



Design changes for Star Ratings

Summary Report

Department of Health and Aged Care

17 March 2025

[KPMG.com.au](https://www.kpmg.com.au)





Acknowledgement of Country

KPMG acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia. We pay our respects to Elders past, present, and future as the Traditional Custodians of the land, water and skies of where we work.

At KPMG, our future is one where all Australians are united by a shared, honest, and complete understanding of our past, present, and future. We are committed to making this future a reality. Our story celebrates and acknowledges that the cultures, histories, rights, and voices of Aboriginal and Torres Strait Islander People are heard, understood, respected, and celebrated.

Australia's First Peoples continue to hold distinctive cultural, spiritual, physical and economical relationships with their land, water and skies. We take our obligations to the land and environments in which we operate seriously.

We look forward to making our contribution towards a new future for Aboriginal and Torres Strait Islander peoples so that they can chart a strong future for themselves, their families and communities. We believe we can achieve much more together than we can apart.

kpmg.com/au/rap



Acknowledgement of participation

KPMG and the Department of Health and Aged Care (the Department) would like to thank all participants who contributed their time to the consultation process. We heard from a wide variety of stakeholders including older people and their representatives, aged care providers, workforce organisations, peak bodies, advocacy organisations and advisory bodies.

It was a privilege to hear your lived experiences and seek your views on the proposed changes to Star Ratings. Findings from the consultation will be instrumental in supporting future development and design of Star Ratings enhancements, ensuring it continues to offer transparent information, support informed decision making, and drive quality improvements in residential aged care.

Contents

Introduction	5
Consultation approach	6
Consultation findings	8
Next steps	19
References	19
Resources	19

Inherent Limitations Disclaimer

This report has been prepared as outlined with the Department of Health and Aged Care in the Detailed Statement of Work in the Order for Service dated 6 November 2024. The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurance have been expressed. The findings in this report are based on a qualitative study and the reported results reflect a perception of KPMG Australia but only to the extent of the sample surveyed as part of the consultation. Any projection to the wider stakeholder group is subject to the level of bias in the method of those who participated. No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by those consulted as part of the process.

KPMG have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report.

KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form.

Notice to Third Parties Disclaimer

This report is solely for the purpose set out in the Statement of Work in the Order for Service and for the Department of Health and Aged Care's information and is not to be used for any purpose not contemplated in the engagement letter/contract or to be distributed to any third party without KPMG's prior written consent.

This report has been prepared at the request of the Department of Health and Aged Care in accordance with the terms in the Order for Service. Other than our responsibility to the Department of Health and Aged Care, neither KPMG nor any member or employee of KPMG undertakes responsibility arising in any way from reliance placed by a third party on this report. Any reliance placed is that party's sole responsibility.

Accessibility

To comply with the Commonwealth Government's accessibility requirements for publishing on the internet, two versions of this Report are available: a KPMG-branded PDF version and an unbranded Microsoft Word version. The KPMG-branded PDF version of this Report remains the definitive version of this Report.

Introduction

The introduction of the new Aged Care Act will result in major changes across Australia's aged care system, including Star Ratings¹. In anticipation of these changes, the Department commissioned KPMG to undertake public consultations to gather views on proposed changes to Star Ratings.

Public consultations were conducted from 25 November to 13 December 2024. The purpose of this report is to present a summary of the consultation findings on the proposed changes to Star Ratings. These findings will be used to inform design and display changes to Star Ratings.

Background

The Royal Commission into Aged Care Quality and Safety (Royal Commission), established in 2018, inquired into the quality of aged care services in Australia and how they could be improved in the future. The Commissioners made 148 recommendations across a wide range of areas.

Recommendation 24 outlined that:

the Australian Government should develop and publish a system of measurable indicators that allow older people and their families to make meaningful comparisons of the quality and safety performance of services and providers².

It was also recommended that the indicators should incorporate measurable, comparable data and be accompanied by accessible information to enable older people and their representatives to compare aged care homes.

In response to this recommendation, Star Ratings for residential aged care was introduced by the Australian Government in 2022. At the time of development, Star Ratings design underwent rigorous research, stakeholder consultation, and data analysis based on available information.

Star Ratings

Star Ratings are published on the My Aged Care website and help older people and their representatives to understand and compare the quality of care at residential aged care homes. This information supports people to compare aged care homes and make more informed choices about their care.

Star Ratings also support aged care providers (providers) to understand their performance and drive quality improvement using nationally consistent measures to monitor, compare and improve their care. Each aged care home is assigned an Overall Star Rating as well as ratings against 4 sub-categories.

- Residents' Experience
- Compliance
- Staffing
- Quality Measures.

