

# CHSP Alliance Position Statement on Required Amendments to the Aged Care Act 2024 (April 2026)

The Commonwealth Home Support Program (CHSP) Alliance (the Alliance) is an alliance of organisations and individuals committed to advocating for the continuation, expansion and sustainability of CHSP as the primary tier of the aged care system. As the primary care tier, CHSP has a critical role in enabling older people to age in place.

We are calling on the government to establish a new national Primary Aged Care Program with the existing Commonwealth Home Support Program (CHSP) forming the initial core of the new program. While it is technically possible to establish this new program without an amendment to existing legislation, our assessment is that implementation of a new national Primary Aged Care Program is best achieved through amendments to the Aged Care Act 2024 and associated rules.

This document sets out the changes to the legislation that we believe are required. The purpose of this document is to explain the intent of such an amendment. The actual wording of such an amendment would be determined by the Office of Parliamentary Counsel at the appropriate time.

## Background: what amendments to the Aged Care Act would be required to allow the Commonwealth to provide grants to non government and other organisations for them to provide primary aged care to elderly people?

### 1. What the Aged Care Act 2024 already allows

The Act already provides a foundation for grants:

- The Commonwealth can fund services via **subsidies and grants**
- Funding can be paid to **registered providers** delivering “funded aged care services”
- There are explicit powers to:
  - **enter arrangements for delivery of services (s264)**
  - **enter other arrangements (s265)**
  - **attach grant conditions (s266–267)**

However, these powers are embedded in a system where:

- Services must sit within the “**aged care service list**”

- Providers must be **registered providers**
- Funding is tied to **approved service types and individual entitlements**

## 2. Core legal barriers to “primary aged care via NGOs”

To enable NGOs and other organisations to deliver *primary aged care* (e.g. prevention, early intervention, coordination), three structural barriers in the Act would need amendment:

### (a) Narrow definition of “funded aged care services”

- Services are limited to those on the **service list and classifications**
- Focus is on **personal care, clinical care, and support services**

Primary care-type functions (e.g. population health, outreach, navigation, integrated care) are not clearly included.

### (b) Requirement to be a “registered provider”

- Only registered providers can receive most funding tied to service delivery
- Registration is designed for **traditional providers (home care, residential care)**

Many NGOs (e.g. community health, place-based organisations) may not fit easily into this model.

### (c) Individualised, entitlement-based funding model

- Funding flows are tied to **assessed individuals and classifications**
- Not well suited to:
  - block funding
  - population-based commissioning
  - prevention models

## Explanatory Memorandum

### Aged Care Act 2024 — Amendments Relating to Primary Aged Care and Commissioning

#### General Outline

##### Purpose of the amendments

These amendments to the *Aged Care Act 2024* introduce a **legislative framework for primary aged care and commissioning**, enabling the Commonwealth to fund non-government organisations (NGOs) and other entities to deliver **preventive, early intervention, and population-based aged care services**.

The amendments respond to longstanding structural limitations in the aged care system, which is primarily designed around:

- individual entitlements following needs assessment; and
- service delivery by registered providers within defined program streams.

While this model supports delivery of personal and clinical care, it does not adequately enable:

- prevention of functional decline;
- early intervention;
- system navigation and care coordination;
- place-based and population-level service delivery; or
- flexible partnerships with community-based organisations.

## Policy rationale

Australia's ageing population is associated with:

- increasing prevalence of frailty, chronic disease, and social isolation;
- rising demand for hospital and residential aged care services; and
- growing fiscal pressure on Commonwealth-funded aged care programs.

Evidence indicates that **primary and preventive models of aged care** can:

- delay or avoid entry into higher-cost services;
- reduce avoidable hospital admissions;
- improve quality of life and functional independence; and
- support ageing in place.

However, the current legislative framework does not clearly support **grant funding, population-based commissioning, or NGO-led service delivery** outside the registered provider model.

## Overview of amendments

The amendments introduce:

1. **A new category of "primary aged care services"**  
Expanding the scope of aged care to include prevention, reablement, care coordination, and population-based supports.

2. **A new provider type — “commissioned service providers”**  
Allowing NGOs and community organisations to deliver services under a proportionate regulatory framework.
3. **Explicit authority for Commonwealth grants to NGOs**  
Clarifying and expanding existing funding powers.
4. **Flexible funding models**  
Including grant funding, population-based funding, and outcomes-based payments.
5. **A commissioning framework**  
Enabling the Commonwealth to plan and fund services on a regional or population basis.
6. **More flexible access pathways**  
Allowing low-intensity and preventive services without full individual assessment.

### Intended outcomes

The amendments are intended to:

- support older people to **maintain independence and remain in the community**
- shift the system toward **prevention and early intervention**
- enable **place-based, integrated service delivery**
- facilitate partnerships with **non-government and community organisations**
- improve **system efficiency and sustainability**

### Financial Impact Statement

The amendments are expected to be **broadly cost-neutral in the medium term**, with potential for **net savings over time** through:

- reduced demand for residential aged care;
- fewer avoidable hospital admissions;
- delayed progression to higher-cost care packages.

