



# Regulatory Bulletin

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# Regulatory Bulletin

## RB 2021-15: Plan for Continuous Improvement requirements

Providers are required to have continuous improvement systems and processes that assess, monitor, and improve the quality and safety of care and services. This includes identifying areas for improvement as part of the providers' self-assessment of its compliance with the Aged Care Quality Standards (Quality Standards) in relation to a service.

Providers must have a written plan for continuous improvement (PCI) and monitor their progress against that plan to improve the quality and safety of care services.

The PCI should set out any identified areas for improvement, and how the provider of the service will make those improvements to ensure the Quality Standards are complied with.

The Aged Care Quality and Safety Commission (Commission) may also identify areas of improvement against the Quality Standards based on information obtained through regulatory activities such as performance assessments, monitoring contacts, complaints or reportable incidents.

This Regulatory Bulletin outlines the Commission's expectations in relation to continuous improvement and the regular review of PCIs, as well as the Commission's approach for engaging with a provider in relation to its PCI, including where a provider is directed to revise its PCI.

This Regulatory Bulletin should be read in conjunction with the Commission's [Compliance and Enforcement Policy](#)<sup>1</sup>, [RB 2019-04 Regulatory Bulletin on Responding to non-compliance with the Aged Care Quality Standards](#)<sup>2</sup> and the Commission's [Self-Assessment Tool](#)<sup>3</sup>.

Refer to the [Commission's glossary](#)<sup>4</sup> for definitions of key terms.

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<sup>1</sup> <https://www.agedcarequality.gov.au/media/89299>

<sup>2</sup> <https://www.agedcarequality.gov.au/resources/regulatory-bulletin-2019-4>

<sup>3</sup> <https://www.agedcarequality.gov.au/providers/assessment-processes/self-assessment>

<sup>4</sup> <https://www.agedcarequality.gov.au/about-us/corporate-documents/aged-care-quality-and-safety-commission-glossary>



## Key points

- As part of continuous improvement systems and processes, providers must have a PCI and check their progress against this plan to improve the quality and safety of care services.
- The Commission Rules include specific provisions relating to PCIs – providers must have a written PCI, must provide a copy of their PCI to the Commission if requested and must revise their PCI if directed by the Commissioner.
- If the Commissioner reasonably believes it is necessary for the PCI of a service to be revised to ensure compliance with the Quality Standards, the Commission may issue a Direction to revise a PCI notice (Direction Notice).
- Issuing a Direction Notice for a service is a regulatory action in the Commission's graduated and escalating set of responses to non-compliance.
- If directed by the Commission, providers must submit a revised PCI demonstrating how improvements will be made to ensure that the Quality Standards are complied with.
- Providers are required to comply with a Direction Notice within 14 days.
- The Commission will use the revised PCI to develop a response plan and determine the form and frequency of monitoring.
- The non-compliance register published on the Commission's website will indicate whether a Direction Notice has been issued to a provider in response to non-compliance with the Quality Standards.

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## Requirements for continuous improvement

### Aged Care Quality and Safety Commission Rules 2018

The Aged Care Quality and Safety Commission Rules 2018 (Commission Rules) set out the legislative requirements of providers and the Commission in relation to continuous improvement.

When applying for accreditation or re-accreditation, providers are required under Section 28(1)(c) of the Rules to include an undertaking in their application that they will undertake continuous improvement in relation to the service as measured against the Quality Standards.



Section 62 of the Commission Rules requires accredited services, residential services (including previously accredited services) and home services to have a written PCI that sets out how the provider will:

- assess the quality of care and services provided against the Quality Standards
- monitor and improve the quality of care and services as measured against those Standards
- if there are any areas in which improvements in relation to the service are needed to ensure that the Quality Standards are complied with, how those improvements will be made.

If the Commissioner asks, by written notice, for a copy of the PCI for the service, the provider must comply with the request within 14 days.

## Aged Care Quality Standards

The Commission expects providers of aged care services to comply with the Quality Standards.

Standard 8 requires an organisations' governing body to be accountable for the delivery of safe and quality care and services. This includes having effective organisation wide governance systems relating to continuous improvement. Under Standard 8 requirement 3(c) organisations must have a plan for continuous improvement and check their progress against this plan to improve the quality and safety of care services.

## Direction to revise a plan for continuous improvement

The Commission has a risk-based and proportionate approach to determine its regulatory response to a provider's non-compliance with its aged care responsibilities, including compliance with the Quality Standards.

Where the Commission reasonably believes that it is necessary for the PCI of an accredited service, residential service or home service to be revised to ensure that the Quality Standards are complied with, the Commissioner or delegate may direct the provider to revise the plan and provide a copy of the revised plan within 14 days, under section 63A(2) of the Commission Rules.

'Reasonable belief' that it is necessary for a PCI to be revised is usually determined following a performance assessment where there has been a finding of non-compliance with the Quality Standards as identified in a performance report but may also be based on other intelligence such as information obtained through complaints or reportable incidents under the Serious Incident Response Scheme.



