

BRIEFING PAPER
CLIENT CONTRIBUTION FOR AGED CARE SERVICES
30/10/2025

BACKGROUND

The Aged Care Act 2024 came into effect on November 1, 2025. This provides an opportunity for the Hope Vale Aboriginal Shire Council to review a number of policy decisions in relation to aged care service delivery.

PURPOSE OF BRIEFING PAPER

To share information about the new Commonwealth Home Support Program Client Contribution Framework which will come into effect with the implementation of the Aged Care Act and to discuss client contribution for residential care services

COMMONWEALTH HOME SUPPORT PROGRAM CLIENT CONTRIBUTION FRAMEWORK

- The Commonwealth Home Support Program will stay as a grant funded program until July 2027 when it will collapse into the Support at Home Program.
- The CHSP program is not a means tested like other aged care services.
- Prior to November 1, 2025 there was no requirement for clients to pay a co-contribution, except for meals services.
- The National CHSP Client Contribution Framework will come into effect from November 1, 2025. The framework states that CHSP clients are expected to pay a reasonable client contribution towards service delivery based on their capacity to pay.
- Regardless as to if the Registered Providers charges a co-contribution for CHSP services or not, the Registered Providers must have CHSP Client Contributions policy

RESIDENTIAL CARE FUNDING

- Aged care funding for residential care is generated through a combination of government subsidies and individual contributions, based on a shared-cost model.
- The Australian Government funds the clinical service delivery costs, through AC_ACC funding that reflects the complexity of care required by the client.
- The individual is expected to pay a daily fee which is set as a maximum of 85% of the single aged care pension to cover the cost of everyday living expenses like meals, cleaning, and laundry.
- Elsewhere in Australia, residents also pay an accommodation payment for the room, which is means tested. Hope Vale received a fixed subsidy of approximately \$115,000 per month and an accommodation supplement of \$45.51 per resident and a hotelling supplement of \$13.48 per day per resident to compensate for residents with low means.

CURRENT SITUATION WITH CLIENT CONTRIBUTIONS FOR AGED CARE IN HOPE VALE

- CHSP clients are not paying a contribution towards any of the CHSP services

- The Hope Vale Annual Fees and Charges 2025 states clients are to be charged \$431 per fortnight, which is equivalent 37% of the pension, but none of the residents are paying the stated contribution towards their everyday living supports or accommodation.

GUIDANCE TO CONSIDER WHEN DEVELOPING THE HOPE VALE ABORIGINAL SHIRE COUNCIL POLICY POSITION ON CLIENT CONTRIBUTION FOR AGED CARE SERVICE DELIVERY

CHSP Services

- Under the Aged care Act 2024, Registered Providers are expected to charge clients a contribution towards service delivery, but they have full flexibility in the amount and how they apply the CHSP client contribution.
- Additional funding received may be retained by the service and is expected to be invested back into aged care service delivery.
- The standard price plus the client contribution is expected to cover the full cost of service delivery.
- Services delivered in remote areas MMM 7 will receive a 40% loading on top of the standard unit price.
- Client contributions need to be agreed before they are applied and included in the client CHSP agreement.
- Services who do not currently have processes for managing client contributions for services are encouraged to establish these processes as they will be needed when the CHSP transitions to the Support at Home program on July 2027.
- CHSP providers need to understand their costs drivers to know if the service price (CHSP grant plus client contribution) is equal to the cost of delivering the service. This is important to understand if the service will be financially viable before the transition to the Support at Home Program.
- The standard service delivery rates and the range of client contribution based on the average lowest contribution and highest contribution published by the Department of Health, Ageing and Disability are shown in Table 1 to help inform what a reasonable contribution may be for services delivered by Hope Vale CHSP.

Table 1: CHSP National Unit Price Ranges and reasonable client contributions

CHSP Service Type 2025-26	Unit Price Range 25-26		Client contributions 25-26	
	Lower	Upper	Lower	Upper
Domestic assistance	\$55.91	\$67.81	\$7.06	\$13.40
Home maintenance and repairs	\$61.73	\$83.38	\$9.41	\$22.30
Meals – Meal delivery	\$9.59	\$15.86	\$4.71	\$13.40
Meals – Meal preparation	\$29.11	\$45.58	\$4.71	\$13.40
Social support and community engagement	\$45.42	\$66.71	\$4.71	\$8.90
Social support and community engagement – Group social support	\$19.80	\$30.01	\$2.35	\$4.50
Transport	\$21.16	\$40.41	\$2.35	\$13.50
Personal care	\$59.40	\$75.60	\$7.06	\$13.40

Residential care services

- Means testing will be introduced for Hotel services as well as accommodation payments under the new Aged Care Act.

ISSUES FOR CONSIDERATION

- The majority of clients using aged care services are full pensioners and living close to or below the poverty line. Many clients may face further financial hardship if they are required to pay for CHSP services.
- Client copayment may be a barrier to accessing services. For example, people may choose not to have CHSP services or residential care services because they do not want to pay or cannot afford to pay the copayment.
- If the Hope Vale Aboriginal Shire Council determines they will charge for services, The Council will need hardship assessment provisions to determine if an individual can be exempt from payment.
- If the Council institutes a copayment system they will need to invest in workers and a system to manage this payment function.
- Socialising clients to making a contribution will help the transition to Support at Home program in 2027 as copayment is a legislated component of the Support at Home program. Table 2 shows the level of contribution new clients accessing the Support at Home Program will be required to pay.

Table 2: Expected contribution for aged care services

Age Pension Status	Clinical Care Services	Independence Services	Everyday Living Services
Full pensioner	0%	5%	17.5%
Part pensioner and eligible for a Commonwealth Seniors Health Card	0%	Between 5% and 50% depending on income and assets	Between 17.5% and 80% depending on income and assets
Self-funded retiree	0%	50%	80%

- The Aged Care Manager does not currently receive a financial report to know if revenue exceeds costs or if there is a deficit in funding to manage the residential aged care.

SUMMARY

- The cost to the individual is greater than the benefit to the service to implement co-contribution for all CHSP services due to the level of poverty in the community and the investment that Hope Vale Aboriginal Shire Council will need to make to develop and implement an invoicing and payment collection system for aged care services.
- The Client Contribution Policy should state that no contribution is necessary for CHSP services.
- When the CHSP service transitions to the Support at Home program in 2027 Hope Vale Council will only receive funding on a fee for service basis not a block grant. Therefore, the cost-of-service delivery needs to be understood to plan for the financial impact on the Hope Vale Aboriginal Shire Council post July 2027.

- Efforts should be made to implement the approved aged care fees for residential care as this is current Hope Vale Council Policy.

RECOMMENDATIONS

1. Endorse the Client contribution policy effective immediately (See Aged Care Client Contribution policy attached)
2. Commission a finance project to analyse the cost drivers and revenue for the CHSP service to determine the true unit cost of service delivery, to determine the impact on aged care services in future.