# IHACPA Residential Aged Care Pricing Framework (2027–28) Consultation

Submission

August 2026

NATSIAACC
National Aboriginal and Torres Strait Islander Ageing and Aged Care Council

# Contents

# Acknowledgment of Country

NATSIAACC acknowledges the Traditional Owners of the lands and waters on which we work, live and gather, as well as Country throughout Australia, and their enduring connections to land, sea and community. NATSIAACC acknowledges that these lands and waters were never ceded, and we acknowledge the sovereignty and self-determination of the Traditional Owners.

NATSIAACC pays its deepest respects to Elders past and present and recognise the continued cultural and spiritual connection to Country and/or Island Home, community, culture and knowledge.

NATSIAACC thanks them for their wisdom and courage, and for sharing their ways of knowing, being and doing – teachings that guide us to cherish and protect our Elders and Older People.

This always was, and always will be Aboriginal Land.

# National Aboriginal and Torres Strait Islander Ageing and Aged Care Council

## About

The National Aboriginal and Torres Strait Islander Ageing and Aged Care Council (NATSIAACC) is the national peak body for Aboriginal and Torres Strait Islander Ageing and Aged Care. As the national representative peak, NATSIAACC provides national leadership, policy expertise and advice to governments, while representing the interests and perspectives of Aboriginal and Torres Strait Islander Elders, Older People, providers and the broader Ageing and Aged Care sector. NATSIAACC works to ensure that Aboriginal and Torres Strait Islander Elders and Older People can access support and care that is culturally safe, trauma aware and healing-informed, and recognises the importance of their personal connections to community, Country or Island Home.

NATSIAACC is building a membership base of:

- Aboriginal and Torres Strait Islander community-controlled providers of Ageing and Aged Care, and
- Entities with an interest in culturally appropriate Ageing and Aged Care services.

NATSIAACC's founding Directors are all leaders in Aboriginal and Torres Strait Islander Ageing and Aged Care provision.

## Our Vision

All Aboriginal and Torres Strait Islander people are thriving, healthy, strong, with ongoing cultural connections in their older years.

## Our Purpose

NATSIAACC supports Aboriginal and Torres Strait Islander older peoples, their families, and communities to identify, engage in, advocate for, and lead systemic reform to embed culturally safe practices across the Aged Care and Ageing sector.

## With thanks

NATSIAACC thanks its members, stakeholders, and other peak bodies for their valuable contributions to this submission and for generously giving their time to support older Aboriginal and Torres Strait Islander people.

## Funding

NATSIAACC is funded by the Commonwealth Department of Health, Disability and Ageing (the Department). NATSIAACC has been in operation since 2022. In the context of the current Aged Care reforms and the need for extensive advocacy, input, and leadership in the sector, it will be necessary to provide additional funding to support NATSIAACC to provide the input and engagement required to ensure that the reforms deliver much needed support to Aboriginal and Torres Strait Islander Elders and Older People.

# NATSIAACC Recommendations

NATSIAACC makes the following recommendations in response to IHACPA's Consultation Paper on the Pricing Framework for Australian Residential Aged Care Services 2027–28.

These recommendations seek to strengthen the accuracy of future pricing advice by ensuring it better reflects the real cost of delivering safe, high-quality and culturally appropriate Residential Aged Care for Aboriginal and Torres Strait Islander Elders and Older People.

**Recommendation 1**

IHACPA should work in genuine partnership with Aboriginal and Torres Strait Islander Elders and Older People, NATSIAACC, ACCOs and the broader Aboriginal and Torres Strait Islander Ageing and Aged Care sector to identify, measure and recognise the specific cost drivers associated with culturally safe respite care, including administration, care coordination, relationship-building, family and community engagement and safe transitions into and out of Residential Aged Care. These costs should be explicitly reflected in future Residential Aged Care pricing advice.

**Recommendation 2**

IHACPA should establish minimum ACCO representation targets in its Residential Aged Care cost collections and co-design, in partnership with Aboriginal and Torres Strait Islander Elders and Older People, ACCO providers and NATSIAACC, a culturally appropriate data source that captures the real costs of delivering culturally safe, trauma-aware and healing-informed care.

**Recommendation 3**

IHACPA should ensure its Residential Aged Care pricing advice recognises administrative activities that directly enable safe, high-quality and culturally appropriate care, rather than treating these activities solely as corporate overhead.

**Recommendation 4**

IHACPA should adopt an activity-based approach to allocating care costs between individual and shared components, based on the purpose of the activity, the needs of the Elder or Older Person it is intended to address and the outcome it is seeking to achieve.

**Recommendation 5**

IHACPA should explicitly account for the disproportionate implementation costs of the Aged Care Act 2024 for ACCOs, specialised Aboriginal and Torres Strait Islander services, rural and remote providers and services operating in thin markets, including workforce training and backfill, technology, systems change, care planning and culturally safe implementation.

**Recommendation 6**

IHACPA should identify and recognise the ongoing cost of embedding culturally safe, trauma-aware and healing-informed care under the new rights-based framework, including cultural governance, Aboriginal liaison and cultural advisory roles, family and carer engagement, culturally safe communication and supported decision-making.

**Recommendation 7**

IHACPA should consider a funding approach for the Specialist Dementia Care Program that better reflects variation in the needs of Elders and Older People, geographic location, provider context and the real cost of delivering specialist dementia care, rather than relying on a uniform daily rate. This should include consideration of relevant elements of the AN-ACC funding model and existing adjustments for regional, remote and specialised service delivery.

