

2025 Progress Report: Implementation of the Recommendations of the Royal Commission into Aged Care Quality and Safety

The Royal Commission into Aged Care Quality and Safety (Royal Commission) set a vision and foundations for transformational change across the aged care system. In the 4 years since Commissioners handed down their Final Report, the government has embarked on a significant reform agenda.

This report, prepared in response to the *Inspector-General of Aged Care Act 2023*, assesses the Australian Government's progress in responding to the Royal Commission's recommendations as at 1 January 2025. In particular it seeks to answer whether the seeds of the transformation the Royal Commission envisaged, have in fact been sewn.

An important caveat before you read on: 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.

The Royal Commission called on the government to move the 'big rocks' in undertaking reform, so that the change was meaningful. Change 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.

However, the Office's 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. Other actions are not actively being considered, and indeed the manner of implementation in some areas may bring about unintended consequences that undermine the intent of both the Royal Commission's recommendations and the government's own policy goals.

There is no doubt that one of the greatest and most impressive reforms has indeed been achieved – namely the preparation and passage of the *Aged Care Act 2024*. It will breathe life into the vision of aged care set by the Royal Commission. This truly is a compass for transformation; it mandates a 'forward-looking aged care system' that upholds human rights, 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. But we are in danger that on the current trajectory, some objects of the Act may be aspiration alone.

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 that.

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 the Office shares stakeholder fears that some 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 of institutionalising people against their desire to age in place, I also query whether aspects of the government's reform agenda will ultimately cost the taxpayer more.



A brief guide to this Report

The report has 2 components.

Part A provides an overarching appraisal of whether government action has delivered the transformational change the Royal Commission recommended, and whether it is on track to do so. It is structured around 5 questions, which ask:

1. What did the Royal Commission call for?
2. Have government reforms to 1 January 2025 already delivered transformation?
3. Will the new *Aged Care Act 2024* deliver transformation?
4. Could some of the reforms have ‘unintended’ consequences or create perverse incentives?
5. What additional action is needed?

Part B outlines the Australian Government’s response to each of the Royal Commission’s 148 recommendations, as advised by government agencies, and presents the Inspector-General’s findings on progress.

Key messages in the 2025 Progress Report

Successful actions

The Inspector-General finds that, for the most part, government reforms have strengthened the aged care system and moved the sector closer to the model of care Commissioners envisaged in their final report. Successful initiatives include additional funding for residential care providers, for home care places and to supplement workers’ wages. There have also been improvements in accountability and transparency, including the appointment of a Complaints Commissioner and an Interim First Nations Aged Care Commissioner. Other notable measures include supports that aim to assist people navigate and access the aged care system, such as star ratings and care finders.

The most significant achievement has been the development and passage of the new *Aged Care Act 2024*. It brings into law the Royal Commission’s intent to move to a rights-based, person-centred model of care. The new Act includes several important features including a new statement of rights and statement of principles, and a definition of high-quality care.

Despite these positive changes, the Inspector-General finds that much of the reform agenda has been made up of disparate and sometimes disconnected changes that target specific issues, rather than the fundamental planks for systemic change. There is no evidence that any policy logic or ‘theory of change’ approach was developed to underpin a roadmap to the change envisaged. What has been achieved falls short of the transformation envisaged by the Royal Commission.

Risk of unintended consequences and areas of concern

This report was informed by broad consultation with Commonwealth agencies, a wide range of stakeholders across the aged care system and with people with lived experience of the aged care system and their carers. Their views have helped the Inspector-General identify a range of reform actions requiring ongoing monitoring, and potentially intervention, to guard against poor outcomes for all older Australians.

1. Approach to rights

The evidence obtained from consultation across the report process leaves some serious questions about the sufficiency and scope of mechanisms to support the delivery of rights-based, person-centred, high quality care. This is an area the Inspector-General intends to closely monitor over the next reporting period.