¹ Department of Health and Aged Care, About the new Aged Care Act (last updated 27 November 2024), www.health.gov.au/our-work/aged-care-act/about

² Aged Care Royal Commission, List of Recommendations (published 1 March 2021), www.royalcommission.gov.au/system/files/2021-03/final-report-recommendations.pdf

Consultation approach

The objective of the consultation was to understand the views of stakeholders, including older people and their representatives, aged care providers, workforce organisations, peak bodies, advocacy organisations and advisory bodies, on proposed changes to Star Ratings.

The consultation focused on 3 key areas:

- changes to the Compliance rating
- changes to the Staffing rating
- design considerations based on early findings from the independent evaluation of Star Ratings.

Consultation approach

In preparation for the consultations, the Department released a consultation paper, 'Design changes for Star Ratings³', which outlined the key consultation questions. A participant workbook was also made available to those attending consultation activities to support preparation and engagement.

A range of consultation formats were made available for stakeholders to enable participation. These included:

- 10 face-to-face consultation sessions, held across 5 states
- 12 virtual consultation sessions
- an online survey
- written submissions.

Additionally, 2 virtual workshops were organised with key stakeholders to test and validate findings.

Stakeholder participation

As shown in Figure 1 (over page), a total of 271 individuals engaged in the consultation process. This included 29 written submissions, 162 survey responses, 74 consultation participants (42 in the virtual consultations and 32 in the face-to-face consultations) and 6 virtual workshop participants.

Participants included older people and their representatives, aged care providers (providers), workforce organisations, peak bodies, advocacy organisations and advisory bodies.

How to read and interpret the findings outlined in this report

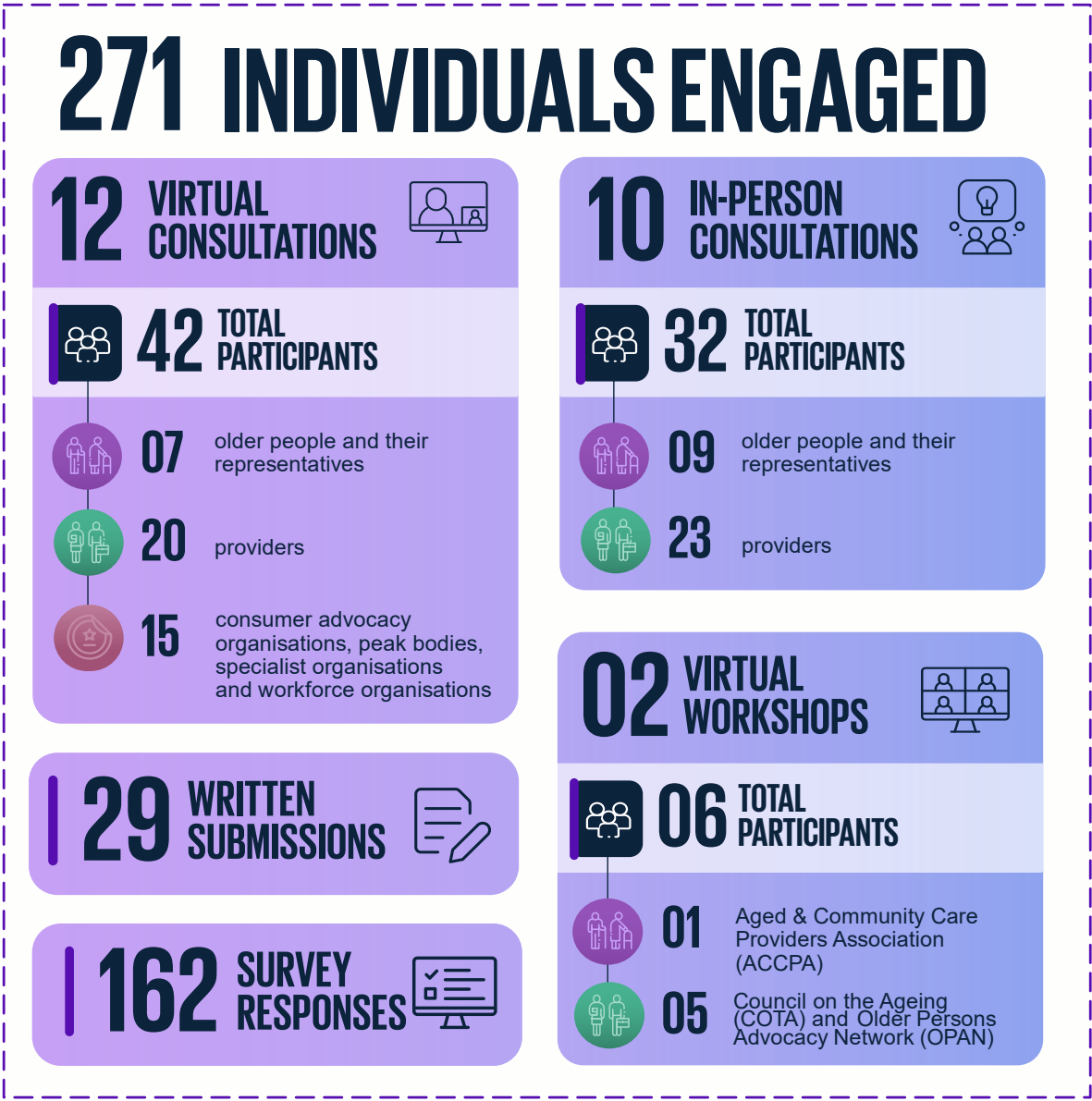
Qualitative outputs from consultation activities were analysed to identify common stakeholder sentiment and themes. This method was able to accommodate for a wide range of perspectives to provide a nuanced understanding across stakeholder groups and consultation activities. This report presents a summary of the key, aggregated findings from all consultation activities and is not intended to comprehensively detail every view or perspective that was raised during consultation activities.

