

7 April 2026

**Catholic Health Australia Submission: Higher Everyday Living Fee -
Provider and Aged Care Worker Consultation**

Catholic Health Australia (CHA) welcomes the opportunity to provide its views on the operation and implementation of the Higher Everyday Living Fee (HELFF) arrangements. CHA appreciates the work of the Government and the Department of Health, Disability, and Ageing (the Department) to ensure that programs introduced through the *Aged Care Act 2024* collectively enable the sector to uphold a rights-based approach to care for older people.

CHA supports the Government's continued efforts to strengthen the aged care system through ongoing monitoring and evaluation, and its review of specific instruments within legislation. This submission focuses on ensuring that provider obligations in relation to HELFF are clearly articulated, practical, and implemented as intended to support a rights-based, person-centred approach to care.

CHA emphasises the importance of strong Government leadership to address implementation challenges following the commencement of the *Aged Care Act 2024*. A cohesive and responsive approach is essential to uphold a high-quality and safe aged care system for all Australians, regardless of their financial means or geographic location.

CHA welcomes the opportunity to contribute to ongoing discussions and assist in the implementation of these reforms. If you wish to discuss anything further, please contact Alex Lynch, Director of Aged and Community Care Policy on 0411 841 071 or at alexl@cha.org.au.

Yours sincerely,



Alex Lynch
Director of Aged and Community Care Policy
Catholic Health Australia



Annabelle Wang
Policy Manager
Catholic Health Australia



Catholic Health Australia – Submission to Higher Everyday Living Fee Review

April 2026

Catholic Health Australia

www.cha.org.au

Catholic Health Australia (CHA) is Australia's largest non-government grouping of health, community, and aged care services. CHA Members provide 12 per cent of all aged care facilities across Australia, in addition to 20 per cent of home care provision.

Our members account for over 15 per cent of hospital-based healthcare in Australia and operate hospitals in each Australian state and in the Australian Capital Territory, providing about 30 per cent of private hospital care and 5 per cent of public hospital care in addition to extensive community and residential aged care.

CHA not-for-profit providers are a dedicated voice for the disadvantaged which advocates for an equitable, compassionate, best practice and secure health system that is person-centred in its delivery of care.

Overall comments

The introduction of Higher Everyday Living Fees (HELFF) from 1 November 2025 represents a significant shift in how optional services are structured, priced and delivered in residential aged care, replacing the former Extra Service Fee and Additional Service Fee arrangements. While transitional provisions allowing legacy agreements to continue until 31 October 2026 have provided some continuity, the sector is now operating within a materially different consumer choice and regulatory framework.

The HELFF model appropriately reinforces individual choice by enabling residents to opt into higher-level or supplementary services that sit above the Residential Care Service List, while maintaining the core principle that all funded services must continue to meet the Aged Care Quality Standards and the Statement of Rights. CHA supports this policy intent. However, the practical implementation of HELFF has introduced notable operational and behavioural complexity, particularly given the requirement that HELFF agreements can only be entered into once a resident is already in care and the need to manage both standing and ad hoc agreements concurrently.

This consultation is timely and necessary. It provides an important opportunity for the Department of Health, Disability and Ageing (the Department) to understand how HELFF is operating in practice, including the extent to which consumer behaviour has shifted under a more explicit user choice model, and the pressures this places on providers to manage resident expectations, equitable service delivery and financial sustainability. In this submission, CHA focuses on the need for clearer articulation of how HELFF interacts with other legislative instruments, the need to ensure consumer protections remain genuine and proportionate, and the importance of recognising that providers are being asked to manage behavioural and system-wide changes that were not present under previous arrangements. Addressing these issues will be critical to achieving a regulatory framework that is workable, investable and capable of delivering high-quality, dignified care into the future.

Contents

| Item | Page number |
|--|-------------|
| Financial sustainability of the sector: HELFF and accommodation funding settings | 4 |
| HELFF services and the Aged Care Quality Standards | 5 |
| Requirement for HELFF Agreements | 6 |
| Ensuring that HELFF embeds consumer choice | 7 |
| Service continuity for existing residents | 8 |
| Unavoidable service costs | 9 |
| Regulatory alignment and interpretation | 10 |

Submission

Financial sustainability of the sector: HELF and accommodation funding settings

The full financial and operational impacts of the introduction of the Higher Everyday Living Fee (HELF) may not yet be visible in aggregate financial reporting or sector-wide analyses. This is due, in part, to the complex interaction between multiple accommodation and funding mechanisms — such as accommodation payments, the accommodation supplement and the hotelling supplement — and the expanded scope of mandated everyday living services under the Residential Care Service List. Together, these overlapping frameworks risk obscuring the real costs and operational effort required to meet contemporary expectations of quality in residential aged care.

