CHSP ALLIANCE

Investing in Primary Aged Care

A three-year plan to restore fair funding to the Commonwealth Home Support Program

Submission to the Australian Government
December 2026 MYEFO and the 2027–28 to 2029–30 Budgets

September 2026

Executive summary

The Commonwealth Home Support Program (CHSP) should be recognised as a core component of Australia's primary aged-care system. CHSP provides preventative care, early intervention and continuity of care and support that enables older Australians to maintain independence, health, safety and participation in their communities.

Through timely and targeted services—including domestic assistance, personal care, meals, transport, social support, home maintenance, community nursing and allied health—CHSP helps older people remain living safely at home and can delay or prevent the need to access the more intensive and more expensive services provided through Support at Home (SAH) and residential aged care.

CHSP is a high-volume program. In 2024–25, 838,694 people received CHSP services and 32.3 million service sessions were delivered. Government expenditure on the program was approximately $3.3 billion. The Australian National Audit Office describes CHSP as one of the Australian Government's largest grant programs and notes that the program is capped rather than demand-driven.

CHSP has nevertheless received substantially less growth funding than residential aged care and the former Home Care Packages (HCP) program, which transitioned into Support at Home. Using 2020–21 as a common reference point, residential aged care expenditure increased by about 39 per cent to 2024–25, while HCP expenditure increased by about 107 per cent. CHSP expenditure increased by only about 21 per cent.

If CHSP had received the average percentage growth of residential aged care and HCP over that period, its 2024–25 budget would have been approximately $4.7 billion rather than approximately $3.3 billion—a gap of around $1.4 billion per annum.

Allowing for subsequent growth in Commonwealth investment across aged care, the CHSP Alliance estimates that a comparable 2026–27 CHSP funding level is approximately $5.5 billion per annum. This is an indicative policy benchmark and should be recalculated by Government at each Budget using the latest final expenditure data.

> **The CHSP Alliance recommends a three-year CHSP Funding Equity Program, commencing with a major funding increase in the December 2026 MYEFO and continuing through the 2027–28, 2028–29 and 2029–30 Budgets until CHSP reaches the funding level indicated by the benchmark.**

Recommendations at a glance

1. Provide a major first increase to CHSP funding in the December 2026 MYEFO, with an indicative first instalment of at least $700 million in additional annualised funding.
2. Establish a CHSP Funding Equity Benchmark based on the average percentage growth in Commonwealth expenditure on residential aged care and Home Care Packages/Support at Home.

3. Provide further substantial CHSP growth funding in each of the 2027–28, 2028–29 and 2029–30 Budgets until CHSP reaches the benchmark.
4. On current estimates, work towards a CHSP budget of approximately $5.5–6.0 billion per annum, subject to annual recalculation.
5. Publish the funding-equity calculation in each Budget so that the funding gap and progress towards parity are transparent.
6. Direct additional funding primarily to increased service capacity, reduced waiting times, workforce sustainability and improved access in underserved communities.
7. Introduce a demand-responsive funding mechanism so that future CHSP funding reflects population growth, demand, costs and service utilisation rather than relying solely on historical grants and indexation.

CHSP is Australia's primary aged-care service

The CHSP should be recognised as the primary aged-care layer of Australia's aged-care system. It provides the first and often continuing layer of support for older Australians who require assistance to maintain their independence, health, safety and participation in the community.

Its role extends well beyond the description of "low-level" support. CHSP delivers primary aged care, preventative care, early intervention and continuity of care and support.

The program provides services including:

- domestic assistance;
- personal care;
- meals and food services;
- transport;
- social support;
- home maintenance and modifications;
- community nursing;
- allied health;
- respite; and
- other services that maintain independence, health and wellbeing.

These services are not simply ancillary supports. For many older Australians, they are the interventions that prevent relatively manageable needs from becoming more complex and costly care needs.

CHSP is a prevention and early-intervention investment

The role of CHSP should be understood within the full continuum of aged care. Timely access to primary aged-care services can maintain functional capacity, support recovery following illness or hospitalisation, identify and respond to emerging needs, prevent avoidable deterioration, support nutrition and wellbeing, reduce social isolation, maintain community connection and enable older people to continue living safely at home.

CHSP also provides continuity of care and support as people's circumstances change. That continuity is critical in preventing avoidable escalation.

Where an older person can be effectively supported through primary aged-care services, there is an important opportunity to delay or prevent the need to access the more intensive and more expensive services provided through Support at Home and residential aged care.

