

Aged Care Reform Now



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Submission to

Office of the Inspector-General of Aged Care
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Summary

This submission is in response to the 2025 Progress Report on Implementation of Aged Care Royal Commission Recommendations: Submission process.

The following pages examine the bipartisan failure of successive governments to implement the critical recommendations of the Royal Commission into Aged Care Quality and Safety. Governments and their departments have become constrained by the financial burdens of outsourcing, leading to policy decisions that fail to fully acknowledge the dignity and individual needs of older Australians.

While the current Aged Care Act and associated regulations are broad in scope, they still provide the Department of Health and Aged Care—and the Minister—the opportunity to address the ideological and systemic barriers that prevent people from accessing essential and affordable in-home care services.

I urge all those in positions of authority to critically re-evaluate the shortcomings of the proposed Aged Care Act and its supporting regulations before they are enshrined in law. Furthermore, I ask decision-makers to reconsider the introduction of co-payments for pensioners and low-income individuals, as this additional financial burden risks deepening inequities in aged care access.

Thanks to Peter Willcocks for allowing us access to his submission. We align with much of his sentiment on the divergence from the Aged Care Royal Commission's recommendations and are hopeful that the government can make some courageous changes to their plans. Engaging with grass roots groups that are independent of any alliances is paramount to the true spirit of the ACRC goals.

The time to act is now.

Dear Inspector-General of Aged Care,

It is with deep concern that I must now assert there has been a wholesale neglect of the findings and recommendations of the Royal Commission into Aged Care Quality and Safety (ACRC). Since taking office in 2022, the Australian Labor Party has continued the Liberal-National Party's long-standing trend of outsourcing aged care services—a process that began over two decades ago. Over the past 15 years, successive governments have increasingly relied on industry consultants to shape policy, manage public perception, and provide a parallel

workforce to administer government programs. Despite the extensive work initiated in 2020, there has been little deviation from the entrenched ideology underpinning aged care delivery. On 1 March 2021, the ACRC presented 148 recommendations covering critical areas of reform. The foremost recommendation was the establishment of a new Aged Care Act, grounded in rights and entitlement, ensuring people could access comprehensive in-home care services to delay or avoid admission into residential facilities. This was to be implemented with the safeguard that home care costs would not exceed the cost of residential care. However, the Aged Care Bill 2024, passed by Parliament on 25 November 2024, and set to take effect on 1 July 2025, fails to reflect the Commission's intent. Notably, an amendment passed on November¹ 7 with minimal opposition (51 Ayes, 8 Noes), with only three LNP members present in the chamber, indicating a lack of engagement from both sides of politics. Alarmingly, many parliamentarians seemed unfamiliar with the bill's complexities and lacked the necessary resources to scrutinize its full implications.

Many of us remain convinced—and the evidence supports this view—that Australia's ability to deliver essential services efficiently will continue to be undermined as long as governments remain dependent on external contractors and advisors. These outsourced entities have become deeply entrenched, exerting considerable control over decision-making. The consequences of such reliance are not limited to aged care—one need only look at the defence sector for a parallel example. True governance demands that ministers and department heads seek genuinely independent advice, yet the current environment has established a concerning precedent. Billions have been spent on consultancy services, and reversing this trend will require a minister willing to take bold action. Unlike in previous eras, when governments were directly accountable for managing and funding their own departments, today's financial landscape is dominated by global investors and corporate interests. The shift away from direct government responsibility raises significant concerns about the future of public services.

The rapid increase in aged care expenditure—from \$17.7 billion in 2021–22 to \$36.2 billion in 2024–25—has not resulted in a proportional increase in care capacity. Such an unsustainable growth in spending, without a corresponding expansion in service provision, reflects the failure of outsourced decision-making. Those profiting from this system have successfully misled the public while offering grand narratives of reform while implementing restrictive rules and exclusions behind the scenes. The reality is that while the programs may retain familiar names, the underlying policies have quietly shifted over the past two years.

A major course correction is urgently needed to prevent further erosion of our social fabric. Every effort must be made to ensure older Australians without financial means are not abandoned—left to become mere economic liabilities or relegated to second-class institutional care. As a society, we must stand together against the systemic neglect and exploitation of our most vulnerable. Those in desperate need must not be reduced to mere units of profit for the wealthy elite. The time for action is now.

Aged Care Reform: Is the Government Diluting the Royal Commission's Vision?

The Right to Care—or Just the Right to Wait?

The Australian Government appears to be deliberately sidestepping some of the most crucial recommendations from the Royal Commission into Aged Care Quality and Safety. A key proposal from the Commission was the replacement of the *Aged Care Act 1997* with a new rights-based framework that would guarantee access to care as an *entitlement*, alongside a

statutory duty to ensure high-quality service. Yet, the Government's consultation paper suggests it is more interested in maintaining the status quo than in delivering meaningful change.

