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The Partners in Culturally Appropriate Care (PICAC) Alliance provides a national conduit for collaboration between PICAC organisations in every state and territory. Funded by the Commonwealth Government since 1997, PICAC organisations support aged care providers to deliver culturally appropriate care and strengthen cultural responsiveness through collaboration, training, and advocacy.

PICAC ALLIANCE FEDERAL PRE-BUDGET SUBMISSION FOR 2026-27 FEDERAL BUDGET

ABOUT THE ALLIANCE

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This submission is made by the PICAC Alliance to Federal Treasury as part of Treasury's annual prebudget submission process. Our priorities are to enhance the access to and experience of aged care services for older Australians from a range of culturally and linguistically diverse backgrounds – consistent with long term policy of the Commonwealth and the intent of the aged care reforms.

SUMMARY OF BUDGET AND PROGRAM PRIORITIES

Priority 1: Provide a Care Management Supplement for Support at Home Packages clients

Urgently fund a supplement equivalent to 20% of a Support at Home Package for older people who speak a language other than English to enable the delivery of culturally safe care in accordance with legislated rights in the Aged Care Act

Priority 2: increase the budget for the Partners in Culturally Appropriate Care program

Increase the current PICAC program national budget from $2.6mi per annum to $6.0mi per annum to enable core capacity building across more than half a million aged care personnel and more than 1,400 registered providers

Priority 3: $2.5mi Four-year innovation fund. Additional funding for aged care cultural and linguistic diversity innovation.

$2.5mi over four years, commencing in 2026, for specific investments to provide a stronger research evidence base to focus PICACs' capacity building and sector wide change management and to leverage the benefits of technology.

Priority 4: Maintain the Commonwealth Home Support Program (CHSP)

$ 0 ongoing initiative. Maintain the option for providers who only deliver 1 or 2 home support service types – especially Social Support Groups delivered by small culturally and linguistically diverse (CALD) groups and

associations to continue to be funded through a block grant under the Commonwealth Home Support Program (CHSP).

DETAILS OF OUR BUDGET AND PROGRAM PRIORITIES

Priority 1: Provide a Care Management Supplement for Support at Home Packages clients

Urgently fund a supplement equivalent to 20% of a Support at Home Package for older people who speak a language other than English to enable the delivery of culturally safe care in accordance with legislated rights in the Aged Care Act. Background

The reduction from 30% to 10% of the quantum of a Support at Home Package that can be allocated to Care Management disadvantages the many older and isolated people who have complex needs. For many older adults, Care Management supports them to work through the issues associated with managing their lives with chronic health conditions including mental health issues, and often with an overlay of social complexity associated with relationship breakdown, family discord, or other markers of vulnerability.

The issue

However, our expressed concern is for people with low or no English language proficiency who need to use an interpreter.

Data published by the Australian Institute of Health and Welfare (AIHW) shows that 26.2% of people, who used approved provider services as of 30 June 2024, were born in a non-English speaking country and 14.13% spoke a preferred language other than English.

Using interpreters elongates the time required for communication. For people who speak a language other than English there are other critical points where qualified formal interpreters, and not simply family or friends should almost always be used (e.g. unless the practitioners are fluent in the person's main language). This includes, for example:

- when new individuals commence using a Support At Home package, interpreters should be used to by Registered Providers of aged care services to take the older persons through the service agreements between the Registered Provider of aged care and the older individual who uses aged care[1]
- to develop and review plans of support and care
- to formulate advance care plans and/or preferences in relation to end of life care, for both possible medical emergencies or foreseeably terminal conditions (including chronic degenerative conditions)
- when any clinical services are involved such as nursing, physiotherapy, podiatrist or a dietician consultation
- to better understand the concerns and emotions of individuals who are experiencing/ have experienced:
    - cognitive decline,
    - mental health challenges, and/or trauma,

[1] A service agreement is a legal document and a requirement of the Aged Care Act 2024. Some legislatively compliant template agreements are available commercially from specialist legal practices. Providers can have explanatory materials about an agreement translated into a language other than English, but most individuals, regardless of language do need assistance to understand these documents.

