

13.1 CONFIDENTIAL- AGED CARE REFORM

Responsible Manager:	Mary Martin, Manager Aged and Community Support
Responsible Director:	Tanya Scicluna, Director Community Services

CONFIDENTIAL INFORMATION

(a) Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released

BRIEFING CONFIDENTIAL REASON CERTIFICATE

(a) the meeting is to consider confidential information

RECOMMENDATION

That Council

1. **Notes that the Council's Commonwealth Home Support Program (CHSP) contract (Contract) with the Commonwealth Department of Health, Disability and Ageing (DHDA) ceases on 30 June 2027.**
2. **Does not seek a further contract and authorises the CEO to notify DHDA of its intent to transition out and seeks DHDA's endorsement of the Intent.**
3. **Undertakes a four-week period of communication and engagement with CHSP clients, staff, and volunteers, regarding the Contract ceasing and Council's intent to transition delivery of CHSP services as detailed in this report.**
4. **Authorises the Chief Executive Officer to determine, subject to DHDA's advice on the matters in point 2 above, that this resolution and report (or parts of) are no longer confidential so that communication and engagement with clients, staff and volunteers can commence.**
5. **Notes that officers will report back to Council to the May Council meeting with the outcomes from the communication and engagement period.**

INTRODUCTION

Delivering aged care services is becoming more complex; new national standards for clinical care, governance and reporting mean any Council wishing to continue to be a provider of aged care services under the new model will need to invest heavily in expanded service offerings to support clients as their needs increase or change, implement new systems, expand workforces and increase staff training.

Under new Commonwealth reforms, funding for aged care is also shifting from block funding grants to a more competitive, consumer-directed model. The reforms aim to increase client choice by encouraging larger, specialised, providers. They also introduce stricter quality and governance standards and eliminate funding certainty for providers.

Given the significant changes to funding models and future changes to service choice by clients, Council must assess if there is capacity to be a provider of aged services beyond Council's current contract which ceases on 30 June 2027.

Key factors to consider include the finalisation of the Commonwealth Home Support Program (CHSP) and introduction of the new Support at Home Program (SAH), the increasing range of alternate providers available in Monash furthering client choice, the limited entry level services currently offered by Council, complexity of the new service system, and significant financial and workforce implications for providers of the new support at home program.

COUNCIL PLAN STRATEGIC OBJECTIVES

A council with good governance, strong leadership and community involvement in decision making

A Council that provides governance and leadership for the benefit of our community through community engagement, advocacy, decision making, and action.

BACKGROUND

Council was offered, and entered, a new block funded contract agreement with the Commonwealth which includes [REDACTED] to provide Commonwealth Home Support Program (CHSP) services for the period 1 July 2025 to 30 June 2027.

Council currently provides the following entry level CHSP services:

- Allied Health
- Domestic Assistance
- Home Maintenance and Adjustments Modifications
- Meals
- Personal Care
- Respite
- Social Support – Group

It is important to note that of the small number of councils still providing a suite of CHSP services, the City of Monash is **not** also a provider of Commonwealth Home Care Packages which have also now transitioned into Support at Home (SAH) from 1 November 2025.

DISCUSSION

The new Aged Care Act 2024, commenced on 1 November 2025, and represents a significant reform in the aged care sector, aimed at strengthening the quality, safety, and rights of older Australians receiving care. The new legislation replaces the Aged Care Act 1997 and introduces a rights-based framework that places older people at the centre of care delivery.

The purpose of the Act is to create a person-centred aged care system to make sure older people get the best care possible with the new Act connecting the strengthened Quality Standards to the regulation of providers and delivery of care. These are detailed in the Aged Care Quality Standards and support the person-centred, rights-based framework of the new Act.

Two aims exist as part of this change:

- *To provide clients with choice of service provider*
- *To support a continuity of care in relation to service provision for the ageing population, rather than clients requiring multiple providers as their support needs change*

The government is reforming community aged care to help older people live independently at home for longer. It is consolidating all existing in-home aged care programs in two phases. The Home Care Packages Program and Short-Term Restorative Care Program have transitioned to Support at Home from 1 November 2025.