The difference between an *entitlement* system and an *eligibility* system is profound. Under an entitlement model—such as the National Disability Insurance Scheme (NDIS)—those who qualify receive care without being placed on a waiting list. In contrast, Australia's aged care system remains eligibility-based, meaning access is subject not just to need but to availability. The consequences of this have been dire. At its peak, the waiting list for Home Care Packages exceeded 100,000 people, leaving many to suffer, and in too many cases, die before ever receiving the support they required.

Despite the Royal Commission's clear push for an entitlement-based system, the Government's consultation paper fails to address this critical shift. The absence of any meaningful discussion on the matter is not accidental—it is deliberate.

A Duty of Care in Name Only?

Beyond advocating for a genuine right to care, the Royal Commission also recommended introducing a statutory duty requiring providers to deliver high-quality aged care. However, the Government's paper attempts to minimize this obligation, arguing—without supporting evidence—that high-quality care is too difficult to define in legal terms. Instead, it proposes a watered-down version of duty, stating that only *serious* failures to meet care standards would be considered a breach.

Under this proposal, a provider would only be held accountable in cases where a resident experiences “serious illness, injury, or death” due to their actions—or inaction. This means aged care providers would not be legally responsible for chronic neglect, substandard conditions, or any failures that fall short of life-threatening harm. Essentially, the Government is suggesting that the only enforceable legal requirement for aged care providers is not to *kill* or *gravely injure* those in their care.

This is a stark departure from what the Royal Commission envisioned. Instead of ensuring older Australians receive the care they deserve, the Government seems intent on stripping accountability from the system, further weakening already inadequate protections.

Aged Care Still in Crisis

By downplaying key recommendations, the Government is shaping a new aged care system that mirrors the failures of the old one. If these proposals go unchallenged, aged care in Australia will remain a system defined by long waiting lists, inconsistent care, and a lack of real accountability.

The Royal Commission provided a clear roadmap for reform. What's missing is the political will to follow it. Without genuine commitment to change, older Australians will continue to be let down by a system that prioritizes convenience over care.²

The Legacy of Abuse in Aged Care

The ACRC commissioners interim and final report and recommendations are very clear that older people must have

- input into their care,

- entitlement to the care they need
- No fees
- A right based approach

There is an abject failure to understand and implement the recommendations of the ACRC.

Recommendation 1: A New Act³

3. The objects of the new Act should be to:

- a. provide a system of aged care based on a universal right to high quality, safe and timely support and care to:
 - i. assist older people to live an active, self-determined and meaningful life, and
 - ii. ensure older people receive high quality care in a safe and caring environment for dignified living in old age

Aged Care Reform: A System That Excludes the Vulnerable

Access to Care: Only for Those Who Can Pay?

The *Aged Care Act 2024* and its accompanying regulations have established, if not outright endorsed, 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, the new framework risks marginalizing those who cannot afford to bridge the financial gaps.

The Digital Divide: Complexity Over Accessibility

The push toward digitized government services has created a stark divide between those who are tech-savvy and those who require more time and support to navigate complex systems. Endless pages of explanations provide little help when older Australians are under pressure to make critical decisions about their care—decisions that will shape not only the type of services they receive but also how those services are delivered.

For many older individuals, the ability to make informed choices depends on time, support, and personal guidance. Clicking through an online portal does not equate to genuine assistance. Aged care decision-making should be a personalized, face-to-face process led by a knowledgeable case manager who can provide real-time advice and has the authority to tailor care to individual needs.

Artificial Intelligence: The Limits of Machine-Driven Care

Artificial intelligence (AI) processes vast amounts of data to identify patterns and predict outcomes - but it does so without the nuance of human emotion or lived experience. People don't make decisions solely based on statistical probabilities; they navigate choices through personal experience, emotions, and circumstances unique to them.

While AI can be a useful tool for presenting data, trends, and possible care options, it must never replace human interaction in aged care decision-making. An older person's care plan should not be dictated by algorithms alone but discussed in depth with a case manager and family to ensure choices are informed and individualized.

Automated Decision-Making: The Dangers of Algorithm-Driven Care

The increasing reliance on Automated Decision-Making (ADM) in aged care is deeply concerning. Systems that use pre-set algorithms to determine care plans, eligibility for services, and subsidy levels effectively remove human judgment from the process. The so-called ‘integrated assessment tool’ was designed to generate recommendations that cater to the majority, not to assess and meet individual needs.

Worse still, challenging a decision made by an automated system is a bureaucratic nightmare. Many older Australians are required to take their complaints to the Aged Care Complaints Commissioner—an entity that lacks the power to overturn decisions. Instead, disputes are referred to the Aged Care Quality and Safety Commission (ACQSC), and the burden falls on the individual to prove that the system got it wrong. How is an older person—without access to the internal workings of an algorithm—expected to challenge a flawed digital decision? This is not a fair system; it is an impenetrable fortress designed to minimize accountability.