## Issuing a direction to revise a PCI

This regulatory action may apply where a provider of a service demonstrates they are willing and able to comply with the Quality Standards and take all reasonable steps to do so. This approach allows the provider to rectify the non-compliance by setting out how they will make improvements to ensure that the Quality Standards are met.

The Direction Notice will set out:

- the reasons why the Commissioner believes it is necessary for the PCI to be revised
- the date by which the provider must comply with the Direction Notice.

The revised plan must be given to the Commission within 14 days of the Direction Notice being issued.

A Direction Notice will not be issued where enforceable regulatory actions are more appropriate.

## Failure to comply with the Direction Notice

If a revised PCI, submitted in response to a Direction Notice, does not adequately demonstrate how the provider will address the identified areas for improvement, the Commission may, depending on the severity of the issues, contact the provider to reiterate the requirements of the Direction Notice and provide an opportunity to re-submit a revised PCI.

If the Commission is not satisfied that the re-submitted PCI sets out appropriate actions to address the identified non-compliance or there are any concerns identified during review of the revised PCI, then the Commission will consider this information to determine further regulatory action.

Failure to submit a revised PCI as directed decreases the level of confidence the Commission has that the provider understands and will ensure compliance with its responsibilities, including compliance with the Quality Standards.

If, after being given reasonable opportunity to submit a revised PCI, a provider does not respond or fails to submit a revised PCI that includes the required information, the Commission may take further enforceable regulatory action.

## Monitoring

The Commission monitors how a provider responds to a Direction Notice, how planned actions are implemented by the completion dates specified in the revised PCI, and how those improvements are sustained. The form and frequency of monitoring will depend on the nature of the non-compliance, the level of risk to consumers and the willingness and assessed capacity of the provider to implement its PCI and ensure compliance with its responsibilities.



Where the Commission has reduced confidence in the provider's motivation or capacity to rectify the non-compliance, for example where a provider has failed to adequately progress or implement their revised PCI, the Commission may take further enforceable regulatory action.

## Provider action

The Commission expects providers to focus on addressing areas of non-compliance to ensure that required standards of care and their responsibilities as a provider are met. This includes providers:

- taking prompt action to manage risks to consumers and address non-compliance
- communicating findings with consumers
- actioning and implementing the revised plan for continuous improvement and demonstrating a commitment to sustained compliance
- monitoring and evaluating outcomes for consumers.

## Frequently asked questions

### 1. What is continuous improvement?

Continuous improvement is an ongoing effort to improve the quality of care and services provided by a service. It is a process which:

- considers the needs of consumers and may involve them in improvement activities
- is part of an overall quality system that assesses how well a provider's systems are working and the standard of care and services achieved
- is a results-focused activity that identifies opportunities for improvements and systematically implements change to improve quality over time.

Continuous improvement initiatives may range in scale from minor incremental improvements to systems and processes, to significant strategic initiatives and should aim to lift the quality of services provided to deliver improved outcomes for consumers.

To be effective, continuous improvement must be central to a provider's focus, understood at all levels and accepted and put into practice by all management and staff.

Further information about continuous improvement is available on the [Commission's website](#)<sup>5</sup>.

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<sup>5</sup> <https://www.agedcarequality.gov.au/providers/assessment-processes/continuous-improvement>



## 2. How can a provider's self-assessment be used to develop the PCI for a service?

Self-assessment is a core component of the continuous improvement process. Self-assessment gives providers the opportunity to increase their understanding of how they deliver care and services and what improvements need to be made to enhance outcomes for consumers. This systematic reflection and analysis of performance of their service, as measured against the Quality Standards, should in turn lead to a focus on ongoing continuous improvement and a commitment to sustained compliance.

Providers are expected to use the information collected during ongoing self-assessment processes including identified issues, areas for improvement and planned actions, to develop and update their PCI. Providers are encouraged to maintain their self-assessment and PCI as an active document that is regularly reviewed and updated as part of their ongoing continuous improvement efforts.

Provider's governing body should support a culture of evaluation and continuous improvement; this includes oversight of how the organisation reviews and monitors their own progress against their PCI and achieves improvements in the provision of quality and safe care services.

To assist providers with this process, a Self-Assessment Tool with detailed guidance and a combined self-assessment and PCI template is available on the [Commission's website](#)<sup>6</sup>.

## 3. When can the Commission request to see or obtain a copy of a provider's PCI?

The Commission may request to see a provider's PCI, or to be given a copy of the PCI during a visit to a service; as part of an assessment contact not involving a visit; or at any other time.

Refer to [RB 2020-09 Assessment contacts in residential and home services for further information](#).

### During a visit to the premises of a service

Where the assessment contact involves a visit to the premises of a service, the *Aged Care Quality and Safety Commission Act 2018* (Commission Act) empowers a regulatory official to request a person at the premises to answer any questions and produce requested documents; this includes the PCI for the service.

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<sup>6</sup> <https://www.agedcarequality.gov.au/providers/assessment-processes/self-assessment>



## As part of an assessment contact not involving a visit

Under the Commission Rules, the Commission may request from a provider information or documents relating to an assessment contact, including the PCI for the service, where the contact does not include a visit to the premises of the service.

