



Aged care reforms - an overview

October 2022

The new [Aged Care and Other Legislation Amendment \(Royal Commission Response\) Act 2020](#) that received royal assent on 5 August 2022 implements 9 measures to improve accountability and transparency and responds to 17 recommendations of the Royal Commission into Aged Care Quality and Safety.

The measures in this Act will ensure greater transparency and accountability of approved providers, and improve quality of care and safety for older Australians receiving aged care services.

Schedule in the Act	Reform measure	What is being introduced	Date changes come into effect	What it means for approved providers and services
1	Australian National Aged Care Classification (AN-ACC) <i>Applies to residential aged care</i>	The AN-ACC care funding model provides more equitable care funding to providers that better matches consumer needs with the costs of delivering care. AN-ACC replaces the Aged Care Funding Instrument (ACFI).	1 October 2022	The AN-ACC care funding model works by applying weightings to the price that reflect variations in the cost of care. This is based on characteristics of the service and the needs of individual consumers. For more information: AN-ACC care funding model .
2	Star ratings for residential aged care <i>Applies to residential aged care</i>	A star ratings system for residential aged care services is being developed to help consumers and their carers compare services and make informed choices on their care options.	By end December 2022	Residential aged care services will have an overall star rating listed on My Aged Care, based on information gathered through measurable indicators of quality and available data. For more information: Star ratings for residential aged care .
3	Code of conduct <i>Applies to approved providers, governing persons and aged care workers</i> <i>The Code does not apply to CHSP and NATSIFACP providers</i>	The new Code of Conduct for Aged Care (the Code) will set out how providers and workers delivering care are expected to behave. This provision strengthens protections for consumers, including the ability to ban workers from the aged care sector. The Code reflects what is already in place under the National Disability Insurance Scheme (NDIS).	1 December 2022	Providers will be required to take reasonable steps to ensure their workforce and governing body comply with provisions of the Code. The Commission's functions will be expanded to include compliance actions relating to compliance with the Code, which may include a civil penalty or banning order. You can read the Code on page 8 of the exposure draft of the Aged Care Quality and Safety Commission Amendment (Code of Conduct and Banning Orders) Rules 2022. The Department of Health and Aged Care is starting a public consultation on the Code exposure draft on 4 October.

Schedule in the Act	Reform measure	What is being introduced	Date changes come into effect	What it means for approved providers and services
4	<p>Serious Incident Response Scheme (SIRS) – in-home and flexible care</p> <p><i>Applies to home services providers include providers of Home Care Packages, CHSP services and flexible care services through which short-term restorative care is provided in a home care setting</i></p>	<p>The SIRS will be extended from residential aged care to include in-home care and flexible care delivered in a home or community setting.</p> <p>Expanding SIRS to include home and flexible care services will give greater protections to aged care consumers who receive care and services in their home.</p>	<p>1 December 2022</p>	<p>Providers of home and flexible care services will have new responsibilities regarding managing and preventing incidents, including notifying the Commission of reportable incidents.</p> <p>Information on SIRS is available on the Commission’s website - Serious Incident Response Scheme.</p> <p>Home services and flexible care providers are strongly advised to take action now to ensure that their incident management system is effective. There is a fact sheet.</p> <p>Further practical information is available in the Commission’s resource, Effective incident management systems: Best practice guidance. Introductory online learning modules including ‘Elements of Effective Incident Management Systems’ are also available within the Aged Care Learning Information Solution – Alis.</p> <p>To find out more, download a copy of ‘Aged care reforms - a regulatory perspective’ fact sheet. Further information will be available on the Commission’s website shortly.</p>
5	<p>Strengthened governance of approved providers</p> <p><i>Applies to the governing bodies of approved providers</i></p>	<p>Legislative changes will require providers to improve their governance arrangements which will in turn lift sector capability. These changes relate to governing body membership, leadership and culture.</p>	<p>1 December 2022</p> <p><i>Requirements will apply at different times depending on whether a provider was approved before or after 1 December.</i></p>	<p>New reporting responsibilities will include the need to report material changes and suitability of key personnel, as well as requirements regarding membership of provider governing bodies, staff qualifications, skills and experience, and submission of an annual statement on operations.</p> <p>Providers are strongly advised to participate in the Governing for Reform in Aged Care program. Further information, including how to enrol in the program, is available at Governing for Reform in Aged Care.</p> <p>To find out more, download a copy of ‘Aged care reforms - a regulatory perspective’ fact sheet. Further information will be available on the Commission’s website shortly.</p>
6	<p>Information sharing</p>	<p>Legislative changes enable sharing of information between Commonwealth agencies across the aged care, veterans’ and disability sectors under specific circumstances. This will increase aged care consumer safety.</p>	<p>Now in place</p>	<p>Sharing of information may relate to non-compliance with provisions in the Code of Conduct.</p>