The Commonwealth Home Support Program (CHSP) which Council currently delivers is intended to transition to Support at Home after 1 July 2027. CHSP providers are not automatically transitioned to the new Support at Home Program after 1 July 2027. Providers are required to determine and demonstrate whether or not they are able to comply with the new regulatory requirements and provide a wider range of services to meet the more comprehensive support needs of the SAH model. Additional compliance and reporting requirements are also required under SAH.

Unlike some other councils who continue to be an aged care provider and on 1 November 2025, transitioned their existing home care packages to SAH, the City of Monash currently only provides low-level, entry-level CHSP services.

It is important to highlight that, under the revised program model, Council is unable to deliver the full continuity of care to older residents that other providers are able to offer in a competitive market.

Market Depth - Support at Home Providers in Monash LGA

The aged care market has drastically changed more recently with a rapid increase in specialist community aged care providers delivering services across the state. A recent review of the My Aged Care (MAC) system was completed to identify current SAH providers for ongoing services in Glen Waverley, postcode 3150. This review revealed that there are 190 providers currently listed as able to deliver these services within this area of Monash alone.

This reflects significant and increasing market depth and a broad choice of providers for residents seeking support at home in Glen Waverley, ensuring that individuals and families have access to a wide range of services to meet their ongoing aged care needs. This increase in providers is reflected for residents across the broader municipality.

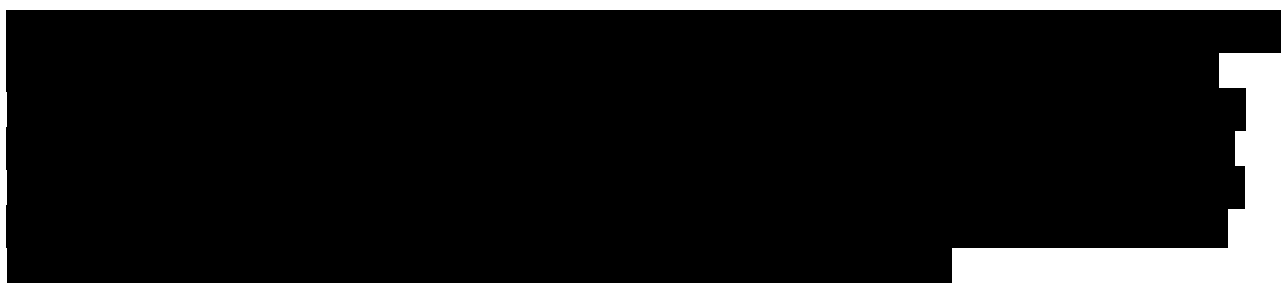
Individuals seeking services have the autonomy to choose their preferred service provider, including not-for-profit organisations, private companies, and a local Council, if available. Given the variety of options available, council services may not always be the provider of choice for

every participant, particularly where a council cannot provide continuity of care. As one of the few remaining council providers that is not a provider of aged care packages, our ability to ensure continuity of care for clients is significantly constrained.

Implications and constraints of the reform rollout including current aged care services market in Monash

Operating aged care services in Australia has become significantly more challenging. This is due to evolving national standards, increased governance and reporting requirements, budgetary constraints, and the increased competition and competitive nature of the aged care marketplace all contribute to the complexity of delivering aged care.

My Aged Care (MAC) is the central entry point for older Australians seeking government-funded aged care services. It provides essential information to help older people, their families, and registered supporters understand, access, and navigate the aged care system. Through MAC, individuals are assessed for their care needs and are then able to choose from a range of approved service providers. Following an assessment, participants are presented with a choice of providers.



However, the move to a uniform, national approach which provides for continuity of care as older people's needs increase has seen the number and range of service providers within Victoria increase.

Financial Implications of the removal of Block funding

Traditionally, CHSP providers have operated under a block funding model, which provides a set amount of funding regardless of the precise number of clients or services delivered, allowing providers to plan operational budgets and resourcing. The removal of block funding, in favour of SAH individualised budget or activity-based funding, has significant financial implications for Council as a CHSP provider. The block funding model offers financial predictability, supports continuity of care, and enables providers to plan in their service capacity.

The shift away from block funding involves moving towards fee-for-service, activity-based, or consumer-directed funding models. Under these models, funding is directly linked to the volume or type of services delivered, or to the choices of individual clients.

It is important to note that there is no guarantee regarding the number of participants who will access or require support at home services from Council. Demand for these services can fluctuate due to a range of factors, including individual needs, eligibility criteria, changes in personal circumstances and personal preferences for providers which can change.