In all of these situations it is critical that people are actively listened to and thereby inform the development of supportive strategies.

The delivery of culturally safe services that responds appropriately to cultural needs of people who may have low or no English language proficiency takes time. Cutting corners by not using an interpreter or inappropriately using family members who may filter or distort information (in discussions about people's end of life care or refusal of treatment preferences (such as if they would want resuscitation in a medical emergency creates risk. Using informal interpreters for these complex issues risks breaching people's rights that have been established under Section 23 of the Aged Care Act 2024. Subsection 23(8) establishes the right for an older person to communicate in their preferred language and with the aid of an interpreter.

Risks

Using family or friends as informal interpreters can create a conflict of interest, which at its most benign, results in families or friends providing their own views about what they genuinely think is best for the older person but is still not what the older person wants. At its worse, the truth might be masked and situations of elder abuse including physical, psychological or financial elder abuse can remain gagged and hidden.

The time required to book and use an interpreter is a real cost to any registered provider that needs to be appropriately subsidised to ensure that providers and individuals communicate on a regular basis, through use of an interpreting service. The paring back of the Care Management Cap is a draconian measure when attempting to establish a safety benchmark of regular qualified formal interpreter usage.

Over the longer term, the lowest level of risk will be the less than optimal care and services that does not accord with the preferences of the older person, and that go undetected. The highest level of risk will lead to incidents will occur that, on hindsight analysis, could have been prevented if more appropriate settings had been established for the overall funding model and the Care Management Cap were not such blunt ended instruments. The root cause will be found in mechanisms that are blind to the language and culture needs of older individuals and the need to spend additional time to provide culturally safe care.

Priority 2: increase the budget for the Partners in Culturally Appropriate Care program

Detailed recommendation: Increase the current PICAC program national budget from $2.6mi per annum to $6.0mi per annum to enable core capacity building across more than half a million aged care personnel and more than 1,400 registered provider Background

The long-standing Partners in Culturally Appropriate Care (PICAC) program has been funded since 1997.

It is a small program with a large brief. The seven funded projects ('PICACs') across Australia are addressing many issues that can improve access to and experience of using aged care services for older people from culturally and linguistically diverse backgrounds, especially people whose preferred language is one other than English.

The imperatives to increase the funding reflect success of Australia's long-standing heterogenous migration from many nations and cultures, Australia's multicultural policy introduced by the Whitlam Labor Government in the early 1970s, and the mandate of the Aged Care reforms.

Demographic context

In 2024, 36.26% of people aged 65 or older were born overseas[2]. While England remained in 2024 as the single largest country of birth for those people born outside of Australia (3.5%) it had declined since 2014 when it represented 4.3% and countries including China, India, Phillipines, Vietnam, Nepal, Malaysia and Sri Lanka rose from 7.1% to 10.7% .

Policy and sector context

The PICAC program supports the Department of Health Disability and Ageing to deliver the Aged Care Diversity Framework[3] and its Action Plan to Support Culturally and Linguistically Diverse Older People[4].

Since the early 2000's, the Commonwealth Government, in recognition of the emerging demographic trend towards an older population, realised that all aged care providers will need to be able to support older people from different cultures and languages.

Moreover, the Commonwealth who had supported the establishment of ethno-specific services with grants and zero interest loans realised that there would not be enough ethno-specific services, appropriately distributed, to meet people's needs and preferences for culturally safe, appropriate and inclusive care for all people who needed it.

What has emerged are more multicultural services who focus on several diverse cultures and languages of people born outside of Australia. There are then also "mainstream" services who are committed to providing services to people from culturally and linguistically diverse backgrounds creating the capability to do so by focussing their systems and the capabilities of their workforce to meet these needs.