## At any other time

The Commission may request a copy of a provider's PCI for a service at any other time, under section 63 of the Commission Rules. The request must be in writing and the provider must give a copy of the PCI to the Commission within 14 days after the notice is given.

A request for a copy of a provider's PCI may also be made as part of other information requests made by the Commission, for example a written notice requiring the provider to give the Commission specified information or documents made under section 74GA of the Commission Act.

If a provider fails to supply their PCI within the stipulated timeframe, a follow up request may be made by telephone and/or by email. If the provider fails to comply with a written notice under section 74GA, the provider may be subject to an offence of strict liability punishable through the imposition of penalty units resulting in a fine.

If the provider fails to supply their PCI, the Commission may consider further regulatory or enforceable regulatory action in response to non-compliance with provider responsibilities.

## 4. What information should be included in a revised PCI?

If directed to revise a PCI, providers must update their plan to set out the specific actions that will be undertaken to make improvements to ensure that the Quality Standards are complied with. The Direction Notice will outline the non-compliance with the Quality Standards and related areas for improvement.

The following information, at a minimum, must be included in the revised PCI:

- the date each issue was identified
- a description of each issue and how it was identified
- the Quality Standard/s to which each issue relates
- details of planned actions to address the specific issues identified by the Commission and/or the provider's self-assessment
- the person/s responsible for ensuring implementation of improvement action



- the planned completion date for each improvement actions
- the review date to evaluate the success and sustainability of each improvement action.

A sample PCI template is available on the [Commission's website](#)<sup>7</sup>. Providers are not required to use this template, however, must ensure that the template they use covers the information listed above.

## 5. What happens after a provider submits a revised PCI?

Upon receipt of a provider's revised PCI, a delegate of the Commissioner will review the plan to ensure that it:

- includes planned actions to address the specific issues identified by the Commission and/or provider's self-assessment
- sets out how the provider will implement those actions to ensure that the Quality Standards are complied with
- establishes reasonable timeframes for addressing the identified issues.

If the Commission is satisfied that the planned actions and timeframe/s to undertake remedial action are reasonable in the circumstances, the Commission will acknowledge receipt of the revised PCI and, where appropriate, providers will be notified of monitoring and reporting arrangements which may include:

- a requirement to submit progress reports on outcomes of improvement actions by a certain date
- arrangements for an assessment contact (monitoring or performance assessment) on or after a certain date to ensure that the planned actions are delivered as per the revised PCI.

Where the Commission has reduced confidence in the provider's motivation or capacity to address the non-compliance, for example where a provider has failed to adequately revise the PCI following a Direction Notice, the Commission may respond with further enforceable regulatory action.

## 6. Can a provider request more time to respond to the Direction Notice?

Providers are required to comply with a Direction Notice within 14 days of the date of the notice. This is a legislated timeframe.

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<sup>7</sup> <https://www.agedcarequality.gov.au/providers/assessment-processes/self-assessment>



There may be occasions where additional time is required to prepare and submit a revised PCI due to exceptional circumstances, for example if the service has been affected by a natural disaster or infectious outbreak. Requests for an extension of time can be considered, however the Commission is under no obligation to approve such requests.

Any request for extension beyond the legislated 14-day timeframe to submit a revised PCI should include:

- the reason why an extension of time is required
- how much time the provider requires.

Any decision to approve or decline a request for extension will be confirmed in writing.

## **7. How do directions to revise a PCI affect a provider's Service Compliance Rating?**

Service Compliance Ratings reflect a service's current compliance status. It is based on the outcomes of regulatory activities such as performance assessments conducted by the Commission, and whether a service is meeting its obligation to provide safe, quality care and services to aged care consumers.

Where non-compliance has been identified and a provider issued with a Direction Notice, the relevant service will be given a three-dot rating indicating that some improvements are needed. Where there are additional regulatory actions in place at the services responding to other findings of non-compliance, the dot rating may be lower.

The rating enables consumers to access and compare information on the quality of aged care services, supporting more informed decision making.

For more information about the Service Compliance Rating and how it is calculated, refer to the [Department of Health website](#)<sup>8</sup>.

## **8. Publication of information regarding directions to revise a PCI**

The Commission publishes a central register of all provider non-compliance with aged care responsibilities determined by the Commission. The register includes information on non-compliance against the Quality Standards, including where a Direction Notice has been issued.

Refer to the [RB 2020–11 Regulatory Bulletin on Publication of provider performance information](#)<sup>9</sup> for further details on the register.

<sup>8</sup> <https://www.health.gov.au/resources/publications/service-compliance-ratings-information-for-residential-aged-care-service-providers>

<sup>9</sup> <https://www.agedcarequality.gov.au/resources/rb-2020-11-publication-provider-performance-information>



## Need to know more?

If you have any questions or feedback on this Bulletin, send an email to:  
[regulatorybulletin@agedcarequality.gov.au](mailto:regulatorybulletin@agedcarequality.gov.au).

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<sup>10</sup> <https://www.agedcarequality.gov.au/subscribe>