

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 SUBMISSION ON INQUIRY INTO TRANSITION OF THE COMMONWEALTH HOME SUPPORT PROGRAM TO SUPPORT AT HOME

INTRODUCTION

About the Alliance

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

This submission

This submission is made by the PICAC Alliance to the Federal Parliament Standing Committee on Community Affairs' Inquiry into Transition of the Commonwealth Home Support Program to the Support at Home Program.

The scope of this submission is to respond to the inquiry's Terms of Reference as follows:

- Item 2.4: *thin markets with a small number of aged care service providers*
- Item 3: *aged care provider readiness for the transition, including their workforce*
- Item 4: *any other related matters.*

Our objective for this submission

The key objective, of the PICAC Alliance, for this submission is to ensure that small new and emerging communities of diverse languages and ethno-cultural origins are funded to provide critically needed Social Support Groups (SSG) to older individuals in their communities. These groups help to reduce social isolation, promote social inclusion and wellbeing and prevent premature entry into residential aged care.

Our principal recommendation

What follows as our principal recommendation is to

Maintain the Commonwealth Home Support Program (CHSP) as an option for providers who only deliver 1 or 2 service types – especially Social Support Groups delivered by small CALD groups and associations.

DETAIL OF OUR SUBMISSION

Community Need and Cultural Safety

Commonwealth Aged Care data for the Commonwealth Home Support Program (CHSP) ¹ 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 country

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 SSG programs 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. Mainstream organisations also rely on smaller ethno-specific SSG providers as trusted third party suppliers

¹ 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>

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 Program² 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 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 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 were 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 package³.

² From July 2015 (July 2016 in Victoria and July 2018 in Western Australia)

³ 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.

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.

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-served 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.

Retaining 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 an 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.

This 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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- 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



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