Ignoring the Royal Commission in Favour of Industry Interests

Perhaps the most alarming aspect of the Government’s approach is its outright dismissal of the independent findings and recommendations of the Royal Commission into Aged Care Quality and Safety (ACRC). Instead of acting on the Commission’s expert advice, the Department of Health and Aged Care, along with Parliament, have aligned themselves with the recommendations of an industry-led task force.

The result? A further privatized aged care system that prioritizes corporate interests over the voices of older Australians. The introduction of individual co-payments for low-income earners is a direct contradiction of the Royal Commission’s vision—demonstrating a fundamental disregard for the needs of the most vulnerable.

This is not reform; it is a continuation of the very failures the Royal Commission sought to address. Aged care must be built around the needs of people, not profit. Until that happens, Australia’s most vulnerable will continue to be excluded from the care they deserve.

Aged Care Reform: Action Within Reach

What Can Be Done? The Power Lies Within the Rules

While the *Aged Care Act 2024* may not face the overhaul it desperately needs, its broad and flexible structure means significant improvements can still be made without a complete legislative rewrite. The key lies in utilizing the open-ended nature of the Act and its associated rules to implement meaningful change.

- **Exempting Low-Income Individuals from Co-Payments**

No person on a low income should be forced to contribute financially to their aged care. This exemption must extend to pensioners and self-funded retirees whose disposable income falls below half of the national average weekly earnings (\$1,975.80). A full single pension with supplements equates to just \$572.20 per week (\$1,144.40 per fortnight), highlighting the deeply flawed assumption that all older Australians can and should contribute to their care.⁴

- **Revising Exclusions and Service Lists**

The Department of Health and Aged Care, under the authority of the Secretary, has the power to amend service exclusions and eligibility lists. There is no justification for

allowing unnecessary restrictions to persist when the rules provide scope for adaptation and reform.

- **Strengthening Penalties for Harm and Neglect**

Although the *Aged Care Act 2024* minimizes financial and custodial penalties, the rules still dictate their enforcement. Sanctions for negligence, abuse, or systemic failures leading to harm or death must be no less severe than those applied in other areas of society. Currently, accountability measures fall far short of community expectations.

The Aged Care Quality and Safety Commission (ACQSC) must also be empowered to act decisively. If it had real authority and carried out its mandate effectively, far fewer people would suffer due to non-compliance and neglect. Strengthening oversight and ensuring that violations have real consequences is not just necessary - it is a matter of justice.

Reform is not out of reach. The tools for change exist within the current framework. What remains to be seen is whether those in power have the will to act.

Recommendations and Actions: Addressing Unmet Commitments

Many recommendations from the *Royal Commission into Aged Care Quality and Safety* have not been fully realized, leaving critical gaps in the system. While it is impossible to address every shortfall here, there are several key areas where the Department of Health and Aged Care and the Minister can take immediate action through regulatory changes to prevent further harm.

By utilizing the flexibility within the Rules, targeted interventions can be made to ensure that the spirit of the Royal Commission's findings is upheld—particularly in areas where inaction has led to unintended consequences. The following recommendations highlight urgent areas where reform is both necessary and achievable.

ACRC Recommendation 138

Recommendation 138: Productivity Commission investigation into financing of the aged care system through an Aged Care Levy

A hypothecated Aged Care Levy | Commissioner Pagone

It has not been possible within the time available to the Royal Commission to research, model and test the various parameters and models that would need to be considered to design a levy for the reliable and sustainable financing of aged care. For these reasons, it has not been possible to make formal recommendations for the adoption of a specific financing mechanism. Instead, I recommend that the Australian Government should commission the Productivity Commission to investigate and report on the potential benefits and risks of adoption of an appropriately designed financing scheme for the aged care system based upon the imposition of a hypothecated levy.⁵

Individual contributions for aged care are divided into three categories with contribution amounts determined by an income and asset assessment conducted by Services Australia.

Clinical care:	no contribution
Independence:	between 5% and 50%
Everyday living:	between 17.5% and 80%

An example below for individual contributions for Bill the pensioner a renter with \$10,000 savings is \$2467 per annum⁶

Age pension status:	Full Pensioner
Total income:	\$35,245
Homeowner or renting:	Renter
Other assets:	\$10,000
Support at Home class 5:	\$39,574
Individual contribution is:	\$2467 per annum

More case study examples may be found at [Case Studies Support At Home](#)

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There is growing concern among providers that requiring individual contributions for aged care services will force those with complex needs to make difficult trade-offs—choosing which essential supports they must forgo. Cuts to vital services such as home maintenance, social support, transport, and meal assistance are expected, with reports already emerging of showering schedules being reduced from three times a week to just one.

For low-income individuals with high care needs, this reality all but guarantees a premature transition into residential care. The Royal Commission into Aged Care Quality and Safety recognized this risk. Its recommendations were built around the principle of entitlement, ensuring that all older Australians—regardless of income—could access the care they need. The idea that pensioners and low-income earners would be forced to pay out of pocket for fundamental home care services was never part of the vision. It is a failure of policy, not affordability, that has led to this outcome.