Providers must maintain flexibility to respond to fluctuating participant numbers, while continuing to absorb the cost of readiness and resourcing. For Council, this requires sustaining a workforce under current Enterprise Agreement conditions, including minimum guaranteed hours, despite

uncertainty around future service demand. This presents a strategic challenge in balancing workforce obligations with variable service uptake and responsiveness.

Council's Roles in Supporting Older People

Alongside the current delivery of funded CHSP services, Council's focus in supporting older people is complemented through an established and broad range of focused programs, services and supports including the following.

It is anticipated that these programs would continue to be a focus for Council to support older people even once the CHSP contract ends.

Ageing Well Program	Positive Ageing Lifestyle Program (PALS) - 4 Editions per year Positive Ageing Reference Group Age Well Adventures Age Friendly Communities Age Well Network Forum Dementia Friendly Communities Health and wellbeing programs/events aligned to the needs of older adults and the HWP Intergenerational Projects LGBTI+ Actions Monash Age Well Leadership Awards Monash University and Swinburne University Partnerships Seniors Festival Annual SMEAPN - Southern Melbourne Elder Abuse Prevention Network (elder abuse and ageism)
Community Transport	Community Shopping Program
Community Outreach Officer	Support and connection to services for older residents facing challenges but not limited to: Homelessness, financial challenges and hoarding.
Active Monash Older Persons programs	Seniors Exercise Parks Active Communities Team run a range of programming throughout the year. I.e. Active Outdoors has programs one specifically targeting seniors Dedicated Seniors programming delivered by "Active Adults" programs at Rec and Aquatic centres including: Dementia friendly class Water therapy Wellness programs Cardio programs
Sustainability Initiatives	Climate Change Information sessions
Library programs for older people	Programs for seniors Home Library service
Facilities / Halls	Older adult social groups - facility hires and access

Arts and Culture	Art and cultural development, including accessible programs, cultural festivals, artists and creatives which attract many older residents including grants programs.
Grants	Positive Ageing Grants
City Services	Maintain Council roads and path networks for accessibility Age friendly public seating Lighting for safety
City Planning / Strategic planning	Pedestrian and transport planning Affordable Housing planning

FINANCIAL IMPLICATIONS

Council was offered, and entered into, a new block funded contract agreement with the Commonwealth to provide Commonwealth Home Support Program services for the period 1 July 2025 to 30 June 2027.

The removal of block funding, in favor of SAH individualised budget or activity-based funding, has significant financial implications for Council as a CHSP provider should it continue to be a provider of funded aged care services beyond the current contract.

Should Council proceed to transition out of services at the end of the current CHSP contract, there will be a requirement to fulfil industrial obligations in accordance with the Monash Enterprise Agreement. Financial implications include redundancy entitlements and the cost of outplacement support.

POLICY IMPLICATIONS

CHSP is a Commonwealth funded program designed to support older people to live independently at home in their communities. Regardless of Council's participation as an aged care service provider, aged care services will continue to be delivered and funded by the Commonwealth in Monash Local Government Area.

CONSULTATION

Council is required to notify the Commonwealth Department of Health, Disability and Ageing (DHDA) of its *intent* to transition and seek DHDA's endorsement of the Intent and approval of a transition plan.

Once acknowledged by the DHDA, a 4-week communication and engagement period will commence with staff, relevant union, volunteers and clients regarding the Council's intention to seek feedback. Officers will also provide information to Council's Positive Ageing Reference Group. This engagement will be undertaken in accordance with the attached Communications and Engagement Plan.

Following the 4-week period, officers will review all feedback, present a report outlining the outcomes of the communication and engagement, and make final recommendations to Council at the May 2026 Council meeting.

Should Council determine to transition out of funded aged care service delivery, further engagement would occur with volunteers, contractors, and clients, as well as consultation with relevant staff in accordance with the Monash Enterprise Agreement regarding the change and change impacts.

SOCIAL IMPLICATIONS

Supporting the ageing community to remain independent in their own homes and providing a range of opportunities for older people to stay connected are important components of positive ageing.

Councils focus in supporting older people is enabled through a range of focused programs, services and supports, including the following Monash Age Well services that are fully Council-funded:

- Community Outreach Officer
- Community Transport
- Positive Ageing Lifestyle Program (PALS)
- Positive Ageing Reference Group and Forums
- Seniors Festival and activities.

