

Policy number:	67	Version:	1.0
Responsible person:	Chief Executive Officer	Approved by Board on:	December 2025
Date written:	December 2025	Scheduled review date:	December 2027

Purpose

STAR Community Services Ltd (STAR) is committed to:

- providing appropriate safeguards for financially disadvantaged clients experiencing financial hardship who receive services under the Commonwealth Home Services Program (CHSP) and Community Transport Program (CTP), ensuring they are not excluded from essential services because they cannot afford to pay the required client contributions.
- providing a transparent, fair and consistent process for assessing and granting waivers or reductions of contributions/fees on the basis of evidenced financial hardship.
- complying with obligations under the *Aged Care Act 2024* and Aged Care Rules 2025, and the operational guidelines of the CHSP 2025-2027 Program Manual.

Scope

This policy applies to clients receiving CHSP or CTP services, who are experiencing financial hardship.

This policy applies to STAR workers engaged in the process of receiving and processing client requests for fee waiver or reduction due to experiencing financial hardship.

Definitions

Client contribution / fee: the amount a client is asked to pay toward the cost of CHSP services which must align with the ranges in the CHSP National Unit Price Ranges and Guide to the National CHSP Client Contribution Framework.

Waiver / reduction: a temporary or ongoing reduction or elimination of the required client contribution/fee for a client, approved under this Financial Hardship Policy, because of demonstrated inability to pay.

Financial hardship: a situation where a client, due to limited income and/or assets (or extraordinary/unexpected circumstances), is unable to meet the required contributions without undue hardship. Unwillingness to pay a client contribution does not of itself constitute financial hardship.

Principles

Transparency

This policy will be made publicly available on STAR's website and related information provided to all CHSP clients prior commencement of their service agreement, whenever the contribution schedule changes, or upon request.

The hardship application, assessment criteria, evidence requirements, decision-making and review processes will be clearly communicated and easy for clients to understand.

Capacity to Pay

Client contributions should reflect what the client can realistically afford, taking into account their income, assets, regular expenses, and any extraordinary circumstances. This principle ensures that no client is excluded from receiving essential services because they genuinely cannot pay the full contribution.

Equity and Fairness and Accessibility

Clients in similar financial situations will be treated the same way, and the application process and principles will be applied consistently. This prevents arbitrary decision-making and ensures transparency in how hardship decisions are made.

The hardship process will be easy to access, culturally safe, and diversity inclusive. Clients will be supported to receive help making their application, submitting evidence, or understanding outcome and review decisions. This ensures that vulnerable or frail clients are not disadvantaged in seeking assistance.

Client-Centered Decision-Making

Hardship assessment should consider the client's individual life circumstances, including health conditions, disability, cultural background, family responsibilities, and any sudden or unexpected financial changes. This ensures a holistic, compassionate, and person-centred approach aligned with aged care reforms.

Reasonableness and Proportionality

Fee expectations will be reasonable, proportionate, and will never exceed the cost of delivering the service. Waivers or reductions will also be reasonable and grounded in evidence. This ensures that STAR does not place an unfair burden on clients, and that hardship support is appropriate and accountable.

The level of reduction or waiver should be proportionately aligned to the level of hardship.

- Severe hardship → full waiver
- Moderate hardship → partial reduction
- Mild hardship → adjusted fee or short-term relief

This ensures STAR supports clients appropriately while still maintaining financial sustainability.

Timeliness

Applications will be assessed in a timely manner to ensure clients experiencing the stress of financial hardship are not additionally accumulating debt while a decision is made.

Privacy and Confidentiality

All financial and personal information submitted will be handled in accordance with Australian privacy legislation and stored securely. This protects clients' rights to privacy, dignity, respect and confidentiality.

How to Apply for Waiver or Reduction

Application Process

- A client may request a waiver or reduction of their contribution fees at any time due to experiencing financial hardship.

- The request should be made in writing (letter, email) addressed to STAR's Finance/Accounts team at accounts@starct.org.au.
- The request should include a statement that the client is experiencing financial hardship and wishes to apply for reduced or waived contributions under STAR's Financial Hardship Policy.
- STAR will acknowledge this request within 5 business days, and work in partnership with the client to process their application for fee waiver or reduction.
- Each application will be assessed on a case-by-case basis, and the outcome/approval process will be overseen by the Chief Executive Officer.

