

Inquiry into Aged Care Service Delivery

Submission from the Inspector-General of Aged Care

August 2025

Introduction

The Inspector-General of Aged Care (the Inspector-General) welcomes the opportunity to make this submission to the Senate Community Affairs References Committee's inquiry into aged care service delivery (the inquiry). Addressing the barriers to older people living safely and independently at home for longer will be critical to fully realising the intent of the [*Aged Care Act 2024*](#) (the Act) and delivering on its Statement of Rights. Indeed, it will also prevent people entering residential aged care prematurely, which not only furthers the government's objective of 'ageing in place' but saves the public purse and opens the door for more people to receive funded care.

The Inspector-General of Aged Care

The Inspector-General, and the Office of the Inspector-General of Aged Care (the Office) were established under the *Inspector-General of Aged Care Act 2023* (the IGAC Act) to provide independent oversight of the aged care system. The Inspector-General exercises their statutory powers to monitor, investigate and report on the Commonwealth's administration, regulation and funding of the aged care system.

As embodied in the Office's [*Strategic Framework*](#), the purpose of the Inspector-General is ensuring integrity, transparency and accountability in the aged care system. The Inspector-General drives meaningful change across the aged care system by both reviewing systemic issues and reporting on where positive change can be made, in accordance with the IGAC Act. The objective of the Inspector-General in delivering these functions is so the government can truly administer and regulate an aged care system where every person receives kind, compassionate and high quality care that promotes their rights, identity and independence.

The intent of this submission

The Inspector-General notes the terms of reference the Committee has released for this inquiry. Rather than address each specific component, the Inspector-General offers some broad comments drawing on extensive community and sector engagement undertaken since the Office was established in October 2023. This commentary is presented in the context of several projects the Office of the Inspector-General has undertaken, and additional research informing and influencing the work of the Office.

Deferral of the *Aged Care Act 2024*

The Inspector-General supported the 4 June 2025 decision by the Minister for Health and Ageing, the Hon Mark Butler MP, to defer the commencement of the Act until 1 November 2025. The Inspector-General considers it critically important that the transition to the new system is as smooth as possible for both aged care consumers and providers. The deferral made practical sense given the Rules supporting the Act had not been finalised and information technology systems were not available a month out from the intended 1 July 2025 start date.

The deferral provides scope for the Department of Health, Disability and Ageing (the Department) to provide greater support and guidance to aged care providers, enabling them to better prepare their clients, workers and systems for the transition. However, the government chose to also extend that delay to the release of much-needed home care packages. You will have already heard that this decision has come at the detriment of people who have already been assessed as in need, at a potential cost to their health and wellbeing. But the potential economic cost is high also. If the delay was driven purely by budget concerns, it may prove counterproductive: prolonged wait times can accelerate cognitive and physical decline, leading to earlier entry into high-cost residential aged care.

The Inspector-General understands that home care is significantly more affordable. There are savings to be made in delaying, or preventing, peoples' need to enter residential aged care. With Australia's aging population, we need to be thinking about the most cost-effective ways of supporting and caring for our older people. Each new bed in residential care facilities costs around \$500,000 to bring online. Providing care in the home avoids the need for this up-front capital expenditure. The more we support home care, the more we potentially 'save' in residential care. Investing in home care makes financial sense.

The Inspector-General is concerned about wait lists

Prior to the deferral being announced, the Inspector-General and her predecessor, the acting Inspector-General Mr Ian Yates AM, had both expressed concern about the existing wait lists for home care support and the impact extended wait times were having on peoples' health and wellbeing.

The expectation that additional packages would start to be rolled out from 1 July 2025 was a source of comfort and optimism for many in the community. As such the Inspector-General was disappointed that the government did not support calls for an 'early', pre-1 November 2025, release of additional home care packages. Meeting community calls for an initial 20,000 packages would have gone some way to alleviating existing, and growing, unmet demand.

The Inspector-General's 2024 Progress Report

The [2024 Progress Report on the Implementation of the Recommendations of the Royal Commission into Aged Care Quality and Safety](#) (the 2024 Progress Report), released on 2 August 2024, examined systemic barriers to accessing aged care. This included examining the impact of extensive waiting lists for both assessment and then commencement of care under the Home Care Package Program.

In consultations to inform the 2024 Progress Report, the then acting Inspector-General was told by people with lived experience of aged care, their families and advocates that the prolonged wait times associated with being allocated a package and then receiving care were causing older people to experience accelerated physical and cognitive decline, leading to preventable hospitalisations and premature entry to residential aged care. He also heard that many home care providers were experiencing ongoing workforce shortages that undermined their capability to deliver home care services. He found that a combination of workforce constraints and the rationed supply of packages meant providers could not keep up with rising demand. He called for additional places to be released to ensure the supply of home care places was sufficient to meet demand.

The Inspector General's 2025 Progress Report

The Inspector-General has recently presented the 2025 Progress Report on the Implementation of Recommendations of the Royal Commission into Aged Care Quality and Safety to the Minister for Aged Care and Seniors, the Hon Sam Rae MP. Preparation of the report is a statutory requirement under the IGAC Act¹. The report is yet to be made publicly available. While release timing is at the Minister's discretion, the report is expected to be tabled in parliament on or before 4 September 2025.