**Recommendation 8**

IHACPA should recognise and measure the costs required to deliver culturally safe specialist dementia care for Aboriginal and Torres Strait Islander Elders and Older People, consistent with the Aged Care Act 2024, Statement of Rights and strengthened Aged Care Quality Standards. These costs should include culturally safe assessment and care planning, workforce capability, cultural liaison and governance, family and carer engagement, connection to culture and Country or Island Home, and culturally safe clinical and allied health care.

**Recommendation 9**

IHACPA should ensure oxygen and enteral feeding supplement pricing reflects the whole cost of safe care, including equipment and consumables, clinical labour, workforce training, monitoring, maintenance, documentation, supply management and escalation requirements.

**Recommendation 10**

IHACPA should recognise geographic variation in these costs, particularly for rural and remote providers where freight, equipment servicing, replacement supplies, clinical access and continuity of supply can materially increase the cost of care.

**Recommendation 11**

IHACPA should recognise and measure the additional costs required to deliver oxygen and enteral feeding support in a culturally safe way for Aboriginal and Torres Strait Islander Elders and Older People, including culturally safe communication and informed decision-making, family and carer involvement where chosen, trauma-aware practice and culturally responsive care planning.

# Executive Summary

NATSIAACC welcomes the opportunity to contribute to IHACPA's Residential Aged Care Pricing Framework 2027–28. Our position is clear: if the costs of delivering culturally safe care are not visible in the evidence used to develop pricing advice, they cannot be adequately reflected in the price paid for that care.

For Aboriginal and Torres Strait Islander Elders and Older People, high-quality Residential Aged Care cannot be understood or priced through clinical care, staffing minutes and standard administrative activity alone. Ageing well is also supported by trust, family and kinship engagement, connection to community, culture, Country or Island Home, culturally safe communication, trauma-aware and healing-informed practice, and care that recognises the whole person. These are not additional or discretionary features of First Nations care and culture. They are integral to whether care is safe, effective, trusted and capable of delivering good outcomes for Elders and Older People. The Good

Spirit, Good Life framework provides an important First Nations evidence base for understanding and measuring these dimensions of quality and wellbeing.

This creates a risk that IHACPA's pricing advice will continue to understate the real cost of delivering culturally safe care for Aboriginal and Torres Strait Islander Elders and Older People, particularly where that care is delivered by ACCOs and other Aboriginal and Torres Strait Islander providers. If cost collections are shaped primarily by larger mainstream providers with greater capacity to participate, they may not capture these costs or reflect the full diversity of Residential Aged Care delivery, particularly across regional, remote and very remote communities.

NATSIAACC, as the national peak body for Aboriginal and Torres Strait Islander Ageing and Aged Care, brings together the experience of Elders and Older People, our members, community-controlled providers and stakeholders across the Aboriginal and Torres Strait Islander Ageing and Aged Care ecosystem. Across our national engagement, a consistent message is that culturally safe care carries real and measurable costs that are not always visible within mainstream costing and reporting frameworks. These costs are particularly evident for ACCOs, where culturally safe, relationship-based care is embedded within the way services are delivered. When these costs are not recognised in pricing, ACCOs and other providers delivering culturally safe care are left to absorb them.

NATSIAACC is therefore asking IHACPA to ensure its pricing methodology captures the full range of activities required to deliver culturally safe, quality care. This includes how costs are collected and measured, how administrative and care activities are classified, and whether Aboriginal and Torres Strait Islander providers are adequately represented in the evidence used to set prices.

The submission also highlights that standard pricing assumptions may not adequately reflect the additional costs associated with respite care, implementation of the Aged Care Act 2024, specialist dementia care, oxygen support and enteral feeding for Aboriginal and Torres Strait Islander Elders and Older People. In each of these areas, safe care requires not only clinical or operational inputs, but also culturally safe communication, supported decision-making, family and carer engagement, workforce capability and coordination across health, Aged Care and community systems.

Overall, NATSIAACC calls on IHACPA to ensure future Residential Aged Care pricing reflects the real cost of delivering culturally safe care to Aboriginal and Torres Strait Islander Elders and Older People. When these costs are not recognised, providers are left to absorb them, placing pressure on their ability to deliver the care Elders need. Pricing must support care where Elders feel safe, understood and respected, and can remain connected to family, community, culture, Country or Island Home.

# Consultation Questions

## 1. What should we consider when understanding differences in administration and care management costs for respite residents compared to permanent residents?

For Aboriginal and Torres Strait Islander Elders and Older People, residential respite is not simply a short-term care arrangement. It may involve leaving home, family, community, Country or Island Home, and entering an unfamiliar Residential Aged Care environment for a limited period of time. For

some Elders and Older People, particularly those with experiences of trauma, institutional care, racism or mistrust of mainstream systems, this transition can carry significant emotional, cultural and practical implications.

This means that the work required to deliver safe respite care begins well before the period of care itself. Providers must establish trust, understand the Elder or Older Person's cultural preferences, family and kinship structures, communication needs, existing supports, health and care arrangements, and any cultural obligations that may affect their care. In a respite context, this work often needs to occur quickly because the timeframe for admission, care planning, delivery and discharge is compressed.

While ACAT assessment requirements apply to both respite and permanent Residential Aged Care, the administrative and care management effort required for respite should not be overlooked. Although an Elder or Older Person accessing respite may not require assessment for means-tested income and assets in the same way as an Elder or Older Person entering permanent Residential Aged Care, this does not reduce the need for providers to establish culturally safe, relationship-based care. For Aboriginal and Torres Strait Islander Elders and Older People, providers still need to take the time to understand each person's unique circumstances, histories, cultural obligations, family and kinship structures, Country or Island Home connections, communication needs, existing supports and preferences for care.