‘...Tony Pagone, proposed either an income tax increase of 1 per cent so those on higher incomes paid more, or an increase to the Medicare levy. Lynelle Briggs, argued for a Medicare levy increase but said it should not be hypothecated towards aged care. She said when people entered the aged care system they should not be required to help pay for care, saying ‘such payments amount to a tax on frailty...’⁸

ACRC Recommendation 3: Key Principles Says:

- i. Older people should have certainty that they will receive timely high quality support and care in accordance with assessed need
- xix. The Australian Government will fund the aged care system at the level necessary to deliver high quality and safe aged care and ensure the aged care system’s sustainability, resilience and endurance.

The government has failed to implement Principle 3 of the Royal Commission’s recommendations in several key ways:

1. Lack of Certainty and Timely Access to Care

Despite the Royal Commission’s call for timely, high-quality support, older Australians continue to face long waiting lists for essential services. Home care package delays persist, with thousands of people still waiting for approved care, often for months or even years. Many die while waiting, contradicting the very idea of certainty and timely support.

2. Inadequate Funding to Ensure High-Quality and Safe Aged Care

The Royal Commission made it clear that aged care must be funded at a level necessary to provide safe, high-quality services. However, the government's current funding model still relies too heavily on individual contributions, making care inaccessible for many low-income older Australians. Furthermore, funding shortfalls leave providers struggling to meet minimum staffing requirements, leading to substandard care and increased risks for residents.

3. Sustainability, Resilience, and Endurance Ignored

Rather than building a sustainable and resilient aged care system, government policy continues to prioritize cost-cutting and outsourcing to private operators, many of whom put profits over care quality. The failure to implement a genuine entitlement-based aged care system means access is still determined by availability rather than assessed need - directly contradicting the Royal Commission's intent.

Conclusion

The current funding and implementation approach falls far short of the Royal Commission's vision for a high-quality, universally accessible aged care system. Without urgent reform, older Australians will continue to suffer from delayed, inadequate, and inequitable care - proving that the government has failed to uphold its responsibility to fund and deliver the safe, high-quality aged care system our elders deserve.

The Inspector-General report should provide further information on Recommendations that have been accepted by the Government but fall short of implementing all the criteria, including minor criteria of those Recommendations.

Urgent Action Needed

The Aged Care Minister and the Secretary for Health and Aged Care have the authority to review and amend the funding rules to clearly define low-income status and ensure that those on limited incomes are exempt from mandatory individual contributions. This is a matter of urgency—without immediate intervention, vulnerable older Australians will face significant financial hardship.

To prevent further inequity and distress, this change must be implemented before 1 July 2025. The power to act exists - the question is whether it will be used in time.

ACRC Recommendation 72

Recommendation 72: Equity for people with disability receiving aged care

By 1 July 2024, every person receiving aged care who is living with disability, regardless of when acquired, should receive through the aged care program daily living supports and outcomes (including assistive technologies, aids and equipment) equivalent to those that would be available under the National Disability Insurance Scheme to a person under the age of 65 years with the same or substantially similar conditions.

Immediate Action Needed

Action Required

The age requirement outlined in Section 22 of the NDIS Act must be rescinded to ensure that individuals with the most complex needs receive care within a system equipped to provide specialized support.

Aged care assessments must be tailored to recognize the unique needs of each individual, regardless of how complex those needs may be. The system must prioritize person-centred care, ensuring that all older Australians have access to the appropriate support they require.

ACRC Recommendation 25

A new aged care program

By 1 July 2024, the System Governor should implement a new aged care program that combines the existing Commonwealth Home Support Programme, Home Care Packages Program, and Residential Aged Care Program, including Respite Care and Short-Term Restorative Care. The new program should retain the benefits of each of the component programs, while delivering comprehensive care for older people with the following core features:

- a. a common set of eligibility criteria identifying a need (whether of a social, psychological or physical character) to prevent or delay deterioration in a person's capacity to function independently, or to ameliorate the effects of such deterioration, and to enhance the person's ability to live independently as well as possible, for as long as possible.
- b. an entitlement to all forms of support and care which the individual is assessed as needing.
- c. a single assessment process.

Outcome Single Assessment System

'System Big money, big conflicts. Aged care assessment privatised by stealth'⁹ by Dr Sarah Russell, 1 March 2025.

Sarah Russell reports:

The Coalition government abandoned plans to privatise aged care assessments in 2021 following an outcry from key stakeholders amid warnings of risks to the health of older Australians and conflicts of interest. Three years later, the Albanese Labor government has stealthily done what the Coalition government recognised as a step too far. Labor has largely privatised the aged care assessments under the guise of the 'Single Assessment System'.

