

20 April 2026

Professor Michael Pervan
Chief Executive Officer
Independent Health and Aged Care Pricing Authority
PO Box 483
Darlinghurst NSW 1300

Via email submissions.ihacpa@ihacpa.gov.au

Dear Professor Pervan

Draft IHACPA Work Program 2026-27

Ageing Australia welcomes the opportunity to provide feedback on the draft work program of the Independent Health and Aged Care Pricing Authority (IHACPA).

Ageing Australia is the national peak body for aged care, representing providers of retirement living, seniors housing, residential care, home care and community services. We advocate for our members, providing expert advice, resources and tailored services to ensure they deliver exceptional care to older Australians.

Ageing Australia continues to value the role of IHACPA in aged care costing and pricing matters. We support your transparent, consultative and evidence-based approach.

Comment

We offer some specific comments on the draft work program at Appendix 1. Taking a broader look at aged care pricing and delivery, we also provide comments on the timing, nature and clarity of pricing methodology.

Pricing advice in aged care is currently determined predominantly using activity data collected in previous years, with indexation and other adjustments. We suggest IHACPA considers cost collection methodology (and revision to annual work plans) to support pricing advice that reflects activity and costs occurring as close as possible to 'real-time' delivery. This could utilise the more extensive and frequent reporting on aged care programs since the introduction of the *Aged Care Act 2024*.

We have frequently heard from our members and others across the sector that annual adjustments to elements within the AN-ACC funding model are difficult to understand, particularly as providers may have differing perspectives on the resourcing requirements needed to deliver complex, quality care to residents. We suggest that IHACPA explores illustrative ways to improve the sector's understanding of the factors that have been applied to set AN-ACC prices, including class weight adjustments and indexation.

Ageing Australia

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Recommendation: Address the comments included in Appendix 1

Thank you again for the opportunity to provide feedback on the draft IHACPA Work Program. I can be contacted at jennifer.chynoweth@ageingaustralia.asn.au if you have any questions or would like to discuss this submission.

Yours sincerely

Jenny Chynoweth
Head of Funding and Reform

Appendix 1

Specific comments on the Draft

Section 1.1.2 on pages 6 and 7 sets out IHACPA's role pertaining to the provision of advice on aged care pricing and costing matters to the Australian Government Minister for Health and Ageing.

If it is not possible, due to processes outside of IHACPA's control, to include advice on expected costs such as the cost of new reforms as well as reasonable margins on costs for providers, we recommend this information be explicitly noted when providing advice to the government. This is to ensure decision makers have the required information to decide on pricing, beyond reliance on historical data.

Section 3.1(a) Development of the Pricing Framework for Australian Residential Aged Care Services and the Residential Aged Care Pricing Advice

We have the following three comments in relation to the table which is on page 21 of the draft work program:

- The table does not indicate the timeframe for some of the deliverables in relation to 2026-27 advice, which should ideally be completed/provided before 1 July 2026 or soon thereafter.
- Deliverable: Provide the Pricing Framework for Australian Residential Aged Care Services 2027-28 to the Australian Government Minister for Health and Ageing:
 - As providers need information sooner rather than later for operational planning purposes and to support continuity of care, we think IHACPA should aim to provide the framework to the Minister much earlier than March 2027 and ideally soon after the public consultation process has been completed (planned for September 2026).
- Deliverable: Provide the final Residential Aged Care Pricing Advice 2027-28 to the Australian Government Minister for Health and Ageing to inform decisions on residential aged care and residential respite care funding:
 - As providers need information sooner rather than later for operational planning purposes, we think IHACPA should aim to provide the advice to the Minister earlier than August 2027 (as soon as is feasible after the Fair Work Commission's Annual Wage Review announcement).