For this reason, respite should not be assumed to cost less to administer or manage simply because the stay is shorter. In many cases, the shorter stay increases the intensity of coordination and care management required. ACCOs may need to undertake relationship-building, cultural planning, family and community engagement, admission processes, discharge planning and coordination with existing services within a much shorter period than would occur in permanent residential care.

The temporary nature of respite can therefore increase, rather than reduce, the intensity of administration and care management. Each episode may require admission and discharge processes, cultural and care planning, engagement with family and carers, coordination with existing services and the establishment of trusted relationships, all within a compressed timeframe. Where an Elder or Older Person accesses multiple respite stays, these activities may also need to be repeated across the year.

For ACCOs, this work occurs alongside regulatory requirements and community responsibilities. It may involve coordination with ACCHOs, hospitals, Aboriginal Medical Services, Primary Health Networks and other community-based supports to maintain continuity of care and support safe transitions into and out of residential care.

IHACPA should therefore assess respite according to the actual intensity and frequency of the work required, rather than assuming a shorter stay means lower administration or care management costs. For Aboriginal and Torres Strait Islander Elders and Older People, the outcome must be respite care that remains culturally safe, connected and trusted regardless of the length of the stay.

**NATSIAACC Recommendations**

- IHACPA should work in genuine partnership with Aboriginal and Torres Strait Islander Elders and Older People, NATSIAACC, ACCOs and the broader Aboriginal and Torres Strait Islander Ageing and Aged Care sector to identify, measure and recognise the specific cost drivers associated with culturally safe respite care, including administration, care coordination, relationship-building, family and community engagement and safe transitions into and out of Residential Aged Care. These costs should be explicitly reflected in future Residential Aged Care pricing advice.

## 2. Which new or existing data sources should we consider to improve provider representation and reduce provider burden in our cost collections?

For Aboriginal and Torres Strait Islander Elders and Older People, Aged Care pricing must be informed by the real cost of delivering care that is culturally safe, relationship-based, trauma-aware and healing-informed. This means IHACPA's cost collections should not only reflect the costs and activity patterns of larger, well-established mainstream providers with the staffing capacity and systems to participate in detailed cost collection processes. They must also reflect the costs, service models and operating realities of Aboriginal Community Controlled Organisations delivering Aged Care to Elders and Older People across diverse communities, including regional, remote and very remote areas.

NATSIAACC recommends IHACPA implement guaranteed minimum ACCO representation targets within its Residential Aged Care cost collections. Without deliberate effort to improve ACCO participation, there is a risk that pricing advice will continue to be shaped primarily by providers that are better resourced to participate in cost collection processes, rather than by the full diversity of providers delivering care across the Aged Care system.

However, improving ACCO representation is not only a question of asking more ACCOs to participate. It also requires IHACPA to collect data that ACCOs recognise as meaningful and reflective of the care they actually deliver. Aboriginal and Torres Strait Islander providers are more likely to engage in cost collection processes where the data being collected reflects their service models, cultural responsibilities, workforce structures, community obligations and the outcomes that matter for Elders and Older People.

NATSIAACC understands that IHACPA currently draws on a range of data sources to inform Residential Aged Care costing and pricing advice, including financial, workforce and service-level data such as the Quarterly Financial Report and Aged Care Financial Report. These sources are important for understanding provider finances, staffing, care minutes, revenue, expenditure and broader indicators of financial performance. However, these data sources do not adequately capture the full range of costs associated with delivering culturally safe care for Aboriginal and Torres Strait Islander Elders and Older People.

From a NATSIAACC perspective, this is a significant gap. Current cost collection processes may capture what is visible within standard financial and reporting frameworks, but they do not sufficiently capture the cultural, relational and community-based work that enables Aged Care to be safe, trusted and effective for Aboriginal and Torres Strait Islander People.

NATSIAACC therefore recommends IHACPA work in genuine partnership with ACCOs, Aboriginal and Torres Strait Islander Elders and Older People, members and sector stakeholders to co-design a culturally appropriate data resource for Residential Aged Care cost collections. This data resource should form part of IHACPA's ongoing cost collection process and be designed to improve the accuracy of pricing advice while enabling more meaningful and representative ACCO participation.

Any new data collection should also be developed in accordance with principles of Indigenous data governance, with Aboriginal and Torres Strait Islander people involved in determining what is collected, how it is interpreted, how it is used and how findings are reported back to communities and providers. Improving representation should not simply mean collecting more data from ACCOs; it should mean building a data approach that communities and providers can trust and that better informs pricing and ultimately supports improved outcomes for Elders and Older People

This data source should capture the costs and activities that ACCOs identify as central to the delivery of high-quality Aged Care. This may include, but should not be limited to:

- Time spent engaging with families and kinship networks.
- Cultural supervision.
- Aboriginal and Torres Strait Islander liaison officer time.
- Cultural brokerage.
- Connection to Country or Island Home activities.
- Elder and Older Person engagement.
- Cultural safety workforce hours.
- Trauma-aware and healing-informed interventions.
- Cultural continuity measures.
- Elder and Older Person-reported cultural safety outcomes.
- Interpreter use.
- Community engagement and consultation.
- Coordination across the Aboriginal and Torres Strait Islander Ageing and Aged Care ecosystem and connected health and community systems, including with ACCHOs, ACCOs, hospitals, Primary Health Networks, Aboriginal Medical Services and other community-based supports.
- Time spent supporting culturally appropriate decision-making.
- Provider-reported information on whether services feel adequately equipped to deliver culturally safe, trauma-aware and healing-informed care.

NATSIAACC considers that this type of data would enable IHACPA to better understand the true cost of delivering Aged Care to Aboriginal and Torres Strait Islander Elders and Older People. It would also help ensure pricing advice reflects the variation in care requirements and costs across different provider types, communities and geographic contexts.

