Australian Government

OFFICE OF THE INSPECTOR-GENERAL OF AGED CARE

Progress Report

Implementation of the Recommendations of the Royal Commission into Aged Care Quality and Safety

2025

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Foreword

My Office's role is to scrutinise, assess and call out where the Australian Government's administration of the aged care system is falling short; but I also want to present opportunities for positive change.

This report has not been written with the intention of finding the 'gotcha' moments in the government's implementation of the recommendations from the Royal Commission. Indeed, the government and I ultimately share the same goal: a future where every older person in this country does not merely 'exist' in aged care but truly *lives* as they age; connected, valued and supported. That aim underscores the human rights lens through which this report has been formulated.

It has now been 4 years since the Royal Commission delivered its final report. The vision it provided was one of total transformation. It called on the government to move the 'big rocks' and deliver meaningful change. Reform of this magnitude does not happen quickly and it would be unrealistic to think all of the Commission's 148 recommendations would be fully implemented by 1 January 2025, the legislated reference point for this report.

So in preparing this report, I therefore wanted to investigate 2 central questions:

- Have the government's *collective* reforms had the *collective* impact we should expect by now?
- Are we on track to deliver the transformation the Royal Commission called for?

Why these questions? Because it is predictable that these are the very questions the Australian public would be asking 4 years on from the Royal Commission, when contemplating the system in which they want older people to age.

My conclusion is that despite the volume and pace of reform, a number of actions that would have seeded transformational change have not yet been delivered, some actions are not actively being considered, and indeed the manner of implementation in some areas may bring about unintended consequences.

There is no doubt that one of the most important reforms has indeed been achieved; the passage of the new *Aged Care Act 2024.* The Act will breathe life into the vision of aged care set by the Royal Commission. It mandates a 'forward-looking aged care system' that upholds human rights and supports older people to live 'active, self-determined, meaningful lives'. The Act promotes care that is equitably accessible *and* which prioritises compassion, kindness, respect for life experiences, dignity, quality of life, mental health and wellbeing.

What a magnificent mandate for the system. This will now be the law – not just a vision. But with the new Act to commence shortly, aged care in Australia is at an inflection point as the government seeks to chart a course from a provider-focussed framework to one which places people front and centre. Can we be confident that the government's policies, processes, systems and indeed culture will deliver the 'high quality care' and human rights as envisaged by the Act? On the current trajectory, I am concerned we do not have some of the fundamental mechanisms in place to deliver this vision, and I fear that some 'unintended consequences' may arise from implementation that could undermine the Royal Commission's vision.

This report is a clarion call. There are some areas in which an urgent change in approach is needed if the underlying intent of the Act is to be more than just aspiration.

My Office understands the reality the government is up against: an increasing ageing population magnifying the demand for aged care, with a decreasing working-age population to fund it. There is not a limitless pool of money. But I share the fears of stakeholders that these reforms could potentially create unnecessary cost blow outs by, for example, pre-emptively pushing people into residential aged care when they cannot access or afford the care they need to stay at home. While my primary concern is for the human rights consequences, the fact is that this Act could ultimately cost the taxpayer more.

I would like to express my profound gratitude to the individuals and organisations who generously supported the Office in preparing the report by participating in roundtable discussions, targeted one-on-one meetings, lived experience seminars, and by providing submissions. This report is so much richer for your contributions.

I would also like to thank my staff who have worked tirelessly to develop this report alongside me: Lisa Berry, John Power and Leah Cooper-Southam. Their dedication to transforming aged care in the way we all want is reflected on every page.

Finally, I would like to acknowledge the contribution of my predecessor, Ian Yates AM, as Acting Inspector-General. Preparation of the report commenced on Ian's watch and the team and I would like to publicly express our thanks for his early stewardship.

Older people aren't 'someone else'. They are you. They are every one of us. Even if not right now. Think carefully as you read this report about the system you want to grow old in.

Natalie Siegel-Brown
Inspector-General of Aged Care
30/05/2025

Executive Summary

This is the first progress report prepared under the leadership of the Inspector-General of Aged Care, Natalie Siegel-Brown.

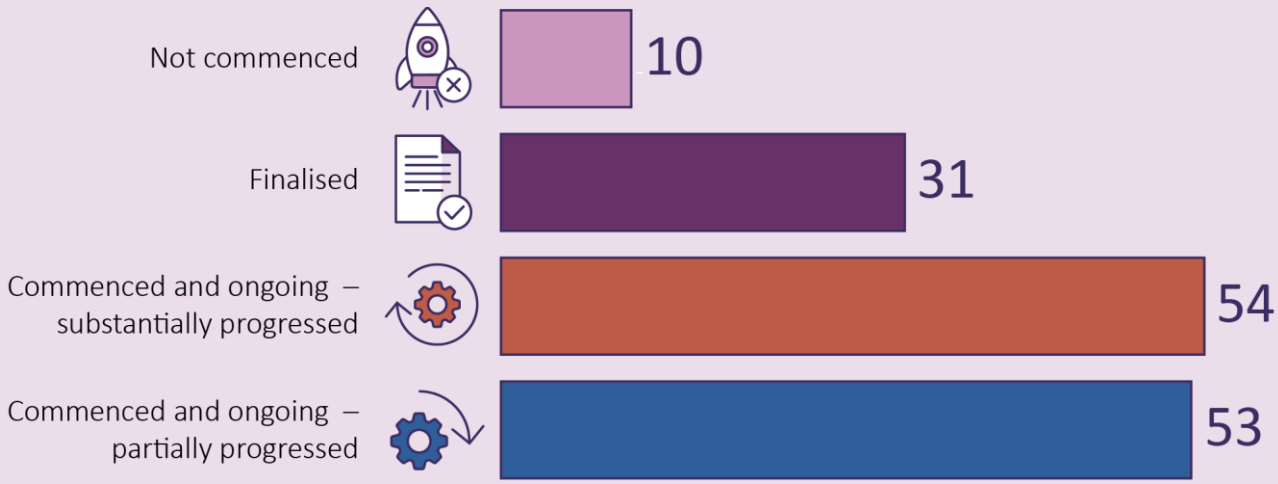
The *Inspector-General of Aged Care Act 2023* (IGAC Act) requires the Inspector-General to assess the government's progress against each of the 148 recommendations of the Royal Commission into Aged Care Quality and Safety (Royal Commission). This is important but the fundamental issue for the Inspector-General, and indeed the broader public, is whether the high volume of government reforms to date have actually transformed the aged care system as envisaged by the Royal Commission, or whether they have, or may, only deliver a 'small shift'.

It is very clear to the Inspector-General that the government is pursuing a wide-reaching and substantial body of work to drive change across the aged care system, and that much of this work is occurring at a very fast pace. This is demonstrated below. But the issue for the Inspector-General was whether those recommendations most catalytic to change were either commenced or on track to begin.

Over the last 4 years successive Australian Governments have implemented a range of reforms and committed to others. The Inspector-General's assessment of implementation progress, which is illustrated in Figure 1 below and explained in detail in Part B of this report, is that 31 recommendations have been finalised.

The implementation of the vast majority of recommendations has commenced and is ongoing, with roughly equivalent numbers either substantially (54) or only partially progressed (53).

Figure 1: Inspector-General's assessment of implementation progress



This report considers whether these numbers are indicative of 'good progress'. The central question the Inspector-General seeks to address in this report is whether collective government reforms are delivering the transformational, whole-of-system change called for by the Royal Commission. Right now that question is more pressing than ever; the government has passed landmark legislation which encapsulates the transformation the Royal Commission envisaged. The new *Aged Care Act 2024* demands a 'forward-looking aged care system' that upholds human rights, supports older people to access funded aged care services that supports them to live 'active, self-determined and meaningful lives' that is equitable in its availability and gives individuals choice and control in the planning of those services.[1] In particular, the Act requires that the care delivered to older people in this country prioritises compassion, kindness, respect for life experiences, dignity, quality of life, mental health and wellbeing.[2]

[1] *Aged Care Act 2024,* subsection 5(b).
[2] Adapted from s20(c)(i), *Aged Care Act 2024.*

The Inspector-General and all stakeholders engaged across this reporting process agree that this legislated objective is exactly that against which the aged care system should aspire to transform. But this cannot just be an aspiration. Now that it is codified by law, system transformation is now mandated. The Inspector-General wants to be sure that the government's policy, programs, funding, administration and regulation of aged care are all consistent with achieving this vision. The public and the government itself need to be confident that the system 'architecture' will create behaviours and culture that solidly deliver on this.

This report shows that, for the most part, government reforms have strengthened the system and moved the sector closer to the model of care Commissioners envisaged when they released their final report in 2021. But as at 1 January 2025, the statutory timeframe for this report, the required sector 'transformation' had not been achieved. Much of the reform agenda has been made up of disparate and sometimes disconnected changes that target specific issues rather than delivering systemic change.

That is not to say reforms implemented by 1 January 2025 have not been worthwhile. The introduction of the new funding model for residential aged care has improved provider viability and strengthened the delivery of clinical care. Significant government investment in sector wages has strengthened the workforce and aided the attraction and retention of staff. Without a workforce there would be no aged care sector.

The development and passage of new legislation, the *Aged Care Act 2024*, is the government's single biggest achievement following the Royal Commission. Billed as a 'once in a generation' change to aged care, the new Act supports the Royal Commission's intent to move to a rights-based, person-centred model of care. In actioning around 60 recommendations, the legislation is a major milestone in the government's response to the Royal Commission.

With commencement currently set for 1 July 2025 its implementation sits outside the timeframe for this report. However, given the primary legislation was settled in 2024, the Inspector-General has considered the extent to which the Act will deliver on the intent of the Royal Commission.

The Act will incontrovertibly implement flagship changes. But when considered in light of the whole model of care envisaged by the Royal Commission, it appears a large number of the recommendations implemented by the Act are not necessarily the ones tantamount to really shifting the system. Many of the recommendations that would truly bring the objectives of the new Act to life remain outstanding. And the implementation of others appears to be more peripheral or completed in a rush. This has the potential to give rise to unintended consequences that threaten to undermine the Royal Commission's broader intention to improve access to quality care and potentially push people who would prefer to age at home prematurely into residential aged care, against the government's own stated ambition for people to age in place.

The Royal Commission recommended the government create an entitlement to aged care.[3] The government chose not to accept this recommendation and therefore the new Act retains a rationed system: the new Support at Home program will eventually aim to achieve average waiting periods of 3 months. This is not the model of timely access to care that the Commissioners called for.

The Inspector-General understands that government budgets are not limitless and that decisions were taken in light of burgeoning demand on a finite budget. However, in this report, the Inspector-General queries whether particular reforms will have the inadvertent effect of both prejudicing access for those who need it most and potentially creating unnecessary expenditure at the tertiary level of aged care.

In response to recommendations from the Aged Care Taskforce, established in 2023 to advise the government on aged care funding, the new Act will require older Australians to contribute towards the cost of their non-clinical care. While exceptions will be made for people who satisfy hardship provisions, doing so under the current model is likely to be difficult for older, vulnerable people.

[3] Recommendation 25: A new aged care program.

It must be said that co-payments are contrary to the Royal Commission's intent. While the Inspector-General understands the reality of the budget constraints, she holds genuine fears that the manner of implementing co-payments may set up a scenario where vulnerable older Australians will forego care: either because they cannot afford it or because they are worried about the cost. This will be a keen area of monitoring for the Inspector-General going forward.

The new Act stipulates every person is entitled to 'high quality care' through the Statement of Rights and its Principles. High quality care is so much more than clinical and restorative care. Just as the Royal Commission aspired, it encompasses peoples' wellbeing, connection to family, friends and community.[4] However the current government funding model sees funding primarily focussed on clinical care, with 'non-clinical care' subject to significant co-payments. This leaves open the possibility that those with the least means will end up receiving the lowest level of care due to their inability to fund the co-payments, despite their entitlement to high quality care under the Act.

For Aboriginal and Torres Strait Islander peoples in particular, the intention to 'mainstream' Aboriginal Community-Controlled services may actually hinder access to care and further worsen the already dire situation identified by the Royal Commission. Indeed, the process is widely feared to undermine the provision of culturally appropriate care and threatens to decrease – rather than encourage – Aboriginal Community-Controlled care provision. For good reason, the Royal Commission recommended proliferating Aboriginal Community-Controlled Organisations (ACCOs) providing aged care by retaining block funding and the development of a specialised co-designed system. The process of mainstreaming runs counter to these recommendations. The Inspector-General holds further concerns that action in this area has not been consistent with the National Agreement on Closing the Gap, to which the Australian Government is a signatory. There is an urgent need to pause and reorient the current approach.

With respect to people with disability, the Inspector-General fears the loss of essential service provision as people move off the National Disability Insurance Scheme (NDIS) and transition to the aged care funding stream. The Royal Commission pointed to the disparity in services and support offered to older people with disability under the NDIS and through the aged care system. Further progress should have been made in the last 4 years to align these systems. The disability sector provides an example across many aspects of care. Aged care officials should be looking at what could be replicated. Having aged care and disability now together in a single portfolio should assist this.

Action to reduce and eliminate restrictive practices is one area where the disability sector is well in front. The new Act does not directly address the continued over-reliance on restrictive practices. This is one of the most serious human rights abuses and further action is urgently needed. Failure to do so seriously compromises the most basic of rights contained within the Act.

The Act also shies away from introducing a Seniors Dental Benefits Scheme. Four years ago, the Royal Commission found many seniors have significant oral health issues. This is not just another health issue; poor oral health has been connected with acquiring dementia; and is also responsible for a significant proportion of hospitalisation.

It is unclear whether government inaction on several recommendations is based on solid evidence regarding the prospective cost or is rather a product of more 'general concern' about a potential 'cost blowout'. The Inspector-General calls on the government to have an informed conversation with the Australian public about the trade-offs associated with not fulfilling the Royal Commission's vision. This conversation needs to be informed by robust evidence on costs and benefits. If that is not currently in the government's hands, gathering it needs to be an immediate priority.

Clearly the findings in this report will not comfort the government but it must be stated: the Inspector-General wants to see the objectives and rights in the new Act achieved as much as the government does. We share the same aims. The Inspector-General is working to highlight the obstacles and, importantly, make sure there is a path to achieving shared goals.

[4] *Aged Care Act 2024,* section 20.

The Royal Commission recommended the establishment of the Inspector-General to improve accountability and transparency in the government's administration, regulation and funding of aged care. To support the government in achieving the meaningful change it aspires to this report seeks to do 2 things:

- shine a light on the current reform agenda and identify where it is found wanting or risks jeopardising the broader intent
- highlight those reforms which would create the greatest change now and where urgent action is needed to prevent predictable and emerging unintended consequences.

In keeping with the statutory functions of her Office, the Inspector-General will continue to advocate for an aged care system that aligns with the intent of the Royal Commission and delivers the best possible care for all older Australians.

Part A: Introduction

The IGAC Act requires the Inspector-General to prepare 2 reports on the Australian Government's progress towards implementing the Royal Commission's recommendations. Section 29 requires the reports set out the 'measures and actions' taken by the government before 1 January 2024 for the first report, and 1 January 2025 for the second.

Part B of this report satisfies the statutory requirement. Covering each of the Royal Commission's 148 recommendations, the table contained there:

- identifies measures and actions taken by the government before 1 January 2025, as reported by relevant government agencies
- identifies as far as practicable any additional measures underway since 1 January and actions planned for the future
- presents the Inspector-General's findings on progress, including an assessment of the indicative government position in relation to each recommendation and delivery status as of 1 January 2025.

In the context of indicative government position, as with the 2024 Progress Report, it is important to note that some recommendations are 'either/or' alternatives reflecting Commissioners' alternative approaches. In some cases, the government is not proceeding with a recommendation, in full or in part, and is pursuing alternative action to deliver on the Royal Commission's underlying intent.

Drawing on the assessment framework used for the Acting Inspector-General's 2024 Progress Report, the Inspector-General's findings in relation to implementation progress differentiate between recommendations that are 'not commenced', 'commenced and ongoing', either 'substantially or partially progressed', and those which are 'finalised'. An explanation of the assessment framework is provided in Appendix A.

The Inspector-General's findings assess the implementation of recommendations. They provide an assessment of implementation progress in the context of what the Royal Commission called for.

The covering report at Part A brings together the Inspector-General's findings, examining at a whole-of-system level whether the government is implementing the transformational change to aged care that the Royal Commission called for. It has been informed by extensive consultation with peak consumer, provider and professional bodies, aged care providers, academics and officials and, critically, people with lived experience of residential care, home care and respite services.

Structure of the covering report

This report has two components: Part A and Part B.

Part A is structured around five critical questions that examine the progress of aged care reforms and the extent to which they uphold the intent of the Royal Commission. The questions form the chapters of this report as follows:

1. What is the essence of the system the Royal Commission aspired to, and how would it enhance peoples' lives as they age?
2. Have the government's reforms (up to 1 January 2025) transformed aged care as the Royal Commission envisaged?
3. Will the new Act, and accompanying reforms, achieve the transformation the Royal Commission sought?
4. Could these new reforms have unintended consequences or create perverse incentives?
5. What action could get the reforms on track to deliver the promised transformative change and eliminate unintended consequences?

Part B provides a separate implementation progress update for each recommendation and is comprised of information provided by government agencies and the Inspector-General's findings.

Preparation of the report

When preparing this report the Office undertook 2 streams of stakeholder consultations. The first stream involved consultations with Australian Government agencies with a role in the administration, governance and regulation of aged care. These agencies included the then Department of Health and Aged Care which has subsequently become the Department of Health, Disability and Ageing (the department), the Aged Care Quality and Safety Commission (ACQSC), Independent Health and Aged Care Pricing Authority (IHACPA) and the Department of Social Services (DSS). For the second stream the Office consulted with key stakeholders and individuals with lived experience of aged care. A list of those consulted is provided in Appendix B.

The views of stakeholders, and the experiences and observations individuals shared with the Office, are noted throughout the report. Submissions supporting the preparation of the report, where publicly available on the Office's website, are referenced in the report. To respect the confidentiality of people who participated in roundtable and lived experience sessions, no attribution is made beyond identifying the nature of the contributor – for instance, as a 'consumer peak', 'a provider' or 'a participant' in a roundtable or lived experience session.

To support the Office's assessment of recommendations specifically focused on delivering equity for Aboriginal and Torres Strait Islander people, the Inspector-General and her Office met with the Interim First Nations Aged Care Commissioner, Andrea Kelly, and her Community-Controlled Leadership Group. The Office also convened a round table of ACCOs directly providing aged care or advocating for Aboriginal and Torres Strait Islander people in aged care and participated in a providers' Yarning Circle. The Office also refers to Ms Kelly's report *Transforming Aged care for Aboriginal and Torres Strait Islander People*, informed through extensive community consultations across the nation, in its findings.

Throughout the comprehensive consultation undertaken by Ms Kelly, Aboriginal and Torres Strait Islander people indicated a preference for the terminology 'Aboriginal and Torres Strait Islander' in place of 'First Nations'. To respect this, the Office has adopted this terminology for the 2025 Progress Report.

1. Consultations with the department

The department was asked to provide detailed information on the implementation of each recommendation as at 1 January 2025, covering:

- an indicative government position (noting the current government has not responded to every recommendation)

- implementation measures and actions before 1 January 2025, including legislation, information technology changes and key policy decisions
- implementation status, using the assessment framework at Appendix A
- further measures or actions planned but not yet commenced
- whether implementation measures and actions to date had been consistent with what the Royal Commission recommended
- evidence to support the assessment of implementation status.

2. Consultations other Australian Government agencies

The Office issued similar requests for information from ACQSC, IHACPA and DSS. Each agency was only required to provide information for recommendations with direct relevance to their portfolios.

These agencies were asked for input that covered:

- implementation status – measures and actions undertaken as at 1 January 2025
- any subsequent and planned measures or actions
- whether implementation to date was consistent with the Royal Commission's recommendations
- evidence to support the implementation status assessment.

3. Targeted discussions

The Office held semi-structured discussions with government and non-government groups that had specialist knowledge of the aged care sector and reforms. These discussions provided the Office with critical perspectives regarding the success of aged care reforms to date, informed the Office of the available datasets and intelligence gathering ongoing in the sector, and highlighted areas for future investigations. The Office thanks the participants in those meetings.

4. Public submissions

The Office called for public submissions on 13 February 2025. Contextual information and a guide to questions were posted on the Office's website. Invitations to make a submission were issued, as well as public calls in all leading aged care media. Those responding had scope to provide comments on any aged care matter; they were not limited to answering the identified questions.

Eligible submissions could be in written form and submitted digitally or physically. The Office also invited verbal submissions to be made through a dedicated phone line.

A total of 42 submissions were received. Submissions came from consumer and provider peak organisations, other key stakeholders in the aged care sector, state and territory agencies, and members of the public. The submissions provided invaluable information about implementation progress 'on the ground' and important insights into the broader aged care reform agenda and the impact of initiatives introduced in response to recommendations. Organisations and individuals also took the opportunity to draw attention to outstanding issues and areas of concern.

Submissions for the 2025 Progress Report have been published on the website for the Office, unless confidentiality was requested.

5. Roundtables

The Office held 4 roundtable discussions, each with 4 distinct cross sections of stakeholders, being:

- organisations representing consumers
- representatives of aged care providers
- people who have diverse backgrounds, lived experience and circumstances
- one with Aboriginal and Torres Strait Islander representatives and providers.

Each session lasted several hours and provided an opportunity for in-depth discussion about the progress of the aged care reforms.

The roundtables were especially beneficial, testing and examining views in greater detail. These discussions allowed for robust discussion of ideas, perspectives and experiences, particularly in relation to what matters most for older people among the reforms and emerging unintended consequences.

6. Lived experience seminar

The Office received assistance from the Older Persons Advocacy Network (OPAN) to engage with people with lived experience of the aged care sector. The Office had the privilege of hearing from care recipients (covering home and residential care), carers, family members, health professionals, advocates and supporters.

People who participated were inordinately generous and courageous in sharing some very traumatic experiences. The Office would like to thank everyone who participated for their willingness to tell their stories which, at times, were clearly very painful but told with humility to demonstrate their experiences of the system. These sessions provided invaluable insight to the tangible impacts of aged care reform on older people and their carers, and greatly benefited the report.

CHAPTER 1:

What was the essence of the system the Royal Commission aspired to and how would it enhance people's lives as they age?

The Royal Commission called for an aged care system capable of supporting people to age how they want. Commissioners Pagone and Briggs envisioned a reformed aged care system which, at its core, was founded on rights and self-determination and delivered high quality, person-centred care, capable of preserving the wellbeing of older people and ensuring dignity and quality of life for all Australians as they age.

Rights-based, consumer-driven care

The Royal Commission called for the establishment of a new rights-based, person-centred aged care system to ensure older people are treated with humanity, dignity and respect.[5] To achieve this, Commissioners recommended enshrining the rights of older people who are seeking or receiving aged care in a new Act. They envisaged older people being empowered to invoke their rights when seeking protection from neglect, and its effects, by providers or government.[6]

To underpin this rights-based system Commissioners said all older people in Australia should be entitled to funded care. They explicitly warned of the problems of 'rationing' care, where only a limited pool of government money is set aside for aged care and once spent, people either miss out or have to wait to get access to care. Commissioners instead called for a demand-driven system underpinned by a universal entitlement to provide guaranteed access to aged care based on assessed need.

A rights-based system values care recipients and their life experiences. Stating 'diversity should be core business in aged care'[7] Commissioners wanted the new aged care system to embrace and accommodate the diversity, difference and the inherent complexity of individuals.

For Aboriginal and Torres Strait Islander people the Royal Commission recognised 'ongoing trauma and exclusion caused by colonisation and dispossession, compounded by institutionalised and systemic racism have made Aboriginal and Torres Strait Islander people the most disadvantaged in the country'.[8]

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[5] *Royal Commission into Aged Care Quality and Safety, Final Report: Care, Dignity and Respect*, Vol. 3A: The new system, p. 19.
[6] Recommendation 2: Rights of older people receiving aged care; Recommendation 3: Key Principles; see also *Royal Commission into Aged Care Quality and Safety, Final Report: Care, Dignity and Respect*, Vol. 3A: The new system, p. 17.
[7] Recommendation 2: Rights of older people receiving aged care; Recommendation 3: Key Principles; see also *Royal Commission into Aged Care Quality and Safety, Final Report: Care, Dignity and Respect*, Vol. 1: Summary and recommendations, p. 79.
[8] Kelly, A. 2024, *Transforming Aged Care for Aboriginal and Torres Strait Islander people*, report by the Interim First Nations Aged Care Commissioner, p. 6.

Commissioners concluded that a lack of bicultural, mainstream care, limited access to Aboriginal-controlled care on Country, combined with many peoples' fear of institutional settings, have led to Aboriginal and Torres Strait Islander people being significantly under-represented in aged care.

The Royal Commission laid out a blueprint for significant change to Aboriginal and Torres Strait Islander aged care. Commissioners proposed an aged care system that provides 'Aboriginal and Torres Strait Islander people with meaningful choice – that is, choice between mainstream aged care providers with improved cultural capability and awareness, and… providers who are predominantly Aboriginal and Torres Strait Islander-run and staffed and whose services are directed to Aboriginal and Torres Strait Islander people'.[9]

The Royal Commission called for culturally safe, trauma-informed aged care services that prioritise wellbeing, spiritual needs and connection to culture, family, community and Country or Island Home. Commissioners saw it as integral that there are more local Aboriginal community-controlled services delivering aged care, flexible funding and a system that caters for diverse and changing needs of Aboriginal and Torres Strait Islander people. They called this the 'Aboriginal and Torres Strait Islander Care Pathway' and prescribed that it should be independent of mainstream systems of care (noting that many Aboriginal and Torres Strait Islander people are in mainstream systems and huge change needs to occur among those providers to deliver culturally safe, healing-informed care). In recommending the development of a pathway Commissioners were emphasising the need for a co-designed approach to the design and delivery of culturally appropriate care.

An accessible, high quality system

Finding the existing system overly complex and difficult to navigate, the Royal Commission wanted to create an aged care system that is accessible and readily understood. Commissioners called for greater face-to-face support for older people, their families and carers. To provide this support they recommended the establishment of a network of 'care-finders', enhancements to My Aged Care and the resourcing of care management. To improve transparency and assist decision making, the Royal Commission recommended the development of a star ratings system for residential and home care services. This system was also seen as a means of driving improvements in the quality of care.

Stronger regulatory tools and revised Aged Care Quality Standards (Quality Standards) were recommended to ensure services are safe and high quality. Commissioners recognised that it was critical to ensure the system regulator, ACQSC, was appropriately resourced and recommended the government commission an independent review of ACQSC's capabilities.[10]

Effective complaint-handling processes were seen as vital to addressing issues with the safety and quality of care for individuals, as well as identifying broader systemic issues with care provision.[11] Finding a deficit of trust, transparency and resolution in the existing complaints process, Commissioners recommended the establishment of an independent Complaints Commissioner and improved complaints-handling processes.

For providers, Commissioners called for strengthened governance arrangements and the imposition of prudential and financial management requirements.

Holistic, safe and supported aged care

The Royal Commission envisaged an aged care system where older people receive health care commensurate with their clinical and functional needs and on the same basis as other Australians. Finding a raft of problems with the interface between aged care, the primary health system and hospitals, Commissioners called for better integration and cooperation between different levels of government. In recognition of poor oral health

[9] *Royal Commission into Aged Care Quality and Safety, Final Report: Care, Dignity and Respect*, Vol. 3A: The new system, p. 245.
[10] Recommendation 104: Aged Care Quality and Safety Commission Capability Review.
[11] *Royal Commission into Aged Care Quality and Safety, Final Report: Care, Dignity and Respect*, Vol. 3B: The new system, p. 507.

and peoples' limited access to dental care, they recommended the establishment of a Seniors Dental Benefits Scheme.[12]

Concerned about the greater levels of support provided for people with disability under the NDIS, Commissioners called for equity for older people with disability in aged care.[13]

Restrictive practices

Commissioners wanted aged care recipients to have an equal level of protection from restrictive practices as other members of the community. Identifying restrictive practices as raising fundamental human rights questions, Commissioners identified that strong regulatory requirements were needed to enable this protection across the sector, especially for people with challenging behaviours.

Workforce

Commissioners found that systemic workforce issues were a key factor in the delivery of substandard care. The Royal Commission called for a system with strategic workforce planning, better pay and specialist career pathways, recognising that career progression is critical to improving the attraction and retention of staff to the aged care sector.

Commissioners wanted greater priority given to education and training, including mandatory minimum qualifications for personal care workers. Mandatory training for all client-facing workers in culturally safe and trauma-informed care was seen as critical to delivering person-centred aged care. Similarly, mandatory dementia training was perceived as central to supporting staff to respond appropriately to people with challenging behaviours resulting from the disease.

To support the professionalisation of care and to safeguard those in care, Commissioners saw it as vital that worker screening and a national registration scheme were established.

Government response

Achieving the Royal Commission's vision would require an overhaul of established legislation, policies and programs. Prioritisation would need to be given to the 'architectural' recommendations and a well-planned, systematic rollout of change needed to be implemented across the aged care system. Genuine consultation, co-design and information exchange was needed to support the development, understanding and introduction of reforms.

Four years later, this has not occurred.

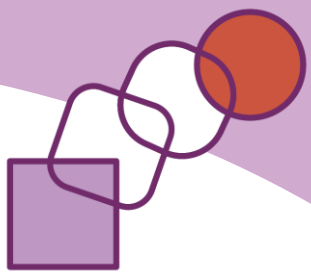
The following chapters outline key reforms successive governments have implemented in response to the Royal Commission and the extent to which these changes are delivering – or are likely to deliver – the transformation Commissioners intended.

A detailed analysis of implementation progress for each of the 148 recommendations in light of the Royal Commission's intent is provided in Part B of this report.

[12] Recommendation 60: Establish a Senior Dental Benefits Scheme.
[13] Recommendation 72: Equity for people with disability receiving aged care.

CHAPTER 2:

Have the government's reforms (up to 1/1/2025) transformed aged care as the Royal Commission envisaged?



Overview

The Royal Commission laid the foundations for generational change to Australia's aged care system. Commissioners envisaged a fundamental transformation from a provider-focused system to one which places older people at the centre of care and treats their rights and needs as the foremost objective.

Successive governments have made significant efforts in a number of areas towards turning the Royal Commission's vision into a reality. However, taken in totality, government approaches to implementing the required reforms have been fragmented. Some key government decisions about the fundamental architecture of the 'new system' do not align with the Royal Commission's approach.

The Inspector-General understands that systemic transformation of the scale required by the Royal Commission is difficult and takes a long time. The Inspector-General would not have anticipated that even the most perfect implementation would have delivered all 148 recommendations by now. However, wholesale change of the nature demanded by the Royal Commission's findings and recommendations – and as agreed by the government – requires a true theory of change from the start. Transformation requires that from the very beginning, public servants and executive government stop to think deeply about which of the recommendations will catalyse the greatest change, and embark on those first, with a cascading focus on the others. These priority recommendations often require agencies to think about what they need to stop doing as much as what they need to start (or even keep) doing.

The Inspector-General has been provided no evidence that any policy logic or 'theory of change' approach was developed to deliver a roadmap to the 'destination of change' envisaged. The Inspector-General queries whether early attention was given to implementing low hanging fruit – those recommendations, or parts thereof, that were the quickest or easier to implement. As a consequence, the big catalysts to change have had to be, or will need to be, subsequently retrofitted, heightening the risk that unintended consequences emerge.

The net result is this will seriously frustrate the delivery of the vision entailed by the new *Aged Care Act 2024*[14] which encapsulates the radical change envisaged the Royal Commission.

Therefore, the Office cannot conclude that transformative change has occurred as at 1 January 2025, the statutory timeframe for this report.

[14] *Aged Care Act 2024,* section 5.

Action to deliver rights-based, person-centred aged care

Government approaches to rights

The new *Aged Care Act 2024* represents the first concrete action to predicate the design of the aged care system squarely on protecting older people and promoting their rights.

Prior to the Royal Commission, initiatives to embed individuals' rights within the framework of the *Aged Care Act 1997* included, for example, aspects of the former aged care standards and the Charter of Aged Care Rights contained within the User Rights Principles 2014. Commissioners were highly critical of the charter, citing its lack of recognition of the rights of people who need care and considered that including it within a schedule to subordinate legislation 'lessens their weight' within the legal framework.[15]

Following the Royal Commission, government attempts to protect and promote the rights of older people seeking or receiving aged care fell manifestly short of achieving the system-wide transformation the Royal Commission considered vital.

Universal entitlement to aged care and waiting lists

The government has not delivered a universal entitlement to aged care. There has been action to provide more timely access to in-home care through additional funding to expand the number of Home Care Packages.[16] While this has allowed more people to receive care in their own homes, the Royal Commission's target of reducing wait times to no longer than one month has remained an elusive goal. The Office continues to hear that substantial delays in accessing care are an all-too-common experience for older people, resulting in significant health and emotional costs. Extended delays also call into question the effectiveness of government actions to date, and public confidence that the aged care system can meet older peoples' needs and aspirations.

Stakeholders have also reported that the new single assessment system, which commenced in December 2024, has not – as of May 2025 – alleviated delays in accessing assessments, nor simplified assessment processes for older people and their families and carers.

Catering for different backgrounds and life experiences

Government reforms to date have largely ignored the Royal Commission's recommendations for wholesale improvement in the system's capacity to meet the needs of older people from diverse backgrounds.

Requirements for regular, competency-based training have been included in Outcome 2.9 of the strengthened Quality Standards. This falls short of the Royal Commission's call for mandatory training. It should be noted though that specialist care training modules have been developed which aim to build workers' capacity to care for people with complex care needs, including dementia.

The introduction of the Specialisation Verification Initiative in June 2022, which ensures that providers who claim expertise in serving diverse needs groups are justified in doing so, has been positively received by many within the sector. It provides a means of strengthening informed decision making for consumers and improving accountability for providers who claim to offer specialised aged care services.

The government has made small funding investments to improve the data collection for diverse demographics. The Older Person's Advocacy Network (OPAN) was provided with $6.2 million in funding over

[15] *Royal Commission into Aged Care Quality and Safety, Final Report: Care, Dignity and Respect*, Vol. 3A: The new system, p. 17.
[16] Recommendation 39: Meeting preferences to age in place.

4 years from 2021 to provide local level 'diversity data' and educational tools to aged care providers, to drive understanding and meet the diverse needs of their community.

However, these cannot constitute transformative reforms. To effectively provide high quality and safe care to people from diverse backgrounds, all aged care providers need to have an inclusive culture and be capable of providing culturally appropriate care to all people, regardless of their backgrounds and life experiences. The Office has heard that this is not presently the case. Additionally, mandatory training in cultural safety and trauma-informed service delivery, which is critical to achieving that goal, has not been put in place despite the Royal Commission explicitly calling for it.[17]

The commencement of the new Act, with its emphasis on rights-based, person-centred care, could help drive the cultural change needed to position diversity at the centre of care. That transition, if it comes, is unlikely to happen quickly.

Equity for Aboriginal and Torres Strait Islander people

Government reforms to 1 January 2025 have not transformed aged care for Aboriginal and Torres Strait Islander people.

There are positives: the integrated care work with communities being progressed by the department across multiple trial sites represents substantial progress, as does the additional support for National Aboriginal and Torres Strait Islander Flexible Aged Care (NATSIFAC) program providers, the assistance for Aboriginal and Torres Strait Islander Community-Controlled Organisations (ACCOs) to build aged care capacity, and the establishment of the Elder Care Support program.

However, in relation to the systemic changes the Royal Commission called for, including the establishment of an Aboriginal and Torres Strait Islander pathway, little has been achieved. The Inspector-General is not just deeply concerned about the lack of progress to date but more significantly that the current direction of the government's reform agenda may in fact worsen access to appropriate care for Aboriginal and Torres Strait Islander people. This is explained in greater detail in subsequent chapters.

With reference to the statutory timeline for this report, the Inspector-General endorses the findings in the Interim First Nations Aged Care Commissioner, Andrea Kelly's 2024 report *Transforming Aged Care for Aboriginal and Torres Strait Islander people*. Ms Kelly's report was informed by extensive consultation with older Aboriginal and Torres Strait Islander people, their families, peak bodies, representative bodies, providers and advocacy organisations across urban, regional, remote settings and with very remote communities.

Ms Kelly expressed that 'sadly, the aged care system was never designed with older Aboriginal and Torres Strait Islander people in mind. My consultations revealed that not enough has changed for Aboriginal and Torres Strait Islander people since the Royal Commission… 4 years ago. The aged care system has failed, and continues to fail, older Aboriginal and Torres Strait Islander people. The system is still not providing culturally safe care and is poorly placed to meet projected growth in demand of aged care services for older Aboriginal and Torres Strait Islander people'.[18]

Ms Kelly's report made extensive findings, which echo and extend the Royal Commission's findings. She found that Aboriginal and Torres Strait Islander people entering the aged care system continue to face additional barriers and challenges compared to other Australians. This is magnified for Stolen Generations survivors, for whom institutional care environments distressingly re-trigger past trauma. Ms Kelly heard that many Aboriginal and Torres Strait Islander people continue to be disconnected from Country as they age, causing great personal and community distress, especially if they die off Country. There remains a lack of culturally appropriate communications to support people to understand and access the aged care system. Aboriginal and Torres Strait Islander people report that complaints processes continue to be difficult to understand and navigate and culturally unsafe.

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[17] Recommendation 30: Designing for diversity, difference, complexity and individuality.
[18] Kelly, A. 2024, *Transforming Aged Care for Aboriginal and Torres Strait Islander people*, report by the Interim First Nations Aged Care Commissioner, p. 2.

The Inspector-General believes that delivering on the intent of the Royal Commission's vision requires a rethink in the way the aged care system is designed and administered by the government for Aboriginal and Torres Strait Islander people. The starting point should have been a partnership between the department and ACCOs to develop an end-to-end pathway, based on a joint understanding of problems to be solved and the means by which they could be addressed. The decision has instead been made by government to 'mainstream' ACCO aged care service delivery for another 4 years.

This is despite the government's commitment under the National Agreement on Closing the Gap to share decision making with Aboriginal and Torres Strait Islander people, build the Aboriginal community-controlled sector, transform government organisations and share access to data.[19]

As evident in the Inspector-General's findings in Part B of this report in relation to recommendations 47 to 53, these 'failings' have been responsible for a lack of commencement or meaningful progress in the design and delivery of aged care to Aboriginal and Torres Strait Islander people.

High quality care

The Royal Commission declared that high quality and safe care 'must be the foundation of aged care.'[20] Crucially, high quality care 'puts older people first' and helps them to 'live a self-determined and meaningful life through expert clinical and personal care services, provided in a safe and caring environment'.

Reforms to embed high quality care into the aged care system are to be implemented with the commencement of the new Act and the Quality Standards on 1 July 2025. Ahead of this, very few tangible steps have been taken to ensure the sector will and can consistently deliver the detailed characteristics of 'high quality care' defined by the Act. This is no small thing; the definition within the Act embodies the standard to which all aged care should be delivered in this country.[21]

The introduction of care minutes and 24/7 nursing requirements in residential aged care aimed to raise the quality of clinical care for residents, but do not address broader 'wellbeing' dimensions of care. One statement that resounded across the forums convened by the Inspector-General was: 'When you ask older people what matters to them most, it's the cultural, social and emotional connection and support much more so than whether their wound has been dressed… Living a good life is far more important than clinical health'. Indeed that is the very philosophy embodied by the government's definition of high quality care in the new Act, but the introduction of the Australian National Aged Care Classification (AN-ACC) funding model that supports the implementation of care minutes could risk undermining a holistic notion of high quality care, given many providers responded by reducing their spending on allied health care and lifestyle activities.

Across the board, stakeholders have told the Inspector-General's Office that the care older people are receiving is not currently tailored to meet their needs, ensure their quality of life, or meet their expectations and personal preferences, nor is it consistently provided in a timely way. Individuals consulted through lived experience forums, for example, have cited feelings of isolation in residential aged care, inadequate access to social engagements and activities, and pointed to the substandard quality of their food and nutrition.

The Office heard many tangible examples of where the quality of care failed to meet expectations. One participant who voiced concern about the standard of nutrition and food in aged care explained 'food delivery, to my mind is an issue that's important where people can't get out of their rooms and they might wait quite a distance for food to be delivered to them. And it's not necessarily warm or even partly warm when it arrives in the rooms.'[22] The Inspector-General has also consistently heard how important food type and preparation is to the care of culturally and linguistically diverse older people, demonstrating culturally competent care. It can be tightly annexed to an individual's cultural and religious identity. Consistently,

[19] Australian Government Productivity Commission, 2024, *Review of the National Agreement on Closing the Gap*, p. 94.
[20] *Royal Commission into Aged Care Quality and Safety, Final Report: Care, Dignity and Respect*, Vol. 3A: The new system, p. 89.
[21] See *Aged Care Act 2024,* section 20.
[22] Older Persons Advocacy Network (OPAN), National Older Persons Reference Group, 2025.

research also demonstrates that the nutrition in aged care has a direct correlation to preventing risks from falls.[23]

Strengthened complaints mechanisms and regulatory oversight

Complaints Commissioner

The government has taken positive action to improve the complaint-handling framework following the Royal Commission. In May 2023 an inaugural Complaints Commissioner was appointed within ACQSC, and an additional 21 staff were recruited to support the Complaints Commissioner in carrying out their role. The Complaints Commissioner published the first dedicated complaints report in November 2023, increasing transparency about the extent to which the complaints system is achieving positive outcomes for complainants. Complaints reports continue to be published at least every 6 months.

Beyond this, there is little tangible evidence that complaint-handling processes have substantially improved since the Royal Commission. Individuals contributing to the preparation of this report through submissions and lived experience forums have explained they continue to find complaints channels overly complex and slow. Several said they have made repeated complaints about the same issue without having their concerns fully resolved.

When it comes to complaints there is little confidence among those the Office engaged with that providers are being held to account for poor-quality care, and concern about reprisals is evident. People spoke of retribution being directed at older people receiving care, their family members and even workers who seek to report incidents.[24]

The Aged Care Quality and Safety Commission and regulatory framework

Successive governments have pursued reforms to strengthen ACQSC and the regulatory framework. More substantial change, however, has not yet been realised and will be contingent upon implementation of the new Act.

An independent capability review, conducted by David Tune AO PSM, was released on 21 July 2023. Mr Tune made 32 recommendations to retain and build ACQSC's capabilities, all of which were accepted by the government. These were targeted at addressing critical capability gaps, including with its organisational structure, leadership and governance. They also sought to address significant problems in its complaints processes and with the Serious Incident Response Scheme (SIRS). Mr Tune also said ACQSC needs a better understanding of the diverse needs and circumstances of older people, including Aboriginal and Torres Strait Islander peoples, those from culturally diverse backgrounds and vulnerable people.

Stakeholders who have commented on ACQSC's performance of its responsibilities, and the regulatory framework it enforces, have also emphasised the need for capability improvements. Consumers, in particular, expressed their frustrations and talked about the personal impact of poor regulatory processes, with many stories reminiscent of concerns presented to the Royal Commission over 4 years ago.

Strengthened Aged Care Quality Standards

Significant progress has been made in the development of the strengthened Quality Standards, with the Minister for Aged Care approving the final standards in November 2023. An assessment of whether the standards will drive meaningful improvement across the outcomes they cover will need to be made after they come into effect on 1 July 2025.

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[23] Appeadu MK, Bordoni B. *Falls and Fall Prevention in Older Adults*, [Updated 2023 Jun 4]. In: StatPearls [Internet]. Treasure Island (FL): StatPearls Publishing; 2025 Jan-. Available from: https://www.ncbi.nlm.nih.gov/books/NBK560761/.

[24] United Workers Union, submission to the Office of the Inspector-General of Aged Care (OIGAC), 2025 Progress Report, p. 3.

Stakeholder commentary at this point varies from cautious optimism to concern about their potential impacts. Dementia Australia's submission expressed hope that the strengthened standards will address key dementia care challenges, such as staff training gaps and continued reliance on chemical restraints.[25] Palliative Care Australia praised Standard 5.7, stating that it sets clear requirements on providers to deliver palliative and end-of-life care.[26]

Conversely, the Office has heard concerns from providers about the level of prescription within the standards. Larger providers, including high performers, perceive this level of prescription as potentially imposing unnecessary burdens and hindering innovation and flexibility.

Complexity, navigation and face-to-face support

Care finders

To meet the need for face-to-face support identified by the Royal Commission,[27] the government launched the care finder program in April 2023. Stakeholders have reported that care finders have been instrumental in supporting people in vulnerable circumstances to access aged care.

However, as noted in the Acting Inspector-General's 2024 Progress Report, the scope of the care finder program is considerably narrower than envisaged by the Royal Commission, which prevents it from delivering the level of assistance Commissioners expected. The care finders program has not transformed access to aged care and neither has the Services Australia's Aged Care Specialist Officers (ACSO) initiative. While a valuable adjunct, there are too few ACSOs to satisfy the demand for in-person support.

Star ratings

The publication of a star ratings system[28] to help consumers to make informed decisions about their care options, and to hold providers accountable for the quality of their care, has been a welcome reform. An independent evaluation conducted by KPMG in 2024 identified improved performance across the sector in the delivery of higher-quality care.

Despite iterative enhancements since its inception, a range of well-documented shortcomings continue to undermine the effectiveness of star ratings in distilling useful information to older Australians about the performance of aged care homes.[29]

Many of these relate to the design of the system, including the methodology for calculating ratings, especially in respect of the compliance and staffing ratings. Contrary to what the Royal Commission recommended, the current scope of star ratings only extends to residential aged care, and not in-home aged care services where the majority of older Australians receive their care. Low levels of public awareness and trust in the accuracy of information has also prevented the system from realising its full potential as a comprehensive performance rating system that allows older people and their families to differentiate between providers.

Care management

Care managers, responsible for day-to-day coordination of care, were envisioned by the Royal Commission as having a central role in improving face-to-face support for people receiving aged care.[30] They were intended to co-design care plans with care recipients and their carers, identify the services needed, manage and organise services, monitor their delivery and arrange reassessments when needed.

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[25] Dementia Australia, submission to OIGAC 2025 Progress Report, p. 3.
[26] Palliative Care Australia, submission to OIGAC 2025 Progress Report, p. 3.
[27] Recommendation 29: Care finders to support navigation of aged care.
[28] Recommendation 24: Star ratings: performance information for people seeking care.
[29] See Commonwealth Ombudsman, *Aged Care Star Ratings,* 31 October 2024; Allen & Clarke Consulting, *Evaluation of Star Ratings for Residential Aged Care*, 19 November 2024.
[30] Recommendation 31: Approved provider's responsibility for care management.

It is unclear to what extent providers are offering care management services and whether care managers are delivering the range of functions the Royal Commission proposed.

Improving health and aged care services

Care services interface

Successive Australian Governments have implemented only piecemeal responses to the suite of recommendations aimed at improving the interface between the health and aged care systems, having largely stepped away from – or stalled action on – the systemic changes the Commissioners proposed.

The Office has consistently heard that people in residential aged care have not experienced any improvement in their access to general practitioners or specialists, while their access to allied health professionals has diminished.

Successive governments have also done little to improve access to mental health services for older Australians and there has been no progress to establish a Senior Dental Benefits Scheme despite declining oral health among older Australians. Successive governments have also not actively pursued the recommendation for regular medication management reviews, which is alarming in light of the Commissioners' concerns over the prevalence of medication mismanagement in aged care.

There has also been no tangible progress regarding the interface between hospitals and aged care. The Office consistently hears of older people being 'stuck' in hospital without a clinical need to be there. This is due to systemic failures in the response older people receive to their needs in hospitals and discharge procedures, underpinned by poor cooperation and cost shifting between the Australian Government-controlled aged care system and the state and territory hospital systems. While the department has pointed to the development of a 'statement' to clarify jurisdictions and providers responsibilities for delivering health care to people receiving aged care, as mentioned in the Acting Inspector-General's 2024 Progress Report, neither the Office or many of our stakeholders perceive it as offering any further clarity or stimulating behavioural change in the system. This is an area where the clinical response older people receive in state and territory health systems holds large responsibility.

The one area which appears to have seen some progress is in relation to data, where the department continues to partner with the Australian Institute of Health and Welfare (AIHW) on a range of initiatives. Progress in this area is, however, limited and cannot be considered transformative.

The intersection between the National Disability Insurance Scheme and aged care

Successive governments have also not delivered equity between the NDIS and the aged care system. Tangible differences remain in the level of disability-specific support available through the NDIS and what is available in the aged care system. Currently, people are only eligible for the broader support available through the NDIS if they join the scheme before turning 65. Once someone on NDIS enters residential aged care or starts receiving home care services permanently for the first time after turning 65, they lose access to the NDIS, and the specialised disability supports it provides. For a full pensioner with disability on the NDIS, entering aged care could mean losing access to critical care they were previously entitled to.

In the consultations for this report, the disparity between disability support offered through the NDIS and the aged care system was repeatedly raised. It is an area of heightened concern for those with lived experience who have transitioned from the NDIS into aged care or will do so in their immediate futures.

There has been progress towards meeting the Royal Commission's goals of ensuring that younger people are not living in residential aged care, unless in very limited circumstances.[31] Further progress is largely tied to sufficient age-appropriate alternatives being available. In this context, it is important to recognise that recommendation 74(f), which required the Australian and state and territory governments to develop, fund

[31] Recommendation 74: No younger people in residential aged care.

and implement accommodation and care options for younger people ineligible for the NDIS and in or at risk of entering aged care, has not been implemented. Additional progress on this front is uncertain at present.

Restrictive practices

The Royal Commission identified eliminating or reducing restrictive practices as one of 4 areas for immediate improvement. Identifying restrictive practices as raising fundamental human rights questions, they called for the new Act to include the right to liberty, freedom of movement and freedom from restraint.[32] Commissioners called for strong regulatory requirements to improve the quality of care across the sector, especially for people with challenging behaviours. To reduce restrictive practices in care, recommendations 22 and 23 sought improvements in quality indicators, while recommendation 65 proposed restricting the prescription of antipsychotics, a common form of chemical restraint, and recommendations 80 and 86 sought to ensure workers have the skills and time to respond to challenging behaviours.

Basic principles applying to the use of restrictive practices, as reinforced by the Royal Commission, are that they should only ever be used as a last resort, that a behaviour support plan must be in place, and they should never be used as a substitute for an inadequate, insufficient or untrained workforce.

The government promptly responded with some legislative changes seeking to prevent the inappropriate use of restrictive practices in residential care and, subsequently, to consent requirements for the use of restrictive practices. SIRS was established, which relies on providers to self-report the inappropriate use of restrictive practices in both residential and home care settings. Quality Indicators require mandatory reporting on use of all restrictive practices, excluding chemical restraint.

Aged care providers are only able to use a restrictive practice in a limited range of prescribed circumstances. Despite these controls, the use of restrictive practices remains high. The most recent AIHW Quality Indicator data shows that over time the proportion of aged care recipients who were restrained, either physically, mechanically, environmentally or via seclusion has only fallen from 22.7% in the first quarter of 2021–22 to 18.5% in the fourth quarter of 2023–24.[33] These figures do not cover chemical restraint. The latest SIRS data show that reports of inappropriate use of restrictive practices have not decreased over recent years.[34]

The Inspector-General agrees with the large number of stakeholders who have told the Office that not enough progress has been made to reduce the use of restrictive practices, particularly chemical restraints used to control the behaviours of those deemed challenging.[35] Also of concern is the reliance on locked units and the adoption of the 'consent model' that relies heavily on substituted decision makers. This is as opposed to the 'senior practitioner model' advocated by the Royal Commission, where approval for using restrictive practices was to be granted by an independent clinical expert. It also falls short of the 'supported decision-making' approach where older people are assisted to make decisions, rather than have others routinely make them on their behalf.

The Office must conclude that the changes made to date, while welcome, fall well short of the transformation the Royal Commission called for. The use of restrictive practices has been neither eliminated nor significantly reduced. This is a fundamental breach of human rights.

Palliative care

Commissioners said 'compassionate, respectful and individualised support for older people approaching the end of their life is a necessary component of aged care services'.[36] They saw it as urgent and essential that workforce expertise and capability in palliative care be increased and for providers' responsibilities to be clearer. Following the Royal Commission there have been improvements in relation to palliative care.

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[32] Recommendation 2: Rights of older people receiving aged care.
[33] Australian Institute of Health and Welfare, 2024, *Residential Aged Care Quality Indicators: Annual Report 2023–24*, Variation over time, p. 8.
[34] Productivity Commission, 2025, *Report on Government Services*, Part 14: Aged Care Services.
[35] Dementia Australia, Submission to OIGAC 2025 Progress Report, p. 3.
[36] *Royal Commission into Aged Care Quality and Safety, Final Report: Care, Dignity and Respect*, Vol. 3A: The new system, p. 117.

In residential aged care, the development of 'AN-ACC Class 1' provides higher funding for people who enter care to receive palliative care. To be eligible they must be assessed as having a life expectancy of 3 months or less, and high functional support needs. It is not clear, however, how the palliative care needs of people who sit outside this class are assessed or met.

There has also been increased focus on training and education initiatives to build capacity in delivering palliative care.

While these changes are positive and help create an environment that better enables and supports palliative care, they have not delivered the level of change recommended by the Royal Commission. This has been illustrated by Palliative Care Australia, who in their submission said 'reforms to date have not delivered tangible improvements in access to palliative care at the necessary scale'.[37]

Respite

Overall, the Inspector-General has found very little progress towards addressing the range of issues relating to respite in the 4 years following the Royal Commission. Action in this area is fundamental to delivering a rights-based, person-centred system which aims to keep people connected to their communities, families and in their homes for longer. Respite care is a key plank to reducing the need and period of residential aged care and accords human rights to social, emotional and cultural connection.

The introduction of the AN-ACC funding model increased funding for respite care in residential aged care facilities. The injection, while welcome, has not markedly increased access to, or the quality of, respite care. Providers and carer advocates have told the Office that the quantum of funding remains too low to encourage providers to significantly increase the availability of respite.

The Office has consistently heard that carers continue to face a range of difficulties accessing respite care, particularly in circumstances where an older person has dementia and/or is displaying challenging behaviours. Many residential providers also insist on minimum stays for respite care, typically 4 weeks, in contrast to the flexibility Commissioners sought. The Inspector-General has heard that respite continues to be used as a 'try before you buy' means of entering residential care.

Limited access to respite means that loved ones and family who want to care for older people in their homes, and do so for an extended period, may need to resort to permanent residential aged care sooner than preferred because they can no longer cope. With the right supports, the older person could have remained in their home with family for longer. The Office was made aware of these cases consistently across its engagement.

In addition to the systemic barriers impeding access to residential respite, the Office continues to receive reports that emergency respite is extremely difficult to secure, with people typically being admitted to emergency departments in hospitals. Similarly, the availability of respite in the home remains very limited, with carers and providers alike telling the Office that workforce constraints limit the scope to provide this type of care.

Workforce

Some commendable efforts have been made to implement the Royal Commission's blueprint for a more highly skilled and appropriately resourced aged care workforce. However, overall improvement has been limited. While there have been pockets of substantial progress, the Office could not identify the whole-of-system strategic planning and coordination at a national level required to address workforce challenges holistically, and while initiatives to address nursing shortages are welcome, the delivery of much-needed improvements in relation to other types of workers has not been treated with the same level of urgency.

Support and expansion of the workforce

One area that has seen positive progress concerns the significant injection of funding to boost aged care workers' wages, which is critical to address workforce shortages and make aged care a more attractive

[37] Palliative Care Australia, Submission to OIGAC 2025 Progress Report, p. 3.

destination for workers. In March 2024 the Fair Work Commission announced the decision to increase the wages of certain aged care workers based on historic undervaluing. The Office and the sector welcomed this decision and its positive impacts. One worker told the Office 'the work value increase pay rise has allowed me to live a better life and enjoy the simple things that people often take for granted, like going out to dinner with my family or to the movies. I'm able to do things like that now'.[38]

In addition, the Home Care Workforce Support Program, which operated from March 2022 to 30 June 2024, supported the recruitment of around 13,000 personal care workers into the home care sector, with over 10,000 workers retained in the sector through this program.

Further government efforts include the revised Regional, Rural and Remote Home Care Workforce Support Program, announced in the 2024–25 Budget. This program is intended to recruit, train and retain 4,000 personal care workers in geographic regions with acute workforce need.

Educational reform

Initial actions by the government are an encouraging indicator of a commitment to deliver improved education and training for aged care workers, with a few important exceptions, such as mandating that personal care workers should be required to hold minimum Certificate III qualifications.

Positive progress includes, for example, publication of a Professional Framework to build and strengthen the aged care workforce in October 2024. The framework outlines 8 areas for action to achieve the future workforce state. The government has also invested funding to develop a range of supports to strengthen the aged care workforce, including the development and implementation of clinical placement support, scholarships, education and training materials. The National Skills Agreement, which commenced on 1 January 2024, is supported by a $414 million commitment to deliver an additional 300,000 fee-free TAFE and VET places from 2024–2026.

[38] United Workers Union, submission to OIGAC 2025 Progress Report.

CHAPTER 3:

Will the new *Aged Care Act 2024* and accompanying reforms achieve the transformation the Royal Commission sought?

The Royal Commission proposed a new Act as a foundational reform and a means of delivering around 60 recommendations.

The *Aged Care Act 2024* is potentially the most significant step forward in the government's implementation of the Royal Commission recommendations. It creates a new framework for the aged care system built upon individuals' rights, rather than the regulation of providers and the distribution of limited Australian Government funding.

The new Act includes a number of important features which originate from the Royal Commission's recommendations. These include a new Statement of Rights and Statement of Principles, and a definition of high quality care.

However, there are areas of the Act which deviate from the transformation the Royal Commission articulated for a true rights-based system. Under the Act, individuals can only assert their rights by raising a complaint in relation to their breach. By denying individuals the possibility of taking positive action to assert their rights, the Act may risk creating yet another compliance framework, where rights exist only within the prism of duties and obligations to be enforced by government actors, such as ACQSC. Further, the Royal Commission sought a universal right to aged care based on assessed need. The new co-payment arrangements curb this possibility. The Inspector-General of course understands the budget limitations of government, but significant questions have been raised across the reporting process as to whether the implementation of co-payments as they have been designed, may indeed undermine some basic rights for those least able to afford care.

Inherent to the title-question of this chapter, is a subsequent question: how will the Australian public know whether their entitlement to quality of life in aged care, promised by both the new Act, and the government's reforms, is in fact being delivered? This can only be assured by a robust evaluation framework that demonstrates the government is continually measuring whether 'promotion of identity', self-determination, kindness, dignity and the other qualities essential to high quality care in the Act, are being delivered to recipients, and to what extent.

Without such a framework, measuring only care minutes or funded clinical care risks vulnerability to the adage that 'we are valuing what we measure, not measuring what we value'.

The Inspector-General has no basis on which to assume such an evaluation framework, or results, exist.

Delivering rights-based, person-centred aged care

Enshrining older peoples' rights in the new *Aged Care Act 2024*

Upon its commencement the new Act will seek to establish a rights-based framework primarily through the Statement of Rights, which outlines a list of rights framed around access and delivery of care.[39] A positive duty will require registered providers to take all reasonable and proportionate steps to act compatibly with individuals' rights when delivering services. The sector has responded positively to the Statement of Rights, and it is undoubtedly a substantial improvement on the previous *Aged Care Act 1997*.

Several mechanisms support the Statement of Rights in laying the foundations of a rights-based system. The strengthened Quality Standards and registration requirements require providers to demonstrate they understand and have established practices compatible with the Statement of Rights.[40] Additionally, the Statement of Principles is intended to guide the decisions and actions of providers and the government towards a person-centred system which puts the safety, health and wellbeing of older people at the forefront.[41]

However, the Act will not deliver a rights-based, person-centred system as clear or as robust as the Royal Commission intended because the pathways available to individuals to assert their rights lack the clarity and vigour to drive real change. Most concerningly, section 24(3) provides that the Statement of Rights is not enforceable in the courts or tribunals. A number of highly credible stakeholders, ranging from COTA, and OPAN to the Age Discrimination Commissioner, have been critical of that approach, suggesting that it denies individuals a critical avenue to ensure their rights are upheld.

Individuals seeking redress for breaches of their rights need to rely on other entities to take action. Individuals may lodge complaints with the Complaints Commissioner, whose functions include upholding the Statement of Rights. However, the Complaints Commissioner has few levers to resolve complaints in a way that restores individual rights. Rather, enforcement is the domain of the Aged Care Quality and Safety Commissioner, who may take various compliance actions, such as enforcing the Standards, the Code of Conduct, provider obligations in section 144 of the new Act, or issuing action or compliance notices. This approach also relies on the self-efficacy of the individual to raise a complaint, which many in the aged care system may lack due to cognitive decline or social isolation.

The Office has heard a wide range of perspectives from stakeholders on the Act's potential, or otherwise, to move the system towards one based on protecting older peoples' rights. The extent to which the Act, and its supporting mechanism support a true rights-based system will be of critical importance to, and under the continued watch of, the Inspector-General.