Tender Details

Existing system of State assessors, ACAT and RAS has been replaced with outsourced assessment, 17 providers granted tenders with a total value of **\$1,437,678,073.48**

Top three of the successful tenders 6-Dec-2024 to 30-Jun-2029

Serendipity (WA) Pty Ltd T/A Advanced Personnel Management CN4113546
\$ 226,413,420.60

Access Care Network Australia Pty L AusTender CN4113550
\$222,927,622.10

Aspire for Life AusTender CN4113541
\$161,975,181.56

The assessment system was collaboratively developed, tested, and implemented, resulting in successful outcomes. You can find a list of the 17 assessors involved at AusTender¹⁰

Simply search 'Provision of Services to Support the Single Assessment System' in the title field. For further details, entering a supplier's name into the supplier search will reveal the significant scale of the \$1.5 billion outsourcing investment. This figure represents the substantial funds allocated to various winning bidders during the development and trial phases of the integrated assessment tool.

Action Required

With the tenders finalized, immediate and more detailed guidelines are crucial. We must ensure the single assessment system can accurately identify complex health and individual disability needs during initial triage. It's imperative that qualified human assessors, rather than automated systems, make determinations regarding necessary services and supports.

Recommendation 128: Fees for residential aged care accommodation

The new Act should recognise two categories of residents for the purposes of regulation of amounts payable for accommodation: residents for whose accommodation the Australian Government will pay or contribute (eligible residents) and residents for whose accommodation the Australian Government will not make any contribution.

Action Required:

Residential Aged Care Providers must be subject to regulatory requirements that include: a minimum of 20% of beds dedicated to fully financially supported residents, and mandatory provision of basic personal care and enriching activities, specifically podiatry, hairdressing, and supported outings, for all residents.

ACRC Recommendation 35

Recommendation 35: Care at home category

- a) supports older people living at home to preserve and restore capacity for independent and dignified living to the greatest extent and prevents inappropriate admission to long-term residential care
- b) offers episodic or ongoing care from low needs (for example, one hour of domestic assistance per week) to high needs (for example, multiple hours of personal care and nursing care)
- c) provides a form of entitlement (such as, for example, a budget) based on assessed needs which allows for a coordinated and integrated range of care and supports across the following domains:
 - i. care management
 - ii. living supports, including cleaning, laundry, preparation of meals, shopping for groceries, gardening and home maintenance
 - iii. personal, clinical, enabling and therapeutic care, including nursing care, allied health care and restorative care interventions
 - iv. palliative and end-of-life care

Action Required:

The success of the Support at Home program hinges on its ability to genuinely support, not merely provide a framework riddled with exclusions disguised as 'everyday expenses.' Aging, an inherent part of life, often entails a gradual loss of independence. A truly effective Support at Home model must embrace inclusivity, responding to genuine need rather than adhering to rigid, exclusionary ideologies.

A cursory review of the program handbook, specifically the 'Support at Home Service List' on page 17 and the 'AT Home Modifications' section referenced on page 46, reveals a concerning list of out-of-scope items. While some may perceive these exclusions as minor, they pose significant barriers for individuals with complex needs, potentially accelerating their transition to residential care.

Consider, for example, the cost of essential non-PBS medications, such as those prescribed for incontinence, vitamin deficiencies, or allergies. These are not luxuries, but necessities. Similarly, the absence of home maintenance support leaves individuals vulnerable to basic household issues like blocked drains or leaking taps, creating environments that are both unsafe and unsustainable. The program's intent, as outlined in the handbook, should be to empower individuals to age in place with dignity, not to create a system where everyday realities become insurmountable obstacles.

ACRC Recommendation 98: Improved complaints management

ACRC Recommendation 100: Serious incident reporting

ACRC Recommendation 101: Civil penalty for certain contraventions of the general duty

ACRC Recommendation 102: Compensation for breach of certain civil penalty provisions

ACRC Recommendation 103: A wider range of enforcement powers

The response to ACRC recommendations 98, 100, 101, 102, and 103 has been deeply inadequate. The current framework of the Aged Care Act and its associated rules, which effectively minimizes financial penalties and avoids custodial sentences, creates an environment where systemic abuse thrives unchecked. Unless these recommendations are substantially reconsidered, this pattern will persist.

Furthermore, the Aged Care Quality and Safety Commission's decision to allocate nearly \$600 million in AusTender contracts since 2021, encompassing advisory services and shadow workforce provisions, raises serious concerns. Their operational model appears to resemble that of a brokerage rather than a robust regulatory body. This trend suggests a troubling shift towards increasingly outsourced investigations, a practice that ultimately undermines the integrity and effectiveness of oversight. This approach simply fails to meet the fundamental requirements of safeguarding vulnerable individuals.

The examples for priority incidents 1 include:

... a 'SRI reportable incident' refers to a 'Serious Incident Response Scheme (SIRS) reportable incident', which includes events like: unreasonable use of force, unlawful sexual contact, psychological or emotional abuse, neglect, unexpected death, stealing or financial coercion by staff, inappropriate use of restrictive practices, and unexplained absence from care (missing residents)¹¹

Action Request:

To enhance transparency and public accountability within the aged care sector, I urge the Office of the Inspector-General of Aged Care to publish the Aged Care Quality Standards Non-

Compliance Decision Log, covering the period from July 1, 2024, to January 31, 2025. This proactive disclosure would not only empower consumers and their families to make informed decisions but also provide valuable insights for researchers, policy makers, and providers seeking to improve service delivery. Furthermore, I recommend that this log be updated and released on a quarterly basis moving forward, ensuring ongoing access to crucial information.

