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Office of the Inspector-General of Aged Care (OIGAC)

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## **2025 Progress Report on Implementation of Aged Care Quality and Safety (the Royal Commission) Recommendations**

National Seniors Australia (NSA) welcomes the opportunity to provide feedback to the Office of the Inspector-General of Aged Care (OIGAC) for inclusion in its 2025 Progress Report, which will be delivered to the Minister of Aged Care according to its reporting obligation.

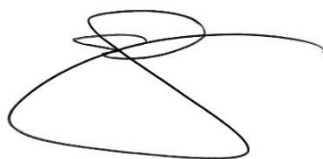
As the peak consumer body representing older Australians, with a community of over 255,000 members and supporters, NSA works to improve the well-being of all older people in Australia. Over the years, NSA has been actively engaged in aged care reform through our research surveys and by drawing on feedback from older Australians.

We support the adoption of the Royal Commission into Aged Care and Safety recommendations and are committed to ensuring the voice of older Australians is heard when implementing these reforms.

The new Aged Care Act presents a crucial milestone in the aged care reform process. However, the transformation is still incomplete, and the Act will be implemented within a few months. In our earlier submission to the Department of Health and Aged Care (DoHAC), we raised concerns regarding its short timeframes and the volume of reforms, specifically highlighting concerns about a smooth transition.

We specifically address the OIGAC consultation questions outlined below, emphasising consumers' persistent distrust of the Star Rating system and concerns related to the reform transitions that should be considered as part of the OIGAC's mission to ensure independent oversight of the aged care system and to promote accountability and positive outcomes change.

Yours Sincerely



**Chris Grice**  
Chief Executive Officer

## Consultation Questions

1. Has the Government undertaken sufficient consultations in the development/implementation of its reform agenda? Has there been sufficient transparency around the Government's reforms?

The Government's consultation on aged care reform has mostly aligned with the Royal Commission's findings, but it faces challenges. The short timeframes and volume of reforms affect NSA's ability to respond, causing frustration due to insufficient information in the draft rules and regulations for consultation.

We recognise the desire to consult on the draft Rules as they are made ready. However, such incremental consultation doesn't allow for complete consideration of interactions between different aspects of the new Rules, such as interim budgets and how people will be allocated, as we raised in our [Aged Care Consultation: Funding for the Support at Home Program 2a submission](#).

While we appreciate the efforts of the (DoHAC) to engage stakeholders during the staged consultation, we have raised the issue of the lack of supporting information, such as the explanatory materials. This makes it difficult to assess the impact of the regulations and may undermine implementation given the impending start date is only months away.

The staged release, lack of supporting information and short timeframes for analysis have been detrimental to consumers' ability to provide high quality feedback.

2. Have new systems improved consumer understanding (eg, star ratings) and timely access to aged care services (eg care finders)? Why/why not?

The introduction of the Star Ratings systems in 2022 was intended to provide older Australians and their families with a clear, accessible way to evaluate the performance of residential aged care services and encourage continuous improvement.

In our earlier submission to DoHAC, we highlighted the importance of the [Star Rating system](#) and how it should operate to distil complex information about the performance of aged care homes in a way that is intelligible to older people and their families. This system must be easy to navigate and straightforward to understand.

The recent Star Rating evaluation, commissioned by the DoHAC highlights key challenges that undermine the system's effectiveness. While there have been improvements in residential care standards, [62 per](#)

[cent of aged care homes now receive four or five stars compared to just 41 percent a year ago](#). We question how well these ratings reflect the true quality of care.

The report findings clearly identify consumers lack of awareness and understanding of the Star Ratings system. The [evaluation found](#) that 7 per cent of surveyed aged care residents were aware of the Star Ratings system when entering aged care. This lack of awareness for consumers limits the ability of Star Ratings to support informed decision-making and achieve its core objective of empowering consumers with information to assist their decision making. Worryingly, this clearly highlights a disconnect between the system's intended goal of empowering informed decisions and its actual reach among the people it's meant to serve.

Concerningly, one major issue raised in the report is that many [Australians remain unaware](#) of the Star Ratings system. Consumers question its accuracy and credibility, resulting in distrust arising from perceptions that the data used to calculate ratings lacks adequate verification.

We commend the DoHAC for implementing changes to the Star Ratings system in the last couple of months since it commenced its review of the system in late 2024. However, we would like to highlight that the star ratings are just one tool to give people confidence they will receive safe, high-quality services.

Star Ratings do not replace regulatory oversight. An aged care home should be providing adequate quality of care to be considered by prospective residents, their families and carers.

We [continue to emphasise](#) the importance of the Star Rating system to operate to distil complex information about the performance of aged care homes in a way that is intelligible to older people and their families. Older people must be provided with a system that is easy to navigate and straightforward. Ultimately, the Star Rating system must operate in such a way that encourages aged care homes to undertake continuous improvement in the delivery of services to meet residents' care needs.

We currently do not have any specific intel on whether consumers have an improved understanding of the system from star ratings; this would require in-depth and specialised research.

The Star Ratings system was established three years ago therefore it is crucial that the Australian Government continues to implement measures to increase awareness of and confidence in, Star Ratings to ensure that this system is accessible and relevant to the breadth of consumers of residential aged care.

We also have little feedback that innovations such as Care Finders have facilitated more timely access to care services. Given that Care Finders are specialised towards specific vulnerable groups they will have little benefit for the majority of older people seeking care and support services via My Aged Care. As such, we expect their impact to be relatively limited.