Universal entitlement to aged care and waiting lists

The rights-based framework established under the Act does not confer an entitlement to receive care. A person is entitled only to assessment – not to the care they are assessed as requiring. This differs fundamentally from the Royal Commission's approach. On the contrary, the current approach cements a rationed system. This continues the decision of previous governments to refuse to accept this recommendation of the Royal Commission. As the Inspector-General recognises in the Foreword to this report, the government is grappling with an increasing ageing population magnifying the demand for aged care, with a decreasing working-age population to fund it. However, as described later in this report, the Inspector-General shares the fears of stakeholders that the manner in which co-payments and other aspects of the reforms have been structured, could potentially both prejudice equity of access to care and create inadvertent cost blow in other areas.

The government has also declined to establish the single consolidated aged care program the Royal Commission called for. Instead, it has committed to the delivery of Support at Home, a new in-home care

[39] *Aged Care Act 2024*, section 23.
[40] *Aged Care Act 2024*, Outcome 1.2: Dignity, respect and privacy and section 144 of the Act.
[41] *Aged Care Act 2024*, section 25.

program that will incorporate the Home Care Packages (HCP) and Short-Term Restorative Care (STRC) programs from the commencement of the new Act and the Commonwealth Home Support Programme (CHSP) beyond July 2027. In addition to the Act, the government has announced that the Support at Home Program will create 83,000 additional packages in 2025-26.[42]

The government intends to maintain an average 3-month waiting time for care and support under Support at Home through a capped appropriation that will increase in line with projected growth for services in the community. The Office understands the intent is to replicate the effects of an on-demand system, without committing to a demand-driven appropriation. However, older people assessed as requiring support need it promptly to avoid significant functional and cognitive decline which indeed may expedite their need for residential aged care, and the Office contends that a 3-month waiting time is neither sufficient to provide care and support in a timely way, nor consistent with the Royal Commission's intent to establish a needs-based framework.

Co-payments and means testing

The Aged Care Taskforce recommended that older people make a co-contribution towards the cost of their aged care based on their means.[43] In broad terms, the Act will require older people with means to contribute to their non-clinical care and services in both home and residential care. That approach will move the goal posts of the 'new system' even further away from the Royal Commission's vision of a system built upon the principle of entitlement, where all older Australians can access the care they need, regardless of their income.

Stakeholder dissatisfaction and uncertainty with the new co-payment requirements has been one of the most striking features of the consultation process for this report. As one submission put it, co-payments will result in the Act 'establishing, if not outright endorsing, a system where continuity of care is increasingly tied to one's ability to cover out-of-pocket costs and co-payments. Rather than ensuring equitable access, such a framework risks marginalising those who cannot afford to bridge the financial gaps'. Such a notion was 'never part of the Royal Commission's vision.'

Further inconsistencies associated with the introduction of co-payments are discussed below.

Responding to different backgrounds and life experiences

The *Aged Care Act 2024* includes important provisions which are intended to ensure the aged care system offers accessible, culturally safe and trauma-aware services for people from diverse backgrounds.

The Statement of Rights includes a right to equitable access to culturally safe, culturally appropriate, trauma-informed services.[44] Similarly, the Statement of Principles provides that the system should offer 'accessible, culturally safe, culturally appropriate, trauma-aware and healing-informed funded aged care services, if required by an individual and based on the individual's needs, regardless of their location, background and life experiences'.[45] The implementation of 'policies, practices and environments' to ensure that services are culturally appropriate for diverse life experiences is also a key feature of high quality care, as it is defined within the Act.[46]

While these are important features, they will not in and of themselves be decisive in re-focussing the system towards one which is sensitive towards the needs of people who have experienced trauma, especially those

[42] The Hon Anika Wells MP, Former Minister for Aged Care, speech delivered on 25 November 2024. Available at: https://www.health.gov.au/ministers/the-hon-anika-wells-mp/media/minister-for-aged-care-speech-25-november-2024#:~:text=Support%20at%20Home%20will%20create,years%20during%20the%20Morrison%20Government.
[43] Australian Government Department of Health and Aged Care, 2024, *Final report of the Aged Care Taskforce*, recommendation 3.
[44] *Aged Care Act 2024*, subparagraph 23(2)(a)(i) and (3)(d)(i).
[45] *Aged Care Act 2024*, subsection 25(4).
[46] *Aged Care Act 2024*, paragraph 20(c)(ix).

who were institutionalised as children, or who suffered prejudice by virtue of their cultural background or identity.

Many of the limitations highlighted above in the context of the Act's attempts to establish a rights-based framework, including through the statements of rights and principles, apply equally in the context of providing a right to culturally safe and trauma-responsive care.

Lack of mandatory training in cultural safety and trauma-informed service delivery

The Office has consistently heard that training in cultural safety and trauma-informed service delivery is vital to supporting older people from diverse or disadvantaged backgrounds. In that context, there are significant concerns that the Act does not implement the mandatory training model proposed in recommendation 30. The Royal Commission called for all workers involved in direct contact with people receiving care to undergo compulsory training on cultural safety and trauma-informed service delivery as a condition of a provider's approval.

Instead, the Act provides that it is a condition of registration that providers must meet any prescribed qualifications and training requirements. The draft rules released in February 2025 do not include any specific requirements on the delivery of culturally safe and trauma-informed services to older people from diverse backgrounds who are receiving aged care.

Additionally, the strengthened Quality Standards require providers to deliver training and supervision to workers so that they can effectively perform their roles. This includes ensuring that all workers receive regular competency-based training, including in 'culturally safe, trauma-aware and healing-informed care'.[47] This is not the equivalent of mandatory training.

While these measures are welcome, they are not as robust as the Royal Commission's approach to codifying explicit training requirements, including for older people from diverse backgrounds, in primary legislation.

Equity for Aboriginal and Torres Strait Islander people

The decision to mainstream Aboriginal and Torres Strait Islander Aged Care for the next 4 years is contrary to the Royal Commission's vision for an aged care 'pathway' for Aboriginal and Torres Strait Islander people. There has not been any concerted reform action to implement the Aboriginal and Torres Strait Islander pathway end-to-end, as recommended by the Royal Commission. Rather, the extent of this activity has been the development of an Aboriginal and Torres Strait Islander assessment approach and the department's '10 year framework' (discussed later in this report).

There are some advances in the new Act: for example, the focus on human rights has the potential to benefit all care recipients. As mentioned above, the Statement of Rights embeds the right to culturally safe, culturally appropriate, trauma-aware and healing-informed care.[48] The statement also includes 'a right to opportunities and assistance, to stay connected… if the individual is an Aboriginal or Torres Strait Islander person – to community, Country and Island Home'.[49] These rights are clearly positive, as long as they are upheld.

The inclusion in the Statement of Principles that aged care services should be culturally safe and appropriate, trauma-aware, healing-informed and based on the needs of the individual regardless of their location[50] is also a positive. But it assumes such quality care will be available where someone needs it – including on Country – and when they need it. Based on the current system, these assumptions would appear in reality, highly unlikely.

[47] See Action 2.9.6 of Outcome 2.9 of the Quality Standards.
[48] *Aged Care Act 2024*, subparagraph 23(2)(a)(i).
[49] *Aged Care Act 2024*, paragraph 23(12)(c).
[50] *Aged Care Act 2024*, subsection 25(4).

In addition, the Act aims to simplify access to aged care services for Aboriginal and Torres Strait Islander people through the introduction of a single entry point with a culturally safe assessment process. It is currently unclear how this process will work, how it will be staffed and how 'cultural safety' will be ensured.

There are also very significant risks. Contrary to the Royal Commission's vision, from the commencement of the new Act aged care services delivered by ACCOs will be 'rolled in' to the mainstream service model for at least 4 years, while the 'pathway' Commissioners recommended is developed by the department and retrofitted after that. This represents a significant change in the way such services have operated to date, and risks undermining services' ability to provide culturally appropriate and responsive care.

The sector has raised significant concerns with the department, and in the consultations and submissions provided to the Inspector-General in the course of generating this report. Sector representatives believe mainstreaming will hinder services' ability to deliver culturally responsive, flexible care that meets the needs of elders and supports them to remain on Country. In particular, ACCOs are concerned about the introduction of co-payments for Support at Home which are perceived as risking Aboriginal and Torres Strait Islander people withdrawing from care. Greater detail about their concerns is provided in relation to recommendation 47 in Part B of this report.

The Office has continually heard that consultation with ACCOs regarding mainstreaming has been rushed and perceived as cursory. The department has been seen to engage late in the process, meaning there is little or no time to act before scheduled commencement on 1 July 2025 on what is being repeatedly warned by aged care ACCO providers. This approach is contrary to the government's signed-up commitment to genuine partnership and engagement under Priority Reform 1 of the National Agreement on Closing the Gap. Indeed, the engagement with ACCOs could be considered an example of the Productivity Commission's finding, in its review of the National Agreement on Closing the Gap, that government agencies treat Aboriginal and Torres Strait Islanders as 'passive recipients of funding' instead of equal business partners where the knowledge and power of one party is just as indispensable to the other.

It also underscores the caution issued by the Productivity Commission in relation to Priority Reform 1, that the department must share decision making. Under the National Agreement, engagement cannot be on predetermined outcomes or performed in timeframes that disable consultation by ACCOs with their own communities. As covered in later chapters, consistency with the National Agreement requires a seismic transformation in the way the department is leading its work in relation to the reforms affecting Aboriginal and Torres Strait Islander people.

Specifically, the Inspector-General considers the mainstreaming of Aboriginal and Torres Strait Islander services to be a highly retrograde step. It has the potential to hinder ACCOs' ability to deliver culturally responsive, flexible care that meets the needs of older people and supports them to remain on Country. The Inspector-General is concerned that legitimate issues raised by the sector have not been heeded and believes that the mainstreaming of services should not have been considered.

The Royal Commission specifically recommended block funding for ACCOs be retained given the entirely different nature of service delivery and policy approach required (recommendation 52(1)). If such funding was retained until proper engagement takes place on an end-to-end build of the Aboriginal and Torres Strait Islander pathway, it would avert the significant risks arising from 'rolling' services into the mainstream model.

The Inspector-General considers that in the 4 years since the Royal Commission, the department should have been working collaboratively with Aboriginal and Torres Strait Islander people and aged care ACCOs to co-design the Aboriginal and Torres Strait Islander pathway. Instead, it appears that work on the pathway was set aside while the government pushed ahead with development of the new Act.

As outlined in Chapter 5, when work on the pathway is reinvigorated, it will be critical that it is taken forward with a commitment to genuine engagement and co-design. Doing this work in a piecemeal way, without commencing with a strategy that is co-designed with Aboriginal and Torres Strait Islander communities or following a theory of change or program logic approach, risks retention of the status quo.

To be clear, the government's response in relation to Aboriginal and Torres Strait Islander aged care falls well short of the broader intention of the Royal Commission. Even 4 years after the Royal Commission, the

Inspector-General is concerned the government's framework does not deliver the strategic vision or forward plan for delivering the co-designed culturally respectful and safe, high quality, trauma-informed care that the Royal Commission recommended.

High quality care

The Act establishes a new definition of 'high quality care', which outwardly resembles the Royal Commission's description.[51] It has a range of innovative features, which are vital to articulating a shared understanding among government, providers, older people and the broader community of what high quality and safe aged care services mean, and more broadly, the principles underpinning a person-centred aged care system. These qualities are reflected in the description of high quality care as that which 'puts the individual first', and prioritises 'kindness, compassion and respect for the life experiences, self-determination, dignity, quality of life, mental health and wellbeing of the individual.'

However, the Act does not enshrine high quality care as a foundational element of the aged care system. Without mechanisms to enforce this, this aspect of the Act is unlikely to achieve the transformational change intended.

On the whole, despite some positive features, the Act's approach is largely aspirational and does not reflect the criticality or urgency of the Royal Commission's calls for high quality care to be the cornerstone of the aged care system. Section 147, for example, only requires registered providers to demonstrate a capability for, and commitment to, continuous improvement towards the delivery of high quality care, and to have a continuous improvement plan. No specific timeframes are set. Similarly, sections 178 and 179 of the Act do not create a statutory duty on registered providers to ensure that the personal or nursing care they provide is high quality and safe. Rather, they are intended to ensure that a registered provider's conduct does not, as far as reasonably practicable, cause adverse effects to the health and safety of individuals receiving services, and to require responsible persons to exercise due diligence in ensuring providers comply with that duty. These duties will not require providers to meet the breadth of responsibilities envisaged by the Royal Commission to ensure that the services they provide are of high quality.

Concerns also exist in relation to the capacity of Support at Home, and its associated funding model, to support the delivery of high quality care. In particular, as noted in the Inspector-General's findings in relation to recommendations 13 and 125 in Part B of this report, the delineation between fully-funded clinical care and non-clinical supports which are subject to co-payments, does not consistently align with the promotion of high quality care.

The imposition of fees for certain services, such as those aimed at supporting social and community engagement, is likely to be a disincentive for older people in choosing to access such supports. That is inconsistent with the Act's approach to high quality care, particularly the importance of individuals participating 'in meaningful and respectful activities and remain connected to friends, family, careers and the community, where the individual chooses to.'[52]

Strengthened complaints mechanisms and regulatory oversight

Complaint-handling processes

There is a degree of cautious optimism that the new Act will help create more effective and transparent complaints-handing processes, although it remains to be seen whether these will be transformative over the longer term.

[51] Aged Care Act 2024, section 20.
[52] Aged Care Act 2024, paragraph 20(c)(vi).

Consistent with the Royal Commission's intent, the Act provides that the Complaints Commissioner is to be a Ministerial appointment within ACQSC.[53] Stakeholders have, by and large, supported that approach. It strikes an appropriate balance between providing the independence necessary to rebuild trust among older people that their complaints will be dealt with in an impartial and timely manner, while allowing the Complaints Commissioner to leverage ACQSC's resources and share information.

The Act also confers upon the Complaints Commissioner a comprehensive suite of statutory functions, including dedicated 'complaints functions' in section 358. Again, these are broadly consistent with the Royal Commission's recommendations.

The Office is aware of concerns, however, that the Complaints Commissioner lacks the necessary regulatory tools to drive real improvement in complaint handling. One organisation, for example, pointed to an inability for the Complaints Commissioner to overturn decisions.[54] Given the criticality of ensuring complaints processes are effective and the scale of the problems with existing complaint-handling processes, the Inspector-General will closely monitor these aspects in the administration and maturation of ACQSC's complaints framework.

The Complaints Commissioner is not entirely lacking for regulatory tools. They include the power to issue required action notices, which require providers to investigate and report on certain matters.[55] A range of information gathering powers support the Complaints Commissioner in carrying out their functions. The strengthened Quality Standards also require providers to encourage and support individuals and aged care workers to make complaints and give feedback.[56]

In addition to the Complaints Commissioner and their functions and powers, the Act establishes that it is a condition of a provider's registration that it must implement and maintain complaints and feedback management systems, refrain from victimising complainants and implement a whistleblower system.[57]

The Aged Care Quality and Safety Commission and regulatory framework

The new Act includes many provisions which should lead to a more capable regulator enforcing a more robust regulatory framework. Chapter 6 of the Act expands the regulatory powers conferred on ACQSC. These include a range of monitoring, investigation and enforcement powers, which are commensurate with the Royal Commission's calls for a stronger regulatory framework. A range of information gathering powers will support ACQSC's monitoring and investigation functions. While these mechanisms are welcomed, the Royal Commission emphasised that a proactive, flexible and curious approach will be critical to ACQSC's success in deterring poor quality, neglect and unsafe care.[58] It is not clear that ACQSC has yet embedded these traits in its approach to its role. The Inspector-General understands that change is underway and will be looking for evidence of this in her forward work.

At a more granular level, the new civil penalty regime, while analogous with the Royal Commission's recommended approach, has attracted significant stakeholder interest. Many consumer advocates supported the criminal penalty regime in the exposure draft of the bill to establish the Act, arguing that criminal penalties were necessary to hold providers accountable for neglect. By contrast, providers have largely supported removal of criminal penalties.

Complexity, navigation and face-to-face support

There are no provisions in the new Act that specifically address older peoples' capacity to understand and navigate the aged care system. Neither will the Act provide greater access to the face-to-face support that the Royal Commission recommended.

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[53] *Aged Care Act 2024*, section 356.
[54] Aged Care Reform Now, submission to OIGAC 2025 Progress Report, p. 11.
[55] *Aged Care Act 2024*, section 474.
[56] Outcomes 2.6a and 2.6b.
[57] *Aged Care Act 2024*, section 165.
[58] *Royal Commission into Aged Care Quality and Safety, Final Report: Care, Dignity and Respect*, Vol. 3B: The new system, p. 488.

Star ratings

The new Act includes a legislative requirement for the publication of star ratings for aged care homes[59] but does not expand their coverage into home care.

In November 2024 a review of the star ratings system was delivered by Allen and Clark consulting, having been commissioned by the department. It concluded that while the concept is critically important, 'star ratings face challenges relating to consumer awareness, confidence and accessibility. There are also negative perceptions relating to star ratings' reliability and utility'.[60]

KPMG's March 2025 advice to the department on the design of star ratings identified a range of shortcomings and called for improvements that include:

- taking better account of compliance action
- reflecting non-delivery of care minute targets and 24/7 nursing requirements in staffing ratings
- providing information about the use of environmental restraints
- introducing half stars.

Stakeholders continue to tell the Office that they do not trust star ratings and consider there to be significant deficiencies in the way they are calculated. This was an area of focus in the Acting Inspector-General's 2024 Progress Report. With the KPMG advice and Allen and Clark report now complete, the department needs to prioritise improving this tool. Greater progress is also needed on its development and implementation for home care.

The methodology underpinning star ratings must be sound for people to have confidence in the information they seek to convey.

Improving health and aged care services

Care services interface

Overall, neither the reforms to date or the new *Aged Care Act 2024* are likely to substantially improve access to health and hospital services for older people in aged care in the way the Royal Commission recommended.

There will, however, be some improvements. In response to the Age Care Taskforce's recommendations, the government is removing the current requirements for people in residential aged care to make means tested co-payments for their clinical care. Support at Home will also provide fee-free access to clinical care and, through self-management, has the potential to broaden peoples' access to clinical care providers.

At a more systemic level, the Act will not deliver the changes the Royal Commission sought in relation to the health, hospital and aged care interface. The scope for meaningful change sits outside the Act and is primarily associated with improvements delivered through federal and state negotiations. Given the complexity of such negotiations and the limited progress to date the Office is not optimistic about the prospects for transformation in this area without more active intervention or a more proactive policy approach by all levels of government across Australia.

The intersect between the National Disability Insurance Scheme and aged care

For older people with disability the new Act will not deliver the transformation the Royal Commission sought.

The introduction of Support at Home has scope to provide more comprehensive and flexible support for older people living with disability than has previously been available. However, the assistance it provides falls well short of parity with the type and level of funded, specialised supports people are evaluated as needing under NDIS. The magnitude of funding available through the NDIS dwarfs what is available through Support at Home, which seeks to cap support for assisted technology and home modifications at $15,000 each. In

[59] *Aged Care Act 2024*, subsection 541(2).
[60] Allen + Clarke Consulting (2024), *Star Ratings for Residential Aged Care: Evaluation Summary Report – Department of Health and Aged Care*, p11. Available at: https://www.health.gov.au/sites/default/files/2025-01/star-ratings-evaluation-summary-report_0.pdf

addition, Support at Home is predicated on people making co-contributions for non-clinical support, unless they meet hardship provisions, unlike the non-means tested NDIS.

Stakeholders who have informed this report through submissions, roundtables and lived experience sessions are very concerned about the lack of progress and government commitment to ensuring their disability needs are met once people leave the care of the NDIS and progress into aged care. People have repeatedly told the Office that the cohort of older people entering aged care after having been NDIS participants is increasing, and their expectations of what aged care should provide will be substantially higher than previous generations.

The Office is also aware of considerable concern about access to assisted technology, in both residential and in-home settings. In their submission, Assistive Technology Suppliers Australia asserted that budgetary constraints mean many residential facilities lack a full range of aids and equipment, leaving residents without the support they need. The organisation said that giving providers, as opposed to individuals, the discretion over if, when and how assisted technology is provided to residents goes against Australia's international human rights obligations and the aspirations of the new Act.[61]

Restrictive practices

The new Act largely carries over existing provisions in relation to the use of restrictive practices, and as such, is unlikely to provide substantial improvement. As previously observed, it does not enshrine rights to liberty, freedom of movement and freedom from restraint. It does not restrict the prescription of psychotropic medication or further address the use of chemical restraints. There is no mandatory training in dementia or the management of challenging behaviours, which could lead to a significant reduction in the use of restrictive practices for people with the disease.

While it is possible that the rights-based, person-centred model of care established under the Act could change sector attitudes and result in a decreasing reliance on restrictive practices, this will only become evident over the longer term.

Palliative care

The Act recognises the importance of palliative care in several ways:

- The Statement of Rights includes a right to equitable access to palliative care and end-of-life care, consistent with recommendation 2
- The strengthened Quality Standards have a specific standard, 5.7 *Palliative Care and End of Life Care,* which will apply to all aged care services offering nursing or transition care. Standard 3 includes an expectation that all aged care services will undertake Advance Care Planning, consistent with recommendation 19
- The new Support at Home program will include a short-term End-of-Life Pathway, consistent with recommendations 35 and 118.

These additional measures, in particular access to home-based palliative care, represent significant progress.

However, they will likely fall short of what the Royal Commission envisaged. Palliative care support, for both residential and home care, is determined according to prognosis-based eligibility criteria, not clinical need. This will restrict access and does not align with the Royal Commission's vision of rights-based timely access to palliative care.

There is also no commitment to mandatory regular palliative care training for all staff. At a systems level little improvement has also been made in improving the integration of health, hospital and aged care services, including the state and territory-funded specialist palliative care outreach services.

[61] Assistive Technology Suppliers Australia, submission to OIGAC 2025 Progress Report, p. 9.

Respite

The Act does not deliver any significant changes in relation to respite. As such, it will not be the means of delivering 'transformation'.

Workforce

The *Aged Care Act 2024* constitutes a step forward for the aged care workforce. In isolation, however, it will not deliver the transformative change envisioned by the Royal Commission. Many of the most consequential reforms aimed at strengthening the capacity of the aged care workforce are non-legislative in nature. These include, for example, boosting workers' remuneration.

A number of provisions within the Act recognise the importance of the workforce in the delivery of high quality and safe aged care. One of the objects of the Act is to 'provide for sustainable funding arrangements for the delivery of aged care services by a diverse, trained and appropriately skilled workforce.'[62] The Statement of Principles also recognises the importance of aged care workers within the aged care system. Specifically, one of the principles of the Australian Government aged care system is that it supports the delivery of services 'by a diverse, trained and appropriately skilled workforce who are valued and respected.'[63] The principles also state the system should support workers being empowered to 'provide feedback, suggest measures and take actions that support innovation, continuous improvement and the delivery of high quality care', and to 'participate in governance and accountability mechanisms.'[64]

The Act also provides legislative support for a worker screening framework, which in broad terms is intended to respond to recommendation 77.[65] There is strong sector support for the establishment of worker screening arrangements, which are vital to protecting consumers and workers within the system, and for improving the overall quality of the workforce. To date there has been limited progress on the establishment of a functional and effective worker screening system consistent with recommendation 77. Given a lack of these safeguards can contribute directly to abuse and neglect of older people – the key reason for the Royal Commission's very existence – this must be expedited.

Transformational reform for the aged care workforce is contingent upon a range of non-legislative reforms. These include, first and foremost, greater strategic planning and collaboration by all governments to address workforce shortages. Also critical are the establishment of minimum qualifications and mandatory training requirements, the creation of specialist career pathways and improved workplace practices. These issues are explored further in Chapter 5.

[62] *Aged Care Act 2024*, paragraph 5(g).
[63] *Aged Care Act 2024*, paragraph 25(6)(a).
[64] *Aged Care Act 2024*, paragraph 25(6)(b).
[65] *Aged Care Act 2024*, paragraph 152(a) and Division 8, Part 3, Chapter 5.

CHAPTER 4:

Could these new reforms have unintended consequences or create perverse incentives?

Despite planning and risk minimisation, reform actions have the potential to create unintended consequences. These consequences can be positive and deliver unexpected benefits. Alternatively, their effects can be negative, either undermining the success of the initial action or generating an undesirable impact elsewhere. The potential for unintended consequences is higher in complex systems with multiple interdependencies, such as aged care.[66]

Given the breadth and magnitude of changes to the system following the Royal Commission, both before 1 January 2025 and implemented on commencement of the new *Aged Care Act 2024*, some degree of unintended consequences is anticipated.

The Office intends to be alert to negative consequences. As part of the oversight role the Office will be actively looking to monitor the follow-on effects of change. This chapter draws heavily from stakeholder input to outline negative consequences that have been observed as already emerging, or are anticipated, from the reform process.

Rights-based, person-centred care

Government approaches to rights

The new Act is a seminal milestone in aged care reform. The Royal Commission called for rights-based, person-centred care and the Act strives to deliver that. The Office, and many advocates, share a concern that there are inadequate pathways available to individuals to understand and assert their rights, outside of instances where individuals have the self-efficacy to raise a complaint about a *breach* of rights. Their absence could hinder the implementation a rights-based framework as clear or as robust as Royal Commissioners envisaged.[67]

Important rights have not been included in the Act, most notably the right to liberty, freedom of movement, and freedom from restraints. These particular rights were expressly referenced in recommendation 2 and Commissioners considered them so important that they called for them to be legally enforceable, in contrast to the other rights they proposed.

[66] Clay-Williams, R. 2022, *Complex systems and unintended consequences*, Australian Institute of Health Innovation, Centre for Healthcare Resilience and Implementation Science, Macquarie University.
[67] Office of the Inspector-General of Aged Care, submission to the *Aged Care Bill 2024*.

The exclusion of these essential rights has particular significance in the context of aged care. The Royal Commission identified an over-reliance on, and the misuse of, restrictive practices and as noted elsewhere in this report, little appears to have changed. The inclusion of rights to liberty, freedom of movement and from restraint would have pushed the sector to more actively seek out rights-based alternatives to restraints.

In a system where people consider the loss of rights for older people has become entrenched, and worse, institutionalised,[68] truncating the availability of rights is inimical to the Royal Commission's vision of a rights-based system, and undermines the fundamental tenet that human rights are universal and apply to all, regardless of age, background or status.

Moving further away from universal entitlement

Successive governments have chosen not to implement the Royal Commission's call for a demand-driven system providing universal access to aged care based on assessed need. While this means that many shortcomings in the existing aged care system will persist, including lengthy waiting lists, some fear the Act has the potential to significantly worsen some aspects of access to aged care.

For example, many people the Office has spoken to, including those with lived experience, advocates and some providers, fear the introduction of means tested co-payments under Support at Home in the manner they are currently structured will lead to fewer people receiving the care they need. Their concern is both with the imposition of co-payments and the percentage contribution allocated to many forms of care seen as essential to safety and dignity. As canvassed in detail in Part B of this report in relation to recommendation 125, which called for the abolition of contributions for certain services, co-payments for non-clinical support are anticipated by stakeholders and the Inspector-General as highly likely to have an adverse impact on the most vulnerable older people.

The introduction of co-payments is, as mentioned earlier, inconsistent with the Royal Commission's vision of a rights-based, person-centred system which provides a universal entitlement to high-quality care. The policy assumes that older people with sufficient means will easily adapt to the imposition of co-payments, while those on low incomes will be exempt from charges if they satisfy hardship provisions. As the Inspector-General recognises across this report, the government is grappling with a finite budget and growing demand for aged care. Policy decisions always need to be made within financial constraints. However, the Office is concerned about the way co-payments are being implemented. It is not clear that the difficulty people are likely to encounter in navigating the hardship provisions has been considered. Advocates have consistently told the Office that people struggle with the hardship requirements, not because of their means but due to the complexity of the system. Expecting vulnerable people, including those with cognitive decline, limited third party support, a distrust of government, and/or with no ability to satisfy Services Australia's administrative requirements, to successfully apply for hardship is unrealistic.

As a result, the reforms could see vulnerable older people in Australia forgo care because they cannot afford to make a co-payment or are uncertain about what the cost may be. While clinical care will continue to be fully subsidised, a broad range of critically important services have been deemed 'non-clinical'. Of particular concern is the categorisation of showering as 'non-clinical'. Personal hygiene has a clear clinical dimension if not in its delivery, then certainly in its absence. If, for example, a full pensioner cannot afford to make a co-payment each day for showering, the likely consequence is that they will forego its regularity. This has implications for a person's dignity, and ultimately their hygiene and safety, in particular if continence is an issue.

The Office considers the demarcation between clinical and non-clinical care as inconsistent with the Act's definition of 'high quality care'. The Act states that high quality care prioritises, among other things, 'supporting the individual to participate in meaningful and respectful activities and remain connected to friends, family, carers and the community, where the individual chooses to'. Imposing fees on older peoples' wellbeing in circumstances where they do not have sufficient means to fund them contravenes facilitating

[68] OPAN, National Older Persons Reference Group, 2025.

access to high quality care and, based on how low the threshold test for co-payment is, many people will simply not be able to afford wellbeing services at all.

The anticipated impacts of co-payments for Support at Home are also inconsistent with the Act's Statement of Principles which codifies the Australian Government's commitment to supporting people to stay at home if they choose.

It is unclear whether co-payments will inject significant additional financial resources into the aged sector and deliver on the policy intent of widening availability of care. If, as many advocates expect, co-payments hasten vulnerable peoples' entry into residential aged care, the consequences are many-fold; it contradicts the will of a person to remain in their own home, despite commitments by the government that this is the aim of the reforms. But it also would come at a *greater* cost to the system and therefore the taxpayer, given the relative Australian Government contribution to residential aged care as opposed to assisting someone who could not afford the co-payment for the support they need to stay in their own home. It is quite possible that the fiscal impact on the government may significantly undermine the revenue co-payments generate, thereby limiting future opportunities to shorten wait times and service more people.

Supporting people with complex or particular needs

Amongst the consumers the Office engaged with the consensus was that the reforms do little to improve the quality of care for people over 65 with disability, for older Aboriginal or Torres Strait Islander people, or more broadly for older people with complex care needs. The Office heard concerns the reforms fail to address the core needs of many consumers outside of a narrow field of need and come with a risk of further isolating some people from the care they require.

People with disability

The lack of action on achieving equity between the specialised disability care people receive under the NDIS and the more limited support available when they transition into aged care, will mean the perpetuation of problems already identified by the Royal Commission.

There are some implications of the Support at Home reforms for people living with disability that are important to examine here. The introduction of co-contributions, while not just targeting those with disability, will have a disproportionate impact on people with complex care needs. In addition, the funding-caps on assisted technology and home modifications are likely to disproportionately impact people with physical disabilities and may mean they are unable to access the equipment they need or stay in their homes as they age. This is contrary to the person-centred, rights-based model of care proposed by the Royal Commission, and indeed the new Act.

Many stakeholders expressed significant concern about the sudden introduction of a $15,000 lifetime cap on home modifications. The Office was told by people with lived experience and service providers, including Assistive Technology Suppliers Australia, that this decision occurred without any prior consultation and will significantly limit access to essential modifications such as bathroom upgrades and accessibility ramps. This change directly contradicts the principle of needs-based assessment, and the implications could foreseeably push people into transitioning into residential aged care and/or increased hospitalisations, both of which breach fundamental human rights and the aims of the new Act and impose greater costs on taxpayers.

Furthermore, this cap fails to factor in the evolving needs of older individuals whose gradual decline in physical ability can often be effectively supported through the phased implementation of home modifications over time.[69] This view was echoed in a range of submissions, including from the national body, Allied Health Professionals Australia.[70]

[69] Assistive Technology Suppliers Australia, submission to OIGAC 2025 Progress Report, p. 15.
[70] Allied Health Professionals Australia, submission to OIGAC 2025 Progress Report.

Equity for Aboriginal and Torres Strait Islander people

The commencement of the Act will mainstream aged care services delivered by the Aboriginal and Torres Strait Islander community-controlled sector. A breadth of stakeholders have warned of serious risks emerging that will hinder ACCOs' ability to deliver even the minimum culturally responsive, flexible care that meets the needs of elders and supports people to remain on Country as they age.

Foremost is the potential for elders to be unable to afford co-payments, unable to navigate hardship provisions, and consequently at risk of not receiving critical non-clinical care. ACCOs have told the Office that a significant proportion of the care they currently provide to older Aboriginal and Torres Strait Islanders will be considered non-clinical under Support at Home.

Through mainstreaming aged care ACCOs expect to face a substantial 'cultural load'. For example, organisations will be forced to decide whether they refuse to deliver non-clinical care to elders who are unable to pay or meet the cost internally where they have no private funding base. In the context of Aboriginal and Torres Strait Islander communities, such decisions are overlaid with significant cultural and kin implications and place workers in a serious ethical position. ACCOs worry how they will retain their Indigenous-led approach which creates cultural safety and a sense of connectedness for elders in the face of making decisions that are counter to Aboriginal and Torres Strait Islander ethics of community and elder care.

Exacerbating this, a significant proportion of non-clinical care provided by aged care ACCOs is devoted to supporting the emotional and spiritual wellbeing of elders, through connection to family, community, country and culture. Indeed, for many ACCOs this lies at the heart of Aboriginal and Torres Strait Islander aged care. The need for such support is underscored by the fact that a disproportionate number of older Aboriginal and Torres Strait Islander people have experienced serious trauma from harmful government policies and violent acts of colonisation; 1 in 5 Aboriginal people aged over 50 were taken away from their families through the stolen generation and other government removal policies.[71]

A retraction or failure to fund emotional and spiritual support by ACCOs sends the message that this support is not valued by the government and negates what would likely be considered central to an Aboriginal and Torres Strait Islander pathway, the co-designed Aboriginal and Torres Strait Islander aged care system recommended by the Royal Commission.

The ACCO aged care sector is worried that in the next 4 years, while the department is progressing the development of the pathway, ACCOs will be deterred from remaining in the aged care sector. This would result in less, rather than more, Aboriginal and Torres Strait Islander elders receiving the care and support they need, contrary to the intention of the Royal Commission.

The impact of these changes also needs to be considered in the context of the National Agreement on Closing the Gap, which commits governments to growing and strengthening the ACCO sector (Priority Reform 2). As found by the Productivity Commission in its 2024 Review, government requirements that inadvertently mean ACCOs need to act counter-culturally to execute the rule undermine this commitment.

From the Inspector-General's perspective, mainstreaming and subsequently retrofitting of an Aboriginal and Torres Strait Islander pathway will create unintended negative consequences and indeed reverse the outcomes the Royal Commission sought to achieve.

A more considered and culturally appropriate response is urgently required; and as outlined in Chapter 5 the Inspector-General believes there needs to be an immediate pause and reorientation of approach in the government's work with ACCOs providing aged care.

[71] Australian Institute of Health and Welfare, 2021, *Aboriginal and Torres Strait Islander Stolen Generations aged 50 and over: updated analyses for 2018–19*. Cat. no. IHW 257. Canberra: AIHW.

Palliative care

As described in Chapter 2, the new Act provides greater access to palliative care, especially for those wishing to stay in their homes. However, some stakeholders are concerned the prognosis-based access criteria may restrict access and consider the approach falls short of best practice, needs-based, clinical care assessment.[72]

The Office is also concerned about the potential for people who, against expectations, outlive the 16-week maximum for receiving palliative care pathway support under Support at Home having their access to palliative care services withdrawn. In residential care, people eligible for 'Class 1 funding' retain access until their death.[73]

The Office is also aware of recent commentary suggesting that funding for advance care planning will only be available for older people living in residential care, not Support at Home. Such a distinction would create a divide between residential aged care and home care support, potentially undermining peoples' opportunity to receive end-of-life care in their own homes.[74]

Workforce

The delivery of high quality care is dependent on a skilled, sufficient and committed workforce. The Royal Commission recognised this and called for upskilling, enhanced planning, higher wages and, for residential care, funding models and commitments to strengthen clinical care.

The introduction of AN-ACC and its implications

The Acting Inspector-General's 2024 Progress Report and the preceding July 2023 Interim Inspector-General report on the implementation of recommendations of the Royal Commission[75] both highlighted the impact that the introduction of AN-ACC has had on access to allied health and lifestyle activities in residential aged care facilities.

While AN-ACC provided welcome additional funding, its focus on the delivery of care minutes by registered nurses has been observed by stakeholders to potentially come at the expense of care delivered by enrolled nurses. Once again, during the preparation of this report, the Office has heard that the reduction in experienced enrolled nurses has left inexperienced registered nurses feeling exposed, the quality of care provided to residents in many centres has fallen and workforce shortages have been exacerbated.

The Office also continues to hear that the introduction of care minutes has had particularly negative implications for the delivery of care in regional, rural and remote communities. These communities are significantly impacted by workforce shortages, including registered nurses, and have traditionally relied heavily on enrolled nurses to deliver aged care services. Care minute mandates further restrict an already strained demographic of the sector.

Reporting requirements detracting from care

During consultations the Office heard that aged care staff, both personal care workers and nurses, feel that the time they have available to deliver personal care and support is being steadily eroded by increasingly prescriptive administrative and reporting tasks.

In relation to care minutes, some providers spoke about the time-intensive level of monitoring that is required to 'nail' the requirement, with over-provision seen as detracting from providers' viability and under achievement risking sanctions.

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[72] Palliative Care Australia, submission to OIGAC 2025 Progress Report.
[73] ABC Radio, 7 April 2025, Interview of Peter Allcroft by Briana Charles, *Concerns over federal program for end-of-life care*.
[74] Silverchain Group media release, 13 May 2025. Available at: https://silverchain.org.au/news/home-care-needs-advance-care-planning.
[75] Office of the Interim Inspector-General of Aged Care, 2023, *Progress Report: Implementation of the Recommendations of the Royal Commission into Aged Care Quality and Safety*, available at: https://www.health.gov.au/resources/publications/progress-report-implementation-of-the-recommendations-of-the-royal-commission-into-aged-care-quality-and-safety?language=en.

Reporting requirements for providers extend well beyond care minutes. Information needs to be captured for a wide range of purposes including performance and quarterly financial reporting. Providers have expressed fear the new prudential standards add a further layer of intensive and 'unnecessary' reporting requirements.

The Inspector-General will monitor the impost of reporting on the sector. While Australian Government agencies need to know how the sector is performing, it is important that information gathering does not come at the cost of focussing on the delivery of quality care. The new system should not replace one compliance-driven model with yet another that is arguably even more so. An outcomes-driven system needs to be the explicit goal.

Workforce safety

The introduction of a rights-based framework outlined by the new Act is critical to delivery of the Royal Commission's vision. The Office heard that there are some fears providers may feel compelled to prioritise consumer rights at the expense of workers' safety, rights and needs. The reforms must ensure there are sufficient safeguards against this.

CHAPTER 5:

What action could get the reforms on track to deliver the promised transformative change and eliminate unintended consequences?

The *Aged Care Act 2024* codifies the Royal Commission's vision of an aged care system where people are at the centre and care is based on dignity, respect and personal autonomy. The new Act is widely acknowledged as the mechanism to deliver generational reform in aged care. Its development and passage is a major milestone for the government and warrants due recognition.

However, as found by the Inspector-General, the Act in and of itself will not deliver the breadth of transformation the Royal Commission recommended.

There are several short-, medium- and longer-term measures that the government should consider to ensure appropriate mechanisms exist to give life to its mandate and align the system more closely with the Royal Commission's intent.

Rights-based, person-centred care

Government approaches to rights

The Royal Commission did not propose that each right in the Statement of Rights should be separately and directly enforceable in the courts. However, there needs to be clear, accessible and effective mechanisms to safeguard rights. Enforcement pathways are indispensable features of true rights-based systems.

The Statement of Rights is not enforceable in the courts or tribunals. Rights can only be pursued where they are breached, and then only by individuals who have the self-efficacy to raise a complaint. The Inspector-General considers this insufficient and encourages the government to consider amending the new Act to provide people with greater scope to claim their rights, including the ability to initiate their own legal proceedings. Providing this recourse would help to guarantee individuals' rights are upheld through increasing the onus on providers to consistently deliver rights-based care.

The Inspector-General considers the application of the Statement of Rights should also be broadened to cover government agencies in the aged care sector. This is consistent with the Royal Commission's approach, which found that government can be complicit in the neglect and abuse that a rights-based framework seeks to address.

In addition to legislative action, a sustained focus on communication and education by government is needed to raise awareness and develop a system-wide culture where the quality of life and needs of older people are prioritised. Effective rights-based systems meet individuals' needs, empower and provide autonomy. The government needs to both lead this transformational change and facilitate it through policy, programs and resource allocation.

Finally, the role of the Complaints Commissioner and ACQSC in supporting the transformation of the aged care system into a rights-based, person-centred framework cannot be overstated. The Inspector-General will monitor these authorities to ensure whether and how they are driving real and positive change in the exercise of their functions and powers. This is covered in more detail below.

Universal entitlement and waiting lists

The Royal Commission envisaged an aged care system where everyone with an assessed need would have access to corresponding care. As noted previously, the government has taken an alternative approach in the new Act and will be retaining waiting lists for home-based care in particular.

Successive governments have clearly been concerned about the fiscal implications of moving to a demand-driven system. As noted elsewhere, the Inspector General understands no government has a limitless budget. However, it is unclear whether the current approach to home care funding and waiting times is based on sound economic analysis. If the department has economic research on the cost-benefit of moving to a demand-driven system as opposed to rationing access and maintaining waiting lists, it should be made public. If this analysis has not been undertaken, it should be. The public release of robust modelling would support an informed conversation about the economy-wide trade-offs associated with waiting lists – for assessment and access to care – of varying durations.

There is clearly a heightened risk of premature entry into residential aged care when high-needs individuals face long wait times to receive appropriate home-based care. Premature entry to residential care has the potential to cost the government more: any consideration of rationing and wait lists for home care needs to consider this. Providing greater, and faster, access to home care may not be as costly as government anticipates when associated 'downstream' costs are considered.

In addition, the department needs to improve publicly released waiting list data. There is a lack of clear, publicly available information on wait times. Greater transparency is urgently needed.

With the introduction of means tested co-payments for non-clinical Support at Home, the new Act will move the system further from the Royal Commission's vision of a universal entitlement. Advocates, people with lived experience and some providers have repeatedly told the Office that this change is unwelcome and will heighten the risk of premature entry into residential aged care.

The department needs to closely monitor the impact of co-payments as they are rolled out. Given the additional administration being asked of providers, the impost on vulnerable individuals and the potential for a withdrawal from care, the department should evaluate this initiative after 12 months of operation.

Of all the changes governments have implemented in response to the Royal Commission, the Office considers the introduction of means tested co-payments for Support at Home will exacerbate the systemic inequities the Royal Commission sought to address by disproportionately impacting vulnerable people with the least capacity to afford them.

Supporting different backgrounds and life experiences

The Royal Commission envisaged an aged care system where diversity is embraced, care is individualised, and peoples' diverse backgrounds and life experiences are welcomed and accommodated.

People approaching the aged care system may have had a largely happy and comfortable life, but equally they could have had lives characterised by trauma, prejudice or expectations of exclusion.

From the very first contact, the aged care system needs to be welcoming and accessible for all. Care needs to be trauma-aware and healing focused. It also needs to be culturally sensitive, for both Aboriginal and Torres Strait Islander people and people from diverse cultural backgrounds. The Royal Commission called for mandatory training in culturally sensitive, trauma-informed care. This should have been included in the Act: a requirement for 'regular competency-based training' in the Quality Standards is not the equivalent.

The department should participate in genuine co-design with people from diverse backgrounds to support the development of care models and environments that cater for a true breadth of needs.

High quality care

The Act and associated reforms do not enshrine high quality care as the foundation of the aged care system in the way the Royal Commission's intended. A more robust policy, programmatic and legislative response is needed to ensure high quality care is not just aspirational, but a cornerstone of the system.

To truly deliver the Royal Commission's recommendations in this regard, the Act should not just entitle individuals to high quality care, but assure its delivery through a statutory duty so that providers need to ensure the care they deliver is high quality. This would include embedding the right to high quality care in the Statement of Rights. To meet the Royal Commission's intent that older people should have a universal right to high quality care; there needs to be a stronger nexus between the Statement of Rights and the definition of high quality care.

The introduction of means tested co-payments for Support at Home will impose an access barrier to high quality care. Charging people for non-clinical supports, including showering and activities critical to sustaining wellbeing and independence, such as social engagement and connection to family, friends, carers and the community anticipates that this is 'optional care' and is contrary to the Royal Commission's vision of what constitutes high quality care. As identified above, the department needs to closely monitor the implementation and evaluate of the impact of this particular reform.

Strengthened complaints mechanisms and regulatory oversight

The Complaints Commissioner and broader complaints framework will be critical to the transition to rights-based, person-centred care. In the absence of individually enforceable rights, the complaints system is a key means of addressing unfulfilled rights and promoting the delivery of high quality care.

Complaints need to be resolved in a more timely manner. ACQSC's current targets are less ambitious than those the Royal Commission called for, and routinely unmet. There is a need to review the adequacy of complaints resourcing and for strategies designed to upskill and retain complaints staff.

Greater visibility of complaints and their handling is also needed. The proposed 6-monthly reporting by the Complaints Commissioner should outline the number of complaints by provider and service, as required by recommendation 98(4)(c) of the Royal Commission.

Beyond complaints handling, ACQSC will need to ensure that it has effective strategies to manage the transition from a provider-centric to a rights-based, person-centred framework under the new Act. Addressing residual recommendations from the Tune Capability Review should also be a priority.

The need for further action to ensure the regulatory framework is meeting its objectives will become clearer following commencement of the Act. The Office will continue to monitor ACQSC's performance and the effectiveness of the regulatory framework in fostering high quality and safe care, in line with the objectives of the Inspector-General's own legislative functions.

Equity for Aboriginal and Torres Strait Islander people

The Royal Commission recommended a specialised aged care pathway for, and co-designed with, Aboriginal and Torres Strait Islander people.[76] This has not been delivered. Instead, aged care ACCOs are being mainstreamed for at least 4 years, at the risk of services' ability to deliver culturally responsive, flexible care that meets the needs of elders and supports people to age on Country.

The Inspector-General believes that the mainstreaming of services should not have been considered and calls for an immediate pause and reorientation of approach. Block funding for aged care ACCOs should be retained, as the Royal Commission recommended, at least while the pathway is being co-designed.[77] This is required to avoid the detrimental consequences of retrofitting transformation and to prevent the perception that a group of minor changes from a range of smaller, un-sequenced government reforms constitutes the transformation required.

The starting point for the pathway needs to be the articulation of a clear vision for what transformation looks like, end-to-end, which is co-designed with ACCOs and communities. A strategy that outlines how this vision will be delivered needs to follow. The Inspector-General believes that co-designing an Aboriginal and Torres Strait Islander aged care system in partnership with ACCOs and communities outside of their integration into the mainstream system maximises the potential for older Aboriginal and Torres Strait Islander people to access aged care at a rate commensurate with their assessed needs. Genuine co-design is required by the National Agreement on Closing the Gap, to which all governments are signatories. Genuine co-design means that the government's engagement with ACCOs is not predicated on a predetermined outcome and must start with open questions.

There are wider benefits here too. The department could gain deeply by learning from ACCOs about the optimal models for the delivery of aged care in Aboriginal and Torres Strait Islander communities, where elders are highly valued and respected. Such insight could also benefit policy and system design for non-Aboriginal aged care.

The Interim First Nations Aged Care Commissioner, Ms Andrea Kelly, called on the government to 'commit to co-designing and developing in partnership with Aboriginal and Torres Strait Islander people a 10-year transformation plan'. The approach entailed within the transformation plan closely aligns with the intent and detail of the Royal Commission's recommendations and provides a tangible opportunity for the government to get this recommendation, and all of those contained within Chapter 7 of the Commission's report, back on track. The transformation plan articulates how it will:

- make the necessary transformational reform needed to the aged care sector
- embed Priority Reforms outlined in the National Agreement into the plan
- ensure the system can respond to the needs of older Aboriginal and Torres Strait Islander people now and into the future.[78]

The Inspector-General strongly underscores this approach as the way forward. The content of the transformation plan has come not just from the Interim First Nations Aged Care Commissioner herself, but also from the voice of ACCOs and Aboriginal and Torres Strait Islander people across this country.

The transformation plan sets out the steps needed to develop a strong Aboriginal-controlled aged care sector that is culturally responsive, trauma-aware and healing-informed. It demarcates the actions needed to ensure older Aboriginal and Torres Strait Islander people receive the care envisaged by the Royal Commission and, even more importantly, envisaged by the communities themselves. It clearly sets a change in approach that will serve to attract ACCOs to the sector, as opposed to potentially alienating future entrants or deterring those already working in the area.

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[76] Recommendation 47: Aboriginal and Torres Strait Islander aged care pathway within the new aged care system.
[77] Recommendation 52: Funding Cycle.
[78] Kelly, A. 2024, *Transforming Aged Care for Aboriginal and Torres Strait Islander people*, report by the Interim First Nations Aged Care Commissioner, p. 64.

The Inspector-General is aware that the department has issued its own Aboriginal and Torres Strait Islander Aged Care Framework 2025–2035. It is vastly different in its content and commitment. While the framework 'establishes a 2035 vision for older Aboriginal and Torres Strait Islander people to age well', it lacks any sense of a pathway or plan as to how that vision would be achieved. The framework, and the process behind its development, has been widely observed to diverge from the clarion call made by the Interim First Nations Aged Care Commissioner. The government needs to adopt the transformation plan to drive the systemic change that both the Royal Commission and Aboriginal and Torres Strait Islander people view as imperative.

In light of the serious risks the new Act presents for Aboriginal and Torres Strait Islander aged care, there could not be more urgency for the establishment of an independent, permanent statutory Aboriginal and Torres Strait Islander Aged Care Commissioner. The Inspector-General strongly endorses the model for this statutory role advanced by Ms Kelly; the model aligns with the Royal Commission's recommendation and has been informed by extensive consultation. The importance of this position cannot be understated given that, on the current trajectory, government reforms could leave older Aboriginal and Torres Strait Islander people worse off in terms of how much aged care they receive and how they receive it.

Complexity, navigation and face-to-face support

The Royal Commission and previous Acting Inspector-General's progress reports have highlighted the complexity of the aged care system, the difficulties people encounter accessing aged care for the first time and then navigating the system once in receipt of care. There continues to be a consistent call for greater in-person assistance.

My Aged Care warrants further improvement. The Inspector-General is currently reviewing My Aged Care as the single entry point to the aged care system. Specifically, the review is focused on the initial engagement with the aged care system from first contact through to the point of receiving an assessment for services. Recommendations will be forthcoming as part of that review.

The care finders initiative, while very positive, does not meet the intent of the Royal Commission because it only assists the most vulnerable people with complex care needs, and not the broader population. The ongoing evaluation of the care finders program should consider the extent to which the current program is meeting the full intent of the recommendation and, in this context, assess the unmet demand for face-to-face assistance among current and prospective users of aged care.

The introduction of Support at Home will halve the cap on fees providers are able to charge for care management. Care managers help people with the day-to-day coordination of care, which is particularly important for people with complex needs that require multiple or intensive responses. In the lead up to the Act commencing, providers have needed to spend more time with their clients to make sure they are aware of the changes and their impacts. Halving care management fees is perceived as severely curtailing providers' scope to spend time with their clients. Making this change at a time of significant change in the system, when potentially more care management rather than less is required, could reap serious consequences. The Act is striving to deliver person-centred, rights-based care. Yet in this instance the changes prompt the opposite. Several providers have raised concerns with the Inspector-General about this change and its potential to negatively impact their clients. Providers are worried that a lack of coordination could see people fall through the cracks and miss out on the care and support they need, and/or experience unnecessarily extended hospital stays. This is a particular risk for people with especially complex care needs who need greater support and those whose care managers need to take more time explaining things to, such as clients with dementia and/or cognitive decline.

The Royal Commission proposed the establishment of star ratings for all aged care services as a means of assisting consumer choice. While noting that enhancements to star ratings are under development, further work should be undertaken to more closely align the initiative with the Royal Commission's recommendations. Star ratings do not capture the breadth of information the Royal Commission called for, most notably in respect of compliance data. There also appears to have been very limited progress on expanding star ratings into home care. This work needs to be expedited.

Earlier calls by the previous Acting Inspector-General for greater face-to-face support for people entering and navigating the aged care system remain pressing. Services Australia's ACSOs, while offering useful support, are insufficient in number and do not provide national coverage. What is needed is more case management style support, where older people, their carers, families and advocates have access to ongoing support and navigation assistance over time.

Improving health and aged care services

Care service interface

Stakeholders are increasingly calling for the introduction of a case management approach to help people move fluidly between health, hospital and aged care systems. Greater access to personalised support that helps older people navigate the complexities and transition points in these systems is urgently needed. Such support would be a significant stride towards delivering the transformation that the Royal Commission sought in this dimension of care.

In the short term, as mentioned above, the department should determine the feasibility of reversing the cap on care management fees. Care managers assist people to navigate the complexities of moving between health systems, hospitals and aged care.

Beyond this, the department should pursue options for delivering greater face-to-face support for older people who are navigating complex care arrangements across the aged care and other health and hospital settings. In that context, the department should commission a cost-benefit analysis to determine whether funding a case management program could save the Australian Government money when looking at aged care and health system funding combined.

Greater alignment with the NDIS

The NDIS is an expensive scheme and replicating it in aged care is something the Office understands successive governments have been reluctant to consider. However, there is clear inequity in the current tailored support people with disability receive through the NDIS and the more limited support available to people after transition into aged care. This inequity requires urgent address.

In regard to greater alignment between the NDIS and aged care, the Act effectively maintains the status quo. This is contrary to what the Royal Commission recommended and should be revisited. In addition to providing, and/or maintaining, NDIS-equivalent support for older people with disability, other benefits could be realised from pursuing greater alignment between the disability and aged care sectors. Policy and regulatory approaches in the disability sector offer many opportunities to inform approaches in aged care including in regard to the reduction and elimination of restrictive practices, effective worker screening, and in the adoption of person-centred care.

In relation to limiting the number of young people in residential aged care, an idea was raised during the roundtables that warrants further consideration. It was suggested that people who fall into the 3 exceptions for needing to be over 65 to access aged care (Aboriginal and Torres Strait Islanders, people who are homeless or at risk of it, and those already receiving aged care) should be required to first test their eligibility for the NDIS. If approved and still wanting to enter aged care, these people should be able to do so as NDIS participants. Their NDIS funding could be directed to the aged care system and their provider, with their supported disability accommodation component paying the aged care provider's refundable accommodation deposit. In turn the aged care provider could seek to become a registered NDIS provider, thereby broadening their market.[79]

[79] 2025 Progress Report, Consumer Roundtable, 24 March 2025.

Restrictive practices

There is an urgent need for more action on reducing and eliminating restrictive practices. There are balances to be struck between an individual's human rights, their safety and that of those around them. A proportionate response is needed in terms of using restraints, authorising restraints, reporting on their application and penalising inappropriate use. The current system is not changing behaviour in an area where, as the Royal Commission identified, change is immediately needed.

The benefits of adopting a senior practitioner model have been repeatedly proposed by highly credible stakeholders in this area, including the Australian Human Rights Commission Age Discrimination Commissioner, Robert Fitzgerald AM[80] as well as the Queensland Public Advocate, John Chesterman.[81] The department should investigate the scope to transition to this model and consult broadly regarding the merit and feasibility of its application.

The importance of improving workforce skills and capability in supporting and responding to people with challenging behaviour, and its causes, is consistently raised with the Office. Mandatory training in dementia for all client-facing staff, as called for by the Royal Commission, should have been included in the new Act. As with training in culturally sensitive, trauma-informed care, 'regular competency-based training' in dementia is not the equivalent of mandatory training. Specialised training in the care for the psychological symptoms of dementia could lead to a significant reduction in the use of restrictive practices.

Recommendation 65 called for greater safeguards against inappropriate prescription of antipsychotics. The department has reported that in 2021 the Pharmaceutical Benefits Advisory Committee advised health ministers across all governments that restrictions on antipsychotics are not implementable due to substantial risks of unintended consequences. This recommendation has had short shrift. The department should be taking further steps to consider how it could be appropriately implemented.

Stakeholders have consistently identified the disability sector as having a more enlightened approach to restrictive practices. Aged care officials in the department should be working closely with their disability policy colleagues and with state-based restrictive practice policy colleagues, the NDIS Quality and Safeguarding Commission and with the National Disability Insurance Agency to help pinpoint where cultural and regulatory changes are needed in aged care and what is incentivising different approaches under the NDIS. In time, all care systems across all jurisdictions should have a consistent approach to reducing and eliminating restrictive practices.

Palliative care

In the short term, the department should remove the 16-week maximum for delivery of care under the Support at Home End-of-Life Pathway. As highlighted by the Chair of Palliative Care Australia, Peter Allcroft,[82] the new Act establishes the possibility of people who, against expectations, outlive the 16-week maximum for receiving palliative care pathway support under Support at Home having critical services withdrawn. This needs urgent rectification.

In the medium term the department should commission an independent evaluation of the current prognosis-based criteria for eligibility to palliative care specific pathways in residential and home care to assess whether the approach is unnecessarily restricting access to support.

Respite

The Office has heard that respite care remains hard to secure, especially for people with dementia, complex needs and challenging behaviours. Four years ago the Royal Commission found access to respite limited. Little appears to have changed.

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[80] Interviewed for the 2025 Progress Report on 31 March 2025.

[81] The Public Advocate, March 2025, *Proposal for the future regulation (and reduction in the use) of restrictive practices in Queensland Discussion Paper.* Available at: https://www.justice.qld.gov.au/__data/assets/pdf_file/0003/822684/202502-restrictive-practices-discussion-paper-final.pdf.

[82] ABC Radio, 7 April 2025, Interview of Peter Allcroft by Briana Charles, *Concerns over federal program for end-of-life care.*

The government needs to commit to a series of reforms to drive both the availability and quality of respite care. In the short term, the availability of respite in residential facilities could be boosted by the provision of additional funding through AN-ACC. To improve longer term supply the department could consider requiring providers to make a certain proportion of beds available for respite care. The department and ACQSC could work closely with providers to determine how the minimum care 'blocks' can be effectively reduced from 4 weeks and ideally removed altogether.

Increasing the availability of in-home respite is likely to be more difficult. The department should work with providers to collectively develop strategies that could drive greater availability.

Workforce

Following the Royal Commission, workforce reforms have prioritised the delivery of high quality clinical care for people in residential aged care and boosting staff wages. Efforts on both fronts warrant recognition and support.

Foremost among outstanding workforce issues is the need for greater strategic planning. Governments across Australia need to work collaboratively to address existing workforce shortages. The collective focus needs to be on designing and implementing national, care sector-wide solutions that are strategic and coordinated. A comprehensive, well-coordinated solution has been lacking to date and is critical to helping ensure the aged care system is supported by an adequate supply of appropriately qualified staff.

Responsibility for ensuring a sufficient, stable and trained workforce does not sit with governments alone. Providers equally need to play their part. Boards, CEOs and senior managers need to create workplaces where staff want to work. Sound and supportive management, excellent governance, a genuine commitment to person-centred care and effective human resource practices (particularly around rostering) are all critical to staff attraction and retention. People in the sector know, or soon learn, which providers are good to work for and which are not. The Office has heard repeatedly that providers operating in the same labour markets can have very different outcomes when it comes to attracting and retaining staff. This is typically due to workplace-specific factors rather than a 'workforce crisis'.

This is not to say shortages do not exist. Clearly, they do. In rural and remote areas in particular attracting and retaining staff can be very difficult. A lack of access to affordable housing, child care and schools compound the problem and require innovative solutions from providers and flexible support and assistance from government. In such circumstances there is a clear need for Australian, state and territory governments to work together and develop solutions that assist these communities to have access to the services they need more broadly. The impact of such constraints extends well beyond aged care.

In relation to aged care specifically, it is worth revisiting the impact of AN-ACC, which has been raised in previous progress reports. In response to the emphasis on care minutes and 24/7 nursing, there has been a significant fall in the employment of enrolled nurses and in access to allied health services and supported lifestyle activities. These unintended consequences, which have reduced expertise, impacted residents' quality of life and the focus on reablement, are contrary to the delivery of high quality care. The negative incentives created by AN-ACC need to be addressed to support the holistic nature of the Act's definition of high quality care.

Finally, there needs to be greater focus on workforce quality. The implementation of mandatory training, minimum qualifications for personal care workers and worker registration should all be progressed. Career progression and pathways are also needed to improve the attraction and retention of staff in the aged care sector.

Conclusion

This report has been prepared on the eve of the implementation of the new Act. This is a time of significant change in the aged care sector. Providers are being asked to reorient their care models to ensure the delivery of older people's rights. Much of the detail that sits behind the Act has not been available, or finalised, during the preparation of this report. Like many providers the Inspector-General is uncertain about the exact requirements the sector will be asked to meet.

However, from the primary legislation alone, there is a clear case for some concern.

Outstanding recommendations from the Royal Commission are not being delivered. The transformational change Commissioners envisaged has not been delivered to date and will not be delivered by the Act.

As outlined in Chapter 4, stakeholders and the Inspector-General are anticipating a range of unintended, and intended but undesirable, consequences to become evident following the Act's commencement.