In the context of the ongoing Residential Aged Care Accommodation Pricing Review, CHA continues to advocate for greater transparency and alignment between funding settings and the practical realities of service delivery.¹ The expansion of consumer choice under the Residential Care Service List — particularly in relation to everyday living services such as catering, laundry, cleaning and amenities — has materially increased both cost pressures and operational complexity for providers.² These services are now explicitly embedded within the definition of quality accommodation under the aged care reform framework, and are closely linked to strengthened expectations under the Aged Care Quality Standards.

However, the current funding architecture has not kept pace with these heightened expectations. While some everyday living costs are partially offset through the hotelling supplement, this supplement applies uniformly across supported and non-supported residents and does not adequately reflect the true cost of delivering higher-quality everyday living services in line with contemporary standards and consumer expectations.³ As a result, providers — particularly those with a high proportion of supported residents — face increasing financial strain in meeting baseline obligations before any consideration of HELF services.

This HELF consultation consider the full scope and cumulative impact of mandated everyday living services, associated accommodation pricing arrangements, and the extent to which HELF is being relied upon — either explicitly or implicitly — to bridge structural funding gaps. This analysis is critical to ensuring that reforms aimed at enhancing consumer choice do not inadvertently shift unfunded cost burdens onto providers or create inequitable outcomes across different provider types. Aligning quality expectations, accommodation pricing, and everyday living funding will be essential to supporting a sustainable, fair and transparent system that delivers genuinely high-quality accommodation and care for older people.

¹ CHA's Submission to the residential aged care accommodation review, available [here](#)

² Aged Care Rules 2025. Chapter 1, Division 8.

<https://www.health.gov.au/resources/publications/guide-to-aged-care-law/overview/the-aged-care-rules?language=en>

³ CHA's Submission to IHACPA's Residential Aged Care Pricing Framework 2026-27, available here: <https://cha.org.au/catholic-health-australia-submission-on-the-pricing-framework-for-residential-care-2026-27/>

Recommendation 1: That the Department of Health, Disability and Ageing, as part of this HELF consultation, explicitly examine and articulate how HELF interacts with accommodation pricing mechanisms, the accommodation and hotelling supplements, and mandated everyday living services under the Residential Care Service List. This should include consideration of how these settings are assessed and regulated in practice, to ensure that quality expectations are transparently funded, operational impacts are clearly understood, and providers — particularly those with higher proportions of supported residents — are not disproportionately disadvantaged.

HELF Services and the Aged Care Quality Standards

The Department's guidance is explicit that all funded aged care services must independently meet the Aged Care Quality Standards (Quality Standards), regardless of whether a HELF is offered. HELF services may enhance services but cannot be counted toward meeting Quality Standards obligations.⁴ CHA believes that this resolves earlier ambiguity around whether HELF services are addressed 'outside' the Quality Standards. However, while this guidance clarifies the policy intent around the interactions between HELF and the Quality Standards, other materials reference 'services' without explicit differentiation between funded residential care services (as set out in the Residential Care Services List) and HELF services.⁵ For example, even in the updated March 2026 guidance, obligations around mealtimes - such as providing flexibility and individual choice about what, when and how much residents eat - are presented as a composite requirement drawing on both the Residential Care Services List and Quality Standard 6, without clearly delineating which obligations arise under which instrument, leaving providers without a clear basis for determining where the funded service obligation ends and a legitimate HELF enhancement begins. This risks uncertainty or misinterpretation – by providers, residents and their families – about which services are funded residential aged care services and which fall under HELF. Consistent differentiation between residential care services and HELF services in future guidance materials would reduce ambiguity.

Recommendation 2: That future guidance materials referring to residential care services from the Department of Health, Disability and Ageing consistently restate the principle that HELF services are designed to enhance, but do not replace, baseline obligations under the Residential Care Service List and Quality Standards, to mitigate risk of misinterpretation or further ambiguities.

Recommendation 3: That future guidance materials referring to residential care services from the Department of Health, Disability and Ageing clearly and consistently differentiate between residential care services (as set out in the Residential Care Services List) and HELF services.