> **CHSP should therefore be viewed not as the lowest tier of aged care, but as an essential preventative and early-intervention layer of the national aged-care system.**

Underinvestment in CHSP creates pressure elsewhere in the system

Aged-care funding should be considered as a continuum rather than as a series of separate programs. When primary aged-care services are unavailable, insufficient or delayed, older people may experience deterioration that could otherwise have been prevented or managed earlier.

The consequences can include:

- increasing dependence;
- loss of functional capacity;
- increased reliance on family and informal carers;
- avoidable health-system presentations;
- progression to more intensive aged-care services; and
- premature or earlier entry into Support at Home or residential aged care.

This creates a fundamental policy risk: underinvesting in CHSP can increase demand and expenditure elsewhere in government. Conversely, investment in effective primary aged care can help older Australians maintain independence for longer and delay or prevent the need for more intensive services.

CHSP and Support at Home are complementary, not competing programs

The transition from Home Care Packages to Support at Home should not result in CHSP being treated as a residual program. CHSP and SAH perform different but complementary functions within the aged-care continuum.

CHSP provides primary aged-care interventions, prevention, early intervention and continuity of support. SAH provides a more intensive level of funded support where a person's assessed needs require it.

A well-functioning system should allow people to receive the right intervention at the right time, with CHSP playing a critical role in preventing or delaying progression to more intensive care.

This means that investment in CHSP should be considered alongside, rather than separately from, the Government's investment in SAH. The objective should be to optimise the whole aged-care system, not simply to increase expenditure on the most intensive forms of care.

The funding evidence: CHSP has not shared fairly in aged-care growth

Government expenditure data demonstrate a substantial divergence between CHSP and the other major components of aged care. Using 2020–21 as a common reference point:

Program	2020–21	2024–25	Increase
CHSP	$2.71bn	$3.27bn	≈21%
Residential aged care	$14.1bn	$19.6bn	≈39%
Home Care Packages	$4.2bn	$8.7bn	≈107%

On these figures, the average growth of residential aged care and HCP is approximately 73 per cent. Applying that average growth to the 2020–21 CHSP base of $2.71 billion produces a 2024–25 benchmark of approximately $4.7 billion.

Actual CHSP expenditure was approximately $3.3 billion, leaving an indicative annual gap of approximately $1.4 billion.

This is not an argument that CHSP should receive the same funding per person as SAH or residential care. The programs serve people with different levels of assessed need. It is an argument that primary aged care should share fairly in the growth of Commonwealth investment in aged care.

CHSP is a high-volume national service

In 2024–25, 838,694 people received CHSP services and 32.3 million service sessions were delivered. Domestic assistance, allied health, meals, transport and nursing accounted for more than half of CHSP services.

The Australian National Audit Office has described CHSP as one of the Australian Government's largest grant programs. It also notes that CHSP is capped rather than demand-driven, with total program funding determined by Government.

This scale makes CHSP a critical part of the national aged-care infrastructure. Funding decisions affecting CHSP therefore have consequences for hundreds of thousands of older Australians and for the sustainability of the broader aged-care system.

The current funding model is inconsistent with aged-care reform objectives

The Government's aged-care reforms place considerable emphasis on supporting people to remain at home, prevention and early intervention, independence, reablement, choice and care according to need.

CHSP directly supports these objectives. However, the current funding trajectory effectively gives greater priority to higher levels of care while constraining investment in the primary aged-care services that can help prevent or delay escalation.

This risks creating a false economy. The Commonwealth should not wait until an older person's needs become more complex before making an adequate investment in supporting them.

A new principle: funding growth should be shared fairly

The CHSP Alliance proposes a simple principle:

> **When the Commonwealth increases its investment in aged care, CHSP should receive a fair share of that growth.**

We propose that the Government formally establish a CHSP Funding Equity Benchmark. The benchmark should be based on the average percentage growth in Commonwealth expenditure on residential aged care and Home Care Packages/Support at Home.

Because Support at Home commenced after the historical HCP period used in this analysis, the historical benchmark should use the HCP expenditure trajectory and then be carried forward using the latest available SAH expenditure and Budget estimates. The methodology should be updated annually.

- It is evidence-based: it uses actual Government expenditure rather than an arbitrary funding target.
- It is transparent: the methodology can be independently reproduced.
- It is fiscally manageable: the gap can be closed progressively rather than through a single large appropriation.
- It preserves the distinction between programs: it does not require CHSP to have the same per-person funding as SAH or residential care.
- It aligns with population ageing: as Commonwealth investment in aged care grows, primary aged care grows proportionately.