The Specialisation Verification Framework provides a mechanism for all providers to inform the market that they are able to respond to the needs of people from across a range of diverse needs (or specialisations) including

- Aboriginal and Torres Strait Islander persons, including Stolen Generations
- People from culturally, ethnically and linguistically diverse (CALD) backgrounds
- People who are financially or socially disadvantaged
- Veterans or war widows
- People who are experiencing homelessness or at risk of experiencing homelessness
- Care leavers, including Forgotten Australians and former child migrants placed in out of home care
- Parents and children who are separated by forced adoption or removal
- Lesbian, gay, bisexual, trans/transgender or intersex or other sexual orientations or are gender diverse or bodily diverse
- People who live in rural, remote or very remote areas

The Partners in Culturally Appropriate Care Program (PICAC) also assists the government to fulfill its policy objectives of providing increased choice of aged care services for those people who are from culturally and

[2] Data calculated from aged and sex tables at:
https://www.abs.gov.au/statistics/people/population/australiaspopulation-country-birth/latest-release

[3] https://www.health.gov.au/our-work/aged-care-diversity-frameworkinitiative?language=en#:~:text=The%20diversity%20framework%20works%20to,service%20providers%20to%20impro ve%20care

[4] https://www.health.gov.au/resources/publications/actions-to-support-older-cald-people-a-guide-for-aged-careproviders?language=en

linguistically diverse (CALD) backgrounds that will be able to meet a person's needs in ways that are culturally safe, appropriate and inclusive. This can scope systems and practices around planning care with people, food, lifestyle activities, clinical care and connection to community so that people do not remain in isolation.

The PICAC program fulfills its brief through capacity building across the sector including:

- various modes of training (face to face, online, synchronous and asynchronous self-paced learning
- webinars and podcasts
- forums that bring together aged care providers with culturally and linguistically diverse community groups, organisations, and networks
- practical resources such as guidance material on a range of aged care practice topics, cultural care plans and communication cards.
- organisation mentoring delivered through the bespoke Cultural and Linguistics Diversity Mentoring Program.

The 'PICACs' are well placed to support those providers who seek to pursue Specialisation Verification for the provision of aged care services for people from culturally, ethnically and linguistically diverse (CALD) backgrounds

Each of the seven PICAC providers, separately and collectively, through a national alliance, also provide advice and advocacy, especially to governments and their agencies such as the Aged Care Safety and Quality Commission or the Dept of Home Affairs Translating and Interpreting Service (TIS). This advice and advocacy addresses gaps, deficiencies and solutions in a range of policy, regulatory compliance, funding and strategic matters (e.g. Aged Care workforce and workforce development).

At a state and territory level this might include advice and advocacy on how older people, from culturally and linguistically diverse backgrounds and who used aged care services, engage with and experience acute health services, fire and emergency services, elder abuse supports, palliative care, wellbeing programs that are provided by the respective jurisdictions. The seven PICACs also work closely with the state and territory offices of the Commonwealth Department of Health, Disability and Ageing in addressing statewide or regional issues.

Emerging issue of a culturally and linguistically diverse workforce

One significant emerging new issue for aged care providers, over the past few years, has been the aged care workforce itself. According to the Aged Care Worker Survey 2024 report, undertaken by the Department of Health Disability and Ageing, somewhat less than half (43.4%) of Australia's aged care workforce are born overseas. The top five countries of birth after Australia were as follows:

- Philippines 5.8%
- Nepal 5.2%
- India 4.4%
- England 3.7%, and
- New Zealand 2.4%

The survey also showed that more than 1 in 5 aged care workers (22%), who were not born in Australia, came here up to five years ago to live for one year or more. A further 19% came 6 to 10 years ago.