In the interests of minimising potential harm and re-aligning the government's reform agenda with the Royal Commission the Inspector-General calls on the government to take the following immediate actions:

- pause the mainstreaming of aged care ACCOs and continue block funding arrangements while the Aboriginal and Torres Strait Islander aged care pathway is being developed
- commit to the Interim First Nations Aged Care Commissioner's call to co-design and develop a 10-year aged care transformation plan in partnership with Aboriginal and Torres Strait Islander people
- commit to the model for an independent, permanent statutory Aboriginal and Torres Strait Islander Aged Care Commissioner as proposed by the Interim First Nations Aged Care Commissioner
- restore the previous cap on fees providers can charge for care management
- remove the 16-week maximum for care under the Support at Home End-of-Life Pathway.

To embed cultural change and the adoption of a rights-based, person-centred care system, the Inspector-General supports amending the Act to:

- provide older people with greater scope to claim their rights, including the ability to initiate their own legal proceedings
- broaden the Statement of Rights to cover government agencies in the aged care sector and include a right to high quality care
- strengthen the statutory duty so that providers need to ensure the care they deliver is high quality.

To ensure the government is formulating evidence-based aged care policy and appreciates the impact of its reforms, the Inspector-General calls on the government to:

- institute and administer a robust evaluation framework to determine whether its reforms are delivering the rights and definition of high quality care embodied by the Act
- commission cost-benefit analyses of:
  - moving to a demand-driven system, which also examines the 'downstream' impact of co-payments for non-clinical care and of waiting lists, particularly on premature entry into residential aged care
  - introducing a case management program for older people who regularly move between the health, hospital and aged care systems
- commission an independent evaluation of the impact and effectiveness of Support at Home co-payments, especially on vulnerable older people's access to care, 12 months after implementation
- broaden the evaluation of care finders to consider the extent to which the program aligns with the intent of the Royal Commission's recommendation and provide an assessment of unmet demand for face-to-face assistance among current and prospective users of aged care
- commission an independent evaluation of the prognosis-based access criteria for palliative care specific pathways to consider whether they are unnecessarily restricting access to support.

In addition, the Inspector-General reaffirms the calls made in the Acting Inspector-General's 2024 Progress Report, for the government to commit to:

- strategic workforce planning and the implementation of outstanding Royal Commission recommendations which called for mandatory training in dementia care and culturally safe, trauma-aware and healing-informed care, mandatory minimum qualifications for personal care workers and national worker screening and registration
- greater alignment between the NDIS specialised disability supports and the support available to older people with disability in aged care settings
- stronger efforts to embed diversity at the centre of care models
- action to further reduce, and wherever possible eliminate, the use of restrictive practices
- more timely resolution of aged care complaints
- addressing the incentives that would encourage greater provision of respite care
- enhancing star ratings and expediting their extension to home care providers.

The Inspector-General has a statutory responsibility to oversee the Australian Government's administration, regulation and funding of aged care. In carrying out this role the Inspector-General will hold all relevant Australian Government agencies to account for their respective roles in transforming the aged care system into the rights-based, person-centred system the Act describes.

There remains considerable scope to move the aged care system closer to the model recommended by the Royal Commission. In the knowledge that the government wants to see its new Act brought to life, and the best outcomes for older people in this country, the Inspector-General will continue calling out where these objectives may be undermined and importantly shine a light where opportunities for the biggest transformational change of the system can be achieved. The Inspector-General is ambitious about the tangible, positive change possible and will work with the sector and those with lived experience to ensure government agencies are committed to delivering the best possible aged care system.

PART B:
Progress in the implementation of the Aged Care Royal Commission recommendations

Recommendation 1: A new Act

Government's reported measures or actions — before 1 Jan 2025

The Aged Care Bill 2024 (Aged Care Bill) was introduced to the Parliament on 12 September 2024. On 16 September 2024, the Aged Care Bill was referred to the Senate Community Affairs Legislation Committee (the Committee) for inquiry and report. The Committee considered 189 written submissions and heard evidence from a wide range of stakeholders, including representatives from government, advocacy organisations, aged care and allied health providers, academics and experts, and people with lived experience, including their carers and families, in 9 public hearings across Australia. The Committee delivered its report on 4 November 2024, recommending that the Bill be passed. The Aged Care Bill was also considered by the Senate Standing Committee for the Scrutiny of Bills and the Parliamentary Joint Committee on Human Rights.

The *Aged Care Act 2024* was passed by the Australian Parliament, with amendments, on 25 November 2024, and received Royal Assent on 2 December 2024. At the time this report was prepared, it was set to commence on 1 July 2025. This intended start-date is repeatedly referenced below.

In response to recommendations 1(2)(a) and (3)(a–h), section 5 of the Act establishes the Objects of the Act, which are intended to outline the underlying purposes of the legislation.

In response to recommendation 1(2)(b), which recommended that the Act define aged care as 'supports, including respite for informal carers', Part 3 of Chapter 2 of the Act refers to the classification of service types and provides for respite services to assist informal carers of people receiving aged care.

More broadly, where Royal Commission recommendations were addressed through earlier amendments to the *Aged Care Act 1997*, they have been included in the *Aged Care Act 2024*, which responds directly to recommendation 1(4).

The 2024–25 Budget provided:

- $174.7 million to fund the ICT infrastructure needed to implement the new Support at Home program and Single Comprehensive Assessment System, which partially addresses this recommendation
- $27.4 million to implement the new Act, including governance activities, program management and the extension of the places management program.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Effort shifted to drafting and public consultation of the Aged Care Rules through October 2024 to March 2025, and supporting sector readiness for commencement of the *Aged Care Act 2024* from 1 July 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed', noting the extensive body of work undertaken to develop the Aged Care Bill and then to support its passage through Parliament. Establishment of the *Aged Care Act 2024* is a seminal milestone in the delivery of the Royal Commission's reform agenda, being both a pivotal recommendation in its own right and the lynchpin of almost 60 additional recommendations.

The Act seeks to deliver on the Royal Commission's vision of a new rights-based framework which places older people at the centre of a new aged care system, replacing the transactional and provider-focused model under the *Aged Care Act 1997*.

Notwithstanding these positives, it is important to note that the Act omits a range of features which were recommended by the Royal Commission. There is a significant risk that the legislation will fall short of supporting the full transformational reform the Royal Commission envisaged. Crucially, it does not establish a universal entitlement to aged care based on assessed need. Commissioners considered such an entitlement to be a foundational element of the new system, which would ensure that older people receive the high quality aged care they need, that such care would be safe and timely and assist people to live an active, self-determined and meaningful life in a caring environment, and facilitate dignified living in old age. As articulated in numerous places above, the Inspector-General recognises fiscal pressures and the rationale for a finite aged care budget, but believes more can be done to ensure the intent of the Royal Commission can be delivered in other ways. This is examined further in Part A of this report.

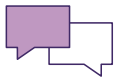
Key differences also exist in the design of future aged care programs, with the Act retaining a delineation between in-home and community-based aged care and residential care. In contrast, the Royal Commission recommended that those streams be consolidated into a single, seamless aged care program.

The approach to legislating high quality care, a central feature of the Royal Commission's vision of a new person-centred aged care system, also varies from that recommended by Royal Commissioners. High quality care is not enshrined in the objects of the Act, and nor does it form aspects of a general duty for aged care providers.

It is important to note the delay in commencement of the Act, which is set to become law on 1 July 2025, 2 years after the original date recommended by the Royal Commission (1 July 2023). While this has been an issue of concern for many, it has nevertheless provided an opportunity to more comprehensively canvass stakeholder views, including those with lived experience and advocates, and to consider their feedback in the design of the new Act, in particular to ensure it is founded on human rights.

The Inspector-General will be monitoring and assessing whether the Act achieves its objectives, in line with the Royal Commission's intent, including whether it effectively promotes and safeguards individuals' rights, and ensures that the care and supports older people receive are of high quality.

Recommendation 2: Rights of older people receiving aged care



Government's reported measures or actions — before 1 Jan 2025

The *Aged Care Act 2024* includes a Statement of Rights in section 23, which is intended to address recommendation 2. The Statement of Rights focuses on what individuals accessing, or seeking to access, funded aged care services can expect from registered providers. Importantly, it outlines rights specifically relevant to the aged care system and the delivery of funded aged care services under the Act, and not the rights of older individuals more generally.

In conjunction with the objects of the Act and the Statement of Principles in section 25, the Statement of Rights is fundamental in underpinning the new rights-based aged care system, and in ensuring quality and safe care for individuals accessing, or seeking to access, funded aged care services. The department has advised that the Statement of Rights will empower users of the aged care system and will place individuals and their needs at the centre of the legislative framework. It is intended to provide clarity and promote confidence among individuals, their family members, carers and supporters, and provide a reference point from which they can advocate in complex and sensitive circumstances.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation when it commences on 1 July 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed', noting the substantial work undertaken in developing and supporting the passage of the *Aged Care Act 2024*.

The Royal Commission considered enshrining the rights of older people in the Act would be critical to empowering those seeking or receiving aged care to live their lives according to their own wishes and needs, to ensure they are treated with dignity and respect, to maintain their connections to their communities, and to help address the systemic abuse and neglect which Commissioners found permeated the aged care sector. There are concerns that the Statement of Rights, while well articulated, is not sufficiently entrenched as a cornerstone of the system under the Act, in order to achieve those objectives. This is due to some of the following shortcomings.

Significant questions remain for the Inspector-General regarding the lack of direct enforceability of rights, particularly given that the Act provides that the Statement of Rights does not create rights or duties that are enforceable in a court or tribunal. While the Royal Commission did propose that rights should not be separately enforceable in the courts (apart from the right to freedom from restraint), there is a lack of confidence and certainty that this approach will be sufficient to safeguard individuals' rights or support a rights-based framework more broadly.

The Act does include a number of mechanisms which are designed to safeguard individuals' rights. They include, for example, a positive duty in subsection 24(2) for registered providers to take reasonable and proportionate steps to act compatibly with the rights listed in the Statement of Rights. Section 144 also establishes a condition of registration requiring registered providers to demonstrate an understanding of, and act compatibly, with the Statement of Rights. An individual who feels their provider is acting incompatibly with their rights can also make a complaint to the Complaints Commissioner. However, these tools are all indirect in nature. Also, they essentially rely on entities other than the individual receiving aged care to take action to uphold individuals' rights, for example the Aged Care Quality and Safety Commission (ACQSC) through its enforcement regime.

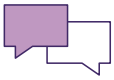
The Inspector-General therefore calls on the government to provide greater scope for individuals to assert the rights set out in the Statement of Rights, including the ability to initiate their own legal proceedings.

The Inspector-General also holds concerns regarding the absence of many important rights for older people. Crucially, the Statement of Rights does not expressly include the right to liberty, freedom of movement and freedom from restraints. The Royal Commission considered this to be a pivotal right, so much so that Commissioners said that violations should be the sole exception to their proposal that the rights they articulated should not be enforceable in the courts. The absence of this right in the Statement of Rights is stark, given the Royal Commission's stated aim of eliminating the inappropriate use of restrictive practices. There is also a disconnect between the definition of high quality care in section 20 and the Statement of Rights, and the Inspector-General calls for the right to high quality care to be made more explicit in the statement.

The application of the Statement of Rights should also be extended beyond registered providers to include other entities, particularly the government, as per the Royal Commission's intent.

The Statement of Rights will continue be a significant area of focus for the Office of the Inspector-General of Aged Care (the Office). The Office will closely monitor and examine the effectiveness of the Statement of Rights in upholding a rights-based and person-centred approach to the provision of aged care. This will include assessing the effectiveness of the regulatory tools at ACQSC's disposal and how they are used to safeguard rights. It will also include an examination of the extent to which cultural change is happening across the sector, such that the focus is on promoting and upholding peoples' rights.

Recommendation 3: Key principles



Government's reported measures or actions — before 1 Jan 2025

The *Aged Care Act 2024* responds to recommendation 3 through the Statement of Principles in section 25, which is intended to provide guidance on how the new aged care system should operate. The Statement of Principles should be used to help guide the decisions, actions and behaviours of those operating in the aged care system, including registered providers, aged care workers and government agencies. These principles signal to those working within the system how they should conduct themselves.

Together with the Statement of Rights and the objects of the Act, the Statement of Principles aims to provide a level of surety to older individuals and their families and representatives that they will be at the centre of the new aged care system, with their needs responded to appropriately and their individual circumstances recognised and respected.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation when it commences on 1 July 2025.

Inspector-General's findings

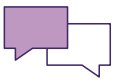
The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – substantially progressed', noting the substantial work that has been undertaken to develop and support the passage of the *Aged Care Act 2024*.

In the creation of a new Act, the Royal Commission saw an opportunity to refocus the foundational principles of the aged care system, namely to ensure that the system is directed towards the safety, health and wellbeing of older people, and to ensure that the delivery of aged care is focused on individuals' needs and preferences. It further stressed the importance of the principles it enunciated in recommendation 3 to be embedded within the culture and practice of aged care. As such, the Statement of Principles in section 25 is vital in shaping the actions and decisions of the government and providers so they align with those objectives, and also in giving impetus to the cultural shift that will be necessary for the new system to pivot towards a rights-based and person-centred framework.

The Statement of Principles in the Act is unlikely to meet the Royal Commissions' broader objectives because in the Inspector-General's opinion, the compliance mechanisms lack the necessary vigour. As per the Statement of Rights, the Statement of Principles does not create rights or duties enforceable in a court or tribunal. Additionally, there are concerns that section 26(3), which states that failure to comply with the Principles does not affect the validity of government decisions and is not a ground for review or challenge of any decision, will deprive individuals of appropriate remedial options in response to breaches that might otherwise be available under administrative law.

As per recommendation 2, the Office will continue to monitor and assess the effectiveness of the Statement of Principles to give effect to a rights-based approach to the provision of care and to drive the cultural change needed for that system.

Recommendation 4: Integrated long-term support and care for older people



Government's reported measures or actions — before 1 Jan 2025

Following the National Cabinet meeting on 6 December 2023, the Prime Minister announced that First Ministers had agreed to a further $1.2 billion package of Strengthening Medicare measures. According to the department, this responds to recommendation 4(1). Measures include increased availability of specialised respite care, the establishment of aged care hospital liaison officers to assist with long-stay older people, and the establishment of specialised and multidisciplinary teams to provide virtual outreach services to recently discharged patients in residential care.

This recommendation is being progressed through the Senior Officials Working Group, which was established to consider joint Australian and state and territory government related recommendations.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Measures announced through the Strengthening Medicare package are being progressed through bilateral discussions, which will further clarify roles, responsibilities and priority programs between the Australian and state and territory governments. It is intended that the negotiation of the new National Health Reform Agreement (NHRA) will further clarify roles and responsibilities between governments in providing aged care and related services.

The department is developing a 10-year Ageing Well in Australia Strategy. This strategy aims to support older Australians in living their best lives throughout their entire lives. The strategy will be accompanied by an Outcomes Framework designed to measure the success of current programs, identify gaps, and target policies and programs to address these gaps.

Inspector-General's findings

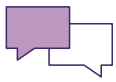
This recommendation is assessed as 'accepted in part' and 'commenced and ongoing – partially progressed'.

Very limited progress appears to have been made towards implementing this recommendation, particularly the substantive elements such as the 10-year Ageing Well in Australia Strategy. The Royal Commission emphasised the criticality of effective planning, strategies and action from governments to deliver an integrated system for the long-term support and care of older people and their engagement with their communities, and saw the strategy as a key step to achieving those objectives. In the 12 months since the Acting Inspector-General's 2024 Progress Report, it appears the strategy has merely advanced from scoping work to initial development. There also appears to be no indication that the strategy will seek to address older peoples' specific needs as identified for this recommendation, such as supporting them to reach their full capacity to enjoy life, providing supportive environments to promote dignity, independence and fulfilment, and establishing and enhancing community mechanisms that foster inclusion.

Additionally, as per the Acting Inspector-General's 2024 Progress Report, there remains no indication as to what contribution the $1.2 billion Strengthening Medicare measures will make towards the development of a system that will provide integrated long-term support and care for older people.

The Inspector-General would have expected to see stronger progress towards delivering this recommendation, and greater transparency around its implementation. Going forward, her Office will continue to monitor and assess implementation in line with the Royal Commission's intent.

Recommendation 5: Australian Aged Care Commission



Government's reported measures or actions — before 1 Jan 2025

No measures or actions were undertaken as at 1 January 2025, as the alternative government-led departmental governance model proposed by Commissioner Briggs was adopted.

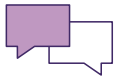
Government's reported measures or actions — underway or planned after 1 Jan 2025

Not applicable.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'rejected in full' and 'not commenced'. The Australian Aged Care Commission was part of Commissioner Pagone's independent commission model, which would have established a new statutory body as the system governor, quality regulator and prudential regulator. Commissioner Pagone's independent commission model was rejected in favour of Commissioner Briggs' alternative, government-led departmental governance model.

Recommendation 6: Australian Aged Care Pricing Authority



Government's reported measures or actions — before 1 Jan 2025

No specific actions have been taken to establish the Australian Aged Care Pricing Authority, as this recommendation was rejected in favour of Commission Briggs' government-led departmental governance model. As part of delivering that alternative model, the *Aged Care and Other Legislation Amendment (Royal Commission Response) Act 2022* (Royal Commission Response Act) and the Aged Care Legislation Amendment (Independent Health and Aged Care Pricing Authority) Instrument 2022 amended the *National Health Reform Act 2011* (NHR Act), the *Aged Care Act 1997* and the Fees and Payments Principles 2014. This expanded IHACPA's remit. The legislation received royal assent on 5 August 2022, with IHACPA's relevant functions commencing on 12 August 2022.

See recommendation 11 for information regarding IHACPA's functions.

Government's reported measures or actions — underway or planned after 1 Jan 2025

IHACPA's functions in the provision of advice on aged care pricing and costing matters will be further defined by the *Aged Care Act 2024* upon its commencement.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'rejected in full' and 'not commenced'. The Australian Aged Care Pricing Authority was part of Commissioner Pagone's rejected independent commission model.

Recommendation 7: Aged Care Advisory Council

Government's reported measures or actions — before 1 Jan 2025

The National Aged Care Advisory Council (NACAC) was established in December 2021, with funding provided through the 2021–22 Budget. In December 2023, NACAC's membership was refreshed to more explicitly encompass the perspectives of people receiving aged care, the workforce, providers, health and allied health professionals, specialists in education and training, and independent experts. New member appointments came into effect from 1 January 2024.

NACAC meets frequently and provides written advice to the Minister after each meeting. The council met 16 times in 2022, 7 times in 2023 and 8 times in 2024.

Communiques outlining the council's deliberations are published on the department's website. Secretariat support for the council is provided by the department.

Government's reported measures or actions — underway or planned after 1 Jan 2025

NACAC will continue to meet in 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'finalised', noting that the refresh in membership in 2024 satisfied the membership composition envisaged by recommendation 7(1).

Recommendation 8: Cabinet Minister and Department of Health and Aged Care

Government's reported measures or actions — before 1 Jan 2025

The Australian Government appointed a senior cabinet minister as the Minister for Health and Aged Care, and renamed the Department of Health as the Department of Health and Aged Care, as required under recommendations 8(1) and (2), respectively.

In relation to recommendations 8(5) and (6), as part of the first phase of a nationwide rollout to improve advice to the government in the delivery of care in regional and rural areas, the department established

regional offices in Launceston and Wollongong during the fourth quarter of 2022 and the second quarter of 2023, respectively.

As at 1 January 2025, 9 approved regional sites are operational. The regional sites are in Cairns (Qld), Coffs Harbour and Dubbo (NSW), Bendigo (Vic), Bunbury (WA), Port Augusta (SA), and Alice Springs (NT), joining Launceston (Tas) and Wollongong (NSW). The State and Territory Office Local Network of the department has transitioned to a stewardship model.

A capability review of the department, as required by recommendation 8(7), has been completed and the department has prepared an action plan in response.

In relation to recommendation 8(8), which requires annual reporting on the operation of the new Act, legislative requirements for annual reporting to Parliament on all aspects of the aged care system have been included within section 601 of the *Aged Care Act 2024*. Opportunities for improvements and enhancements to reporting and data quality are also being explored.

Government's reported measures or actions — underway or planned after 1 Jan 2025

On 16 January 2025 the former Minister for Aged Care, the Hon Anika Wells MP was appointed to Cabinet.

In relation to recommendation 8(5)(d), an evaluation of the sites and operating model will be conducted with a final report due in June 2026. Tailored progress reports are being prepared every quarter to help inform implementation and to identify areas of opportunity. The final progress report will be provided at the end of 2025.

It is intended that in 2025 annual reporting in the current Report on the Operation of the *Aged Care Act 1997* will transition to the annual reporting required by the new *Aged Care Act 2024*. Ongoing work in data improvements (see recommendation 108) may inform some of this new reporting.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'.

Through this recommendation, the Royal Commission provided the department with a mandate to assume a stronger and explicit leadership role under a stewardship model. It called for the department to be a forward-looking and proactive driver of transformational reform to the aged care system, to guide the cultural change necessary to implement those reforms, to educate and actively engage with the sector, and to take responsibility for nurturing the system in a collaborative and purposeful way. Clearly, implementation of this recommendation is vital to the overall success of the reform agenda so that the system can deliver high quality, safe care which is responsive to the needs of older people.

While the department has reported a number of actions to deliver specific aspects of this recommendation, delivery at a strategic level has been variable. The Inspector-General holds concerns about the extent to which true stewardship has been executed by the department, when viewed through the fragmented nature in which some reforms have been implemented. The Inspector-General would have anticipated that stewardship would be demonstrated by the initial development of a 'theory of change' or plan for transformation that sequenced which recommendations needed to be implemented first in order to facilitate transformational change. There is no basis at present to conclude that this has happened. The Office will closely monitor and assess a change in the approach of the department towards the stewardship intended by the Royal Commission's intent.

At a more granular level, there is no basis at present to conclude that all aspects of the recommendation have been accepted. This includes recommendation 8(3), which required that an associate secretary position with day-to-day responsibility for aged care be created, and recommendation 8(4), which proposed changes to the Administrative Arrangements Orders to deem the department responsible for aged care workforce matters.

Additionally, the implementation of recommendation 8(6), which called for a network of 50 regional offices to be set up, has been very slow, with only 9 sites funded to date. While noting the department's advice that the rollout of additional offices is subject to the regional stewardship evaluation, 9 offices will not deliver the regional connection needed to develop 'local solutions for local needs' called for by the Royal Commission.

A number of sub-components will not be implemented by the department. Specifically, recommendations 8(8)(b) and (c), which recommended that the department's annual reports on the new Act address the adequacy of government subsidies to meet peoples' care needs, and the extent to which aged care providers are complying with their statutory responsibilities, have been rejected in favour of an alternative approach. Reporting on those matters will be achieved through other channels, such as existing financial and performance reporting mechanisms. A range of consequences will flow from those decisions. In particular, there is a risk that reporting through financial and performance reports will decrease transparency in relation to those vital areas, as they are arguably less accessible and well-known beyond the sector. Providers have also warned about the costs and burdens of reporting requirements, which they consider have the potential to impede innovation and divert resources away from care provision.

Additionally, recommendation 8(9), which called on the department to provide triennial 'state of the aged care sector' reports to parliament on the aged care system, is under further consideration.

Recommendation 9: The Council of Elders

Government's reported measures or actions — before 1 Jan 2025

The Council of Elders has been established, with its membership announced on 24 December 2021. The council is actively providing advice to the Minister and the department, and engaging with and informing older people in Australia on the reforms to aged care. The 2021–22 Budget supported the establishment of the council through the measure 'Pillar 5 of the Royal Commission Response – Governance'.

The Council of Elders met 9 times in 2024 (including one meeting which was held out of session). Communiques outlining the council's deliberations are published on the department's website. The council's membership was refreshed in 2024. The council admitted 4 new members in 2025 (replacing 3 expired memberships and one vacant position). New members were appointed by the then Minister for Health and Aged Care.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The council will continue to meet during 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'finalised'.

Recommendation 10: Aged Care Safety and Quality Authority

Government's reported measures or actions — before 1 Jan 2025

No specific measures or actions have been finalised in response to this recommendation prior to 1 January 2025.

The Australian Government's response to the Independent Capability Review of the Aged Care Quality and Safety Commission was released on 3 June 2024. The government accepted all 32 recommendations.

The 2024–25 Budget provided $111 million to increase the regulatory capability of ACQSC as part of the government's response to the Capability Review and to implement a new aged care regulatory framework, which partially addresses this recommendation.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The department has advised that progress on this recommendation remains dependent on the implementation and outcome of recommendation 6.3 of the Capability Review.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'under further consideration' and 'not commenced', noting that there is currently no basis to conclude that any concrete steps have been taken to implement the recommendation. While the 2024–25 Budget allocated $111 million to increase ACQSC's regulatory capability as part of the government's response to the Capability Review, it is not clear what proportion of those funds (if any) relate to implementation of this recommendation.

Recommendation 11: Independent Hospital and Aged Care Pricing Authority

Government's reported measures or actions — before 1 Jan 2025

On 12 August 2022 IHACPA's functions were expanded to include the provision of aged care pricing and costing advice to the Australian Government. Informed by the advice and recommendations of IHACPA, the government remains responsible for determining the prices for residential aged care, residential respite care and in-home aged care.

In formulating pricing advice IHACPA uses evidence from ongoing studies and cost collections, data analysis and annual stakeholder engagement to ensure it reflects the costs of providing aged care services to older Australians. IHACPA is supported by the Aged Care Advisory Committee and other advisory groups in developing advice and recommendations.

IHACPA's annual advice to the government on the pricing and costing of residential aged care and residential respite care commenced in 2023.

On 26 May 2023 IHACPA published the first Residential Aged Care Pricing Advice 2023–24 and associated Pricing Framework for Australian Residential Aged Care Services 2023–24. The Residential Aged Care Pricing Advice 2024–25 and the Pricing Framework for Australian Residential Aged Care Services 2024–25 were published on 18 September 2024. The development of these documents was underpinned by public consultation.

On 23 September 2024 IHACPA released the first Consultation Paper on the Pricing Approach for the Support at Home service list 2025–26 for a 33-day public consultation period. The feedback received during the public consultation will be considered in the development of IHACPA's inaugural Support at Home Pricing Advice 2025–26.

IHACPA continues to assess approved aged care providers' applications for increases to extra service fees and applications for refundable accommodation deposit amounts above the maximum, as determined by the Minister for Health and Aged Care.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The development of pricing advice is a multi-year process that requires refinement. IHACPA will review the residential aged care and Support at Home pricing frameworks and methodologies annually to ensure they remain fit for purpose and achieve policy objectives. IHACPA will continue to develop its methodology for future annual pricing advice supported by more in-depth data collected through its costing studies and cost collections.

In 2025 IHACPA will finalise and publish the Residential Aged Care Pricing Advice 2025–26 and the Pricing Framework for Australian Residential Aged Care Services 2025–26, informed by public consultations held between 14 August 2024 to 20 September 2024.

IHACPA will deliver the first pricing advice on the Support at Home service list to the government in February 2025 ahead of implementation of the Support at Home program from 1 July 2025. This will be accompanied by the Pricing Framework for Australian Support at Home Aged Care Services 2025–26, to outline the principles, scope and methodology used to develop IHACPA's pricing advice.

IHACPA will also continue to assess applications for increases to extra service fees and applications for refundable accommodation deposit amounts during 2025, following the increase to the maximum accommodation price effective 1 January 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'finalised', noting that IHACPA does not have power to determine prices, as required under recommendation 115(3)(c). Notwithstanding the lack of this power, as noted in the 2024 Progress Report, there are merits to this alternative approach. In particular, any expansion to IHACPA's aged care functions would only be feasible once its data sources are sufficiently robust and its operations well established and at a mature stage.

Recommendation 12: Inspector-General of Aged Care

Government's reported measures or actions — before 1 Jan 2025

The IGAC Act and the supporting *Inspector-General of Aged Care (Consequential and Transitional Provisions) Act 2023* commenced on 16 October 2023. This legislation established the Office of the Inspector-General of Aged Care and supporting Office, and the Inspector-General's functions and powers. The 2022–23 Budget (Restoring Dignity to Aged Care) provided $38.7 million to support the implementation of this recommendation. Ian Yates AM commenced as the Acting Inspector-General of Aged Care on 16 October 2023.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Following the conclusion of Mr Yates' term as Acting Inspector-General on 13 January 2025, Natalie Siegel-Brown commenced as the inaugural statutory Inspector-General on 14 January 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'finalised'. The legislative framework establishing the position of the Inspector-General is in force, Natalie Siegel-Brown has been appointed as the substantive Inspector-General and the supporting Office of the Inspector-General of Aged Care commenced operations in October 2023. As reported in the 2024 Progress Report, the recommendation has been partially accepted because the Inspector-General's complaints function involves overseeing the Australian Government's complaints management processes, which differs from the approach outlined in recommendation 12(3) of directly handling complaints about government agencies with a role in the aged care system.

Recommendation 13: Embedding high quality aged care

Government's reported measures or actions — before 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation through section 20, which defines 'high quality care'.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation when it commences on 1 July 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed', noting the extensive body of work that has been undertaken to develop the Aged Care Bill and then to support its passage through Parliament.

The definition of high quality care within the new Act has many innovative features, which are vital to articulating a shared understanding of what high quality and safe aged care services are, and more broadly, the principles underpinning a person-centred aged care system. These qualities are reflected in the description of high quality care as that which 'puts the individual first' and prioritises 'kindness, compassion and respect for the life experiences, self-determination, dignity, quality of life, mental health and wellbeing of the individual'.

However, there are a number of important divergences between the approach taken in the *Aged Care Act 2024* to embed high quality care compared with this recommendation and other recommendations which are intended to enshrine the principle of high quality care. In contrast to the Royal Commission's approach, the Act does not refer to the concept of 'high quality care' in the objects. More importantly, rather than establishing high quality care as the foundation of aged care, the approach to legislating high quality care in the new Act involves fostering a change in culture and sending a signal to providers and workers to aim high and not just comply with minimum requirements. This approach is apparent in section 147, which requires providers to demonstrate a capability for, and commitment to, continuous improvement towards the delivery of high quality care, without specifying timeframes, and couching the provision in largely aspirational terms.

This is a key departure from the Royal Commission's recommended approach, and it remains to be seen whether the legislation will drive and realise meaningful change in the practical delivery of high quality care.

The Inspector-General finds, as many stakeholders have raised, that there is a disjunct between the aspiration for high quality care and several key components of the Act, and the system more broadly. The promotion of wellbeing, community connection and a recognition of the importance of pastoral care and spirituality, which are vital parts of the notion of high quality, person-centred care, are not supported as funded functions within the aged care system. Despite defining these concepts as pivotal to high quality care, they are not aspects of care that are supported by the funding models for residential care or Support at Home. In practice, this makes them aspirational and suggests the system 'hopes' the functions will be achieved pro bono by both commercial and non-profit providers. Indeed, the current funding model may even undermine the ability to promote wellbeing, community connection, pastoral care, fulfilling a person's spiritual identity and their emotional support needs and aspirations, given the focus is solely on 'clinical care'. Additionally, the reduction in funding available for care management under Support at Home will also potentially undermine the provision of high quality care, especially during this time of transition when people and providers need to spend a heightened amount of time working together to ensure there is clarity and understanding about the changes and their impact.

In summary, while the approach to high quality care in the Act signals a necessary cultural shift from the existing system, the delivery of high quality care as defined by the Act is potentially frustrated to a degree, and even undermined by its own funding mechanisms.

The Inspector-General will closely assess whether the Act and associated implementation mechanisms are effectively steering providers to deliver safe and high quality care.

Recommendation 14: A general duty to provide high quality and safe care

Government's reported measures or actions — before 1 Jan 2025

The *Aged Care Act 2024* does not include a duty of high quality care as recommended by the Royal Commission. However, the statutory duties imposed on registered providers and responsible persons contained in sections 179 and 180 are intended to respond to this recommendation. Section 179 requires registered providers to ensure that their conduct does not cause adverse effects to the health and safety of

individuals receiving aged care services, while section 180 requires responsible persons to exercise due diligence to ensure the provider complies with the duty in section 179.

Following stakeholder feedback these duties were amended during the development of the Bill. Changes included replacing the initially proposed criminal penalties with civil penalties (see recommendation 101) and limiting the application of the responsible person duty to certain persons (for instance, excluding nurses who do not have certain management duties).

In addition to these duties, the registered providers have obligations to comply with the Quality Standards and demonstrate continuous improvement in the delivery of high quality care.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation when it commences on 1 July 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'rejected in favour of an alternative approach', which can be considered 'commenced and ongoing – substantially progressed', noting that an extensive body of work was undertaken to develop the Aged Care Bill and then to support its passage through Parliament.

However, as noted in the observations for recommendation 13, there are significant differences between the approach taken to enshrine the concept of high quality care in the Act compared with the Royal Commission's recommended approach. In particular, the Act does not create a statutory duty on registered providers to ensure that the personal or nursing care they provide is 'high quality' and safe. Rather, the duties established through sections 179 and 180 relate to ensuring that a registered provider's conduct does not, as far as reasonably practicable, cause adverse effects to the health and safety of individuals receiving services, and to require responsible persons to exercise due diligence in ensuring providers comply with that duty. These duties will not require providers to meet the breadth of responsibilities envisaged by the Royal Commission as there may be occasions where the care being provided to an individual is not high quality care but also does not meet the threshold of causing adverse effects to that person's health and safety. This could open the door to the ongoing provision of poor-quality care or neglect. The Inspector-General sees the potential for this to undermine the intent of the Royal Commission and potentially the Act itself. As a result, the Office will closely monitor whether these unintended consequences may arise in the application of the Act.

Recommendation 15: Establishment of a dementia support pathway

Government's reported measures or actions — before 1 Jan 2025

The department has responded to recommendation 15 in collaboration with Primary Health Networks (PHNs), Dementia Australia and state and territory governments.

In response to recommendation 15(1) all PHNs have developed resources through the PHN Dementia Pathways measure to give health practitioners and consumers a clear understanding of the diagnostic and post-diagnostic dementia pathways and supports in their region. Those resources describe both government and non-government supports available to consumers in each region, including services provided by Dementia Australia under the National Dementia Support Program (NDSP). NDSP services include peer support, counselling and consumer education (recommendation 15(1)(b) and (c)). In 2024–25 the NDSP was

enhanced to ensure additional, goal-oriented support is provided to people with more advanced dementia, including extra assistance to understand the broader support system where necessary.

To achieve consistency across clinical support pathways, the dementia support modules developed for the pathways software used by PHNs and health practitioners incorporate common elements and topics. These include, for example, medication management, expected changes as dementia progresses and the modules outlined in recommendation 15(2).

The Improving Respite Care for People with Dementia and their Carers Program has been established in response to recommendation 15(1)(d). Organisations were engaged to deliver the program from May 2023 with additional providers funded in May 2024. The program supports carers and families caring for people living with dementia, including with access to dementia-specific respite and training for health and aged care workers.

The National Centre for Monitoring Dementia has been established to improve information and data to inform the design of post-diagnostic support.

In response to recommendation 15(2) PHNs have provided a range of education initiatives to inform health practitioners in their region about the clinical pathway elements and consumer-focused resources. Additionally, health practitioners are provided information through the pathway modules themselves, with relevant modules focusing on referral to memory clinics/specialists and education and information about dementia.

The National Dementia Action Plan 2024–2034 (action plan) was released on 5 December 2024. It was developed in partnership with Australian and state and territory governments and driven by people living with dementia, their carers and families. It aims to improve the quality of life for people living with dementia and their carers by:

- increasing awareness
- reducing the population's risk of dementia
- driving better coordinated services.

This includes supporting the aged care sector by improving dementia knowledge and training for staff.

The National Dementia Action Plan Monitoring and Reporting Framework was released concurrently with the action plan. It outlines how Australian, state and territory governments will monitor and report progress on the 8 high-level actions in the action plan.

The online action plan indicators dashboard, developed by AIHW as part of the National Centre for Monitoring Dementia, presents baseline information on indicators which will be tracked over the life of the action plan to ensure it is meeting its objective.

The 2024–25 Budget provided $1.7 million for the Australian Dementia Network under the action plan to continue preparing the health system for developments in biomarkers and disease-modifying therapies, which partially addresses this recommendation.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The action plan will be implemented through 3 Collective Priority Frameworks. Each will run for 3 to 4 years and set key focus areas for governments. The first framework is expected to be released in mid-2025.

Progress of the action plan will be tracked and reported annually through the online indicators dashboard which will report each year on measures of progress under each action. This will provide consistent evidence on how well actions taken under the action plan are contributing to the vision of improving the lives and care of people living with dementia, their carers and families.

Australian and state and territory governments will also publish annual reports on activities, including new programs or changes to existing policies or programs. This will support transparency and accountability, and detail how activities align with the action plan.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'finalised', noting that steps have been taken to respond to all sub-components of the recommendation. In particular, the release of the action plan and supporting Monitoring and Reporting Framework in late 2024, which was the primary deliverable still in train when the 2024 Progress Report was prepared, represents welcome progress. The Office will continue to monitor implementation of these initiatives.

As noted in the 2024 Progress Report, however, the delivery of dementia support pathways warrants ongoing evaluation to ensure they are providing effective access to post-diagnosis supports for people with dementia, and prompt intervention when they are not. Further work is still needed to generate greater awareness of PHN-administered pathways and to integrate them more effectively into primary care.

More broadly, the delivery of dementia care to the increasing numbers of Australians suffering from the effects of the disease remains a significant matter of concern to the Inspector-General. Major areas the Inspector-General finds problematic include the following:

- An ongoing tendency for aged care providers to view dementia as an 'add on', rather than an integral part of the aged care system and a core capability. This results in numerous adverse consequences for those living with dementia, including unnecessary hospitalisations (especially where respite care is unavailable) and limited access to care due to providers being unwilling to support people with challenging behaviours.
- A lack of sufficient incentives within the AN-ACC funding model for providers to accept people with dementia, particularly those with higher needs due to changed behaviours.
- Ongoing issues around the availability of dementia-specific care in rural and remote areas.

The Inspector-General considers it both urgent and imperative that the department investigates and responds to these concerns, as these matters will grow in scale and severity over time given the population demographics and the increase in the prevalence and incidence of dementia.

This will be an acute focus for the Inspector-General going forward, as will implementation of recommendation 15 specifically.

Recommendation 16: Specialist dementia care services

Government's reported measures or actions — before 1 Jan 2025

Specialist Dementia Care Units continue to be rolled out nationally, with 16 units operational and additional units opening across 2025. The rollout had been delayed due to COVID-19 and the challenge of finding suitable providers with sufficient capability to operate units. Whether the number of Specialist Dementia Care Units established is sufficient to address need will be subject to assessment once full rollout of the 35 units is complete.

In response to recommendation 16(1) the department has completed a review of the Specialist Dementia Care Program (SDCP). Publication of the evaluation report on 5 September 2023 finalised the government's response to subcomponents 1(b) and 1(c). The review concluded it would not be appropriate for the SDCP to support people living with extreme changed behaviours or provide shorter-term respite care.

In relation to recommendation 16(3) the SDCP has been able to provide support to those people with a mental health condition who meet other eligibility criteria, including a diagnosis of dementia. The program provides eligible individuals with placement in a dedicated dementia-friendly unit offering person-centred and goal-oriented care tailored to their specific care needs and circumstances, including support from specialist in-reach clinicians.

The 2024–25 Budget provides $30 million for states and territories to continue delivering clinical in-reach services to support the SDCP.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The anticipated grant rounds in 2025 are intended to achieve full rollout.

Implementation of recommendation 16(1)(a), which required public reporting on the capacity of Specialist Dementia Care Units to address people's needs, will be subject to ongoing monitoring as the rollout of 35 specialist dementia care units continues in 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – substantially progressed'.

While progress has been made in finalising and publishing the SDCP Review in response to recommendations 16(1)(b) and (c), the substantive intent of this recommendation in facilitating the rollout out of all 35 specialist care units continues to be delayed. In this regard, no further progress appears to have been made in the 12 months since the 2024 Progress Report.

The Inspector-General holds significant concerns in relation to:

- ongoing delays in establishing additional specialist care units
- the absence of definitive timeframes and strategies to address ongoing barriers.

It is imperative that the government address these concerns and expedite the rollout process, as the prejudice faced by older people with dementia in relation to high quality care continues (including where restrictive practices are used in place of the specialised care required) and on current trajectories will only worsen over time.

Recommendation 17: Regulation of restraints

Government's reported measures or actions — before 1 Jan 2025

A legislative framework was implemented on 1 July 2021 through amendments to the *Aged Care Act 1997* and the Quality of Care Principles 2014 to prevent the inappropriate use of restrictive practices in residential care. On 1 December 2022 consent requirements for the use of restrictive practices were further strengthened through additional legislative reform.

Through the 2021–22 Budget, funding was allocated to establish a Behaviour Support and Restrictive Practices Unit within ACQSC, led by the Senior Practitioner. It is envisaged that this unit will support the sector in understanding the requirements relating to restrictive practices.

The strengthened legislative requirements for the use of restrictive practices apply to approved providers of residential care. Policy for use of restrictive practices in home care settings will be considered using data gathered under the SIRS expansion into home and community care, which commenced 1 December 2022. ACQSC publishes data on notifications received, by incident type, in quarterly Sector Performance Reports.

In November 2024 the hierarchy for appointment substitute decision makers (i.e. individuals or bodies who are appointed to give informed consent to the use of restrictive practices) under the Quality of Care Principles 2014 was extended from 1 December 2024 until 1 December 2026.

The department and ACQSC have continued to meet to support the continuous improvement of restrictive practices management.

In relation to recommendation 17(5) the department has discussed the Government Response to the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (released July 2024) with the Department of Social Services (DSS) and will continue to meet with DSS and consider the applicability of that Royal Commission's findings to the aged care framework moving into 2025.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* includes a restrictive practices framework. The Rules will also set out restrictive practices requirements. Public consultation on the Aged Care Rules will be undertaken in early 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed'.

The use of restrictive practices against any person constitutes abuse in a setting where they are not being used in accordance with legislation or regulation. For this reason, their use and associated regulation are among the most fundamental human rights matters that should be regulated within aged care delivery, and their misuse was a key precipitator for the Royal Commission's existence. For this reason, this recommendation is central to the reform of the aged care system and requires further examination by the department, ACQSC and providers as to how the care provided – or not provided – results in their overuse.

The continued reliance on, and misuse of, restrictive practices in aged care settings is a stark manifestation of institutional failings and one of the most profound demonstrations of insufficient systemic reform. Despite legislative changes, including amendments to the Quality of Care Principles cited by the department, the ACQSC reported in the latest Sector Performance Report that 'unreasonable use of force' and 'inappropriate use of restrictive practices' have not decreased over the past 18 months, and indeed the former constitutes the majority of significant issues providers self-report to ACQSC.

Currently restrictive practices are intended only to be used as a last resort to prevent harm, after alternative strategies are explored and adopted. Their usage requires informed consent from the resident or a substitute decision maker, with exceptions for emergency situations. The Office has heard that 'emergencies' (situations deemed sufficiently urgent that enable these requirements to be dispensed with) are declared too easily and all too frequently.

Four years following the Final Report, not enough has changed. Current policy settings and their application when it comes to restrictive practices will be front and centre of the Inspector-General's work overseeing the delivery of human rights and high quality care.

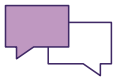
With specific regard to actions in response to this recommendation the Inspector-General notes that aspects of recommendations 17(1)(a)(i) and 17(3)(b) have been rejected in favour of an alternative approach. Specifically, providers must have a behaviour support plan, as required by recommendation 19(1)(a)(i), but are not required to formally lodge it or report monthly to ACQSC. The department has advised that it has implemented an 'investment approach' to supporting people living with dementia, which has prioritised upskilling providers and staff, as well as establishing the new expert/advisory resources in ACQSC, rather than establishing a new reporting regime.

Additionally, the requirement in recommendation 17(1)(a) for an independent accredited expert approval process has not been implemented, with an approved health practitioner with day-to-day knowledge of the older person assuming that role. The department has also developed a substitute decision-maker model for emergency use of restrictive practices, which does not align with the recommendation.

Legislative amendments made to the *Aged Care Act 1997* and Quality of Care Principles also did not include provisions for seeking compensation, as envisaged through recommendation 17(3)(b). This approach does not meet the Royal Commission's intent. In particular, unlike other rights, the Royal Commission articulated the need for 'freedom from restraint' to be separately and directly enforceable in the courts by individuals who have had their freedom of movement impinged through restraints. There is no evidence that the Act delivers on that specific intent. Rather, advice from the department is that individuals who have been subject to an inappropriate use of restricted practices will need to seek compensation through external legal mechanisms; this again relies on the agency and self-efficacy of the individual to make the complaint and still does not guarantee any recourse. Therefore, the Inspector-General does not see that the intent of this recommendation has been delivered. The ability to seek compensation externally is a weaker deterrent to providers compared to enabling individuals to separately enforce 'freedom from restraint' through the courts. The Inspector-General will be closely monitoring whether the new framework provides sufficient recourse for those seeking to assert their rights to freedom of movement.

Additionally, while the department has advised that it will continue to meet with DSS to consider the applicability of findings from the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability in the context of restrictive practices, it would appear collaboration to date has been limited. Aged care continues to have a lot to learn from the disability sector when it comes to eliminating and reducing the use of restrictive practices. The Office will be championing the adoption of a more enlightened approach in aged care and greater alignment between the 2 care sectors. More should have been achieved by now in relation to this recommendation.

Recommendation 18: Aged care standard-setting by the renamed Australian Commission on Safety and Quality in Health and Aged Care



Government's reported measures or actions — before 1 Jan 2025

On 1 July 2021 responsibility for developing the clinical components of the new strengthened Quality Standards was transferred to the Australian Commission on Safety and Quality in Health Care (ACSQHC). The department retained responsibility for the non-clinical aspects of the standards, in line with its knowledge of aged care regulatory reforms and to support development of a cohesive set of strengthened Quality Standards. The arrangement has been operationalised through a memorandum of understanding (MoU) and does not involve the transfer of functions to the ACSQHC as proposed by the Royal Commission.

Funding to support the implementation of this recommendation was provided through the 2021–22 Budget (Strengthening Providers – Quality Standards – funding for Australian Commission on Safety and Quality in Health Care to review clinical components of the Standards).

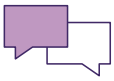
Government's reported measures or actions — underway or planned after 1 Jan 2025

Not applicable, as the recommendation was considered finalised prior to 1 January 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'rejected in favour of an alternative approach', which can be considered 'finalised'. As such, no additional measures or actions have been reported for this recommendation. ACSQHC has not been renamed nor conferred with the function of formulating standards, guidelines or indicators relating to aged care quality and safety. While ACSQHC provides advice on clinical standards under the MoU, this is insufficient to meet the intent of the recommendation.

Recommendation 19: Urgent review of the Aged Care Quality Standards



Government's reported measures or actions — before 1 Jan 2025

A review of the Quality Standards, as required by recommendation 19(1), was completed in early 2023. Advice on the outcomes of the review was provided to the government, including consideration of the focus areas identified in the recommendation. Public consultation on a set of draft strengthened Quality Standards took place from October to November 2022. The strengthened standards were updated in response to feedback and were piloted by ACQSC from April to October 2023. Findings informed the final draft of the strengthened Quality Standards. The Minister approved the final draft on 30 November 2023.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation when it commences on 1 July 2025.

The final version of the strengthened Quality Standards will be included in the Rules under section 15 of the Act.

ACQSC plans to publish final guidance materials to support implementation of the strengthened Quality Standards on its website in early 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – substantially progressed', noting the substantial work that has been undertaken to date in reviewing the existing Quality Standards and then developing the new strengthened Quality Standards. Considerable progress has also been made in developing the legislative framework to support the strengthened Quality Standards.

As noted in the 2024 Progress Report, while the ACSQHC was tasked by the Royal Commission with leading implementation, the department has primarily delivered the recommendation with ACSQHC's advice. This is not necessarily an impediment to effective delivery of the recommendation. However, information provided by the department has not shed any light on whether the Royal Commission's underlying concerns about the standards were considered, including for example, the lack of objective measurables within the standards.

The strengthened Quality Standards and their implementation is of significant interest to the Office. In particular, Standard 1 which supports the delivery of the rights-based, person-centred model of care and Standard 2 which covers care providers.

Providers have raised some concerns with the Office about the level of prescription in the strengthened Quality Standards. While perceived as helpful for some smaller and less experienced providers, for larger organisations and higher performers this level of prescription is seen as potentially hindering innovation and reducing flexibility in their ability to provide high quality care.

Recommendation 20: Periodic review of the Aged Care Quality Standards

Government's reported measures or actions — before 1 Jan 2025

On 1 June 2023 the Minister approved a periodic review of the Quality Standards, set to occur every 5 years.

Paragraph 339(1)(f) of the *Aged Care Act 2024* provides that one of the functions of the System Governor is to the review the Australian Government's administration of the aged care system, or a part of that system, including undertaking research, evaluation and analysis, such as periodic review of the Quality Standards.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation when it commences on 1 July 2025.

The Rules will require periodic reviews of the strengthened Quality Standards to occur every 5 years from commencement.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – substantially progressed', noting the requirement for periodic review, to occur every 5 years, will be a feature of the new legislative framework. While the Act will confer a legislative function on the System Governor (that is, the department) to undertake periodic reviews, rather than the ACSQHC, this is not an impediment to effective delivery of the recommendation nor to it being accepted in full.

Recommendation 21: Priority issues for periodic review of the Aged Care Quality Standards

Government's reported measures or actions — before 1 Jan 2025

Priority issues, including those set out in recommendations 21(a) to (e), were considered as part of the urgent review of the Quality Standards, and subject to consultation on the proposed strengthened Quality Standards. ACQSC led the development of guidance material to support providers with the strengthened Quality Standards.

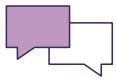
Government's reported measures or actions — underway or planned after 1 Jan 2025

Not applicable.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'finalised', noting that the issues identified in the recommendation were considered as part of the urgent review of the Quality Standards conducted in response to recommendation 19.

Recommendation 22: Quality indicators



Government's reported measures or actions — before 1 Jan 2025

Six new quality indicators, including consumer experience and quality of life, were developed and implemented in residential aged care on 1 April 2023. In response to recommendation 22(1)(b) specifically, which relates to the publication of guidance on the use of indicator data, the department has finalised and published the National Aged Care Mandatory Quality Indicator Program Manual Parts A and B.

A 6-week pilot of 3 new staffing quality indicators involving 69 residential aged care providers was undertaken in March 2024. Public consultation on the inclusion of the 3 new indicators in the Quality Indicator Program closed in June 2024. Feedback from the consultation and pilot informed the government's decision to introduce the additional quality indicators. Providers will start collecting data for these new indicators from 1 April 2025 and report the data from 21 July 2025. Residential aged care providers must report on quality indicators for each resident every 3 months.

Work has significantly progressed on a Quality Indicator Program for Home Care, as required by recommendations 22(2)(b) and (c). It will commence 12 months after the start of the Support at Home program. HealthConsult conducted a 12-week pilot in October–December 2024 to test the proposed quality indicators within 3 domains of consumer experience: quality of life, service delivery and care planning.

Consultancy Nous Group has been engaged to facilitate evidence-based policy development by providing advice and knowledge backed by academia. Their work will involve literature reviews, consultations, data analyses, modelling and risk adjustment, and provide recommendations, options and advice with evidence-based insights into improving the quality of aged care.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Nous Group have delivered the first options paper on the Consumer Experience and Quality of Life indicators, which is currently being finalised.

Broad sector consultation on the original 5 quality indicators has concluded with targeted consultation to commence in 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed', noting that most aspects of the recommendation have been completed (recommendations 22(1)(a), 22(1)(b), 22(2)(a), 22(2)(c) and 22(3)).

Compared with the Acting Inspector-General's 2024 Progress Report, welcome progress has been made towards extending quality indicators to home care, in line with recommendations 22(2)(b) and (c). Expanding quality indicators to the Support at Home program is an essential step in progressing this recommendation and, more importantly, in ensuring that the quality of home care supports available through that program is measurable. This is an important aspect of ensuring that Support at Home provides high quality care, one of the fundamental objectives of the Royal Commission's reform agenda.

Recommendation 23: Using quality indicators for continuous improvement

Government's reported measures or actions — before 1 Jan 2025

An expanded suite of quality indicators and associated resources have been delivered to support providers with benchmarking and help improve their performance. This was supported by legislative changes made through the Aged Care Legislation Amendment (Quality Indicator Program) Principles 2021 and amendments to the *Aged Care Act 1997*.

A Technical Advisory Group was established to support the development of benchmarks for public reporting and has been meeting monthly since February 2024. The department advised that it was exploring driving continuous improvement through a project to investigate and develop benchmarks, including for public reporting and setting progressive improvement targets from early 2025.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Procurement to engage a supplier to investigate and develop benchmarks was released to market in January 2025.

The department has advised that it will shortly commence work to develop benchmarking, set progressive improvement targets and track provider and service performance. This work recognises the importance that benchmarking and progressive improvement target setting can make in advancing safety and quality improvement within the aged care sector. It is intended to help measure and compare clinical outcomes across organisations as well as enable providers to learn from one another and apply best practice principles. Similarly, through the application of progressive improvement targets providers will be able to reach incremental, data-driven performance goals that lead to significant, long-term improvements.

It is expected that residential aged care providers will have access to these targets from mid-2027. Implementing these quality improvement metrics to the Quality Indicator Program will allow quality indicators to be measured against best practice and not minimum standards. This work will further support the department to track, report on and monitor the performance of residential aged care providers and services' progress in meeting the set benchmarks and dynamic progressive improvement targets.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'. It would appear that progress to implement this recommendation in the 12 months since the 2024 Progress Report has been variable. In particular, the department has advised that it has been considering its approach to implementing recommendation 23(c), which required the government to publicly report on sector and provider performance against quality benchmarks. The Inspector-General acknowledges that ACQSC reports quarterly on sector performance, including on quality indicators, and is aiming to improve this reporting as its data sources improve, particularly through the *Aged Care Act 2024*. The Office will continue to monitor progress towards delivery of this component.

Information provided by the department regarding the implementation of other aspects of this recommendation also raise questions. Specifically, the department has advised that the current approach of supporting providers to track their own performance, and to publicly record and report on sector and provider performance, is not done against a true quality benchmark. There are discrepancies between that approach and the Royal Commission's proposed model which required ACSQHC to develop a methodology for benchmarking similar providers and for government to track sector and provider performance and set progressive improvement targets to raise performance against quality indicators over time. Enabling providers to self-assess in relation to quality is not a sufficient or objective measure of quality and is unlikely to give the public a measure of confidence in the government's oversight of the sector in this regard.

Further, it risks creating the impression that the government has effectively outsourced the role that Royal Commissioners said the government itself should have in overseeing and reporting on continuous improvement to providers.

While the government's response does not fully align with the approach put forward by the Royal Commission through this recommendation, the Inspector-General acknowledges that other mechanisms have been developed to stimulate the continuous improvement in provider performance sought by Commissioners. In particular, ACQSC's role in conducting audits against the strengthened Quality Standards will change under the new Act so that it is a mechanism to drive continuous improvement. Section 147 of the Act also establishes a condition of registration requiring continuous improvement from providers. Graded assessment will also be used to better differentiate provider performance (see recommendation 95). Finally, quality indicators form a component of star ratings, which will give providers the ability to benchmark themselves against other providers including at the service level.

The Inspector-General is alive to the necessity of driving continued improvement in provider performance, and to the importance of effective strategies for benchmarking improvement to foster that change. The Office will continue to monitor and assess the effectiveness of reforms to achieve those goals.

Recommendation 24: Star ratings: performance information for people seeking care

Government's reported measures or actions — before 1 Jan 2025

Star ratings were first published in December 2022 on the 'Find a provider' page of the My Aged Care website.

Work has since been undertaken to make interactive enhancements to star ratings, including publication of:

- 24/7 Registered Nurse coverage
- enrolled nurse and personal care workers care minutes
- live information on the distributions of ratings across the sub-categories and overall star ratings
- explanatory text to display which quarter of data is published on My Aged Care
- explanatory text to display where an aged care home has received 1 star for late or non-submission of data, rather than performance
- 2 new exemption categories which can be used if there are technical or data issues, and for services that become operational after a period of being offline.

Stakeholder consultation on the compliance and staffing rating changes was undertaken in late 2024.

In November 2024, a review of the star ratings system was delivered by Allen and Clark consultants, having been commissioned by the department. It concluded that while the concept is critically important, 'star

ratings faces challenges relating to consumer awareness, confidence and accessibility. There are also negative perceptions relating to star ratings' reliability and utility'.

In 2024 KPMG undertook an independent evaluation that investigated the impacts of star ratings on improving the quality of care in residential aged care homes and increasing choice and transparency for older people. Current star ratings design was also examined. Evaluation findings included:

- there has been improved performance across the sector related to quality-of-care delivery since the introduction of star ratings
- there is low public awareness, limited trust and perceived gaps in the accuracy, accessibility and comprehensiveness of published information
- there are concerns with the methodology used to calculate the compliance and staffing ratings.

The department advised that it planned to undertake a detailed review of the evaluation report and prepare recommendations for the government in early 2025.

The department launched the star ratings communication campaign to target awareness and understanding of star ratings on 6 October 2024. The campaign included national advertising that ran from 6 October to 28 December 2024 across free-to-air television, digital video, digital search and in medical centres and pharmacies. The campaign targeted older people and their support networks (friends, family and carers) to raise awareness of star ratings as a helpful guide to assist in the early stages of residential aged care planning. Campaign information continues to be available at www.health.gov.au/StarRatings.

The 2024–25 Budget provided $88.4 million over 4 years to continue existing workforce programs to attract and retain aged care workers, collect more reliable data and improve the outcomes for people receiving aged care services, which in part addresses this recommendation.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Work is underway to introduce further enhancements to star ratings, including:

- displaying enrolled nurse care minutes that contribute to the registered nurse care time target
- necessary system changes for the compliance rating consistent with the *Aged Care Act 2024*
- changes to the staffing rating algorithm, requiring aged care homes to meet both their legislated care minute targets to receive 3 or more stars and potential incorporation of 24/7 registered nurse coverage
- potential enhancements identified through the star ratings evaluation undertaken in 2024.

In consideration of future enhancements to star ratings, the department has engaged with a third-party consultant to:

- consider the feasibility of including 3 new clinical quality indicators into the quality measures algorithm
- explore options to expand star ratings into Support at Home.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed'. As noted in the 2024 Progress Report significant progress has been made with star ratings for residential care having been published since December 2022. Star ratings have a strong potential to aid consumer choice and drive improvements in provider quality, if done right.

However, significant interest and criticism have been directed at star ratings following its introduction, and many of those concerns remain.

The Allen and Clark report and the more recent KPMG evaluation identified a range of shortcomings, which have been borne out by stakeholders the Inspector-General has consulted with to prepare this report. Specifically, there are concerns that star ratings:

- need to take better account of compliance action
- should reflect non-delivery of care minute targets and 24/7 nursing requirements in staff ratings
- should provide information on the use of environmental restraints
- lack transparency, and do not provide an accurate picture of the quality of some aged care homes (including the quality of dementia care specifically)
- do not improve consumer understanding and, in fact, make decisions around aged care choices more difficult for older people and their families (moving to half stars would provide greater assistance and clarity)
- lack consumer awareness
- are less useful in certain locations, such as rural and remote areas.

Going forward, further enhancement of star ratings to ensure the system meets its objectives is vital. For older people and their families to have confidence in star ratings, it is imperative that the underlying methodology is sound and that compliance actions by ACQSC are appropriately reflected in provider ratings.

Additionally, little if any progress appears to have been made to extend star ratings to include home care providers, as required by recommendation 24. This is a significant concern. Expanding the scope of star ratings to capture other aged care services, where the majority of older Australians receive their care, is vital to the success of the system. Ideally, this body of work should have been finalised before Support at Home commenced.

Given the potential for the methodology behind the calculation of star ratings to influence provider behaviour, action must be taken by the department to ensure the systems' underlying incentives truly drive continuous improvement in the delivery of high quality care, which does not seem to be being fully achieved.

Recommendation 25: A new aged care program

Government's reported measures or actions — before 1 Jan 2025

The government is primarily responding to recommendation 25 through the new Support at Home program. The final policy design for Support at Home was agreed by the government and announced on 12 September 2024.

The *Aged Care Act 2024* will support the delivery of major aged care reforms, including the new Support at Home program and a restructure of the residential system to allocate a place to individuals, rather than providers (Places to People, or PTP). PTP ICT changes have been released into systems in a dormant state, with functionality to be switched on with the commencement of the Act.

In relation to recommendation 25(e), which requires genuine choice and flexibility for individuals about how their aged care needs are to be met, the PTP measure received $41.3 million from the 2023–24 Budget to facilitate choice of residential aged care provider. As with other sub-components, delivery of recommendation 25(e) will be through the Act.

On 9 December 2024, following an approach to market and, separately, negotiations with states and territories, the Single Assessment System workforce commenced, bringing together and replacing:

- Regional Assessment Service
- Aged Care Assessment Teams
- independent AN-ACC assessment organisations.