Evidence of Financial Hardship

Required Evidence

To assess a financial hardship request, STAR will require evidence demonstrating the client's financial circumstances. Acceptable evidence may include, but is not limited to:

- Recent (last 3 months) income documentation, e.g. pension or Centrelink statements, bank account statements showing regular pension or benefit payments, or other income sources (if applicable).
- If income or assets are stable but the hardship arises from unexpected/unusual circumstances (e.g. serious illness, sudden loss of spouse, high medical expenses, emergencies), evidence, for example, medical bills, debt statements or other related documentation may be requested by STAR.

Submission Method

- Evidence should be submitted securely to STAR (for example, in person, by post) respecting client confidentiality and privacy.
- If the client is unable to submit the evidence themselves (e.g. due to frailty, disability, lack of capacity), their Registered or Informal Supporter may submit on their behalf. STAR may request evidence of the representative's authority in this instance (e.g. written consent).

Assessment Principles and Calculation of Waiver / Reduction

Calculation Method

Given the wide variation in services under CHSP STAR will use a case-by-case assessment, guided by (but not strictly bound to) these principles:

1. **Estimate full cost** of the services to be provided (based on the Provider's standard fee schedule, reflecting the rates the Provider charges for that client if no hardship applies, within the ranges from the CHSP National Unit Price Ranges).
2. **Consider client's contribution capacity** — using submitted income/assets evidence, and other related documents provided by the client on STAR's request, STAR will review and consider existing expense obligations under the client's existing financial circumstances, and their capacity to pay contributions.
3. **Determine appropriate contribution level** — if the client's capacity is very limited, the Provider may grant a full waiver; if there is partial capacity, a reduced contribution may be set (e.g. client pays 25%, 50% or another reasonable proportion of the standard contribution). The specific percentage or amount will be advised to the client in writing (via the service agreement or hardship decision letter).

4. **Multiple / bundled services consideration** — if a client receives more than one service concurrently (e.g. domestic assistance + transport + social support), the Provider may “bundle” contributions in a way that reduces overall cost burden while still reflecting service use, in accordance with guidance in the CHSP framework.
5. **Review and monitoring** — hardship approvals will be reviewed periodically (e.g. every 6 or 12 months, or sooner if client’s financial situation changes), to ensure continued appropriateness and safeguarding.

Transparency, Record-keeping, and Reporting

- STAR will maintain records of applications, evidence submitted, assessments, decisions, and reviews.
- STAR will ensure the contribution schedule and the Financial Hardship Policy remain publicly available via publication to STAR’s website at <https://www.starcommunityservices.org.au>
- When reporting to the Data Exchange (DEX) as required under CHSP, STAR will record client contributions (or lack thereof) in accordance with actual charged amounts and any waivers granted.

Communication with Clients

Availability of Information

- STAR will ensure this policy is made publicly available and provide clients with information related to our hardship policy prior their services commencement, in conjunction with the client’s consideration of the service agreement.

Communicating Outcome of Applications

- All decisions on hardship applications will be documented in writing (hardship decision letter / email), including the amount of waiver/reduction, duration, review date, and any conditions, and clients will be supported to understand this information where needed.

Governance

- STAR will periodically review the effectiveness of the hardship policy — including number of applications, approvals/denials, any patterns of hardship (e.g. certain service types or client cohorts), and adjust contribution schedules or hardship criteria where indicated to better meet client needs while maintaining financial sustainability.

Policy Review

This policy will be reviewed at least annually and whenever there are significant changes to:

- the CHSP National Unit Price Ranges or Client Contribution Framework and/or
- the legislative or regulatory environment under the Aged Care Act 2024 / Aged Care Rules 2025

Legislation and Regulations

Refer to STAR’s Legislation Register for the list of legislations, regulations, standards and principles that relate to STAR and the services provided.

Related Documents

Refer to STAR’s SharePoint for related policies, procedures and other documents.