The PICACs have responded to the issues for aged care providers and their workforce in how to better support those workers coming to Australia from another culture. There are often issues that related to cross cultural communication, not only between workers and the older people they are supporting in their own homes or a residential care home, but also between workers. Unfortunately, some workers from overseas have experienced racism. There are then the general issues of cultural adjustment and establishing a new life in Australia compounded by ongoing costs and challenges associated with various visa classes, application for residency, and not having access to basic safety net supports such as Medicare and childcare payments.

In rural and regional Australia, demographic shifts have resulted in very ageing communities in some towns who, in 2025, rely heavily on newly arrived migrants for their aged care workforce. The cultural context is inverted – a predominantly Ango-Saxon or Anglo-Celtic population of older people whose forebears came to Australia several generations ago and a culturally diverse workforce who are trying to understand and respond to the culture of these older Australians. Sadly, some older people will reject care or support from a person who does not speak English with the same accent as them or whose skin is darker than theirs. These are real and not hypothetical challenges.

There can be no doubt that without this workforce of immigrant Australians, many of whom have arrived in recent years, that we could not care for our parents, grandparents and those many revered and loved older people in our lives.

The impact of aged care reforms

With the Aged Care Act 2024 having come into operation on November 1st, 2025, and the Strengthened Aged Care Standards, there is a strong focus on ensuring services are culturally safe and inclusive.

Subsection 23(8) of the new Aged Care Act is clear,

> *"An individual has a right to communicate in the individual's preferred language or method of communication, with access to interpreters and communication aids as required".*

Monash University researchers released a summary of key findings[5] in September 2025 of their research into how Australian residential aged care staff communicate with residents with limited English proficiency. The research turned up concerning findings in relation to the non-use of formal interpreters. Despite expressing a willingness to use professional interpreters in the future, most Aged Care staff had never used one.

Despite the Translating and Interpreting service, operated by the Department of Home Affairs, being free for aged care providers, data shows overall low use[6]. There is still much work to do to ensure that safer communication practices are use, older people from culturally and linguistically diverse backgrounds who are using aged care services feel culturally safe, respected, and connected, can enjoy food from their cultural background and participate in the important events and celebrations that are central to their cultural identity.

Scale of need

The seven Partners in Culturally Appropriate Care projects have an enormous job to do across Australia.

[5] The PRACTIS 2 findings summary can be downloaded from: https://bridges.monash.edu/articles/report/Summary_of_PRACTIS_Phase_2_survey_findings/30143230/1?file=58023274

[6] See:

Service Provider data[7] shows that nationally, as of 2024 there were 1,438 approved providers nationally providing 5,414 services. Together with the Report on the Operation of the Aged Care Act 2024[8] that data shows that among these approved providers there were:

- 736 residential providers operating 2,617 Residential Care services • 909 HCP providers operating 2,364 Home Care services
- 144 Flexible Care Providers providing the following:
  - 70 Transition Care services
  - 128 Short-Term Restorative Care (STRC) services
  - 183 Multi-Purpose Services
  - 45 National Aboriginal and Torres Strait Islander Aged Care Programs
  - Innovative Pool services
- 1,260 providers funded to deliver Commonwealth Home Support Program (CHSP) services

On 4th September 2025, the second progress report[9], of the Inspector-General of Aged Care, Natalie Siegel-Brown, on the implementation of the recommendations of the Royal Commission into Aged Care Quality and Safety was tabled in Parliament. The report called for stronger action to implement the recommendations of the Royal Commission into Aged Care Quality and Safety. According to the report, the new Aged Care Act 2024 represents a commitment in line with the calls of the Royal Commission, however more action is needed to transform the sector to achieve the Royal Commission's recommendations, including in culturally and linguistically diverse care[10]. Specifically, the Inspector General called for,

"*training in culturally safe and trauma-aware care to be made mandatory for aged care workers*"

We note, particularly, that the Aged Care Provider Workforce Survey Report 2023-24[11] estimates that in 2023, the total number of staff employed across the 5 service care types was 549,000. Of these, 483,000 (88%) staff were directly employed. This and the aforementioned provider data indicates the scale of the task at hand.