I also ask that the Inspector General read the Parkinson's Australia Submission Rules 2a ¹²

I urge the Inspector-General to thoroughly examine the profound trauma and systemic failures revealed in Sue's submission, specifically as they pertain to her tireless advocacy for her husband Gene's basic care needs. Sue's experience is not merely a personal tragedy; it serves as a critical case study, illuminating the potential for systemic deficiencies to inflict significant emotional and psychological harm on caregivers. By meticulously analysing the outcomes and trauma Sue endured, the Inspector-General can identify crucial areas for reform, preventing similar experiences for future families navigating the aged care system. I further recommend a review of existing caregiver support mechanisms to ensure they adequately address the emotional burden faced by those advocating for their loved ones.

I urge the Inspector-General of Aged Care to look beyond the surface and recognize the systemic failure that is leaving older Australians without the care and protection they are rightfully entitled to, as outlined in the ACRC recommendations. The gap between policy and practice is widening, and no amount of positive messaging can mask the reality of inadequate care. This is a call for accountability, not just commentary.

Outsourcing

The Department of Health and Aged Care, mirroring a broader trend within government, heavily relies on external providers for critical functions like auditing, financial modelling, and strategic guidance. A roster of consultants, including global firms such as KPMG, PwC, and Accenture, alongside local entities like Nous Group, Stewart Brown, and HealthConsult, and a multitude of specialized aged care advisors, shape the department's operations.

Despite the Royal Commission into Aged Care Quality and Safety, established in 2018 and concluding in 2021, which laid bare the systemic failures and suffering endured by many recipients, a crucial aspect remains largely unexplored: the escalating financial burden of government-funded aged care. While the Commission exposed the human cost, a deep dive into the cost-effectiveness of this extensive outsourcing model has yet to occur.

A thorough, independent inquiry into the financial implications of this reliance on external consultants is long overdue. Such an investigation would not only illuminate the true cost of privatizing government functions but also raise fundamental questions about the ethical dimensions of such arrangements. It's time to shine a light on whether this model truly delivers value for taxpayers and, more importantly, whether it serves the best interests of vulnerable older Australians.

The Privatisation of Morality

The disconnect between the extensive efforts of aged care advocates and the subsequent policy trajectory has generated widespread dismay. Despite thousands of hours dedicated to consultations, webinars, conferences, and formal submissions, the core recommendations of the Royal Commission into Aged Care Quality and Safety have been largely sidelined.

Several factors contribute to this divergence. The current government, facing electoral pressures, has prioritized outsourced consultancy advice over a government-led approach to aged care. This strategic choice has alienated long-standing supporters, particularly older Australians, who were presented with a narrative emphasizing generational responsibility. The argument centred on the idea that older generations, having accrued wealth, should contribute to the community by supporting the privatization and standardization of aged care services. This approach favoured streamlined service provision through itemized lists, aligning with provider capabilities.

A significant disparity exists between the independent Royal Commission and the subsequent government task force. While the Royal Commission operated autonomously, the task force reported directly to, and was chaired by, the relevant Minister. Furthermore, a substantial portion of the task force membership comprised individuals from within the very aged care sector that had been the subject of the Royal Commission's inquiry. Consequently, the task force's recommendations were prioritized over those of the independent Commission.

The result is a system where the allocation of resources prioritizes management and financial returns over individualized care. This fundamental imbalance suggests that aged care quality will continue to be compromised, failing to meet the needs of vulnerable older Australians.

Aged Care Costs Spiralling Out of Control

Concerning variations in aged care expenditure across a four-year period.

- In 2021 my pressure socks cost \$47 a pair. The same socks now cost \$85.
- In 2020 the agreed Residential Accommodation Deposit (RAD) was \$450,000.¹³ In January 2025, this was raised to \$750,000 (21)
- In 2020, my mother's wheeled-walker cost \$365. Last June I had to pay \$750 for a similar calibre walker.¹⁴
- In 2021-22 the Aged Care Budget was \$17.7b. By 2024-25 the budget is \$36.2b.¹⁵

The accelerated push towards privatization within aged care has yielded a stark and troubling outcome: a doubling of costs within four years, unaccompanied by a commensurate expansion in participant numbers. This financial surge has been further exacerbated by a contraction in available services and an increase in co-contribution requirements, a reality that stands in stark contrast to the vision and recommendations put forth by the Royal Commission.

Even prior to these changes, maintaining independence at home was becoming increasingly difficult without substantial government support. The introduction of individual contributions to the Support at Home program, scheduled for 1 July 2025, will further compound these challenges. While existing home package recipients as of 12 September 2024, are promised grandfathered fees, ensuring they pay the same or less, a critical oversight remains: the lack of comprehensive financial modelling for new entrants into the aged care system.

