

# A bipartisan Failure: Aged Care

2025 progress report on the implementation of the recommendations of the Royal Commission into Age Care Quality and Safety

**12 March 2025**

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## Summary

The following pages consider the bipartisan failure of governments to support the recommendations of the Royal Commission into Aged Care Quality and Safety. Governments and their departments have become bound by the financial chains of outsourcing. Policy advice has led to programs that do not fully recognise the individual nor their individual need.

As a positive, the Aged Care Act and associated rules are so open-ended, that it is still within the power of the Department of Health and Aged Care and the minister to address some of the ideological 'enthusiasms' that prevent people receiving affordable and essential 'remain at home' services.

I ask that all who have the power within their office to re-consider the failures within this Aged Care Act and rules, that are not yet in law.

I ask that all consider whether co-payments for pensioners and people on low incomes, is just another **step too far**.

I implore you to Act **now**.

## Introduction

Dear Inspector-General of Age Care,

It is with deep regret that I can now categorically say there has been a total abandonment of the findings and recommendations of The Royal Commission into Aged Care Quality and Safety (ACRC).

Since winning office in 2022, the Australian Labor Party continued with the LNP process for the outsourced privatisation of Age Care which began more than two decades ago. Over the last 15 years governments of the day stood aside as the majority of departments became more and more reliant upon a wide range of industry consultants<sup>1</sup> for policy, spin and the creation of a shadow workforce to manage government business. There has been little change in the direction or ideology of the program to provide care for the older person since this current round of work began in 2020.

On the 1 Mar 2021 ACRC commissioners made a total of 148 recommendations<sup>2</sup> focused on a wide range of areas. The first recommendation was for a New Aged Care Act that was to be rights based with an ethos of entitlement. The intent was to provide access to a wide range of services to support people in their own homes and stall admission to residential care. There was the caveat that the cost of home support was not to exceed the cost of supporting an individual in residential care. The Age Care Bill 2024 was finally passed<sup>3</sup> by Parliament on 25 November 2024 and will come into effect

on 1 July 2025. On the 7 November an amendment was passed that saw little opposition; 51 Ayes and 8 Noes. A total of 3 LNP were in the chamber. It appears that the opposition were happy to have the bill passed but did not see a need to have their stamp on it.

At the time of the passing of this bill it became evident that few members of parliament understood the bill nor had the resources to scrutinise the detail.

It is the belief of many of us and to date evidenced that Australian Governments will fail to deliver services to the people of Australia in an economic way until they minimise the reliance upon contractors and outsourced advisors. The outsources are entrenched and in control, need I say more than submarines!

The challenge to good governance is demonstrated by the government ministers and department heads to access truly independent advice. An embarrassing precedent has been established. Billions have been paid for advice, and it will need a brave minister to reset the agenda. Current department heads and ministers did not operate in the times past when government was truly held responsible for financing and management within their departments.

In 2025 finance is no longer reliant upon intergovernmental agreements, today global financiers and investment funds are in control. We can be reminded of the stranglehold for wider Asia when the East India Company held the purse strings.

A policy change is urgently needed to ensure that the bulk of expenditure goes to services, not propping up the expansion of outsourced analysis, auditing and costs of privatised provision. The Aged Care Budget increase from \$17.7b in 2021-22 to \$36.2b in 2024-25 without an efficiency of tripling capacity for the number of recipients is not something that any government should be proud. This growth in expenditure is not sustainable. Outsources sold a pup while crying poor.

The outsourced government spin doctors confused voters with flim flam and tales of how much better things will be when the new programs are in place. The reality is that the current programs might not have new names but the new rules and exclusions are in place and have been morphed in processes over the last two years.

A reality check is urgently required to arrest further defragmentation of society. All must be done to mitigate the abandonment of older people without funds less they become an economic burden, and second class institutionalised inmates of residential care. Good people must stand together to arrest the preventable suffering and premature death of our most vulnerable. People in real need must not be hidden from sight to become a unit of profit for the businesses of the very rich.

## What is 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

## Outcome from ignoring ACRC is an Aged Care system that only privileged can afford

An abject failure to implement and understand the recommendations of the ACRC

### **Recommendation 1: A New Act<sup>4</sup>**

*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*

The Age Care Act 2024 has enabled Individual contribution and bundled premium services that create division between the have and the have nots.