Required investments

The called for funding would include some of the following delivered activities:

- development of training modules to map into the Australian Qualifications Framework and which could be undertaken as part of a course leading to an awarded qualification.
- training delivery in various forms and modes including online self-directed learning that can then be monitored and reported back to regulators and government

[7] https://www.gen-agedcaredata.gov.au/resources/access-data/2025/april/gen-data-providers,-services-and-placesin-aged-care

[8] https://www.gen-agedcaredata.gov.au/resources/publications/2024/november/2023%E2%80%9324-report-on-the-

[9] https://www.igac.gov.au/collections/2025-progress-report-inspector-general-aged-care#fact-sheets

[10] https://www.igac.gov.au/resources/culturally-and-linguistically-diverse-care-2025-progress-report

[11] https://www.gen-agedcaredata.gov.au/resources/publications/2024/august/2023-aged-care-provider-workforce-survey

- a comprehensive guide for Standard 6 – Food for residential aged care to enable cultural preferences to be regularly met while also meeting evidence based IDDSI guidelines for texture/swallow requirements and supply chain management
- project management of innovation projects set out in Priority 3.
- Developing and implementing a stronger evaluation framework. This would be supported by a data repository and minimum dataset which focusses on reach and impact metrics.

Priority 3: $2.5mi Four-year innovation fund. Additional funding for aged care cultural and linguistic diversity innovation.

Detailed recommendation: $2.5mi over four years, commencing in 2026, for specific investments to provide a stronger research evidence base to focus PICACs' capacity building and sector wide change management and to leverage the benefits of technology.

There is a need to urgently enhance the core funding for PICACs to undertake capacity building commensurate with increasing demand and changing issues such as a diverse workforce and new and emerging communities. However, funding is also needed for innovation built on the foundations of research, co-design and technology. A fund of $2.5mi over four years commencing in 2026 would enable the delivery of:

- research projects partnering with university and commercial research bodies to explore and describe culturally safe care practice skills and knowledge in the aged care workforce to better design and target training
- consultation with CALD elders on quality-of-care experiences and co-design better practices of service delivery and care
- evaluation of care experiences using the Aged Care Quality Indicators as base metrics – comparing CALD vs non-CALD as well as different settings/models (e.g. ethnospecific vs. multicultural vs mainstream
- testing communication technologies (e.g. interpreting apps)
- technology platforms - development of an Australian Standard for Aged Care interpreting apps and translation software (via Standards Australia) and the development of a national aged care interpreting app.

More detail on consultation with CALD elders

Funding the PICAC program to undertake structured, ongoing engagement with culturally and linguistically diverse (CALD) older people, families and community leaders is essential to better understand lived experience, reform impacts, and emerging needs under the new Aged Care Act and Support at Home program.

A co-design of the consultation will provide older people from culturally and linguistically diverse communities to frame the questions. Gathering 'policy intelligence' is consistent with the PICAC program's role in sector capability and systems change.

Needed activities include:

- targeted consultations and roundtables with CALD elders and carers
- thematic analysis of barriers, enablers and service experience
- translation of findings into practice guidance, training priorities, and evidence briefs for government to minimise unintended reform impacts

Outputs will strengthen the national evidence base on culturally safe care, equity risks, and reform implementation in CALD contexts.

Priority 4: Maintain the Commonwealth Home Support Program (CHSP)

Detailed recommendation: $ 0 ongoing initiative. Maintain the option for providers who only deliver 1 or 2 home support service types – especially Social Support Groups delivered by small CALD groups and associations to continue to be funded through a block grant under the Commonwealth Home Support Program.