The absence of such projections raises serious concerns about the affordability of Support at Home and residential care for future participants. There's a growing apprehension that individuals will delay seeking assistance for as long as possible, and once compelled to engage with the system, will opt for the most minimal service packages available. This anticipated shift will inevitably place undue pressure on state hospital systems, leading to premature entry into residential aged care, ultimately increasing government expenditure.

The fundamental question remains: how can a system designed to provide less, ultimately cost more? This paradoxical outcome raises serious doubts about the efficacy and sustainability of the current aged care model.

Aged Care Royal Commission and the Aged Care Task Force

A deliberate departure from the ACRC's recommendations is evident in the current design of Support at Home and Residential aged care. This departure has paved the way for ideological structures that favour outsourcing to, and management by, global corporations. The consequence of this is a system where profit-driven objectives often eclipse the fundamental needs of older individuals. Specifically, the ACRC advocated for a model that focused on direct service delivery and robust public accountability, principles that are increasingly obscured by the current emphasis on corporate efficiency and financial returns. For example, the increased outsourcing of assessment services has led to concerns of a reduction in individualized care.

The Morrison Governments response to the ACRC report

... The final report of the Royal Commission makes 148 recommendations. Following 23 public hearings over 99 days, 641 witnesses, and over 10,000 public submissions, they are the product of wise and compassionate scrutiny of Australia's aged care system

... The 2021–22 Federal Budget provides a comprehensive response to the Royal Commission's final report. The proposed \$17.7 billion aged care reform package is designed to deliver sustainable quality and safety in home and residential aged care services.¹⁶

Parliament of Australia Budget Resources Aged Care: Eleanor Malbon¹⁷

[Funding for Aged Care Services](#) is the Australian Government's fourth biggest expense program, estimated at \$36.2 billion in 2024–25 – this excludes around \$2.3 billion in funding for other aged-care related programs (pp 199, 210).

Australia's [aging population](#) presents a challenge for governments to sustainably fund future high-quality aged care services (pp 46–50). Aged care is one of the fastest growing areas of Australian Government spending over the medium term, with average annual growth [estimated](#) at 5.7% from 2024–25 to 2034–35 (p91)

One proposal to fund increased aged care spending is a new levy imposed through the tax system, similar to the current Medicare levy. The Royal Commission into Aged Care Quality and Safety [recommended](#) this approach (recommendations 138 and 144); however, the Aged Care Taskforce argued against this in its [final report](#), citing concerns with intergenerational equity (p 20). Instead, it recommended an increased resident co-contribution arrangement with a means-tested safety net but did not expand in detail (p 27).

Accordingly, [Emeritus Professor Hal Swerissen has stated](#) that 'the taskforce failed to consider the mix of taxation, personal contributions and social insurance which are commonly used to fund aged care systems internationally'.¹⁸

ACRC October 2018- March 21 (Consultation 30 months)

ARCR commissions independent of aged care commercial entities;

23 public hearings over 99 days, 641 witnesses, and **over 10,000 public submissions**¹⁹

Aged Care Task Force June 2023-Dec. 2023 (Sitting 6 months)

180 written submissions, 1,944 survey responses (Aged Care surveys target certain concerns and generally are not open for dissenting input whereas ACRC input was completely open), and holding 12 forums with 98 online attendees and 312 in-person attendees, and 11 targeted roundtables with 105 attendees.²⁰

Critical Insights on Aged Care Policy and Economic Realities

The recommendations from the Aged Care Task Force seemed to prioritize economic opportunities for the broader population, but they overlooked the economic challenges faced by older Australians managing multiple health and age-related conditions, especially in a time of escalating living costs.

In 1970, Alvin Toffler and his wife published *Future Shock*, arguing that rapid technological and social changes were creating widespread disorientation and stress - what they termed 'future shock'. Toffler suggested that many social problems were merely symptoms of this larger, destabilizing trend. We are now facing a similar crisis, as technological advancements, particularly AI and Automated Decision Making (ADM), begin to deeply affect how we access government services. For those most in need of support, this 'future shock' will only exacerbate their vulnerability.

If governments fail to provide face-to-face or telephone support for older individuals who require assistance, these people will be left unaware of the decisions being made about them—decisions often made without their knowledge or true consent. This represents a shocking abandonment of not just the provision of services, but of their basic right to be informed, as mandated under the Aged Care Act 2024.

Toffler also predicted a shift in democracy, where individual voices would matter less in government decisions. In 1970, he warned that Task Forces would serve government interests rather than the public good, a forecast that now seems remarkably prescient. Originally, Task Forces were made up of diverse teams with a broad range of skills and perspectives.

However, the 2023 Aged Care Task Force was dominated by individuals²¹ within the aged care sector and those with close ties to the government. Unsurprisingly, this Task Force, which reported to Minister Wells, who was also the Task Force Chair, recommended continuing the pattern of outsourced industry advice and policy that has contributed to the challenges we face today.