⁴ Section 1.3 of the Residential Care Service List and Higher Everyday Living Fee: Guidance for providers: "While Higher Everyday Living Fee (HELF) services can enhance standard offerings, they cannot be counted toward meeting these standards."

Department of Health, Disability and Ageing. (2026). *Residential Care Service List and Higher Everyday Living Fee: Guidance for providers*.

<https://www.health.gov.au/resources/publications/residential-care-service-list-and-higher-everyday-living-fee-guidance-for-providers?language=en>

⁵ Other relevant legislative instruments that interact with the Services List (and thereby, HELF) are also outlined in CHA's submission on IHACPA's Pricing Framework for Residential Care 2026-27, available [here](#).

The principle that HELF services enhance but do not replace obligations for Residential Care Service List services to meet Quality Standards should be explicitly and consistently reflected in materials relating to the Quality Standards published on the Aged Care Quality and Safety Commission (the Commission's) website. This includes any guidance that outlines how the Commission intends to assess provider compliance. Aligning Departmental guidance with the Commission's regulatory and assessment materials will support a shared and authoritative interpretation of provider obligations and clarify the respective roles and responsibilities of the Department of Health, Disability and Ageing (the Department), the Commission and providers (including those that do not offer HELF services) with reference to the Quality Standards. This alignment is critical to ensuring consistent regulatory expectations, strengthening accountability, and supporting continuous improvement in the quality of care delivered to older people.

Recommendation 4: That the principle that HELF services enhance but do not replace baseline obligations under the Residential Care Service List and Quality Standards is consistently reflected in regulatory guidance materials published by the Aged Care Quality and Safety Commission. This should include guidance on the Commission's assessment and regulatory approach, to ensure clarity, consistency and transparency in how provider obligations relating to HELF services and the Aged Care Quality Standards are interpreted and applied.

Requirement for HELF Agreements

The current provider guidance clearly states that a HELF agreement must be entered into and that providers must be able to demonstrate that the agreement has been 'entered into' with the individual.⁶ This interpretation is pragmatic and aligns with providers' understanding that consent, rather than a specific formality, is the central requirement.

However, CHA notes that consumer facing guidance uses more prescriptive language, explicitly referring to a resident *signing* a HELF agreement with their residential care home.⁷ This creates an inconsistency between provider guidance and consumer materials, which may lead to confusion for residents, families, and providers regarding the expectations and evidential requirements for HELF agreements.

CHA recommends clearer and more consistent explanation across both provider and consumer guidance materials of what constitutes 'entering into' a HELF agreement, including explicit recognition of acceptable forms of evidence such as documented consent, electronic signatures, or other recorded expressions of agreement. Enabling flexibility in how consent is evidenced — within the legislative parameters of the Rules governing HELF arrangements — is essential to supporting workable practices for providers, accommodating

⁶ Section 9.1, page 62 of the Residential Care Service List and Higher Everyday Living Fee: Guidance for providers.

Department of Health, Disability and Ageing. (2026). *Residential Care Service List and Higher Everyday Living Fee: Guidance for providers*.

<https://www.health.gov.au/resources/publications/residential-care-service-list-and-higher-everyday-living-fee-guidance-for-providers?language=en>

⁷ Department of Health, Disability and Ageing. (2026). *Higher everyday living fees in residential care homes*. <https://www.health.gov.au/resources/publications/higher-everyday-living-fees-in-residential-care-homes?language=en>

the diverse needs and capabilities of residents, and maintaining appropriate consumer protections.

Recommendation 5: That subsequent versions of HELF consumer and provider guidance materials are consistent in the expectations and forms of what constitutes providers and consumers 'entering into' a HELF agreement. Guidance materials should include examples of acceptable forms of evidence to support these agreements.

Ensuring that HELF embeds consumer choice

CHA supports the intent of the HELF model to ensure individual choice for older people utilising residential aged care. However, without sector-wide input and a formal evaluation, there is a risk that the practical implementation of the new model may not support consumer choice as intended. The absence of a national review of the prior model involving Additional Service Fees and Extra Service Fees limits the evidence base for HELF's design and implementation. Given HELF's significant implications for consumer choice, affordability, and provider sustainability, CHA strongly supports a comprehensive review of the model. Such a review would ensure HELF is evidence-based, aligned with resident expectations and implemented consistently across the sector – as well as provide a foundation for targeted amendments that promote fairness, transparency, and long-term viability under the regulatory framework.