In the short term, implementation may require:

- transitional funding for commissioning arrangements;
- investment in system design and contract management;
- establishment or expansion of regional commissioning capability.

Funding levels will be determined through future Budget processes.

## Regulation Impact Statement

The amendments are expected to have a **net deregulatory impact for certain providers**, particularly NGOs, by introducing:

- a **proportionate regulatory framework** for commissioned service providers;
- reduced reliance on full registered provider requirements for low-risk services;
- simplified access pathways for preventive services.

Any regulatory impacts will be assessed in accordance with Commonwealth regulatory impact analysis requirements.

## Statement of Compatibility with Human Rights

These amendments are compatible with human rights, including:

- **the right to health** (Article 12, ICESCR), by improving access to preventive and community-based care;
- **the rights of older persons**, by supporting independence, dignity, and participation;
- **the right to social security**, by enhancing access to publicly funded supports.

The amendments promote these rights by enabling earlier, more flexible, and more equitable access to care.

## Notes on Clauses

### Clause 1 — Objects of the Act (Section 5)

This clause inserts new paragraphs into the Objects of the Act to:

- recognise the role of **primary aged care**, including prevention, early intervention, and reablement; and
- support **place-based and population-based approaches**, including partnerships with NGOs.

These additions clarify Parliament's intention that aged care includes **upstream and preventive interventions**, not solely reactive care.

### Clause 2 — Definitions (Section 7)

This clause inserts definitions for:

#### **“primary aged care service”**

This definition captures services that:

- prevent or delay functional decline;

- support care coordination and system navigation;
- are delivered to populations or groups, rather than only individuals.

### “**commissioned service provider**”

This establishes a new category of provider distinct from registered providers, enabling more flexible participation by NGOs.

### Clause 3 — Aged Care Service List (Section 8)

This clause adds **primary aged care services** to the list of recognised aged care services.

This ensures such services can be **lawfully funded under the Act**.

### Clause 4 — New Part 2A (Commissioned Service Providers)

This clause inserts a new Part establishing:

- a framework for approval of commissioned service providers;
- proportionate conditions of approval;
- tailored quality and accountability requirements.

The intent is to:

- enable NGO participation;
- avoid imposing unnecessary regulatory burden;
- maintain appropriate safeguards for public funding.

### Clause 5 — Section 264 (Funding Arrangements)

This clause clarifies that the Commonwealth may provide **grants to NGOs and other entities** for delivery of primary aged care services.

While existing provisions allow broad funding arrangements, this amendment provides **explicit legislative authority**, reducing ambiguity.

### Clause 6 — Section 265 (Other Arrangements)

This clause expands permissible arrangements to include:

- place-based and population-based funding;
- outcomes-based funding;
- arrangements with commissioned service providers.

### Clause 7 — Section 266 (Conditions of Grants)

This clause enables grant conditions to include:

- population coverage requirements;
- outcome measures;
- collaboration with health and community services.

This supports **integrated and accountable service delivery**.

### Clause 8 — New Section 266A (Flexible Funding Models)

This clause explicitly authorises:

- grant funding;
- geographic or population-based funding;
- outcomes-based funding;

and confirms that funding **need not be tied to individual assessments**.

This represents a key structural reform enabling **commissioning approaches**.

### Clause 9 — Expanded Funding Purposes (Section 264(2))

This clause expands the purposes of funding to include:

- prevention of functional decline;
- hospital avoidance;
- community capacity building;
- integration with health and social systems.

### Clause 10 — New Part 4A (Commissioning Framework)

This clause establishes a formal **commissioning function** within the Act, including:

- identification of population needs;
- service design and procurement;
- regional and catchment-based funding;
- delegation of commissioning functions.

This enables a **system-level approach to service planning and delivery**.

### Clause 11 — Access and Assessment Provisions

This clause allows certain primary aged care services to be accessed:

- without a full individual needs assessment;
- where services are low-intensity, preventive, or population-based.

This reduces barriers to early intervention.

## Clause 12 — Proportional Regulation Principle

This clause requires that regulation of commissioned service providers be:

- proportionate to risk; and
- not unnecessarily burdensome.

This supports participation by smaller and community-based organisations.

## Concluding Statement

These amendments modernise the *Aged Care Act 2024* by introducing a **complementary primary aged care system**, enabling:

- earlier intervention
- more flexible service delivery
- stronger community-based care
- improved system sustainability

while preserving existing arrangements for individualised care to be delivered as the secondary tier of the aged care system and residential services to be delivered as the tertiary tier of the aged care system.

# Proposed amendments to the *Aged Care Act 2024 (Cth)*

## 1. Section 5 — Objects of the Act

### Section 5 — after paragraph (e), insert:

(ea) to promote the delivery of primary aged care, including prevention, early intervention, reablement, and care coordination, to support older people to maintain independence and remain in the community;

(eb) to enable flexible, place-based and population-based approaches to aged care service delivery, including through partnerships with non-government organisations and community-based entities;

## 2. Section 7 — Definitions

### Section 7 — insert:

**primary aged care service** means a service that:

(a) is directed to prevention, early intervention, reablement, or maintenance of functional capacity; or

- (b) supports system navigation, care coordination, or integration with health or social services; or
- (c) is delivered to a class of persons or a population rather than only to assessed individuals.