There is also an opportunity to consider how existing reporting mechanisms, such as the Quarterly Financial Report, could be strengthened to better reflect cultural safety and the experience of Aboriginal and Torres Strait Islander Elders and Older People. NATSIAACC understands that QFR data contributes to broader sector reporting and informs aspects of Residential Aged Care transparency, including the information available to older people and their families. However, the QFR is primarily a financial reporting tool and does not currently provide a strong mechanism for capturing whether care is being delivered in a culturally safe way.

NATSIAACC recommends that Government work in partnership with Aboriginal and Torres Strait Islander Elders and Older People, NATSIAACC and relevant stakeholders across the Aboriginal and Torres Strait Islander Ageing and Aged Care ecosystem to explore how cultural safety indicators could be incorporated into existing reporting frameworks or developed as a separate data source to inform both pricing and quality transparency. This could include measures reported by Elders and Older People on whether they feel culturally safe, respected, listened to and supported to maintain connection to family, community, culture, Country or Island Home.

This is particularly important because Aboriginal and Torres Strait Islander Elders and Older People, their families and communities may define quality Aged Care differently to standard reporting frameworks. For ACCO providers, good care is not only measured through financial viability, occupancy, staffing minutes or compliance. It is also measured through trust, cultural safety, continuity of relationships, community connection, healing, dignity and whether Elders and Older People feel safe and respected in care. These dimensions are consistent with First Nations understandings of ageing well, including those reflected in the Good Spirit, Good Life framework.

If IHACPA's cost collections do not capture these dimensions of care, then the resulting pricing advice will not fully reflect the cost of delivering Aged Care that works for Aboriginal and Torres Strait Islander people. This risks creating a gap between what Government funds and what ACCOs are actually required to deliver in practice.

Communities and providers are asking Government to recognise culturally safe care as integral to quality Aged Care and to ensure the work required to deliver it is visible in funding and pricing decisions.

If these activities and their associated costs remain absent from IHACPA's cost collections, ACCOs may continue to see limited value in participating in processes that do not adequately reflect their service models or the care they provide. This risks perpetuating the very representation gap IHACPA is seeking to address and limiting the ability of future pricing advice to reflect the true cost of culturally safe Residential Aged Care.

While these approaches would require upfront investment, they are likely to reduce provider burden over time by establishing a more consistent and fit-for-purpose data collection process for ACCOs. Rather than continuing to report through mainstream data collection processes that do not adequately reflect their service models, cultural care costs, or what high-quality Residential Aged Care looks like for Aboriginal and Torres Strait Islander Elders and Older People, ACCOs would be able to update relevant information each year against agreed data fields, definitions and reporting processes.

Once co-designed and embedded, this approach would reduce the need for ACCOs to repeatedly explain or justify the same cultural care costs from the beginning in each cost collection cycle. It would also allow IHACPA to better track how providers are progressing, how costs are changing, and whether pricing advice is keeping pace with the real cost of delivering culturally safe, trauma-aware and healing-informed care.

**NATSIAACC Recommendations**

- IHACPA should establish minimum ACCO representation targets in its Residential Aged Care cost collections and co-design, in partnership with Aboriginal and Torres Strait Islander Elders and Older People, ACCO providers and NATSIAACC, a culturally appropriate data source that captures the real costs of delivering culturally safe, trauma-aware and healing-informed care.

## 3. What factors should we consider when allocating administrative costs in our Residential Aged Care pricing advice?

For Aboriginal and Torres Strait Islander Elders and Older People, the distinction between "administration" and "care" is not always as clear as mainstream costing frameworks may suggest. Much of the work categorised as administration is what enables care to be culturally safe, coordinated, trusted and responsive to the whole person.

IHACPA's allocation methodology must therefore recognise administration not simply as corporate overhead, but as an enabler of safe and high-quality care. For Aboriginal and Torres Strait Islander providers, this includes cultural, relational, workforce and community coordination activities that directly support outcomes for Elders and Older People.

NATSIAACC understands that, under the Aged Care Financial Report, administration expenses may include items such as corporate recharge, administration employee labour costs, WorkCover premiums for administration staff, fringe benefits tax, quality, compliance and training external costs, insurance and other administration costs. While these categories capture important administrative expenses, they do not adequately reflect the full range of administrative activities required by Aboriginal Community Controlled Organisations to deliver care that is culturally safe, trusted and responsive to the needs of Elders, Older People, families and communities.

When allocating administrative costs, IHACPA should consider the extent to which administrative activities directly support care delivery. For ACCOs, many administrative functions are closely connected to the delivery of care, including relationship-building with Elders and Older People, engagement with families and kinship networks, culturally appropriate communication, shared decision-making, cultural care planning and coordination with community-based supports.

IHACPA should also consider the additional administrative effort required to coordinate holistic, whole-of-person care across the Aboriginal and Torres Strait Islander Ageing and Aged Care ecosystem and connected health system. This includes coordination with Aboriginal Community Controlled Health Organisations, Aboriginal Community Controlled Organisations, hospitals, primary care, allied health, Aboriginal Medical Services and other local supports to ensure continuity of care.

A further factor is the administrative effort required to support Elders and Older People to maintain or strengthen connection to Country or Island Home, culture, language, family and community. Each Elder or Older Person's cultural journey, identity and connections are unique, and providers require time, workforce capability and administrative capacity to understand and respond appropriately to these needs.

IHACPA should also account for the increased administrative complexity of delivering Residential Aged Care across urban, regional, rural, remote and very remote communities. Thin markets, workforce shortages, limited-service availability, travel, higher fixed costs and fragmented local service systems can all increase the administrative burden for providers, particularly smaller ACCOs with limited economies of scale.