³ Department of Health and Aged Care, Design Changes for Star Ratings – Consultation Paper, (published November 2024), www.health.gov.au/sites/default/files/2024-11/design-changes-for-star-ratings-consultation-paper.pdf

The survey consisted of 15 questions. Analysis was conducted to understand the distribution of survey responses for each question and how this differed across stakeholder groups. As not all survey questions were mandatory for respondents to answer, the total number of survey responses received for each question varied. Throughout this report, the survey data is presented as a proportion of the total number of responses received for each question.

Out of 162 total survey responses, 160 respondents answered the question regarding their stakeholder group affiliation. Respondents could select multiple stakeholder groups, resulting in a total of 202 selections. Among these, 93 were from older people and their representatives, and 29 were from providers or aged care workers. Notably, 5 individuals identified as both an older person and their representative and a provider. The survey data analysis considered both stakeholder group selections where the question was answered.

Figure 1: Individuals engaged through consultation activities



Source: KPMG (2025)

Consultation findings

The findings from the consultation activities are detailed within this section. Findings are presented for each of the 3 areas of focus for the consultation:

- Compliance rating
- Staffing rating
- Star Ratings evaluation.

Compliance rating

There were 11 consultation questions, and 9 survey questions related to proposed changes to the Compliance rating. These questions covered 4 key topics, as outlined below:

- inclusion of provider-level impacts in the Compliance rating
- display of the exceeding grade while a formal regulatory notice applies to a provider or aged care home
- timeframes for returning to a previous Compliance rating after the resolution of non-compliance
- impact of regulatory notices issued by the System Governor on Compliance ratings.

Stakeholder sentiment regarding each of these topics is further explored within this section.

Inclusion of provider-level impacts to the Compliance rating

In relation to the inclusion of provider-level impacts to the Compliance rating, stakeholders were asked to consider the following:

- Does the inclusion of provider-level impacts to the Compliance rating appropriately signal the quality of care being delivered at an individual aged care home?
- How will provider-level impacts to the Compliance rating affect the ability for older people and their representatives to compare aged care homes?
- Would provider-level impacts to the Compliance rating have impacts on providers' behaviour or operational business decisions?

The key findings in response to each of these topics is outlined below.

Effect of including provider-level impacts for individual aged care homes

Many consultation participants strongly agreed that where a formal regulatory notice relates to significant failures or systemic patterns of non-compliance, the Compliance rating of all the providers' aged care homes should be impacted.

Survey results confirmed this, with 76% of all survey respondents either agreeing or strongly agreeing that the Compliance rating of all aged care homes should be impacted if the provider is issued with a formal regulatory notice for significant failures or systemic patterns of non-compliance. Of all older people and their representatives, 72% agreed or strongly agreed, and 64% of all providers agreed or strongly agreed.

Provider survey results were more mixed when compared with other consultation findings. While approximately two thirds of providers who completed the survey agreed, some providers expressed that home level factors have a greater influence on the quality of care being delivered than those at a

provider-level. Furthermore, some providers indicated that there should be discernment between major and minor non-conformance and that these should impact the Compliance rating differently.

Overall, stakeholders agreed that incorporating provider-level impacts into the Compliance rating effectively indicates the quality of care provided at individual aged care homes.

Ability for older people and their representatives to compare aged care homes if provider-level impacts are included

Stakeholders in the consultation sessions highlighted the ability to compare aged care homes is dependent on the availability of information that is clear, transparent, timely and meaningful. Older people and their representatives expressed that provider-level impacts to Compliance ratings would support their ability to compare homes. They noted however that it would be important to understand how the regulatory notice impacted each individual aged care home under the provider.