2. Introduction of co-payments

The new Act will introduce co-payments for ‘non-clinical’ care for people receiving Support at Home. This is inconsistent with the Royal Commission’s vision of a rights-based system that provides a universal entitlement to high quality care. It also leaves open the question of how peoples’ access to the ‘non-clinical’ aspects of high quality care, which indeed form the substance of its definition under the Act (such as community connectedness, social and emotional wellbeing, connection to the environment, self-determination) will be ensured when they sit outside of what is fully funded.

Indeed, co-payments could see vulnerable older people forgoing essential personal care due to the cost, or perceived cost, potentially hastening their entry into residential aged care. This is inimical to a rights-based model of care and has the potential to come at a greater cost to taxpayers. Most importantly, it is contrary to the wishes of the vast majority of older Australians who want to continue ageing in place.

3. Equity and access for Aboriginal and Torres Strait Islander elders and communities

The commencement of the new Act will see Aboriginal and Torres Strait Islander community-controlled sector services ‘mainstreamed’ for at least 4 years. This has the potential to hinder community-controlled organisations’ ability to deliver culturally safe, flexible care that meets the needs of elders and supports people to remain on Country as they age.

The sector, and the Inspector-General, is highly concerned that government reforms will result in a decline in the number of community-controlled services providing aged care and fewer Aboriginal and Torres Strait Islander elders receiving the care and support they need. Both outcomes are contrary to the intention of the Royal Commission.

4. Parity of support for disability when moving from NDIS into aged care

A lack of action on achieving equity between the specialised, tailored disability-care delivered to people with disability under the NDIS and that available in the aged care system will perpetuate problems already identified by the Royal Commission.

Additionally, the introduction of co-payments will disproportionately affect people with complex care needs wishing to age in their homes or communities. Those individuals may need to make the difficult choice of prematurely entering residential care, against their wishes, to access the care and support they need.

5. Workforce quality, sustainability and detractions from care

Raising the quality and quantity of skilled and committed aged care workers will be pivotal to the delivery of high quality care. Mandatory, rather than regular, training should be a requirement, in particular with respect to cultural safety and specialised dementia care. The Inspector-General also supports the Royal Commission’s call for the imposition of mandatory minimum qualifications, workforce screening and registration.

Prioritising consumer rights must be a goal that is pursued concurrently with ensuring workers’ safety, rights and needs. Inadequate protections will result in premature departure of workers from the sector and will negatively impact long term retention and successful expansion of the workforce.

Provider reporting requirements, while critical to service oversight, need to balance regulatory burden with a legitimate need to provide information. Increased reporting must not come at the expense of the provision of high quality and safe care.



Opportunities for improvement

The Inspector-General identifies a range of short-, medium- and longer-term measures that the government should consider to ensure appropriate mechanisms exist to give life to its mandate to deliver transformational change and align the system more closely with the Royal Commission's intent.

In the short term, the focus should be on:

- embedding clear, accessible and effective mechanisms to support the new Act's commitment to rights-based, high quality care that do not solely rely on a person raising a complaint to enforce them
- pausing the mainstreaming of Aboriginal and Torres Strait Islander community-controlled organisations and maintaining current block funding at least while an end-to-end co-design of an Aboriginal and Torres Strait Islander pathway is undertaken
- establishing mechanisms to deliver social and emotional support to older people and appropriately responding to their diverse life experiences
- improving the handling of complaints
- strengthening regulatory approaches to reduce and eliminate restrictive practices, and the 'unreasonable use of force' in aged care
- increasing navigational support for consumers.

In the medium term the Inspector-General proposes action on:

- analysing whether the current structure of co-payments may breach concepts of high quality care and/or see people move prematurely into residential aged care
- addressing inequity between the specialised, tailored support for older people with disability through the aged care system and under the NDIS
- evaluating whether prognosis-based criteria for eligibility to palliative care pathways in residential and home care is unnecessarily restricting access to support.

In the long term the Inspector-General sees both older people and governments across the country benefitting from:

- concerted action on the health/hospital/aged care interface to avoid people needing to prematurely enter residential aged care
- sustainable improvement of the workforce, including minimum skill sets, attributes, quality, development and sector growth.