Administrative cost allocation should also recognise the impacts of Sorry Business, cultural obligations and flexible service delivery required to respond appropriately to community and cultural priorities.

NATSIAACC also recommends that IHACPA consider the administrative effort required to recruit, support, develop and retain a culturally capable workforce. This includes cultural supervision, mentoring, workforce wellbeing, training and the additional support required to sustain Aboriginal and Torres Strait Islander workers in a complex and demanding Residential Aged Care environment.

Finally, IHACPA should consider whether administrative cost allocation methodologies disproportionately disadvantage smaller Aboriginal and Torres Strait Islander Community Controlled providers. ACCOs are required to meet the same legislative, regulatory, quality, reporting and compliance obligations as larger providers, but often have smaller administrative teams, fewer economies of scale and less capacity to absorb unfunded reporting and compliance activity.

For these reasons, NATSIAACC considers that IHACPA's approach to allocating administrative costs should recognise the full range of administrative activities that enable culturally safe, trauma-aware and healing-informed Residential Aged Care. Without this recognition, pricing advice risks understating the true cost of care for Aboriginal and Torres Strait Islander Elders and Older People and placing additional sustainability pressure on the providers best placed to deliver culturally safe care.

**NATSIAACC Recommendations**

- IHACPA should ensure its Residential Aged Care pricing advice recognises administrative activities that directly enable safe, high-quality and culturally appropriate care, rather than treating these activities solely as corporate overhead.

## 4. What factors should we consider when refining how we allocate care costs between individual and shared components?

For Aboriginal and Torres Strait Islander Elders and Older People, much of the work required to deliver safe and culturally responsive care occurs beyond the moments when a worker is physically providing face-to-face care. Care planning, family and kinship engagement, clinical coordination, cultural planning and coordination across the Aboriginal and Torres Strait Islander Ageing and Aged Care ecosystem and connected health and community systems may all occur away from the Elder or Older Person while being undertaken specifically for that person's care.

For this reason, NATSIAACC supports IHACPA refining the allocation of care costs between individual and shared components. The methodology should recognise the purpose of the activity, the need of the Elder or Older Person it addresses and the outcome it is intended to achieve, rather than relying primarily on where an activity occurs or who is physically present.

The allocation methodology should not rely solely on whether the Elder or Older Person is physically present during the activity, whether the activity occurs face-to-face, or whether the activity involves multiple people. Instead, the key question should be whether the activity is being undertaken to meet the assessed needs, safety, wellbeing or continuity of care of an individual, or whether it is supporting the broader operation of care across the service.

This distinction is important because many essential care activities occur away from the Elder or Older Person but are undertaken specifically to support their individual care needs. These activities should continue to be recognised as individual care rather than being automatically allocated to shared care. Examples include care planning, multidisciplinary case conferences, medication coordination, liaison with general practitioners and other health professionals, behavioural support planning, family

meetings and clinical coordination activities that are necessary to deliver safe and effective care for an Elder or Older Person.

For Aboriginal and Torres Strait Islander Elders and Older People, quality care frequently extends beyond direct clinical interventions. It includes the time required to build trust, engage family and kinship networks, coordinate across the Aboriginal and Torres Strait Islander Ageing and Aged Care ecosystem and with connected health and community services, facilitate culturally appropriate communication, support connection to Country, Island Home and community where appropriate, and ensure care planning reflects the cultural, social, emotional and clinical needs of the individual.

Although these activities may occur away from the Elder or Older Person or involve multiple participants, they are often undertaken to achieve outcomes for a specific Elder or Older Person. They should therefore be recognised as individual care where they are directed towards that person's assessed needs, safety, wellbeing and continuity of care. Allocating these activities to shared care solely because they are not delivered as face-to-face clinical interventions risks systematically underestimating the labour required to deliver culturally safe care and undervaluing the true cost of care provided by Aboriginal Community Controlled Organisations.

IHACPA should also consider that the appropriate balance between individual and shared care may vary according to the needs of the Elder or Older Person, care complexity, staff role, specialised models of care and the operational characteristics of the service. Providers delivering specialised dementia care, culturally specific care or services in rural, remote and very remote communities may undertake additional coordination, planning and engagement activities that are essential to quality care but are not adequately reflected through simplified allocation assumptions.

For these reasons, NATSIAACC recommends that IHACPA adopt an activity-based approach to allocating care costs between individual and shared components. This approach should consider the purpose of the activity, the resident need it is intended to address, and the outcome it is seeking to achieve. This would improve the accuracy of care cost allocation and ensure the pricing model better reflects real models of care, including culturally safe, relationship-based care delivered by Aboriginal Community Controlled Organisations.

**NATSIAACC Recommendations**

- IHACPA should adopt an activity-based approach to allocating care costs between individual and shared components, based on the purpose of the activity, the needs of the Elder or Older Person it is intended to address and the outcome it is seeking to achieve.

## 5. What changes in service delivery costs associated with the implementation of the Aged Care Act 2024 should we consider in developing our pricing advice?

For Aboriginal and Torres Strait Islander Elders and Older People, the promise of the Aged Care Act 2024 will ultimately be measured by whether their rights can be realised in the care they receive every day. Rights to dignity, choice, identity, culture, communication and connection cannot be implemented through legislation alone. Providers require the workforce, systems, time, cultural capability and resources to put those rights into practice.

The implementation of the new Act therefore creates real service delivery costs that must be recognised in Residential Aged Care pricing. These costs are particularly significant for ACCOs, specialised Aboriginal and Torres Strait Islander services, rural and remote providers and services operating in thin markets.