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7	Use of refundable deposits and accommodation bonds <i>Applies to residential aged care</i>	Legislative changes enable the Commissioner to request information or documents from a provider or borrower of a loan made using a refundable accommodation deposit or bond.	Now in place	<p>It will be an offence for a provider to not comply with any request to share information or documents regarding refundable deposits or accommodation bonds. The liability period for the misuse of refundable accommodation bonds is now 5 years (previously this was 2 years).</p> <p>More information is available at Managing accommodation payments and contributions for residential aged care.</p>
8	Independent Health and Aged Care Pricing Authority	Legislative changes have enabled expansion of the functions of a renamed Independent Health and Aged Care Pricing Authority. These changes establish new governance arrangements of the Pricing Authority.	Now in place	<p>The Pricing Authority's functions have expanded to include provision of advice on health care pricing and costing, including those which are covered under the Aged Care Act, such as those which relate to approval of fees.</p> <p>For more information visit the Independent Health and Aged Care Pricing Authority website.</p>
9	Restrictive Practices <i>Currently applies to residential aged care</i>	<p>Legislative changes have enabled the strengthening of consent arrangements for use of restrictive practices for aged care consumers.</p> <p>This amendment to the Quality of Care Principles 2014 further clarifies and strengthens provisions which came into effect on both 1 July and 1 September 2021.</p> <p>Until the proposed amendments are registered in Parliament the current regulatory framework regarding use of restrictive practices including providing of consent remains.</p>	Commences the day after the Rules are registered	<p>Some consumers may not have the ability to provide consent for restrictive practices use for themselves, or there may not be an alternate means for provision of consent on their behalf through State or Territory functions.</p> <p>The amendment provides for those consumers where there is no state or territory function which supports provision of consent on their behalf.</p> <p>More information on restrictive practices in aged care is available on the Department of Health and Aged Care website and on the Commission website - Minimising restrictive practices.</p> <p>To find out more, download a copy of 'Aged care reforms - a regulatory perspective' fact sheet. Further information will be available on the Commission's website shortly.</p>





Stay up to date with the latest information on the aged care reforms, including details on the Commission's reform webinars for the sector, at www.agedcarequality.gov.au/news-centre/national-aged-care-reforms.

Contact us at agedcarereform@agedcarequality.gov.au if you have questions relating to regulatory requirements of the reforms.

You can also read more about the government's aged care reform initiatives on the [Department of Health and Aged Care's website](#).

Aged care reforms

The table below provides an overview of the service types that will be subject to each of the 4 reforms under the [Aged Care and Other Legislation Amendment \(Royal Commission Response\) Act 2022](#) that are directly relevant to the regulation of aged care.

Reforms from a regulatory perspective	Code of Conduct 	Strengthened Governance 	SIRS in home services 	Restrictive Practices consent provisions 
Residential aged care	✓	✓		✓
Short-term Restorative Care – Residential	✓	✓		
HCP	✓	✓	✓	
Short-term Restorative care – Home Care	✓	✓	✓	
CHSP			✓	
NATSIFACP			✓	
Transition Care	✓	✓	✓	
MPS	✓	✓	✓	
Explanatory Notes	<p>The Code of Conduct responsibilities under the Aged Care Act 1997 will not apply to service providers of CHSP and NATSIFACP or their workforce from 1 December 2022. This is because the responsibilities under the Aged Care Act apply to approved providers. CHSP and NATSIFACP service providers are not approved providers under the Aged Care Act.</p> <p>It is expected that similar provisions will be extended to all Commonwealth-funded aged care services as part of the planned introduction of a new aged care Act.</p>	<p>CHSP and NATSIFACP will be considered as part of the Support at Home Reforms.</p> <p>This reform does not apply to approved providers that are Aboriginal Community Controlled Health Organisations or state/territory or local government authorities (which may be some MPS services).</p>	<p>The Serious Incident Response Scheme is already in place for residential care services and settings.</p>	<p>Applies to residential aged care only.</p>

HCP: Home Care Package


CHSP: Commonwealth Home Support Programme

NATSIFACP: National Aboriginal and Torres Strait Islander Flexible Aged Care Program

MPS: Multi-Purpose Services

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