The 2024–25 Budget provided:

- $531.4 million in 2024–25 to release 24,100 extra home care packages, which partially addresses this recommendation
- $174.7 million to fund the ICT infrastructure needed to implement the new Support at Home program and Single Comprehensive Assessment System, which partially addresses this recommendation
- $27.4 million to implement the new Act, including governance activities, program management and the extension of the places management program, which partially addresses this recommendation.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation when it commences on 1 July 2025.

Transition-related activities to support the sector to move to the new Support at Home program on 1 July 2025 are underway. Further materials, including webinars, program manual and factsheets will be released in early 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'rejected in favour of an alternative approach', which can be considered 'commenced and ongoing – substantially progressed', noting that considerable work has been undertaken over a number of years to prepare the Support at Home program for commencement on 1 July 2025.

As outlined in the 2024 Progress Report the Royal Commission called for a paradigm shift in Australia's aged care system. Recommendation 25 was the first pillar of that new system. It proposed a new aged care program combining the existing CHSP, the HCP Program, residential aged care, residential respite, and short-term restorative care. The second pillar of the new system was recommendation 41, which called for certainty of funding for people's care needs. Combined, these recommendations were intended to establish a new demand-driven aged care program, which would provide care and support based on assessed need.

The *Aged Care Act 2024* does not deliver recommendation 25 and there is no basis to conclude that there is any intention to combine residential aged care and residential respite and Support at Home to create a single program with the same funding and regulatory requirements. The government has committed to a single home care program only, aspects of which will commence on 1 July 2025, with CHSP to transition into that program by 1 July 2027 at the earliest.

The decision by the government not to implement the single consolidated aged care program underwritten by certainty of funding based on assessed need, as required by recommendations 25 and 41, prevents the establishment of the new model of integrated, entitlement-based care envisaged by the Royal Commission. The government's approach to these 2 fundamental, systems-changing recommendations would have been an opportunity to deliver the transformational change to aged care, so strongly advocated by the Royal Commission. Creating a 'new system' without these 2 central components, risks the sum total of the government's reforms as likely to only deliver incremental change.

Recommendation 26: Improved public awareness of aged care

Government's reported measures or actions — before 1 Jan 2025

In 2021 the department developed an aged care reforms communication plan to form a consolidated approach to delivering recommendation 26. The communication plan aims to raise awareness about the reforms and encourage people to plan for their ageing. Throughout 2024 the communication plan continued to aim to:

- raise awareness about aged care reforms and encourage broader awareness and engagement in those reforms
- shift community sentiment towards aged care and change behaviour so that people think about ageing in a positive way and plan for their ageing, in terms of health and wellbeing, accommodation and independence (care and financial).

The department has advised that GPs have been included as target audiences within individual communications approaches (e.g. Tonic Health advertising for star ratings).

In 2024 the department sponsored and set up a booth at the General Practice Conference and Exhibition in Melbourne and included communications as part of the Sydney and Brisbane conferences, and at the Australian Association of Gerontology Conference in 2024.

An evaluation framework is included in the communication plan. The department undertakes regular internal and external reporting to track progress against recommendation 26.

The department has sought to improve public awareness of aged care resources available to assist people to plan for ageing and potential aged care needs (such as My Aged Care and ACSOs) through its primary communications channels. These include:

- a strategic partnership with the Australian Library and Information Association (ALIA) to share information and resources about aged care with people at their local libraries
- webinars targeted at older people, their families and carers, as well as the sector to promote and explain individual areas of reform such as in-home aged care, Quality Standards, legislation and regulation
- a range of events, forums and expos for sector and consumer audiences
- a range of printed and digital products
- advertisements to raise awareness of aged care reforms
- newsletters, including the monthly *Engaged* newsletter for older people, their families and carers, the *Your Aged Care Update* newsletter targeted at sector stakeholders and the *Working in Aged Care Update* newsletter targeted at aged care workers.
- social media
- editorials and departmental websites, including the Aged Care Engagement Hub, which is a central repository of aged care reform consultation
- surveys for older people, including the Wave 1 and 2 Pulse surveys
- a Health and Aged Care Consultation hotline
- establishment of the Council of Elders.

Additionally, the department has tailored communication and channels for the aged care sector and aged care workforce, health professionals and other key stakeholders (e.g. advocates, peak bodies and libraries) who have frequent contact with older people to increase their knowledge of aged care.

In relation to recommendation 26(1)(c) the department's *Let's change aged care together* campaign seeks to encourage participation and collaboration around the changes to aged care, and to allow stakeholders and individuals to have their say in those changes.

Government's reported measures or actions — underway or planned after 1 Jan 2025

With major reforms to aged care moving into place, and in the lead-up to the 4-year anniversary since the Royal Commission's final report was tabled in Parliament, the department has advised that its communication and engagement approach will shift from 'engage and consult' to 'inform and empower'. The 6 months to 1 July 2025 will focus on informing older people and their supporters and preparing providers for the changes.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – substantially progressed'. Information provided by the department indicates that all sub-components of this recommendation have been accepted and are at various stages of progression.

The Royal Commission observed that people do not adequately plan for their aged care needs. The Acting Inspector-General's 2024 Progress Report echoed those findings, stating that older people typically start their aged care journey in response to a crisis. When such crises eventuate, people often find the system confusing and are uncertain about where to turn for information and support. This continues to be echoed in consultations to date by the Inspector-General.

The Royal Commission called for government and sector-wide efforts to fund and support education and the dissemination of information to raise awareness of the aged care system and to help people plan for ageing and their aged care needs. Commissioners stated that GPs and health professionals also have an important role in recognising a person's increasing frailty, and to ensure timely referral to aged care assessment services. As a result, Commissioners recommended improving their knowledge of aged care.

The department has reported community engagement and communication activities that have been focused on aged care reforms. However, the Inspector-General continues to hear engagement has been limited, piecemeal and/or rushed and is left questioning the effectiveness, impact and reach of the department's communication-actions. With very tight lead times for the introduction of the Act and with significant detail in the Rules continuing to be released into 2025, the department's communications efforts associated with the reforms are being perceived as both inadequate and tokenistic by a number of stakeholders. Better coordinated, more thorough and more timely engagement with the sector should have been a higher priority for the department. The Inspector-General will be pushing for improvements in the future.

As emphasised in previous reports, a more strategic approach to departmental communications that takes better account of stakeholder (including aged care consumer) needs, and is built on a genuine engagement and collaboration, should have been a vital component of the reform process.

In addition, there is little evidence of the department actively building community understanding of aged care, as required by this recommendation. The Inspector-General is aware that many older people and their families continue to experience difficulties in obtaining accessible information about aged care and making informed decisions about their care needs. People continue to find the prospect of navigating the system daunting. Delivery of this recommendation requires allowing sufficient time for people to engage with the reforms and a more strategically focused approach, rather than the piecemeal engagement and education approaches undertaken to date.

Recommendation 27: More accessible and usable information on aged care

Government's reported measures or actions — before 1 Jan 2025

The Aged Care Engagement Hub, which provides a range of information in relation to aged care, has around 6,000 users a month. In relation to recommendation 27(a) information on the kinds of services a provider delivers is available on the 'Find a provider' function in My Aged Care. 'Find a provider' also provides information on the availability of services, as per recommendation 27(b).

In relation to recommendation 27(c) star ratings have been published since December 2022.

Data assurance and validation of provider-reported information published on the My Aged Care website as part of star ratings comprises:

- user testing and business verification testing
- independent quarterly analysis of star ratings
- industry validation via a provider preview
- reasonableness checks of submitted Quarterly Financial Report (QFR) data for care minutes and labour costs.

See recommendation 24 for further information on enhancements to star ratings during 2024. Work is ongoing, particularly in relation to the interactions with sourcing and sharing data including B2G (Business 2 Government), the Aged Care Data Strategy and the Aged Care National Minimum Data Set (NMDS). Available and up-to-date data from providers is the basis for information on the kinds of services providers deliver, including whether providers of home care services offered in regional, rural and remote areas are locally available. This is available through the 'Find a provider' function.

Providers have a responsibility to submit true and accurate Quality Indicator Program and QFR data in accordance with their obligations under the *Aged Care Act 2024*.

The 2024–25 Budget provides:

- $174.7 million to fund the ICT infrastructure needed to implement the new Support at Home program and Single Comprehensive Assessment System, which partially addresses this recommendation
- $1.2 billion for sustainment of, and essential enhancements to, critical aged care digital systems so they remain legislatively compliant and contemporary, and can support the commencement of the new Act from 1 July 2025, which partially addresses this recommendation.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Work is ongoing to further enhance star ratings, including:

- the display of enrolled nurse care minutes that contribute to the registered nurse care time target
- enhancements identified through the star ratings evaluation undertaken in 2024.

See recommendation 24 for further detail on planned enhancements.

Inspector-General's findings

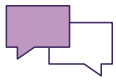
The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'.

As noted in the 2024 Progress Report there is some evidence that peoples' experiences of My Aged Care have improved since the Royal Commission's final report was handed down. Notwithstanding these improvements, widespread dissatisfaction among older people remains, with many feeling that the complexity of the system is a barrier to access. In light of these continued concerns, there is a clear case for the department to review and make enhancements to My Aged Care to ensure it is meeting consumers' needs as the one-stop-shop for aged care information and support. The Inspector-General's upcoming review of My Aged Care will explore these issues in greater detail.

In relation to recommendation 27(c) specifically, star ratings have been published on My Aged Care and information about services provided is available. As noted in the observations relating to recommendation 24 there is more work to be done on Star Ratings.

Finally, it would appear that little progress has been made to progress recommendation 27(e), which requires standardisation and verification of information. As per the Acting Inspector-General's 2024 Progress Report, that subcomponent remains under consideration.

Recommendation 28: A single comprehensive assessment process



Government's reported measures or actions — before 1 Jan 2025

A new and improved assessment tool – the Integrated Assessment Tool (IAT) – has been developed to replace the National Screening and Assessment Form. A live trial of IAT was undertaken from April to July 2023, with assessors using the tool in the field with over 22,000 clients. Feedback from the trial was used to improve the tool's usability and the data collected has supported development of the Support at Home classification system.

The Single Comprehensive Assessment System commenced a phased rollout on 1 July 2024. The new system is intended to ensure aged care assessments are accurate and consistent, and that older Australians and their families experience a more seamless entry to aged care. Aged care assessment organisations use IAT to undertake both home support and comprehensive assessments to determine an older person's eligibility for aged care services. IAT provides for a comprehensive assessment, question sets and validated assessment tools across domains. As per recommendation 28(1)(e) this includes medical, function, psychological; physical, personal health and frailty; social; cognition; behaviour; home and personal safety; financial and legal; and support considerations. IAT includes an assessment of informal care arrangements and the needs of informal carers to ensure these arrangements are considered when assessing the aged care needs of an older person (recommendation 28(1)(f)). IAT contains nested questions so that only questions relevant to the older person's needs are asked during the assessment (recommendation 28(1)(c)).

Assessors adopt a wellness and reablement approach during the aged care needs assessment and support planning process. The assessor considers an older person's goals during the support planning process, which is intended to respond to recommendation 28(1)(d).

A triage process is conducted by an assessment organisation upon receipt of an assessment referral to ensure older people with lower needs are not over-assessed and those with complex needs have access to a comprehensive assessment, which, again, is intended to be consistent with recommendation 28(1)(c).

On 9 December 2024 following an approach to market and, separately, negotiations with states and territories, the Single Assessment System workforce commenced, bringing together and replacing:

- Regional Assessment Service
- Aged Care Assessment Teams
- independent AN-ACC assessment organisations.

Assessment organisations are independent from aged care providers (recommendation 28(1)(a)) and can be located via this website: https://experience.arcgis.com/experience/ccd77404d8b04524b871edbfb76fa69c.

As required by recommendation 28(1)(g) assessment organisations are multidisciplinary and include a range of health-related disciplines such as medical practitioners, registered nurses, social workers, physiotherapists, occupational therapists and psychologists. To support the commencement of the workforce, the department has established a transition team to work with exiting, continuing and new organisations to ensure a smooth transition of services. The department provides training for assessors and a My Aged Care Assessment Manual for assessment organisations, which details comprehensive guidance to support assessors.

In response to recommendation 28(1)(b), which required the assessment process to occur before funded aged care services commence wherever possible, the *Aged Care Act 2024* provides for access to aged care services prior to a formal aged care needs assessment.

The 2024–25 Budget provides:

- $174.7 million to fund the ICT infrastructure needed to implement the new Support at Home program and Single Comprehensive Assessment System, which partially addresses this recommendation
- $27.4 million to implement the new Act, including governance activities, program management and the extension of the places management program, which partially addresses this recommendation.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The department will continue to work with the assessment workforce to be ready for the commencement of the *Aged Care Act 2024*.

While transition agreements were reached in late 2024 with states and territories to provide single aged care assessment services up to 30 June 2025, negotiations with states and territories have commenced for 4-year agreements from 1 July 2025.

Related to the single assessment system, Aboriginal and Torres Strait Islander assessment organisations will be rolled out progressively from 1 July 2025 to provide a tailored, culturally safe pathway for older Aboriginal and Torres Strait Islander people to access aged care, which responds to recommendation 48(2)(b).

Inspector-General's findings

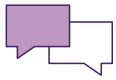
The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – substantially progressed', noting that considerable work has been undertaken to design the new assessment system, which largely meets the intent of recommendation 28(1). This work culminated in the rollout of IAT on 1 July 2024, a key milestone since publication of the Acting Inspector-General's 2024 Progress Report.

The Royal Commission stressed the importance of assessment processes and noted that the system at the time had been widely criticised as being 'complex and prone to inefficiency and duplication'. These criticisms are not new – they have prevented timely access to the system for many years. In the 2024 Progress Report the Acting Inspector-General found similar issues.

It is vital that the new system provides timely and accurate assessments of an older person's needs and then allows them to access aged care services in an expeditious manner. In the 2024 Progress Report, the Acting Inspector-General highlighted unreasonable delays in aged care assessment processes, often leading to a substantial decline in the health of the older person trying to access care. The report also documented cases where individuals, particularly those with dementia, did not receive assessments which reflected their actual needs. Going forward, the Inspector-General will examine whether the new regime is positively addressing these shortcomings.

The 2024 Progress Report also drew attention to the critical importance of a well-trained and sufficient workforce to ensure assessments are timely and consistent. However, the Office is unaware of any tangible improvements on this front.

Recommendation 29: Care finders to support navigation of aged care



Government's reported measures or actions — before 1 Jan 2025

The Australian Government funded all 31 PHNs from July 2022 to commission care finder organisations. A total of 168 care finder organisations are operational. Care finder services were put in place from 1 January 2023 and, following a 4-month establishment period, commenced operations from April 2023. Care finders provide one-on-one support to vulnerable people with complex care needs who require intensive assistance to access and navigate the aged care system. Funding PHNs to commission and manage care finder organisations is intended to drive local community connections and connect people with specialist skills in supporting vulnerable older Australians. Care finder staff have relevant qualifications and experience – for example, in social work, human services, aged care, community services or health.

To complement care finder services, more than 80 ACSOs have been created across around 330 Services Australia offices since December 2022 to provide face-to-face support as part of the My Aged Care interface. Services have a mixed distribution in metropolitan and regional settings across states and territories based on need and the population serviced. Placement was determined by Services Australia. Unlike care finders, ACSOs support older people across the general population, rather than being limited to especially vulnerable people. In addition, General Service Officers provide general aged care support in all Services Australia centres.

An independent evaluator (Australian Healthcare Associates) is managing an evaluation of the care finder program. The evaluation will assess the program's implementation, appropriateness and effectiveness. Findings from the evaluation will support continuous improvement of the program. The first report on the implementation of the care finder program is available on the department's website.

Government's reported measures or actions — underway or planned after 1 Jan 2025

With the aim of extending the care finder program, the department has recently initiated the process for PHNs to recommission care finder services to 30 June 2029. It is anticipated that letters of offer will be finalised early in 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'finalised'.

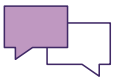
The Royal Commission stressed the importance of each person seeking aged care having access to personalised and local services to help them obtain the support they need. Commissioners considered the aged care system difficult to navigate and in need of a much greater face-to-face presence. Addressing that need, through care finders, underpinned the rationale of recommendation 29.

As observed in the Acting Inspector-General's 2024 Progress Report, however, the design of care finders to date significantly deviates from what the Royal Commission recommended. Firstly, and most significantly, the scope of the program is substantially narrower than what the Royal Commission envisaged, in that care finders only assist vulnerable people with complex care needs and not the broader population. Secondly, care finders comprise a range of organisations commissioned by PHNs with local community connections and specialist skills, rather than government employees, as proposed by recommendation 29(3). There are accounts of considerable national variability in the assistance provided under the program, frequent calls for an expanded network of care finders and suggestions that a central hub or mechanism be established to help people and advocates to more easily engage with care finders.

While vulnerable people do require considerable additional support to access aged care, the response to recommendation 29 does not align with the broader intent of the Royal Commission. Even with the combined support available through care finders and ACSOs, a significant gap remains in relation to the availability of person-to-person support to navigate the system. The Office has heard continually how even the most savvy among the community struggle to navigate how to access services, and continues to hear widespread calls from those with lived experience, carers, families and consumer advocates for greater access to face-to-face assistance to help everyone navigate the aged care system. In addition, stakeholder awareness of care finders and ACSOs remains variable.

Notwithstanding the recommendation being considered 'finalised', the Australian Healthcare Associates is managing an ongoing evaluation of the care finders program. The evaluation, which will examine the effectiveness and reach of the care finder and ACSO initiatives, is a positive step. The Office considers it should examine the extent to which care finders meet the full intent of the recommendation and, in this context, assess the unmet demand for face-to-face assistance among current and prospective users of aged care.

Recommendation 30: Designing for diversity, difference, complexity and individuality



Government's reported measures or actions — before 1 Jan 2025

The strengthened Quality Standards applying to all aged care providers include requirements for regular competency-based training for workers in core matters such as culturally safe, trauma-aware and healing-informed care (Standard 2). These requirements are intended to address recommendation 30(1)(a).

In response to recommendation 30(1)(a)(ii), care finders are required to have completed training in cultural safety and trauma-informed care. Care finder organisations can complete free training in the MAClearning system or from an alternative source. As part of their induction training, aged care needs assessors can complete online training which includes training covering cultural safety. The department contracted the Lowitja Institute in January 2023 to develop 2 online learning modules on facilitating cultural safety when working with Aboriginal and Torres Strait Islander clients within the My Aged Care context. Both online modules were delivered in March and April 2023 via MAClearning and are included within the current suite of learning that My Aged Care contact centre staff, ACSOs and assessors must complete as part of their job role induction pathway.

In February 2022, the department contracted the University of Tasmania to convene online learning modules to support direct care workers' continuing learning and development. The modules are also available to volunteers, carers and anyone with an interest in improving aged care. Specific modules have been developed on cross-cultural awareness, Aboriginal and Torres Strait Islander cultural awareness, and trauma-informed care. As at 29 August 2023, all 14 learning modules had been developed. An evaluation report, conducted by the University of Tasmania, detailing findings of the skills program was delivered to the department in December 2023. As of 1 December 2024, 22,471 people have completed one or more modules. As part of the 2024-25 Budget, $2 million over 3 years (2024–25 to 2026–27) was provided to enable continued hosting and updates where required of the current modules in addition to the development of five new modules.

In response to recommendation 30(1)(iii), the Specialisation Verification Initiative (SVI) was implemented in June 2022 via My Aged Care. The SVI includes a mechanism for providers to apply and submit evidence demonstrating genuine specialisation, which is published on the provider's My Aged Care profile. A total of 1,084 specialisations claims from 856 aged care outlets have been verified since June 2022, with 86 verifications in 2024.

OPAN was funded $6.2 million over 4 years (2021 – 2025) to aid aged care providers to understand the diversity of their community by providing them with local level diversity data and educational tools to better understand and meet the diverse needs of their community. As of 31 December 2024, 175 workshops had been delivered. The contract with OPAN to deliver this program has been extended for a further 4 years; 2025–2029.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The Strengthened Quality Standards commence on 1 July 2025. Action 2.9.6(b) requires that all workers regularly receive competency-based training in relation to core matters including culturally safe, trauma aware and healing-informed care.

From 1 July 2025 Aboriginal and Torres Strait Islander assessment organisations will be progressively introduced to provide a culturally safe pathway into aged care for older Aboriginal and Torres Strait Islander people seeking access to aged care services. These organisations will be community controlled, staffed by Aboriginal and Torres Strait Islander people or others who are trained in how to be culturally safe, trauma-aware and healing-informed as guided by Aboriginal and Torres Strait Islander organisations. This will ensure that cultural safety is place-based and appropriate to each local region.

Consultation has commenced with stakeholders to develop and complete a national audit evaluating regional and local variations in levels of service for people from diverse backgrounds. Ongoing engagement will inform an audit for completion in 2025. The audit will inform a report to the Inspector-General.

Consultation with stakeholders has commenced regarding the design and delivery of the standard dataset and data collection covering the diverse backgrounds and life experiences of older people seeking or receiving aged care. NMDS v.1, including various data standards relating to older people with diverse backgrounds, was released in July 2023. The consultation and development of the NMDS v.2, to be aligned with the *Aged Care Act 2024*, will include the expanded list of vulnerable groups and remains in progress. NMDS v.2 is scheduled for public release in mid-2025. Further versions of NMDS are anticipated in 2026.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'.

The Royal Commission emphasised that respecting the diverse experiences of every older person, and tailoring the delivery of care to meet their individual needs, is 'core business' in aged care and a fundamental aspect of high quality care. The scope of recommendation 30, which articulated the methodology through which measures to support diversity are to be injected into the aged care system, was not of a limited nature. Its scope was meant to be broad and unencumbered.

It is therefore concerning that the scope of the government's response to this recommendation has, by comparison, been curtailed. Specifically, information provided by the department shows that there is no intention to mandate that all workers involved in direct contact with people receiving care receive compulsory training in cultural safety and trauma-informed service delivery as a condition of the relevant provider's approval. The Royal Commission's mandatory training model must be implemented immediately, or this recommendation will remain unrealised.

Similar to the Inspector-General's findings for recommendation 13, the new Act's aspiration towards fostering high quality aged care, including ensuring that aged care services are culturally appropriate for people from diverse backgrounds, is not appropriately supported by the Support at Home or residential care funding models. In particular, vulnerable people from diverse backgrounds who wish to access support aimed at maintaining cultural connections, may be required to contribute towards the cost of those supports through the Support at Home service list, which they may not be able to afford, or choose to forgo. This is inimical to the intent of the *Aged Care Act 2024* in placing individuals from all backgrounds and circumstances at the centre of a new aged care system which is predicated on the delivery of high quality care.

Many in our community have suffered institutional abuse and live with deep and ongoing trauma. The aged care system must, as a priority, acknowledge this trauma and take practical and well-informed steps to help people access care in ways and settings that minimise 're-triggering' of trauma. To this end the department should be working closely with organisations that represent people with lived experience of trauma, to understand traumatised peoples' past experiences and needs, and engage in genuine co-design in the development of safe and trauma-informed care. To effectively deliver rights-based care all providers will need to have an inclusive culture and service model that flexibly embraces and supports all people in their care, whatever their backgrounds and life experiences. Several organisations have raised with the Inspector-General the department's existing aged care diversity framework originally launched in December 2017 as a solid starting point for embedding diversity in aged care.

Addressing these issues will be no small or cursory undertaking. This recommendation is a clarion call for change at a systemic level.

The Office is interested in how the system will embrace diversity and will be continuing to engage with stakeholders as the reforms are further progressed. In this regard the Office will be interested in how Standard 1 regarding treatment of individuals (in light of their background and diverse needs) is being met. The extent to which Standard 2 supports all aged care workers to regularly receive competency-based training in the delivery of culturally safe, trauma-aware and healing-informed care, will also be a key area of focus.

Recommendation 31: Approved provider's responsibility for care management

Government's reported measures or actions — before 1 Jan 2025

In relation to recommendation 31(4)(e), Schedule 1 of the Quality of Care Principles outlines the care and services that residential aged care homes are required to provide to all permanent residents and those receiving residential respite. These will be replaced by the residential care service list within the new *Aged Care Act 2024* framework. There have been internal government and public consultations on the proposed new residential care service list. To support this a discussion paper was published outlining the new framework and how it compares to the existing Schedule 1. An accompanying survey and the opportunity to make submissions was provided.

The proposed residential care service list contains items on care and services plan oversight and access to medical and allied health services, which include details on appropriate care planning and management. It also includes access to necessary primary care and allied health services including booking of appointments and support of health professionals visiting for onsite appointments.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Public consultations on the residential care service list will inform its finalisation.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'. There is currently no basis to conclude that meaningful action has been taken to implement this recommendation in line with the Royal Commission's intent.

The Royal Commission emphasised that care management can be essential to achieving good outcomes and is particularly important for people with complex needs that require multiple or intensive responses. Commissioners saw care managers as responsible for day-to-day coordination of care. Care managers would create care plans to promote health and wellbeing in conjunction with the older person and their carer, which would outline services needed, processes for managing and organising services, mechanisms for monitoring services delivered and processes for referring the older person for reassessment when needed. Those principles formed the basis of this recommendation. Those same principles are not apparent in the government's response to the recommendation.

What is apparent is the repeated calls from those with lived experience and advocates for greater face-to-face support to help navigate the aged care system. Care managers have scope to deliver this support for people receiving aged care.

What is also apparent is significant concern among providers about changes to care management fees being introduced in conjunction with Support at Home. Providers have told the Office that the decision to halve the cap for care management fees will mean they will be unable to maintain their current levels of support and engagement. In the lead up to 1 July 2025 many providers need to talk to all of their clients and make sure they are aware of the changes and their impacts. Halving fees at this time appears ill conceived given the Act is striving to deliver person-centred, rights-based care. In this instance, the changes arguably prompt the opposite.

Recommendation 32: Respite supports category

Government's reported measures or actions — before 1 Jan 2025

Policy is being developed to support the delivery of this recommendation under the new Support at Home program. Consultations to finalise policy design were held with consumers and the sector from early to mid-2024.

DSS published a National Carers Strategy on 10 December 2024. This strategy recommends a review of all respite services with a view to maintaining carer wellbeing. The department will work with DSS to understand the outcomes of consultations.

The department has advised that recommendation 32(c), which required the government to implement a respite supports category within the aged care program that provides people with up to 63 days of respite per calendar year, has been fully implemented.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will support the delivery of the new Support at Home program, including the respite supports which relate to this recommendation, on 1 July 2025.

The department will undertake a review of all CHSP respite services in preparation for the transition to the Support at Home program. The transition will occur no sooner than July 2027.

In addition, the results from IHACPA's in-home aged care costing study may inform future funding arrangements for in-home aged care services, including respite services.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed', noting with concern that no decision has been made to provide grant funding for respite where supply is inadequate, as required by recommendation 32(d). It is understood the reason for this omission is that the department is awaiting IHACPA's in-home aged care costing study, and the design of respite services once CHSP is incorporated into Support at Home (which will happen no earlier than July 2027).

The Royal Commission stated that respite care that is responsive to needs and circumstances is essential in maintaining carers' wellbeing. Despite its importance, access to respite is often limited. Information around the availability of respite is variable and the conditions imposed upon its use are often too restrictive. This has serious implications for the rights and health of both older people and their carers. This also has large implications for the taxpayer and the economy of care; proper availability of respite care ensures that older people can remain living in their own homes, under the care of loved ones and for longer, and may therefore prevent the need for unnecessary and more costly residential aged care services.

The Acting Inspector-General's 2024 Progress Report identified significant, systemic issues in relation to access to respite. The information provided by the department for this report inspires no confidence that the situation has improved.

Progress towards delivering much-needed improvement to respite remains disappointingly slow, and the government's reform intentions too opaque. There is a strong case for the department to thoroughly investigate the state of respite provision with a view to increasing supply, improving information about the availability of respite, and examining the adequacy of funding to support a respite framework which meets the needs of older people and their carers and families. Going forward, the Inspector-General will be monitoring this.

Recommendation 33: Social supports category

Government's reported measures or actions — before 1 Jan 2025

The Support at Home service list has been agreed by the government and will be in place from commencement of the new Act.

The design of the Support at Home program service list includes a 'social support' service type. Participants assessed as eligible for this service type will be eligible to access funding for these services. The service list will be included in the Rules.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* and associated Rules will respond to this recommendation when it commences on 1 July 2025.

Decisions on elements of recommendation 33 which relate to CHSP will be put to the government at a later date, ahead of its inclusion within the Support at Home program, no earlier than July 2027.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'. The recommendation is assessed as partially accepted because recommendation 33(d), which required grant funding for the social supports category, is not being implemented.

The Royal Commission emphasised the need for the aged care system to provide personal, social and community connections, beyond just clinical care. Royal Commissioners described social supports and care as being 'not substitutable'. Commissioners said both clinical supports and social supports are important 'to ensure an older person's health and wellbeing'.

There is currently no basis to conclude that meaningful action has been taken to implement this recommendation in line with the Royal Commission's intent. No mention was made, for example, of residential care. The department's feedback only referenced social supports in the context of Support at Home.

Under the Support at Home service list, while people will have access to social supports, as 'non-clinical' activities they will be required to make co-contributions, which could deter access. Again, while this issue impacts an individual's human rights, health and wellbeing, it will also have broader implications for the taxpayer. It is critical that people have access to a comprehensive mix of supports to be able to live comfortable, fulfilling lives in their own homes. Providing the right support which helps people to stay at home where they wish to could either delay or prevent their need to enter costly residential aged care. At scale, this would free up funding to enable more people to access aged care. Importantly, it respects an older person's right to autonomy and ageing in their community.

As raised in the Acting Inspector-General's 2024 Progress Report the Office is concerned that the emphasis on clinical care under AN-ACC has seen a significant reduction in lifestyle activities and the importance of social interaction in residential aged care.

The move to person-centred, rights-based care demands more focus on people's wellbeing – their social, spiritual and community connections should be as important as their clinical care. The importance of holistic support for people in aged care will be an area of interest for the Office.

Recommendation 34: Assistive technology and home modifications category

Government's reported measures or actions — before 1 Jan 2025

In response to recommendation 34(a) the department has commissioned Monash University to provide advice on an inclusions list for the Assistive Technology and Home Modifications (AT-HM) Scheme. Policy has been tested with stakeholders and the AT-HM list will be finalised for implementation on 1 July 2025.

Funding was approved for a trial of an Assistive Technology loans scheme ($10.9 million) with states and territories in 2024–25 and commenced on 29 June 2024 with EnableNSW across 2 sites in Western Sydney and NSW Riverina.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The government has announced that the Support at Home program, which will deliver components of this recommendation, will commence using a staged approach from 1 July 2025.

The new Support at Home program will respond to 34(a) when it commences on 1 July 2025. Decisions on actions to address recommendation 34(b) will be taken alongside broader discussions on the integration of CHSP into Support at Home.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'. The recommendation is assessed as partially accepted because recommendation 34(c), which required grant funding for an assistive technology and home modifications category, is not being implemented.

Public submissions received by the Office to inform this report have raised significant issues with the implementation of this recommendation. Concerns about the efficacy of the loans scheme and what appears to be oversights on home care service lists and AT-HM will be raised by the Inspector-General with the department. There are claims that lower limb protheses have been excluded from AT-HM, and that orthotists and prosthetists have been excluded from the service lists. If these claims are true, these exclusions are, on face value, unwarranted and likely to create unnecessary hardship for people in need of such support.

Recommendation 35: Care at home category

Government's reported measures or actions — before 1 Jan 2025

Government has agreed on a service list to provide clarity to Support at Home providers and older people about what services are available under the program. The service list addresses the sub-recommendations. Public consultation on the service list was undertaken in October 2024 and a summary of feedback was published in December 2024. The service list will be included in the Rules and will commence on 1 July 2025.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The government has announced that the Support at Home program, which will deliver components of this recommendation, will commence using a staged approach from 1 July 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed'. The recommendation is assessed as only 'partially accepted' because there is no basis to conclude that all aspects of this recommendation have been accepted.

The Royal Commission's rationale in formulating this recommendation was to support older people to remain in their own homes. Royal Commissioners laid out a blueprint through a number of recommendations, including recommendation 35, to ensure older people receive the care and support they need to remain living independently. The Support at Home program should provide the mechanism to meet these objectives.

The Support at Home program, commencing on 1 July 2025, will not meet the Royal Commission's objectives. Many in the community are convinced that it will, in fact, have the opposite effect and further limit peoples' access to support and push them prematurely (or even unnecessarily) into residential care.

The Support at Home service list risks being overly prescriptive. It may not provide people with access to the range of supports they need to remain living at home. Rather than a service list, Support at Home could be more appropriately supported by a set of robust principles that guide decision makers and provide adequate flexibility to spend program funds on critical supports people need to stay in their homes.

The introduction of co-payments for all aged care recipients, including full pensioners who do not meet (or navigate) hardship provisions, is neither widely understood by the public nor aligned to the Royal Commission's vision of a system based on rights and entitlement. The service list is heavily weighted towards peoples' clinical and medical needs, which are 100% funded, while all non-clinical supports require co-payment. It is hard to comprehend why some supports, such as showering, are classified as 'non-clinical'. They have a clear clinical dimension if not in their delivery, then certainly in their absence.

Stakeholders have repeatedly warned the Office that Support at Home, and the introduction of co-payments, will see older Australians forgo important services that have been subsidised to date. This withdrawal from care will come at considerable health and emotional costs. Many people who have spoken with the Office say that contrary to the program's name, Support at Home will deliver a reduction in home care. This is inimical to the intent of both Support at Home and recommendation 35. Given the higher costs associated with residential care, it is also contrary to the interests of the government and the broader Australian public.

The Inspector-General is also aware of concern that Support at Home will not fund advance care planning, in stark contrast to residential care. Withholding funding for vital end-of-life support such as advance care planning risks undermining the wishes of the vast majority of older people who would prefer to spend their final stages of life living in their own homes rather than in a residential aged care home.

Going forward, the Office intends to closely monitor the impact of Support at Home, including the service list, and to assess whether they are meeting their policy objectives.

Recommendation 36: Care at home to include allied health care

Government's reported measures or actions — before 1 Jan 2025

Consultations to finalise policy design relevant to this recommendation were held with consumers and the sector from early to mid-2024. The department has discussed the assessment and funding approach for STRC and broader program design under Support at Home with Allied Health Professions Australia.

Final Support at Home policy design, including an allied health focused restorative care pathway, has been agreed by the government and was announced on 12 September 2024.

The government has agreed on a service list, which will provide clarity to Support at Home providers and older people about what services are available under the program. It includes allied health and therapeutic services, which older people can be assessed as being eligible to access.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The Support at Home program, which will deliver components of this recommendation, will commence from 1 July 2025.

A service list will commence on 1 July 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed'. The recommendation is assessed as partially accepted because recommendation 36(2)(d), which called for provider reimbursements for certain allied health care costs, will not be implemented. Beyond that sub-component, there is currently no basis to conclude that the recommendation has been fully accepted.

The Royal Commission described the importance of allied health in sustaining older peoples' quality of life and independence, particularly through maintaining mobility and physical and cognitive capacity. It called for cultural change in the aged care sector to view allied health services as integral support for older people, rather than a cost burden.

The Support at Home service list will not fully deliver these objectives because of the way it has categorised particular allied health services that will be fully funded by the government and those which will not. Specifically, while allied health services that fall within the 'clinical supports' category will be fully funded, there is a range of allied health services falling under the 'independence' category which may require an older person to make a co-payment. These include services critical to remaining at home, such as those provided by a range of allied health professionals, such as osteopaths and chiropractors. Information provided by the department provides no indication why some allied health services were deemed clinical, while others were not. The Inspector-General believes the Australian public are entitled to understand the rationale for this, given it changes entitlements significantly. Many older people and their advocates fear they will not be able to access allied health care under the independence category because they will not be able to afford the co-payment, which again will lead to physical decline and eventual loss of independence, and the possibility of premature entry into residential aged care.

The Office intends to monitor and assess whether Support at Home is providing effective access to the allied health supports that older people living at home or in the community need, especially to be able to remain living safely at home, connected with their communities.

Recommendation 37: Residential care category

Government's reported measures or actions — before 1 Jan 2025

The department commenced a review of the current Schedule of Specified Care and Services, with the aim of ultimately creating a more user-friendly care and services framework.

A discussion paper was published as part of the consultations, to outline the proposed approach to the new service list and how it compares to the existing Schedule of Specified Care and Services under Schedule 1 of the Quality of Care Principles.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Following public consultations, stakeholder feedback will be considered in making revisions to the proposed new residential care service list. This will include meeting with a range of stakeholders to obtain more information as needed. The residential care service list will then go through further internal government consultations including the regular legislative drafting processes before it is finalised into the Aged Care Rules. The revised service list will commence simultaneously with the *Aged Care Act 2024*.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed', noting that progress has been made towards implementing this recommendation since the Acting Inspector-General's 2024 Progress Report. This includes the development of a proposed new residential care service list, which is expected to commence simultaneously with the new Act. There is insufficient information, however, to conclusively demonstrate that all sub-components have been fully accepted.

Some concerns have been conveyed to the Office in relation to the treatment of allied health under the residential care service list. Specifically, while the approach to fully funding allied health services considered necessary to meet residents' clinical needs is welcomed, it does not take account of the clinical dimensions of allied health disciplines not categorised as 'clinical care'. As many residents will need to contribute to the cost of essential allied health supports needed to prevent both physical and cognitive decline, the service list does not align with the Royal Commission's intention of supporting reablement for residents living in aged care homes.

As noted in the observations for recommendation 25, the government does not intend to deliver a single new aged care program that incorporates a residential care category, but rather intends to maintain residential care as a stand-alone program distinct from the new Support at Home program. Therefore, the recommendation is assessed as partially accepted.

Recommendation 38: Residential aged care to include allied health care

Government's reported measures or actions — before 1 Jan 2025

The Aged Care On-Site Pharmacists (ACOP) measure, which commenced on 1 July 2024, is being implemented in response to recommendation 38. The ACOP measure provides funding to:

- community pharmacies to employ and place pharmacists in residential aged care homes
- aged care homes to engage on-site pharmacists directly, in circumstances where community pharmacies cannot or choose not to participate, or the home and community pharmacy cannot come to a suitable agreement.

A third-party administrator has been contracted to manage payment claims by participating community pharmacies and aged care homes. The claiming and payment system was available to participating community pharmacies from 1 July 2024, and aged care homes from 1 October 2024. Aged care homes participating in the ACOP measure between 1 July 2024 to 30 September 2024 had the opportunity to claim reimbursement.

The department advised that, from early 2025, it intended to fund participating PHNs through a grant arrangement to support uptake of the ACOP measure by assisting aged care homes to directly engage on-site pharmacists. Participation in the ACOP measure is voluntary.

The AN-ACC funding model has also been supporting delivery of allied health services that must be delivered under the Quality Standards and the Schedule of Specified Care and Services. No further action is being contemplated to implement Commissioner Pagone's recommendation 38(a), which would require providers to have arrangements with allied health professionals for the provision of services.

The QFR collects information quarterly on the volume of service provision and expenditure on allied health services. The AN-ACC provides funding for all care required to be delivered under the Quality Standards and list of specified care services. The government also commenced publishing service level spending on allied health care on the My Aged Care Find a Provider Tool in February 2024. This allows residents and their family to view and compare finance and operations information including allied health care spending between services (and the sector median).

IHACPA has advised that its 2023 Residential Aged Care Costing Study (RACCS 2023) captured the costs of care provided by allied health staff to residents. The Residential Aged Care Cost Collection 2024 (RACCC 2024) has captured allied health costs at a subcategory level and allocated these to residents. The QFR and Aged Care Financial Report (ACFR) data distinguishes between allied health professions, enabling IHACPA to better understand the costs of care provided by different types of allied health professions. This data will continue to inform future pricing advice, as costs for allied health form a component of the recommended AN-ACC price. Funding is underpinned by an explicit incentive for high quality care, with a focus on restorative care and reablement.

Government's reported measures or actions — underway or planned after 1 Jan 2025

From 1 July 2025 the National Quality Indicator Program will expand to include an allied health measure, and the strengthened Quality Standards will create clear expectations around the role of multidisciplinary teams, including allied health professionals, in the provision of coordinated and comprehensive clinical and personal care.

Following the ACOP measure's commencement on 1 July 2024, the department has advised that uptake by aged care homes nationally is gradually increasing. A grant opportunity to fund PHNs to assist aged care homes to engage pharmacists is in development.

IHACPA's RACCC 2024 aims to increase the number of participants from the RACCS 2023 and to perform deep dive analysis for targeted areas to improve its understanding of areas such as care-related administration costs, allied health, indirect care time and respite services. RACCC will be finalised in mid-2025. This data will be used to inform the Residential Aged Care Pricing Advice 2025–26.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part', and 'commenced and ongoing – partially progressed'. While significant work has been undertaken to enable access to pharmacists in aged care homes, progress towards ensuring older people have access to other types of allied health care appropriate to their needs has been more variable and more difficult to quantify. A number of important sub-components of the recommendation will not be implemented. These include recommendation 38(b), which would have required providers to employ or otherwise retain a range of allied health professionals, in addition to pharmacists. Recommendations 38(c)(i) and (ii), which required the department to provide funding to engage those allied health professionals, and recommendation 38(d)(ii), which related to collection and review of data on allied health assessments, were similarly rejected in favour of an alternative approach.

Work to improve allied health service provision in residential care has primarily included:

- development of the new residential care service list, as discussed in relation to recommendation 37
- the strengthened Quality Standards, which are intended to create clear expectations around the role of multi-disciplinary teams, including allied health professionals, in the provision of coordinated and comprehensive clinical and personal care, which supports reablement and maintenance of residents' functional capacity (see Outcome 5.4)
- the AN-ACC funding model.

As noted in the Acting Inspector-General's 2024 Progress Report, stakeholders have advised that following the introduction of AN-ACC and the implementation of the recommendation 86, which requires the delivery of 200 care minutes for an average resident, there has been a fall in provision of allied health and lifestyle activities in many facilities. Although the Office previously urged the department to review these issues and take appropriate action, there is no information suggesting that this has occurred. The provision of appropriate and sufficient allied health care according to each person's needs is a vital component of the Royal Commission's focus on reablement, and in ensuring older Australians living in aged care homes have the support they need to prevent physical and cognitive decline. Going forward, this will be monitored by the Office.

Recommendation 39: Meeting preferences to age in place

Government's reported measures or actions — before 1 Jan 2025

Implementation planning has commenced and a dedicated branch has been established within the department with responsibility for sector and consumer transition activities for the Single Assessment System and Support at Home program implementation.

In the 2023–24 Budget, the Australian Government announced an additional 9,500 home care packages for the 2023–24 financial year (with packages released in 2023–24 receiving tapering funding for 2024–25 at the Mid-Year Economic and Fiscal Outlook (MYEFO) 2023–24). In the 2024–25 Budget, the investment to fund 24,100 HCPs resulted in a net increase in 14,600 HCPs with a view to stabilise wait times at 6 months. In the 2024–25 MYEFO, the government allocated $101.7 million in 2024–25 for 7,615 HCPs. This builds on the additional packages announced in the 2024–25 Budget. These extra packages will bring the number of

people supported by an HCP to over 305,000. The department continues to report on the National Priority System at a national, state and territory and Aged Care Planning Region level on a quarterly basis.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The Support at Home program, which will be critical to the delivery of this recommendation, will commence using a staged approach from 1 July 2025.

Implementation of recommendation 40(2), which proposed increasing the assessment workforce between 1 July 2023 and 1 July 2025, will require the government to consider the impact of the transition to Support at Home on assessment volumes. This will be considered as part of finalising Support at Home program design and transition planning.

The department expects that the additional packages released at MYEFO 2024–25 will manage wait times, focusing on level 3 and level 4 medium priority packages, before the Support at Home program starts in July 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'.

The Royal Commission identified the negative impacts that lengthy waiting periods have on those assessed as eligible for HCP packages. Commissioners described those effects as 'profound', with a 'clear danger of declining function, inappropriate hospitalisation, carer burnout, premature admission to a residential facility or even death'. The Acting Inspector-General's 2024 Progress Report echoed those findings.

Successive governments have made investments in additional HCP packages to reduce waiting times. While these have reduced wait times to some degree, they have not reduced them in line with this recommendation. There is significant public interest in home care waiting periods and this issue will remain a key focus for the Office.

As mentioned elsewhere, there are also widespread concerns in the sector that the introduction of co-payments under Support at Home could drive people into residential aged care prematurely. Should this concern be realised, not only would there be limited progress in regard to delivering this recommendation, but its substance would be undermined.

Recommendation 40: Transition to care at home

Government's reported measures or actions — before 1 Jan 2025

Final policy design for Support at Home was announced on 12 September 2024. Support at Home transition planning is well progressed and will commence with the Act. The department has dedicated resources focused on implementing the Support at Home reforms, including steps to ensure comprehensive sector readiness, stakeholder engagement and change impact activities. The program has been responding to questions from clients and service providers since the Support at Home announcement and introduction of the Aged Care Bill 2024 in parliament. Information webinars and question and answer sessions for the aged care sector, including with clients and providers, have also been facilitated. A detailed blueprint for transition of service providers has been developed and work is progressing on a client transition blueprint.

The Assistive Technology Trial has been progressing with delivery partners in NSW. The Home Care Providers survey has been conducted to inform the department's advice to the government based on IHACPA's preliminary pricing recommendations. Detailed consultation and planning for the transition of client and

provider data, as well as training of department support services and providers and assessment organisations, is progressing as planned.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The Support at Home program, which will support the delivery of this recommendation, will commence using a staged approach from 1 July 2025.

This recommendation forms part of the broader Support at Home program consisting of various planned and in progress activities related to funding policy, supporting the transition of providers to a new regulatory model, STRC and palliative care arrangements, upheld by the newly delivered Single Assessment Workforce delivered on 9 December 2024.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'. While noting advice that delivery of the Support at Home program is critical to the implementation of this recommendation, there is currently no basis to conclude that meaningful work has been undertaken to implement this recommendation in line with the Royal Commission's intent, or that the recommendation has been fully accepted.

Recommendation 41: Planning based on need, not rationed

Government's reported measures or actions — before 1 Jan 2025

The department has advised that the government is committed to delivering reforms to in-home aged care. The government has agreed that funding for Support at Home will grow in line with the projected growth in the need for services in the community over time. This is expected to ensure that an average 3-month wait for services can be maintained from July 2027. The government has also agreed that Support at Home funding will not be uncapped and that if demand exceeds projections, wait times will apply.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The Support at Home program, which will deliver components of this recommendation, will commence using a staged approach from 1 July 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'rejected in favour of an alternative approach' which is 'commenced and ongoing – substantially progressed'.

This recommendation needs to be read in conjunction with recommendation 25, a new aged care program based on assessed need and not rationed according to population-based limits on the availability of subsidies. Together these 2 recommendations form the core of the Royal Commission's vision for a redesigned aged care system.

The Inspector-General welcomes the changes to home care funding. The additional 83,000 packages that will be created under Support at Home for the first 12 months following commencement, is also a positive development. However, the length of time many people in the community are continuing to wait before they can access the level of care and support they need remains deeply concerning. The government's stated aim of achieving an average wait time of 3 months is not ambitious enough to meet the Royal Commission's intent. Older people who need care and support need it promptly. Significant deterioration – resulting in higher care needs and costs – is likely for many who are made to wait 3 months. Moreover, achieving an average of 3 months means that a significant proportion of those on waiting lists will be waiting much longer. The Inspector-General is aware that some people are dying while they wait for aged care that may have prevented their death during that time. This is an outstanding concern for the Inspector-General.

As outlined in the response to recommendation 39, the public can expect wait times to be subject to close monitoring by the Office.

Recommendation 42: Support for informal carers

Government's reported measures or actions — before 1 Jan 2025

The 2021–22 Budget authorised a range of measures and actions in response to recommendation 42(b) and (c). In response to recommendation 42(b)(i), a 'warm referral' mechanism has been set up within the Contact Centre and shopfronts for clients that contact My Aged Care. Changes have also been made to the My Aged Care website to include additional information, including on the Carer Gateway and the National Dementia Helpline. Since 3 October 2023 My Aged Care Screening and Assessment staff (including ACSOs) can collect carer contact information in the MyAssessor portal, application and staff portal. With the carer's and client's consent, their information will be shared with Carer Gateway Service Providers (CGSPs) and Dementia Australia, which can download a daily report. Carer Gateway and Dementia Australia can then contact carers and offer advice on support and services available to them in their caring role.

DSS has advised that, as a result, over 5,000 carers have been referred from My Aged Care to the national network of CGSPs for assistance in accessing carer specific supports and services (July 2021 to December 2024). Rates of referrals have, in general, remained higher since the implementation of the recommendation.

In relation to recommendation 42(b)(ii) changes have been made to the My Aged Care website, which redirects to the Carer Gateway and National Dementia Helpline. My Aged Care welcome packs, CHSP brochures and scripts have been updated to provide accurate and up-to-date information about support services for carers.

In relation to recommendation 42(c) since the commencement of the care finder program in early 2023, care finders are able to provide information to informal carers they come into contact with about Carer Gateway and how to engage with it. Additionally, My Aged Care referral request forms, and assessment screening questions have been updated. IT enhancements have been made to the MyAssessor portal/application to ensure the primary informal carer is identified in initial contact. It is now possible to capture carers' consent to collect and store information about them in conjunction with a person's My Aged Care client profile.

Government's reported measures or actions — underway or planned after 1 Jan 2025

After July 2025 the department will undertake a review of the My Aged Care website. With the introduction of the Single Comprehensive Assessment System from 1 January 2025 the department has advised that it will need to ensure the assessment workforce continues to identify informal carers during the assessment process.

On 10 December 2024 the then Minister for Social Services, the Hon Amanda Rishworth MP, released the National Carer Strategy 2024–2034 and accompanying National Carer Strategy Action Plan 2024–27. The strategy provides a framework for co-designing, developing and delivering a suite of actions over the next 10 years to ensure Australia's carers are supported in all aspects of their lives. The action plan outlines a suite of commitments to be achieved within the first 3 years of the strategy. DSS will continue to engage with the department as it implements the action plan to ensure a collaborative approach to supporting unpaid carers.

Inspector-General's findings

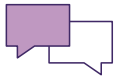
The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'.

The Royal Commission recognised that carers – family, friends and the community – are a crucial part of the aged care system. They support many older people remaining in their own homes for as long as possible, and in economic terms, provide an enormous contribution through delivering unpaid care. The underlying intent of this recommendation was to help informal carers receive the support they need, recognising that the existing system failed to do that.

Overall progress towards achieving those objectives through the delivery of this recommendation has been variable. While work has been undertaken in response to recommendations 42(b) and (c), these deliverables had been completed in the lead-up to the 2024 Progress Report. Aside from DSS's work to develop the strategy and action plan, little additional progress has been made in the past 12 months to deliver other sub-components. For instance, the requirements in recommendation 42(a) for improved services and support for informal carers through linking My Aged Care and Carer Gateway have not been delivered. As a result, informal carers still need to access Carer Gateway to access emergency respite and My Aged Care to locate other respite supports. This does not reduce the complexity associated with informal carers having to use multiple systems and fails to deliver on the Royal Commission's intent.

As noted in relation to recommendation 32, access to respite for carers remains an outstanding concern and is in need of urgent attention. Respite care is critically intertwined with the ability for informal carers to provide care at all. The enormous contribution that informal carers make to Australia and its economy is well-documented but importantly, the human rights of older people to age with those that they love and to remain connected to family is advanced through the care provided by informal carers. This matter is therefore fundamental to the delivery of the principles of the *Aged Care Act 2024*.

Recommendation 43: Examination of Leave for Informal carers



Government's reported measures or actions — before 1 Jan 2025

DSS and the Fair Work Commission are leading the implementation of recommendation 43. On 15 September 2023, the Productivity Commission released the final report, *A case for an extended unpaid carer leave entitlement* (Productivity Commission report). The Productivity Commission recommended that 'an entitlement to extended unpaid leave for carers of older people should be designed to maximise the net benefits to the community' and that the government should increase awareness of carer supports and, specifically, how carers can request flexible work arrangements. This information should be routinely provided to carers, including when they engage with Carer Gateway.

As part of recommendation 2 from the Productivity Commission report, the department will work to ensure carers understand where they can access support through the use of factsheets and the linkage between My Aged Care, assessors and Carer Gateway.

The department has posted material through social media and a My Aged Care article aimed at increasing general knowledge of different types of respite care that are available, how respite can be accessed and the benefits of using it. Flexible work arrangements in conjunction with regular periods of respite, including day respite, supports carers and helps to prevent carer burnout.

In October 2023 DSS implemented the Carer-Inclusive Workplace Initiative. This initiative helps employers develop and adopt practices to support employees with caring responsibilities and make their workplaces more inclusive. Employers who participate can be recognised as committed to carer inclusivity and receive a government-endorsed carer-inclusive workplace logo to display at their place of business and in their marketing materials.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The department's review of carers content on the My Aged Care website, which is primarily intended to respond to recommendation 42(b)(ii), is also relevant to this recommendation. The review will consider approaches to ensuring carers have up-to-date information on available supports.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – substantially progressed', noting that a significant body of work has been undertaken across multiple agencies. In particular, the Productivity Commission report considered the impacts of amending the National Employment Standards to provide an additional entitlement to unpaid carer's leave, which was published on the Productivity Commission's website. These activities met the requirements of the recommendation in full.

Based on information provided to the Office, no decision has been made by the government to amend the National Employment Standards to create an additional leave entitlement. Rather, the focus of the government's response to recommendation 43 has been to raise awareness of carer supports, how carers can access those supports, and to help employers support their employees with caring responsibilities. As noted in the Inspector-General's findings for recommendations 32 and 42, the Office has consistently heard that carers continue to face difficulties accessing support, particularly respite care, due to limited availability. While improving respite pathways and carers' understanding of how to obtain support is vital, unless there is an increase in the supply of respite, people are likely to continue to experience difficulties accessing those supports. Access to respite (and knowledge of carer supports) is fundamental to delivering a rights-based, person-centred system, because it keeps people connected to their family and communities and in their homes for longer. It prevents carer burnout and reduces the need for more costly residential care. Reforms to improve respite and other supports for carers, and initiatives to increase awareness, will therefore continue to be an area that the Office will closely monitor going forward.

Recommendation 44: Volunteers and Aged Care Volunteer Visitors Scheme

Government's reported measures or actions — before 1 Jan 2025

DSS is responsible for administering the Volunteer Management Activity 2021–26 (VMA) and the Volunteer Grants Program (VGP). Since the Royal Commission delivered its Final Report, the government has continued to support and promote volunteering through these key volunteering initiatives, which support volunteers across the country in all sectors in the community, including in the aged care sector.

In response to the Royal Commission's calls for additional funding for the VMA through recommendation 44(a) DSS has advised that the government provides approximately $7.5 million per year from 2021–22 to 2025–26 to the VMA. This supports the delivery of online services to build the capacity of Volunteering Involving Organisations (VIOs), seeks to increase opportunities for people to participate in volunteering, and breaks down barriers to volunteering. Although it does not have a specific focus on volunteering in aged care, the VMA has the potential to help recruit, train and support volunteers who assist older people. The VMA will be independently evaluated in 2025 to inform future policy settings.

In relation to the VGP the government provides $10 million per annum to support volunteers in all sectors in the community, including the aged care sector. The program provides small grants of between $1,000 to $5,000 to assist with costs incurred by not-for-profit community organisations that rely on volunteers. The 2024–25 Volunteer Grants round commenced on 25 November 2024.

More broadly, the government has funded a National Strategy for Volunteering. This framework provides a 10-year blueprint to support the future of volunteering in Australia. The first 3-year action plan was launched in August 2024 and consists of 22 actions. DSS will be leading 4 of these actions, including scoping a whole-of-Australian Government approach to volunteering, which may benefit aged care volunteering.

For recommendation 44(b) the department has developed an Aged Care Volunteer Framework to support volunteers and volunteer managers. Enhanced indicators have also been included in the new Quality Standards. The department has also developed an aged care volunteer website with additional resources and provided training and supports for providers, volunteer managers and volunteers.

In relation to recommendation 44(c) the Aged Care Volunteer Visitors Scheme (ACVVS) commenced on 1 July 2023. A total of 141 community organisations have been funded to provide 18,163 ACVVS placements across Australia. A Community of Practice was established in the fourth quarter of 2022. ACVVS activities have included establishing the Diversity, Complex Vulnerability and Cultural Advisory panel, provision of training and onboarding resources, and the development of an awareness raising strategy. A total of 303,320 volunteer visits were delivered for the financial year 2023–24.

The 2021–22 MYEFO provided $34.4 million over 4 years from 2021–22 to expand the Community Visitors Scheme.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Aspects of recommendations 44(a) and (b) will be incorporated in the *Aged Care Act 2024*.

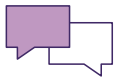
Monash University has been appointed to evaluate the ACVVS from 2023–26. The evaluation will test the:

- effectiveness of the social support intervention in improving quality of life for participants (recipients and volunteers) through reduction of social isolation and loneliness
- effectiveness of the social support intervention for diverse, complex vulnerability and cultural groups including funding models and delivery pathways
- cost effectiveness of the intervention's impact on health, mental health and aged care service usage for care recipients, and
- extent to which the scheme has achieved its intended program outcomes.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'. The evaluation of the ACVVS represents welcome progress, and appears to be the main additional activity undertaken in regard to this recommendation since the Acting Inspector-General's 2024 Progress Report. The provision of funding to support the VMA and the VGP, as well as other initiatives to support volunteers such as the National Strategy for Volunteering, are also welcomed. However, it is unclear whether funding for these programs has been increased – as per the intent of this recommendation – or whether it reflects a continuation of existing funding.

Recommendation 45: Improving the design of aged care accommodation



Government's reported measures or actions — before 1 Jan 2025

In response to recommendation 45, the 2021–22 Budget provided funding to support the development of a Residential Aged Care Accommodation Framework, including design principles and guidelines. Following consultations and testing of draft design principles and guidelines with the sector, the National Aged Care Design Principles and Guidelines (Principles and Guidelines) were published in July 2024. The department has commenced a program of awareness-raising activities, including participating in sector events to promote the Principles and Guidelines. Future awareness raising and sector capacity building activities are also planned.

The department has incorporated the Principles and Guidelines into relevant aged care funding rounds to support and incentivise uptake of the Principles and Guidelines. In the most recent Aged Care Capital Assistance Program (ACCAP) funding rounds, applicants were expected to align their proposals, where possible, with the Principles and Guidelines. The department will seek to incorporate similar requirements into other relevant funding rounds in the future.

As part of implementing recommendation 45(b) the department launched the 'Reimagining where we live' design ideas competition to promote the design principles and guidelines. The competition closed in December 2023 with winners announced in May 2024.

In response to recommendation 45(c) the department had an inception meeting with the Australian Building Codes Board in November 2023. The department continues to engage with the Australian Building Codes Board, with the most recent meeting being held in October 2024.

As part of its response to the Aged Care Taskforce's recommendations, the government will commission an independent Accommodation Pricing Review, which will consider incentives for providers to develop and maintain good quality accommodation that meets the Principles and Guidelines.

An infrastructure stocktake of aged care homes, including the Multi-Purpose Services (MPS) Program and NATSIFAC services, has been completed and has informed the department on the current state of design in aged care homes.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The department is implementing a range of strategies to raise awareness and encourage uptake of the Principles and Guidelines. These strategies include developing:

- a Care Home Assessment Tool to help providers assess their homes against the Principles and Guidelines and assist with planning for future projects
- supplementary guidance material on culturally appropriate design for Aboriginal and Torres Strait Islander people in residential aged care

- a range of supporting resources for aged care providers, staff and consumers.

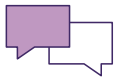
Work has been undertaken to identify elements of the Principles and Guidelines that could be mandated via the National Construction Code (NCC) in the future, subject to a decision of the government. The department is considering regulatory and non-regulatory options to increase uptake of the Principles and Guidelines. Any amendments to the NCC would be progressed in the 2028 release, as the process for the 2025 release has closed.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed'. In particular, finalisation and publication of the Principles and Guidelines in July 2024 meets the substantive requirements of recommendation 45(a), and represents positive progress compared to the 2024 Progress Report. Further steps have also been taken to implement recommendation 45(b), including a range of awareness-raising and education activities, as well as incorporating the Principles and Guidelines into the most recent ACCAP funding rounds to incentivise their uptake by the sector.

Delivery of recommendation 45(c), which requires potential proposals for amendments to class 9c of the NCC to reflect accessible and dementia-friendly design standards for new residential aged care buildings, appears to be in the initial stages.

Recommendation 46: Capital grants for 'small household' models of accommodation



Government's reported measures or actions — before 1 Jan 2025

The government currently provides limited capital funding through ACCAP for the construction of residential aged care homes, to upgrade or expand existing facilities, or improve access to quality aged care services in thin market settings.

As part of recent ACCAP funding rounds, applicants were encouraged to align their proposals, where possible, with the Principles and Guidelines. These rounds also provided the opportunity for applicants to seek support for projects involving improved dementia design and small home models of care.

The department will seek to continue to incorporate similar requirements into future funding rounds noting, as an ongoing program, ACCAP will deliver one or more funding opportunities each year.