**Rights-based and culturally safe care implementation**

Pricing advice should recognise the costs of embedding the Aged Care Act 2024 rights-based framework into day-to-day service delivery. This includes staff training, policy and practice change, supervision, cultural governance, Aboriginal and Torres Strait Islander liaison or cultural advisory roles, family and carer engagement, travel and workforce backfill required to ensure rights can be understood and exercised in a culturally safe way.

These costs may be higher for ACCOs, specialised Aboriginal and Torres Strait Islander services and providers operating in rural and remote communities or thin markets, where workforce shortages, limited service availability and the additional requirements of culturally safe implementation create further cost pressures.

**Care planning and documentation**

Implementation of the new Act and Rules has required Residential Aged Care providers to review and update care planning systems, documentation processes and staff working arrangements within sections 148 and 152. Transitional costs may include additional time for care plan reviews, documenting preferences and supported decision-making, recording consent, updating risk assessments, and ensuring care plans reflect each person's culture, identity, communication needs, family relationships, Country or Island Home and community connection.

For Aboriginal and Torres Strait Islander providers and services in thin markets, these costs may be amplified by limited administrative capacity, reliance on small teams, language and communication needs and the potential need to involve families, carers and community in culturally safe care planning.

**Workforce training**

Implementing the new rights-based framework requires more than ensuring staff understand their compliance obligations. Providers must support their workforce to translate the Aged Care Act 2024, Statement of Rights, strengthened Quality Standards and Code of Conduct into everyday practice, including supported decision-making, culturally safe care, trauma-aware practice, dementia care and appropriate responses to complaints and restrictive practices.

This requires investment in training, supervision, mentoring and practice change, as well as workforce backfill while staff undertake training. These costs may be higher for ACCOs, rural and remote providers and services operating in thin markets, where workforce shortages, staff turnover, travel distances, barriers to accessing training and the need to maintain a culturally capable local workforce create additional pressures.

**Communication, consent and supported decision-making**

The rights-based framework requires providers to spend more time explaining care options, seeking and documenting consent, involving families and representatives where appropriate, and supporting Elders and Older People to make decisions wherever possible.

This is particularly important for Aboriginal and Torres Strait Islander Elders and Older People with dementia, cognitive impairment, communication or language needs, or past experiences of institutionalisation and trauma. In rural, remote and thin-market settings, providers may also need to account for travel, interpreter or liaison support, family and community engagement and additional time to support culturally safe communication and decision-making.

**Technology and systems transition costs**

Residential Aged Care providers may need to update clinical, care planning, complaints, incident management, workforce, reporting and governance systems to align with the Aged Care Act 2024 and Aged Care Rules 2025. These costs may not have been captured in previous cost collections because they are one-off or concentrated during implementation, but they are necessary to deliver safe, high-quality and rights-based care.

For ACCOs and rural or remote providers, technology transition costs may be higher due to limited digital infrastructure, smaller administrative teams, training requirements, the need for external IT support, connectivity challenges and the need for systems that support culturally safe and appropriate documentation and reporting.

**NATSIAACC Recommendations**

- IHACPA should explicitly account for the disproportionate implementation costs of the Aged Care Act 2024 for ACCOs, specialised Aboriginal and Torres Strait Islander services, rural and remote providers and services operating in thin markets, including workforce training and backfill, technology, systems change, care planning and culturally safe implementation.
- IHACPA should identify and recognise the ongoing cost of embedding culturally safe, trauma-aware and healing-informed care under the new rights-based framework, including cultural governance, Aboriginal liaison and cultural advisory roles, family and carer engagement, culturally safe communication and supported decision-making.

## 6. What factors should we consider when assessing the potential inclusion of the Specialist Dementia Care Program in our pricing advice?

Dementia is a significant and growing issue for Aboriginal and Torres Strait Islander Elders, Older People, families and communities. Aboriginal and Torres Strait Islander people experience dementia at higher rates and at younger ages than non-Indigenous Australians, with particularly significant impacts in some rural and remote communities. This makes culturally safe dementia care an important point of connection between the Aboriginal and Torres Strait Islander Ageing and Aged Care ecosystem and the broader health system.

For an Elder or Older Person living with severe dementia, access to specialist care should not require them to lose connection to culture, family, community, Country or Island Home. There are currently no Aboriginal Community Controlled Organisations participating in the Specialist Dementia Care Program (SDCP). Where specialist care is delivered through mainstream services, the pricing framework must therefore recognise what is required for that care to be culturally safe, trauma-aware, healing-informed and connected to the person's existing family, community, health and cultural supports.

In considering the SDCP within future pricing advice, NATSIAACC identifies the following cost drivers as particularly important for Aboriginal and Torres Strait Islander Elders and Older People.

**Placement assessment**

SDCP funding must recognise the cost of culturally safe placement assessment for Aboriginal and Torres Strait Islander Elders and Older People. Placement decisions consider whether a unit is a good fit for the person's needs, behavioural triggers, safety, staffing profile, family and carer circumstances and other factors.

For Aboriginal and Torres Strait Islander Elders and Older People, an effective assessment may also require time and cultural capability to understand kinship structures, connection to Country or Island Home, language and communication needs, experiences of trauma or institutional care, and the role of family, carers and community in decision-making.

Pricing advice should therefore recognise costs associated with culturally safe assessment, including cultural advice, interpreter or liaison support, family and community engagement, workforce capability and additional assessment time where required.