The Aged Care Act 2024 has failed to ensure that all older people should be able to access a high standard of health and aged care regardless of their ability to pay.

The Age Care Act 2024 and subsequent rules have created if not outwardly supported service continuity that will only be available to those who can pay gaps and contributions.

## Digitisation

The work underway to digitise access to all government services creates division between the tech savvy and those who need extra time to consider what is being asked and offered and how they should respond. Pages and pages of explanations are of little use to people at a time when they are being pressured to make decision that will impact on the types of services they need and how those services will be provided.

The larger cohort of older people need time and support to understand their options. Someone pressing buttons on a keyboard, no matter how well intended is not

supporting people to make decisions. Decision making in aged care is best done face to face with a case manager who has the authorisation to make individualised decision and has the knowledge of the system to advise on options.

## A.I.

Artificial intelligence is just that. A.I. arranged massive amounts of input artificially to come up with the most common outcomes and by its very nature does not function within a platform of emotional intelligence. Humans don't work like that; most arrive at decisions from the limited input that they have, and the decisions made are more often than not emotional by nature.

A.I. is a valuable way of understanding constants, but humans are not constants and decisions should not be made about them from analysis at any one point in their lives.

In aged care A.I could be a valuable tool to present your stats, your options and the most common outcomes. It should then be up to the older person to discuss this with an advisor (Case Manager) and family to make informed choices and decisions.

## ADM

The combination of the use of Artificial intelligence (A.I.) and Automated Decision Making (ADM) to determine aged care programs is terrifying. The integrated assessment tool to arrive at outcome for services determined using preset algorithms and manage older people's health and support is abhorrent. The integrated assessment tool was developed to provide recommendations for the largest number of people requiring age care support.

ADM is further used amongst many things to determine eligibility to services, programs and levels of subsidy. In many cases to question a decision made by ADM requires the older person to complain to Aged Care Complaints Commissioner. The complaints Commission is not empowered to make determinations. Where an error was likely to have been made will the aged care complaints commissioner refers the complaint to the ACQSC for a determination. However, the complainant needs to demonstrate that the system governor, in affect a computer program, has not had the information to make the correct decision. Well, howdy doo. I am old and I can't fight systemic failure. I just need services that meet my individual needs.

## ACRC and Aged Care Task Force

It is absolutely abhorrent that the Department of Health and Aged Care and the Parliament of Australia has ignored the independent findings and recommendations of Royal Commission in favour of ideological recommendation of an Industry Task Force.

Aged Care has been further privatised in a system that does not facilitate input from the older person. Individual contributions from low-income earners demonstrates a total lack of understanding of the recommendations of the ACRC.

## What to do?

### The solution is within the power of the rules

It is not likely that the Aged Care Act 2024 will receive the shredding it deserves but due to the open ended nature of the Act and associated Rules, much can be done without major revision.

- First off, all people on low incomes can and must be exempted from Individual contributions. That includes pensioners and self-funded retirees where their disposable income is less than half the Australian average weekly earnings \$1,975.80<sup>5</sup>.

A full single pension with supplements is \$ 572.20 per week (\$1144.40<sup>6</sup> paid fortnightly). These discrepancies between incomes surely demonstrate how flawed the ideological argument is that all older people can and must contribute to their aged care.

- Changes to exclusions and service lists can be sanctioned by department via the secretary of health and Aged Care.
- Though guidelines for financial and custodial penalties have been minimised to in the Age Care Act, the rules do set the rates.

Penalties for wrongdoing that leads to injury or death of a person receiving aged care services should be no less than they are for any other members of society.

There are things that can be done, but what is being done to address wrongdoing, falls far short of community expectations and standards. If ACQSC had some teeth and did the job that is expected of them perhaps fewer people would suffer at the hands of the non-compliant.

## Recommendations and Actions

There are too many ACRC recommendation where the intent has been not met. I can't comment on them all, nor would the process be helpful. The following are a small number of recommendations where I believe the Department of Health and Aged Care and the minister can intervene via the 'Rules' to mitigate unintended harm.