As per recommendation 45, as part of its response to the Aged Care Taskforce, the government will commission an independent Accommodation Pricing Review, which will consider incentives for providers to develop and maintain good quality accommodation that meets the Principles and Guidelines.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Further ACCAP rounds are planned for 2025 and beyond. Grant applicants will continue to be able to put forward proposals seeking funding for small-scale models of residential care. All proposals will then be assessed as part of a competitive process. Up to $666.5 million is available under ACCAP until 30 June 2027. From 2027–28 at least $161 million per year will be made available on an ongoing basis.

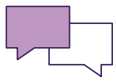
Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed', noting that funding is available through ACCAP to support projects that improve dementia design and small home models of care. However, the extent to which ACCAP funding to date has supported the building or upgrading of residential aged care facilities to provide small-scale congregate living, as proposed under 46(1), is unclear.

Information provided by the department that suggests that ACCAP grant rounds will prioritise providers operating in thin markets, and those delivering services to residents described in recommendation 46(3)(a) to (d), is encouraging and broadly in line with the Royal Commission's intent.

Concerningly however, based on information provided by the department, the implementation of other sub-components differs from the approaches the Royal Commission called for. Specifically, ACCAP's funding envelope falls well short of the quantum of grant funding outlined in recommendation 46(2). Additionally, in relation to recommendation 46(4), the department has advised that ACCAP will continue to provide funding following commencement of the new Act. These sub-components are therefore considered to be 'rejected in favour of an alternative approach'.

Recommendation 47: Aboriginal and Torres Strait Islander aged care pathway within the new aged care system



Government's reported measures or actions — before 1 Jan 2025

The department is delivering recommendation 47 in collaboration with DSS, the National Disability Insurance Agency, the Department of Veterans' Affairs, the National Indigenous Australians Agency and Aboriginal and Torres Strait Islander peaks.

On 1 July 2023 the Integrated Care and Commissioning (ICC) initiative was launched at 4 trial sites (Kimberley in Western Australia, Longreach in Queensland, South-East New South Wales and Gippsland in Victoria). Regional working groups were established comprising officials from the Australian and state and territory governments. Representatives developed high-level, place-based scoping and engagement initiatives to identify priority projects for implementation. Each site now has a comprehensive workplan and evaluation framework to support the implementation. Work at the trial sites aims to improve the provision of, and access to, primary care and support services in thin markets by trialling integrated services and joint commissioning across primary health, Aboriginal and Torres Strait Islander health services, disability, aged care and veterans' care.

A range of additional measures and actions has been implemented in response to other sub-components. In relation to recommendation 47(a) the department is determining a procurement approach and developing procurement documents to engage a supplier to provide tailored support to NATSIFAC providers.

The department is currently assisting ACCOs to become aged care providers in 6 locations: South-West WA, Darwin (NT), Western Sydney (NSW), Melbourne (Vic), Wide Bay and Hervey Bay (Qld), Sunshine Coast (Qld) – an increase from the 3 sites reported in the 2024 Progress Report.

In relation to recommendation 47(d) the department undertook a process to vary the 2023–24 and 2024–25 NATSIFAC program funding agreements to include an increase in funding for 17 remote residential services in very remote locations in Western Australia, South Australia, Queensland and the Northern Territory. All of the Deeds of Variations have been executed. This funding will aim to boost opportunities for people to remain on, and maintain connection with, their Country and communities.

In response to recommendation 47(e) the department funded the National Aboriginal Community Controlled Health Organisation (NACCHO) to establish the Elder Care Support program to assist older Aboriginal and Torres Strait Islander people in accessing and navigating the aged care system. NACCHO has rolled out a program with 270 FTEs being trained to provide services within 115 organisations. NACCHO is developing community engagement activities to coincide with the rollout of training programs and web-based information.

Work on a 2023–24 Budget measure ($5.3 million over 4 years from July 2023) has commenced to embed cultural safety, trauma-aware and healing-informed care principles and training across all ageing and aged care services.

In relation to recommendation 47(f) Aboriginal and Torres Strait Islander language interpreting services (covering 16 languages) are currently available through Interpreter Connect for Aboriginal and Torres Strait Islander people connecting with My Aged Care. This service allows Aboriginal and Torres Strait Islander people to speak with My Aged Care through an interpreter and receive assistance applying for and accessing aged care services. With the assistance of funding provided through the 'Better connecting with diverse audiences' 2021–22 Budget measure the department is currently exploring opportunities to work with Aboriginal and Torres Strait Islander translating and interpreting organisations to deliver government-funded Aboriginal and Torres Strait Islander interpreting services through aged care providers. This will ensure Aboriginal and Torres Strait Islander older people are given access to interpreters on at least the same basis as members of Culturally and Linguistically Diverse (CALD) communities when seeking or obtaining aged care.

The department advises that while the *Aged Care Act 2024* does not include a specific Aboriginal and Torres Strait Islander aged care pathway, the government's commitment to this is reflected in its Objects, the Statement of Rights and the Statement of Principles. The Act makes provision for aged care providers to be able to meet the diverse and changing needs of Aboriginal and Torres Strait Islander people in all aspects of service delivery. For example, additional alternative entry arrangements are included to facilitate immediate access to care, where there may be a delay in assessment processes being completed. These arrangements recognise the barriers to immediate assessment for older Aboriginal and Torres Strait Islander people.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The department is currently working with another 3 ACCOs to become aged care providers, in addition to the current 6 locations.

NACCHO continues to implement the Elder Care Support program to support older Aboriginal and Torres Strait Islander people to access and navigate the aged care system. More work is planned with NACCHO to roll out the program more widely in 2025.

As part of work on the 2023–24 Budget measure to embed cultural safety, trauma-aware and healing-informed care principles and training across all ageing and aged care services, a relevant training approach for the sector (including materials) will be developed in 2025.

The department will be developing a pilot and phased approach to introduce more Aboriginal and Torres Strait Islander assessment organisations in 2025. This will provide another option for older Aboriginal and Torres Strait Islander people and their families to access culturally safe assessments for aged care.

Finally, in February 2025 the department published its Aboriginal and Torres Strait Islander Aged Care Framework 2025–2035, which is intended to establish 'a 2035 vision for older Aboriginal and Torres Strait Islander people to age well'.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'.

The Royal Commission proposed a multi-faceted approach to establishing an Aboriginal and Torres Strait Islander pathway in the aged care system, and the government is responding with some specific measures. This includes the ICC initiative being progressed across multiple trial sites, which represents a substantial body of work. The additional support for NATSIFAC providers, the assistance for ACCOs to build aged care capacity, and the establishment of the Elder Care Support program are all welcome initiatives.

However, these measures will not deliver the culturally safe, separate pathway envisaged by the Royal Commission through recommendation 47. Neither will they ensure that older Aboriginal and Torres Strait Islander people will have access to aged care at a rate commensurate with their assessed health needs, or equitable with the mainstream population. Just as importantly, the Inspector-General holds significant concerns that the government's reforms are not following the sequencing necessary to establish a culturally safe pathway which meets the needs of older Aboriginal and Torres Strait Islander people.

From 1 July 2025 aged care services delivered by the Aboriginal and Torres Strait Islander community-controlled sector will be rolled in to the mainstream service model, a significant change to the way such services have operated to date. The National Agreement on Closing the Gap outlines 4 priority reforms that governments must adopt to ensure that this occurs in partnership with Aboriginal and Torres Strait Islander people. The Inspector-General considers that directing Aboriginal and Torres Strait Islander aged care policy and service provision through the mainstream service model will hinder the development of the pathway and undermine services' ability to provide culturally appropriate and responsive care. Moreover, that approach contradicts elements of the government's Closing the Gap commitments to shared decision-making and working on partnership ('Priority Reform 1'). In failing to meet those obligations, the Inspector-General has consistently heard that current reforms are alienating and not incentivising Aboriginal and Torres Strait Islander providers to enter the sector, contrary to the requirement in recommendation 47(b) that 'priority is given to existing and new Aboriginal and Torres Strait Islander organisations, including health, disability and social service providers, to cooperate and become providers of integrated aged care services'.

The sector has raised significant concerns about the implications of mainstreaming with the department, and more recently the Inspector-General. In summary, community-controlled services are concerned about:

- a lack of genuine engagement about the transition
- elders' ability to afford co-payments and their potential to forego care
- workers' reluctance to apply co-payments and subsequent compliance action by ACQSC.

While the department is considering the development of a separate Aboriginal and Torres Strait Islander model over the next 4 years, the sector is highly concerned that in the intervening time community-controlled organisations may chose to leave aged care provision, resulting in fewer, rather than more, Aboriginal and Torres Strait Islanders receiving the care and support they need. As a result, it is clear that retrofitting an Aboriginal and Torres Strait Islander pathway will create unintended negative consequences and indeed reverse the outcomes the Royal Commission sought to achieve.

The Inspector-General shares these very serious concerns. Incorporating the community-controlled sector under the new Act on 1 July 2025 could significantly undermine the long-term viability of the sector and undermine the intent of this recommendation. A revised approach is urgently required. While the Inspector-General notes that the department recently published its Aboriginal and Torres Strait Islander Aged Care Framework 2025–2035, it will not address these shortcomings and does not address many of the issues raised within the Interim First Nations Aged Care Commissioner's report. The adoption of the Commissioner's 10-year Transformation Plan would provide a more appropriate basis for ongoing reform.

To be clear, the government's response in relation to Aboriginal and Torres Strait Islander aged care falls well short of the broader intention of the Royal Commission. Notwithstanding the Department's 'Aboriginal and Torres Strait Islander Aged Care Framework', when taken with the decision to mainstream Aboriginal and Torres Strait Islander aged care, there still remains no strategic vision or forward plan for delivering end-to-end 'culturally respectful and safe, high quality, trauma-informed', flexible and appropriate care that meets communities' needs. In this regard, the Inspector-General strongly endorses the interim First Nations Aged Care Commissioner's call for a 10-year transformation plan, informed by extensive consultation with Aboriginal and Torres Strait Islander people. The approach entailed within the 10-year Transformation Plan closely aligns with the intent and detail of the Royal Commission's recommendations and provides a real opportunity for the government to bring this recommendation (and all of those contained within Chapter 7 of the Commission's report) back on track.

Recommendation 48: Cultural safety

Government's reported measures or actions — before 1 Jan 2025

This recommendation relates to the cultural safety of government employees, care finders and materials administered by the department, as well as that of providers.

In response to recommendation 48(1) the department has mandated cultural capability training for staff at the Executive Level 2 and Senior Executive Service (SES) levels. Care finders are also required to complete mandatory training in cultural safety and trauma-informed care. To support this requirement, the department has developed training on these topics in its learning management system. All care finder staff can access training through that portal at any time and at no cost. Care finders are also able to source their own training on cultural safety if they prefer. In July 2024, 75% of all care finder organisations (128 in total) reported that their staff had completed this supplementary training. Changes were made to September 2024 quarterly reporting to improve data integrity. These changes will enable the department to monitor adherence more closely to the program's mandatory training requirements.

In February 2022 the department contracted the University of Tasmania to develop and host a series of online learning modules designed to support direct care workers' continuing learning and development, including on cultural awareness and trauma-informed care, which responds to aspects of recommendations 48(1), (2) and (3). Modules are also available to volunteers, carers and any other interested participants. As at 29 August 2023, 14 learning modules had been developed and were available free of charge. An evaluation by the University of Tasmania was delivered to the department in December 2023. As part of the 2024–25 Budget, $2 million over 3 years (2024–25 to 2026–27) was provided for continued support of these short online learning modules.

NACCHO is being funded to establish the Elder Care Support program to support older Aboriginal and Torres Strait Islander people to access and navigate the aged care system, which responds to aspects of recommendations 48(2)(a) and (b). NACCHO has allocated 270 FTE Elder Care Support positions to 115 organisations. A staged delivery of support services commenced in December 2023.

Additionally, the department partnered with Aboriginal and Torres Strait Islander assessment organisations and organisations which specialise in providing care to Aboriginal and Torres Strait Islander Australians to co-design the Aboriginal and Torres Strait Islander assessment model. The model was tested in 2022. Consultation with Aboriginal and Torres Strait Islander elders and providers on reforms has been conducted to inform the establishment of a culturally sensitive and appropriate assessment system. A pilot approach to establish Aboriginal and Torres Strait Islander assessment organisations is being developed. Next steps are to procure expert services to work with the Aboriginal and Torres Strait Islander people and mainstream aged care sector peak bodies to develop and deliver (to identified priority services) the new training modules.

In relation to recommendation 48(2)(c) the department engaged the National Aboriginal and Torres Strait Islander Ageing and Aged Care Council (NATSIAACC) in February 2023 to develop a definition of cultural safety in the context of Aboriginal and Torres Strait Islander ageing and aged care, as well as provide advice to the government on the development of cultural safety frameworks. Funding of $5.3 million (over 4 years) has been committed to embed cultural safety, trauma-aware and healing-informed care principles and training across all aged care services. Engagement with key stakeholders has commenced and a desktop study is being undertaken into current training options as part of a gaps analysis. The definition of cultural safety developed by NATSIAACC was delivered to the department and approved by the First Nations Aged Care Governance Group (FNACGG) in May 2024. The definition has been included in the explanatory memorandum to the Aged Care Bill 2024.

ACQSC has responsibility for ensuring compliance with meeting cultural safety standards, as set out in the strengthened Quality Standards. This only applies to the service providers in categories 4–6. They do not regulate service providers in categories 1–3 who are subject to the Code of Conduct for Aged Care Providers. ACQSC supports sector readiness for the strengthened standards regarding cultural safety, trauma-aware and healing-informed care.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The care finder program second evaluation report is due in February 2025 and will provide additional information on training compliance.

The department is progressing the implementation of recommendations 28 and 48(2)(b) through the establishment of Aboriginal and Torres Strait Islander aged care assessment organisations. Final stages of planning are underway to support implementation of the pilot and future expansion in 2025. The phased introduction of Aboriginal and Torres Strait Islander assessment organisations will continue from 1 July 2025.

The implementation of the 2023–24 $5.3 million cultural safety budget initiative will continue in 2025. Procurement that will support the development of cultural safety training materials for the sector is planned for 2024–25.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed', noting that work is still in train to deliver most sub-components.

The Royal Commission observed the deep distrust that many Aboriginal and Torres Strait Islander people have of government and its institutions, which extends to the aged care system. To encourage older Aboriginal and Torres Strait Islander people to engage with and access aged care, embedding cultural safety is an absolute necessity. The measures outlined in recommendation 48 were intended by the Royal Commission to achieve those objectives.

As demonstrated by the Inspector-General's consultations and through the work undertaken recently by the interim First Nations Aged Care Commissioner and others (including the Australian Productivity Commission), the delivery of recommendation 48 to date has not significantly improved the cultural safety of aged care for Aboriginal and Torres Strait Islander peoples, nor met the thresholds set by the Royal Commission. In response to recommendation 48(1)(a), which required mandatory training in cultural safety for certain government, care finder and provider staff, the department has only mandated such training for senior Australian Government employees. There is no indication that completion of the University of Tasmania's learning modules, which are intended to respond to recommendations 48(1), (2) and (3), is a mandatory obligation. Rather than mandating training in primary legislation, the strengthened Quality Standards (Standard 2.9) require all aged care workers to regularly receive competency-based training in relation to core matters, including culturally safe, trauma-aware and healing-informed care. The Office continues to support mandatory training in cultural safety and trauma-informed service delivery and will be monitoring data on how regularly such training is delivered under Standard 2.9. Improving access to aged care and the appropriateness and suitability of care models for Aboriginal and Torres Strait Islander people will be a significant focus for the Inspector-General and her Office.

Recommendation 49: An Aboriginal and Torres Strait Islander Aged Care Commissioner

Government's reported measures or actions — before 1 Jan 2025

The 2023–24 Budget committed $1.7 million in 2023–24 to establish an interim First Nations Aged Care Commissioner to lead extensive public consultations with Aboriginal and Torres Strait Islander communities and stakeholders about the functions and location of the permanent First Nations Aged Care Commissioner.

Ms Andrea Kelly was appointed as Interim First Nations Aged Care Commissioner and commenced in the role on 8 January 2024. As Interim Commissioner, Ms Kelly has undertaken a range of functions including:

- leading extensive public consultations with Aboriginal and Torres Strait Islander stakeholders and communities about the design and functions of the permanent Commissioner and understanding older Aboriginal and Torres Strait Islander peoples' experiences with aged care
- providing advice to the department based on feedback received, and contributing to the changes necessary to bring improvements for Aboriginal and Torres Strait Islander people across all tiers of the aged care system
- advocating for and promoting culturally safe aged care for Aboriginal and Torres Strait Islander people across Australia.

Between 5 February and 21 June 2024, Commissioner Kelly led an extensive national consultation process to hear from older Aboriginal and Torres Strait Islander people, their families, carers, communities and providers about their experiences accessing and engaging with the aged care system. During this time, Commissioner Kelly held more than 135 in-person consultations across all jurisdictions and received 36 written submissions from individuals, community groups, organisations and peak and representative bodies. Commissioner Kelly subsequently delivered her report, entitled *Transforming Aged Care for Aboriginal and Torres Strait Islander People* to the government in late 2024.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Ms Kelly's report was publicly released in February 2025.

Establishment of the permanent Commissioner will require future government consideration. This includes whether the permanent Commissioner will be established through an amendment to the new Act, which would be the most expeditious approach, or under stand-alone legislation.

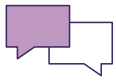
Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'. Ms Kelly's appointment as the Interim Commissioner marked a substantial milestone towards the implementation of recommendation 49. The matters raised in the Inspector-General's findings relating to recommendations 47 through to 53 demonstrate the urgency and necessity of implementing this recommendation. Stakeholders consulted by the Inspector-General also strongly underscored the urgent need for the establishment of an independent statutory Commissioner.

The Royal Commission recommended that the permanent First Nations Aged Care Commissioner be established as a statutory role within the department. However, in her recent report, *Transforming Aged Care for Aboriginal and Torres Strait Islander people*, in response to strong calls from the Aboriginal and Torres Strait Islander community, the interim Commissioner recommended that the permanent Commissioner be established as a permanent statutory position, independent from government, including the department and other bodies within the aged care system. The Inspector-General strongly supports the interim Commissioner's recommendation. Aboriginal and Torres Strait Islander people consulted by Ms Kelly to inform her report strongly opposed incorporating the permanent Commissioner within the department due to the way in which it would compromise independence. Given the level of institutional marginalisation that Aboriginal and Torres Strait Islander people have experienced, and histories of breached government trust, it is vital that the permanent Commissioner carry out their role at arm's length from existing government bodies, including the department.

Additionally, the nature of the permanent Commissioner's role and statutory functions necessitates that the role is fully independent from the department; anything less is likely to be construed as a conflict of interest or suppression of the role by the government. Holding the government and the aged care sector to account for ensuring older Aboriginal and Torres Strait Islander people have equitable access to culturally safe aged care will be a core focus of the permanent Commissioner. This could not be done in an impartial and credible way if the permanent Commissioner were to be a part of the department. Full independence is vital, and the model Ms Kelly has put forward will achieve that.

Recommendation 50: Prioritising Aboriginal and Torres Strait Islander organisations as aged care providers



Government's reported measures or actions — before 1 Jan 2025

The department and ACQSC have been responding to this recommendation with a range of ongoing actions and measures.

The department has co-designed an integrated care model with Aboriginal and Torres Strait Islander stakeholders in the community-controlled sector to assist more ACCOs to become aged care providers. The

model will inform the 4 integrated care and commissioning trials being conducted in WA, NSW, Victoria and Queensland to develop place-based approaches to integrated care.

The 2023–24 Budget committed $8.1 million over 3 years to assist 33 Aboriginal and Torres Strait Islander services funded under the NATSIFAC program to transition from being administered under a grant agreement to being regulated under the new *Aged Care Act 2024*. This includes supporting providers' transition to new accountability measures and obligations under the new Act, as required under recommendation 50(2)(a).

The department funded an organisation to work with 3 ACCOs in Perth, Darwin and Western Sydney to build capacity to deliver aged care services. Projects are currently progressing, with the Perth-based organisation being granted approved provider status to deliver home care services. Funding of $8.2 million has been committed to support up to 10 ACCOs to develop capacity and capability to provide aged care services. Engagement with key stakeholders has commenced to identify areas of greatest need. As per recommendation 47, the department is currently assisting ACCOs to become aged care providers in 6 locations: South-West WA, Darwin (NT), Western Sydney (NSW), Melbourne (Vic), Wide Bay and Hervey Bay (Qld), Sunshine Coast (Qld), an increase from the 3 sites reported in the 2024 Progress Report.

From 1 August 2023 ACQSC has supported applications from Aboriginal and Torres Strait Islander organisations for approval to provide aged care services. As part of a regulatory strategy ACQSC is seeking to improve access to aged care services by:

- meeting with key personnel and other representatives to inform them of the legislated requirements for approved providers
- directing them to, and providing clarification on, any published documentation that would assist in progressing through the application process
- where suitability matters are not adequately satisfied, seeking additional information from Aboriginal and Torres Strait Islander organisations that could better establish their suitability as an approved provider (as required by the *Aged Care Quality and Safety Commission Act 2018*).

In response to recommendations 50(2) and (3) ACQSC is developing culturally competent resources for ACCOs to guide and support their compliance with the strengthened Quality Standards.

The department has engaged KPMG to work with the sector to develop the First Nations Aged Care (FNAC) Capacity Building Framework. The purpose of this project is to co-design a framework to provide a structured and consistent approach to build the capacity of ACCOs to address challenges of access, unmet needs and cultural safety, while ensuring Aboriginal and Torres Strait Islander people receive aged care services from people and organisations they know and trust. The national community consultation was completed in December 2024. The project is progressing in 2025.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The department has commenced a procurement process to engage an organisation to assist 36 Aboriginal and Torres Strait Islander service providers funded under the NATSIFAC program to transition from being administered under a grant agreement to being regulated under the *Aged Care Act 2024*.

The department continues to work with existing providers funded for NATSIFAC services to ensure they can deliver high quality aged services to Aboriginal and Torres Strait Islander people. This includes capacity building but also remaining responsive to care recipient feedback.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – partially progressed'. Progress has been made to assist additional Aboriginal and Torres Strait Islander organisations to expand into aged care services, as per the recommendation, including an additional 6 sites in the 12 months since the 2024 Progress Report. However, the Inspector-General holds very

serious concern that the intent of this recommendation is being, and will be further, undermined by the situation represented in her observations relating to progress against recommendations 47–53.

The expansion of the community-controlled sector is of fundamental importance to the delivery of culturally appropriate care to Aboriginal and Torres Strait Islander peoples. In this regard, as noted in the commentary on recommendation 47, it is deeply concerning that moves to mainstream the Aboriginal community-controlled sector under the new Act on 1 July 2025 could significantly undermine the longer-term viability of the sector.

Again, the Inspector-General is concerned that there is a significant risk that the intent of this recommendation is not being met. Action on this recommendation, like that relating to recommendations 47–53, must be urgently reconsidered and the guidance provided by the Interim First Nations Aged Care Commissioner in relation to her call for a 10-year Transformation Plan must be closely followed.

Recommendation 51: Employment and training for Aboriginal and Torres Strait Islander aged care

Government's reported measures or actions — before 1 Jan 2025

Employment and training for Aboriginal and Torres Strait Islander aged care is being delivered under the Indigenous Employment Initiative (IEI) program, which provides wage subsidies and training support for aged care providers to employ Aboriginal and Torres Strait Islander people. Current agreements have been in place since July 2019 and have been varied for a further 12 months across 2023–2024. An evaluation of the IEI program is being undertaken to ensure it delivers training and employment and career opportunities for Aboriginal and Torres Strait Islander people. Findings from the evaluation will inform the First Nations Aged Care Workforce Plan.

IEI ran a closed, non-competitive grant funding round in August 2024 for 2024–25 and 2025–26. Funding of $63.4 million will provide grants to 85 organisations to employ and train Aboriginal and Torres Strait Islander people in entry level positions. As a result of a recent review, a Stream 2 category of funding was developed to enable new providers to apply for funding in limited circumstances. The policy settings for IEI are currently under review, with a view to seeking increased flexibility with how grant funding can be used to meet the program objectives.

Other relevant initiatives continue such as funding to recruit more personal care workers with assistance from NACCHO. The Elder Care Support program is increasing an experienced culturally safe workforce, primarily comprising Aboriginal and Torres Strait Islander people. Work is also underway on developing an Aboriginal and Torres Strait Islander single assessment sector that will see further employment of Aboriginal and Torres Strait Islander people.

In response to recommendation 51(2), the department supported the establishment of the Aboriginal and Torres Strait Islander aged care independent peak, NATSIAACC, in early 2023. Core and additional funding of $2.5 million was provided over 3 years from 2022–23 to support its establishment as a peak. Additional funding of $398,550 over 2 years was also approved for 2021–22 and 2022–23 to support the continuity of representation in the sector.

In April 2024 the department engaged Ninti One, an Aboriginal and Torres Strait Islander organisation, to conduct 10 'yarning sessions' with Aboriginal and Torres Strait Islander aged care workforce stakeholders on barriers and opportunities to the Aboriginal and Torres Strait Islander aged care workforce. The purpose was to engage with the Aboriginal and Torres Strait Islander aged care sector to form an evidence base for the development of a First Nations Aged Care Workforce Action Plan (recommendation 51(1)(a)). A final report from Ninti One was delivered to the department in September 2024 and accepted. The report provides a solid evidence base with recommendations that will be utilised to develop the action plan. FNACGG is overseeing a co-design process for the development of the action plan with the department. A sub-working

group of FNACGG members and other interested stakeholders has been established to drive this co-design process in 2025.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The action plan will be co-designed in 2025 with the sub-working group of FNACGG members and other interested stakeholders. It is anticipated the action plan will be finalised in the second half of 2025. The action plan will be aligned to the National Aboriginal and Torres Strait Islander Health Workforce Strategic Framework and Implementation Plan 2021–2031.

Work is underway to develop an Aboriginal and Torres Strait Islander single assessment sector that will see further employment of Aboriginal and Torres Strait Islander people.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – partially progressed', noting that in the 12 months since the 2024 Progress Report, preparation of the First Nations Aged Care Workforce Plan has moved beyond its initial planning stages. A stronger commitment from the government is needed to deliver a national Aboriginal and Torres Strait Islander Aged Care workforce plan, which the Royal Commission said should be in place by 1 December 2022.

The department has also advised that recommendation 51(2), which required existing employment programs and initiatives for Aboriginal and Torres Strait Islander peoples to be aligned to the needs of the aged care sector, has been finalised. There is no basis at present, however, for the Office to confirm this.

Recommendation 52: Funding cycle

Government's reported measures or actions — before 1 Jan 2025

The department and IHACPA have been undertaking actions in response to this recommendation. Additional funding has been provided to services funded through the NATSIFAC program to assist Aboriginal and Torres Strait Islander peoples to retain their connection to Country and in recognition of costs associated with travel to and from appointments and cultural events.

The government has requested that IHACPA assess how NATSIFAC is currently funded, to inform consideration of alternative funding models, including whether NATSIFAC could be funded through AN-ACC or a modified version of it. The work program for this review commenced in late 2024 and the project deliverables will be co-designed by the department and IHACPA. To inform this work, IHACPA has consulted broadly with stakeholders, including through the Consultation Paper on the Pricing Framework for Australian Residential Aged Care Services 2025–26.

IHACPA has also considered the impact of pricing advice for the Support at Home service list on Aboriginal and Torres Strait Islander participants through its annual cost collections and public consultation. The 2024 Support at Home Cost Collection aimed to expand on existing datasets and previously under-represented cohorts, including providers who deliver services to Aboriginal and Torres Strait Islander peoples. In September 2024 IHACPA released the Consultation Paper on the Pricing Approach for the Support at Home service list 2025–26, which sought views from a broad range of stakeholders, including those with specialist experience in providing culturally safe in-home aged care services to Aboriginal and Torres Strait Islander peoples.

The 2023–24 Budget provided an additional $52.1 million over 2 years for NATSIFAC to better align residential aged care services in very remote areas with the AN-ACC funding model. Additional funding has been provided to services funded through NATSIFAC to assist Aboriginal and Torres Strait Islander people retain

their connection to Country. It also recognises the costs associated with travel to and from appointments and cultural events.

The *Aged Care Act 2024* has provision for NATSIFAC to retain its flexibility (Division 7, Part 2, Chapter 4). This includes the provision of block funding and multi-year grant funding agreements that can be varied based on recommended price adjustments from IHACPA.

The 2024–25 Budget provides $27.4 million to implement the new Act, including governance activities, program management and the extension of the places management program, which partially addresses this recommendation.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The department continues to work with existing providers funded for NATSIFAC services to ensure they can deliver high quality aged care services to Aboriginal and Torres Strait Islander people. This includes capacity building and helping to ensure they remain responsive to feedback.

Modelling to inform NATSIFAC expansion and funding will commence in 2025.

IHACPA advised that it intended to deliver its inaugural pricing advice for the Support at Home service list to the government in February 2025. Where requested by the government, future pricing advice for in-home care may consider adjustments to account for variations in care delivery and costs for Aboriginal and Torres Strait Islander participants.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'. While additional funding has been provided for NATSIFAC, information provided by the department to the Office suggests that additional funding mechanisms are still under consideration by IHACPA. Overall, little progress has been made in progressing this recommendation in the 12 months since the Acting Inspector-General's 2024 Progress Report.

Recommendation 53: Program streams [for the Aboriginal and Torres Strait Islander aged care pathway]

Government's reported measures or actions — before 1 Jan 2025

ACCAP provides an ongoing funding stream which will support delivery of recommendations 53(1)(b)(i) and (c)(iii). ACCAP is a multi-focused infrastructure grants program which aims to improve access to quality aged care services for older Australians, including Aboriginal and Torres Strait Islander peoples. ACCAP funding rounds have commenced, with $115 million allocated in July 2021 to support major upgrade works for 4 NATSIFAC services.

In May 2024 the department finalised a $135 million funding round (Round 1) targeting aged care services and staff accommodation in outer regional, remote and very remote locations (Modified Monash Model (MMM) 5–7), with improved access to quality aged care services for Aboriginal and Torres Strait Islander people as one of the priorities.

In December 2024 the department finalised a $250 million ACCAP funding round (Round 2). This extended eligibility to all regional, rural and remote locations (MMM2 to MMM7) and metropolitan (MMM1) locations where applicants were specifically targeting care to Aboriginal and Torres Strait Islander communities. $25

million was allocated to support 5 ACCOs to deliver quality care under NATSIFAC across regional and remote Australia.

In relation to recommendations 53(1)(a), 53(1)(b), and 53(1)(c)(i), the department is currently trialling place-based approaches to integrated care. Some of these sites will have an Aboriginal and Torres Strait Islander focus. These ICC sites are aimed at improving access to care and support services including aged care, disability and veterans' care. The department will continue to engage with Aboriginal and Torres Strait Islander communities and providers at these sites to improve access to culturally safe aged care services.

The *Aged Care Act 2024* has provision for NATSIFAC to retain its flexible funding and service delivery model (Division 7, Part 2, Chapter 4). This includes the provision of block funding to enable providers to pool funding to be used flexibly to deliver a range of home, community, residential and respite care.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Additional ACCAP funding of $26 million over 4 years has been approved with an extension to 2028.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'. While ACCAP continues to provide funding, and provisions in the *Aged Care Act 2024* will support the provision of block funding, there is no basis to conclude that all sub-components of the recommendation have been accepted. For example, there is no indication that the place-based trials being undertaken will lead to funds being made available to a provider, on application, to specifically assist residents to retain connection to Country as required by recommendation 53(1)(c)(i).

Recommendation 54: Ensuring the provision of aged care in regional, rural and remote areas

Government's reported measures or actions — before 1 Jan 2025

The Market Intelligence and Supply Gaps (MISG) project was undertaken and completed with the support of funding allocated through the 2021–22 Budget. The project identified service gaps in regional, rural and remote Australia, as required by recommendation 54(a). A dashboard was also created to identify aged care supply and labour gaps at the SA2 level. Additionally, the MISG and ReSPOND dashboards went live in June 2022 and June 2023, respectively. The ReSPOND dashboard is designed to assist state and territory networks in accessing and analysing aged care data with a regional focus, allowing users to view census demographic data and aged care data warehouse information at geographical levels.

A range of measures and actions is in train to plan for and meet the needs and entitlements of older people living in regional, rural and remote locations, as required by recommendation 54(b). These include:

- the provision of $25.1 million through the 2021–22 Budget to establish the Rural Locum Assistance program, which assists aged care providers affected by high staff turnover or sudden departures of key personnel, or those requiring coverage for staff on leave in regional and rural areas, by providing access to locum support and incentives for permanent placements to increase staff retention
- an ongoing funding stream to support infrastructure projects in thin markets through ACCAP
- increased funding for regional, rural and remote residential aged care services through AN-ACC
- a new 24/7 registered nursing supplement available to all facilities with an average of 60 beds or less
- the allocation of $6.9 million over 3 years through the 2022–23 Budget to deliver new innovative models of social care delivery, which is supporting ongoing work to establish and support co-operative

and mutual enterprises (CMEs), coupled with $7.7 million to support the Business Council of Co-operatives and Mutuals to deliver the CME program
- the allocation of $27 million over 4 years through the 2023–24 Budget to support 10 ICC trials.

The $5.6 billion aged care reform package announced on 12 September 2024 incorporates a number of specific initiatives designed to ensure the provision of quality and safe aged care in regional, rural and remote areas, including:

- over $600 million for thin market viability grants for Support at Home providers
- an additional $300 million in infrastructure funding for ACCAP to support providers operating in thin markets
- a review of the appropriateness of the Modified Monash Model as recommended by the Aged Care Taskforce, with work having commenced on phase 1 of this review
- a review of other existing policy levers to allocate funding in regional, rural and remote locations, with work having commenced on phase 1 of this review
- an assessment by IHACPA of how the MPS and NATSIFAC programs are funded.

Changes to Base Care Tariff (BCT) funding provided under AN-ACC from 1 October 2024 were announced on 17 September 2024. These changes are intended to benefit mainstream residential aged care services in regional and rural locations. The 24/7 Registered Nurse supplement will also change from 1 October 2024 to align with the new AN-ACC BCT structure.

IHACPA has advised that in developing its pricing advice in 2024 it aimed to ensure that its advice appropriately reflected the costs associated with delivering quality aged care services to older Australians living in rural and remote areas. This has been achieved through representative cost collections and broad stakeholder consultation.

The Rural Locum Assistance Program (Rural LAP) Aged Care has been extended to 30 June 2025. Consultation has also occurred with aged care providers and with the department's State and Territory Office Local Network, to gain insight into learnings and opportunities, and inform future program design. From 1 January 2024 to 1 January 2025 Rural LAP Aged Care had delivered 13,502 days of care to older people in rural and remote Australia.

The Care Together Program has continued to progress its goal of establishing, or supporting the growth of, social care CMEs. As of September 2024, 9 projects had commenced. Work is also underway on a separate secondary cooperative back-of-house shared services project to enable CMEs to share business administration functions.

The 2024–25 Budget provided $88.4 million over 4 years to continue existing workforce programs to attract and retain aged care workers, collect more reliable data and improve the outcomes for people receiving aged care services.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The department continues to review existing supports for aged care providers in thin markets to ensure they are effectively targeted, and to consider further measures to support the provision of aged care services in regional, rural and remote areas including in the context of Budget 2024–25 measures. Scoping has commenced for a review of the MMM remoteness classification system and how it is being used in aged care and any advantages or disadvantages of the system. A review or stocktake of thin markets policy settings is also now in the scoping phase. The department has advised that these actions will together help to ensure that moving forward thin markets supports are targeted to where supply is inadequate.

Work is underway through the Care Together Program to establish and operationalise 7 to 8 CMEs, or support their expansion, by the current end date of the project (30 June 2025).

As part of the ICC initiative, 2 capacity building projects have been approved, with procurement processes to commence in January 2025. Several other capacity building projects are currently under consideration.

Evaluation of the ICC initiative will commence in early 2025. Additional ICC sites for 2025 remain under consideration.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – partially progressed'.

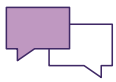
The Royal Commission recognised that people living in regional, rural and remote communities are faced with significant disadvantages when accessing aged care compared to those living in metropolitan areas. Through recommendation 54, Commissioners called for the department to ensure that people living in those areas have equitable access to aged care by identifying areas where supply is inadequate, and planning for and supplementing services to meet entitlements and needs.

As documented in the 2024 Progress Report, achieving these aims has been challenging. Stakeholders have consistently told the Office that access to aged care in thin markets continues to be beset by a range of barriers, including higher delivery costs, systemic workforce constraints, limited choice of providers and a lack of suitable infrastructure.

A number of measures and ongoing initiatives are in train to address these challenges and respond to this recommendation, with positive progress being reported since the 2024 Progress Report. Specific initiatives announced through the $5.6 billion reform package on 12 September 2024 to uplift the provision and quality of aged care in thin markets are welcomed. Changes to the BCT funding under AN-ACC from 1 October 2024 to provide supports to mainstream aged care homes in regional and rural locations are also encouraging. Given the persistent and longstanding nature of the problems associated with the delivery of aged care in regional, rural and remote areas, there is a strong and urgent imperative for the government to explore root causes of service-deficits and establish robust mechanisms to ensure solutions are achieving the intended policy outcomes

The Office will continue monitoring and assessing progress towards implementing this recommendation. Without urgent remedial action, serious inequity will remain for people living in regional and remote communities. The consequences are that older people are forced to access services in areas far away from their loved ones and their community, and in many places their cultural identity. That will magnify feelings of isolation. It will also potentially increase the burden on the tax payer, in that a lack of regional and remote services for CHSP or Support at Home may leave no option other than residential aged care elsewhere, which is far more expensive to the public purse.

Recommendation 55: The Multi-Purpose Services Program



Government's reported measures or actions — before 1 Jan 2025

The department has been pursuing a range of measures and actions in response to recommendation 55 in collaboration with IHACPA, state and territory governments, and providers.

In response to recommendation 55(a) the department allowed MPS sites to be approved in an area with an existing residential aged care home in the 2021–22 allocation round. Five new MPS were created as a result. The 2022–23 MPS allocation round then created 3 new MPS and expanded 4 existing MPS from 1 December 2023. An additional 102 MPS residential care places were allocated through the 2024-25 allocation round, with 56 places to expand existing MPS in New South Wales and South Australia, and 46 places to establish new MPS in New South Wales, Queensland and Victoria. The round was finalised on 2 January 2025.

In response to recommendation 55(d) MPS providers successfully applied for funding in the recently finalised second round of ACCAP. ACCAP is also making cost-shared funding available to MPS in response to

recommendation 55(f). Additionally, targeted infrastructure funding of $35.5 million was allocated through the 2021–22 Budget to assist MPS with minor capital works to make service environments more home-like.

Recommendations 55(b), (c), (d) and (e) are subject to commencement of the *Aged Care Act 2024*. The Act will bring the MPS Program in line with all other aged care programs in terms of common access arrangements and eligibility requirements, pathways and processes as per recommendation 55(b). The Rules will outline the details of fees and payments for MPS and provide a vehicle to align arrangements with mainstream aged care where appropriate.

In response to recommendation 55(e) the department is working with IHACPA to undertake a review of the MPS funding model. This will consider alternative funding models, including whether the MPS Program could be funded through AN-ACC, or a modified version of it. Work for this review commenced in late 2024. Project deliverables will be co-designed by the department and IHACPA. To inform this work, IHACPA has consulted broadly with stakeholders, including through the Consultation Paper on the Pricing Framework for Australian Residential Aged Care Services 2025. The department has also recently completed a survey of MPS providers in terms of flexible funding priorities.

Government's reported measures or actions — underway or planned after 1 Jan 2025

New MPS are expected to commence operation in 2025 following successful applications in the last 2 allocations rounds, including in the Northern Territory, South Australia and Queensland. After the commencement of the Act new allocation processes will be implemented which are expected to provide more flexibility to expand MPS footprints in line with community need.

New eligibility and assessment arrangements for individuals entering an MPS will commence from 1 July 2025. The details of these new arrangements will continue to be communicated to and through MPS providers prior to implementation, including through monthly reform webinars. Transitional arrangements are also being progressed for existing MPS clients.

The Rules will deliver preliminary changes to client contribution arrangements for MPS from 1 July 2025, ensuring basic daily fees charged by MPS providers do not exceed those charged by mainstream providers (i.e. the same legislative caps will apply). Further changes to fully address recommendation 55(c) will be considered as part of the MPS funding model review currently underway.

Through the MPS Working Group, the department continues to provide information to MPS providers on the availability of other aged care programs.

Scoping in relation to the new MPS funding model remain underway, with project plans expected to be finalised in early 2025. As part of this scoping work, the department is also analysing the results of its recent flexible funding survey and is progressing a deep dive into particular sites identified in consultation with relevant jurisdictions. Interviews with participating sites are expected to commence in early 2025.

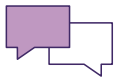
Further ACCAP rounds are also planned for 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – substantially progressed', noting that a significant body of work has been undertaken to implement this recommendation since the 2024 Progress Report. Apart from passage of the *Aged Care Act 2024*, which responds to a number of sub-components, the allocation of an additional 102 MPS places across Australia represents positive progress.

The department has advised that the Rules will outline fees and payments for MPS, which will require MPS recipients to make contributions towards their care on the same basis as others receiving aged care. This aligns with the intent of recommendation 55(c). In the 2024 Progress Report, no action had been taken in response to that aspect of the recommendation, and therefore this represents welcome progress towards delivery of this recommendation.

Recommendation 56: A new primary care model to improve access



Government's reported measures or actions — before 1 Jan 2025

The government is implementing an alternative approach to meet the objectives of recommendation 56 that does not include a capitation model or additional accreditation criteria for general practices servicing aged care homes. The government's approach involves a new system of voluntary patient registration, entitled MyMedicare, which commenced on 1 October 2023. MyMedicare draws on all general practices rather than establishing specific residential aged care practices.

The Practice Incentives Program Aged Care Access Incentive was boosted in the 2021–22 Budget with an additional $42.8 million (bringing the total funding over 2 years to $84.8 million). This additional funding injection is intended to further increase face-to-face delivery of services to aged care residents. That program ceased on 31 July 2024, with the General Practice in Aged Care Incentive (GPACI) commencing on 1 July 2024. Under the new program eligible practices and providers registered in MyMedicare receive quarterly incentive payments for providing their registered patients in an aged care home with care planning and regular visits. The first quarterly payments were made to eligible providers and practices in October 2024.

Residents are able to register for MyMedicare to formalise their relationship with their regular general practice/GP. The department continues to encourage GPs to begin registering their patients in aged care homes with MyMedicare as a priority to fully benefit from GPACI.

Grant funding totalling $26.9 million has been offered to PHNs to support implementation activities. This includes grants for all 31 PHNs to support collaboration and arrangements between GPs, and practices and aged care homes. Additionally, targeted PHNs have been funded to commission an appropriate solution to address thin markets in their regions. As at October 2024 PHNs had been allocated approximately $10 million in funding. PHNs are required to report on their activities and meet defined KPIs.

A range of information kits has been developed for GPs and practices, residential aged care providers and residents, aged care experts and peak organisations. The kits aim to help stakeholders understand, communicate and support the GPACI.

Independent monitoring and evaluation of the GPACI has commenced. The evaluation will continue for the life of the measure to ensure the incentive and supporting activities achieve their policy objectives and identify opportunities for ongoing improvements. Initial reports are anticipated in early 2025.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Not applicable. The department has advised that the model has been implemented and is now in a monitoring phase.

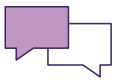
Inspector-General's findings

The Inspector-General assesses this recommendation as 'rejected in favour of an alternative approach', which is considered 'finalised', noting that the government has not implemented the capitation model and additional accreditation criteria for practices servicing aged care homes proposed by Commissioner Briggs.

Since the Acting Inspector-General delivered the 2024 Progress Report, several actions have been undertaken, with the aim of broadly ensuring people receiving aged care have better access to primary care. These include commencement of the GPACI on 1 July 2024, which replaced the former PIP, and the allocation of additional grant funding to PHNs to support collaboration and arrangements between GPs, GP practices, and aged care homes. The department has advised that the recommendation has been fully implemented, with no new measures or actions planned.

There is a longstanding need to improve access to GP services for people in residential aged care. The 2024 Progress Report identified concerning deficiencies in residents' access to GP and specialist services, including severe shortages in regional and rural areas. It also concluded that there was insufficient evidence to conclude whether the alternative approach to implementing recommendation 56 will address those issues. This serious issue remains. The Office will continue to monitor and assess whether the GPACI will deliver better access to general practice services.

Recommendation 57: Royal Australian College of General Practitioners accreditation requirements



Government's reported measures or actions — before 1 Jan 2025

The Royal Australian College of General Practitioners (RACGP) had a lead role in the implementation of recommendation 57. It conducted a consultation process on a revised definition of general practice for accreditation purposes between February and May 2023.

The RACGP revised the definition of general practice on 3 April 2024. The revised definition gives innovative general practices catering to specific patient cohorts (e.g. aged care homes) the ability to apply for general practice accreditation. An interpretive guide for the accreditation of general practices under the new definition has been published for use by accreditation agencies and surveyors when assessing general practices against the revised definition.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Not applicable.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'finalised', noting that the changes made by the RACGP to the definition of general practice completed this recommendation.

Recommendation 58: Access to specialists and other health practitioners through Multidisciplinary Outreach Services

Government's reported measures or actions — before 1 Jan 2025

States and territories currently deliver varying levels of multidisciplinary outreach services for aged care recipients through Local Hospital Networks (LHNs). LHN-led multidisciplinary outreach services are an in-scope activity under the NHRA and some states are currently recovering the cost of these activities through the NHRA. The NHRA outlines the shared responsibility of the Australian, state and territory governments to work in partnership to improve health outcomes for all Australians and ensure the sustainability of the health system. The NHRA recognises that state and territory governments are the system managers of their public hospital systems, responsible for the day-to-day administration and performance of their public hospitals. The Australian Government is unable to direct the type and nature of services provided at a specific hospital. The introduction of LHN-led multidisciplinary outreach services and their design is a decision of state and territory governments.

In the 2022–23 Budget the government committed $22.1 million over 3 years from 2022–23 to support states and territories to trial LHN-led Multidisciplinary Outreach Service (MOS) models in residential aged care facilities. The purpose of the multidisciplinary outreach services measure was to support states and territories to deliver trials in aged care homes, on a shared cost basis, to inform the pricing of the services nationally. Implementation of the trials was delayed due to a range of external factors (including the 2022 federal election and COVID-19 pressures).

On 6 December 2023 National Cabinet agreed the $1.2 billion Strengthening Medicare package, which included $610 million for each state and territory to support older Australians to leave hospital when medically ready and to avoid unnecessary presentations to emergency departments. Several multidisciplinary outreach and in-reach programs are being funded through the Strengthening Medicare package, which are expected to contribute data to support the pricing of the services nationally in conjunction with any data relating to the MOS services currently being delivered by states.

National Cabinet further agreed on 6 December 2023 that health ministers renegotiate the NHRA Addendum to embed long-term, system-wide structural health reforms, including considering the NHRA Mid-Term Review findings. This NHRA Addendum aims to give Australians better access to the health services they need, when they need them, and alleviate current pressures in public hospitals across the country.

Negotiations are ongoing, and the current NHRA Addendum expires on 30 June 2025.

Government's reported measures or actions — underway or planned after 1 Jan 2025

A number of multidisciplinary outreach and in-reach programs are being funded through the Strengthening Medicare package, which are expected to contribute data to support the pricing of the services nationally.

The Australian Government is currently working with states and territories to understand the extent to which the MOS trials measure from the March 2022–23 Budget remains relevant and to gauge the interest and/or capacity to support these trials in the context of the significant subsequent commitment through the Strengthening Medicare package.

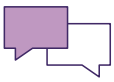
Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'.

The Royal Commission articulated the need for older people to have improved access to multidisciplinary specialist care. Commissioners noted that residents in aged care homes have less access to specialist services than others in the community, despite having a higher prevalence of conditions requiring specialist care. The underlying intent of recommendation 58 was to provide the outreach support mechanisms to improve access to multidisciplinary care.

In response, the government has provided a substantial funding commitment. However, as noted in the 2024 Progress Report, future implementation remains contingent upon negotiations as part of the 2025–2030 NHRA Addendum, and information provided by the department suggests that very limited progress has been made to implement this recommendation over the past 12 months. Delivery of substantial components of the recommendation is also contingent upon the actions of state and territory governments, and, concerningly, the information provided by the department does not provide any confidence that such action is in train. It is also concerning that those measures and actions which have been reported do not consistently correlate with the requirements of the recommendation. The Office will continue to monitor and assess progress towards implementation of this recommendation, and specifically whether the requirements have been indeed undertaken and not lost.

Recommendation 59: Increase access to Older Persons Mental Health Services



Government's reported measures or actions — before 1 Jan 2025

Implementation of this recommendation is subject to broad negotiations between the Australian Government and state and territory governments in the context of the NHRA, which is in place until 30 June 2025.

In response to recommendation 59(c) the department has summarised and analysed current outreach services delivered by state and territory governments, and relevant eligibility criteria. This information has been shared with jurisdictions. The department is continuing to work with states and territories on this sub-component.

The System Reforms Deputy Group, an NHRA committee comprising senior federal and state and territory deputies, discussed this recommendation at its meeting on 1 May 2024. The Mental Health and Suicide Prevention Senior Official group was formed to provide oversight of the National Mental Health and Suicide Prevention Agreement and associated bilateral schedules.

The Australian Government is briefing the group on this recommendation.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The Australian Government is exploring alternative mechanisms to address recommendation 59.

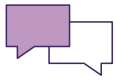
Inspector-General's findings

The Inspector-General assesses this recommendation as 'under further consideration' and 'not commenced', noting that implementation is contingent upon a new NHRA. The Inspector-General notes with interest that the department has not connected this work with the current National Mental Health and Suicide Prevention Agreement. Although presently under review (by the Productivity Commission), it is not clear why implementation of the recommendation has not interfaced with the department's broader mental health work for the entire population.

The Royal Commission stated that older people receiving residential or in-home care should have improved access to mental health supports. Given people in aged care suffer from the same range of mental health conditions as the broader population, which are frequently severe and require complex treatments, they should have at very least equitable access to care. This has a close nexus to the recommendation relating to specialised dementia care and is part of the holistic servicing that is core to aged care service delivery. One would expect this is considered even more vital given the well-documented increasing isolation of older people which can catalyse and/or exacerbate decline in mental health.

While some initial planning and scoping work has been undertaken to respond to this recommendation, these activities do not constitute any meaningful or measurable steps towards implementation. As per recommendation 58, very little progress has been made to implement this recommendation over the past 12 months. Moreover, there are no apparent plans or potential timeframes, which calls into question the government's commitment to its delivery. Given the very serious deficit to care this poses (considering the definition of 'high quality care' within the Act), the Office will continue to monitor and assess progress towards implementation of this recommendation.

Recommendation 60: Establish a Senior Dental Benefits Scheme



Government's reported measures or actions — before 1 Jan 2025

A Seniors Dental Benefits Scheme is being considered as part of long-term dental reform work being undertaken with states and territories. The National Dental Reform Oversight Group, with representatives from the Australian and state and territory governments, have analysed options for a dental benefits scheme/s for low-income older Australians, including people in residential aged care.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Health ministers will consider the advice from the National Dental Oversight Group in 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'under further consideration' and 'commenced and ongoing – partially progressed'.

There is considerable urgency for a seniors dental benefit scheme. AIHW data shows that in 2022–23, nearly 16,000 Australians over the age of 65 were hospitalised with preventable dental issues. By 2027–28, Australian Dental Association projections show that figure is likely to increase by a further 42%. Stakeholders have also consistently highlighted the adverse health impacts associated with substandard dental care for older people and have flagged the need for a senior dental benefits scheme for several years. The 2024 Progress Report recognised the importance of access to affordable dental care for older Australians and called for the urgent implementation of a seniors dental benefit scheme.

In the 12 months following that report, no progress has been made towards delivering such a scheme. In fact, information provided by the department suggests that an intention to present options for a dental benefit scheme to health ministers has been deferred from early 2024 to some point in 2025. The consequences of this situation are dire, and therefore lack of progress on this recommendation is unacceptable.

Recommendation 61: Short-term changes to the Medicare Benefits Schedule to improve access to medical and allied health services

Government's reported measures or actions — before 1 Jan 2025

Initially, temporary changes were made to the Medicare Benefits Schedule (MBS) in response to recommendation 61(b) to allow benefits to be paid under GP mental health treatment items, which were available between 10 December 2020 and 31 December 2022. The department reported that uptake of these items was very low. The findings of the Better Access evaluation completed in December 2022 did not support their continuation. The department has advised that residents in aged care homes continue to be able to access up to 10 Better Access treatment sessions via a referral from a psychiatrist in line with pre-pandemic arrangements.

The MBS Review Advisory Committee has commenced a review of all MBS time-tiered items for primary care, which includes mental health treatment plan services. Additionally, as announced in the 2024–25 Budget, there will be changes to the Better Access Initiative from 1 November 2025 (subject to the passage of legislation) where GPs will be able to use the most appropriate general attendance item based on the amount of time they spend with their patients. This includes new items for longer consultations and triple bulk billing incentives where applicable, to review mental health treatment plans and deliver mental health care. These changes are in response to the Better Access Evaluation which found that a whole-of-system approach to mental health reform is needed with complementary models to deliver more care more fairly and efficiently to those who need it.

Temporary MBS items were introduced to improve access to allied health services from December 2020 to 30 June 2023. In line with recommendations from the MBS Review Taskforce the department is undertaking a review of all health assessment services under the MBS to help inform their effectiveness and identify any future improvements. This includes comprehensive health assessments for residents of aged care homes. As a first step in this review, the Institute for Evidence Based Healthcare at Bond University was engaged to undertake a literature review of evidence on the efficacy and effectiveness of health assessments within primary care. Additionally, the MBS Review Advisory Committee commenced a broader review of allied health items for chronic disease management in August 2024. These activities primarily relate to the requirements in recommendation 61(a).

In relation to recommendation 61(c), future arrangements will be informed by the review of existing health assessment MBS items (recommendation 61(a)). The department recommends alternative options be considered for recommendation 61(d), with subsequent action being subject to further consideration of the government's response to the Better Access evaluation and ongoing mental health reform work.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Future arrangements will be informed by the government's response to the evaluation and ongoing mental health reform work.

The department continues to consider options to improve access to allied health in aged care. Funding mechanisms other than the MBS may need to be considered to achieve the objective of this recommendation.

Inspector-General's findings

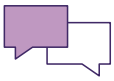
The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'.

In recognition that many of its more complex reforms would have a longer lead time, the Royal Commission recommended a number of immediate changes to the MBS to improve to older peoples' access to medical services.

In response, the department acted quickly to amend the MBS in relation to mental health treatment and comprehensive health assessments, noting that these have now ceased. While the department advises that the MBS Review Advisory Committee is continuing to review MBS arrangements in response to this recommendation, it has not confirmed whether any plans will be put in place to finalise delivery or the timeframes for that work.

With the rescinding of the initial MBS changes, no tangible action appears to have been undertaken in response to this recommendation.

Recommendation 62: Enhance the Rural Health Outreach Fund to improve access to medical specialists for people receiving aged care



Government's reported measures or actions — before 1 Jan 2025

The Minister extended the existing Rural Health Outreach Fund (RHOF) program, which was due to expire at the end of 2023–24, for one year (2024–25). A further one-year extension option exists for 2025–26. The available RHOF specialist services such as chronic disease management, including chronic pain management, are available to people in aged care.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The extension of RHOF into 2025–26 will be decided in 2025. The department will seek agreement from the Minister on future directions, which may include streamlining similar outreach programs and expanding services for older people (e.g. geriatrician services).

Inspector-General's findings

The Inspector-General assesses this recommendation as 'under further consideration' and 'not commenced'. While a decision has been made to extend funding for the RHOF for 1 year over 2024–25 (with an option for 2025–26), no longer-term commitments appear to have been made to fund the services listed in the recommendation. A decision on the longer-term provision of support through the RHOF is needed to provide certainty for people in need of geriatric and medical specialist services in regional, rural and remote areas. The Office will monitor and assess progress in implementing this recommendation.

Recommendation 63: Access to specialist telehealth services

Government's reported measures or actions — before 1 Jan 2025

Access to specialist telehealth services through the MBS was expanded in March 2020 as part of the government's response to the COVID-19 pandemic. This supported access to specialist services for all Australians, regardless of their location, with the addition of services by phone to providers including GPs.

New permanent telehealth arrangements through the MBS took effect on 1 January 2022, with an additional government investment of $106 million over 4 years announced in December 2021. Funding was also provided in early 2022 through PHNs to support telehealth and after-hours arrangements in aged care homes. Following delays due to COVID-19 impacts, in mid-2022 PHNs commenced:

- supporting aged care homes to ensure they have the appropriate facilities, equipment and staff training to provide on-site telehealth care for residents (including funding to support the purchase of necessary equipment and developing staff capabilities)
- working with residential aged care homes to help ensure they have comprehensive out-of-hours care plans and arrangements in place to enable residents to access appropriate services when they need them.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Not applicable.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'finalised'. As the department has deemed the recommendation to be finalised, it did not advise of any further measures or actions undertaken since preparation of the Acting Inspector-General's 2024 Progress Report.

Concerningly, the requirements in recommendation 63(b) for providers delivering personal care in home care settings to have the necessary equipment and clinically and culturally capable staff to support telehealth services are not being implemented. Rather, delivery of the recommendation only appears to be focused on providers of residential aged care homes. Information provided by the department does not explain why the home care component of the recommendation is not being met. At the very least, the sector should be provided greater transparency regarding the department's approach and a clear indication about whether such supports will be available through Support at Home.

Recommendation 64: Increased access to medication management reviews

Government's reported measures or actions — before 1 Jan 2025

To date, the department has sought to implement recommendation 64 through the Quality Use of Medicines (QUM) program, the Residential Medication Management Reviews (RMMR) program and the Home Medicines Review (HMR) program. The QUM program provides funding for pharmacists to undertake a range of activities aimed at improving the use of medicines across aged care homes. These include responding to medication reviews, drug use valuations and updated medication practices in response, and attendance at medication advisory committees or education activities for staff and/or residents.

The RMMR program allows pharmacists to undertake reviews 'on entry to residential care and annually thereafter, or more often if there has been a significant change to the person receiving care's condition or medication regimen' when the review has been referred by a medical practitioner on the basis of clinical need. Once an initial review has been referred, a pharmacist may undertake an additional review at 24 months without referral. Additionally, the program partially implements recommendation 64(b) by allowing RMMRs to be conducted for people receiving transition care for more than 14 consecutive days. The program does not allow RMMRs to be undertaken for residents in respite care. MBS item 903 does not permit a GP to claim this item for people receiving respite care, but rather directs that a HMR should be undertaken when the person returns to the community.

Recommendation 64(c) has not been implemented due to lack of funding and infrastructure to perform quality and consistency checks of medication reviews.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The department has advised that, over time, it is planned that on-site pharmacists (funded through the on-site pharmacists measure that responds to recommendation 38) will replace the QUM, RMMR and HMR programs in delivering this recommendation. As it is not compulsory to have an on-site pharmacist, the department anticipates that the transition will be a gradual process.

Inspector-General's findings

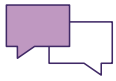
The Inspector-General assesses this recommendation as 'accepted in part' and 'finalised'. As the department deemed the recommendation to be finalised, it did not advise of any further measures or actions undertaken since preparation of the 2024 Progress Report.

The Royal Commission emphasised the criticality of medication management reviews to reduce the use of chemical restraints and other inappropriate uses of medications. Commissioners considered medication management reviews an important means of assessing the overall medication regime that each person is receiving, which is particularly important for older people who may be taking a range of medicines concurrently. Given the prevalence of medication mismanagement in aged care, the Royal Commission called for aged care residents to receive at least one medication review annually.

In response the department has advised that recommendation 64(a), which required pharmacists to be funded to conduct reviews on entry to residential care and annually thereafter, has been rejected in favour of an alternative approach, namely, the on-site pharmacists measure. However, it is unclear how the on-site pharmacist measure will in fact respond to the recommendation.

It is questionable whether any tangible progress against this recommendation has, or will, be made following the Royal Commission.

Recommendation 65: Restricted prescription of antipsychotics in residential aged care



Government's reported measures or actions — before 1 Jan 2025

This recommendation is not being implemented as the change was considered but not recommended by the Pharmaceutical Benefits Advisory Committee (PBAC).

On 11 June 2021 a delegate of the former Minister for Health and Aged Care referred recommendation 65 to the PBAC for consideration. In November 2021, following consultation with stakeholders, the PBAC considered recommendation 65 is not implementable at present due to a substantial risk of unintended consequences. The PBAC noted that changes already made to the Pharmaceutical Benefits Scheme

restrictions for risperidone, the only medicine registered in Australia for the treatment of behavioural and psychological symptoms of dementia, have reduced use. The PBAC outcome was published on 17 December 2021.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Not applicable.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'rejected in full' and 'not commenced'.

As outlined in the 2024 Progress Report, no response to this recommendation appears to be in train. This is a matter of considerable concern. The Royal Commission considered the use of chemical restraints in aged care, a practice which has persisted for decades, to be 'plainly unacceptable'. In response, Royal Commissioners called for stricter requirements for prescribing antipsychotic medicines for people in aged care. Their objective was to ensure specialist oversight before antipsychotic medication is administered.