**Philosophy of care and care approach**

The SDCP adopts a psychosocial, person-centred and goal-oriented approach that seeks to understand the person, their life story, strengths and the factors that may contribute to behavioural expressions. For Aboriginal and Torres Strait Islander Elders and Older People, this approach must include an understanding of cultural identity, family and kinship, trauma, grief and loss, language, spirituality, cultural obligations and connection to Country or Island Home.

Delivering this model with cultural safety embedded requires time to build trust, involve family and carers where the person chooses, undertake culturally responsive care planning and provide meaningful cultural activities and supported decision-making.

Pricing should recognise these as integral elements of high-quality specialist dementia care, rather than additional or discretionary activities.

**Clinical and medical specialist support**

Access to appropriate clinical and medical specialist support is essential within the SDCP. Pricing advice should reflect the actual cost and availability of specialist input, particularly in rural and remote areas where recruitment, travel, coordination and continuity of care can be more difficult.

Clinical assessment and treatment must also be culturally safe and trauma-aware. Without culturally informed clinical oversight, behavioural expressions may be misunderstood, care planning may be less effective and transitions into and out of specialist care may be more difficult.

IHACPA should also recognise the workforce and governance costs associated with ensuring clinical review teams and advisory structures have appropriate cultural capability. This may include cultural liaison, engagement with ACCOs or Aboriginal health services, and additional time to involve family and carers in ways that support trust, informed consent and continuity of care.

**Allied health services**

The SDCP requires providers to source and fund allied health and other necessary health professionals. These services are integral to stabilising symptoms, maintaining function, supporting meaningful activity and enabling transition to less intensive care.

For Aboriginal and Torres Strait Islander Elders and Older People, externally sourced health professionals must also be able to provide culturally safe, trauma-aware and healing-informed care. This may require cultural briefing or training, interpreter or liaison support, additional coordination and engagement with family and carers.

These costs can be significantly higher in rural and remote areas where allied health professionals are scarce, travel distances are greater, wait times are longer and outreach may be required. Pricing should therefore reflect geographic variation in the cost of accessing timely, clinically appropriate and culturally safe allied health care.

**24-hour nursing and workforce requirements**

The SDCP requires 24-hour registered nursing coverage together with higher staffing levels and specialist dementia and behaviour-management capability.

Maintaining this workforce can be particularly costly in rural and remote communities due to workforce shortages, overtime, accommodation, relocation, supervision and retention costs.

For Aboriginal and Torres Strait Islander Elders and Older People, continuity and familiarity of staff can also be particularly important. Pricing should recognise the costs of building and maintaining a culturally capable workforce, including cultural safety training, cultural supervision, relationship-building with families and carers, and workforce models that minimise unnecessary reliance on unfamiliar staff.

**Dementia-enabling and culturally safe environments**

Pricing advice should recognise the cost of creating environments that are both dementia enabling and culturally safe.

For Aboriginal and Torres Strait Islander Elders and Older People, this may include spaces that support family and carer involvement, culturally meaningful activities, appropriate visual and environmental cues, and opportunities to maintain connection to Country or Island Home, culture and community.

Where an Elder or Older Person must move away from Country, Island Home, family or community to access specialist dementia care, additional resources may also be required to maintain those connections through visits, communication, culturally meaningful routines and engagement with community.

**Service delivery principles**

The SDCP service delivery principles require care to respond to each person's unique circumstances, background, cultural sensitivities and preferences and to value the role of carers and caring relationships.

For Aboriginal and Torres Strait Islander Elders and Older People, this requires more than general person-centred care. It requires providers to understand cultural identity, language, kinship,

community obligations, experiences of racism and trauma, grief and loss, and culturally appropriate approaches to supported decision-making.

Pricing should therefore recognise the measurable costs associated with delivering these principles in practice, including cultural safety training, cultural liaison and advisory roles, family and carer engagement, culturally meaningful activities and the time required to build trust and deliver care that responds to the whole person.

**Current funding approach**

The current pricing framework provides each SDCP unit with $3,600 on admission, $300 per day for the duration of a person's stay and $3,600 on discharge. Although the SDCP care model recognises holistic and person-centred care, the current payment structure does not sufficiently differentiate according to individual need or geographic context.

It also does not adequately recognise the additional costs associated with delivering culturally safe specialist dementia care, particularly in rural and remote areas. While NATSIAACC supports a mixed funding approach that provides flexibility, a standardised daily rate does not fully capture variation in individual need, cultural requirements, workforce costs, geographic context and the intensity of support required by Aboriginal and Torres Strait Islander Elders and Older People living with severe dementia.

**NATSIAACC Recommendations**

- IHACPA should consider a funding approach for the Specialist Dementia Care Program that better reflects variation in the needs of Elders and Older People, geographic location, provider context and the real cost of delivering specialist dementia care, rather than relying on a uniform daily rate. This should include consideration of relevant elements of the AN-ACC funding model and existing adjustments for regional, remote and specialised service delivery.
- IHACPA should recognise and measure the costs required to deliver culturally safe specialist dementia care for Aboriginal and Torres Strait Islander Elders and Older People, consistent with the Aged Care Act 2024, Statement of Rights and strengthened Aged Care Quality Standards. These costs should include culturally safe assessment and care planning, workforce capability, cultural liaison and governance, family and carer engagement, connection to culture and Country or Island Home, and culturally safe clinical and allied health care.

## 7. What factors should we consider when assessing the potential inclusion of the oxygen and enteral feeding supplements in our pricing advice?

For an Aboriginal or Torres Strait Islander Elder or Older Person who requires oxygen therapy or enteral feeding, safe care is not limited to the equipment or consumables used to provide that support. It includes clinical monitoring, communication and informed consent, involvement of family and carers where the person chooses, culturally safe care planning, workforce capability and reliable access to clinical support when needs change.

