



Review of CHSP Transition to SAH

**Submission to Senate Committee Affairs
References Committee**

January 2026



HammondCare overview

HammondCare is an independent Christian not-for-profit aged care provider that is passionate about caring for those with complex care needs, specialising in dementia and palliative care. Our integrated services extend across the country and include residential care, home care, healthcare and hospitals, and advisory services. We also deliver older persons mental health and homelessness supports. HammondCare's mission is to **improve quality of life for people in need, regardless of their circumstances.**

In 2025 we provided care and support for:

- 10,402 people living in their own home through 875,393 visits
- 2,826 people in 15 residential care homes pioneering the small household model
- 24,228 people accessing specialist care through our advisory services
- 7,008 people requiring health and palliative care.

HammondCare's services are delivered by 5,986 dedicated staff and 850 committed volunteers across 91 locations. Through our relationship-focused approach and embedded principles of care, HammondCare teams are **motivated by mission**; we strongly believe in the intrinsic value of every person that we care for. Our position is informed by our mission to improve quality of life for people in need and our commitment to compassionate, person-centred care.

Summary of recommendations

HammondCare recommends:

Securing the future of cottage respite funding	1.1	Block funding be maintained for cottage respite under Support at Home.
	1.2	The government provide detailed funding mechanism information well ahead of Support at Home stage 2.
	1.3	The funding model reflect the true operational costs of delivering cottage respite to support provider viability and client accessibility.
Timely and clear communication prior to transition	2.1	Ensuring all operational details about the transition to Support at Home are communicated early and consistently.
Supporting clients to transition to Support at Home	3.1	CHSP clients receive information from government well before the transition to Support at Home advising them of the actions required, including applying for Income and Assets Assessments early.
Automatic application of thin market funding	4.1	The implementation of automatic thin market funding via direct subsidy payments for eligible providers (replacing grant processes).
	4.2	Monitoring and reviewing of thin market funding arrangements to ensure they meet provider and client needs.

Contact

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Response to consultation

1. Securing the future of cottage respite funding

Operating ~15% of Australia's cottage respite beds, HammondCare witnesses first-hand the unique and essential care this model delivers.

Cottage respite delivers numerous benefits to both older people and their carers by providing short-term care in small households which ensures carers get a much-needed break. Research shows cottage respite is **preferred by carers** compared to other out-of-home overnight respite options and **allows people living with dementia to remain at home for an extra 12+ months** on average. Carers have described the benefits of cottage respite as providing **essential relief and supporting carer wellbeing**:

'I wanted to cry when I saw these photos. They made me so happy. Mum and Dad were thoroughly spoilt, I can see how happy they are from their faces and so involved in activities - when I see this it reminds me of how they were in their prime: always helping, busy, involved, out and about and happy.'

What you do is so, so special because it preserves the dignity, the importance and the value of our loved ones, things that can so easily be dismissed in this stage of their life.

Thank you, thank you, thank you.

This is particularly uplifting as things really are quite hard at the moment.

Thank you for bringing some joy to the struggles we are facing, and those that I know, lay before us.'

*'Using [cottage respite] helped in the dementia journey and I became comfortable with the fact I could leave him overnight. The first time I left him I cried, but **I desperately needed the respite even if it was only to sleep.**'*

'Respite is a necessity for people who care. They do need the break. Even though you love someone and love to look after them, towards the end it really was difficult. Respite prolongs your sanity and wellbeing.'

It is essential that the government **secures the future** of cottage respite and ensures providers can achieve financial sustainability. This will enable providers to continue delivering cottage respite when CHSP transitions to Support at Home. To ensure cottage respite can continue providing essential care, providers require:

- ▶ **Certainty about funding mechanisms well ahead of Support at Home Stage 2 implementation.**
 - The recent Senate Committee report on Aged Care Service Delivery flagged the "lack of clear policy direction regarding CHSP beyond 2027" as a source of instability.
 - Clear policy direction is critical to prevent staff turnover and provider exits, and to maintain stability in service delivery.
- ▶ **A funding model that provides financial viability considering the operational overheads required to maintain this high-fixed-cost service.**
 - The most effective way to secure the future of cottage respite is to **maintain block funding**.
 - Cottage respite operates more efficiently under block funding. It gives providers predictable revenue streams, allowing them to spread fixed costs like infrastructure maintenance and staffing and ensure respite can be accessed flexibly and quickly when needed. Alternative methods are likely to increase costs for both providers and clients.
 - This service will not be financially sustainable if Support at Home clients are required to use their quarterly budgets to purchase cottage respite. If eligible clients received an additional subsidy to



spend on cottage respite from their Support at Home budget, the cost per user would increase due to the lack of financial stability being experienced by the provider.

- Cottage respite is often used in unexpected situations, such as a carer going into hospital. The service needs to be able to accept clients at short notice, which means operating all year with adequate staffing. These clients would otherwise end up in residential care prematurely.

RECOMMENDATIONS

- 1.1 HammondCare recommends block funding be maintained for cottage respite under Support at Home.**
- 1.2 HammondCare recommends the government provide detailed funding mechanism information well ahead of Support at Home Stage 2.**
- 1.3 HammondCare recommends the funding model reflect the true operational costs of delivering cottage respite to support provider viability and client accessibility.**

2. Timely and clear communication prior to transition

All transition details should be communicated to providers well in advance of the implementation date.

Previous reforms have seen a lack of detailed and timely information for providers in the lead-up to implementation. Given the infrastructure required to deliver cottage respite, providers require:

- ▶ **Advance notice of the rules, procedures and obligations** ahead of the CHSP transition to Support at Home.
- ▶ **Clear and consistent information** available in a central location to support effective planning.

RECOMMENDATIONS

- 2.1 HammondCare recommends ensuring all operational details about the transition to Support at Home are communicated early and consistently.**

3. Supporting clients to transition to Support at Home

Current CHSP clients need support during their transition to Support at Home, including prompts to conduct Income and Assets Assessments early.

Early and clear communication from government to CHSP clients detailing the actions required by all stakeholders and explaining the transition process will provide critical support for older people.

One of the most significant changes Support at Home instigates is the new client contributions model. Different contribution rates tied to unit pricing, service types and the volume of care has proven complex for Support at Home clients to date. Our teams have identified current CHSP clients are avoiding moving to Support at Home when funding becomes available because of this. People that are new to home care are delaying commencement until contribution rates are confirmed by Services Australia.

Communication from the Department of Health, Disability and Ageing to prompt and support CHSP clients to **apply for their Income and Assets Assessment well before the transition** will assist the process. Once clients have their contribution rate confirmed by Services Australia, they are more confident to consider their options for Support at Home, including providers, service agreements, pricing and service selection.

RECOMMENDATIONS

- 3.1 HammondCare recommends CHSP clients receive information from government well before the transition to Support at Home advising them of the actions required, including applying for Income and Assets Assessments early.**



4. Automatic application of thin market funding

Implementing a stable funding model for providers operating in thin markets.

The current grant-based process of accessing thin market funding places an unnecessary administrative burden on providers and fails to deliver long-term certainty. A better process would be an automatic funding mechanism whereby thin market funding is calculated based on client demographics and allocated directly to providers. This approach is currently used in residential care under AN-ACC, where homes in Modified Monash Model regions 4 to 7 are automatically granted a higher tier of funding due to geographic location and associated market conditions.

Grants do not provide the stability or assurance required for providers to continue operating in thin markets. A more effective system would include:

- ▶ Subsidy payments in place of the current grant processes.
 - This approach would help prevent providers from shifting to region-based pricing if the funding becomes unavailable in future years, keeping aged care affordable for clients in thin markets.
- ▶ Regular reviews of thin market funding arrangements.
 - Ensuring subsidies remain adequate to support providers in delivering care in thin markets.

RECOMMENDATIONS

4.1 HammondCare recommends the implementation of automatic thin market funding via direct subsidy payments for eligible providers (replacing grant processes).

4.2 HammondCare recommends monitoring and reviewing of thin market funding arrangements to ensure they meet provider and client needs.