Proposed three-year funding pathway

The CHSP Alliance recommends a CHSP Funding Equity Program commencing in the December 2026 MYEFO and continuing through the next three Budgets.

Financial year	Proposed action	Indicative additional annual funding
2026–27 MYEFO	First major correction	+$700m
2027–28 Budget	Second instalment	+$600m
2028–29 Budget	Third instalment	+$600m
2029–30 Budget	Final adjustment to benchmark	Amount required to reach parity

These are indicative advocacy figures rather than a claim that the final appropriation should be fixed in advance. At each Budget, Government should recalculate the benchmark using the latest completed-year expenditure and updated forward estimates.

On current estimates, this would move CHSP towards an annual budget of approximately $5.5–6.0 billion. The final target should be independently calculated and published in the Budget papers.

The first instalment should occur in the December 2026 MYEFO

The December 2026 MYEFO provides an immediate opportunity to begin correcting the structural imbalance.

- CHSP cannot reasonably wait another full Budget cycle while providers face continuing demand and cost pressures.
- The Commonwealth has demonstrated that substantial additional aged-care investment can be made where policy priorities require it.
- A MYEFO commitment would establish a clear funding-equity trajectory and provide certainty to providers and older Australians.

The CHSP Alliance therefore recommends an initial increase of at least $700 million in additional annualised funding at MYEFO, with the full-year and forward-estimate implications transparently reported.

Additional funding should increase primary aged-care capacity

Additional funding should be directed primarily towards increased service capacity rather than simply absorbed into existing administrative structures.

- increasing hours and frequency of service;

- reducing waiting lists and unmet need;
- restoring services that have been reduced or withdrawn;
- improving regional, rural and remote access;
- strengthening transport and meals services;
- expanding domestic and personal assistance;
- strengthening social supports and community connections;
- increasing allied health, nursing, restorative and reablement services;
- supporting culturally safe and appropriate services;
- improving access for people experiencing disadvantage; and
- strengthening workforce recruitment, retention and capability.

Funding arrangements should also recognise the higher costs of delivering primary aged-care services in regional, rural and remote Australia.

CHSP funding should become more responsive to demand

A funding increase should be accompanied by reform of the funding mechanism. CHSP should not remain a program in which Commonwealth funding is capped while demand is allowed to grow.

The future funding model should include transparent mechanisms for adjusting funding in response to:

- growth in the eligible older population;
- changes in assessed demand and unmet need;
- changes in service utilisation;
- wage costs;
- inflation and input costs;
- the higher cost of rural and remote delivery; and
- emerging areas of service need.

Indexation alone is insufficient. Indexation should maintain the purchasing power of existing funding; it does not address a structural funding deficit or fund additional service capacity.

Government should publish the funding-equity calculation annually

Each Budget should include a transparent CHSP funding-equity table showing:

- CHSP expenditure;
- residential aged-care expenditure;

- Support at Home expenditure;
- percentage change in each program;
- the average percentage growth of residential care and SAH/HCP;
- the CHSP budget that would result from applying the benchmark;
- actual CHSP funding; and
- the remaining funding gap.

This would make the funding position transparent to Parliament, providers and older Australians and would prevent the structural gap from being recreated in future years.

Expected benefits

For older Australians

- greater access to timely primary aged-care support;
- greater independence and functional capacity;
- improved safety at home;
- reduced social isolation;
- greater ability to remain living in the community; and
- reduced risk of premature escalation to more intensive care.

For families and carers

- reduced pressure on informal carers;
- greater confidence that practical support is available; and
- reduced need for families to fill gaps in publicly funded care.

For the health and aged-care systems

- earlier intervention and better continuity of support;
- potential reduction in avoidable deterioration and acute presentations;
- delayed or prevented progression to more intensive aged-care services; and
- a stronger and more sustainable continuum of aged care.

For providers and workers

- greater funding certainty;
- improved provider viability;
- better workforce recruitment and retention; and

- greater capacity to maintain services in underserved communities.

The cost of inaction

The Government faces a choice. It can invest earlier in relatively low-cost primary aged-care services that help older people remain independent, or it can allow unmet needs to accumulate until people require more intensive and expensive services.

The latter approach is neither consistent with the objectives of aged-care reform nor likely to represent good value for taxpayers.