Community Need and Cultural Safety

Commonwealth Aged Care data for the Commonwealth Home Support Program (CHSP) [12] shows that in 2023-24:

- 834,981 people used the CHSP program of which 98.2% were 65 years or older
- 88,842 (10.64%) of people using CHSP attended Social Support Groups (SSG)
- Social Support Groups represented the single largest support type of the 13 types countable by hours, accounting for 9,779,456 hours or 28.13%, but only 13.69% of the expenditure on these same services, showing a high efficiency with respect to the cost of hours of support used.
- 20.91% of CHSP users were born in a non-English speaking county

While data is not available to show the specific breakdowns across service hours, types nor expenditure for people from non-English speaking countries or whose preferred language is one other than English, our Alliance members are situationally aware that many older people from CALD backgrounds participate in Social Support Groups (SSG) auspiced by their cultural communities – such as incorporated community associations.

For some, mainstream services may feel culturally unsafe or difficult to access due to language barriers. These groups are not just 'service'. They are safe, familiar spaces where people feel understood through shared language, culture and trusted relationships. People do not just use these services, they participate, contribute and belong to these groups.

If these organisations are unable to transition to the Support at Home model and are forced to close, many older people are unlikely to move to new providers. Trust that has taken years to build cannot be replaced very quickly. For some, mainstream services may feel culturally unsafe or difficult to access due to language barriers. As a result, some older people may stop attending services altogether. This increases the risk of social isolation, poorer mental and emotional wellbeing, reduced connection to community life, and earlier decline in health, especially for people from minority cultural and linguistic backgrounds.

Supporting small community-run organisations helps protect older people from harm. It ensures continuity of care, maintains trusted relationships and supports the wellbeing of highly vulnerable communities.

[12] Australian Institute of Health and Welfare. Gen Aged Care Data. Commonwealth Home Support Programme aged care services dashboard: supplementary data tables. Sourced from: https://www.genagedcaredata.gov.au/resources/access-data/2025/august/gen-data-dashboard-supplementary-data-tables

Mainstream organisations also rely on smaller ethno-specific SSG providers as trusted third party suppliers to provide culturally appropriate Social Support Groups for their culturally and linguistically diverse clients. In fact, building such relationships is a key component to the Department of Health, Disability and Ageing's application criteria for Specialisation Verification for Cultural and Linguistic Diversity.

> *[C2.3] There are established connections and regular engagement with a community organisation which best represents the cultural, ethnic and linguistic demographic of aged care recipients.*

Demonstrating connections with providers and outsourcing/ brokering services such as SSG ensures cultural safety and culturally appropriate services for CALD clients.

Policy and sector evolution

Cultural and linguistic diversity

Since the early 2000's, the Commonwealth Government, in recognition of the emerging demographic trend towards an older population, realised that all aged care providers will need to be able to support older people from different cultures and languages.

Moreover, the Commonwealth, who had supported the establishment of ethno-specific services with grants and zero interest loans, realised that there would not be enough ethno-specific services, especially those providing more complex and costly residential aged care. Issues include those of geographic distribution, to meet people's needs and preferences for culturally safe, appropriate and inclusive care for all people who need, wherever they live.

What has emerged are a greater number of *multicultural* services who focus on several diverse cultures and languages of people born outside of Australia. There are then also *mainstream* services who are committed to providing services to all older individuals. This includes people from culturally and linguistically diverse backgrounds. They create the capability to do so by focussing their systems and the capabilities of their workforce to meet these needs.

The Commonwealth's Specialisation Verification Framework provides a mechanism for mainstream providers to inform the market that they are able to respond to the needs of people from across a range of diverse needs (or specialisations) including people from culturally, ethnically and linguistically diverse (CALD) backgrounds.

Historical context

Over previous decades a set of policy, regulatory, investment and funding conditions existed that supported small community organisations to start with small services offerings and evolve into larger provider organisations – evolving their capability and capacity to eventually deliver more complex forms of community care and/or residential aged care. Regulatory compliance was not as onerous.