## 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.<sup>7</sup>*

### Individual contributions

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 annum

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 examples Case Studies: Support at Home

<https://www.health.gov.au/resources/publications/case-studies-support-at-home?language=en>

There is little doubt amongst many providers that individual contributions will mean that people with complex needs will have to make hard choices about which services they will need to go without. It is expected that there will be a cutting back on a wide range of services such as home maintenance, social supports, transport, meals. There has been considerable discussion about showering reduced from 3 times a week to one. Without any doubt people with more complex needs and on low income, their pathway is a premature entry to residential care.

The ACRC Commissioners understood this. Not in their wildest nightmare did they ever imagine that all pensioners and low income earners would be forced to pay for their home care, that is why the recommendations are based around entitlement.

*“..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...”<sup>8</sup>*

## ACTION required

It is within the power of the Aged Care Minister and/or the Secretary for Health and Aged Care to review and modify the funding rule to clearly define low income and exempt low-income earners from paying individual contributions.

**This matter is urgent and must be implemented before 1 July 2025**

## 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.*

## ACTION required

The ‘age requirement’ specified in section 22 of the NDIS Act must be rescinded to ensure that people with the most complex need are cared for within a system that has the means to provide specialist supports.

The aged care assessment and support must recognise the individual and individual needs regardless of how complex.

## 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

Big money, big conflicts. Aged care assessment privatised by stealth.<sup>9</sup>

by [Dr Sarah Russell](#) | Mar 1, 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

**\$ 226,413,420.6**

Access Care Network Australia Pty L Austender CN4113550

**\$222,927,622.10**

Aspire for Life Austender CN4113541

**\$161,975,181.56**

You help design it test it and use it – everybody happy guess so!

To view the list of 17 happy assessors link <https://www.tenders.gov.au/>,

In the title search enter Provision of Services to Support the Single Assessment System,

A little more inquisitive enter one of the supplier names above in the supplier search. A quick click will show how understated the amount of \$1.5b is to outsource assessment. There were significant amounts paid to a number of Single Assessment tender winners during the development of the integrated assessment tool and its trialling.

### **ACTION required**

As the tenders are in place; greater guidance and direction is urgently needed to ensure that the single assessment system is capable of flagging during initial triage complex health and individual disability. It is essential that a specialist assessor, not a computer program determines what services and supports required.

## **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**

All Residential Age Care Providers should be mandated within the rules to ensure that over 20% of all beds are available for aged care fully financially supported residents.

All Residential Age Care Providers must be mandated within the rules to ensure that all residents receive basic personal care services and activities that include podiatry, hair dressing and supported outings.

## 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

If Support at Home is to work the support must do just that and not be limited by a range of exclusions based on the principle that they are everyday expenses.

Getting old is an everyday activity and being unable to do many of the things that you were once able to do is a part of that aging.

Support at Home should be inclusive and address need, not support an ideological bound by a list of exclusions.

Consider the intent of the Support at Home program handbook Program details for 1 July 2025 v 1.4 25 Feb 2025<sup>10</sup>. The out of scope items on Support at Home Service List page 17 and AT Home Modifications are available on the link on page 46. It is not my intention to go through all the exclusions individually. To some these exclusions may not seem unreasonable but for people with complex needs these extra costs will result in a quick trip to residential care. Just consider the cost of non-PBS medications recommended by a GP, such as those to manage incontinence, vitamin deficiency, allergy. There is no home maintenance so funds cannot be used to unblock a drain or get a leaking tap fixed.

## 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

I am treating the response to ACRC recommendations 98,100,101,102,103 as absolutely appalling. The Aged Care Act and rules have not supported custodial sentences and minimalised financial penalty to the point that addressing systemic abuse has and will continue unrestrained unless these recommendations are revisited.

Since 2021 The Aged Care Quality and Safety Commission has outsourced nearly \$600 million in AusTender<sup>11</sup> contracts that have included advice and shadow workforce. They appear more as a brokerage than a regulator. I fear that in the future more and more investigations will be conducted via outsourced inquiry. Just not good enough.

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)<sup>12</sup>*

## Action Request

I am asking that the office of the Inspector General Age Care upload and share the Aged Care Quality Standards Non-Compliance Decision Log - 1 July 2024 to 31 January 2025

<https://www.agedcarequality.gov.au/media/101125>

I also ask that the Inspector General read the Parkinson's Australia Submission Rules<sup>213</sup> a.