The CHSP Alliance therefore considers the proposed investment to be a necessary correction to an existing funding imbalance, not simply a request for additional program expenditure.

Recommendations

1. Provide a major increase to CHSP funding in the December 2026 MYEFO, with an indicative first instalment of at least $700 million in additional annualised funding.
2. Establish a CHSP Funding Equity Benchmark based on the average percentage growth in Commonwealth expenditure on residential aged care and Home Care Packages/Support at Home.
3. Provide further substantial CHSP growth funding in the 2027–28, 2028–29 and 2029–30 Budgets until CHSP reaches the funding level indicated by the equity benchmark.
4. On current estimates, work towards a medium-term CHSP budget of approximately $5.5–6.0 billion per annum, subject to annual recalculation using final Government expenditure data.
5. Make the funding-equity calculation an annual Budget requirement, publicly reporting actual and benchmark funding for CHSP, residential care and SAH.
6. Ensure that additional CHSP funding is directed primarily towards increased service capacity, reduced waiting times, workforce sustainability and improved access in underserved communities.
7. Introduce a demand-responsive funding mechanism for CHSP so that future funding reflects population growth, demand, costs and service utilisation rather than relying solely on historical grant levels and indexation.

Conclusion

CHSP is the foundation of Australia's strategy to support older people to remain independent and living at home. It provides primary aged care: prevention, early intervention and continuity of care and support.

Its services can help older Australians maintain independence and delay or prevent the need to access the more intensive and more expensive services provided through Support at Home and residential aged care.

Yet CHSP has received substantially less growth funding than other major components of the aged-care system. That imbalance is increasingly difficult to reconcile with the Government's objectives for prevention, independence and ageing in place.

The CHSP Alliance is not seeking preferential treatment. It is seeking fair treatment.

> **The Commonwealth has established a clear precedent for substantial growth in investment in residential aged care and Home Care Packages/Support at Home. CHSP should share fairly in that growth.**

The proposed funding-equity approach provides a transparent, measurable and fiscally responsible way to achieve this. The CHSP Alliance therefore calls on the Australian Government to begin restoring this funding equity in the December 2026 MYEFO and to complete the process over the following three Budgets.

A strong Support at Home system requires a strong Commonwealth Home Support Program.

Appendix A — Funding equity methodology

The funding-equity proposal is intended as a transparent policy benchmark rather than an assertion that CHSP should have the same per-client funding as other aged-care programs.

The methodology used in this submission is:

1. Establish a common historical baseline year (2020–21).
2. Measure Commonwealth expenditure growth in CHSP, residential aged care and Home Care Packages over the comparable historical period.
3. Calculate the average percentage growth of residential aged care and Home Care Packages.
4. Apply that average growth rate to the CHSP baseline to calculate the historical CHSP funding-equity benchmark.
5. Carry the benchmark forward using the latest Government expenditure and Budget estimates, including the transition from HCP to Support at Home.
6. Recalculate the benchmark annually and publish the result in the Budget.

On the figures used in this submission, the historical calculation produces an indicative CHSP benchmark of approximately $4.7 billion in 2024–25. A current indicative 2026–27 benchmark is approximately $5.5 billion. These figures should be updated by Government using final audited expenditure and the latest forward estimates before being adopted as appropriation targets.

Appendix B — Evidence base

Australian National Audit Office — Effectiveness of the Commonwealth Home Support Program
Key evidence on CHSP expenditure, client numbers, service sessions, capped funding and program scale.
https://www.anao.gov.au/work/performance-audit/effectiveness-of-the-commonwealth-home-support-program

Australian Government Department of Health, Disability and Ageing — CHSP reforms
Current information on the 2025–27 extension and the 2027-2029 extension, and Support at Home relationship.
https://www.health.gov.au/our-work/chsp/reforms

Australian Government Department of Health, Disability and Ageing — Commonwealth Home Support Program
Current CHSP program information and 2026 extension material.
https://www.health.gov.au/our-work/chsp

Australian Government Budget 2026–27 — Strengthening care and broadening opportunity
Current Government investment measures for Support at Home and residential aged care.
https://budget.gov.au/content/05-care-and-opportunity.htm

Appendix C — Current policy context

As at 20 August 2026, the Government announced that CHSP grant funding will be extended for a further two years to 30 June 2029. Consultation is to occur shortly on the future of a separate CHSP. This submission therefore seeks a funding-equity commitment that remains relevant through the consultation period and ensures that primary aged care is adequately resourced as part of the future aged-care system.