Information provided by the department fails to shed any light on the 'unintended consequences' that led the PBAC to conclude that recommendation 65 is 'not implementable'.

Rather than reject this recommendation the department should be taking further steps to consider how it could be appropriately implemented. The continued reliance on restrictive practices in aged care, as noted in relation to recommendation 17, should be the least tolerated of practices and addressed as a priority of the highest order. Its continuation demonstrates that the system is still enabling lapse in institutional accountability for providers, underscoring one of the system's most critical flaws. Continued rejection of this approach is entirely inconsistent with a rights-based, person-centred-system and has a strong potential to undermine the overarching objectives and Statement of Rights within the *Aged Care Act 2024*.

Recommendation 66: Improving the transition between residential aged care and hospital care

Government's reported measures or actions — before 1 Jan 2025

In response to recommendation 66(a), consultations are currently in train with jurisdictions on improvements to hospital discharge protocols and supporting paramedics to access discharge summaries. This is being informed by deeper analysis on the challenges with hospital discharge summaries, including timeliness, quality and any potential legislative barriers. National protocols for timely hospital discharge have been agreed by all jurisdictions. The department has been working with each jurisdiction to develop implementation plans (now referred to as impact analyses) for the newly agreed protocols. These impact analyses are due from all jurisdictions by the end of the 2024–25 financial year. Some jurisdictions are progressing pilot programs in lieu of impact analyses that will build and examine working solutions to improve timeliness and quality of information at discharge.

To respond to recommendation 66(b) functionality has been built into My Health Record to allow hospitals to upload discharge summaries, which can be accessed by GPs and registered nurses in aged care homes who are connected to My Health Record. An electronic Aged Care Transfer Summary (ACTS) was released into production on My Health Record on 30 November 2023. Aged care homes will be able to create and upload an ACTS to My Health Record once they have the necessary software. Two industry offers have been released to incentivise software vendors to build ACTS conformance into their systems and make this available to aged care homes as soon as possible. The Australian Digital Health Agency (ADHA) ran an aged care program which

included the delivery of the ACTS in My Health Record in 2024. This will support people transferring from an aged care home into hospital. Further work is underway with software vendors to enable residential aged care homes to create the ACTS in their clinical systems. This work is due to be completed by 30 June 2025.

Further work is also underway with state and territory governments to improve sharing of hospital discharge information. This includes opportunities to align hospital discharge protocols, so information follows patients, and improving hospital discharge processes to reduce the burden on hospital staff.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The Australian and state and territory governments are working collaboratively to deliver impact analyses (previously called implementation plans) in order to scope the work required to fully realise recommendation 66(a).

Inspector-General's findings

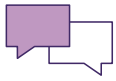
The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'.

The underlying intent of this recommendation was to improve the quality of information aged care providers made available to hospitals when residents were admitted. Commissioners considered that all too often residents presented to hospital with limited information about the origins of their condition or past treatment, which prejudiced their ability to provide timely diagnosis and treatment.

Since the 2024 Progress Report some progress has been made towards delivering recommendation 66(a) through the agreement of national hospital discharge protocols. The ADHA also undertook work to deliver the ACTS in My Health Record in response to recommendation 66(b). However, it appears that significant scoping work is still underway, particularly in relation to recommendation 66(a), and it is still not entirely clear that activities undertaken to date will achieve the Royal Commission's intent in relation to this recommendation. The Office will continue to monitor progress towards implementation.

In the context of this recommendation, the reduction in funding available for care management through Support at Home (see commentary on recommendation 31) has the potential to further undermine attempts to improve aged care recipients' movements in and out of hospital care.

Recommendation 67: Improving data on the interaction between the health and aged care systems



Government's reported measures or actions — before 1 Jan 2025

The department continues to partner with the AIHW on a range of data improvement activities. The department undertook extensive consultation on the draft Aged Care Data and Digital Strategy, with the consultation summary published on the department's website in 2024.

The Aged Care Data and Digital Strategy 2024–2029 and Action Plan were released in July 2024. Developed in partnership with AIHW and ADHA, the strategy responds to recommendations 67, 108 and 109. The strategy aims to drive improved data collection and use within the aged care context. The strategy is intended to be outward-facing and support older people, aged care providers and the broader sector to improve care at the point of delivery through data and digital initiatives.

The action plan includes a range of data governance initiatives which will underpin future aged care work, including future work in the regional context. Various items in the action plan are progressing, for example continued development and expansion of the Aged Care NMDS and the National Aged Care Data Asset (NACDA), being delivered in partnership with AIHW.

In July 2024 the NACDA was launched. NACDA is a major, national, de-identified and linked data system that draws together core government administrative health, disability and aged care datasets, and is available for approved government and non-government researchers to use via the AIHW National Health Data Hub.

ACTS has been implemented, with version 1.1 released in late 2023. It is a digital solution using My Health Record that facilitates access to crucial health information relating to an aged care resident to support clinical hand-over when an individual is transferred from an aged care setting to acute hospital care. ACTS incorporates a number of new record types into the My Health Record system for the sharing of residential health information from aged care home systems. These include a Residential Care Transfer Reason, Residential Care Medication Chart and Residential Care Health Summary.

Government's reported measures or actions — underway or planned after 1 Jan 2025

It is important to note that ongoing data improvement and development including those addressed in recommendation 108 are also associated with outcomes and objectives in this recommendation.

Ongoing meetings and discussions between senior Australian and state and territory government officials continue to further efforts for data interactions and interoperability.

NMDS v.2 is planned for release in mid-2025, with further work being invested in alignment with the *Aged Care Act 2024*.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed', noting that a number of sub-components, including recommendations 67(a) and (d), are still under consideration.

Release of the Aged Care Data and Digital Strategy in July 2024 represents notable progress compared with the 2024 Progress Report. However, the questions raised by the Acting Inspector-General in his 2024 Progress Report, regarding the disconnect between the activities reported by the department and implementation, remain unanswered.

Data and digital strategies to support comprehensive and effective aged care delivery and greater transparency in the sector, are clearly needed. Advocates have repeatedly told the Inspector-General the sector lacks access to detailed data regarding the characteristics of people who access aged care, the nature and impact of the care and support people receive, and metrics regarding how people 'move through' the aged care system from first point of contact with My Aged Care.

Robust data is critical to the formulation of effective policy. Strategies to address longstanding systemic issues, such as those associated with the interface between the health and aged care systems, would be better informed – and probably more successful – if supported by a clearer understanding of what is happening on the ground.

The Office will continue to monitor whether known data deficiencies are being addressed through implementation of responses to this recommendation.

Recommendation 68: Universal adoption by the aged care sector of digital technology and My Health Record

Government's reported measures or actions — before 1 Jan 2025

Several projects have been initiated to address this recommendation. Electronic medication management (EMM) systems are available to aged care homes under a tightly governed arrangement to ensure quality. Software vendors have also been integrating medication charts with My Health Record.

The government has invested up to $30 million in grants to support aged care homes (including services that provide aged care under the NATSIFAC and MPS programs) to adopt electronic medication management systems. The Electronic National Residential Medication Chart (eNRMC) grant has now concluded, closing early due to high demand. A total of 78% of aged care homes took up the grant, committing to implementing an eNRMC system by December 2025.

The My Health Record Registration project, which relates to recommendation 68(b), commenced in January 2023. At the end of 2023–24, 38% of homes were registered for My Health Record. ADHA is aiming for a target of 80% by the end of the 2024–25 financial year. This will be supported as vendors complete conformance of aged care clinical systems to My Health Record and building to the ACTS. Thirteen vendors, comprising more than 70% of the aged care market, are currently in development, with the first vendor due to become conformant before the end of the calendar year.

The Aged Care Clinical Information System (ACCIS) Standards were published in August 2024. Work is commencing to support adoption of the standards, with an initial focus on enabling transfer of clinical notes between GPs and aged care systems.

Funding was provided through the 2021–22 Budget (Improving Access to Primary Care and Other Health Services in Residential Aged Care – Supporting Medication Management in Residential Aged Care).

Government's reported measures or actions — underway or planned after 1 Jan 2025

An evaluation of the eNRMC Adoption grant opportunity has commenced and will be finalised in early 2026.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'.

Importantly, the department appears to have no plans to mandate that every aged care provider delivering personal or clinical care must meet the requirements listed in recommendation 69(1)(a)–(c), which were intended to increase providers' uptake of digital care management systems and My Health Record. Rather, the department is encouraging the uptake of the eNRMC, which it describes as the foundation of digital enablement in residential aged care. The department is also ensuring that providers are supported with the adoption of digital tools and connection to clinical systems, such as My Health Record.

In his 2024 Progress Report the Acting Inspector-General called on the department to review the merits of 'universal adoption' of digital care management systems by the aged care sector. It is expected that the evaluation of the eNRMC grant will provide an opportunity to consider the benefits and barriers of such a model.

Recommendation 69: Clarification of roles and responsibilities for delivery of health care to people receiving aged care

Government's reported measures or actions — before 1 Jan 2025

Following the establishment of the Health and Aged Care Roles and Responsibilities working group by the Intergovernmental Health and Aged Care Senior Officials Group (SOG), members developed a joint statement setting out and providing greater clarity on roles and responsibilities across all levels of government and the sector. The statement is intended to respond to recommendation 69(1). On 4 August 2023 the SOG endorsed the statement and progressed it to the Health Chief Executive Forum (HCEF). The final draft statement was endorsed on 27 September 2023. The SOG endorsed a 2-page summary version of the statement at the 18 October 2023 meeting with a caveat noting the statement is not exhaustive and subject to change through upcoming reform activities. The statement was published on the department's website on 5 February 2024.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The aged care service list to be included in the Aged Care Rules 2025 replaces Schedules 1, 3 and 5 of the Quality of Care Principles 2014. The service list will prescribe all aged care services for which funding may be payable under the *Aged Care Act 2024*.

The service list is intended to provide clarity on what aged care providers are funded to deliver, which is intended to build boundaries for service delivery and clarify the roles and responsibilities of registered providers. The Act includes a condition of provider registration that a provider must deliver care in line with the service description on the service list, which reinforces providers' role in service delivery.

The service types allied health and therapy, to be delivered in a home or community setting, and residential clinical care, to be delivered in approved aged care homes, outline for each setting the services that are expected to be delivered for allied health and mental health care. Residential clinical care also includes providing access to other health services, such as dental care.

As part of the new regulatory framework under the Act, the strengthened Quality Standards are intended to enhance and clarify provider responsibilities, including as they relate to the roles and responsibilities of health professionals under the new dedicated clinical care standard (Standard 5).

Commencing on 1 July 2025 the Quality Standards will require providers to have systems and processes in place to support coordinated, multidisciplinary care, in partnership with the older person and that is aligned with their needs, goals and preferences (Outcome 5.4). For example, in regard to oral health, providers can demonstrate they meet this outcome by referring and facilitating access to oral health services to address the older person's clinical needs (Action 5.4.3).

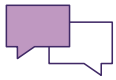
Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part', and 'commenced and ongoing – substantially progressed'.

The Royal Commission expressed considerable concern about the 'lack of clarity and certainty' in relation to the roles and responsibilities of aged care providers and health care providers. This lack of clarity, Royal Commissioners asserted, led to providers and health services developing a propensity to avoid their responsibilities for arranging access to, or providing, health care for aged care recipients. Recommendation 69 was intended to address those issues through an explicit statement in the NHRA explaining the distribution of those responsibilities.

The joint statement has been developed in response to this recommendation. As canvassed by the Acting Inspector-General in his 2024 Progress Report, it fails to provide any additional clarity around roles and responsibilities of aged care providers or state and territory health care providers in relation to health care for people receiving aged care. While the department points to the new aged care service list as clarifying the services that registered aged care providers are funded to deliver, this is not the approach called for by the Royal Commission, nor does it meet the intent of the recommendation.

Recommendation 70: Improved access to state and territory health services by people receiving aged care



Government's reported measures or actions — before 1 Jan 2025

The joint statement to clarify the roles and responsibilities for the delivery of health care for people receiving aged care services was published on the department's website on 5 February 2024. It will be reviewed regularly given the upcoming legislative changes and aged care reforms.

The statement clarifies the roles and responsibilities of the department, state and territory governments, and residential and home care providers. It is not legally enforceable. Rather, it is an explanatory statement clarifying the parties' preferred interpretation of existing enforceable instruments: the NHRA, the *Aged Care Act 1997* and the Quality Standards. The statement was endorsed by the HCEF, which according to the department signifies jurisdictions' acknowledgement and agreement to the definitions contained within. The statement acknowledges the role of jurisdictions in providing older people with 'care not generally expected to be provided by primary care or aged care' (including specialist palliative care services), as well as access to state and territory-led public health activity, and all public hospital services, emergency and non-admitted services such as post-acute care, rehabilitation and sub-acute care.

Government's reported measures or actions — underway or planned after 1 Jan 2025

By the time the statement was settled, negotiations for the next NHRA had been underway for some time. Therefore the department advised that it was considered counter-productive to seek an amendment to the existing instrument. Ongoing negotiations continue for the new NHRA to settle the scope of health and aged care interface reform to be enshrined in the new agreement.

The statement is intended to be updated every 6 months and will be updated in 2025 to reference the *Aged Care Act 2024*.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed'.

As observed in the context of recommendation 69, progress has been made in developing the statement. While paragraph 11(c) of the statement provides that older people with palliative care needs that cannot be safely delivered by primary care providers or aged care service providers must have the same access to state specialist palliative care services as the general population, as per recommendation 70, the scope of the recommendation includes health services more broadly. The statement does not appear to explicitly cover these and therefore does not meet the Royal Commission's intent.

Recommendation 71: Ongoing consideration by the Health National Cabinet Reform Committee

Government's reported measures or actions — before 1 Jan 2025

The Health National Reform Cabinet Committee is not currently active. However, an intergovernmental SOG was established on 31 August 2021 with oversight of Royal Commission recommendations requiring collaboration between the Australian and state and territory governments. The SOG meets quarterly, with extraordinary meetings held as required on specific issues. This group reports to the HCEF and Health Ministers Meeting (HMM) and can progress items for decisions. The health and aged care interface are priorities for HCEF and HMM.

The SOG met five times in 2024 (4 regular meetings and 1 extraordinary).

Negotiations to develop a new NHRA, which will settle the scope of health and aged care interface reform, are still ongoing.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Sub-committees of HCEF and HMM are reviewed annually to ensure they remain fit for purpose. SOG remains an ongoing group and is scheduled for review in June 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'rejected in favour of an alternative approach', which can be considered 'commenced and ongoing – substantially progressed', noting that recommendation 71(b), which required the interface between the health and aged care systems to be a standing item at Australian Health Ministers' Advisory Council (AHMAC) meetings, is not being delivered. Specifically, the department has advised that the aged and health system interface is not a standing item for the HCEF (which replaced AHMAC) or HMM, but rather is a topic of regular discussion on an ad hoc basis. As noted in the Acting Inspector-General's 2024 Progress Report these reporting channels lack the degree of certainty and authority required by the recommendation. It is also a significant deviation from the Royal Commission's intent that this matter be presided over at national ministerial levels rather than at the senior public service level.

Recommendation 72: Equity for people with disability receiving aged care

Government's reported measures or actions — before 1 Jan 2025

A research study, being led by the department, is underway to provide insight on the service requirements and safety implications of supporting older people with more complex needs at home, including those with a disability. It was expected that the study would be finalised in March 2024.

Final policy design for the Support at Home program was announced on 12 September 2024. The program includes a higher level of care for people living at home, and a new Assistive Technology and Home Modifications scheme which benefits older people living with a disability.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Incorporating an expanded assistive technology and home modifications scheme under the Support at Home program will be supported through the *Aged Care Act 2024*.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'under further consideration' and 'commenced and ongoing – partially progressed'.

The Royal Commission recognised that as Australia's population continues to age, an increasing number of older people with a disability will need to access aged care. Commissioners also recognised that there are significant discrepancies between support provided under NDIS and aged care, both in the tailoring and scale of support. With eligibility for NDIS only open to people before their 65th birthday, in later life people with equivalent disabilities can face very different care options depending on whether they are in, or outside of, the NDIS. This inequity was criticised by the Royal Commission and many in the community.

While access to the NDIS does not cease at a certain age, if an NDIS recipient enters residential aged care or starts to receive permanent home care through the aged care system after their 65th birthday they will lose access to the NDIS. Given the higher level of assistance typically available under the NDIS, it is vitally important that NDIS recipients know and understand the implications of transitioning into the aged care system.

The Royal Commission called for greater alignment between NDIS and aged care. This has not been achieved and information provided by the department indicates it is not being actively progressed.

In regard to the study referenced above, and the assessment made by the Acting Inspector-General in his 2024 Progress Report, it appears no progress has been made. Further, it is not clear how the study will inform or support the delivery of this recommendation, what the timeframe is for finalising it, whether it will be published, or whether it will result in any further actions.

The Inspector-General observes a two-speed strategy to embedding a person-centred, rights-based approach to disability service delivery and policy, and that adopted in aged care. Choice and control, and a focus on what is required to achieve a person's goals are key planks of the NDIS' administration that are not as advanced within the administration of aged care.

There is a strong case for greater alignment between the disability and aged care sectors. The disability sector offers many opportunities to inform the reduction and elimination of restrictive practices, more effective worker screening, and in the adoption of rights-based care.

In addition, there is significant concern within the sector in relation to the design and rollout of the Assistive Technology and Home Modifications Scheme. There have been calls for the government not to proceed with the scheme until people are confident it will support a person-centred approach that maximises choice and control for participants. There are also concerns about the imposition of a lifetime cap of $15,000 on home modifications, and how the scheme will be administered through state-based aids and equipment loan schemes. These issues suggest a lack of consultation with the sector. The implementation of this recommendation will be an area of ongoing interest for the Inspector-General.

Recommendation 73: Annual reporting to Parliament by the Disability Discrimination Commissioner and the Age Discrimination Commissioner

Government's reported measures or actions — before 1 Jan 2025

In addition to the department, DSS has a role in implementing this recommendation. Information provided by these agencies suggests that no tangible deliverables have been produced to date.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The implementation of this recommendation is under further consideration. It is being considered in the context of the Disability Royal Commission Final Report, the Australian Disability Strategy Evaluation (which is likely to occur across late 2025 and 2026), and as part of the government's broader disability reform agenda.

There are plans to include residential and community-based aged care extracts from the National Aged Care Data Clearing House in the National Disability Data Asset in 2025. This should support measurement of the number of people with disability receiving different types of aged care by age for the time periods available in these extracts. The department advises that the ability to compare equivalency of daily living supports to NDIS supports would need to be examined.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'under further consideration' and 'not commenced'.

This recommendation was designed to task the 2 Commissioners with reporting on whether and how the government has ensured that 'every person receiving aged care who is living with disability, regardless of when acquired' has received daily living supports and outcomes 'equivalent to those that would be available under the NDIS to a person under the age of 65 years with the same or substantially similar conditions' (which is the right entailed by recommendation 72). The intention was that this reporting would be established under the new National Disability Strategy.

As per the 2024 Progress Report no concrete steps towards implementation have been made. While ensuring the government's response to this recommendation is consistent with actions in response to the Disability Royal Commission, it is difficult to see how this justifies the significant and ongoing absence of progress towards delivery.

Recommendation 74: No Younger People in residential aged care

Government's reported measures or actions — before 1 Jan 2025

Several Australian Government agencies have responsibility for implementing recommendation 74, including the department, DSS, the National Disability Insurance Agency (NDIA) and the AIHW.

The department, the NDIA and DSS collectively oversee strategies to prevent younger people from entering residential aged care, apart from in exceptional circumstances, as per the recommendation. The Younger

People in Residential Aged Care (YPIRAC) joint agency taskforce oversees action toward preventing younger people entering aged care through engagement with lead government agencies and states and territories.

On 9 June 2021 a grant was provided to Ability First Australia (AFA) to operate a network of YPIRAC system coordinators to help people under 65 living in, or at risk of entering, residential aged care to obtain age-appropriate accommodation and support services. YPIRAC system coordinators focus on those who are not eligible for the NDIS. Funding for the program has been extended until 31 December 2025.

Changes to the entry pathway for younger people seeking aged care assessments were also introduced in February 2022 and updated on 1 May 2023. These changes ensure that younger people seeking an aged care assessment work closely with either the NDIA or AFA to find alternative options prior to being referred to an aged care assessment.

The Approval of Care Recipients Principles 2014 have been amended to strengthen the evidence requirements for younger persons applying for residential aged care to ensure all possible alternatives for age-appropriate care have been considered. The 'Principles and guidelines for a younger person's access to Australian Government funded aged care services' (Principles and Guidelines) provide guidance and information on the pathways and expectations of younger people seeking access to aged care. They recognise that there are some younger people whose needs may be provided in aged care homes. These include:

- Aboriginal or Torres Strait Islander people aged 50–64
- people who are homeless or at risk of becoming homeless and aged 50–64
- where people need to maintain family connections (such as for a person who has been cared for by ageing parents or guardians who are now moving into aged care).

On 18 January 2021 the department commissioned the AIHW to undertake data analysis and quarterly reporting on the YPIRAC population to allow a better understanding of the YPIRAC cohort and demonstrate action against the YPIRAC targets. The current AIHW data released on 31 January 2025 covers the period to 30 September 2024. AIHW is commissioned to report until June 2026 (covering the period to December 2025).

On 30 October 2024 the AIHW released its latest data dashboard charting national progress against the YPIRAC targets, with data up to 30 June 2024 (recommendation 74(j)). The data showed that:

- from April to June 2024, 56 people under 65 (excluding Aboriginal and Torres Strait Islander people aged 50–64) entered residential aged care, an 85% decrease from the same period in 2019
- at 30 June 2024, 29 people under 45 were living in residential aged care, an 82% decrease since June 2019
- at 30 June 2024, 1,271 people under 65 (excluding Aboriginal and Torres Strait Islander people aged 50 to 64) were living in residential aged care, a 76% decrease since June 2019.

In relation to recommendation 74(a)–(c) the department engaged The Behavioural Insights Team in March 2024 to undertake research to identify sources for embedded patient care norms that contribute to younger people entering, and remaining in, residential aged care. The research was completed in July 2024 and will inform the second phase of the project, in which specialised educational materials and online training modules will be developed.

Additionally, DSS engaged consultants Nous Group to evaluate past and current YPIRAC initiatives to inform future initiatives, in line with recommendation 74(a)–(c). The evaluation was finalised in August 2024. Publication of the evaluation is a decision for the government.

In relation to recommendation 74(g), the NDIA has created a Specialist Disability Accommodation (SDA) finder tool to help NDIS participants find accommodation and for providers to register a vacancy. The NDIA has also created an SDA demand data tool which helps providers to understand the demand for dwellings. SDA data is released regularly in NDIS Quarterly reports.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will provide very limited circumstances in which a person under the age of 65 years will be able to access Australian Government-funded aged care services (recommendations 74(a)–(c)). Tightening eligibility via the Act from 1 July 2025 is an essential element of the government's strategy in meeting the Royal Commission's targets. The approach recognises that Aboriginal and Torres Strait Islander people aged 50–64 years, and those who are homeless or at risk of homelessness, will continue to be able to access individual needs assessments for funded aged care services in the same way as people aged over 65. These individuals will need to be informed of any other services that may be available to meet their care needs, prior to accessing aged care.

The department continues to engage with states and territories through the SOG, and bilaterally to discuss alternatives to residential aged care for younger people who are not eligible for the NDIS, ahead of changes to eligibility under the Act (recommendation 74 (f)). In addition, the department has held at least one bilateral meeting with each state and territory to discuss solutions for this cohort at the local level. Detailed modelling on care and support needs of younger people who are not eligible for the NDIS has been provided to state and territory governments to assist in developing alternative service systems.

Informed by the research completed in 2023 targeted communication materials for health professionals are being developed to reinforce the message that aged care is not suitable for people under 65, raise awareness of alternative options and increase awareness of how the Act will impact this cohort (recommendations 74(a)–(c)). In addition, the department is engaging a supplier to develop specialised educational materials and online training modules to support younger people with complex conditions who are living in, or at risk of entering, residential aged care.

In relation to recommendation 74(h) the NDIA funds SDA for eligible people under 65 years. The ICC initiative brings together resources in health, aged care, disability and veterans' care to better support and coordinate services in rural, remote and Aboriginal and Torres Strait Islander communities. The department is engaging internally to ascertain whether there are possible linkages for younger people under 65 through this initiative.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'.

The Royal Commission was of the view that younger people should not have to live in residential aged care, which is by and large unsuited to their needs. However, as Royal Commissioners noted, younger people have entered aged care over many years due to the lack of age-appropriate alternatives. Australian Government policy now mandates that no younger person should be required to live in residential aged care (apart from limited exceptions).

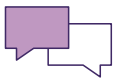
Progress is being made towards implementing recommendation 74, which is complex, multi-faceted and involves substantial coordination across multiple government agencies. While meeting the Royal Commission's targets will inevitably take time, and require further consideration and government decisions, significant reductions towards those targets have been reported by the department.

At a more granular level some aspects of this recommendation have not progressed. Specifically, recommendation 74(f), which required the Australian and state and territory governments to develop, fund and implement accommodation and care options for younger people ineligible for the NDIS and in or at risk of entering aged care, has not been implemented and remains under consideration. The lack of traction on this recommendation is concerning. The Office has heard that younger people who are ineligible for the NDIS and in need of complex support have limited options other than aged care. Their pathways will become more constrained once the tightened eligibility criteria in the Act come into force on 1 July 2025.

The government's intent to deliver other sub-components is unclear. For example, there are no plans for ministers to report to parliament every 6 months as proposed in recommendation 74(k). Rather, NDIA provides quarterly reports to disability ministers with information about NDIS participants in each jurisdiction and the funding or provision of supports, including progress towards the YPIRAC targets.

Progress on this recommendation will be a particular focus for the Office.

Recommendation 75: Aged Care Workforce planning



Government's reported measures or actions — before 1 Jan 2025

In response to recommendations 75(1)(a) and (b) a long-term aged care workforce supply and demand model has been created. The model is routinely updated with new data, including from the QFR and provider surveys.

Data collection for the aged care workforce is being undertaken through 2 surveys:

- A biennial Aged Care Provider Workforce survey completed in 2023, with the results published on the AIHW website. A further report, with the addition of data analysis presented by rural and remote areas was published on the AIHW GEN website on 13 December 2024. Planning for a 2025 provider survey has commenced.
- A worker survey in the alternate year, completed in 2024. Data from the 2024 worker survey has been finalised and the results published on the department's website on 13 December 2024.

Data collection for the 2023 aged care provider survey has been completed and supplied to the AIHW for analysis and reporting. Further internal government work is being undertaken with respect to this recommendation, including in regard to migration policy and programs for aged care workers. A long-term aged care workforce supply and demand model has been created and is routinely updated with new data, including from the QFR. Funding has been provided to increase the number of nursing scholarships, operate a Transition to Practice Program for graduate nurses and develop a clinical placements program in aged care.

The Australian Government released the Nurse Practitioner Workforce Plan on 16 May 2023. The plan aims to enhance the accessibility and delivery of person-centred care for all Australians through a well-distributed, culturally safe nurse practitioner workforce, while increasing care for all Australian communities. Implementation of the plan is underway.

A national nursing supply and demand model has been designed to forecast the supply and demand for nurses in Australia over the next 12 years. It allows the simulation of complex policy scenarios to analyse nursing workforce implications by sector, nurse type and geography. The nursing supply and demand model results were published in July 2024 at the national level.

The Australian and Victorian governments, in collaboration with all jurisdictions, are developing Australia's first National Nursing Workforce Strategy. The strategy will facilitate collaboration and action between all stakeholders on future nursing workforce planning, policy reform and investment. When implemented, the strategy will ensure that the nursing workforce is empowered to deliver care that meets the current and future health and aged care needs of the Australian population. The development of the strategy has been informed by extensive research and consultation. The strategy will be refined ahead of its potential endorsement by all health ministers in early to mid-2025.

Funding has been provided for a range of workforce supports, including training, clinical placements, scholarships and other initiatives to respond in a targeted manner to workforce challenges. Funding has also been provided to increase the number of nursing scholarships, operate a Transition to Practice program for graduate nurses and develop a clinical placements program in aged care. Additionally, funding has been provided for the Aged Care Business and Workforce Advisory Service to support aged care providers in their

workforce challenges and may include services to improve workforce planning and management, culture and leadership and human resources optimisation.

Long-term workforce modelling on the supply of and demand for health professionals, including allied health professionals, and care workers is also being undertaken, including consultation with providers and consideration of immigration measures. $88.4 million in funding has been allocated over 4 years for workforce supports including training, clinical placements, scholarships and other initiatives.

In October 2024 the department published the Professional Framework to build and strengthen the aged care workforce. The Framework describes 8 areas for action to achieve the future workforce state as agreed with the Aged Care Workforce Committee and outlines actions being undertaken against each of these areas.

The 2024–25 Budget included investments to support an increase in the number of home care workers in regional, rural and remote areas where workforce shortages are the most acute (Regional, Rural and Remote Home Care Workforce Support). This included $20.1 million over 3 years (2024–25 to 2026–27) to attract, retain, train and support personal care workers to the home care workforce.

Government's reported measures or actions — underway or planned after 1 Jan 2025

In relation to data collection, the department has advised that:

- planning is underway for the 2025 Aged Care Provider Workforce Survey
- a subset of workers who indicated their interest in participating in focus groups will also provide qualitative feedback on themes identified in the Professional Framework, which is intended to provide deeper insights into the aged care workforce.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed', noting that recommendations 75(2), (3) and (4) have been rejected in favour of an alternative approach.

The Royal Commission asserted that 'getting the aged care workforce right is vital to the success of any future aged care system'. Through this recommendation Commissioners presented a roadmap for instilling the strategic leadership and planning necessary to ensure that Australia's aged care workforce is properly equipped to handle the significant growth in people needing aged care in future decades.

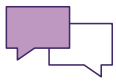
In response, a range of activities are underway, including a number of welcome steps to address shortages in nurses and to improve nursing workforce planning. However, as noted in the Acting Inspector-General's 2024 Progress Report there is a pressing need to address other deficits in the aged care workforce. Stakeholders have consistently flagged a broad range of workforce challenges, including the lack of consistent national planning and coordination at the whole-of-care-workforce level, very limited action to mandate training (e.g. on culturally safe and trauma-informed care, dementia care, or minimum qualifications), a reliance on third-party hire agencies to supply workers, limited action to implement national registration, and perverse incentives arising from other reforms (e.g. 24/7 nursing requirements increasing pressures on registered nurses).

A commitment to tangible actions from all governments is needed to properly address this recommendation. The collective focus needs to be on designing and implementing national, care-sector-wide solutions that are strategic and coordinated. A comprehensive, coordinated solution has been lacking to date and is critical to helping ensure the aged care system is supported by an adequate supply of appropriately qualified staff.

Responsibility for ensuring a sufficient, stable and trained workforce does not sit with the government alone. Providers equally need to play their part. Boards, CEOs and senior managers need to create workplaces where staff want to work. Sound and supportive management, a genuine commitment to person-centred care and effective human resource practices (particularly around rostering) are all critical to staff attraction and retention. People in the sector know, or soon learn, which providers are good to work for and which are not. The Office has heard repeatedly that providers operating in the same labour markets can have very different outcomes when it comes to attraction and retention of staff. This is typically due to workplace-specific factors, such as governance and culture; not a workforce crisis.

This is not to say shortages do not exist. Clearly they do. In rural and remote areas in particular attracting and retaining staff can be very difficult. A lack of access to affordable housing, child care and schools compound the problem and require innovative solutions from providers and flexible support and assistance from government. In such circumstances there is a clear need for the Australian, state and territory governments to work together and develop solutions that assist these communities to have access to the services they need more broadly. The impact of such constraints extends well beyond aged care.

Recommendation 76: Aged Care Workforce Industry Council Limited



Government's reported measures or actions — before 1 Jan 2025

Following the Aged Care Workforce Industry Council's (ACWIC) cessation in August 2023, the Aged Care Workforce Committee (ACWC) was established within the department. ACWC will provide advice to the department on short, medium and long-term actions to build, train and support the aged care workforce. The Committee held its first meeting in September 2023 and meets quarterly.

Prior to ceasing operations ACWIC had partially implemented this recommendation. Key deliverables included:

- reviewing and expanding its membership to include union representation
- formulating a consensus statement for the Fair Work Commission in support of a pay rise for aged care workers
- implementing a Voluntary Industry Code of Practice
- developing an online Workforce Planning Tool for aged care providers to identify gaps in their workforce and plan for an adequate skills mix
- researching the skills and new roles required to deliver high quality care, including innovative and new models of care
- implementing a social change campaign to highlight roles in aged care
- producing key insights into attracting and retaining staff.

The Australian Government has partnered with state and territory governments to establish a Skills Agreement to deliver fee-free TAFE and vocational education and training (VET) places in areas of national priority, including aged care.

Ten Jobs and Skills Councils (JSCs) have been established to ensure the VET system addresses current and emerging workforce priorities and skill needs for a range of sectors across the economy. HumanAbility is the JSC for the care and support sector, covering aged care, disability support, health, human (community) services, sport and recreation, and children's education and care.

Government's reported measures or actions — underway or planned after 1 Jan 2025

In relation to recommendation 76(2)(c) on 7 November 2024 the Australian Government introduced the Free TAFE Bill 2024 to establish ongoing Australian Government support for 100,000 fee-free TAFE places every year from 1 January 2027. This Bill was then referred to the Senate Education and Employment Legislation Committee, which published its final report in February 2025.

The strengthened Quality Standards will include workforce training requirements, including competency-based training, and the need for providers to develop training strategies to ensure that workers have the necessary skills, qualifications and competencies to effectively perform their roles (Outcome 2.9). The strengthened Quality Standards will be implemented on 1 July 2025.

In relation to recommendation 76(4)(b) HumanAbility is undertaking a project to map and analyse career pathways across the care and support sector. It will showcase career opportunities in this area and consider how the VET system can better support job roles and occupational mobility. The project is due for completion in early 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed', noting that ACWIC has ceased. Key aspects of the recommendation are still under consideration, namely recommendation 76(2)(b) to (e) and recommendation 76(4).

The introduction of the Free TAFE Bill 2024, and the ongoing 100,000 fee-free TAFE places that the legislation will support, are welcome steps. However, information provided by the department does not clarify how that legislation will address specific aspects of this recommendation. The overarching aim of recommendation 76 is to ensure workers' qualifications are appropriate, to provide them with the skills necessary to support the provision of high quality care, and to generate greater opportunities for nurses and personal care workers to advance their careers through career pathways. Improvement is needed on all of these fronts. This will continue to be an area of interest for the Office.

Recommendation 77: National registration scheme

Government's reported measures or actions — before 1 Jan 2025

A range of measures and actions have been put in place in response to recommendation 77(1). A Code of Conduct for Aged Care was implemented on 1 December 2022, as per recommendation 77(1)(e).

The department continues to engage with the states and territories to expand NDIS worker screening to the aged care sector, as per recommendation 77(1)(d). This includes negotiations on an intergovernmental agreement for the states and territories to undertake aged care worker screening. These new worker screening checks will be subject to the *Aged Care Act 2024* and state and territory worker screening laws. Specifically, new worker screening checks are included in section 152 of the Act, and the aged care worker requirements set out in Division 8, Part 3, Chapter 5.

Whole-of-government worker screening reforms are also being pursued through continued collaboration with the Department of Finance and Department of the Prime Minister and Cabinet.

The department has prepared consultation material on the skills and training elements of the national worker registration scheme. The consultation material considers linked areas of reform across the care and support economy, including establishment of a disability support worker registration scheme as

recommended by the Disability Royal Commission, and NDIS Provider and Worker Registration Taskforce. ACWC members provided advice on the consultation approach and materials.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The department plans to undertake public consultation on the skills and training elements of the national worker registration scheme in early 2025. Consultation outcomes will inform future policy decisions. The department has advised that these activities have been delayed, as the government wishes to consider harmonisation opportunities across the broader care and support economy, noting that the Disability Royal Commission Final Report also recommended the establishment of a national disability support worker registration scheme, as did the NDIS Taskforce.

Additionally, the department will be undertaking data collection and modelling activities in early 2025 to examine what impact the introduction of a mandatory minimum qualification (MMQ) may have on the aged care workforce, and to develop policy and implementation options. This work had been put out to tender.

In relation to worker screening, the Aged Care Intergovernmental Agreement Federation Funding Agreements, for establishment and operational costs, and aged care worker screening subordinate legislation are being drafted in consultation with state and territory officials.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'.

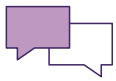
Royal Commissioners 'were in no doubt' that a registration scheme for personal care workers was needed. Of all the classes of workers, the Royal Commission noted that personal care workers spend the most time attending to people receiving aged care. Recommendation 77 therefore set out the characteristics of a national registration scheme for the personal care workforce.

Several steps have been taken to set up a workers registration scheme in response to this recommendation. In particular, the *Aged Care Act 2024* includes a mechanism which provides the legislative basis for a workers screening framework. Consultation materials have also been prepared on the skills and training requirements of a national registration scheme, which relates to recommendation 77(1)(b), with consultations scheduled to occur in early 2025.

However, substantial aspects of the recommendation are either still under consideration, such as parts of recommendation 77(1)(a) and recommendation 77(2). Others have been rejected in favour of an alternative approach, namely recommendations 77(3) and (4). In the context of these recommendations, the National Cabinet has decided that personal care workers are to be regulated as a stand-alone workers cohort, rather than under the National Registration and Accreditation Scheme.

Concerted action to progress outstanding sub-components of this recommendation is now needed.

Recommendation 78: Mandatory minimum qualifications for personal care workers



Government's reported measures or actions — before 1 Jan 2025

The department has undertaken a range of measures and actions in response to recommendation 78, which forms a component of recommendation 77. The Australian Government has partnered with states and territories to establish a 5-year National Skills Agreement, that builds on the 12-month Skills Agreement in 2023. The National Skills Agreement commenced on 1 January 2024 and is supported by a $414 million

commitment to deliver an additional 300,000 fee-free TAFE and VET places from 2024–2026 (recommendation 78(1)).

These measures are intended to assist and encourage personal care workers to increase their skills and knowledge in the provision of high quality care. In 2023, over 82,400 fee-free TAFE enrolments have been recorded in care and support sector courses.

Through the National Skills Agreement the government has partnered with states and territories to establish nationally networked TAFE Centres of Excellence. TAFE Centres of Excellence are intended to be centres of innovation, which will be responsive to industry and help deliver a skilled workforce that meets the needs of critical and emerging industries, including sustaining essential care and support services. To date 8 Centres of Excellence have been announced in the ACT, Western Australia, Queensland, South Australia and New South Wales. This includes the TAFE Queensland Centre of Excellence – Health Care and Support that will deliver critical higher-level skills training to grow and sustain Australia's essential care and support services (recommendation 78 (1)).

Funding has also been provided for the Aged Care Business and Workforce Advisory Service to support aged care providers in meeting their workforce challenges and may include services to improve workforce planning and management, culture and leadership, and human resources optimisation.

A draft consultation paper on mandatory minimum qualifications, minimum level of English language proficiency and ongoing training requirements for personal care workers has been drafted and was presented to ACWC in December 2023.

Implementation of recommendations 78(2) and (3) is being led by the Department of Employment and Workplace Relations (DEWR). A Personal Worker National Board proposed by Commissioner Briggs is not being established. Following its establishment in mid-2023 HumanAbility has assumed responsibility for reviewing and updating qualifications covering aged care, among other sectors. HumanAbility will have an ongoing role in ensuring the national training system addresses aged care workforce priorities and skill needs.

Government's reported measures or actions — underway or planned after 1 Jan 2025

On 7 November 2024 the Australian Government introduced the Free TAFE Bill 2024 to establish ongoing Australian Government support for 100,000 fee-free TAFE places every year from 1 January 2027. This Bill was then referred to the Senate Education and Employment Legislation Committee.

The Quality Standards will further enhance and clarify provider responsibilities, including workforce training requirements. They will include explicit competency-based training in relation to core care matters and the need for providers to have training strategies that ensure that workers have the necessary skills, qualifications and competencies to effectively perform their roles (Outcome 2.9). The strengthened Quality Standards will be implemented in line with the *Aged Care Act 2024*. This responds to recommendation 78(2)(b).

As per recommendation 77 the department plans to undertake public consultation on the skills and training elements of the national worker registration scheme in early 2025, noting that this work has been delayed.

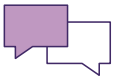
Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'.

Some significant steps have been taken to facilitate access to vocational training and upskilling in the aged care and personal care sectors, including in the 12 months since the 2024 Progress Report. These include finalisation of the strengthened Quality Standards, which commence on 1 July 2025, a Skills Agreement with jurisdictions to deliver fee-free TAFE placements and the establishment of TAFE Centres of Excellence.

At a minimum, all personal care workers should be required to hold a Certificate III qualification. This is a fundamental component of the recommendation and has been consistently supported by the Office. While a legislative mechanism to mandate compulsory training exists in the *Aged Care Act 2024*, there is currently no indication as to whether minimum qualifications will be mandated. As the Office has maintained in various forums, there is an urgent need to move to a framework which establishes and supports mandatory training as a core feature of the delivery of high quality care. Minimum mandatory training requirements also signal the importance and value that should be afforded to care workers and positively reflects on the professionalism of the sector.

Recommendation 79: Review of certificate-based courses for aged care



Government's reported measures or actions — before 1 Jan 2025

In response to recommendation 79(1) a Review of the Certificate III in Individual Support was undertaken to examine the skill needs of aged care support workers and approved by the skills ministers in November 2022. The superseded qualification was to be in place until July 2024 (31 December 2024 for secondary school students). The revised qualification, released in November 2022, includes 15 units of competency and embeds palliative care into the ageing specialisation. A review of the Certificate IV in Ageing has not yet been undertaken.

From July 2023 HumanAbility has had responsibility for reviewing and updating health and care related qualifications, including considering the Certificate IV in Ageing and any future updates to the Certificate III and associated skill sets.

Ten JSCs have been established to ensure the VET system addresses current and emerging workforce priorities and skill needs for a range of sectors across the economy.

On 7 November 2024 the Australian Government introduced the Free TAFE Bill 2024 to establish ongoing Australian Government support for 100,000 fee-free TAFE places every year from 1 January 2027. This Bill was then referred to the Senate Education and Employment Legislation Committee.

Government's reported measures or actions — underway or planned after 1 Jan 2025

HumanAbility is undertaking a review of the implementation of the updated Certificate III in Individual Support and the Certificate IV in Disability Support. It will identify and address any delivery challenges that Registered Training Organisations may be experiencing. It will also consider the alignment between these qualifications and contemporary job roles.

HumanAbility is also undertaking a project to map and analyse career pathways across the care and support sector. It will showcase career opportunities in this area and consider how the VET system can better support job roles and occupational mobility.

Both projects are due to be completed in early 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed', noting that the review of Certificate IV in Ageing as proposed by recommendation 77(1) is still being progressed by HumanAbility. Reviewing specialist Certificate IV courses is a vital component of this recommendation and a key first step towards ensuring that such courses are comprehensive, reflect current practice and support the delivery of high quality care. A continuing program of qualification reviews will help to ensure training is comprehensive, up to date and appropriate to evolving sector requirements and practices.

Recommendation 80: Dementia and palliative care training for workers

Government's reported measures or actions — before 1 Jan 2025

New dementia training is being delivered to GPs and care workers, with additional dementia care training in development. Fee-free TAFE is available for eligible Australians looking to complete accredited training in key sectors, including aged care and disability support. Voluntary palliative care workforce training was implemented from November 2021. Palliative care education and training is being delivered to the aged care and primary care workforce, across all settings, through expansion of existing national projects.

The strengthened Quality Standards will require providers to ensure workers are trained to effectively perform their role (Standard 2). Providers can demonstrate they meet this requirement by providing regular competency-based training for workers in core matters such as dementia and through implementing training systems that ensure workers have necessary skills, qualifications and competencies to perform their roles, including in palliative and end of life care (Standard 5).

In February 2022 the department contracted the University of Tasmania to develop a series of short online learning modules (Equip Aged Care Learning Modules) to support direct care workers with foundational knowledge on key aged care topics. The modules include dementia care, cross-cultural awareness, palliative and end-of-life care. Fourteen modules are available free of charge to direct care workers, volunteers, caregivers and anyone with an interest in improving care for older adults. As part of the 2024–25 Budget, $2 million over 3 years (2024–25 to 2026–27) was provided to enable continued hosting and updates of the current modules in addition to the development of 5 new modules.

Registration requirements for personal care workers are subject to future government decisions. A National Worker Registration Scheme is under development.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation when it commences on 1 July 2025.

The Quality Standards will be set out in the Rules.

ACQSC has commenced activities to assist the sector to prepare for the introduction of the strengthened Quality Standards. Initially, the focus has been on introductory resources to highlight the key topics within each standard. This will be expanded to include content or referrals to information on each of the key topics including dementia and palliative care. For example, ACQSC has published guidance relating to infection prevention and control and dementia. The Commission is also exploring the potential to co-host or advertise courses developed by other organisations such as Dementia Training Australia, End of Life Directions for Aged Care (ELDAC) and Palliative Care Aged Care Evidence (palliAGED).

Inspector-General's findings

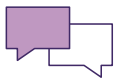
The Inspector-General assesses this recommendation as 'rejected in favour of an alternative approach', which is 'commenced and ongoing – partially progressed'.

The Royal Commission stressed the need for aged care workers to have ready access to good quality training and professional development in the context of dementia and palliative care. Both should be 'core business' for aged care providers. Accordingly, the Royal Commission proposed a robust mechanism which would require providers to ensure that all workers directly involved with people seeking or receiving aged care to undergo regular training about dementia and palliative care as a condition of approval.

In response the government has chosen a different strategy to the delivery of dementia and palliative care training. Under that approach dementia training is available but is not a condition of a provider's registration. Rather, it is deemed a core training expectation under the strengthened Quality Standards (Standard 2). Palliative and end-of-life care is also required, through Standard 5.

The decision not to require mandatory dementia training in primary legislation (or even subordinate legislation), is inconsistent with the Royal Commission's intended outcome. Given the rationale for this recommendation by the Royal Commission, it is foreseeable that this will have direct negative flow-on impacts to the care and rights of the growing number of people with dementia in Australia, and will potentially limit the positive impacts that could be achieved under the policy framework of the National Dementia Action Plan. If this recommendation had been implemented, it would have sent a strong signal to the sector of the government's commitment to supporting high quality dementia and palliative care through the provision of services by consistently and properly trained workers. Requiring training through the Quality Standards, by comparison, lessens their weight. The Inspector-General underscores the need for the government to mandate appropriate dementia and palliative care training, at the very least in the Rules if not the Act itself.

Recommendation 81: Ongoing professional development of the aged care workforce



Government's reported measures or actions — before 1 Jan 2025

A range of activities have been undertaken to support and encourage workers to undertake training to increase their skills, knowledge and confidence to provide safe, high quality care, including:

- Australian Government partnership with state and territory governments to deliver 500,000 VET system places, including fee-free TAFE, across Australia from 2023 to 2026 in areas of national priority, including aged care. From 1 January 2023 to 30 June 2024, fee-free TAFE supported over 131,000 enrolments in care and support economy courses.
- Establishment of 10 JSCs, including HumanAbility as the JSC for the care and support sector, covering aged care and similar sectors.
- VET Student Loans (VSL) program that assists eligible students pay tuition fees for approved higher-level (diploma and above) VET courses, when studying at VSL-approved course providers. VSL is designed to provide financial support to students undertaking higher level training in courses that address workforce needs and create better opportunities for employment.
- Y Careers Agency, which has included a $15.2 million commitment from the government to support the setup and operation of the Y Careers Agency to provide up to 15,000 young people (over 5 years from 2022–23) with employment opportunities in the care economy, including the aged care sector. This will assist both young people and employers struggling to deliver services due to workforce shortages.

- As per recommendation 80, through the National Skills Agreement, the Australian Government has partnered with states and territories to establish nationally networked TAFE Centres of Excellence.

Following a Review of the Certificate III in Individual Support a range of skill sets relevant to personal care workers have been reviewed or newly developed. Specific skills sets included client-oriented service delivery, high support and complex care, dementia support, individual support, mealtime support and mental health assistance, among others. Each skills set includes nationally recognised units of competency that can offer a pathway to a formal qualification. HumanAbility will have an ongoing role in ensuring the national training system addresses aged care workforce priorities and skill needs.

ACQSC has held initial discussions with Dementia Training Australia about courses to support providers and workers delivering care to people living with dementia.

As per recommendation 80, in February 2022 the department contracted the University of Tasmania to develop a series of short online learning modules (Equip Aged Care Learning Modules) to support direct care workers with foundational knowledge on key aged care topics.

Funding to support implementation of this recommendation was provided through the 2023–24 Budget (Aged Care Regulatory Reform).

Government's reported measures or actions — underway or planned after 1 Jan 2025

On 7 November 2024 the government introduced the Free TAFE Bill 2024 to establish ongoing Australian Government support for 100,000 fee-free TAFE places every year from 1 January 2027. This Bill was then referred to the Senate Education and Employment Legislation Committee.

Through the National Skills Agreement, the government has partnered with states and territories to establish nationally networked TAFE Centres of Excellence. To date 8 Centres of Excellence have been announced in the ACT, Western Australia, Queensland, South Australia and New South Wales.

The TAFE Centre of Excellence Health Care and Support, located at the TAFE Queensland Cairns campus, will strengthen capability and capacity for the aged care, disability support and mental health care sectors, and will explore new pathways in nursing and Aboriginal and Torres Strait Islander health and health leadership. It will also pilot enhanced and innovative models of delivery for rural, regional and remote students, including through equitable digital access to training.

The strengthened Quality Standards will further enhance and clarify provider responsibilities, including workforce training requirements to include explicit competency-based training in relation to core care matters and the need for training strategies to ensure that workers have the necessary skills, qualifications and competencies to effectively perform their role (Outcome 2.9). The strengthened Quality Standards will be implemented in line with the *Aged Care Act 2024*.

A Strategic Review of the Australian Apprenticeship Incentive System, conducted by Dr Iain Ross AO and Ms Lisa Paul AO PSM, examined the system's performance, cost of living impacts on apprentices, how the system can support high quality apprenticeships and traineeships, how to create a safe training environment for priority apprentice cohorts, and how the system can align with Australia's broader economic objectives, including supporting the care economy. The Review has drawn on an extensive evidence base, including past reviews, research and input from over 145 public submissions, as well as consultations with more than 600 people from across the apprenticeship system. This includes several key stakeholders from the care sector. The final report is currently under consideration by the government.

ACQSC has advised that it plans to undertake similar discussions to those it has been undertaking with Dementia Training Australia with other organisations (ELDAC and palliAGED). Consultations on English-language proficiency, mandatory minimum qualifications and ongoing training requirements for personal care workers were expected to commence in mid-2024.

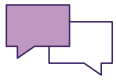
Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – partially progressed'.

The Royal Commission's intent in formulating this recommendation was to ensure that workers have access to continuing professional development opportunities. The Office has consistently heard that lack of professional development opportunities, including career paths, has been a significant barrier for workers entering or remaining in the aged care sector. This recommendation is intended to ensure workers have better access to those opportunities.

A large number of deliverables are being progressed in response to this recommendation in concert with other workforce-related recommendations. As per the 2024 Progress Report, however, delivery of this recommendation as a whole is assessed as partly progressed. Continued effort is needed to expedite progress.

Recommendation 82: Review of health professionals' undergraduate curricula



Government's reported measures or actions — before 1 Jan 2025

The implementation of recommendation 82 is contingent upon support from the Medical Board of Australia, the Australian Medical Council (AMC) and all university medical schools.

The May 2021–22 Budget provided funding through the measure 'Workforce – Growing a skilled, high quality workforce to care for older Australians'.

The AMC reviewed the Standards for Assessment and Accreditation of Primary Medical Programs on behalf of the Medical Board of Australia over 2020–2023. As of 1 January 2024, the revised Medical School standards include additional graduate outcome statements which specifically refer to skills and knowledge required to care for ageing people. Additional graduate outcomes also focus on diversity and rural and regional health care needs. There is also increased focus on informed choice, communication and adapting care plans to reflect the requirements of patients and their families and carers.

Additionally, the National Medical Workforce Strategy has a focus on reforming regulation of vocational training programs to strengthen the focus on learning outcomes, promote flexibility, quality and safety and reward rural practice and experience. This includes working with AMC and specialist medical colleges' stakeholders to review and reform accreditation standards and processes to consider local contexts and promote more rural and regional specialist medical training. AMC commenced a review of specialist education and accreditation in 2024, in alignment with work recommended by the National Health Practitioner Ombudsman. This includes reviewing the standards for the specialist medical training program. Consultation on the scope of the review is scheduled to commence in February 2025.

ACQSC released guidelines to assist providers with infection prevention and control practices while supporting people with cognitive decline and dementia in March 2024.

The Australian Health Practitioner Regulation Agency (Ahpra) has confirmed that it is amending its guidelines 'Procedures for the development of accreditation standards' to require new or revised accreditation standards to describe how they address health and workforce priorities. Ahpra has commenced consultation with stakeholders as part of the review of accreditation standards for paramedicine, Chinese medicine, medical radiation practice, podiatry and Aboriginal and Torres Strait Islander health practice.

The Ahpra Accreditation Committee is currently consulting on 'Guidance on developing professional capabilities'. Professional capabilities are the knowledge, skills and professional attributes required to safely and competently practice as a registered health practitioner in Australia. As part of this consultation, the

Australian Government has advocated that the guidance documentation specifically outlines that new or revised professional capabilities recognise the needs of older people. Ahpra has advised that the Independent Accreditation Committee will explore the potential for greater shared and consistent professional capabilities that describe the need for practitioners to have appropriate knowledge and skills to provide effective health care across the life span and diversity of patients.

Government's reported measures or actions — underway or planned after 1 Jan 2025

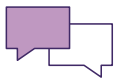
Ahpra is developing a new criterion to assess how accredited programs will address social and cultural determinants of health and provide practitioners with learning outcomes consistent with the needs of communities, particularly for groups that experience health inequality. This criterion will allow priorities such as 'older persons' and other social issues to be captured. Implementation will occur as part of regular review cycles as accreditation documentation is updated across all professions.

Consultation on the scope of the AMC review of specialist education and accreditation was scheduled to commence in February 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – partially progressed'. While several deliverables have been finalised since the Acting Inspector-General's 2024 Progress Report, such as revised Medical School standards following AMC's review and updated guidelines released by the ACWSC, progress overall remains ongoing and only partially delivered.

Recommendation 83: Funding for teaching aged care programs



Government's reported measures or actions — before 1 Jan 2025

In the 2022–23 Budget the Australian Government invested $15.1 million to develop a Care and Support Sector Nursing Clinical Placements program (now known as the Aged Care Nursing Clinical Placements program). Five suppliers were contracted in April and May 2023 to deliver the Aged Care Nursing Clinical Placements program, which will support up to 5,250 clinical placements for Bachelor of Nursing students in the care and support sector (aged care, disability and veterans' support). Under the program, suppliers have executed agreements with higher education providers and/or aged care providers (both home care and residential) and recruited clinical facilitators to provide ongoing supervision to students during placements. As at 16 December 2024, 2,281 students have completed a placement under the Aged Care Nursing Clinical Placements program.

One contractor developed an online resources hub to support students, supervisors and/or providers. It went live on 31 July and on 20 December 2023 had had 4,566 views since inception. Evaluation of the program is underway and expected to be completed in 2025.

The Aged Care Transition to Practice program supports the transformation agenda by ensuring nurses in their first year of clinical practice have necessary aged care speciality skills to deliver high quality care to older people. The program objective is to support new nurses in aged care with specialised gerontological training and mentorship.

The department is working with DEWR regarding implementation of placements for VET sector students.

Funding has been provided to expand the Rural Health Multidisciplinary Training (RHMT) program for Aged Care. Under the program's aged care expansion project, 150 students per year will receive rural clinical training in an aged care setting for extended periods. As at December 2023, grant agreements had been issued to each participating university.

More broadly, as part of the 2024–25 Budget, the government is investing the following:

- $18.4 million through to June 2027 to continue supporting Bachelor of Nursing students to undertake clinical placements in aged care through the Aged Care Nursing Clinical Placements program. Under the continued program, Diploma of Nursing students will also be eligible for placements. The existing suppliers have been re-engaged through a limited tender process to continue delivery of the program, supporting up to 8,000 nursing students.
- $10.3 million through to June 2027 to continue supporting nurses at the start of their careers in aged care through the Aged Care Transition to Practice program. This renewed funding will support up to 2,125 nurses and aims to increase the supply of skilled and dedicated nurses in aged care. An open market request for tender was released via AusTender on 30 August 2024 and closed on 11 October 2024. It is anticipated that the suppliers will commence service delivery in early 2025.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Ongoing work includes delivery of the government's Aged Care Nursing Clinical Placements program, and the Aged Care Transition to Practice program.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed', noting that recommendation 83(b), which required delivery of clinical placements for university and VET sector students, is still subject to further consideration. In response to that recommendation, the government is continuing to work with universities to support Bachelor of Nursing students to undertake clinical placements in aged care. The Office also understands that Diploma of Nursing students will also be eligible for placements.

While these endeavours warrant support, they do not appear to represent significant progress from the Acting Inspector-General's 2024 Progress Report. Moreover, it is concerning that efforts again appear to be focused on nursing, at the expense of taking into account the broader care workforce. The Inspector-General sees it as vital that the government consider the needs of students from other disciplines in responding to this recommendation, in line with the Royal Commission's intent.

Recommendation 84: Increase in award wages

Government's reported measures or actions — before 1 Jan 2025

On 21 February 2023 the Fair Work Commission (FWC) decided an interim increase of 15% to minimum award wages for many aged care workers to take effect from 30 June 2023.

In the 2023–24 Budget the government invested $11.3 billion to increase aged care workers' wages according to its commitment to fund the outcomes of the FWC's decision. Collaboration with unions and the former Aged and Community Care Providers' Association (since renamed Ageing Australia) is ongoing as part of implementing the FWC's decision.

The department continued to actively participate in the FWC's Aged Care Work Value Case and the related Nurses and Midwives Work Value Case throughout 2024, including through representation at various hearings and the provision of submissions to the FWC (on 12 April 2024, 26 August 2024, 12 September 2024 and 8 November 2024 respectively).

On 15 March 2024 the FWC made a decision on award wage increases for specified aged care workers (Stage 3 decision). On 27 June 2024 the FWC determined that these increases would take effect from 1 January 2025, with larger increases to be phased over 1 January 2025 and 1 October 2025.

On 17 September 2024 the government announced an investment of $3.8 billion over 4 years to support the cost of increased award wages for aged care providers. To support the award wage increases the hotelling supplement increased from 20 September 2024. The AN-ACC price and 24/7 registered nurse supplement also increased from 1 October 2024, while subsidies for the HCP Program, STRC Programme, Transition Care Programme and MPS Program increased from 1 January 2025. Additionally, from 1 January 2025, NATSIFAC program providers began receiving extra funding, while DVA increased relevant Veterans' Home Care and Community Nursing fees. The CHSP opened a grant opportunity in December 2024 (closing in January 2025) for one-off payments to assist CHSP providers to meet increases in award wages for eligible workers.

The department worked with the Fair Work Ombudsman to develop the Ombudsman's webpage (published in October 2024), outlining the 1 January 2025 changes to classifications and award wages. The department has continued to engage and consult with union and employer representatives in relation to implementing the award wage increases. In November 2024 the department published a guidance document, developed in consultation with the union and employer representatives, for aged care providers on the Stage 3 increases and expectations in relation to the use of funding provided to support the Stage 3 decision. The department and the Fair Work Ombudsman also held a webinar for aged care providers in November 2024 on the Stage 3 increases and related program activities to provide funding. In December 2024 a forecast opportunity was published for the Stage 3 Historical Leave Liabilities Tranche 1 Grant. The department has also supported these program changes through broader communication activities to providers, workers and aged care service recipients, such as media releases, regular articles in aged care newsletters and direct mailouts.

Government's reported measures or actions — underway or planned after 1 Jan 2025

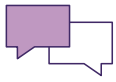
On 6 December 2024 the FWC made a decision on further award wage increases for aged care nurses, with these increases to commence from 1 March 2025. This is the FWC's final decision under the Aged Care Work Value Case. The department has commenced working through the details contained in this latest decision. As at 1 January 2025 implementation activities related to this decision have not yet been considered by the government.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – substantially progressed'. Commendable progress has been made to date in delivering increases to award wages, and continued work to fully implement this recommendation is vital to the attraction and retention of a sufficient and skilled workforce.

The Office has heard from multiple stakeholders that increases in award wages have had a significant positive impact in addressing workforce shortages in the aged care sector. They also have an important role in changing negative perceptions of aged care as a career path, which has been raised as a longstanding barrier to attracting and retaining workers to the aged care system.

Recommendation 85: Improved remuneration for aged care workers



Government's reported measures or actions — before 1 Jan 2025

IHACPA is able to take into consideration wage adjustments made by the FWC and more broadly wage costs and cost growth when recommending the annual AN-ACC price for delivery of residential aged care funding.