In 1985 Commonwealth funding for home care and community support service for adults aged 65 years and over (and younger people with a disabling condition) was consolidated under the Home and Community Act 1985. The Home and Community Care (HACC) program funding was jointly funded, on a 60/40 basis by the Commonwealth and the States/ Territories.

HACC funded many types of services including:

- In-home domestics support,

- personal care,
- individual support to access the community for shopping and banking,
- home maintenance,
- transport,
- delivered meals,
- respite care
- allied health services and home nursing.

The HACC program provided grant opportunities to establish and operate group-based activities programs.

The HACC program transitioned to the Commonwealth Home Support Program[13] when, following the Living Longer Living Better reform package of 2012, the Commonwealth took on full responsibility or funding home and community base supports for people aged 65 years and older. Group based activities program are now the Social Support Group (SSG) service type.

HACC and CHSP have block funded services through grant payments in advance and subject to a range of accountability, regulatory, performance, acquittal and standards requirements under a funding agreement.

Support at Home (SAH) represents the evolution of highly individualised packages of funding. Packages of funding were first used in the HACC Community Options (a.k.a. Linkages) program of the late 1980s and then separately trialled as a fully Commonwealth funded initiative in the late 1980s, to become mainstreamed by the early 1990s as Community Aged Care Packages (CACP) and higher level of funding, Extended Aged Care at Home (EACH) packages in the late 1990s.

Until the Living Longer Living Better reform package of 2012, packages of funding were allocated to Approved Providers of aged care using the annual Aged Care Approvals Round (ACAR) bidding process that was also used to allocate residential aged care funding. The Living Longer Living Better reforms led to the mainstream transition to a marketised model where the funding packages are no longer allocated to the provider. Instead, they are allocated to the older person who then assigns the funding to their choice of Registered Provider to deliver the package[14]

Core differences between the two funding arrangements

The distinct core differences between the two funding arrangements are that one model (CHSP) allocates a block of funding under a provider's service agreement with the Commonwealth to deliver services to a target group (determined by geographic or other characteristics). Funding is known and provided in advance of delivering services. In contrast, Support at Home (SAH) provides funding for the individuals to purchase units of service (e.g. hours) from the supplier/ provider of their choosing. Payment is made to the supplier/provider on a periodic basis after services have been used/received.

CHSP block funding versus the SAH unitised/ marketised model.

Theoretically, marketisation, per the Support at Home model, may increase choice for consumers, improve service offerings and quality through the effects of competition, and reduce prices in unregulated and well supplied markets where there is elasticity of supply.

[13] From July 2015 (July 2016 in Victoria and July 2018 in Western Australia)

[14] Albeit, there is an option for the older person to "self-manage" the package. Also noting this is similar to the National Disability Insurance Scheme (NDIS) in principle, but quite different in actual scale of individual funding amounts and operation.

However, thin markets can occur for services, and suppliers can 'cherry pick' the types of services that are most profitable for them to supply, leaving more costly sub-markets under-serviced due to dispersed consumers, geographically hard to reach clients, and requirements for distinct services features (e.g. competency in a particular language and culture, or other diversity characteristic).

Smaller organisations that only deliver one or two service types may not have the cash flow nor risk appetite to operate in the marketised, unitised and payment-in-arrears model of Support at Home. Under this model they need to commission the operational requirements at the minimum threshold such as staffing, leasing and /or upgrading premises, information, human resource, financial and administrative systems. They then need to build the program and deliver billable hours of service to a pool of individuals to a viable threshold before they achieve balanced financial performance and sufficient liquidity to ensure liabilities are able to be paid as and when they are due.

Older individuals who belong to a small and emerging ethno-cultural group (a minority) may be largely hidden in the market. In the SAH model – they need the market to have knowledge of their need to provide the response (e.g. an ethnocultural-specific social support group).

In the CHSP block funded model, a given community of older people (and their family/community representatives) have the opportunity to seek funds and create their own market response that ensures highly culturally appropriate and language accessible services.