Purpose *The Aged Care Taskforce (Taskforce) is established as a time-limited body to provide expert advice to government through the Minister for Aged Care. It is not a decision making or funding body.*

Objectives of the Taskforce. *The Taskforce will provide government with advice on funding arrangements for aged care to ensure that the aged care system is fair and equitable for all Australians*²²

We are not aware of any meaningful consideration being given to the Aged Care Royal Commission's advice that aged care must not create a system of division between the wealthy

and those with fewer resources. The Commission recommended that funding for aged care should be sourced from a levy through an increase in either Medicare or GST to ensure fairness.

Regarding the Task Force Report, I find the discussion around intergenerational equity to be a political manoeuvre that fails to grasp the financial realities faced by many people who rely on aged care services. Both Commissioners suggested that this issue should be referred to the Productivity Commission, which is better equipped to assess the broader economic implications and determine the most effective solutions.

While it is reasonable to consider using significant superannuation funds to help fund aged care, it is deeply concerning that proposals seem to suggest relying on the limited resources of the aged pension for this purpose. This is simply not an equitable solution.

Increasing aged care funding through additional taxation would exacerbate intergenerational inequity

The Royal Commission suggested creating a levy, similar to the Medicare Levy, to fund aged care. Both Royal Commissioners Pagone and Briggs were in favour of income tax increases to fund aged care costs, although their models differed. The Taskforce considered these and other options, some raised via consultations, including an increase to the Goods and Services Tax (GST). While the Taskforce supports government maintaining its central role in funding aged care, it does not support a specific increase to tax rates to fund future rises to aged care funding. There are substantial intergenerational equity issues in asking the working age population, which is becoming proportionally smaller to pay for these services. Moreover, superannuation has been designed to support people to grow their wealth and fund the costs associated with retirement including aged care.

What did a government minister do to support the argument for intergenerational equity? The Aged Care Minister criticized baby boomers, labelling them as a wealthy group who have ‘done too well.’

Aged Care Minister ... says Baby Boomers have had a pretty good run throughout their lives, and those with the means to do so need to pay more for their aged care.²³

The Aged Care Minister needs to acknowledge not all older Australians can afford to contribute to their care, and it is not their fault that advancements in health standards have led to longer life expectancy. For those who have saved, their funds must last to maintain as much financial independence as possible. The Minister should recognize that older individuals with savings contribute to the community by spending, and whatever remains after their death - whether it's their savings or the family home - helps build intergenerational wealth.

It is undeniable that the current increases in the aged care budget are unsustainable. Therefore, the government must stop outsourcing services to privatized global corporations. The result of this practice is profit-taking and an endless drive for growth. Once growth slows, investors will seek more profitable opportunities, leaving the government without the necessary policies or infrastructure to ensure equity from the commonwealth. How will the government continue to fund essential services once investors pull out?

The assumption that all older people can contribute to their own care is not only unrealistic but could have devastating effects on the broader economy. The more money older Australians

are forced to spend on their care, the less they can spend on other sectors, such as tourism and hospitality. These industries will likely be hit hardest, as evidenced by EuroStat figures that show older individuals in Australia historically spend a significant portion of their disposable income on travel and leisure.

Tourists aged 65 years and over accounted for nearly 1 in 4 (24 %) [tourism nights](#) for private purposes spent by EU residents aged 15 years and over (see Figure 1). This figure was close to this age group's share in the population aged 15 years and over (25 %).²⁴

People aged 65 years and over were more inclined to travel in their own country (70%), making longer trips (6.3 [nights on average length](#)) and staying more often at [non-rented accommodations](#) (53% share of nights).²⁵

It is flawed economic modelling to direct financial burdens onto a single age demographic to support a specific sector. The housing market, driven by banks and institutional investors, has generated enormous profits while siphoning billions from the broader economy. Meanwhile, student loans have forced many to delay starting families or securing permanent housing. Once the 'bank of Mum and Dad' is depleted by global investors, where will the younger generation turn for help?

Intergenerational wealth is not inherently problematic; when people pass away, taxes are paid, and the remaining assets are often used to clear debts or spent on general commercial activities. The ideological stance taken by members of the Aged Care Task Force reflects a troubling lack of independence from the aged care industry, which has shaped their approach.

The government's failure to implement the Royal Commission's critical recommendations is not just neglect—it's a betrayal of older Australians who deserve dignity, safety, and quality care. Every delay means more vulnerable people suffer in an underfunded, profit-driven system that puts dollars before dignity. The Royal Commission laid out a clear roadmap for reform—ignoring it is a conscious choice to let systemic failures continue. The time for excuses is over. The government must act now to fix aged care before more lives are lost to negligence and inaction.

Unfortunately, the disregard for the Royal Commission's recommendations extends further than we realized in December 2024, when Stephen Duckett first highlighted it in *Pearls and Irritations*. **'Finally, the new Act smacks of "rights washing"'**²⁶

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