As providers begin delivering services under HELF, practical challenges have emerged in navigating specific requirements set out in the Rules. While these provisions rightly embed consumer protections - ensuring HELF is not offered or used as a condition of entry - they also create unintended barriers for residents who wish to access HELF services immediately upon admission. Current restrictions prevent HELF agreements from being entered into prior to entry, even when residents have explicitly requested commencement of services from day one. This delay frustrates residents and families, particularly given the sector-wide messaging that aged care reforms would uphold a rights-based approach, enabling older Australians to express and act on their care preferences.

Case Study:

A resident without a mobile phone is preparing to move into a residential aged care facility. The resident's family lives interstate and relies on daily phone calls to stay connected - a routine that is critical to the resident's wellbeing. Having a personal phone in the room from Day 1 would greatly assist the resident and family to maintain connection and ease the transition. The family willingly requested HELF services before admission, and the provider prepared the agreement noting:

- a) the service start date as the admission date; and
- b) a signed undertaking from the resident (or representative) to opt in voluntarily before admission.

Despite this, the Rules currently prevent any HELF agreements from being executed prior to entry, resulting in delays and unnecessary stress for the resident and family.

This Consultation should recommend exploring the feasibility of introducing an exemption mechanism within the Rules (e.g., S284-25) and in supporting guidance materials. This mechanism could allow residents to opt in to HELF services prior to admission when their

choice is clearly documented. For example, guidance could include wording such as: *“If a resident or their representative explicitly requests HELF services to commence from Day 1 of entry, this may be permitted where the choice is documented via a signed declaration.”*

Such an approach would uphold consumer rights, reduce frustration, and ensure HELF implementation aligns with the intent of a rights-based Act while maintaining safeguards against coercion.

Recommendation 6: That the Department of Health, Disability and Ageing explores the feasibility of an exemption mechanism in S284-25 of the Rules to enable residents (and their representatives) to opt into HELF services prior to admission into residential care homes when their explicit preference and choice has been clearly made and documented.

Service continuity for existing residents

CHA and its members have consistently raised concerns regarding the misinterpretation of the “no worse off” principle as applying to residents who were in care prior to the commencement of the new Aged Care Act and the introduction of HELF. The March 2026 version of the HELF Resident Booklet helpfully clarifies that the “no worse off” principle does not extend to HELF arrangements. This clarification is welcome and is consistent with the provider guidance materials.

Notwithstanding this clarification, challenges remain in how related policy positions are expected to operate in practice, particularly for providers that did not previously operate additional service or extra service models but are now seeking to introduce HELF arrangements to support financial sustainability. The HELF Resident Booklet⁸ states that:

“If you are an existing resident and were provided with access to a service without an extra or additional service fee prior to the introduction of HELF, it would be considered unreasonable for you to pay a HELF for continued access to that service. As long as that service continues to be offered within the home.”

While this statement is clearly intended to support strengthened consumer protections, it reflects a policy position adopted by the Department, rather than a prescriptive legislative requirement set out in the Act or Rules. However, there is limited guidance on how it is expected to be operationalised, assessed or regulated in practice - including how the Commission will interpret it in performance assessments against the Quality Standards.

CHA is particularly concerned that, in the absence of explicit safeguards, the wording of this policy position may give rise to retrospective complaints about actions taken by providers prior to the release of the guidance issued in March 2026. Earlier guidance issued in October 2025 did not articulate this expectation with the same level of clarity, detail or emphasis. Providers who acted in good faith based on the guidance available at that time may therefore be exposed to regulatory or complaints risk for operational or financial decisions without clear visibility of the Department’s subsequent policy position.

In the absence of clear regulatory guidance, providers face uncertainty regarding whether this policy position will be treated as a compliance expectation during audits and

⁸ Department of Health, Disability and Ageing. (2026). *Higher everyday living fees in residential care homes*. <https://www.health.gov.au/resources/publications/higher-everyday-living-fees-in-residential-care-homes?language=en>

assessments, or whether alternative, compliant approaches may be considered acceptable. This uncertainty risks inconsistent application across the sector and may inadvertently incentivise providers to withdraw or restructure non-mandatory services in order to manage financial exposure.