I ask that the Inspector General consider the outcomes and trauma in that submission that Sue experienced while she strove to ensure that her husband Gene received the care that should have taken place.

<https://www.parkinsons.org.au/wp-content/uploads/2024/12/ACA-Submission-Rules-2a-Dec-2024-PAL-FINAL.pdf>

I ask the Inspector General of Age Care to recognise that in spite of all the spin, older people are not receiving the care and protection that they are entitled to as recommended by the ACRC

## Outsourcing

The Department of Health and Aged Care just like other departments is reliant upon outsourcing for essential services such as auditing, and financial advice modelling. DoHAC's advisors include global and local consultancies KMPG<sup>14</sup>, Nous Group<sup>15</sup>, Stewart Brown<sup>16</sup>, PWC<sup>17</sup>, HealthConsult<sup>18</sup> Accenture<sup>19</sup> and a stack of niche advisors servicing aged care.

The Royal Commission in aged care was established on the 8 October 2018 with the final report delivered on 1 March 2021. Since 2018 we have learnt more details of the systemic horrors for many age care recipients. Few have taken time to inquire into the detail and reasons for the financial blowout of government funded aged care. An investigation into the cost effectiveness of outsourcing will one day uncloak the true of some of privatizing government and morality.

## The privatizing of morality

It totally confounds the hoards of advocates who participated in thousands of hours of consults, webinars, conferences and the writing of submissions, that the work of the Royal Commission into Aged Care Quality and Safety was to the main ignored.

The following are just some of pointers to what went wrong. The Labor government fearful of electoral loss opted to follow outsourced advice rather than consider that aged care should be directed and where possible managed by government.

What shocked many of the entrenched Labor voters and older people is how this was sold to the people of Australia. Older people were boomers who had all done well and it was about time they paid something back to community.

And how best to pay it back? Privatised as much as possible with standardised services that are within the scope of providers to streamline supply to a list of easy to manage item lists.

There is no meaningful comparison between the work of the ACRC and the task force, yet the recommendations of the task force took precedence. The ACRC was independent, the Task Force not only reported to the Minister but also chaired by the Minister. The members of the task force to most part came from the very aged care system that led to the Royal Commission.

Sadly, aged care quality will fail, where it shouldn't. The reason being that greater percentage of each dollar is profiteered on management and financial return than is spent on directing care to individual need.

## Aged Care Costs spiralling out of control

Troubling examples cost comparisons for aged care over four years.

- In 2021 my pressure socks cost \$50 a pair, same brand same type now \$100.
- In 2020 the agreed Residential Accommodation Deposit (RAD) was \$450,000<sup>20</sup> by 1 Jan 2025 is \$750,000<sup>21</sup>
- In 2019 my home walker cost \$350 same walker now \$650- \$750<sup>22</sup>
- In 2021-22 the Age Care Budget was \$17.7b. by 2024-25 the amount is \$36.2b.

Greater level of privatisation more than doubled the cost in four years without significant increase in participant numbers but with a decrease in number of services available topped up with increased co-contribution. Just Crazy this is not what the Royal Commission was about or recommended.

Supporting yourself at home was already increasingly challenging without government subsidy. From 1 July 2025 Support at Home individual contributions will commence, Fees and cost will be grandfathered for people who had home packages as of 12 September 2024, they will pay the same or less under Support at Home.

No one has done any real modelling on how the new entrants to age care will manage individual contributions for Support at Home and increased costs for Residential Care. Thoughts of many is that people will opt out for as long they can, and once in the system will only access minimal range of services. There is also the inevitable pressure on the States' Hospital systems, and early entry to RAC, costing the Government more. More budgeted to provide less?

## Aged Care Royal Commission and the Aged Care task Force

Support at Home and Residential care have ignored the recommendations of the ACRC in favour of ideological structures that favour outsourcing and management by global corporations where profit is placed before the needs of the older person.

## 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.* <sup>23</sup>

## Parliament of Australia Budget Resources aged care Eleanor Malbon

*[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 [ageing 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 (p. 91)*

*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'.<sup>24</sup>*

## ACRC October 2018- March 21 (Consultation 30 months)

ACRC commissions independent of aged care commercial entities

*23 public hearings over 99 days, 641 witnesses, and **over 10,000 public submissions***<sup>1</sup>

## Ages 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.<sup>25</sup>

Recommendations from the Aged Care Task Force for were based on economic opportunities for the general population but not considerate of the economic needs of older people managing a wide range of health and age-related conditions in a climate of excessive increases in the cost of living.