The CHSP block funded model enables government to listen to the community and create a response with that community.

Capability and capacity issues

With the transition of the Commonwealth Home Support Program (CHSP) to Support at Home (SAH) by 2027 (though already now regulated under the new Aged Care Act 2024), the entry threshold of compliance requirements and financial capability will make it even more difficult for small community organisations, that are not yet registered providers, to register and viably commence operations.

The critical success factors are also fail points

The requirements for a small ethnic community organisation providing CHSP funded Social Support Groups to become a provider of even the least complex services as an Aged Care Act 2024 Support at Home (SAH) provider may become more onerous, notwithstanding they must meet the requirement for performance reporting, financial acquittal and standards. In broad terms, organisations may need to strengthen their existing capability and capacity revisiting:

- knowledge of aged care systems, legislation/ regulation, standards and oversight processes of the Aged Care Quality and Safety Commission (ACQSC)
- business development and associated marketing strategy
- supporting systems – Human Resources, Accounting/ finance, Quality improvement and risk management, information technology and physical infrastructure

If these organisations cannot successfully transition, then they will need to see if existing providers or new entrants in the SAH provider market will effectively take over servicing the needs of older members of their community.

Keeping choices

One way forward is to provide different options to strategically support the delivery of services into "thin" markets. Retaining the ability to provide a given support such as Social Support Group under both models of funding would enable smaller organisations with boutique competencies (e.g. a cultural and language) to maintain their presence in very small markets.

Organisations who opt to use SAH funding to deliver the Social Support Group service type can then exploit the flexibility to grow program capacity and size commensurate with demand. They can also transfer their core capabilities to operate under the SAH model to other service types.

Organisations / providers who may want to transition from CHSP to SAH might benefit from the Department developing a strategic capability and capacity intervention to support this. Features of this intervention could include:

- professional consulting, advisory and mentoring services to develop the required operational and systems capabilities
- zero- interest loans,
- grants such as the current round of thin market grants and other types of establishment grants Keeping all options open would be a commonsense approach to ensure that older individuals in small new and emerging communities of diverse languages and ethno-cultural origins have the opportunity to gather together through the effort of their own communities in culturally safe contexts; in turn providing the means to reduce isolation and promote wellbeing and social inclusion.

Low hanging fruit

The greatest gain may be achieved by ensuring there are no further market losses. That is to say, avoiding the loss of existing CHSP providers among smaller and emerging communities may represent the greatest opportunity by ensuring that they successfully transition to SAH.

These providers may not only need support around capabilities as outlined above but also capacity support. This might include revisiting previous interventions such as Zero-or No- interest loans, thin market grants or other establishment grants.

The alternative is to allow these organisations to remain doing what they do with great efficiency and efficacy for the funding dollar. In this regard, it would be a zero-outlay investment for the Commonwealth Department of Health Disability and Ageing. The measure would manage a real risk posed to the government and the community. It would retain the benefits of these small organisations to reduce isolation and, in doing so, promote the wellbeing and social inclusion of older people from culturally and linguistically diverse backgrounds.

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The members of the PICAC Alliance:

- Multicultural Aged Care Inc – PICAC SA / Secretariat

- Centre for Cultural Diversity in Ageing – PICAC VIC
- Multicultural Communities Council Illawarra – PICAC NSW & ACT
- Migrant Resource Centre Tasmania - PICAC Tasmania
- Ethnic Communities Council of Queensland- PICAC QLD
- COTA NT – PICAC NT
- Fortis Consulting WA – PICAC WA

Centre for Cultural Diversity in Ageing (VIC)

Council on the Ageing (NT) INC (NT)

Ethnic Communities Council of Queensland (QLD)

Fortis Consulting (WA)

Migrant Resource Centre Tasmania (TAS)

Multicultural Aged Care (SA)

Multicultural Communities Council of Illawarra (NSW & ACT)