Survey results slightly differed to the sentiment expressed in other consultation activities, with 40% of all survey respondents confident or very confident this would assist older people and their representatives to compare aged care homes. This was in comparison with 19% who indicated they were somewhat confident and 26% indicating they were not confident, with the remaining stakeholders feeling neutral or unsure. Of all older people and their representatives, 41% were confident or very confident, and 29% of all providers were confident or very confident that these changes will assist in comparing aged care homes.

Some older people and their representatives suggested that the display of provider-level impacts could be outlined in the form of a timeline to improve traceability of Compliance ratings. It was confirmed that access to a range of information such as this would help to compare aged care homes.

Potential effects to provider behaviour or operational decisions if provider-level impacts are included

Stakeholders were asked during face-to-face consultations whether they thought provider-level impacts to the Compliance rating would effect provider behaviour or operational decisions. Mixed perspectives were evident. Most providers agreed that it would influence provider behaviour, though opinions on the specific nature of this impact varied widely.

Some stakeholders suggested that a negative impact on the Compliance rating would incentivise providers to address issues quickly. Conversely, others believed it would not motivate providers to improve, as they are driven by the well-being of the older people in their care rather than metrics. Another provider expressed concerns that a lower Compliance rating could create barriers to improvement due to negative effects on occupancy, recruitment, and retention of staff.

Overall, stakeholders supported inclusion of provider-level impacts in Star Ratings when non-compliance affects all homes operated by the provider. However, stakeholders also stressed that the ability to compare aged care homes is dependent on the availability of information that is clear, transparent, timely and meaningful.

Displaying the exceeding grade while a formal regulatory notice applies to a provider or aged care home

In relation to whether the exceeding grade should be displayed while a formal regulatory notice applies, stakeholders were asked to consider the following:

- Is it appropriate for the exceeding grade (based on the latest assessment against the strengthened Standards) to still be displayed on My Aged Care for the aged care home if it has received a formal regulatory notice?
- Would display of the exceeding grade at the same time as a formal regulatory notice affect the ability for older people and their representatives to compare aged care homes?
- Would there be any situations where the display of the exceeding grade should continue at the same time as a formal regulatory notice applies to that provider or aged care home?

The key findings in response to each of these topics are outlined below.

Appropriateness of displaying an exceeding grade while a formal regulatory notice applies to an aged care home

Concerns were raised by stakeholders when asked whether an aged care home should continue to have an exceeding grade displayed if it has received a formal regulatory notice. Many believed that displaying both simultaneously would confuse older people and their representatives, as it might seem contradictory.

Survey responses were mixed, with 58% of all respondents indicating they disagreed or strongly disagreed that a previously awarded exceeding grade should still be displayed if the aged care home is issued with a formal regulatory notice. This was in comparison with 32% of all survey respondents who indicated that they agreed or strongly agreed, 7% who indicated a neutral stance and 3% who indicated that they were unsure. Of all older people and their representatives, 61% disagreed or strongly disagreed, and 39% of all providers disagreed or strongly disagreed.

Older people and their representatives had mixed views around displaying an exceeding grade alongside a formal regulatory notice. Some shared concerns throughout consultation activities that this would be confusing and should not be displayed at the same time. Others, however, were supportive of displaying both and agreed it would positively impact their ability to compare homes if enough contextual and explanatory information accompanied both.

Some providers noted the risk of confusion where published compliance information data was contradictory. Other providers suggested that this information would offer older people and their representatives a comprehensive understanding of the provider's performance history. This approach would encourage older people and their representatives to ask questions about an aged care home's performance, providing them with information to further explore and aiding them in comparing aged care homes.

Impact of displaying an exceeding grade at the same time as a formal regulatory notice on the ability of older people and their representatives to compare aged care homes

Similar perspectives were shared by stakeholders regarding the ability to compare aged care homes when both exceeding grade and formal regulatory notices are displayed. Of all survey respondents, 67% indicated that they agreed or strongly agreed that the display of the exceeding grade and a formal regulatory notice at the same time may make it hard for older people and their representatives to compare aged care homes. Of all older people and their representatives, 67% agreed or strongly agreed.

Providers indicated that displaying the exceeding grade alongside a formal regulatory notice would make it hard for older people and their representatives to compare aged care homes, with 64% agreeing or strongly agreeing.

Situations where an exceeding grade should continue to be displayed at the same time as a formal regulatory notice

Some older people and their representatives were firm in their position that an aged care home should not maintain an exceeding grade if they have received a regulatory notice. Additional commentary provided throughout consultation activities revealed that some stakeholders believed the type of regulatory notice should determine whether it should be displayed or not.

Following the earlier suggestion, some providers indicated that presenting the information clearly and simply would offer opportunities for older people and their representatives to ask questions and make informed decisions. They also recommended that this be done in the form of a timeline.

