

The Hon Anika Wells MP Minister for Aged Care Minister for Sport Member for Lilley

Dear residential aged care providers,

As you are aware, the Royal Commission into Aged Care Quality and Safety (Royal Commission) found that staffing levels are vital to the quality of care for older people living in residential aged care homes.

The mandatory care minutes responsibility, introduced on 1 October 2023, was a key recommendation from the Royal Commission's final report. This measure is a once in a lifetime change to shape and improve the overall quality and safety of care of older people living in residential aged care. Therefore, it's imperative that as an approved provider of residential aged care, you do all you can to ensure that you have the right mix of staff to deliver your required care minutes.

I know many of you have made significant efforts to increase your staffing levels and am pleased that sector average care minutes have increased to 207.7 minutes per resident per day, including 41.4 registered nurse minutes, in the June quarter of 2024. However, reporting also shows a significant proportion of homes are not meeting their individual targets.

The Department of Health and Aged Care (the department) has undertaken some analysis of the data submitted by the sector which found compliance with care minutes is disproportionally low in metropolitan areas, even though it is understood that workforce constraints are generally greater in regional, rural and remote areas. The findings also showed compliance rates of aged care homes run by for-profit providers are much lower than those run by not-for-profit providers. You can see the latest sector average performance, including by location and provider type in the Care minutes in residential aged care dashboard. You can also view Service-level and provider level care minutes performance on the department's website.

This is disappointing given the Government's record investment of over \$15.1 billion to lift wages in aged care, consistent with the Fair Work Commission Work Value Case, to ensure aged care providers are able to employ sufficient care workers.

From 1 October 2024, average care funding will be around 58% higher than it was in September 2022. A significant part of this increase has been to fund providers to increase their care minutes to an average of 215 minutes per resident per day, including 44 registered nurse minutes, at the higher wages required by the Fair Work Commission. The Australian Government expects that you are spending your increased care funding on meeting your mandatory care minutes.

I have asked my department to develop options to boost care minutes compliance for the Government's consideration. This includes exploring funding options to improve care minute delivery, while also ensuring this does not add financial pressure to aged care homes operating in thin markets with genuine workforce challenges. The department will be consulting key advisory bodies and stakeholder groups on the merits of such an approach.

I have also issued an updated Statement of Expectations to the Aged Care Quality and Safety Commission setting out my expectations for the regulation of the care minutes responsibility. In this statement I outline my expectation that if you are actively working towards complying with your care minutes and are taking all steps to ensure the provision of safe and quality care, I expect the Commission will continue to actively monitor risks and work with you to improve your compliance with these responsibilities. At the same time, I support the Commission to use its full range of regulatory powers to enforce compliance with care minutes if aged care homes are not making genuine attempts to increase their staffing levels, which could lead to resident harm and safety. In this regard my department has published a care minute fact sheet for workers so that they are fully informed of this responsibility.

Thank you for your ongoing support to this important reform.

Yours faithfully,

Anika (Deer.

Anika Wells

1 October 2024