A more comprehensive outline of services and support is provided in this report under Council's Role in Supporting Older People.

HUMAN RIGHTS CONSIDERATIONS

In February 2016, Monash was accepted as a member of the World Health Organisation's Global Network of Age Friendly Cities and Communities. An age-friendly community is an inclusive and accessible community that optimises opportunities for health, participation, and security for all people, in order that quality of life and dignity are maintained as people get older.

GENDER IMPACT ASSESSMENT

A Gender Impact Assessment will be undertaken as part of this work because this policy/program/service is considered to have a direct and significant impact on the Monash community. The GIA found that the City of Monash Council CHSP demographic client information for the year ended 30 June 2025 includes the following:

- 68% of clients are female
- 92% of clients do not have a carer
- 76% of clients receive some sort of government pension
- 83% of clients own their private residence
- 83% of clients were aged 75 and over
- 45% of clients are single and live alone
- 76% of clients speak English
- 44% of clients were born in Australia
- It is noted that the current Monash CHSP workforce is predominantly female

CONCLUSION

Council's current two-year contract with the Commonwealth will end on 30 June 2027. The Commonwealth Home Support Program (CHSP) is intended to transition to the Support at Home Program.

Preparing for the end of the contract on 30 June 2027 requires Council to support clients, staff, volunteers, and work in partnership with the Commonwealth in consideration of the proposed timeline, including confirmation of a comprehensive transition plan to minimise impact to service users and staff.

Officers recommend that Council is not best placed to be a provider of funded aged care services under the new program and at the end of the current contract Council should cease to deliver these services and work with DHDA to transition clients to new providers of their choice.

Council must notify DHDA of its intent to transition, and a draft transition out plan must be provided at that time for approval prior to any engagement with staff, volunteers or clients.

Following the 4-week engagement period, officers will present a report outlining any feedback and make final recommendations to Council for consideration at the May 2026 Council meeting.

Council has no *direct* role in the transition should this proceed, nor any responsibility to transfer clients to new service providers which would be determined by the Department and client choice. This role is managed by the DHDA.

Council must, however, collaborate with the DHDA to ensure that client consent and service provider preferences are updated in My Aged Care and meet the timeframes associated with notice.

Officers would commit to supporting and closely monitoring the transition process for the benefit of clients and staff through a dedicated transition team.

This report and any resolution must remain strictly confidential until such time as the DHDA acknowledges the intent to transition, at which time the communication and engagement period will commence.

ATTACHMENT LIST

Attachment 13.1.1 Confidential Aged Care Reform- Confidentiality Certificate

CITY OF MONASH

CERTIFICATE

DESIGNATION OF A MATTER UNDER SECTION 66(2) OF THE LOCAL GOVERNMENT ACT 2020

That the following matter be listed for Confidential Business, and the meeting be closed to the members of the public:

Confidential - Aged Care Reform

DESIGNATION UNDER S.66(2) OF THE LOCAL GOVERNMENT ACT 2020

- a. *Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released;*

IF THE MEETING IS TO CONSIDER CONFIDENTIAL INFORMATION, WHY IS THE INFORMATION CONFIDENTIAL?

Council business information, being information that would prejudice the Council's position in commercial negotiations if prematurely released.

DECISION TO BE MADE (explain the type of decision which Council is considering (to the extent possible without disclosing confidential business):

Aged care Reform

WILL THIS ITEM BE MADE PUBLICLY AVAILABLE?

YES

If yes, date of release: **This item will be made public in accordance with Point 4 of the recommendation, the date is unknown as yet.**

NO

If NO, why it is not appropriate to release the item and decision?:

CONSIDERATIONS

1. Consideration has been given to whether part of the item could be considered in open Council and whether, in the interests of transparent decision making, it was worth splitting this part of the decision from the confidential part so it could be made in open Council.
2. Any consideration of embarrassment to, or potential adverse criticism of Council, any Councillor or any Council officer, has not been a factor in reaching the view that the item is confidential.

SIGN OFF (OFFICER'S REPORT)

A handwritten signature in black ink, appearing to read 'Peter Panagakos', written in a cursive style.

PETER PANAGAKOS
Acting Chief Executive Officer

16 03 2026
DATE:/...../.....