Overall, stakeholders agreed that display of an exceeding grade while a formal regulatory notice applies to an aged care home would be confusing and contradictory. Stakeholders indicated that transparent information about previous assessment findings and ratings should be available.

Timeframe for returning to previous Compliance rating following a regulatory notice

In relation to the timeframe for returning to a previous Compliance rating after the resolution of non-compliance, stakeholders were asked to consider the following:

- Should there continue to be a delay of 1–3 years to return to a previous Compliance rating, when an aged care home has resolved non-compliance? Or, should the aged care home return immediately to their previous rating once non-compliance is resolved?
- Should delays to increases in the Compliance rating after non-compliance continue to be:
 - 3 stars for any regulatory notice becoming non-current in the last 1 year
 - 4 stars for any regulatory notice becoming non-current in the last 1–3 years
 - Or, should these timeframes be reduced, reflecting resolution of non-compliance?

The key findings in response to each of these topics are outlined below:

Delay in returning to a previous Compliance rating following the resolution of non-compliance

Varying feedback was obtained from stakeholders about the time delay of returning to a previous Compliance rating when an aged care home has resolved non-compliance. Many stakeholders believed the 1–3 year time delay was too long and instead favoured an approach that is commensurate with the type and severity of the non-compliance issue. For example, some older people and their representatives and providers stated they believed timeframes should be flexible and applied on a case-by-case basis.

Older people and their representatives highlighted the importance of providers demonstrating the resolution of regulatory issues in a sustainable way. They indicated that governance mechanisms should be in place to monitor this over time, and that relying on an audit at one point in time is not sufficient to determine if changes are embedded and sustained.

Survey responses were mostly consistent, with 66% of all survey respondents agreeing or strongly agreeing that an aged care home should be able to restore its former Compliance rating immediately after resolving non-compliance issues. Amongst older people and their representatives, 62% agreed or strongly agreed, and 82% of all providers agreed or strongly agreed.

Timeframe before a rating can increase following a regulatory notice

Of all survey respondents, 54% indicated that they agreed or strongly agreed that a home should be limited to 3 stars for one year after a formal regulatory notice has been resolved. Among older people and their representatives, 60% agreed or strongly agreed, compared to 64% of providers who disagreed or strongly disagreed, highlighting a significant disparity in perspectives between the two groups.

This aligned with most provider's views throughout consultation activities, with some saying any delay to a return to a previous rating is punitive. These responses contrast with the survey findings in which 66% of all survey respondents agreed or strongly agreed that an aged care home should be able to restore its former Compliance rating immediately after resolving non-compliance issues.

When asked if the timeframe between resolving a regulatory notice and the ability for an aged care home to receive a rating of 3 or 4 stars should continue, older people and their representatives said that the timeframe could be reduced, however only if the aged care home is subject to more frequent reassessment in addition to the regular audit cycle.

Older people and their representatives also expressed that the differentiation between major and minor non-conformance is important, suggesting minor non-conformance due to compliance activities such as administrative responsibilities are of less concern than major non-compliance that directly relate to the quality of care being delivered.

Overall, stakeholders agreed that the timeframe before a Compliance rating can increase should be removed or reduced following non-compliance if there is:

- transparent information about previous ratings and regulatory notices available
- regulatory mechanisms in place to ensure that there are sustainable resolutions to the non-compliance.

The impact of regulatory notices issued by the System Governor on Compliance ratings

In relation to the impact of regulatory notices issued by the System Governor on Compliance ratings, stakeholders were asked to consider the following:

- If a regulatory notice is issued by the System Governor, should it be published alongside the Compliance rating?
- If a regulatory notice is issued by the System Governor, should it impact the Compliance rating the same way regulatory notices issued by the Aged Care Quality and Safety Commission (Commission) do?
- If a regulatory notice is issued to a provider by either the Commission or the System Governor, due to non-compliance with financial and prudential requirements, should it impact the Compliance rating?

The key findings in response to each of these topics are outlined below.

Publication of regulatory notices issued by the System Governor alongside the Compliance rating

Stakeholders strongly agreed that any regulatory notices issued by the System Governor should be published alongside the Compliance rating. Providers believe this will enhance transparency and inform decision making. They also emphasised that the publication of these notices should include additional information to help older people and their representatives understand the implications of the regulatory notice. Older people and their representatives concurred, advocating for the inclusion of contextual information to ensure clarity and comprehension.

Impact of regulatory notices issued by the System Governor on the Compliance rating

Most stakeholders agreed that regulatory notices issued by the System Governor should impact the Compliance rating in the same way regulatory notices issued by the Commission do. Of all survey respondents, 75% indicated that they agreed or strongly agreed that regulatory notices issued by the System Governor should impact the Compliance rating in the same way regulatory notices issued by the Commission do. Of all older people and their representatives, 75% agreed or strongly agreed, and 57% of all providers agreed or strongly agreed.