What we do know is that older people and their families continue to face long wait times and find navigation of the system difficult, even when in acute hospital settings where we would expect there to be significant financial impetus in precipitating patient access to care and support services outside of the expensive hospital setting. Clearly, the interface between aged care and health care systems requires significant attention, continuous improvements, and investment.

### 3. Is the level of support being provided enough to ensure an effective transition to a new system?

Aged care consumers are growing in number, highlighting the need to create a system that delivers high-quality care now and into the future. Currently, staffing aged care facilities is a major challenge for all operators in the sector, especially for providers facing a transition issue. The workforce in the aged care sector must expand to [over 1 million individuals](#) to accommodate the rising number of Australians aged 85 and above, which is expected to increase from approximately [500,000 to 1.5 million by 2058](#).

Addressing workforce shortages, particularly those in regional, rural and remote areas will be critical to successfully implementing reforms under the Aged Care Act. We are particularly concerned about the challenges ahead for providers dealing with workforce shortages and the timely implementation of the Support at Home reforms.

Providers require [sufficient transition time](#) to implement reforms in aged care, ranging from 6 to 12 months (depending on the reforms). Considering the less than three-month deadline for providers to completely retool their systems, it is evident that additional time may be necessary to implement the changes effectively. This challenge is compounded by the intricate ICT infrastructure and the lack of information needed for this transition.

At present, there isn't a general "grace period" for providers to make adjustments. Instead, there is a phased implementation along with available support resources. As a result, providers may face challenges in completing the transition by the July 2025 deadline.

Furthermore, given the various reforms occurring within the aged care sector, it is essential for consumers to comprehend the new changes to be able to navigate the system effectively. Consumers will rely heavily on providers and provider staff, and consumer groups such as NSA and others, to explain these changes and clarify the new rules. Service providers especially require sufficient time to educate management and front-line personnel to ensure they have the knowledge to answer questions from consumers regarding the new regulations and rules.

We commend the DoHAC for its ongoing educational materials aimed at assisting the industry. However, we have concerns about the practicality of delivering training to staff within the limited timeframes available, particularly considering the funding challenges encountered by some sectors in the industry.

We are especially concerned about small aged care [providers facing difficulties](#) with the new reforms. They lack the economies of scale, which could lead to financial strain and impede their ability to operationalise the many reforms.

#### 4. Do you think that intended reforms to how the system is regulated will be sufficient to uphold the vision of the Royal Commission? What is the issue that you would like to raise for the awareness of the Office of the Inspector-General of Aged Care?

We do not believe the intended reforms to how the system is regulated will be sufficient to uphold the vision of the Royal Commission.

The Royal Commission's final report recommended that greater transparency and accountability should be embedded in the new aged care system. For example, recommendation 133 called for "[more stringent financial reporting requirements](#)".

Accountability and transparency is critical for good governance and vital to the efficient and appropriate use of aged care funding, but must also minimise [regulatory burden](#).

We have long called for greater financial transparency and accountability in the operation of the aged care system. In an earlier [submission](#), we highlighted the

*"... importance of provider and government accountability and transparency in the aged care system. We view strengthening these aspects of aged care as central to ensuring rights, quality and safety for users of aged care and increasing community trust in the system".*

The Australian Government spent [\\$24.8 billion on aged care in 2021-22](#). This increased to [\\$28 billion in 2022-23](#) and will further increase year-on-year as demand for aged care services increases in line with the population. With significant financial resources directed at the aged care sector, there is a need to ensure that funding is being spent appropriately and efficiently and delivers quality outcomes for aged care residents. This relies, in part, on having adequate systems and tools to promote financial transparency and accountability.

Our call for greater transparency and accountability is anchored in the feedback received from the seniors community. In a recent unpublished NSA survey of approx. 1,200 older Australian seniors were

asked to rate their support for various policy recommendations spanning aged care, health, housing, aged pension, etc.

Survey participants supported increased financial transparency of aged care providers (86.8% strong support and 95.6% overall support) ranking this above more than 20 other policy recommendations from across a range of policy areas (health, aged care, housing, banking, retirement income etc.).

Therefore, it is essential that aged care funding is used transparently and that consumers easily understand information about its use.

The Federal Government's new *Dollars to Care* tool, launched on the My Aged Care website in February 2024, has been designed to allow people to compare individual homes across Australia on critical financial metrics. As announced by the Minister, Dollars for Care will enable older Australians and their families to [“see how much aged care services are spending on their care, food, wages and more”](#).

We strongly support tools, such as these, that provide better public access to information about providers' finances and operations, as the Royal Commission's Final Report highlighted. We also commend the Government undertaking continuous improvement activities to allow users to compare individual residential homes across Australia on key care metrics.

However, the current version of the tool does not adequately fulfill the purpose to empower older individuals, families, and caregivers to make well-informed decisions when identifying a suitable service provider and to highlight if providers are underperforming in their resource allocation.

Given that one of the main themes of the Royal Commission was transparency and accountability, we believe the *Dollars to Care* tool requires further modification to ensure it is effective as a financial transparency and accountability tool.

We call on the OIGAC to advocate for continuous improvement to the *Dollars for Care* tool, as but one of the many means to improve provider financial transparency and accountability.

## Conclusion

Monitoring and reviewing are essential components in facilitating efficient and appropriate service delivery within the aged care system, thereby ensuring quality, safety, and ongoing improvement. Comprehensive processes must be established to evaluate, monitor, and rectify areas necessitating enhancement.

**NSA firmly advocates for and endorses the establishment of a continuous monitoring and feedback forum as a support loop to confirm that services remain pertinent, suitable, and effective within the aged care sector.**