report)  
[https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Community\\_Affairs/AgedCareBill2024/Report](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/AgedCareBill2024/Report)

An older person living in an MMM 3 rated rural town explained they have been unable to secure consistent workers to provide their domestic assistance, with the provider sending different staff each week, and sometimes not filling the shift. The provider explained they do not have any staff available who live in the same town. One worker explained that they travel from their home in the nearest regional city (MMM 1). It takes them 40 minutes to get to the older person's home, but they only get paid for 20 minutes of travel time each way. They do not provide domestic assistance to any other older people in the town on the same day.

*"Tamworth NSW 2340 is rated MMM 3. Nundle is in the Tamworth LGA but is 58km from Tamworth and takes 45 minutes travel time. Nundle has an MMM 5 rating. Providers receive an additional \$2.93 per day per HCP recipient.*

*With staffing shortages everywhere, how will it be viable for any provider to take on clients in Nundle? In an ideal world they would employ someone who lives in Nundle, but this is not always attainable.*

*Providers based in Tamworth or elsewhere may say it is not worth taking on Support at Home participants once the travel time must be incorporated in the service delivery cost. So, this leaves the older person having to move into Tamworth to receive services, with all the stress of moving, assuming they can afford to move."*

**Advocate**

## Indexation

Given staff wages and salaries comprise the largest expense in providing home care services, OPAN supports IHACPA's approach to indexation to separate labour and non-labour components of unit prices and taking account of Fair Work Commission decisions and determinations relating to work value cases and annual wage reviews, superannuation guarantee increases, as well as other known cost increases, when indexing labour costs for Support at Home services.

Advocates have reported Home Care Package providers pre-emptively increasing their service delivery prices in preparation for the Support at Home program. They are already charging prices for home care package services at the top of the indicative range for Support at Home program<sup>17</sup> well in advance of commencement of the new Act.

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<sup>17</sup> Department of Health, Disability and Ageing, [Summary of indicative Support at Home prices](#)

At present, there is no limit on the number of price increases a provider can make to their HCP prices. The only requirement is that they must update their prices with My Aged Care. OPAN recommends that the Support at Home program limits provider price increases to twice per annum, preferably in line with government indexation increases in March and September each year.

*“One provider has increased their service fee prices twice in 2 months. The initial increase was from 1 May 2025 and older people have now been informed that prices will be going up again from 1 July. The notification letters stated the price increases are due to staff wage increases. Our concern is that the level of the price hikes is not justified by the recent and pending wage increases and the provider is still charging package management and care management fees on top of these prices. These fees appear to be in line with what they would have increased to on commencement of Support at Home on 1 July and we are therefore concerned that there will be further price increases from 1 November 2025.”*

**Advocate**

## Building and construction costs

OPAN supports calls by older people to increase the funding available for home modifications in recognition of the impact of inflation on the costs of construction which have risen by over 30 percent from September quarter 2020 to June quarter 2024.<sup>18</sup> Without realistic pricing for home modifications, the policy intent to support older people to stay in their own homes for longer will be undermined.

There is a risk that pricing for home modifications will suffer a similar fate to the accommodation supplement for residential aged care. The Aged Care Taskforce recommended a review of the accommodation supplement, noting current policy settings for the supplement have limited its effectiveness as an incentive for improving facilities. The accommodation supplement is indexed to the Consumer Price Index (CPI) and, in recent years, has increased at a slower rate than the cost of construction. Over time, this has the effect of significantly reducing the ability of the supplement to cover aged care home refurbishment costs.

## Price benchmarking

OPAN supports price benchmarking between the aged care, veterans home care and disability support sectors in relation to improved equity around the additional costs of service delivery to diverse groups and in regional, rural and remote areas.

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<sup>18</sup> <https://www.abs.gov.au/articles/insights-output-building-construction-prices>

We note the recent NDIS Independent Pricing Committee report <sup>19</sup> that outlines many similar challenges in setting prices for disability support services:

- demand often outstrips supply, so providers have little incentive to reduce their prices
- pricing is often less important to participants than other factors (e.g. proximity, rapport and reliability) when choosing providers
- people have more immediate health and wellbeing priorities than shopping around for lower priced services

## Services for older people in diverse population groups

OPAN recommends that the factors IHACPA should consider when considering pricing adjustments for services provided for people from diverse population groups should be derived from the Aged Care Diversity Framework and its three action plans for:

- Aboriginal and Torres Strait Islander peoples
- people from culturally and linguistically diverse (CALD) backgrounds
- lesbian, gay, bisexual, trans and gender diverse, and intersex (LGBTI) people

Pricing adjustments should be considered for both direct service delivery costs and service provider infrastructure costs to provide services in a trauma aware and healing informed way, consistent with the Statement of Rights and the strengthened Aged Care Quality and Safety Standards. A key consideration is minimising the risk that the additional time required to make reasonable adjustment in providing services to people from diverse population groups may be considered inefficient.

At the individual level these include, but are not limited to:

- Face to face information provision involving trusted community members and organisations
- Communication that respects every older person's identity, culture and experiences – especially of discrimination and trauma
- Support to have chosen carers, family members and registered supporters present when being asked to make aged care decisions
- Information provided in the older person's preferred language, in plain language and in a variety of media (written, video, pictorial)

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<sup>19</sup> NDIS, [Independent Pricing Committee Final Pricing Report: 2025](#)

At the provider level these include, but are not limited to:

- Recruiting, training and retaining bilingual and bicultural staff
- Supporting best practice use of interpreters with acknowledgement of the additional staff time involved in communicating via interpreter
- Providing training, supervision and support to staff to reduce their risk of vicarious trauma when supporting older people who have experienced trauma
- Reviewing provider policies, procedures and forms to be inclusive of all the groups identified in the Aged Care Diversity Framework
- Specific strategies to involve members of diverse communities in service planning and co-design.

OPAN member organisations by state or territory:



OPAN is funded by the Department of Health, Disability and Ageing through the National Aged Care Advocacy Program (NACAP).