Impact of regulatory notices issued due to financial and prudential non-compliance on the Compliance rating

Most stakeholders agreed that a regulatory notice issued due to financial and prudential non-compliance should influence an aged care home's Compliance rating. Older people and their representatives expressed a desire for detailed context alongside the regulatory notice to better understand its impact on the Compliance rating. Providers agreed, acknowledging that older people and their representatives are concerned with the financial implications and potential risks when making decisions about aged care.

Survey results were consistent with these findings. Of all survey respondents, 85% indicated that they agreed or strongly agreed that if a provider receives a regulatory notice for non-compliance with financial prudential requirements, it should impact the Compliance rating. Of all older people and their representatives, 91% agreed or strongly agreed, and 61% of all providers agreed or strongly agreed.

Overall, stakeholders agreed that regulatory notices issued by the System Governor, and notices in relation to financial and prudential non-compliance should impact the Compliance rating.

Staffing rating

There were 3 consultation questions and 3 survey questions related to proposed changes to the Staffing rating. These questions covered 2 key topics, as outlined below:

- capping the Staffing rating where an aged care home does not meet its care minute targets
- inclusion of the 24/7 registered nurse requirement in the Staffing rating.

Stakeholder sentiment regarding each of these topics is further explored within this section.

Capping the Staffing rating where an aged care home does not meet its care minute targets

In relation to the capping of the Staffing rating where both care minute targets have not been met, stakeholders were asked to consider the following:

- Where an aged care home does not meet both of its care minute targets, would capping their Staffing rating to 2 stars appropriately signal the level of care being delivered at the aged care home?

The key findings in response to this topic are outlined below.

Capping the Staffing Rating to 2 stars where an aged care home does not meet both care minute targets

Older people and their representatives, as well as providers generally supported the idea of capping the Staffing rating at a maximum of 2 stars for aged care homes who do not meet both their care minute targets, indicating this would appropriately signal the level of care being provided.

Survey results supported this, with 75% of all respondents indicating that they agreed or strongly agreed with the capping of the Staffing Rating to 2 stars where an aged care home does not meet both care minute targets.

Older people and their representatives stated that failing to meet care minute targets should be reflected in the Staffing rating to ensure transparency and support decision making. Survey results supported this, with 80% of all older people and their representatives indicating they agreed or strongly agreed.

Providers believed the capping would emphasise the importance of meeting care minute targets and would act as a compelling incentive to maintain adequate staffing levels. However, provider survey results differed with only 35% of all providers indicating they agreed or strongly agreed with capping the Staffing rating where both care minute targets have not been met.

Some older people and their representatives and providers emphasised that higher care minutes do not always correlate with higher quality care. They emphasised that factors such as staff qualifications and experience are crucial. They noted that incorporating these factors would provide a more comprehensive and valuable indicator to assist and inform decision making.

It was strongly emphasised by all stakeholders that the effectiveness of the Staffing rating depends on the accuracy and reliability of the underlying data reported by providers. There is a recognised need for safeguards to ensure that care minute data, particularly if self-reported, is accurate and reliable.

Stakeholders demonstrated a strong awareness of the broader workforce challenges impacting the aged care sector, indicating they were often beyond the control of individual providers. They highlighted the necessity for a degree of tolerance towards certain providers who are unable to meet their care minute targets, particularly those in rural and remote areas where workforce shortages are more pronounced.

Older people and their representatives expressed that when such tolerance is applied, the exemption should be clearly communicated to support decision making.

Workforce organisations provided a different perspective, noting that Staffing ratings are not just an indicator of the quality of care but are also reflective of workforce conditions. They highlighted that the Staffing rating significantly impacts staff attraction and retention, as potential employees use the Staffing rating to gauge workplace conditions, such as workload, support and resources or professional development opportunities.

According to these stakeholders, lower Staffing ratings may deter prospective employees, exacerbating workforce shortages and making it harder for providers to improve conditions. They suggested that while capping the Staffing rating could drive improvement efforts, it should be accompanied by support measures to address underlying workforce issues.

Overall, stakeholders generally agreed with capping of the Staffing rating where homes don't meet both care minute targets. Stakeholders highlighted that the accuracy and reliability of the underlying data reported by providers is paramount to the Staffing rating. Stakeholders also agreed that any tolerance for providers not meeting the care minutes targets, need to be transparent.