**commissioned service provider** means an entity approved under Part 2A to deliver primary aged care services under a funding agreement with the Commonwealth.

### 3. Section 8 — Aged care service list

**Section 8(1) — after paragraph (j), insert:**

- (k) primary aged care services.

### 4. New Part 2A — Commissioned Service Providers

**After Part 2, insert:**

#### **Part 2A — Commissioned Service Providers**

##### **Section 40A — Approval of commissioned service providers**

- (1) The Secretary may approve an entity as a commissioned service provider if satisfied that:
  - (a) the entity is suitable to deliver primary aged care services; and
  - (b) the entity has appropriate governance, workforce capability, and financial viability; and
  - (c) approval would promote access to services for older persons.

##### **Section 40B — Conditions of approval**

- (1) The Secretary may impose conditions on an approval under section 40A.
- (2) Conditions must be proportionate to:
  - (a) the nature and scope of services delivered; and
  - (b) the level of risk associated with those services.

##### **Section 40C — Application of quality and accountability requirements**

- (1) Commissioned service providers are subject to:
  - (a) such quality standards as are prescribed by the rules; and
  - (b) reporting and accountability requirements specified in funding agreements.
- (2) Requirements must be proportionate and not impose unnecessary regulatory burden.

### 5. Section 264 — Arrangements relating to funded aged care services

**Section 264 — after subsection (1), insert:**

- (1A) Without limiting subsection (1), the Commonwealth may provide financial assistance by way of grants to non-government organisations, community organisations, and other entities for the delivery of primary aged care services.

## 6. Section 265 — Other arrangements

### Section 265 — after paragraph (b), insert:

- (c) arrangements for the delivery of primary aged care services on a place-based, population-based, or outcomes-based basis;
- (d) arrangements with commissioned service providers.

## 7. Section 266 — Conditions of grants

### Section 266 — after subsection (2), insert:

- (3) Conditions of grants for primary aged care services may include requirements relating to:
  - (a) service coverage for a specified population or geographic area;
  - (b) achievement of specified outcomes;
  - (c) collaboration with health, hospital, and community service providers.

## 8. New Section 266A — Flexible funding models

### After Section 266, insert:

#### Section 266A — Flexible funding models for primary aged care

The Commonwealth may provide funding for primary aged care services:

- (a) on a grant funding basis; or
  - (b) on a population or geographic basis; or
  - (c) based on outcomes or performance;
- whether or not funding is tied to individual assessments of need.

## 9. Section 264(2) — Purposes of funding

### Section 264(2) — after paragraph (g), insert:

- (h) prevention of functional decline;
- (i) hospital avoidance and reduction of avoidable admissions;
- (j) community capacity building and social connection;
- (k) integration with primary health care and other human services systems.

## 10. New Part 4A — Commissioning of Primary Aged Care

### After Part 4, insert:

#### Part 4A — Commissioning of Primary Aged Care

##### Section 300A — Commissioning functions

The Secretary may:

- (a) identify population needs and service gaps;

- (b) design and commission primary aged care services to address those needs;
- (c) enter into agreements with commissioned service providers.

**Section 300B — Regional and population-based commissioning**

- (1) The Secretary may allocate funding for primary aged care services on a regional, catchment, or population basis.
- (2) In doing so, the Secretary may have regard to:
  - (a) population health characteristics;
  - (b) socioeconomic disadvantage;
  - (c) service availability and access gaps.

**Section 300C — Delegation of commissioning functions**

The Secretary may delegate functions under this Part to:

- (a) a Commonwealth entity; or
- (b) a prescribed body or organisation.

**11. Assessment and access provisions**

**Insert into relevant assessment Part (e.g. Chapter on needs assessment):**

Access to prescribed primary aged care services does not require a comprehensive individual needs assessment where:

- (a) the service is low intensity, preventive, or universal in nature; or
- (b) the service is delivered on a population basis.

**12. Proportional regulation principle**

**Insert new general clause (e.g. in regulatory chapter):**

In applying this Act to commissioned service providers, regard must be had to:

- (a) the scale, scope, and risk profile of the services delivered; and
- (b) the need to avoid imposing unnecessary regulatory burden on community-based organisations.

**Summary of Legal Effect**

These in-Act amendments would:

- ✓ **Explicitly authorise Commonwealth grants to NGOs and other entities**
- ✓ **Create a new, lighter regulatory category of providers**
- ✓ **Expand the definition of fundable aged care services**
- ✓ **Enable:**

- grant funding
- population-based funding
- outcomes-based commissioning

✓ **Remove requirement for:**

- strict individual assessment for all services

## Practical Result

The Act would now support a **dual system**:

### 1. Existing model

- Individual entitlements
- Registered providers
- Support at Home / residential care

### 2. New model (enabled by amendments)

- NGO-and other entity delivered primary aged care
- Regional commissioning
- Prevention and early intervention
- Integration with health system