IHACPA should therefore assess whether current supplement rates reflect the whole cost of delivering this care safely. This includes equipment and consumables, clinical labour, staff training, monitoring,

documentation, maintenance, supply management and escalation pathways, together with the additional costs that can arise in rural and remote communities.

Pricing should also recognise that these costs are not uniform across locations. In rural and remote communities, providers may face higher freight and delivery costs, delays in equipment servicing or replacement, limited access to clinical and allied health professionals, unreliable supply chains and additional coordination costs. These factors can materially affect the cost of maintaining safe and continuous oxygen and enteral feeding support.

**Oxygen supplement**

The oxygen supplement should reflect the full cost of providing oxygen therapy, including equipment purchase, hire or loan; oxygen concentrators or cylinders; tubing, masks and other consumables; electricity; cleaning and maintenance; equipment servicing; emergency backup arrangements; and safe storage.

Pricing should also recognise the clinical and workforce costs of monitoring oxygen use, documenting care, recognising deterioration, responding to equipment faults and escalating concerns to appropriate clinical or emergency services.

For Aboriginal and Torres Strait Islander Elders and Older People, culturally safe delivery may require additional time to explain the purpose and use of oxygen equipment, support informed decision-making, involve family or carers where the person chooses, and reduce distress associated with unfamiliar masks, tubing or machinery. This may be particularly important for Elders and Older People with experiences of trauma or institutional care.

In rural and remote communities, the cost and reliability of equipment delivery, servicing, cylinder replacement, electricity and backup supplies should also be reflected in pricing.

**Enteral feeding supplement**

The enteral feeding supplement should reflect the full cost of providing enteral feeding, including specialised nutritional formulas, feeding pumps, syringes, tubes, dressings, stands, cleaning and infection-control supplies, and equipment maintenance and replacement.

Pricing should also recognise the significant clinical labour involved in preparing and administering feeds, monitoring tolerance, maintaining tube safety, preventing and responding to infection, managing blockages or dislodgement, documenting intake and escalating clinical concerns.

Dietitians, speech pathologists, general practitioners, nurse practitioners and other clinicians may also be required to prescribe, review and adjust enteral feeding plans. For Aboriginal and Torres Strait Islander Elders and Older People, additional time and workforce capability may be required to support culturally safe communication and informed decision-making, involve family and carers where the person chooses, and ensure care respects the Elder or Older Person's dignity, preferences and cultural context.

In rural and remote communities, pricing should recognise the additional costs of sourcing and transporting specialised nutritional products and consumables, accessing clinical review and maintaining continuity of supply.

**NATSIAACC Recommendations**

- IHACPA should ensure oxygen and enteral feeding supplement pricing reflects the whole cost of safe care, including equipment and consumables, clinical labour, workforce training, monitoring, maintenance, documentation, supply management and escalation requirements.
- IHACPA should recognise geographic variation in these costs, particularly for rural and remote providers where freight, equipment servicing, replacement supplies, clinical access and continuity of supply can materially increase the cost of care.
- IHACPA should recognise and measure the additional costs required to deliver oxygen and enteral feeding support in a culturally safe way for Aboriginal and Torres Strait Islander Elders and Older People, including culturally safe communication and informed decision-making, family and carer involvement where chosen, trauma-aware practice and culturally responsive care planning.

# Conclusion

NATSIAACC urges IHACPA to ensure the 2027–28 Residential Aged Care Pricing Framework reflects the real cost of delivering safe, high-quality and culturally safe care for Aboriginal and Torres Strait Islander Elders and Older People.

The Aged Care Act 2024 and Statement of Rights strengthen expectations that Aged Care will uphold dignity, choice, identity, culture and connection. For Aboriginal and Torres Strait Islander Elders and Older People, realising these rights requires more than clinical care alone. It requires care that understands the whole person—their family and kinship relationships, culture, community, Country or Island Home, experiences of trauma, communication needs and what matters to them as they age.

These are not additional or discretionary features of care. They are integral to whether care is safe, trusted and capable of delivering quality outcomes for Aboriginal and Torres Strait Islander Elders and Older People. Delivering this care requires time, a culturally capable workforce, relationship-building, family and community engagement, culturally safe communication and decision-making, coordination across services, and connection to culture and Country or Island Home. These activities carry real and measurable costs.

This submission has identified where those costs can remain invisible within mainstream costing and reporting frameworks—from respite and administrative and care-cost allocation, through implementation of the new rights-based framework, to specialist dementia care, oxygen and enteral feeding. If the evidence underpinning pricing does not capture these activities and costs, the resulting price cannot fully reflect what it takes to deliver high-quality Residential Aged Care for Aboriginal and Torres Strait Islander Elders and Older People.

A stronger pricing framework must therefore be developed in genuine partnership with Aboriginal and Torres Strait Islander Elders and Older People, ACCOs, NATSIAACC and the broader Aboriginal and Torres Strait Islander Ageing and Aged Care ecosystem. NATSIAACC stands ready to work with IHACPA to ensure the evidence underpinning Residential Aged Care pricing reflects the realities of culturally safe service delivery and the diversity of providers delivering care across Australia.

Ultimately, this is not simply about improving the technical accuracy of Residential Aged Care pricing. It is about ensuring the pricing framework enables an Aged Care system in which Aboriginal and Torres Strait Islander Elders and Older People can age well; receive care that upholds their rights, dignity and identity; remain connected to family, community, culture, Country or Island Home; and feel safe, understood and respected wherever they receive care.

# NATSIAACC

National Aboriginal and Torres Strait Islander
Ageing and Aged Care Council

**You can find more information at:**

www.natsiaacc.org.au

National Aboriginal and Torres Strait Islander
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