The inclusion of the 24/7 registered nurse requirement in the Staffing rating

In relation to the inclusion of the 24/7 registered nurse requirement in the Staffing rating, stakeholders were asked to consider the following:

- Should the 24/7 registered nurse requirement be incorporated into the Staffing rating design?
- Where an aged care home does not meet its 24/7 registered nurse requirement, would capping their Staffing rating to 2 stars appropriately signal the quality of care being delivered at the aged care home?

The key findings in response to each of these topics are outlined below.

Incorporating 24/7 registered nurse requirement into the Staffing rating design

Strong and consistent views were observed across all consultation activities regarding the 24/7 registered nurse requirement. Discussions throughout virtual and face-to-face consultations highlighted the importance of this requirement, with stakeholders indicating it is a critical part of decision making. Survey results supported this view, with 87% of all respondents indicating that they agreed or strongly agreed that the requirement to have a registered nurse available 24/7 be included in the Staffing rating calculation. Amongst older people and their representatives, 92% of respondents indicated that they agreed or strongly agreed, and 68% of providers indicated that they agreed or strongly agreed.

Capping the Staffing rating to 2 stars if 24/7 registered nurse requirement is not met

Consultations revealed that stakeholders believe the 24/7 registered nurse requirement signals the level of care being provided. Where this is not met, stakeholders agreed that aged care homes should be capped at 2 stars. This was seen as an appropriate way to signal that the requirement had not been met and that improvement is required. Some older people and their representatives suggested that failure to meet this requirement should result in a 0 star rating, highlighting the critical importance of having a registered nurse on site and on duty at all times.

Stakeholders stressed the need for a nuanced approach that considers the varying capacities and circumstances of aged care homes, ensuring that staffing requirements are balanced against actual need and capabilities. Providers emphasised the unique challenges faced by rural and remote providers in meeting the 24/7 registered nurse requirement. They reinforced the need for a level of tolerance and the consideration of exemptions for these providers. Additionally, they suggested that any exemptions granted should be clearly displayed in the home's Staffing rating, ensuring transparency about how these exemptions impact the Overall Star Rating.

Similarly, concerns were raised about the disproportionate challenges on smaller aged care homes, potentially straining their resources and staffing capabilities. Providers expressed concerns about being penalised for broader workforce issues outside of their control. Providers highlighted the

ongoing difficulties in recruitment and retention of registered nurses, which can affect their ability to meet the 24/7 registered nurse requirement.

Older people and their representatives emphasised that maintaining a high standard without allowances is essential to ensure the consistent delivery of safe and high quality care.

Despite the importance of the 24/7 registered nurse requirement to the Star Ratings design, it was suggested by some stakeholders that flexibility should be applied to this design element. For example, some stakeholders expressed that the current 24/7 registered nurse supplement, which requires aged care homes to achieve at least 95% of the requirement, provides minimal incentive for providers to achieve 100%.

Conversely, some providers argued that the 95% target offers necessary tolerance by acknowledging that there are instances where 24/7 registered nurse minutes cannot be fully met due to emergencies and unforeseen circumstances. These providers believe that applying a strict threshold of meeting the 24/7 registered nurse requirement at 100% may not reflect the operational realities and challenges faced by aged care homes. These providers indicated a more flexible approach would be pragmatic, with some tolerance to account for occasional shortfalls in registered nurse availability, possibly consistent with the current supplement.

One older person advocate, and one provider advocate offered a different perspective, noting that the system appears to prioritise registered nurse care minutes over total care minutes. For instance, aged care homes that meet the total care minute targets and are above the registered nurse care minute targets are awarded 4 stars; while aged care homes that meet registered nurse care minute targets but are above total care minute targets are only awarded 3 stars. Stakeholders suggested that this rating design may unfairly skew perceptions of care quality and called for a more balanced approach to ensure the ratings accurately reflect the contributions of both registered nurse care minutes and total care minutes.

Overall, there was strong stakeholder support for incorporating the 24/7 registered nurse requirement into the Staffing rating.

Star Ratings Evaluation

There were 3 consultation questions and 3 survey questions related to design considerations from the findings of the Star Ratings evaluation. These questions covered two key topics, as outlined below:

- inclusion of half star ratings
- inclusion of environmental restraint alongside restrictive practices and the Quality Measures rating.

Stakeholder sentiment regarding each of these topics is further explored within this section.

The inclusion of half star ratings

In relation to inclusion of half stars, stakeholders were asked to consider the following:

- Should the Star Ratings design change to include half stars?

The key findings in response to this topic are outlined below.

Half star ratings

The majority of stakeholders approved of the proposal to introduce half star ratings to the Overall Star Rating. This was particularly strong in the virtual and face-to-face consultation sessions. Stakeholders stated that half stars would facilitate better decision making for older people and their representatives when choosing an aged care home.