It is unlawful for the Inspector-General to disclose findings from the report ahead of its public release, however the Committee may be interested to hear that in consultations to inform the report the Inspector-General received many accounts of people waiting extended periods — in some cases 12-15 months to receive care following assessment for a home care package. Tragic instances of loved ones dying while waiting were relayed as was consistent messaging around the deterioration of people's physical and mental health, which saw them needing even higher levels of support than accommodated for under their original assessment. People with lived experience repeatedly talked

¹ Section 29 of the IGAC Act requires this report to be provided to the Minister by 1 June 2025, and for it to be tabled in parliament within 15 sitting days.

of about being 'forced' to enter residential aged care, counter to their preferences, or being hospitalised to meet their care needs, as a result of not having timely access to home care.

Recent research

Publicly available reports — such as the University of Technology of Sydney Ageing Research Collaborative's (UARC) report, '[Australia's Aged Care Sector: Mid-Year Report 2024–25](#)' — demonstrate the scale of these issues. The report concludes that:

- the Commonwealth Home Support Program is unlikely to meet increased demand for support at home prior to 1 November 2025
- the government is unlikely to successfully reduce waiting times for packages to three months by 1 July 2027, and
- the single assessment system is unlikely to support all older people to access a timely aged care needs assessment now and beyond 1 November 2025.

According to the UARC's report, the demand for home care continues to rise due to our rapidly ageing population — there were 283,829 people with packages in December 2024, more than double the number of people with a package in December 2019 — and supply cannot keep up. There were 82,960 people approved for a package and waiting for services in December 2024, nearly three times the number reported in June 2023.

The Department reports that, [as at 30 June 2025](#), the average wait times for older people allocated a package at their approved level were:

Package level	High priority	Medium priority
Level 1	<1 month	10 months
Level 2	<1 month	10 months
Level 3	<1 month	11 months
Level 4	<1 month	11 months
All Levels	<1 month	10 months

Given older people can experience significant physical and / or cognitive decline in the space of 10–11 months, it is not hyperbole to say that extended waiting lists can have fatal consequences.

Issues the Inspector-General would like to draw attention to

The roll-out of additional packages needs to be 'front-loaded'

The Inspector-General calls for more home care packages to be released as a matter of priority, preferably ahead of 1 November 2025.

Should the government, however, be determined to wait until the commencement of the Act and the roll-out of the Support at Home program, the Inspector-General supports calls for the release of packages to be 'front-loaded'. That is, a disproportionately high number of home care support packages should be made available as soon as possible.

At present there is no indication of how the government intends to release the promised additional packages. With such a significant backlog of people waiting to have their assessed need for care to be met, a large injection of additional packages is needed as soon as possible.

Workforce shortages will be a constraint without proper, care-sector-wide planning and investment

The availability of a suitably qualified aged care workforce is a constraint in the delivery of home care. To meet the growth in demand for home-based care, government needs to plan for, invest in and support the development of the home care-sector workforce.

The Inspector-General supports existing government initiatives and welcomes the recent work on the care economy undertaken by the Productivity Commission. Greater strategic planning, sector-wide modelling, and innovative strategies will be critical to building and retaining the necessary workforce. With multiple sectors competing for a similarly skilled and limited pool of people, a broader approach to building the numbers and capacity of workers across the care economy is urgently needed.

While thinking about aged care workforce in isolation could miss opportunities for true change and further exacerbate workforce shortages, the Inspector-General is conscious that without significant investment in the aged care workforce, home care service providers will continue to struggle to satisfy increased demand. This is likely to be especially pronounced in rural and remote regions.

Up-front investment will deliver down-stream savings

The Inspector-General is consistently told that providing older people with timely access to the level of care and support they are independently assessed as needing is cost-effective. Many across the sector argue that keeping people in their homes, for longer, is a cheaper option for taxpayers. Home-based care is said to be significantly cheaper than residential care and clearly much more cost-effective than having people in hospital, especially when their stays are extended. Many contend

that the financial impetus to keep people in their homes may not always be clear to the government, with respective costs borne by different levels of government.

If the decision not to release any additional packages in the short term is made purely on the basis of ‘budget constraints’, the Inspector-General queries the economic modelling that supports this. Even without an economy-wide perspective, it is foreseeable that investing upstream in home care support for older people sooner could mitigate the significant downstream costs of premature entry into residential aged care, due to the accelerated decline of a person without support. The Inspector-General urges the Committee to contemplate the need for economic modelling that accounts for these savings, and indeed the flow-on expenditure to hospitals and the tertiary health system. Without this, concerns about home care spending may be too narrowly cast.

The Inspector-General’s 2025–26 Annual Work Plan, which will shortly be released, includes an intention to investigate the economy-wide costs of preventive investment in aged care. This work will seek to clearly identify the extent to which savings care be realised through innovative and timely up-front investment in the health and wellbeing of older people.

The Inspector-General’s Office also has a legislated monitoring function, and under the 2025–26 Annual Work Plan emphasis will be placed on identifying systemic issues in aged care service delivery, including wait times, as well as the implementation of co-payments under the Support at Home program.

Conclusion

Older people having timely access to appropriate care is a prerequisite to living independently in their homes for longer.

The Act is warmly welcomed by the Inspector-General. It mandates a ‘forward-looking aged care system’ that upholds human rights and supports older people to live ‘active, self-determined, meaningful lives’. The Act promotes care that is equitably accessible and which prioritises compassion, kindness, respect for life experiences, dignity, quality of life, mental health and wellbeing.

The Act needs to be complemented by policies, processes, funding and indeed a culture that focuses on the delivery of ‘high quality care’.

Withholding access to home care packages — when the need is unequivocal — is not consistent with the intent of the new Act.