IHACPA cannot recommend additional funding to support an increase in wages, as proposed by the Royal Commission.

The government addressed wage increases in aged care directly through supporting the FWC aged care work value case through the Royal Commission Response Act.

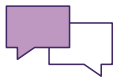
Government's reported measures or actions — underway or planned after 1 Jan 2025

No additional measures and actions were reported, as the recommendation is considered finalised.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'rejected in favour of an alternative approach', which is considered 'finalised'. As noted in the Acting Inspector-General's 2024 Progress Report, the establishment of IHACPA does not implement recommendation 85 because the Authority does not have the power to set prices and it cannot recommend an increase in funding to increase wages. As noted in the Inspector-General's findings for recommendation 11, there are merits to this approach, including the need for a more mature and robust dataset and greater development of the role for IHACPA in aged care.

Recommendation 86: Minimum staff time standard for residential care



Government's reported measures or actions — before 1 Jan 2025

Since October 2022 providers have been funded to deliver 200 care minutes through the AN-ACC funding model, and policy parameters for how this applies to residential aged care homes are finalised. Reporting of care minutes through QFRs commenced from the first quarter in 2022–23.

From 1 October 2024 the required care minutes increased to a sector average of 215 minutes per resident per day, including 44 registered nurse care minutes (from 200/40). This increase has been legislated through amendment of the Quality of Care Principles 2014. An increase in AN-ACC funding from 1 October 2024 has been implemented to fund the delivery of 215 care minutes.

Recommendation 86(7), which would establish a mechanism for providers to apply for an exemption to the mix of skills required of staff is still subject to further consideration. Specifically, in recognition of the challenges that small rural and remote residential aged care homes face in attracting and retaining the workforce required to deliver 24/7 registered nursing, facilities with fewer than 30 beds that are located in Modified Monash Model 5–7 areas that have alternative clinical care arrangements in place for the times a registered nurse is not available are eligible to apply for a 12-month exemption from the responsibility. This will provide transitional support to aged care homes most substantially impacted by workforce shortages. The department commissioned the University of Wollongong to undertake a project to recommend an approach to exemptions in specialised services and to develop alternative clinical care arrangements to the 24/7 registered nurse responsibility. The final report recommended further study is required regarding alternative skills mix for specialised services.

From 1 July 2024 the reduced rate 24/7 registered nurse supplement was introduced to support very small facilities (of 30 residents or fewer to build to 24/7 registered nurse coverage).

From 1 October 2024 the 24/7 registered nurse supplement payment was adjusted to pay different rates by region (i.e. MMM 1, MMM 2–3, MMM 4–5 and MMM 6–7) to better direct funding by the cost of employing a registered nurse in each region.

From 1 October 2024 residential aged care providers have flexibility to meet up to 10% of their registered nurse care minute target with care time provided by enrolled nurses, in recognition of their important role. This adjustment came into effect at the same time as the care minute increase, ensuring the required minimum level of registered nurse-specific care time remains consistent with current levels. This has now been legislated.

The department commenced a study into whether an alternative skill mix may better meet the needs of residents in specialised homeless services in November 2024.

IHACPA has advised that in delivering its annual pricing advice it has incorporated the FWC's wage adjustments to ensure that the AN-ACC price covers changes in wage costs.

The 2024–25 Budget provides $88.4 million over 4 years to continue existing workforce programs to attract and retain aged care workers, collect more reliable data and improve the outcomes for people receiving aged care services which in part addresses this recommendation.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The study of whether an alternative skills mix may better meet the needs of residents in specialised homeless services will be completed by 30 June 2025. This will inform the government's consideration of whether an alternative skills mix should be allowed in these services.

IHACPA's Residential Aged Care Pricing Advice 2025–26 will take into consideration decisions of the FWC relating to the Aged Care Work Value Case, Nurses and Midwives Work Value Case, and annual wage review decisions. IHACPA is also preparing the Residential Aged Care Supplementary Pricing Advice 2024–25 to incorporate the latest FWC decision for aged care nurses.

IHACPA will deliver its first pricing advice for the Support at Home service list to the government in February 2025. It will also take into consideration decisions of the FWC relating to the Aged Care Work Value Case, Nurses and Midwives Work Value Case and annual wage review decisions, as well as increases to the superannuation guarantee in its pricing advice.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed', noting that significant work has been undertaken to deliver the new care minutes requirements and 24/7 nursing requirements. A number of sub-components, namely recommendations 86(3), 86(7)(b) and 86(7)(c) are assessed as rejected in favour of an alternative approach, while several others, including recommendations 86(7)(a), 86(7)(d) and 86(8) are under further consideration. The recommendation is therefore assessed as partially accepted.

As observed in the Acting Inspector-General's 2024 Progress Report, there is significant public interest in the new care minutes and 24/7 nursing initiatives. A number of providers are concerned that the 24/7 nursing requirements have brought about significant financial and administrative costs, and have magnified deficiencies in the availability of nurses, particularly in thin markets. Other concerns have centred around the impact of AN-ACC, with the focus on registered nurses delivering the requisite care minutes coming at the cost of ongoing employment of experienced enrolled nurses and reduced access to allied health care and lifestyle activities.

While the Royal Commission specified the delivery of 200/215 care minutes, there are many in the sector who question whether this an overly simplistic approach to ensure high quality care. While the government deserves appropriate recognition for delivering on this recommendation, including ahead of time, there is a need to evaluate the effectiveness of the approach in ensuring residents' care needs are being comprehensively met.

In addition, some providers have spoken about the difficulty of trying to achieve exactly 200/215 minutes of care for each resident. They claim that the level of monitoring and associated administrative burden is significant and detracts from the delivery of care overall. Providers feel they need to achieve the precision because over-provision impacts on their viability, while under-achievement risks imposition of sanctions. Reports that the majority of providers have failed to meet their care minute targets, point to the difficulties that providers are experiencing in meeting the legislated thresholds. These issues will continue to be an area of focus for the Office. This will include monitoring and assessing reforms to mandate minimum staff times in residential care to ensure they are realising the Royal Commission's intent of facilitating the provision of high quality and safe care. In doing so, the Office will continue to call out any unintended consequences associated with particular reforms, and where appropriate, pinpoint opportunities for improvement.

Recommendation 87: Employment status and related labour standards as enforceable standards

Government's reported measures or actions — before 1 Jan 2025

According to the department, total agency costs and hours have been decreasing over the last year. Specifically, QFR data shows that total agency costs have decreased by 2.5 percentage points from the third quarter in 2022–23. Total agency hours have decreased by 0.2 percentage points. The department has attributed this decrease in part to work aimed at increasing direct employment including:

- improving award wages
- inclusion of direct employment preferencing as part of workforce planning in the draft strengthened Quality Standards
- funding the Workforce Advisory Service
- monitoring through QFR reporting.

The government will continue to monitor the use of indirect employment by aged care providers and will consider further steps and actions as required.

A Productivity Commission report released in October 2022 investigated the merits of a policy that would require aged care providers to preference the direct employment of aged care workers. It recommended that the government should not introduce a policy to preference direct employment in aged care.

The department has consulted with unions, providers, provider peaks and groups representing older people on the sector's preferred approach to implement this commitment. This research concluded in November 2023 and highlighted a number of themes that would assist in increasing direct employment, including:

- building quality jobs in aged care, including increasing remuneration and improving conditions for aged care workers (workers who feel valued and recognised in their workplace are more likely to stay in their current job)
- lifting provider capability through guidance and tools aimed at increasing direct employment
- increasing public information available on the use of direct and indirect employment allowing for transparency in the use of agency staff by providers
- building the skills and capability of workers and supporting the professionalisation of the aged care workforce
- investing in regional, rural and remote markets to attract and train workers
- regulating digital platforms and platform workers to ensure fair pay and conditions.

Stakeholders consulted as part of this research did not see any value in mandating a direct employment preference and noted the above actions would address indirect employment in aged care. The government has undertaken action against all these themes.

Research undertaken by the department in August to December 2024 into the behavioural drivers, barriers and motivations of aged care workers that influence a worker's decision to work directly versus indirectly found the following:

- Workers feel greater fulfillment working with aged care providers who are structured around delivering person-centred care as a core part of their values as they can build relationships with the older people in their care.
- Creating clear career pathways, such as opportunities to advance to senior care roles, managerial positions, or specialised training in dementia or palliative care, can motivate workers to stay and grow within the sector. Offering scholarships or funded training programs to upskill employees can also be a strong incentive.
- Consistent hours, reliable pay, and benefits like sick and personal leave, are highly valued by aged care workers, especially for those with financial or family commitments.
- Workers develop a more fulfilling emotional relationship with their workplace if they feel valued by management and supported by colleagues.
- Providing mental health support services, such as counselling, stress management programs and well-being initiatives, can help reduce burnout and boost morale.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The strengthened Quality Standards, commencing 1 July 2025, will respond to this recommendation. The Standards include a requirement for providers to understand and manage its workforce needs and plan for the future (Outcome 2.8).

Inspector-General's findings

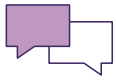
The Inspector-General assesses this recommendation as 'rejected in favour of an alternative approach', which is considered 'finalised'.

There is currently no basis to conclude that the government intends to legislate that providers, as a condition of ongoing approval (i.e. registration), be required to preference direct employment of workers in line with recommendation 87. Rather, the strengthened Quality Standards include a requirement for providers to manage and understand their workforce needs (Outcome 2.8). Providers are able to demonstrate compliance with this requirement through direct employment arrangements, and through minimising the use of independent contractors (Action 2.8.1).

This recommendation originated from the Royal Commission's view that direct employment as a mode of engagement is more compatible with its broad objectives in encouraging a 'well led, skilled, career-based, stable and engaged workforce providing high quality care'. In contrast, workers engaged through alternative means were seen as far less amenable to direction.

The Inspector-General acknowledges that some workers prefer the flexibility, and potentially higher wages, afforded through contract work. Equally though, the Office is aware of provider concerns about increased reliance on agency staff driving up the cost of providing care. The balance here can be difficult to find, and enforceable standards may not be the ideal solution. The Office intends to monitor the impact and effectiveness of the government's alternative approach.

Recommendation 88: Legislative amendments to improve provider governance



Government's reported measures or actions — before 1 Jan 2025

Primary legislation commenced from 1 December 2022 through the Royal Commission Response Act, with subordinate legislation being finalised on 1 July 2023.

Annual information about residential and home care providers' operations is gathered between 1 July and 31 October each year, and was first published on My Aged Care in February 2024.

A further collection period was completed between 1 July 2024 and 31 October 2024, with the gathered information to be published in early 2025.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will continue the legislative requirements commenced in 2022 and 2023.

The *Aged Care (Consequential and Transitional Provisions) Act 2024* will deliver recommendation 88(2). That subcomponent required amendments to the *Freedom of Information Act 1982* (FOI Act) to ensure that the exemption in section 38 of the FOI Act does not apply to 'protected information' under aged care laws.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'finalised'.

The Royal Commission expressed concern about variable provider governance, and these views correlate with what the Office has since heard. Ineffective provider governance results in a serious risk of adverse outcomes, including poor workforce retention, inefficient administration and, most seriously, sub-optimal-quality care for older people. Measures to improve provider governance through the *Aged Care Act 2024* therefore represent a welcome response. It is likely the government will need to consider whether additional non-legislative strategies are needed to educate providers and create additional incentives to instil effective provider governance.

Additionally, the Inspector-General welcomes the steps taken to implement recommendation 88(2), which was still under consideration at the time the Acting Inspector-General's 2024 Progress Report was finalised. Implementation of recommendation 88(2) is vital to improving transparency around the affairs and decisions of providers.

Recommendation 89: Leadership responsibilities and accountabilities

Government's reported measures or actions — before 1 Jan 2025

Recommendation 89 was supported through the 2021–22 Budget (Provider Capability Program). According to the department, components of recommendations 89(b) and 89(c) are addressed by the Aged Care Quality and Safety Standards (as at 1 January 2025). Primary legislation has been put in place requiring governing bodies of certain approved providers to:

- ensure staff training, professional development and continuous learning, staff feedback and engagement, and team building
- have at least one member with experience in providing clinical care
- establish a quality care advisory body and offer to establish a consumer advisory body to help inform the governing body.

Additional obligations in the *Aged Care Act 1997* around provider governance arrangements commenced from December 2022 (new providers) and December 2023 (existing providers).

Audits of providers conducted by ACQSC consider their compliance with governance obligations under Standard 8.

Legislative requirements consistent with recommendation 89 were carried over into the *Aged Care Act 2024* without substantive modification.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* is set to commence from 1 July 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'finalised'. Information provided by the department about the measures and actions it has delivered do not correspond with the recommendation, and do not show that all sub-components have been accepted.

There is currently no basis to conclude that aged care providers will be required to meet the requirements set out in recommendation 89(a)–(c) as a condition of approval. However, the department has advised that qualification requirements, performance assessment and monitoring and review requirements, are applied to all workers, not just those in management or leadership positions. In response to recommendation 89(c), the department has advised that providers are required to manage and support staff training and engagement, and professional qualifications are required of persons in leadership roles.

Recommendation 90: New Governance Standard

Government's reported measures or actions — before 1 Jan 2025

The implementation of recommendations 90(b)–(e) is being supported through both the existing and new Quality Standards.

Legislative reforms introduced from December 2022 have changed the requirements for certain providers, namely they must:

- have at least one member with experience in providing clinical care
- establish a quality care advisory body
- offer to establish a consumer advisory body to help inform the governing body
- attest annually whether the provider has complied with its duties under aged care legislation and if such an attestation cannot be given, explain why and set out what corrective action is being undertaken.

These requirements commenced from 1 December 2022 for providers approved on or after that date, and from 1 December 2023 for providers approved prior to 1 December 2022.

An urgent review of Quality Standards was undertaken and led to the development of the strengthened Quality Standards. The strengthened Quality Standards set out requirements for providers relevant to this recommendation, including feedback and complaints management (Outcome 2.6) and risk management (Outcome 2.4).

This recommendation is supported by the 2021–22 Budget (Residential Aged Care Quality and Safety – Aged Care Immediate Priorities – Strengthening Providers).

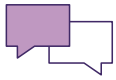
Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* and strengthened Quality Standards are set to commence from 1 July 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed', noting that recommendation 90(f) has been finalised. There is currently no basis to conclude that this recommendation is anything other than partially accepted and progressed, noting that the measures and actions delivered do not fully correspond with the recommendation.

Recommendation 91: Program of assistance to improve governance arrangements



Government's reported measures or actions — before 1 Jan 2025

The Governing for Reform in Aged Care program aims to strengthen governance capability of aged care leaders. The program commenced in March 2022. Between March 2022 and December 2023 there were 6,762 enrolments from 945 aged care residential and home care providers.

Up until 31 December 2023 KPMG delivered the program. Following conclusion of the KPMG contract, the program transitioned to ACQSC's online learning platform (Alis). Program materials were made available at that point to all providers and workers interested in uplifting governance capability. The Office has been advised that the program continues to attract strong participation from the sector with 7,889 online learning module completions, 55,621 website page views and 18,807 active website users over the period 1 January to 31 December 2024.

Government's reported measures or actions — underway or planned after 1 Jan 2025

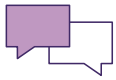
An independent evaluation of the Governing for Reform in Aged Care program has been completed. The recommendations are being considered as the program resources are reviewed and updated to align with relevant provisions within the *Aged Care Act 2024*.

The department has advised that the program will continue to be delivered by ACQSC on an ongoing basis.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – substantially progressed'. The recommendation has been assessed as substantially progressed rather than finalised because the outcomes of the independent evaluation of the Governing for Reform in Aged Care program are still being considered.

Recommendation 92: Approval of providers



Government's reported measures or actions — before 1 Jan 2025

The *Aged Care Act 2024* will establish a new regulatory model aimed at increasing provider accountability. Under that framework, all providers delivering Australian Government-funded aged care services are required to be registered into one or more registration categories for the services they intend to deliver, thereby addressing recommendation 92(2). These requirements are outlined under Chapter 3, Part 2. Specifically, section 109 requires an entity to be registered or to renew their registration, addressing recommendations 92(1) and 92(4). The department has advised that further information will be included in the Rules.

All existing providers delivering Australian Government-funded aged care services will be deemed 'registered providers' under the new model (addressing recommendation 92(3)). This process is supported by the *Aged Care (Consequential and Transitional Provisions) Act 2024*, which received royal assent on 10 December 2024 and commences at the same time as the new Act. The first operational step to support deeming was to validate the data transformation business rules, which will transition existing provider data into the new data structure in support of the *Aged Care Act 2024*. This process is known as the 'deeming validation of providers' and was commenced in September 2024 and completed in December 2024.

The final proposed registration categories that support the new registration model were agreed by the Minister in July 2024 and were published on the department's website in September 2024.

The department is working with existing providers and ACQSC to transition providers to the new registration model, and to build their operational capabilities to support the transition process.

The 2024–25 Budget provided:

- $174.7 million to fund the ICT infrastructure needed to implement the new Support at Home program and Single Comprehensive Assessment System, which partially addresses this recommendation
- $27.4 million to implement the new Act, including governance activities, program management and the extension of the places management program, which partially addresses this recommendation.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Subordinate legislation to support the Act will include greater detail on provider responsibilities and ACQSC processes for provider registration, renewal of registration and provider monitoring. Rules on provider registration will be released in early 2025. ACQSC is assisting the department in undertaking these processes.

An initial process to test deeming business rules has been finalised. The department has advised that a provider registration preview was planned for April 2025, prior to actual deeming on commencement of the Act.

ACQSC will assess providers' suitability, capacity and performance as per the requirements in section 109 of the Act and the associated Rules, including their performance against applicable Quality Standards, as per recommendations 91(1) and 92(4).

ACQSC has also advised that it is developing guidance materials to assist new applicants and existing providers to successfully apply for registration or renewal applications from 1 July 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – substantially progressed', noting that substantial work has been undertaken in the design and development of the new provider registration framework. The new registration model is broadly consistent with the intent of the recommendation. There is significant concern among providers about the broader transition to the *Aged Care Act 2024* particularly, as noted in the commentary for recommendation 47, those community-controlled organisations delivering care to older Aboriginal and Torres Strait Islander people. With the Rules continuing to be released well into 2025, the lead time for providers to prepare for the new framework has been extremely tight. These issues emphasise the need for adequate support from ACQSC and the department for providers to transition without unintended consequences, prior to 1 July 2025 and in the period following commencement of the Act.

Recommendation 93: Accreditation of high-level home care services

Government's reported measures or actions — before 1 Jan 2025

The *Aged Care Act 2024* will increase provider accountability through its new regulatory model. All providers delivering Australian Government-funded aged care services will need to be registered into one or more registration categories for the services they intend to deliver. This includes providers delivering care in a home or community setting, which is relevant to recommendations 93(1) and 93(3). Specifically, as per recommendation 92, section 109 outlines the requirement for an entity to be registered or to renew their registration and the Commission assessing performance against applicable Quality Standards for providers delivering home care, which addresses recommendation 93(1) and 93(3). Section 115 provides that registration is for 3 years unless an alternate time period is determined by ACQSC, which relates to recommendation 93(2).

The Rules will include greater detail on provider responsibilities and ACQSC processes for provider registration, renewal of registration and provider monitoring.

As outlined in relation to recommendation 92 all existing providers delivering Australian Government-funded aged care services will be deemed 'registered providers' under the new model. This process is supported by the *Aged Care (Consequential and Transitional Provisions) Act 2024*.

Government's reported measures or actions — underway or planned after 1 Jan 2025

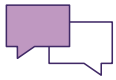
The Rules to support the new *Aged Care Act 2024* will be released in early 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – substantially progressed'.

As per the 2024 Progress Report, substantial work has been finalised in the design of registration requirements for home care providers as a condition for receiving subsidies. Under the *Aged Care Act 2024* 'accreditation' as proposed by the Royal Commission will be referred to as 'registration'. The approach under the Act is consistent with the Royal Commission's intent.

Recommendation 94: Greater weight to be attached to the experience of people receiving aged care



Government's reported measures or actions — before 1 Jan 2025

A Residents' Experience Survey has been conducted in residential aged care settings from 2022. The results are published as part of star ratings in December each year, with the residents' experience rating accounting for 33% of the overall star rating for an aged care home.

The Residents' Experience Survey will continue for an additional 2 years.

Consultation informing the design of a revised methodology found that residents are more comfortable giving honest feedback when it is provided anonymously to an independent third party, rather than to their aged care provider or the government. The department engages a third-party workforce to undertake annual face-to-face surveys in aged care homes across Australia. From 2025 a random sample of residents will be asked to participate at each service, with 20% of older people living in residential aged care to be surveyed each year. Within 6 weeks of a survey being conducted at a service, the provider will receive a Residents' Experience Report that aggregates and deidentifies outcomes from the survey conducted at their service. This can be used by providers to inform timely continuous improvement activities. The aggregated results are also made publicly available on My Aged Care with data updated quarterly. The results are used to determine each service's residents' experience subcategory for star ratings, which is intended to assist older people and their families to make informed decisions when choosing an aged care provider or service. The department also periodically publishes reports on the outcomes of the Residents' Experience Survey at the sector level on the department's website.

In relation to recommendation 94(d), which recommended that channels be established to allow people to report their aged care experiences, ACQSC has a complaints mechanism, including an online mechanism for residents and their family to raise issues concerning the care they are receiving.

Government's reported measures or actions — underway or planned after 1 Jan 2025

In relation to recommendation 94(b) the department:

- has changed the sampling methodology for the 2025 Residents' Experience Survey to include a minimum of 20% of residents at each participating aged care home (previously 10%). This will strengthen the Residents' Experience Survey's alignment with recommendation 94
- has worked with the independent third-party workforce to deliver small-scale trials to determine whether the current methodology for aged care homes would be applicable in NATSIFAC and MPS settings
- continues to improve the survey's methodology and is implementing new interventions in 2025 aimed at removing barriers for the participation of residents from diverse groups
- engaged a provider to develop preliminary options to expand the survey (with tailored methodology) to in-home aged care recipients.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed'. The decision to change the Residents' Experience Survey methodology from 2025 onwards by increasing the minimum number of residents surveyed from 10% to 20% is a positive step. This approach aligns with the Royal Commission's recommended approach and, importantly, will amplify the collective voice of older peoples in the system. Of course, responding to what is heard in these surveys is a commensurate obligation (albeit not articulated within the recommendation per se, it is consistent with its intent).

Notwithstanding these welcome improvements, implementation to date appears to have focused solely on residential care. The recommendation, however, included all types of aged care. While the department has advised that an organisation has been engaged to explore preliminary options to expand the survey into home care, progress to date has been slow. It is vital that the survey is conducted in home care settings expeditiously to ensure that home care recipients, who represent the largest group of people receiving aged care, can have their voices heard.

In relation to recommendation 94(d) the 2024 Progress Report noted that the capacity for residents or their families to lodge complaints with ACQSC falls short of the channels the Royal Commission proposed for people to report their experience of aged care and the performance of aged care providers. The department has advised that there are existing requirements for providers to establish their own feedback mechanisms for residents and their families, in addition to ACQSC complaints channels. The Office has no visibility of provider-based mechanisms and is aware of the level of community dissatisfaction regarding the resolution of complaints lodged with ACQSC.

This was evident through stakeholders' feedback in consultations undertaken to prepare this report, especially in submissions lodged by individuals and through the lived experience forums. The 2023 Tune Review also found that many of the concerns identified by the Royal Commission continue, including that ACQSC does not consistently provide advice on the progress or outcomes of complaints, that complainants 'feel ignored', and that there is a focus on closing complaints rather than resolving them. ACQSC's *Complaints about aged care services – Year in review (July 2023 – June 2024)*, which found that aged care complaints increased from 9,092 in 2022–23 to 9,458 in 2023–24, illustrates the scale of the need for robust complaint-handling processes.

With the move to person-centred, rights-based care under the Act, greater emphasis and effort needs to be placed on asking people in the aged care system about their goals, needs and experience. The Inspector-General expects to see strong correlation between how people's opinions are sought and how they influence policy, and ultimately service delivery, to be able to conclude that this recommendation has been properly implemented by the government.

Recommendation 95: Graded assessments and performance ratings

Government's reported measures or actions — before 1 Jan 2025

ACQSC conducted a Pilot Audit program, under the strengthened Quality Standards, in 2023 to test graded assessments as part of a revised audit methodology. ACQSC has advised that, following completion of the pilot program, field testing the draft audit methodology was undertaken between January and May 2024. Graded assessment, including the development and application of the exceeding rating criteria was tested with providers.

ACQSC undertook public consultation on draft guidance material for the strengthened Quality Standards from 6 February to 19 May 2024. This included audit methodology and evidence mapping documents, which set out how providers would be graded against the Quality Standards. ACQSC published a summary report on

these public consultations in August 2024. Updated guidance material for the strengthened Quality Standards 1 to 7 for workers and providers was published on 20 December 2024.

The *Aged Care Act 2024* includes provisions relating to graded assessments and performance ratings in section 110, which deals with audit requirements.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Graded assessment against the strengthened Quality Standards will commence when the standards are implemented.

Following publication of updated guidance material for the strengthened Quality Standards 1–7 on 20 December 2024, ACQSC planned to publish the remaining guidance materials (including audit guidance) to support implementation of the strengthened Quality Standards on its website in early 2025.

The department and ACQSC are discussing how to incorporate graded assessments into star ratings. Work is also currently underway to further develop and refine the criteria and guidance for the 'exceeding' rating and develop guidance for assessing conformance ratings. This work builds on the findings from the pilot audit and field testing, and internal consultations. The guidance is expected be finalised in March 2025.

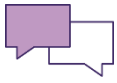
Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – partially progressed', noting that delivery is tied to commencement of the strengthened Quality Standards. Ongoing discussions are also taking place between the department and ACQSC to expand graded assessments into star ratings.

The Royal Commission observed that, under the current framework, ACQSC assesses compliance against the standards on a 'met' or 'not met' basis. Such binary measures do not, as Royal Commissioners observed, provide sufficient differentiation or allow meaningful comparison between services. The Office has heard similar accounts, and additionally, that 'pass' or 'fail' benchmarks do not encourage providers to aim for higher standards of care. Royal Commissioners called for 'a more sophisticated approach to assessment against the Quality Standards'.

In response, the *Aged Care Act 2024* establishes a legislative basis for graded assessments and performance ratings through its audit framework, which as mentioned, is tied to the commencement of the strengthened Quality Standards. Implementation is also tied to expansion of graded assessments into star ratings. The Office strongly supports this work, noting that the Royal Commission called for 'graded assessments against the standards to be a central part of the new scheme'. However, it is important to emphasise the need to resolve significant issues with the operation of the current star ratings system (discussed more fully in Part A of this report), including in the context of how the system measures compliance, as part of the delivery of a graded assessments framework.

Recommendation 96: Responding to Coroners' reports



Government's reported measures or actions — before 1 Jan 2025

The *Aged Care Act 2024* includes provisions relating to Coroners' reports under sections 341 and 342. The Act is silent on reporting timeframes. However, the department has advised that this may be dealt with administratively. Recommendation 96(c) is not being implemented.

Government's reported measures or actions — underway or planned after 1 Jan 2025

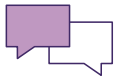
The *Aged Care Act 2024* will respond to this recommendation when it commences from 1 July 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed', noting the substantial work undertaken in developing and supporting the passage of the *Aged Care Act 2024*. Recommendation 96(c), which would have required the System Governor to publish a response to coroners' reports within 3 months, is not being implemented. However, provisions in the Act relating to coroners' reports are largely consistent with the Royal Commission's intent.

The Office notes the requirements in section 342 of the Act for the System Governor to provide a report on recommendations made to the department in coroners' reports to the Inspector-General.

Recommendation 97: Strengthened monitoring powers for the Quality Regulator



Government's reported measures or actions — before 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation by giving stronger monitoring powers for ACQSC under Chapter 6, which is intended to address all subcomponents of the recommendation. This includes section 427, which relates to entry without warrant or consent. These will be operationalised by policies developed to support the new regulatory model, particularly the formation of an inspectorate employing risk-based monitoring methodologies.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation when it commences from 1 July 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as being 'accepted in full' and 'commenced and ongoing – substantially progressed'.

The Royal Commission described the importance of ACQSC objectively informing itself about the provision of substandard care and serious issues affecting the safety, health and wellbeing of people receiving care. It observed that ACQSC only had limited 'access to premises' powers to obtain information pointing to such issues and in response, called for ACQSC to be given a more robust set of powers to support its investigations.

The Act includes entry to premises powers in section 427 which align with the Royal Commission's intent.

Recommendation 98: Improved complaints management

Government's reported measures or actions — before 1 Jan 2025

The inaugural Aged Care Complaints Commissioner (Complaints Commissioner) was appointed in May 2023. ACQSC also recruited an additional 21 ASL as complaint/contact officers to support the complaint management process and assist the Complaints Commissioner. The first dedicated complaints report was published by the Complaints Commissioner in November 2023 and reports continue to be published at least every 6 months.

Consistent with recommendation 98(1) the Complaints Commissioner is a statutory appointment made by the Minister under section 356 of the Act within ACQSC. Complaints functions are conferred directly to the Complaints Commissioner, together with the necessary powers and responsibilities to support those functions.

Aspects of recommendation 98(2) that describe a complaint referral pathway to the Inspector-General, have not been implemented. Similarly, recommendation 98(3), which proposed that the Inspector-General be subject to the same complaint-handling requirements as the Complaints Commissioner, has been rejected. Rather than being an escalation point for complaints about other agencies, the Inspector-General will oversee complaints management processes across the aged care system.

ACQSC was funded $7.1 million at Budget 2024–25 for continuation of the Complaints Commissioner and associated staff.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* is set to commence from 1 July 2025.

The department advised that public consultation on the Rules for the management of complaints by the Complaints Commissioner were to be undertaken in early 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed', noting that this aligns with the department's own assessment. This is notwithstanding the significant work undertaken to date.

The Royal Commission recognised the fundamental importance of transparent and fit-for-purpose complaint-handling processes within the aged care system. Through recommendation 98, Royal Commissioners called for significantly improved complaints management processes, supported by increased oversight, impartiality and transparency around how complaints processes operate. Some positive steps have been taken in response, including the introduction of a Complaints Commissioner, and commencement of 6-monthly reporting. A new complaints process is established under the *Aged Care Act 2024*, underpinned by establishment of the statutory Complaints Commissioner with legislated complaints functions and supporting powers. The Act provides a robust complaint-handling framework, which broadly aligns with recommendation 98(1).

However, stakeholder feedback provided in the context of this report suggests that serious further improvement is needed. Many individuals receiving care, their carers, families and advocates are continuing to find complaints processes time-consuming and challenging to navigate. People have also reported substantial difficulties in having their concerns properly addressed.

Further work is also needed to meet targets for resolving complaints. The Royal Commission called for complaints to be resolved in a standard time of 60 days, while ACQSC has set a target of having 80% of complaints about providers resolved within 60 days. To the Office's knowledge ACQSC has never been able to meet that target and urgent action is required to address the basis of this failure.

The Inspector-General's complaints management role under the IGAC Act deviates from the Royal Commission's recommendation. The alternative approach, set out in the objects of the IGAC Act, gives the Office a role in overseeing the Australian Government's administration of complaints management processes across the aged care system. This approach was designed to maintain the Inspector-General's independence by keeping the Office at arm's length from the bodies and activities it oversees.

The Inspector-General will closely monitor and assess whether the complaints processes established under the Act are meeting the objectives described by the Royal Commission. This will include whether the Complaints Commissioner is discharging their pivotal role in upholding the rights-based framework that the Act seeks to establish. The Office will also assess whether individuals' complaints are being dealt with in a fair, transparent and timely way. This is indeed a role the Inspector-General is charged with in the objects of the IGAC Act. To a significant degree, the overall effectiveness of the rights-based framework in the Act depends upon the Complaints Commissioner successfully carrying out that role.

Recommendation 99: Protection for whistleblowers

Government's reported measures or actions — before 1 Jan 2025

The *Aged Care Act 2024* includes whistleblower provisions under Part 5 of Chapter 7. These provisions reflect changes to the Aged Care Bill 2024 which were made to adequately protect whistleblowers as a result of stakeholder feedback on the exposure draft of the bill. These changes were made in consultation with ACQSC, which shared its experience in dealing with whistleblower matters.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation when it commences from 1 July 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – substantially progressed', noting the substantial work undertaken in developing and supporting the passage of the *Aged Care Act 2024*. The Act establishes a comprehensive whistleblower protections framework, which broadly reflects the Royal Commission's intent.

Recommendation 100: Serious incident reporting

Government's reported measures or actions — before 1 Jan 2025

SIRS was initially enacted via legislation and commenced on 1 April 2021 for residential aged care services. SIRS was expanded to home services on 1 December 2022. Quarterly sector reporting has been in place since October 2021 for residential care, and since April 2023 for home care services. This data is not broken down to a provider, service or facility level.

Star ratings, which are available for all residential aged care homes, include service compliance ratings that are influenced by risk which incorporates complaints and SIRS data.

Regulatory powers enable the ACQSC to require a provider to supply a plan detailing the action it intends to take in response to a reported incident and the report of any investigation of the incident the provider has undertaken or caused to be undertaken.

SIRS is included in section 165 of the *Aged Care Act 2024*, with further requirements to be set out in the Rules.

Funding to support implementation of this recommendation was provided through the Budget 2021–22 (Improving quality and safety across the aged care sector including SIRS).

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024*, and accompanying Rules, will commence on 1 July 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed'.

Neglect and abuse within the aged care system is a longstanding systemic issue, and a driver behind the establishment of the Royal Commission. Compulsory reporting systems in place at the time of the Royal Commission were found to be wholly unsatisfactory, compromising the capacity for serious incidents to be dealt with at both a provider and a systemic level. Ineffective serious incident reporting requirements and follow-up mechanisms to deal with serious incidents had resulted in a lack of confidence in the aged care system's capacity and commitment to ensure the wellbeing of older people. More broadly, it had brought the public's faith in the government's administration of the system into question.

The Royal Commission described a framework for a new SIRS to protect people from harm. Commissioners envisaged the new scheme would strengthen aged care systems, reduce the risk of abuse and neglect, build providers' skills and capacity to respond to serious incidents, and ensure people receiving aged care have the support they need.

Beginning in April 2021 the department delivered a strong early response to recommendation 100 by establishing a SIRS under the Royal Commission Response Act, which would apply in both residential and home care contexts. These have been carried over into the *Aged Care Act 2024*.

After several years in operation, it is apparent there are deficiencies in the way SIRS is administered and self-reported. Serious incident reports are not published at the provider, service or facility level, as required by recommendation 100(b) but rather at the whole-of-system level. To a large extent, the scheme relies on self-reporting. No justification has been provided as to why these approaches were chosen over the more transparent approach recommended by the Royal Commission. The self-reporting approach risks undermining accountability and transparency, and reducing public confidence in SIRS. A stronger commitment from the government is needed to implement all aspects of recommendation 100(b).

Stakeholders have raised serious concerns with the Office around the operation of SIRS, including under-reporting and downplaying of incidents, particularly for people living with dementia. These very serious observations warrant further investigation, because if this is in fact the case, it would seriously undermine the purpose of the recommendation and a fundamental reason the Royal Commission was required in the first place.

Recommendation 101: Civil penalty for certain contraventions of the general duty

Government's reported measures or actions — before 1 Jan 2025

A civil penalty regime responding to this recommendation is set out in Division 1, Part 5, Chapter 3 of the *Aged Care Act 2024*, noting that the civil penalties across the remainder of the Act do not all relate to this recommendation. As noted in the description for recommendation 14, section 179 establishes a statutory duty on registered providers, and section 180 establishes a statutory duty on certain responsible persons, with civil penalties applying to breaches of those duties. Proposed criminal penalties attached to the statutory duties were removed prior to introduction of the *Aged Care Act 2024* into parliament in response to feedback through the exposure draft process.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation when it commences on 1 July 2025.

Inspector-General's findings

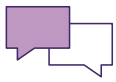
The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed'.

In conjunction with recommendation 14, the Royal Commission intended that recommendation 101 establish a new statutory duty on aged care providers to provide high quality and safe care, with civil penalties available to ACQSC to enforce against breaches of that duty. As raised in the Inspector-General's findings relating to recommendations 13 and 14, the approach to ensuring high quality care in the Act differs from the Royal Commission's approach. It does not establish a 'positive and non-delegable statutory duty on a provider to ensure that the personal or nursing care they provide is of high quality and safe'. This difference is material and of serious concern to the Inspector-General. The impact of the alternative approach will be closely monitored by the Office.

The approach to establishing a civil penalty framework in the Act, rather than a criminal penalty framework, reflects the Royal Commission's approach. It is important to recognise that many stakeholders, people with lived experience and in particular, consumer advocates, strongly supported the criminal penalty regime in the exposure draft of the Aged Care Bill and see its removal as a grave weakening of the deterrents to abuse. Conversely, providers opposed such penalties, arguing they may discourage people to sit on Boards, particularly for smaller providers, may drive providers and staff from the sector, and might discourage providers from admitting individuals with particularly complex care needs.

Finally, the *Aged Care Act 2024* does not implement accessorial liability as proposed by recommendation 101(2)(a). Instead, section 180 establishes a statutory duty for responsible persons that is separate to the statutory duty on registered providers.

Recommendation 102: Compensations for breach of certain civil penalty provisions



Government's reported measures or actions — before 1 Jan 2025

Provisions pertaining to compensations for breach of certain civil penalty provisions are described in the *Aged Care Act 2024* under Division 3, Part 5, Chapter 3. Specifically, section 186 establishes a mechanism for a relevant court to order an entity to compensate an individual for serious injury or illness for contravention of the duty in section 179.

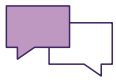
Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation when it commences on 1 July 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – substantially progressed' noting the substantial work undertaken in developing and supporting the passage of the *Aged Care Act 2024*. The approach in the Act is consistent with the Royal Commission's intent.

Recommendation 103: A wider range of enforcement powers



Government's reported measures or actions — before 1 Jan 2025

The department has advised that, ahead of the *Aged Care Act 2024*, compliance notices for Code of Conduct violations and banning orders were added to the ACQSC's enforcement powers.

The Act retains the enforcement provisions enacted in response to recommendation 103. Specifically, in relation to recommendation 103(a), which called for the Quality Regulator to be conferred with a wider range of enforcement powers, the Act provides for:

- enforceable undertakings under Part 6 of the *Regulatory Powers (Standard Provisions) Act 2014*, through Part 8 of Chapter 6
- notice requiring action, through Part 10 of Chapter 6
- banning orders, through Part 11 of Chapter 6.

In response to recommendation 103(b), which called for the Quality Regulator to have powers to suspend or remove persons responsible for a provider's executive decisions in circumstances involving an immediate and severe risk to the safety, health and wellbeing of a person receiving care, the Act includes the following provisions:

- the power in paragraph 129(1)(e) to suspend a provider's registration due to its responsible persons no longer being suitable
- obligations in Chapter 3, Part 4, Division 2, Subdivision B relating to the suitability of responsible persons of providers
- a requirement in section 174 for responsible persons to comply with the Aged Care Code of Conduct
- the banning orders established under Part 11 of Chapter 6.

The Act responds to recommendation 103(c), which called for the Quality Regulator to have the power to revoke a provider's approval unless it agreed to the appointment of an external manager, through subsection 133(3).

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation when it commences on 1 July 2025.

The government has paused development of the critical failures powers, which respond to recommendation 103(b). A decision on whether to proceed will be informed by the 3-year post-commencement review of the Act. The Act does include a number of powers to prevent the engagement of unsuitable responsible persons.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed', noting the substantial work undertaken in developing and supporting the passage of the *Aged Care Act 2024*.

Recommendation 104: Aged Care Quality and Safety Commission capability review

Government's reported measures or actions — before 1 Jan 2025

The capability review of ACQSC commenced on 4 October 2022. On 31 March 2023 Mr David Tune AO PSM submitted the final report to the government for consideration. The report was publicly released on 21 July 2023.

The review made 32 recommendations to build on the capabilities of the Commission, which were accepted by the government and published in June 2024.

The *Aged Care Act 2024* responds to a number of capability review recommendations, namely recommendations 4.1, 4.14, 5.5, 5.6, 5.7 and 6.2.

Provisions in the Act relating to the capability review and ACQSC include:

- Chapter 5, Part 3, Division 3
- Chapter 5, Part 4
- Chapter 8, Part 2.

In the 2024–25 Budget, the following funding was provided to support the implementation of the capability review recommendations:

- $4.1 million to implement a new organisational structure within the ACQSC
- $7.1 million to continue funding for the Complaints Commissioner and associated staff
- $10.2 million for additional corporate capability to implement the government response to the capability review.

More broadly, the 2024–25 Budget provided $111 million to increase the regulatory capability of ACQSC as part of the government's response to the Final Report of the capability review and to implement a new aged care regulatory framework.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to a number of capability review recommendations when it commences on 1 July 2025, noting it will not seek to implement all capability review recommendations.

Remaining capability review recommendations are slated for implementation by no later than 1 July 2025, apart from recommendation 6.3, which proposed the Inspector-General consider the merits of abolishing ACQSC and establishing a new authority.

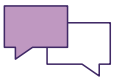
Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – substantially progressed'.

The Royal Commission recognised the criticality of a competent and well-resourced regulator to the success of the regulatory regime. The Royal Commission proposed the capability review in response to a number of concerns around ACQSC's suitability to fulfil that role, and the adequacy of its resourcing. Progress made to date in commissioning and undertaking the capability review, and then acting on its recommendations, are welcomed.

The Inspector-General has been established to oversee all Australian Government agencies in the aged care sector, including ACQSC. Future monitoring, investigation and review activities undertaken by the Office will consider the effectiveness of the regulator.

Recommendation 105: Transparency around the performance of the Quality Regulator



Government's reported measures or actions — before 1 Jan 2025

ACQSC has taken a number of steps to improve its information transparency in key areas. ACQSC identifies performance measures in its annual Corporate Plan and reports against these measures in its Annual Report. This performance reporting is acquitted by ACQSC's independent Risk and Audit Committee. A subset of performance measures is also reported on in the Portfolio Budget Statements. Further information on activities undertaken by ACQSC are included in the quarterly Sector Performance Reports, which were enhanced over the reporting period.

ACQSC has advised that further improvements to its transparency have been informed by the recommendations of the capability review, with work undertaken to respond to the capability review's recommendations aligning with this recommendation from the Royal Commission.

The *Aged Care Act 2024* includes a number of provisions which establish additional reporting requirements, which will enhance transparency, including:

- Chapter 5, Part 3, Division 6
- Chapter 7, Part 2, Division 2, Subdivision B
- Chapter 7, Part 4, Division 2.

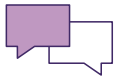
Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation and is set to commence from 1 July 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'. While acknowledging effort has been directed towards improving transparency around ACQSC, information provided to the Office does not correlate with implementation or the intent of the recommendation. For example, the Office could not locate evidence ACQSC is publicly reporting on actions taken to improve the safety and quality of services directed to Aboriginal and Torres Strait Islander peoples, as required by recommendation 105(1)(c).

Recommendation 106: Enhanced access to advocacy services



Government's reported measures or actions — before 1 Jan 2025

A Demand Study of the National Aged Care Advocacy Program (NACAP), which considered current and future demand for advocacy services, was conducted for the department by Deloitte Access Economics and finalised on 30 March 2022. Key findings were presented to the Project Governance Group, which included OPAN.

All activities under NACAP have been undertaken, including the recruitment of an expanded advocacy workforce, establishment of new points of access, the launch of the Self-Advocacy Toolkit and the commencement of monitoring and evaluation frameworks for expanded services.

Funding to support implementation of this recommendation was provided through the 2021–22 Budget (Empowering consumers of aged care with information to exercise choice).

Government's reported measures or actions — underway or planned after 1 Jan 2025

Not applicable on the basis implementation was considered complete by the department prior to 1 January 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'finalised'. However concerns remain for the Inspector-General about how access to advocacy services will continue to be enhanced going forward, given the need for them is only growing.

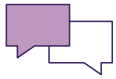
The Royal Commission recognised that advocacy services play an essential role in ensuring older peoples' voices are heard. Advocates deliver individually focused support to older people and their families and carers, including in the context of pursuing complaints. The Royal Commission considered advocacy funding at the time was inadequate and called for an immediate funding boost so that more people could be supported through the advocacy program.

In response, the department undertook a range of steps to expand advocacy supports and has reported this recommendation as being finalised. No additional measures or actions have been undertaken in the 12 months following the 2024 Progress Report.

However, preparation of this 2025 Progress Report has shown that the government is continuing to fall short in delivering some key aspects of the Royal Commission's reform agenda.

In light of this, coupled with the projected growth of Australia's ageing population, the need for enhanced advocacy support called for through this recommendation is likely to increase after 1 July 2025. As such, while this recommendation has been reported as 'finalised' by the department, the Inspector-General warns that the government must remain vigilant about the load on advocacy services, and the imperative to sufficiently resource them to meet the needs of older people over time, under the new rights-based, person-centred aged care system. Advocacy services will be a primary source of information as to whether the new Act is indeed delivering on its human rights underpinnings for the people at the centre of the system.

Recommendation 107: Aged Care Research and Innovation Fund



Government's reported measures or actions — before 1 Jan 2025

At this stage it is not intended an Aged Care Research and Innovation Council be established, with funding instead being delivered through the Dementia, Ageing and Aged Care Mission (DAACM) and Aged Care Research and Industry Innovation Australia (ARIIA) to support aged care research and innovation.

DAACM has been allocated $185 million over 10 years to fund research. Additionally, ARIIA was funded $34 million over 3 years (to June 2024) to provide funding for aged care research and translation priorities. As part of its funding, ARIIA established a Knowledge and Information Hub for stakeholders to access trusted and relevant information that will drive transformation in providing care and services to older people. On 4 October 2024 the government announced further investment of $13 million in ARIIA to help the scaling of innovation care models and workforce solutions.

DAACM and ARIIA both have a strong infrastructure of consultation with experts to set funding priorities. Establishment of a separate Aged Care Research and Innovation Council would duplicate existing governance and expert input for ageing and aged care grant funding.

Recommendations 107(4) – (8) relate to proposed arrangements for an Aged Care Research and Innovation Council, which is recommended for establishment through recommendation 107(3).

Government's reported measures or actions — underway or planned after 1 Jan 2025

The department did not report that any further measures or actions are in train.

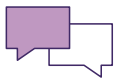
Inspector-General's findings

The Inspector-General assesses this recommendation as 'rejected in favour of an alternative approach' which is considered 'commenced and ongoing – partially progressed'.

According to the Royal Commission, research into aged care is neither a priority nor sufficiently funded by the government. The Royal Commission saw the situation as needing to change. Through recommendation 107, the Royal Commission set out a road map to establish a comprehensive research model centred around a new Aged Care Research and Innovation Fund.

The government's implementation of this recommendation has fallen well short of what the Royal Commission required, in terms of both its intent and form. Contrary to recommendation 107(1), the *Aged Care Act 2024* does not establish the Aged Care Research and Innovation Fund. An Aged Care Research and Innovation Council, as proposed by recommendation 107(3), has also been rejected by the government on the grounds that it would duplicate existing entities. Most critically, the quantum of funding provided for DAACM and ARIIA is substantially less than the Royal Commission's calls for an investment of 1.8% of total Australian Government expenditure on aged care. A far greater commitment is needed by the government to aged care research than what has been demonstrated to date if the nation is to develop innovative models of aged care which are capable of delivering the objectives of the Act and change the socio-economics of ageing (recommendation107(4)(b)). Indeed, this research could be vital in reducing the need for acute aged care, given its potential to enhance prevention of the conditions that catalyse the need for care. This could have major net benefits to making the aged care budget go further. The reduced action on this recommendation leaves the Office questioning whether the government sees this research as a priority in changing the future of ageing and aged care.

Recommendation 108: Data governance and a National Aged Care Data Asset



Government's reported measures or actions — before 1 Jan 2025

The Aged Care Data and Digital Strategy 2024 –2029 and Action Plan was released in July 2024. This strategy aims to drive improved data collection and use within the aged care context. It includes an action plan describing a range of data governance initiatives, which will underpin future aged care work, including future work in the regional context.

Various items in the action plan are progressing, for example the continued development and expansion of the Aged Care NMDS and NACDA, being delivered in partnership with the AIHW. The department is working with the AIHW on updates to NMDSv.1 (released in July 2023) to support a NMDS v.2 release. NMDS v.2 will include alignment with the new aged care legislative framework. There are plans to support the review and gradual standardisation of aged care data domains for future releases. Alongside NMDS mandatory standards, National Best Practice Data Set (NBPDS) standards have been developed. NBPDS are person-centred aged care national standards for adoption by the sector on an opt-in, best-endeavour basis and signals what will become future NMDS standards. NBPDS v.1 is planned for release in July 2025 with plans for a future version in mid-2026.

In July 2024 the first iteration of NACDA was launched. NACDA is a major national de-identified, linked data system that draws together core government administrative health, disability and aged care datasets and is available for approved government and non-government researchers to use via the AIHW National Health Data Hub.

The *Aged Care Act 2024* includes provisions pertaining to data governance under Chapter 7 (information management).

Recommendation 108(9) has been rejected as it was part of Commissioner Pagone's independent commission model that was rejected in favour of Commissioner Briggs' government leadership model.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The consultation and development of NMDS v.2, including alignment with the *Aged Care Act 2024*, remain in progress. The prospective NMDS v.2 is scheduled for public release in mid-2025. The release of further versions of NMDS are anticipated in 2026. Alongside these mandatory standards, development of person-centred best practice data standards are anticipated for public release in mid-2025.

The next release of NACDA with updated and expanded data is planned for late 2025.

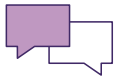
Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'.

The department has advised a different approach has been taken in response to several sub-components, namely recommendations 108(1), 108(2)(j) and 108(5). A significant number remain under consideration, including recommendations 108(2)(b), 108(2)(e), 108(2)(i)(iii), 108(2)(m) and 108(3). Recommendation 108(9) has been rejected entirely.

It is unclear how the measures and actions reported by the department correlate with implementing the recommendation or any of its sub-components, and whether those actions do in fact represent tangible progress.

Recommendation 109: ICT architecture and investment in technology and infrastructure



Government's reported measures or actions — before 1 Jan 2025

In response to recommendation 109(1) the government has delivered a new technology, information and communications system to support the aged care system: the Government Provider Management System (GPMS). In addition to funding ICT systems, the department has delivered a range of reforms underpinned by digital capability. For older Australians and their representatives, these include measures to improve transparency, such as star ratings, reporting on approved provider operations, and reporting against staffing care minutes and registered nurse coverage.

Work is continuing on this recommendation, with the current focus being on implementation systems to support the Support at Home program and the *Aged Care Act 2024*. Multiple changes are planned over the next 12 months across the My Aged Care Gateway systems, mobile app, My Aged Care website and GPMS. The department is also working closely with Services Australia, ACQSC and ADHA on changes which interface with their systems or programs.

On 3 April 2023 the government launched GPMS, a new technology, information and communications systems to support the aged care system. GPMS has been expanded to include star ratings preview, 24/7 registered nurse coverage, Quality Indicators, provider operations, QFR and 'Dollars Going to Care' reporting. Consistent with the recommendation, GPMS delivers:

- a new service-wide provider management system reporting system, with the ability to support automated reporting through Business to Government (B2G)
- data and information that is accessible, complete, accurate and up to date
- standardised tools to make the user experience easy and efficient, expanding over time to create one single streamlined portal for aged care providers
- more efficient provider interaction with the department through a significant enhancement of GPMS on 29 July 2024 that enables approved providers greater autonomy through self-service functionality.

The B2G initiative, which was launched in September 2023, is a core component of the department's work to reduce administrative burden and improve reporting for aged care providers. It allows aged care providers to integrate their systems with government platforms by enabling secure, real-time data exchange.

Since April 2024 the Application Programming Interface (APIs) for 24/7 registered nurse and Quality Indicator reporting have been in operation. These APIs streamline data reporting, reducing manual administrative processes, and improve data accuracy for aged care providers. Work is continuing on the development of up to 5 additional APIs by 2026, which will further enhance reporting efficiency and reduce administrative

burdens across the sector. The B2G initiative is advancing its interoperability efforts through the use of Fast Healthcare Interoperability Resources (FHIR) standards, ensuring that data exchanges between providers and government systems are accurate and efficient.

The Aged Care Data and Digital Strategy 2024–2029 (the strategy) was formally released on 4 July 2024, following extensive public and stakeholder engagement. This was accompanied by an action plan with short-term (1 year), medium-term (3–5 years) and long-term actions (over 5 years). The strategy underpins the broader aged care reform agenda and responds to recommendations 67, 108 and 109. The first year of the action plan contains 23 initiatives at various stages of implementation. Four external partners and 8 internal departmental stakeholders are responsible for delivering the 23 initiatives.

A new Aged Care Assessor mobile app was also introduced in July 2024, replacing the existing My Assessor and the AN-ACC mobile apps. The Integrated Assessment Tool (IAT) replaced the National Aged Care Screening and Assessment Form on 1 July 2024. The IAT is the new tool to conduct aged care needs assessments to determine eligibility for government-subsidised aged care. The AN-ACC Assessment Tool is used to conduct residential aged care funding assessments. This assessment is undertaken to determine an older person's AN-ACC classification after they settle into their aged care home. The assessor is independent of the residential aged care facility.

The government has also invested in the standardisation of information and technology to support interoperability, including the NMDS to improve data consistency nationally, through the review and gradual standardisation of aged care data, in partnership with AIHW.

The 2024–25 Budget provided $174.7 million to fund the ICT infrastructure needed to implement the new Support at Home program and Single Comprehensive Assessment System, which partially addresses this recommendation.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The Aged Care Data and Digital Strategy 2024–2029 outlines the government's approach to encouraging innovation and harnessing the power of data and digital platforms to improve care and wellbeing for older people. As the strategy spans over 5 years, there are continuous improvements being implemented that have not been finalised by 1 January 2025.

The B2G initiative continues to support implementation of recommendation 109(1)(a)(i) by developing streamlined, interoperable systems to improve reporting efficiency for aged care providers.

Work is progressing on the development of 5 additional APIs by 2026, aimed at further enhancing data reporting and reducing manual processes. These APIs are being co-designed with aged care sector stakeholders to ensure they address provider needs and align with broader aged care reforms. A testing platform is available to assist software vendors and providers in ensuring their systems comply with technical requirements.

In relation to recommendation 109(1)(a)(ii), work is continuing under the B2G initiative to enhance data quality and accessibility. Efforts include collaboration with the Aged Care Data Compare Project, which focuses on refining datasets and standards to improve the consistency and interoperability of aged care reporting systems.

Work continues to develop and implement NMDS to improve data consistency nationally, through the review and gradual standardisation of aged care data, in partnership with the AIHW. NMDS v.2 is scheduled for release on 1 July 2025.

In relation to recommendation 109(1)(c), ongoing work under the B2G initiative aims to expand data exchange capabilities across aged care and health care systems. Future integration efforts will support the Support at Home program by 2026, enabling full interoperability and improved care coordination.

From 2024 to 2026 the Budget provides $1.2 billion for sustainment of, and essential enhancements to, critical aged care digital systems including:

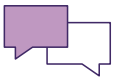
- changes to support the new Act
- new consumer entitlements, new payment mechanisms for providers, new defined service lists, charges and data management to support the new Support at Home program
- connecting My Aged Care with My Health Record
- expanding B2G capabilities to ease provider reporting burden.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'.

As noted in the Acting Inspector-General's 2024 Progress Report, some significant work has been undertaken to develop new technology, information and communications systems to support the aged care system. However, as noted in that report, it is unclear how the work to date achieves the outcomes prescribed by the recommendation. For example, recommendation 109(b) required pre-certified assistive technologies and smart technologies to support both care and functional needs and manage safety, and to support the quality of life of older people. Among other things, these were to be put into older people's homes to help in care provision and improve social engagement. The department considers that recommendation to be 'substantially progressed'. In the Inspector-General's assessment though, this substantial progress is not apparent, nor, indeed, is there evidence of what has been done to deliver the outcomes described in recommendation 109.

Recommendation 110: Amendments to residential aged care indexation arrangements



Government's reported measures or actions — before 1 Jan 2025

This recommendation has been rejected in favour of an alternative approach, which was implemented on 1 July 2023. Under this approach IHACPA assesses the recommended AN-ACC price for providing residential aged care and informs the government on annual funding increases.

In July 2024 IHACPA provided the Residential Aged Care Pricing Advice 2024–25. This advice is based on cost data including data collected as part of the ACFR. IHACPA's advice will be updated each year to reflect changes in the actual cost of delivering residential aged care services. IHACPA has developed an indexation method to account for potential changes in costs that may occur between the year that most recent cost data was collected and the year of funding.

Government's reported measures or actions — underway or planned after 1 Jan 2025

IHACPA's annual pricing advice indexation methodology will continue to be refined over time, to account for new data collection through longitudinal cost collections and time series cost data collected through the ACFR and QFR. In addition, the methodology will be informed by feedback from advisory committees and public consultation.

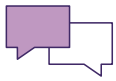
IHACPA will provide the Residential Aged Care Pricing Advice 2025–26 to the government in 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'rejected in favour of an alternative approach', which can be considered 'finalised'.

While this recommendation is regarded by the department as finalised, stakeholders continue to express concern about the operation of AN-ACC. For example, there are concerns the AN-ACC funding model does not sufficiently reflect the costs of comprehensive palliative care in residential settings, nor encourage sufficient provision of respite, nor encourage providers to admit residents with dementia and challenging behaviours. This is a significant issue that impacts the ability of the government and providers to deliver the principles, Statement of Rights and, indeed, the aspects of high quality care prescribed by the new Act.

Recommendation 111: Amendments to aged care in the home and Commonwealth Home Support Programme indexation arrangements



Government's reported measures or actions — before 1 Jan 2025

The Australian Government has decided HCP indexation arrangements will continue for the Support at Home program.

CHSP is due to transition to Support at Home no earlier than July 2027. Current indexation rates under Wage Cost Index (WCI) 3 are applied across the grant agreement annually for all CHSP providers. The department is continuing to implement FWC decisions (Stage 2 and 3) affecting in-scope aged care awards workers through grant funding opportunities advertised on Grant Connect, with additional funds applied to grant agreements.

IHACPA was required to provide pricing advice to the Australian Government in February 2024 for the Support at Home service list. In preparation IHACPA undertook an initial Support at Home Costing Study 2023 (SAHCS) and a Support at Home Cost Collection 2024 (SAHCC) to develop costed datasets, which will be used to support future pricing advice. The SAHCS report is available on IHACPA's website, while the SAHCC report is currently being finalised and will be published on IHACPA's website in 2025.

Government's reported measures or actions — underway or planned after 1 Jan 2025

A grant funding opportunity for providers to apply for 2025–27 extensions will be opened in early 2025. Annual indexation will be applied to the 2025–27 grant funding as part of the extension.

Assessments of applications made for the CHSP Fair Work Commission Stage 3 (Tranche 1) base funding grant opportunity are underway.

IHACPA advised it intended to provide pricing advice on the Support at Home service list for 2025–26 to the government in early 2025, to inform implementation of the program from 1 July 2025.

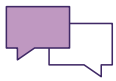
Inspector-General's findings

The Inspector-General assesses this recommendation as 'rejected in favour of an alternative approach', which is considered 'finalised'.

The decision to implement HCP indexation arrangements for Support at Home does not meet the Royal Commission's intent. There is no indication as to why the alternative approach has been adopted, nor what the real impacts of it will be.

It is critical the indexation arrangements put in place for Support at Home maintain the real value of funding for supports under that program.

Recommendation 112: Immediate changes to the Basic Daily Fee



Government's reported measures or actions — before 1 Jan 2025

From 1 July 2021 eligible residential aged care providers who entered into an undertaking with the department received an additional $10 per resident per day. The basic daily fee (BDF) supplement supported aged care providers to deliver better care and services to residents, with a focus on food and nutrition. The $10 supplement was rolled into AN-ACC base funding from 1 October 2022 and from 1 July 2023 became part of the new $10.80 per day hotelling supplement.

In response to recommendation 112(1)(d), 2 food and nutrition reports detailing outcomes and trend analysis collected from the BDF food and nutrition reporting were published on the department's website.

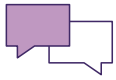
Government's reported measures or actions — underway or planned after 1 Jan 2025

Not applicable on the basis the department considered this implemented prior to 1 January 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'finalised'. As such, no additional measures or actions have been reported for this recommendation.

Recommendation 113: Amendments to the Viability Supplement



Government's reported measures or actions — before 1 Jan 2025

Additional funding to small, rural and remote services was continued prior to the 1 October 2022 implementation of the AN-ACC funding model for residential aged care. AN-ACC includes weights for rural, remote, Indigenous and homelessness services that will be reviewed over time by IHACPA. The temporary increase to home care viability supplement was ceased as it was not, according to the department, achieving its purpose.

Measures implemented to date were established through the Royal Commission Response Act. The *Aged Care Act 2024* includes provisions to continue those interim legislative amendments.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The Support at Home program is scheduled for implementation on 1 July 2025, upon commencement of the *Aged Care Act 2024*.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed'. As noted in the Acting Inspector-General's 2024 Progress Report, the recommendation was substantially finalised through the previous delivery of the BDF supplement, which was rolled into AN-ACC. Additionally, as an interim measure it was applied and then superseded for home care. Information provided by the department does not show that any further progress has been made to finalise this recommendation.