In 1970 Alvin Toffler and his wife published Future Shock. They argued that the accelerated rate of technological and social change leaves people disconnected and suffering from "shattering stress and disorientation"—future shocked. Toffler stated that the majority of social problems are symptoms of future shock.

I believe that we are now at that point with Technology and will experience enormous fragmentation in the computer as AI and ADM (Automated Decision Making) impact our access to government services. The future shock will impact those who are most in need of support. If governments do not provide face to face, and telephone support to older people needing support they will be left with no way to know about the decisions that are made about them without their input or true consent. A shocking abandonment not only of not providing services but also of not acknowledging their rights to be informed under the Aged Care Act 2024.

Toffler also wrote of the change to democracy where the individual would have less input into how their governments did business. In 1970 he wrote of Task Forces doing the bidding of government and how prophetic was he. Initially tasks forces were built from teams of individuals, keeping an eye to diversity of skills and not necessarily aligned to the areas up for review.

The 2023 Aged Care Task force was dominated by people<sup>26</sup> within the aged care sector and/or had positions of influence within Government. Furthermore, the Task Force reported to Aged Care Minister Wells who was also the task force chair. The Task Force not surprisingly recommended outsourced industry advice and government policy.

**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.*<sup>27</sup>

I am unaware of any serious consideration being given to the advice of the Aged Care Royal Commission that aged care at all costs must not create a system of division between the have and have nots and should be funded by a levy via increase in Medicare or GST.

Extract from the task force report below; I find the following intergeneration equity issues a political ploy and total failure to understand the financial position for a large number of people who receive aged care services.

What both commissioners recommended was that the matter be referred to the productivity commission that is better placed than a commission to determine best outcomes for the broader economy. Most certainly superannuation where the amounts are significant should be used to help for aged care, but surely not the dregs from aged pension!

***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 minister of the crown do to support the argument for integrational inequity do? Minister Wells slammed baby boomers as one rich mob who have all done too well.

*Aged Care Minister Anika Wells 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.<sup>28</sup>*

Well, Minister Wells not all older people are able to pay towards their care and it is not their fault that due to better health standards that they have lived longer. For those who have saving, those savings are going to have to last to keep them as financially independent as possible.

Minister Wells should know that older people who have money to spend it in the community and what's left when they die will provide equity in the form of intergenerational wealth, even if all that is left is the shelter of the family home.

There is no argument that current increases in the Aged Care budgets are not sustainable. So, stop outsourcing of services to privatised global giants. The outcome is

profit taking and need for growth. Once growth has plateaued investors will seek other opportunities that will leave governments bereft of sound policy and infrastructure to provide equity from the common wealth.

How will the government fund essential services once investors take a walk? The idea that all older people can contribute to their care is not only ridiculous but has serious consequences for the wider economy. The more spent by older people for their care, the less they will spend on other services outside aged care and health. The tourism industry will be one of the first to be hit, followed by hospitality. I am sure the EuroStat figures below reflect the numbers of older people in Australia who spent their disposable income on travel and hospitality.

*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 %).<sup>29</sup>*

*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).<sup>30</sup>*

It is very poor economic modelling that centres expenditure to one particular age demographic to fund a specific sector. Cost of housing and rent has reaped enormous profits for banks and institutional investors and continues to take billions out of the general economy. Student loans for education has mean for many the deferring of having children and securing a permanent home. Once the bank of Mum and Dad has been fleeced by global investors, where will the young go for help. Intergenerational wealth is not a bad thing as when people die, taxes are paid with the distribution more often than not spent clearing loans or being spent on general commercial activities.

This ideological drive by the members of the Age Care Task Force is reflected by the lack of independence from the aged care sector.

**Sadly, the abandonment of the Royal Commission recommendations is broader than we understood in December 2024 when Stephen Duckett wrote in**

### **Pearls and Irritations**

**‘Finally, the new Act smacks of ‘rights washing’<sup>31</sup>**

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