For providers that have historically absorbed the cost of certain non-mandatory services (such as in-room televisions) outside of an additional services framework, the inability to recover these costs for existing residents may create an ongoing and unmitigated financial burden. While some providers, including not-for-profit and mission-driven organisations, may continue to provide these services as a matter of principle, the absence of clarity around regulatory expectations raises broader concerns about competitive neutrality, sustainability and consistency of service delivery across the sector.

Although the HELF Resident Booklet outlines cohort distinctions clearly for consumers, providers remain concerned about how these distinctions translate into day-to-day operational decisions, particularly when managing parallel service models for existing and new residents within the same home. Without clear guidance on how these policy positions will be assessed, providers are exposed to an increased risk of inequitable treatment between resident cohorts, retrospective complaints, and inconsistent audit outcomes.

CHA therefore recommends that the Department provide clearer guidance on how this policy position will be interpreted by regulators in practice, including through alignment with guidance published by the Commission. Additional implementation support, such as worked examples or sector-wide case studies, would assist providers to apply these expectations in a consistent, transparent and sustainable manner during the transition to HELF.

Recommendation 7: That the Department of Health, Disability and Ageing clearly articulate, in both provider and consumer guidance, how the policy expectation regarding continued access to services previously provided to existing residents without a specific additional or extra service charge will be applied, assessed and regulated in practice. This should include explicit guidance on how the Aged Care Quality and Safety Commission is expected to interpret and consider this policy position in its monitoring, assessment and compliance activities, and clear confirmation of the regulatory status of this expectation as distinct from prescriptive legislative requirements.

Unavoidable service costs

Current HELF arrangements that place the financial burden of unavoidable and unrecoverable service costs on providers, risk delaying service delivery for recipients of residential aged care. The HELF Resident Booklet states that during the 28-day cooling-off period, residents are required to pay for services already received up to the point they choose to cancel their HELF agreement. However, the guidance also makes clear that any unavoidable service costs incurred by the provider as a result of a resident cancelling the agreement cannot be recovered from the resident during this period.

In practice, this creates a perverse incentive that may discourage providers from commencing service delivery promptly where there is an identified risk that a resident may cancel their HELF agreement during the cooling-off period. Providers may be forced to delay service commencement in order to manage unrecoverable costs, which undermines the policy intent of enabling residents to access timely, choice-based services under HELF.

This issue is particularly acute for smaller providers operating on thin margins, who may not have the financial capacity to absorb unavoidable costs that cannot be recovered if an agreement is cancelled during the cooling-off period. In these circumstances, the current settings risk constraining service availability, rather than facilitating meaningful consumer choice.

The framework for unavoidable service costs remains complex for residents, families and frontline staff to understand and apply in practice. CHA recommends that future updates to the HELF Resident Booklet include additional worked examples based on common and realistic scenarios (such as group programs, subscriptions, or externally delivered services). Improved use of practical examples would support residents and their supporters to make more informed decisions about HELF arrangements, while increasing transparency around the legitimate operational constraints faced by providers.

Recommendation 8: That future HELF guidance materials include additional worked examples based on common scenarios relating to navigating the complexities of unavoidable service costs.

Regulatory alignment and interpretation

CHA notes that the HELF guidance materials consistently emphasise alignment with the Statement of Rights, the Aged Care Quality Standards, and guidance published by the Commission. To support consistent interpretation and application of HELF arrangements, it is important that relevant Commission guidance materials are clearly signposted and readily accessible to both providers and consumers navigating HELF-related resources. Better cross-referencing would reduce misinterpretation and reinforce alignment with consumer-facing materials.

In the context of ongoing monitoring of potential unintended consequences of HELF - particularly shifts in consumer behaviour and decision-making - CHA recommends continued joint engagement between the Department and the Commission. As part of this engagement, consideration should be given to developing or co-designing interpretative guidance for assessors that clarifies how HELF-related expectations intersect with provider obligations under the Quality Standards. Shared regulatory interpretation will be essential to consistent assessment outcomes, greater certainty for providers, and uniform application of acceptable practices across the sector.

Recommendation 9: That the Department of Health, Disability and Ageing, in partnership with the Aged Care Quality and Safety Commission, ensure HELF-related guidance and assessment expectations are clearly aligned, publicly accessible, and supported by shared interpretive materials for assessors, to promote consistent regulatory practice, reduce ambiguity for providers and consumers, and support proportionate and transparent regulation across the sector.