Recommendation 114: Immediate funding for education and training [of aged care workforce] to improve the quality of care

Government's reported measures or actions — before 1 Jan 2025

The Australian Government has partnered with state and territory governments to establish a Skills Agreement to deliver fee-free TAFE and VET places in areas of national priority, including aged care. From 1 January 2023 to 30 June 2024 fee-free TAFE has supported over 131,000 care and support sector courses (around 26% of total enrolments).

Funding has been provided for the Aged Care Business and Workforce Advisory Service (BWAS) which commenced in January 2024. The initiative is intended to support aged care providers in their workforce challenges, including training needs. To date, the BWAS has supported 81 applications for assistance.

Funding has also been delivered through the Aged Care Transition to Practice program to provide training and mentoring to nurses new to aged care. The program provides support and specialist training to nurses at the start of their career in aged care, ensuring they have the confidence and skills to deliver high quality clinical care to older Australians. To date 1,694 nurses have participated in the program. As part of the 2024–25 Budget $10.3 million was announced for the continuation of the program. An open market request for tender to deliver the program was released via AusTender on 30 August 2024 and closed on 11 October 2024.

In February 2022 the department contracted the University of Tasmania to develop a series of short online learning modules to support direct care workers with foundational knowledge on key aged care topics. The modules include dementia care, cross-cultural awareness and palliative and end-of-life care. All 14 modules are available free of charge to direct care workers, volunteers, caregivers and anyone with an interest in improving care for older adults. As part of the 2024–25 Budget $2 million was committed from 2024–25 to 2026–27 to fund continued support of the learning modules. As at 1 December 2024, 22,471 people had completed one or more modules.

The Home Care Workforce Support program, which operated from March 2022 to 30 June 2024, supported the recruitment of around 13,000 personal care workers into the home care sector, with over 10,000 workers retained in the sector through this program. As part of this program, workers were also supported to undertake training.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The Aged Care Transition to Practice program will continue to June 2027. It will support up to 2,125 nurses and aims to increase the supply of skilled and dedicated nurses in aged care. It is anticipated that the suppliers chosen to deliver the 2024–25 Budget extension of the program will commence service delivery in early 2025.

A revised Regional, Rural and Remote Home Care Workforce Support program was announced as part of the 2024–25 Budget. This program will aim to recruit, train, retain and support 4,000 personal care workers in areas of acute workforce need. A grant opportunity closed on 6 January 2025. This program will have a focus on upskilling both existing and new personal care workers in the home care sector.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed'.

Access to Certificate III and IV courses is not free, as envisaged by the Royal Commission. Rather they are being provided at reduced costs.

Through recommendation 114(1)(b) the Royal Commission called for continued education and training for the direct care workforce, including in key aged care-related disciplines. There is significant sector interest in the provision of such support. Continuing training and education is vital to improving the overall quality of skills within the aged care workforce, and in incentivising workforce attraction and retention. Dementia-specific knowledge and training has been flagged with the Inspector-General as an area which warrants closer attention to achieve these objectives. More broadly, further work is needed to achieve consistency in the quality of professional development education and training, the most appropriate ongoing professional development tools and visibility across the sector of continued education and training pathways.

Finally, very little progress has been made to implement recommendation 114(2), which required the government to establish mechanisms to reimburse the cost of employees attending training or education. The lack of progress against this subcomponent negatively impacts providers, their workers and older people receiving care. Small providers and those operating on tight margins need government support to help meet the costs of ongoing staff training and development. Specifically, the Inspector-General's Office has been told many providers do not have capacity to support workers to attend training due to limited staff to cover their absences, with flow-on adverse impacts on the provision of care for older people. This also limits the overall quality of workers' skills and workers' perceptions of the attractiveness of aged care as a profession in which to work. These matters impact the quality of care now and will seriously limit future improvements to aged care, given person-to-person care is core to aged care service delivery under any model.

Recommendation 115: Function and objects of the Pricing Authority

Government's reported measures or actions — before 1 Jan 2025

The Royal Commission Response Act, which renamed IHACPA and expanded its functions to include providing advice on aged care pricing and costing matters, received Royal Assent on 5 August 2022. Relevant functions commenced on 12 August 2022.

To support IHACPA's function and objectives, membership includes individuals with aged care expertise, as required under legislation. IHACPA is also supported by the Aged Care Advisory Committee, which was established in late 2023.

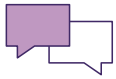
Government's reported measures or actions — underway or planned after 1 Jan 2025

Interim legislative amendments, made through the Royal Commission Response Act to implement this recommendation, were incorporated in the *Aged Care Act 2024*.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'finalised'. As noted in the Acting Inspector-General's 2024 Progress Report, IHACPA does not have the function or power to determine prices on aged care (as prescribed by subcomponent 3(c) of this recommendation), nor do its functions include advising on appropriate forms of economic regulation (per subcomponent 3(e) of the recommendation). Rather, pricing determination remains a function of the Minister for Aged Care, on the advice of IHACPA.

Recommendation 116: Requirement to participate in Pricing Authority activities



Government's reported measures or actions — before 1 Jan 2025

On 15 August 2023, the Accountability Principles 2014 were amended to require aged care providers to participate in costings studies. These changes enabled IHACPA to conduct costing studies, engage in consultation and collect and review data from providers to inform its advice on aged care pricing and costing matters.

The *Aged Care Act 2024* retains an obligation to participate in Pricing Authority activities through section 177.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation when it commences on 1 July 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – substantially progressed'.

While providers will not be required to participate in Pricing Authority activities under the *Aged Care Act 2024* as a condition of approval, as proposed by recommendation 115(2), failure to comply will attract a civil penalty. This approach aligns with the Royal Commission's underlying intent and warrants the recommendation being considered accepted in full.

Recommendation 117: Grant funding for support services to be funded through a combination of block and activity-based funding

Government's reported measures or actions — before 1 Jan 2025

Final policy design to support the delivery of this recommendation under Support at Home, including the provision of a thin market grant for providers who are unable to remain viable under the broader fee for service model, has been agreed by the government and was announced on 12 September 2024. Implementation planning is well underway.

The *Aged Care Act 2024* will support the delivery of major aged care reforms, including the new Support at Home program. Following an announcement by the former Minister for Aged Care on 28 November 2023, CHSP has been extended to at least 30 June 2027, in line with the staged implementation of the Act and Support at Home. Grant funding arrangements will remain in 2024–25 and the 2025–27 extension under CHSP, with funding indexed annually under WCI 3.

The government has agreed on a service list, which will provide clarity to Support at Home providers and older people about what services are available under the program. Public consultation on the service list was undertaken in October 2024 and a summary of feedback was published in December 2024. The service list will be enacted in subordinate legislation on 1 July 2025.

To support the development of pricing advice for the Support at Home service list, in 2024 IHACPA conducted its annual cost collection and public consultation for Australian in-home aged care services. The Support at Home Cost Collection 2024 expanded on existing datasets developed during the Support at Home Costing Study 2023. As part of the consultation paper on the pricing approach for the Support at Home service list 2025–26 IHACPA consulted with the in-home aged care sector.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024*, and Support at Home program, will respond to this recommendation when it commences on 1 July 2025. For CHSP, grant funding arrangements are in progress and continuing.

IHACPA advised it intended to deliver its inaugural pricing advice for the Support at Home service list to the government in February 2025. The pricing advice will be accompanied by the Pricing Framework for Australian Support at Home Aged Care Services 2025–26 to outline the principles, scope and methodology IHACPA uses to develop its pricing advice.

Inspector-General's findings

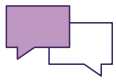
The Inspector-General assesses this recommendation as 'rejected in favour of an alternative approach', which is considered 'commenced and ongoing – substantially progressed'.

Overall, implementation of this recommendation varies substantially to the approach put forward by the Royal Commission. The department has confirmed grant funding will only remain until 2027 to align with the extension of the CHSP. The Support at Home funding model will provide services to individuals assessed as needing them through a person-centred subsidy. This does not meet the Royal Commission's intent, which emphasised the need for grant funding to ensure everyone who needs access to social supports, respite and home modifications has access to them, regardless of where they live or the scarcity of providers in certain areas.

Additionally, a demand-driven funding model will not underpin future funding growth for the Support at Home program, as required by recommendation 117(2). Rather, the government has agreed funding growth will align with projected growth in the need for services over time. This is expected to ensure an average 3-month waiting period for services can be maintained from July 2027. If the level of demand exceeds projections, then wait times will apply. This approach, again, is manifestly contrary to the intent of the Royal Commission and is likely to consign future generations of older Australians to having to serve waiting periods for much-needed supports. Across the course of consultations for this report and in submissions, the Inspector-General heard wait times are regularly blowing out to 10 months and that in some cases people are dying while waiting for services. While the Inspector-General accepts improvements are being made to reduce wait times for aged care services following assessment, in December 2024, AIHW reported that the median wait times for a home care package was 8–9 months. For residential aged care, the median had reduced to 41 days.

The Office is aware of a strong preference for grant and block funding mechanisms to remain available, especially in the case of the provision of culturally tailored care and support to older Aboriginal and Torres Strait Islander peoples. This is necessary to provide the time and flexibility required to build the specialised Aboriginal and Torres Strait Islander aged care system prescribed by recommendation 47. This is also to ensure the department can support co-design of the community-controlled sector and remote service providers to design and operationalise a true rights-based, person-centred aged care model, consistent with the government's obligations under the National Agreement on Closing the Gap. Additionally, it will provide essential assistance to develop the processes and systems necessary to meet the range of new requirements that will be established under the Act. This has been identified by the Inspector-General as among the most pressing needs for the government to respond to.

Recommendation 118: New funding model for care at home



Government's reported measures or actions — before 1 Jan 2025

Final policy design, including the funding model and associated participant contributions, have been agreed by the government and were announced on 12 September 2024.

The government has agreed on a service list, which will provide clarity to Support at Home providers and older people about what services are available under the program. According to the department, the service list addresses the sub-recommendations.

IHACPA conducted its annual cost collection and public consultation for Australian in-home aged care services in 2014 to support its pricing advice for the Support at Home service list.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* and the Support at Home program will respond to this recommendation on 1 July 2025.

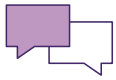
IHACPA advised it intended to deliver the inaugural pricing advice for the Support at Home service list to the government in February 2025. IHACPA will review the Support at Home pricing frameworks and methodologies annually to ensure they remain fit-for-purpose and achieve policy objectives. IHACPA will continue to develop its methodology for future annual pricing advice that is coupled with more in-depth costing study data.

Inspector-General's findings

The Inspector-General assesses this recommendation as to be 'accepted in part' and 'commenced and ongoing – partially progressed'.

As noted in the commentary for recommendation 35, which relates to this recommendation, there is a significant risk the Support at Home funding model and the service list will not provide people with the range of services outlined in the recommendation. This is particularly the case with care management and living supports, aspects of therapeutic care and allied health, which unlike clinical care may require a co-payment. This downplays the essential nature of such supports in helping older people to remain living independently in their own homes. Ultimately, there is a real danger that older people will forgo such support based on costs, leading to cognitive and functional decline, and potentially premature entry into residential aged care. This fear is already widely held among the community, based on consultations undertaken by the Inspector-General in preparing this report. Those adverse consequences are contrary to the intent of Support at Home. As noted in the commentary for recommendation 35, the Office intends to closely monitor the impacts of co-payments for Support at Home and whether it is meeting its objectives.

Recommendation 119: Maximum funding amounts for care at home



Government's reported measures or actions — before 1 Jan 2025

In February 2023 a research study led by the department commenced on the service requirements and safety implications of supporting older people with more complex needs at home, including those with a disability. The study was extended to March 2024 to add an additional cohort of clients.

Implementation of this recommendation is contingent upon delivery of the Support at Home program. Support at Home is intended to provide more effective in-home aged care to support older people to remain living independently at home for longer through several measures. These include providing access to higher levels of care by increasing the maximum annual amount of funding available for in-home care from $61,440 to $78,000, as committed through the 2024–25 Budget.

This maximum level of funding has been set at a level where a participant could be safely cared for in the home without exceeding the level of funding that they would have received in residential aged care.

The *Aged Care Act 2024* contains provisions pertaining to the maximum funding amounts for care at home, as set out in the recommendation, under Division 2, Part 2, Chapter 2, and in Part 3, Chapter 2. Additionally, funding amounts are included in the Rules.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The new Support at Home program will respond to this recommendation when it commences on 1 July 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'under further consideration' and 'commenced and ongoing – partially progressed'.

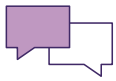
The Royal Commission recognised older peoples' preference is overwhelmingly to remain living in their own homes. To support them in doing so, the Royal Commission recognised a significant injection of funding beyond what is available through the HCP Program would be needed. As set out in recommendation 119(2), the Royal Commission decided individual funding should be capped at the level of funding that would be made available to provide care for a person in a residential setting.

In response, the department has advised the maximum funding under Support at Home will increase from $61,440 to $78,000 per annum, which is a welcome boost that is strongly supported by the Inspector-General. To explain how it arrived at that quantum of funding, the department has said it represents the maximum level of funding which would support a person to receive care safely at home, without exceeding the level of funding they would have received in residential care. No additional information has been provided about the methodology for determining that cap.

While the funding increase to $78,000 per annum is a positive step, the Inspector-General is seriously concerned that the requirements for co-payments for non-clinical care unfairly favours individuals who can more readily afford to contribute towards the cost of their own care, and will risk forcing those who cannot, into residential care prematurely. These difficulties are compounded for people from disadvantaged backgrounds such as many older Aboriginal and Torres Strait Islander people, people who have experienced homelessness, or a history of institutional care (acknowledging these contexts are not mutually exclusive for many people). Although the Office understands that financial hardship assistance is available, those arrangements have been criticised as overly complex and disconnected from peoples' circumstances.

Finally, consistent with the commentary for recommendation 72, it is not clear how the research study mentioned above actions this recommendation, nor what the department's intentions are for this study going forward.

Recommendation 120: Case mix–adjusted activity-based funding in residential aged care



Government's reported measures or actions — before 1 Jan 2025

The primary legislation to establish AN-ACC, replace the Aged Care Funding Instrument and fund residential aged care on a case mix basis commenced on 1 October 2022.

AN-ACC pricing for 2023–24 commenced from 1 July 2023, as recommended by IHACPA through the Residential Aged Care Pricing Advice 2023–24. The Residential Aged Care Pricing Advice 2024–25 was released in September 2024 and recommends the AN-ACC price for the period 1 October 2024 to 30 September 2025, following changes to the AN-ACC pricing cycle.

Government's reported measures or actions — underway or planned after 1 Jan 2025

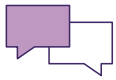
Legislative changes to establish AN-ACC were picked up in the *Aged Care Act 2024*, which commences on 1 July 2025.

IHACPA will continue to develop pricing advice for residential aged care and residential respite care to inform government decisions on funding.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'finalised'. However, the Inspector-General is seriously concerned about a number of unintended consequences arising from the AN-ACC funding model. The Office has been made aware of, such as a lack of incentives to support people with dementia, a decrease in allied health care and lifestyle support, and concern it does not adequately reflect the cost of delivering palliative care.

Recommendation 121: Incentives for an enablement approach to residential care



Government's reported measures or actions — before 1 Jan 2025

The AN-ACC is underpinned by an in-built incentive for restorative care and reablement. Under AN-ACC if the capability of a resident improves, there is no requirement for them to be reassessed (and potentially reassigned to a lower payment class). This provides an in-built financial incentive for aged care providers to invest in restorative care such as physiotherapy. Quality indicators also provide incentives for providers to invest in restorative care.

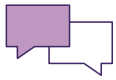
Government's reported measures or actions — underway or planned after 1 Jan 2025

Legislative changes to establish AN-ACC were picked up in the *Aged Care Act 2024*, which commences on 1 July 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'finalised'. As noted in the 2024 Progress Report, while AN-ACC does not impose financial imposts that would deter reablement, stakeholders have consistently advised that meeting the cost of care minutes requirements has led to reduced funding for allied health, lifestyle activities or innovation. This is contrary to the Royal Commission's position that the funding arrangements underpinning the aged care system should assist people to maintain independence through reablement, rather than reinforcing dependency.

Recommendation 122: Reporting of staffing hours



Government's reported measures or actions — before 1 Jan 2025

Requirements to report care minutes have been implemented and reports are published on the department's website.

Care minutes data reported in the QFR is used to calculate each service's staffing star rating. Care minutes data forms part of the Risk Based and Transparency Information System that has been funded by the government. The Accountability Principles 2014 were amended in August 2022 to require all approved providers of residential aged care to report care minutes delivered at the service level in the QFR from 1 July 2022 and has continued thereafter.

The department monitors the submission of care minute data and refers providers who submit late or fail to submit to ACQSC. ACQSC determines what action should be taken in instances of identified non-compliance. The department notes in implementing this recommendation the Aged Care Quality and Safety

Commissioner has taken on the function of reviewing whether minimum staffing requirements are met and initiating appropriate action in cases of non-compliance, in line with their regulatory role. The department has taken on the function of assessing the accuracy of these reports, a function which commenced in September 2023 and has continued thereafter.

The 2024–25 Budget provides $1.2 billion for sustainment of, and essential enhancements to, critical aged care digital systems so they remain legislatively compliant and contemporary, and can support the commencement of the new Act from 1 July 2025, which, in part, addresses this recommendation.

Government's reported measures or actions — underway or planned after 1 Jan 2025

As announced in the 2024–25 MYEFO non-specialised services in metropolitan areas (MMM1) that do not meet their care minutes targets from October 2025 may see their funding reduce from April 2026.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'finalised'. Through recommendation 122(2) the Royal Commission called on the department to assess reports against the minimum staffing requirements and initiate appropriate action in cases of non-compliance. In practice ACQSC has assumed this function. This approach aligns with ACQSC's regulatory function and is appropriate.

Despite finalisation of the recommendation, concerns remain for the Inspector-General. These will need to be addressed and subject to vigilant monitoring. As reported in the Acting Inspector-General's 2024 Progress Report, overall compliance with the care minutes requirements has been an ongoing issue. The University of Technology Sydney's (UTS) Ageing Research Collaborative report, *Australia's Aged Care Sector: Full Year Report 2023–24* reported a significant number of residential care providers are still failing to deliver the level of care for residents as calculated under the care minutes regime, despite being fully funded to deliver that care.

Conversely, providers have cited the requirements to meet and report care minutes as an example of reform that has led to additional, highly prescriptive obligations, which have increased administrative burdens. Providers who have spoken with the Office report finding these imposts difficult to meet, particularly for smaller organisations. Providers have contended meeting multiple complex and prescriptive requirements has stifled their ability to focus on the higher priority actions that would make serious and more expeditious in-roads to high quality care, such as developing innovative models of care. They argue, therefore, this prescriptiveness and complexity undermines the rights-based, person-centred approach the Royal Commission called for.

Recommendation 123: Payment on an accruals basis for care at home

Government's reported measures or actions — before 1 Jan 2025

The government implemented payment in arrears in the HCP Program from 1 September 2021. Home care providers are now only paid in line with services actually delivered. Care recipients remain entitled to any unused subsidy.

Services Australia received $7.2 million through the 2019–20 Budget as part of the Improved Payment Administration Arrangements measure to make system changes to support this measure.

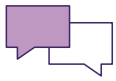
Government's reported measures or actions — underway or planned after 1 Jan 2025

Not applicable as the department considers the recommendation was completed prior to 1 January 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'finalised'. As such, no additional actions were recorded in the 12 months following the 2024 Progress Report. However, no additional information has been provided in relation to whether arrangements put in place to respond to this recommendation will be carried over to Support at Home.

Recommendation 124: Standardised statements on services delivered and costs in home care



Government's reported measures or actions — before 1 Jan 2025

Recommendation 124 has been addressed in the context of the current HCP Program. Specifically, section 21B of the User Rights Principles 2014 has been updated to mandate the content of the standardised written statement. An initial template for the monthly statement was published in February 2022 and updated in November 2022 and March 2023. This addressed recommendations 124(1) and (2).

In relation to recommendation 124(3) mandatory QFRs have been in place since 1 July 2022. These collect direct care staffing hours and total allied health data for each planning region.

The *Aged Care Act 2024* includes provisions pertaining to standardised statements on services delivered and costs in home care under section 148.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation when it commences on 1 July 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed', based on the department's own assessment of progress, notwithstanding the Inspector-General's recognition of the significant work undertaken to date.

As noted in the Acting Inspector-General's 2024 Progress Report standardised statements for services delivered in home care settings help to ensure transparency and accountability in personal care delivery and the cost of services. The Inspector-General welcomes the department's advice that the *Aged Care Act 2024* includes provisions pertaining to standardised statements on services delivered and costs in home care through section 148. However, there is no basis to conclude section 148 will respond to the specific requirements of the recommendation, or whether the Rules made under the new Act will do so.

Recommendation 125: Abolition of contributions for certain services

Government's reported measures or actions — before 1 Jan 2025

The Australian Government announced its response to the Aged Care Taskforce Final Report on 12 September 2024. As part of the response it announced reforms to means testing, which included abolishing the residential care means tested care fee and requiring residents to make a contribution to their everyday living costs (hotelling supplement) and their non-clinical care costs.

These reforms are set out in section 8 and Part 3, Chapter 4 of the *Aged Care Act 2024*.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation when it commences on 1 July 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'rejected in favour of an alternative approach', which is considered 'commenced and ongoing – substantially progressed'.

The Royal Commission was highly critical of the co-contribution and means-testing regime that underpinned the aged care system. Commissioners stated that, consistent with the system of universal entitlement to high quality care based on need, 'there should be no requirement to pay a co-contribution toward care in any community setting, home care or residential care, including respite.' They said this principle should extend to social supports, assistive technologies and home modifications. Individuals should also not have to contribute to the care component of residential care.

The government has decided upon an alternative approach, aligned with the Aged Care Taskforce's final report. In broad terms this approach will require all older Australians 'with the means' to contribute to their non-clinical care and services, in both residential and home care. A 'no worse off' principle, which is a welcome initiative, would prevent people already in aged care from making a greater contribution towards the cost of their care.

The new co-contribution regime, however, is entirely at odds with the Royal Commission and puts a significant number of older people in Australia at risk of receiving insufficient care and compromising on basic rights unless they enter residential aged care. Providers and consumer advocates alike have told the Office they worry the requirement for co-payments is not currently understood by the community and could have a range of adverse consequences.

Firstly, there are significant concerns older people may shy away from seeking 'non-clinical' care because they may not have the funds to make a co-contribution, they may not understand or be able to navigate the hardship provision process, or may not want to commit to purchasing a service when the cost is uncertain, or they may simply be unwilling to spend money on themselves. Distressing scenarios about people not being able to afford regular showering, house cleaning or support to clean up ruptured colostomy bags were raised with the Inspector-General's Office in consultation for this report. The continual examples brought to the attention of the Inspector-General's Office illustrate the possibility for ongoing neglect, which the Royal Commission sought to address. While such supports can possibly be construed as 'non-clinical' in their delivery, there are troubling clinical repercussions in their absence. The inability to receive the required care at home risks pushing many individuals into residential aged care, against their views and wishes, and removing them from their community.

Secondly, providers have raised their concerns about administering the co-payments scheme. Aboriginal and Torres Strait Islander community-controlled providers in particular have explained it is counter-cultural to collect co-contributions from their elders for existing service provision, especially supports that are social and emotional in nature. ACCOs question whether the imposition of co-contributions is consistent with the broader objectives of the Aboriginal and Torres Strait Islander community control model of care, and worry about the potential alienation of ACCOs from the sector. Should ACCOs' understandable concerns be realised, the government's response in relation to this recommendation would undermine any attempts to meet the intent of recommendations 47 and 48.

In addition, 'mainstream' service providers have also raised concerns with the Office about the cost benefit of enforcing co-payments and the difficulties they will have in administering this approach, given the time and resources it will take to ensure each of their clients understands and agrees to contribute to certain categories of their care. Again, these providers have spoken to the Inspector-General about the co-payment policy as a significant disincentive in their decision to continue to provide aged care services, especially home care.

Thirdly, the Office has consistently heard the existing process to establish 'hardship' is difficult and slow for people to navigate. The government's co-payment model is predicated on the most vulnerable older people being able to successfully manage this administrative process, which is unrealistic.

Fourthly and finally, the demarcation between clinical and non-clinical care is inappropriate in the context of the Act's entitlement to, and definition of high quality care. The Act clearly states high quality care prioritises, among other things, 'supporting the individual to participate in meaningful and respectful activities and remain connected to friends, family, carers and the community, where the individual chooses to'. Imposing fees on older peoples' wellbeing is in contravention to facilitating access to high quality care.

It is clear the introduction of means tested co-payments for Support at Home, will exacerbate the systemic inequities the Royal Commission sought to address, by disproportionately impacting vulnerable people with the least capacity to afford them. Many of the supports people need to continue to live independently have been deemed 'non clinical' and will now attract a fee. As mentioned elsewhere this could push people prematurely into residential aged care, at greater cost to government.

The government's response to this recommendation will see individuals from disadvantaged backgrounds miss out on the improved access to aged care and the certainty the Royal Commission sought to provide. This is plainly contrary to the Royal Commission's vision of a rights-based, person-centred system which provides a universal entitlement to high quality care. The Inspector-General finds the issues raised above constitute some of the most pressing barriers to achieving the Royal Commission's vision, and could undermine the principles the new Act is trying to achieve for older people in Australia.

Recommendation 126: Fees for respite care

Government's reported measures or actions — before 1 Jan 2025

The government has implemented a new funding model for residential respite care that is aligned to the AN-ACC funding model, which replaced the Respite Subsidy and Respite Supplement (including the respite incentive).

The respite care BDF remains unchanged at 85% of the single basic age pension. Respite care recipients are not required to contribute to the costs of the accommodation and care services they receive. The respite supplement paid for respite care recipients is paid at the same maximum rate as the accommodation supplement that is paid for eligible permanent care recipients in the same service.

Respite providers cannot recover any amounts for ordinary costs of living from respite care recipients. Respite care recipients cannot be asked to pay a means tested fee. They may, however, be asked to pay a

booking fee which is then deducted from their BDF, and can opt to pay additional services fees or extra service fees if they choose to receive those additional supports.

Respite care recipients who are unable to pay their BDF can apply for it to be paid on their behalf under hardship provisions. This will remain unchanged after 1 July 2025.

Respite basic subsidy that is paid by the government covers the respite care costs as determined by IHACPA and this is paid in addition to the respite supplement. The provider cannot recover additional amounts for the person's ordinary costs of living.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Not applicable based on the department's view this was implemented prior to 1 July 2025.

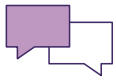
Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'finalised'.

Information provided by the department does not show whether any tangible activity has been undertaken to deliver this recommendation, or whether it has been decided the current respite requirements fully delivered it. Additionally, the department's contention that recommendation 126(3) has been delivered through requiring older people who are unable to pay their BDF to apply for relief through the financial hardship provisions falls short of what the Royal Commission required. In fact, the Royal Commission called for the new Act to include provisions that ensure individuals who are unable to pay the co-payments should not be denied access to respite. The Office is unaware of any such provisions in the *Aged Care Act 2024*.

As observed in commentary for other recommendations, stakeholders have raised serious concerns about the operation of hardship provisions. They are seen as too complex for older people to navigate, and unresponsive to their needs and circumstances. Additionally, the Inspector-General is concerned the response to this recommendation will not improve access to respite, a longstanding systemic issue, and instead act as an impediment to helping older people remain in their own homes for longer. As mentioned in previous commentary relating to other recommendations, any impediment to supporting older people to remain in their own homes for longer undermines a person's right to self-determination and the person-centred approach envisaged by the Act, and also increases the cost to the public purse.

Recommendation 127: Fees for residential aged care — ordinary costs of living



Government's reported measures or actions — before 1 Jan 2025

This recommendation was considered by the government in response to the work of the Aged Care Taskforce. The government delivered its response to the Aged Care Taskforce Final Report on 12 September 2024, including reforms of means testing of the hotelling supplement, which forms part of the costs of everyday living for residents.

A part of these reforms, means testing for the hotelling supplement will be introduced from 1 July 2025. Residents with sufficiently high assets and/or income will be required to make a contribution to some or all of the hotelling supplement. In particular, these changes will apply to residents who have more than $238,000 in assets, more than $95,400 in income, or a combination of the two.

However, the BDF will not change. All residents will be required to pay a BDF, set by the government at 85% of the single base rate of the Age Pension, in alignment with the recommendation.

Existing hardship provisions in residential aged care will continue, so residents who cannot afford their contributions will be supported and not prevented from accessing care.

Reforms pertaining to the hotelling supplement and BDF, are set out in section 8 (aged care services list) of the *Aged Care Act 2024*.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation when it commences on 1 July 2025.

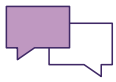
Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed'.

As per recommendation 126, the reliance on financial hardship mechanisms to ensure that residents who cannot afford their contributions are supported, does not equate to the Royal Commission's calls through recommendation 127(4) for an explicit provision in the new Act ensuring that such residents must not be denied access to residential care.

Many of the concerns around individuals' capacity to contribute towards the cost of their care described in commentary for other recommendations are also applicable to this recommendation. The Royal Commission did call for individuals to make a contribution towards their care. However, the very low thresholds, $238,000 in assets and more than $95,400 in income or a combination of the two, at which means testing applies carries significant risks that many older people with very low means, whose sole significant asset is their family home, will be required to make co-payments they cannot afford.

Recommendation 128: Fees for residential aged care accommodation



Government's reported measures or actions — before 1 Jan 2025

This recommendation was considered by the government in response to the work of the Aged Care Taskforce. The government's response to the Aged Care Taskforce Final Report on 12 September 2024 included reforms to fees for residential aged care accommodation.

As part of its response the government announced it would:

- increase the maximum accommodation price providers may charge without approval from IHACPA from $550,000 to $750,000 from 1 January 2025
- introduce Refundable Accommodation Deposits (RAD) retention (allowing providers to retain a small portion of the RAD they hold for residents each month) from 1 July 2025
- introduce Daily Accommodation Payment (DAP) indexation from 1 July 2025.

The government announced it would consider phasing out RADs subject to an independent legislated review of sector readiness by 2030. The government also announced it would conduct a review of aged care pricing arrangements over the next 2 years.

The *Aged Care Act 2024* legislates the review of the operation of refundable deposits under section 600 and the review of accommodation pricing arrangements under section 600A. Additionally, provisions relating to accommodation are provided under Part 4, Chapter 4 (Accommodation payments and accommodation contributions).

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation when it commences on 1 July 2025.

The department has advised existing parts of the system that correspond to recommendation 128(1) and 128(2) will be incorporated into the new Act. Legislating the review of accommodation pricing and the review of the operation of refundable deposits are still subject to consideration.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed', noting the department's advice that substantial subcomponents of the recommendation have been rejected in favour of an alternative approach (recommendations 128(6)(b) and 128(7)(a)) and work to deliver others has not yet commenced (recommendations (128(3), 128(4)(a), 128(4)(b) and 128(5)).

Through this recommendation Commissioner Pagone called for a range of specific features to be put in place to establish a new framework for regulating the amounts payable by residents for accommodation in residential care. Assessing the impact of measures and actions taken to implement the recommendation will require considered analysis after they have been put in place. Those impacts will be an area of continued monitoring by the Office.

Recommendation 129: Changes to the means test

Government's reported measures or actions — before 1 Jan 2025

The Australian Government's response to the Aged Care Taskforce Final Report included reforms to means testing in residential care.

As part of these reforms, the current means tested care fee and the current annual and lifetime caps will be abolished. The hotelling supplement will be means tested rather than fully paid by the government. A new non-clinical care contribution will be introduced. A cap of $130,000 or 4 years (whichever comes first) will be introduced for the non-clinical care fee.

Provisions relating to means testing are outlined in Division 2, Part 5, Chapter 4 of the *Aged Care Act 2024*.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation when it commences on 1 July 2025.

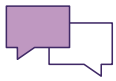
Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'.

This recommendation is linked to recommendation 128. It sets out Commissioner Pagone's methodology for determining means testing amounts as part of calculating individual accommodation contributions. Assessing the impact of measures and actions taken to implement this recommendation will need to be undertaken in conjunction with an assessment of the impacts of recommendation 128, which, as noted, will require considered analysis after they have been put in place.

However, the Office is aware of existing concerns around whether the changes to means testing will continue to support individuals in accessing aged care, or whether they will act as a barrier, particularly for the many individuals with a home but very limited day-to-day means.

Recommendation 130: Responsibility for prudential regulation



Government's reported measures or actions — before 1 Jan 2025

From July 2023 the responsibility for provider-level financial viability monitoring was transferred to ACQSC. This is intended to support identification of emerging financial issues and support regulatory functions by providing greater analysis capability. Data is submitted by providers. ACQSC's role is to identify issues and support providers to improve financial governance to build resilience in the sector. Staff with required capabilities to support this function have been recruited.

The *Aged Care Act 2024* establishes ACQSC's functions, including its power to set Financial and Prudential Standards, under section 349.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation when it commences on 1 July 2025.

ACQSC will be undertaking public consultation on a new liquidity standard in February 2025, prior to finalisation and tabling of subordinate legislation.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed', noting the relevant responsibilities outlined in this recommendation have been conferred on ACQSC rather than the department. This approach aligns with ACQSC's role as the regulator within the aged care system. As part of the Office's independent oversight role, it will monitor and assess ACQSC's performance in carrying out its functions, including its role in prudential regulation.

Recommendation 131: Establishment of prudential standards

Government's reported measures or actions — before 1 Jan 2025

As part of the 2023–24 Budget the government agreed to expand ACQSC's powers to set prudential standards. These powers were included in the exposure draft for new Act.

The *Aged Care Act 2024* empowers ACQSC to set prudential standards for certain matters under Division 7, Part 3, Chapter 5. It also includes a liquidity standard for residential aged care providers. New financial and prudential standards have been drafted by ACQCS and will be subject of consultation early in 2025. The department has been working closely with ACQSC in the development of these standards and on preparing for their implementation on 1 July 2025. The standards are expected to consolidate the subcomponents of this recommendation.

Further government decisions are needed, including in relation to ongoing operational resourcing for the new financial and prudential regulation model and its component parts.

The 2024–25 Budget provides $27.4 million to implement the new Act, including governance activities, program management and the extension of the places management program, which partially addresses this recommendation.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation when it commences on 1 July 2025.

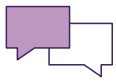
Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – substantially progressed'.

While substantial work has been undertaken to implement this recommendation, the Office is aware of provider concerns around the degree of regulatory burden associated with complying with new prudential standards, among other obligations arising as a result of ACQSC's financial and prudential oversight. The Inspector-General has heard significant concerns from providers that prudential standards intended to ensure providers remain in a sound financial position will impose overly prescriptive requirements, subsequently inhibiting their capacity to innovate, make capital investments and ultimately their ability to deliver high quality care.

Additionally, providers shared with the Inspector-General's Office that critical reforms such as the new prudential standards are being progressed with very little lead time before commencement on 1 July 2025. This has been experienced as impeding the sector's capacity to engage with the complexities of the changes and creating uncertainty. It is widely observed that these reforms should have been developed through more comprehensive engagement with the sector, and there is now substantial concern these very complex changes are being rushed.

Recommendation 132: Liquidity and capital adequacy requirements



Government's reported measures or actions — before 1 Jan 2025

The 2023–24 Budget provided funding and authority to ACQSC to undertake work and consult on liquidity and capital adequacy standards, including consultation to inform the new Act. Targeted consultation around a liquidity and capital adequacy standard commenced in early 2024. The *Aged Care Act 2024* covers liquidity and capital adequacy requirements under Division 7, Part 3, Chapter 5.

Capital adequacy will be used to assess risk in relation to liquidity. Capital adequacy has not initially been included in new financial and prudential standards on the basis that although it is a useful metric, its applicability as a risk control outside the banking and finance sector is limited.

The 2024–25 Budget provides $27.4 million to implement the new Act, including governance activities, program management and the extension of the places management program, which partially addresses this recommendation.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation when it commences on 1 July 2025.

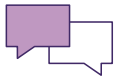
ACQSC is working through specifics of this recommendation, including a liquidity calculator. Further consultation on an exposure draft of liquidity requirements is occurring.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – substantially progressed'.

While substantial work has been undertaken to implement this recommendation, the Inspector-General is aware of significant concerns about the impact of liquidity and capital adequacy requirements on providers. For small providers these requirements are a huge impost and may force providers out of the market. This is especially concerning for ACCOs where they are funded entirely by the government for services and have no core funding. This similarly has serious negative impacts for older people living in places where smaller operators (whether for profit or otherwise) have no capacity to raise or hold the relevant liquidity and provide services in thin markets. Larger providers have advised the Office that tying up significant capital reserves will reduce their ability to expand or meet the growing demand for aged care, which in turn will prolong wait-times for services. Organisations in the Aboriginal and Torres Strait Islander community-controlled sector have also queried the appropriateness of such liquidity requirements when their organisations do not charge RADs.

Recommendation 133: More stringent financial reporting requirements



Government's reported measures or actions — before 1 Jan 2025

The Accountability Principles 2014 empower the Secretary of the department to require approved providers to submit quarterly financial reports. ACQSC analyses the data reported to the department to understand provider-level risk while the department uses it to understand sector-level funding risks.

Phases 1 and 2 of the financial and prudential framework have been implemented requiring approved providers to submit financial information quarterly from July 2022, to provide additional information in annual ACFRs and submit general purpose financial statements to the Australian Government.

In the 2023–24 Budget the government agreed to resource ACQSC for 2023–24 to perform the functions outlined in recommendation 133(1) and to prepare for further functions in the context of the new Act. In the context of recommendation 133(2) the government also agreed to include financial and prudential regulatory amendments in the new Act.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will implement these requirements when it commences on 1 July 2025.

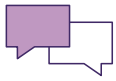
Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed', noting that the department was initially empowered to mandate providers meet financial reporting requirements rather than ACQSC.

The Royal Commission highlighted the importance of timely financial information to prudential oversight and found the previous financial reporting regime did not allow for sufficient scrutiny of providers' financial affairs. Clearly, robust financial reporting mechanisms which allow prudential risks to be identified at an early stage are vital. They allow the regulator to act promptly when necessary and ideally before prudential issues transform into more serious situations which compromise or prevent the delivery of aged care to older people, such as closures of aged care homes.

At the same time, however, the Office is aware of provider concern that financial reporting obligations are growing more prescriptive and burdensome. Providers have questioned the materiality and the frequency of some matters they are required to report on, and ultimately what better outcomes will flow to older people receiving care as a result of this reporting. This reinforces the need for the department to be transparent in relation to the purpose and impacts of the subordinate legislation it is consulting on, such as the Rules pertaining to financial reporting, and to strike an appropriate balance between the need for robust financial reporting and imposing regulatory burdens on the sector.

Recommendation 134: Strengthened monitoring powers for the prudential regulator



Government's reported measures or actions — before 1 Jan 2025

The *Aged Care Act 2024* establishes regulatory mechanisms, assurance activities, warrantless entry requirements and continuous disclosure provisions under Chapter 6, which pertains to regulatory mechanisms. Additionally, Chapter 5, Part 3 gives effect to ACQSC's statutory functions and powers, which it may exercise in connection with its prudential and financial oversight functions.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will establish these powers when it commences on 1 July 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – substantially progressed', noting that the *Aged Care Act 2024* confers ACQSC with robust regulatory and monitoring powers which align with the Royal Commission's intent. As legislated through the IGAC Act, a part of the Inspector-General's role is to monitor and assess ACQSC's performance in undertaking its regulatory powers.

Recommendation 135: Continuous disclosure requirements in relation to prudential reporting

Government's reported measures or actions — before 1 Jan 2025

In response to recommendation 135(1) the strengthened liquidity standard will include an obligation for providers to report to ACQSC if liquidity holdings fall below minimum requirements. In response to recommendation 135(2), the Commissioner will have the power to set financial and prudential standards that can be adjusted as needed.

The *Aged Care Act 2024* outlines continuous disclosure provisions in sections 166 and 167. These provisions are supported by those in Chapter 5, Part 3, Division 7, which relate to financial and prudential standards. The new aged care Rules will further augment these provisions. Provisions relating to information management in Chapter 7 also outline the requirements of individuals and entities in making disclosures, enabling disclosures whose purpose is to prevent serious threat to safety, health or wellbeing.

Government's reported measures or actions — underway or planned after 1 Jan 2025

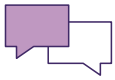
The *Aged Care Act 2024* and accompanying Rules will establish these requirements when it commences from 1 July 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'commenced and ongoing – substantially progressed', noting the *Aged Care Act 2024* established provider disclosure requirements which broadly align with the Royal Commission's intent.

However, the Inspector-General's findings regarding recommendation 133, in relation to provider concerns about regulatory burdens and the need for considered and open engagement with the sector on legislative change, is equally applicable to this recommendation.

Recommendation 136: Tools for enforcing the prudential standards and guidelines and financial reporting obligations of providers



Government's reported measures or actions — before 1 Jan 2025

The *Aged Care Act 2024* establishes enhanced enforcement powers for ACQSC, which are intended to complement ACQSC's power to set new financial and prudential standards.

As the prudential regulator, ACQSC's powers to make financial and prudential standards are set out in the following provisions:

- section 142 (Conditions of registration)
- section 150 (Compliance with Financial and Prudential Standards)
- section 166 (Reporting)
- section 167 (Change in circumstances)
- Chapter 6 (Regulatory mechanisms).

Government's reported measures or actions — underway or planned after 1 Jan 2025

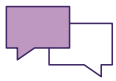
The *Aged Care Act 2024* will respond to this recommendation when it commences on 1 July 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed', noting the enforcement mechanisms established through the *Aged Care Act 2024* broadly align with the Royal Commission's intent. The Act will not, however, implement recommendation 136(2)(a), which proposed the Prudential Regulator be given powers to issue directions to providers which mirror those that can be made by the Australian Prudential Regulation Authority under private health insurance legislation.

As part of the Office's independent oversight role, it will monitor and assess ACQSC's performance in carrying out its powers to enforce the new financial and prudential standards.

Recommendation 137: Building the capability of the regulator



Government's reported measures or actions — before 1 Jan 2025

In response to recommendation 137(1)(a) the provider-level financial viability monitoring function was moved to ACQSC. ACQSC received resourcing for its prudential regulation functions in the 2021–22 Budget, 2021–22 MYEFO and 2023–24 Budget. In response to recommendation 137(1)(b) risk detection tools have been developed to identify providers displaying emerging viability risk. In the 2023–24 Budget one year of additional funding was received for the continued support of the Risk-Based Targeting and Information Sharing system. In response to recommendation 137(1)(d) an electronic forms and lodgement platform is available for all providers. An alternative filing system for smaller providers is not in place as the department considers it inefficient to run 2 systems.

The ongoing funding model for ACQSC, which supports these functions, will be considered by the government.

The government's response to ACQSC's capability review was published in June 2024. It accepted all 32 recommendations.

Government's reported measures or actions — underway or planned after 1 Jan 2025

ACQSC continues to engage with the sector to explain its approach to regulating financial and prudential matters. These include, for example, through its *Compliance Management Insights* bulletin and 'In Focus' article in ACQSC's Sector Performance Report, Quarter 1, 2024–25.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed', noting a bespoke electronic filing system to allow smaller providers to lodge electronic forms, as required by recommendation 137(d), is not being developed. The department's reasons for not proceeding with a separate system for smaller providers – namely that it would be inefficient – are sound.

As part of the Inspector-General's independent oversight role, the Office will monitor and assess ACQSC's performance in carrying out its prudential role. This will include considering whether ACQSC is appropriately resourced to carry out that role.

Recommendation 138: Productivity Commission investigation into financing of the aged care system through an Aged Care Levy

Government's reported measures or actions — before 1 Jan 2025

The recommendation that the government should refer to the Productivity Commission an inquiry into 'the potential benefits and risks' of adopting a financing scheme based upon a hypothecated levy through the taxation system (by 1 July 2021), was considered by the Aged Care Taskforce. The government's response to the Aged Care Taskforce ruled out specific increases to tax rates or a levy to fund future rises in aged care funding, citing inter-generational equity issues. As a result, the matter was never referred to the Productivity Commission.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Not applicable.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'rejected in full' and 'not commenced'.

Recommendation 139: Parliamentary scrutiny of determinations by the Pricing Authority

Government's reported measures or actions — before 1 Jan 2025

The Minister remains responsible for determining the amount of aged care subsidies through disallowable determinations or disallowable principles as appropriate. Under paragraph 131A(1)(a) of the NHR Act, one of IHACPA's functions is to advise the Minister on aged care pricing and costing matters. IHACPA is not, however, invested with determinative pricing functions.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Not applicable.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'finalised', noting that while IHACPA's determinations are legislative instruments, IHACPA's functions under the NHR Act do not allow it to determine prices for aged care. Information provided by the department does not shed any light on whether commencement of the *Aged Care Act 2024* will affect the delivery of this recommendation.

Recommendation 140: Fees for residential aged care accommodation

Government's reported measures or actions — before 1 Jan 2025

This recommendation was considered by the Aged Care Taskforce. As part of its response the Australian Government announced that it would:

- increase the maximum accommodation price providers may charge without approval from IHACPA from $550,000 to $750,000 from 1 January 2025
- introduce RAD retention from 1 July 2025
- introduce DAP indexation from 1 July 2025.

Additionally, the government announced it would consider phasing out RADs subject to an independent legislated review of sector readiness by 2030. A review of aged care pricing arrangements over the next 2 years was also announced.

The *Aged Care Act 2024* legislates the review of the operation of refundable deposits under section 600, and the review of accommodation pricing arrangements under section 600A. Provisions relating to accommodation are provided under Part 4, Chapter 4.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation when it commences on 1 July 2025.

Existing parts of the system that correspond to recommendation 140(1) are incorporated into the Act. Legislating the review of accommodation pricing and the review of the operation of refundable deposits are still subject to consideration.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'rejected in favour of an alternative approach', which is 'commenced and ongoing – substantially progressed'.

Through this recommendation, Commissioner Briggs called for a range of specific features to be put in place to establish a new framework for determining the contributions payable by residents for accommodation in residential aged care. Assessing the impact of measures and actions taken to implement the recommendation will require considered analysis after they have been put in place. The Office will maintain a continued watch on those impacts.

Recommendation 141: Changes to the means test

Government's reported measures or actions — before 1 Jan 2025

The government's response to the Aged Care Taskforce included reforms to means testing in residential care.

Under these reforms, the current means tested care fee and the current annual and lifetime caps will be abolished. The hotelling supplement, which is currently paid fully by the government, will be means tested. The contribution will be calculated as 7.8% of assets over $238,000 or 50% of income over $95,400 (or a combination of both), up to a limit of the hotelling supplement ($12.55 per day, from 20 September 2024). For all fully and partially supported residents with income and assets below these thresholds, the government will continue to pay the full hotelling supplement.

A new non-clinical care contribution will also be introduced. Residents with sufficient means would contribute 7.8% of their assets over $502,981 or 50% of their income over $131,279 (or a combination of both) up to a daily limit of $101.16. A cap of $130,000 or 4 years (whichever comes first) will be introduced on the non-clinical care fee.

Provisions relating to the non-clinical care contribution and hotelling contribution are outlined in sections 278–280 of the *Aged Care Act 2024*, while provisions around means testing in residential care facilities are included within Part 5 of Chapter 4.

Government's reported measures or actions — underway or planned after 1 Jan 2025

The *Aged Care Act 2024* will respond to this recommendation when it commences on 1 July 2025.

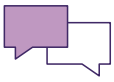
Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed'.

This recommendation sets out Commissioner Brigg's methodology for determining means testing amounts as part of calculating individual accommodation contributions. Assessing the impact of measures and actions taken to implement this recommendation will require considered analysis after they have been put in place.

However, as noted in the Inspector-General's findings for other recommendations, there are significant concerns around whether changes to means testing will continue to support individuals in accessing aged care, or whether they will act as a barrier, particularly for individuals with more limited means. While acknowledging the Royal Commission did call for individuals to make a contribution towards their care, the very low thresholds at which means testing applies ($238,000 in assets or more than $95,400 in income, or a combination of the two) carry significant risks that many older people with very low means will still be required to contribute co-payments that they likely cannot afford.

Recommendation 142: Phasing out of Refundable Accommodation Deposits



Government's reported measures or actions — before 1 Jan 2025

As part of its response to the Aged Care Taskforce the government announced it would consider phasing out RADs, subject to an independent legislated review of sector readiness by 2030. The review of sector readiness is legislated in section 600 of the *Aged Care Act 2024*.

Government's reported measures or actions — underway or planned after 1 Jan 2025

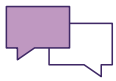
The Review is due to commence by 31 January 2029 and be tabled in Parliament by 31 March 2030.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'not commenced'.

In her recommendation Commissioner Briggs proposed the gradual removal of RADs. While the *Aged Care Act 2024* provides a mechanism for reviewing the operation of RADs, no decisions have been made to phase them out, as per the recommendation.

Recommendation 143: Implementation of new arrangements for financial oversight and prudential regulation



Government's reported measures or actions — before 1 Jan 2025

This is a recommendation from Commissioner Briggs that covers the implementation of recommendations 130–137.

Work is being progressed to implement recommendations 130–137, as noted above.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Work will continue on implementing recommendations 130–137, as noted above.

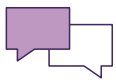
Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – partially progressed'.

As noted in the 2024 Progress Report, while the department has advised that this recommendation has been fully accepted, not all of the recommendations that relate to this recommendation have been fully accepted.

Additionally, implementation of recommendations 130–137 is still ongoing.

Recommendation 144: Introduce a new earmarked aged care improvement levy



Government's reported measures or actions — before 1 Jan 2025

This recommendation was considered by the Aged Care Taskforce. In response to recommendation 2 of the Aged Care Taskforce's final report, the government ruled out specific increases to tax rates to fund future rises to aged care funding, citing intergenerational equity issues.

In responding to the Aged Care Taskforce, the government stated it will remain the majority funder of aged care services but ruled out a specific tax or levy to fund aged care.

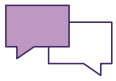
Government's reported measures or actions — underway or planned after 1 Jan 2025

Not applicable.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'rejected in full' and 'not commenced'.

Recommendation 145: Report on recommendations



Government's reported measures or actions — before 1 Jan 2025

The Australian Government released a formal response to the recommendations of the Final Report on 11 May 2021. The response is available on the department's website.

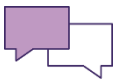
Government's reported measures or actions — underway or planned after 1 Jan 2025

Not applicable due to its completion before 1 January 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'finalised'. As such, no additional measures or actions have been reported for this recommendation.

Recommendation 146: An implementation unit



Government's reported measures or actions — before 1 Jan 2025

The independent commission model, as proposed by Commissioner Pagone, was not implemented. Rather, the alternative government leadership model proposal by Commissioner Briggs was adopted, which involved the establishment of an implementation taskforce within the department.

Government's reported measures or actions — underway or planned after 1 Jan 2025

Not applicable.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'finalised'. As such, no additional measures or actions have been reported for this recommendation.

Recommendation 147: An implementation taskforce

Government's reported measures or actions — before 1 Jan 2025

An implementation taskforce was established within the department to oversee the implementation of aged care reforms that align with the intent of the Royal Commission recommendations.

In mid-2021 a new aged care structure within the department was established, including the establishment of a division dedicated to overseeing reform implementation.

A cross-department deputy secretary-level Aged Care Steering Committee was established to oversee implementation of the Royal Commission recommendations and other aged care reform activity.

In October 2024 a Gateway Review was undertaken on the entirety of the aged care reforms. It primarily focused on the critical projects and ICT support necessary to deliver Support at Home from 1 July 2025.

Government's reported measures or actions — underway or planned after 1 Jan 2025

A further Gateway Review is scheduled for September 2025.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in full' and 'finalised' but caveats the Gateway Review earmarked for September 2025 is a 'business as usual' activity rather than an express requirement of the recommendation.

Recommendation 148: Evaluation of effectiveness [by the Inspector-General of Aged Care regarding government implementation of Royal Commission recommendations]

Government's reported measures or actions — before 1 Jan 2025

In July 2023 the Acting Inspector-General delivered the Progress Report: Implementation of the Recommendations of the Royal Commission into Aged Care Quality and Safety.

Section 29 of the IGAC Act, which requires the Inspector-General to prepare 2 reports on the Australian Government's progress towards implementing each of the Royal Commission's recommendations on 1 June 2024 and on 1 June 2025, responds to recommendation 148(1).

The 2024 Progress Report on the implementation of the Royal Commission into Aged Care Quality and Safety's recommendations was the first report prepared in response to those requirements. It was provided to the Minister for Aged Care on 31 May 2024 and subsequently tabled in Parliament on 2 August 2024 and published concurrently on the Office of the Inspector-General of Aged Care's website.

This report is the second (and final) progress report required under the IGAC Act.

The IGAC Act also requires the Inspector-General to conduct 2 reviews to evaluate the effectiveness of the measures and actions taken by the Australian Government in response to the Royal Commission's recommendations, by 1 March 2026 and 1 March 2031. This responds to recommendations 148(2) and (3).

Government's reported measures or actions — underway or planned after 1 Jan 2025

The Inspector-General will carry out its legislative obligations to review and report on the implementation of the Royal Commission's recommendations, in line with the requirements and timeframes set out in the IGAC Act.

Inspector-General's findings

The Inspector-General assesses this recommendation as 'accepted in part' and 'commenced and ongoing – substantially progressed'.

As noted in the Acting Inspector-General's 2024 Progress Report, the work to undertake the 5- and 10-year reviews to evaluate progress towards implementing the Royal Commission's recommendations has not commenced yet, given their distance into the future and the reforms taking place now that will need to form the subject of those evaluations.

Additionally, the IGAC Act requires progress reports on the implementation of Royal Commission recommendations on 1 June 2024 and 2025 rather than on an ongoing 6-monthly basis as recommended by the Royal Commission.

APPENDIX A:
Assessment framework

In preparing the 2025 Progress Report the Office developed an assessment framework to classify the Australian Government's progress towards implementing the Royal Commission's recommendations as at 1 January 2025.

The assessment framework used 2 categories to classify implementation progress – the government's 'indicative position' on each Royal Commission recommendation and the 'delivery status' for each recommendation. The Office used information provided by the department, ACQSC, IHACPA and DSS to classify the government's indicative position and delivery status in Part B of the report.

The assessment framework has been developed specifically for the 2025 progress report. It improves upon previous approaches to reporting on implementation progress, including through the 2024 Progress Report.

Indicative government position

Noting the current government has not published a response to individual recommendations, under the assessment framework the Office used one of 5 categories to classify the government's indicative position on each recommendation:

- 'Accepted in full' – the government has agreed to implement the recommendation, including all relevant sub-components, in full.
- 'Accepted in part' – the government has agreed to implement some parts of the recommendation, but with some sub-components rejected (either in full or in favour of an alternative approach) or under further consideration.
- 'Under further consideration' – the government is still considering its position on the recommendation and its sub-components.
- 'Rejected in favour of an alternative approach' – the government has decided not to proceed with implementing the recommendation and its sub-components as per the final report, and has instead decided on an alternative course of action which is fundamentally different from the recommendation.
- 'Rejected in full' – the government has decided not to take any action to implement the recommendation or any of its sub-components.

A recommendation could be classified as 'rejected' where:

- the government has chosen an approach to implementation which does not align with that proposed by the Royal Commission
- no action has been taken because a decision has been made not to implement a recommendation
- the government needed to choose between alternate recommendations presented by Commissioners.

Delivery

For the second element of the assessment framework the Office used one of 4 broad categories to classify the delivery status of each recommendation:

- 'Implementation finalised' – the recommendation has been implemented and finalised, with no further implementation activity planned. A recommendation can also be considered finalised where it has been rejected in favour of an alternative approach, with no further implementation activity planned.
- 'Commenced and ongoing – substantially progressed' – substantial implementation activities have been undertaken, or substantial planning and work towards implementation. A recommendation could be substantially progressed on the basis that more than 50% of relevant sub-components of the recommendation have been fully implemented.
- 'Commenced and ongoing – partially progressed' – only minimal implementation work has taken place, or some limited planning and work towards implementation has been completed. A

recommendation could be partially implemented if, for example, a recommendation has multiple sub-components, and only one of those has been finalised; or if some planning and preparatory work had been undertaken to implement a recommendation or its sub-component, but considerable policy work, government decisions or funding was still pending.

- 'Not commenced' – where no work has commenced, because the recommendation has been rejected or is still under consideration, or because no actions or measures to support implementation have commenced.

APPENDIX B:
Participants List

The Inspector-General and her Office thank all participants who contributed their time and knowledge to the 2025 Progress Report.

In addition to the organisations listed below who provided submissions, 16 members of the public lodged submissions with the Office. The names of these individuals have not been listed.

All submissions are available on the Office's website, unless confidentiality has been sought.

Submissions

Aged Care Reform Now

Allied Health Professionals Australia

Dr Anna Howe, Dr Ben Spies-Butcher

Australian Association of Gerontology and AAG Research Trust

Aboriginal Medical Services Alliance Northern Territory

Australian Nursing and Midwifery Federation

Assistive Technology Suppliers Australia

Carers NSW

Council of the Ageing

Dementia Australia

LGBTIQ+ Health Australia

Lite n easy

McLean Care

National Aboriginal Community Controlled Health organisations

National Seniors Australia

NewDirection Care

Office Public Guardian Queensland – Deputy Public Guardian Lisa Pritchard

Palliative Care Australia

Pharmaceutical Society of Australia

Seniors Rights Service

Southern Cross Care

The Australian Orthotic Prosthetic Association

The Healing Foundation

United Workers Union

Consultations

Australian Institute of Health and Welfare

Kathryn McKenzie, Acting NSW Ageing and Disability Commissioner

Robert Fitzgerald, Age Discrimination Commissioner

UTS Ageing Research Collaborative

Roundtables

Aboriginal Community Elders Services

Aged and Disability Advocates Australia

Allied Health Professionals Australia

Anglicare

Apollo Care Alliance

Association of Independent Retirees

BlueCare

Baptist Care

Carers Australia

Catholic Care Australia

CLAN

Congress of Aboriginal and Torres Strait Islander Nurses and Midwives

Council of the Ageing

Dementia Australia

Elder Abuse Action Australia

Estia Health

Federation of Ethnic Communities Councils of Australia

Hammond Care

Homelessness Australia

Housing for the Aged Action Group

Indigenous Allied Health Australia

Institute for Urban Indigenous Health

LGBTIQ+ Health

Lowitja Institute

Multicultural Aged Care (PICAC)

National Seniors Australia

National Association of Aboriginal and Torres Strait Islander Health Workers and Practitioners

National Aboriginal and Torres Strait Islander Ageing and Aged Care Council

Older Persons Advocacy Network

Rumbulara

The Healing Foundation

Winteringham

Young People on Nursing Homes National Alliance

Glossary

ACCAP	Aged Care Capital Assistance Program
ACCO	Aboriginal Community-Controlled Organisation
ACFR	Aged Care Financial Report
ACQSC	Aged Care Quality and Safety Commission
Acting Inspector-General	Acting Inspector-General for Aged Care, Ian Yates AM
ACSO	Aged Care Specialist Officer
ADHA	Australian Digital Health Agency
AIHW	Australian Institute of Health and Welfare
AN-ACC	Australian National Aged Care Classification
BDF	Basic daily fee
Complaints Commissioner	Aged Care Complaints Commissioner
CHSP	Commonwealth Home Support Programme
DAP	Daily Accommodation Payment
department	Department of Health, Disability and Ageing (formerly Department of Health and Aged Care), Australian Government
DSS	Department of Social Services, Australian Government
First Nations Aged Care Commissioner	First Nations Aged Care Commissioner, Andrea Kelly
FNACGG	First Nations Aged Care Governance Group
FWC	Fair Work Commission
HCP	Home Care Packages
ICC	Integrated Care and Commissioning initiative
IGAC Act	*Inspector-General of Aged Care Act 2023*
IHACPA	Independent Health and Aged Care Pricing Authority
Inspector-General	Inspector-General of Aged Care, Natalie Siegel-Brown
MPS	Multi-Purpose Services
NACDA	National Aged Care Data Asset
NACCHO	National Aboriginal Community Controlled Health Organisation
NATSIFAC	National Aboriginal and Torres Strait Islander Flexible Aged Care program

NATSIAACC	National Aboriginal and Torres Strait Islander Ageing and Aged Care Council
NHR Act	*National Health Reform Act 2011*
NHRA	National Health Reform Agreement
NMDS	National Minimum Data Set
OPAN	Older Persons Advocacy Network
PHN	Primary Health Network
QFR	Quarterly Financial Report
Quality Standards	Aged Care Quality Standards
RAD	Refundable Accommodation Deposits
Royal Commission	Royal Commission into Aged Care Quality and Safety
Royal Commission Response Act	*Aged Care and Other Legislation Amendment (Royal Commission Response) Act 2022*
SIRS	Serious Incident Response Scheme
SOG	Health and Aged Care Senior Officials Group
STRC	Short-Term Restorative Care

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