Survey responses were mixed, with 51% of all respondents indicating they support the inclusion of half stars, 38% who did not support the inclusion, and 10% indicated that they did not know. Among older people and their representatives, 52% of respondents indicated they supported the inclusion of half stars, compared to 64% of all providers.

Some concerns were raised amongst providers that the inclusion of half stars could create confusion for older people and their representatives. Some older people and their representatives and providers voiced concerns that instead of supporting decision making, the inclusion of half stars could overwhelm people with too much detail, making it more difficult for them to make clear choices about aged care homes.

Most older people and their representatives believed that half stars would encourage providers to implement incremental improvements, as achieving an additional half star rating would be more attainable than increasing a whole star. Older people and their representatives, as well as some providers, emphasised the importance of being able to access as much information as possible to provide a nuanced differentiation and to assist with decision making, with some suggesting that Star Ratings should include more detail, including the use of decimal places.

Overall, most stakeholders supported the proposal to introduce half stars. However, stakeholders in consultation sessions showed greater support.

The display of environmental restraint alongside restrictive practices and the Quality Measures rating

In relation to the display of the environmental restraint alongside restrictive practices and the Quality Measures rating, stakeholders were asked to consider the following:

- Should the Star Ratings design change to include publication of environmental restraint alongside restrictive practices and the Quality Measures rating?
- Would having details around environmental restraint as well as all restrictive practices appropriately signal the quality of care being delivered at the aged care home?

The key findings in response to each of these topics are outlined below.

Display of information regarding the use of environmental restraint

Most older people and their representatives supported the inclusion of displaying a provider's use of environmental restraint alongside restrictive practices and the Quality Measures rating. These stakeholders emphasised that such information would be valuable in understanding how different aged care homes use environmental restraint, thereby signalling the quality of care being delivered and supporting the comparison of aged care homes.

Survey responses were consistent, with 82% of all respondents supporting the inclusion of the use of environmental restraint. Amongst older people and their representatives, 87% of respondents were in favour, compared to 54% of providers.

Offering an aligning view were workforce organisations, who agreed that providing as much information as possible would be beneficial to older people and their representatives, as well as potential workers. These stakeholders explained that aged care workers may review a provider's Quality Measures when deciding on which aged care home to work for. Stakeholders stated that in these situations, information on the use of environmental restraint would provide aged care workers with a more holistic understanding of the working environment, including potential workplace risks.

Impact of displaying information regarding environmental restraint and all restrictive practices on perceived quality of care being delivered

There were concerns among providers that there may be negative perceptions associated with a high use of environmental restraint in an aged care home. Stakeholders were of the view this might result in providers being selective about who they accept into their home, thereby only accepting older people with a lower risk profile. In addition, there were concerns that providers with memory support units or those who specialise in dementia care may be adversely impacted if further context on the application of the environmental restraint is unclear.

Some stakeholders were also confused as to why environmental restraint was being highlighted more than other forms of restrictive practices. Stakeholders emphasised that additional information needs to be provided, along with education to reduce the fear and stigma associated with environmental restraint. These stakeholders outlined how additional contextual information can alleviate negative perceptions while also assisting older people and their representatives with decision making.

Stakeholders stated that a provider may have a high proportion of older people with an environmental restraint but also have a low number of people on unauthorised restrictive practice or low numbers of serious incidents, thus signalling that the provider uses restrictive practices in the correct way.

Overall, stakeholders supported the display of information about the use of environmental restraint.

Overall, the consultation activities provided valuable insights from stakeholders regarding the proposed changes to Star Ratings.

Next steps

Findings from the consultation activities will be instrumental in supporting future development and design of Star Ratings enhancements, ensuring it continues to offer transparent information, support informed decision making, and drive quality improvements in residential aged care.

References

1. Department of Health and Aged Care, About the new Aged Care Act (last updated 27 November 2024), www.health.gov.au/our-work/aged-care-act/about
2. Department of Health and Aged Care, Design Changes for Star Ratings – Consultation Paper, (published November 2024), www.health.gov.au/sites/default/files/2024-11/design-changes-for-star-ratings-consultation-paper.pdf
3. Aged Care Royal Commission, List of Recommendations (published 1 March 2021), www.royalcommission.gov.au/system/files/2021-03/final-report-recommendations.pdf

Resources

- Department of Health and Aged Care, About Star Ratings, (accessed December 2023), www.health.gov.au/our-work/star-ratings-for-residential-aged-care
- Department of Health and Aged Care, Design Changes for Star Ratings – Consultation Paper, (published November 2024) www.health.gov.au/sites/default/files/2024-11/design-changes-for-star-ratings-consultation-paper.pdf
- Department of Health and Aged Care, Star Ratings Evaluation – Summary Report, published January 2025 www.health.gov.au/sites/default/files/2025-01/star-ratings-evaluation-summary-report_0.pdf

