

Summary of Aged Care Transitional Rules 2025

The Aged Care (Consequential and Transitional Provisions) Rules 2025 (the Transitional Rules) ensure a seamless transition to the Aged Care Act 2024 (the new Act). The Transitional Rules are published on the Federal Register of Legislation. The Rules took effect from 1 November 2025.

Overview

This document summarises the Transitional Rules for aged care. The full set of the Transitional Rules are published on the <u>Federal Register of Legislation</u>.

The Transitional Rules support the new Act and the *Aged Care (Consequential Amendments and Transitional Provisions) Act 2024.*

The Transitional Rules ensure a seamless transition between the *Aged Care Act 1997* (old Act) and new Act, with a focus on avoiding any disruption to care for older people.

Part 1 - Preliminary

This part covers the preliminary information for the Rules, including their commencement, the authority under which they are made, and the definitions used in the Rules.

Part 2 – Matters for Chapter 1 of the new Act

Supporters

This part covers transitional arrangements relating to home care entry dates and registered supporters. Under these transitional rules, and subject to certain conditions, an individual's 'entry day' is the day they transitioned to be under the arrangements of the new Act. For registered supporters, if a person was a 'representative for an individual' under the old Act, they became a 'supporter' of an individual under the new Act.

Part 3 – Matters for Chapter 2 of the new Act

Part 3 covers transitional arrangements relating to individuals who were accessing aged care services under the old Act. This part deals with the transition of an individual's eligibility, classification, prioritisation and place allocation to the new framework.

Eligibility for entry

These transitional rules deal with applications and assessments for aged care services. Individuals who applied for aged care services but had not received a decision before the new Act started, do not need to resubmit an application or restart their assessment.

Classification

These transitional rules cover aspects of an individual's classification, such as what happens to reclassification applications made before the start of the new Act and the period of effect of a classification for an individual under the new Act.

Prioritisation

These transitional rules deal with prioritisation categories for individuals approved for home care before the new Act commenced.

Place allocation

These transitional rules set out the number of places available for each service group, so individuals accessing care may still do so uninterrupted by having a place allocated to them.

Part 4 – Matters for Chapter 3 of the new Act

Part 4 covers transitional arrangements for Chapter 3 of the new Act relating to provider registration, conditions on registration and obligations.

Fee exemptions

These transitional rules allow certain entities that were eligible for either an exemption or a discount for certain registration or audit fees under the old Act and its associated Acts and Principles to be eligible for reduced fees under the new Act.

Conditions on registration of registered providers—service agreements

These transitional rules deal with service agreements and care and services plans made between providers and individuals. They ensure that, agreements and plans set up under the old Act continue to operate under the new Act. They also establish what happens if no agreement or plan was in place when the new Act commenced.

Conditions on registration of registered providers—starting and ceasing delivery of funded aged care services

When an individual starts or stops receiving care from a provider, the provider is required to notify the Department of Health, Disability and Ageing. If a provider had not yet given a required notice under the old Act, they must still provide it under the new Act.

The rules also ensure that security of tenure notices, which are notices asking an individual to leave a residential care home, will still be in effect under the new Act.

Conditions on registration of registered providers—information and access

These transitional rules state that, if a registered provider or entity was required to give an individual or the Secretary of the Department of Health, Disability and Ageing (the Secretary) information, documents or a statement, and had not done so by the time the new Act commenced, they are still required to do so.

Conditions on registration of registered providers—governance

These transitional rules require the first report given by the quality advisory care body to the governing body of a registered provider to include any period before transition that was not included in the most recent quality report given to the governing body.

Conditions on registration of registered providers—restrictive practices

These transition rules deal with restrictive practices nominees and nominee groups for restrictive practices. Where an individual or group was a nominee under the old Act, they will continue to be a nominee under the new framework.

Conditions on registration of registered providers—management of incidents and complaints

These transitional rules ensure that, where an entity is required to notify a police officer of an incident and had not done so by the time the new Act commences, the entity must still do so. The entity is also required to keep records for 7 years after the date of the incident.

Obligations relating to reporting, notifications and information

These transitional rules deal with reporting, notifications and information. If an entity was required under the old Act to provide a report, notice, information or document and has not done so by the time the new Act commenced, they are still required to provide it.

Obligations relating to suitability of responsible persons

These transitional rules require an entity to comply with their obligation to notify the System Governor of a change in circumstances relating to the suitability of key personnel if they have not done so before the new Act commenced. The entity is also required to keep records of matters relating to suitability in accordance with the old Act.

Obligations relating to aged care workers etc.

These transitional rules deal with 24/7 nursing requirements. Providers with an exemption from the 24/7 nursing requirements (before the start of the new Act) retain the exemption until its original expiry date. Applications made under the old Act will be processed under the new Act without needing to be resubmitted.

These transitional rules also provide the calculation for care minute requirements. The calculation of care minutes is based on the combined staff daily amounts and the registered nurse daily amounts for quarters starting on 1 October 2025 and 1 January 2026. This calculation is for the period prior to the new Act commencing. Calculation for after the Act commenced are in the *Aged Care Rules 2025*.

Other obligations—Cooperation with other persons

These transitional rules provide that if the Pricing Authority gave a notice to an entity prior to transition time and the entity had not complied by the time the new Act commenced, the entity is still required to comply with the notice.

Part 5 – Matters for Chapter 4 of the new Act

This part deals with matters relating to subsidy payments, fees and individual contributions and the 12-month grace period for extra and additional services fees under the old Act. **Error! Bookmark not defined.**

- Divisions 1-3 deal with the transition of home care, residential and flexible care subsidy
- Divisions 4-8 deal with the transition of Commonwealth contributions in relation to home support, assistive technology and home modifications, unspent funds, residential care, and Multi-Purpose Service Program (MPSP)
 - Division 8 includes the circumstances that must apply for the System Governor to enter into an MPSP agreement
 - Additional detail on care minutes supplement in Division 7 is outlined below
- Division 9 deals with individual fees and contributions
- Division 10 deals with the transition of accommodation payments and accommodation contributions
- Divisions 11-12 deal with the means testing of individuals for home care and residential care at the transition time
- Division 13 deals with the saving of extra service and additional service fee agreements for 12 months.

Care minutes supplement

The transitional rules establish that the amount of care minutes supplement must be calculated in accordance with section 64ZV of the Aged Care (Subsidy, Fees, and Payments)

Determination 2014 for relevant periods where the calculation relies on information from before the start of the new Act.

Unspent funds supplement

The transitional rules ensure that an amount of subsidy available to an individual, where it is taken from unspent funds, is not subject to an individual contribution. Unspent funds refers to an unspent Commonwealth portion or an individual's notional home care account.

Notional service delivery branch

The transitional rules modify the operation of the new Act so that service delivery branches created due to the transition are not eligible for the payment arrangements available to newly established service delivery branches.

Start Days

The transitional rules clarify that the initial entry adjustment supplement does not apply when the individual's start day is taken to be the day the new Act starts because of the transition between the old Act and the new Act.

Annual caps for home care recipients

The transitional rules maintain an individual's contribution at zero if they reached the annual home care cap prior to transition for the remainder of a 12-month period, aligned with the anniversary of their entry to a home care service.

Hardship determination

The rules provide for the transition hardship determinations and pending applications for hardship supplement under the old *Aged Care (Transitional Provisions) Act 1997*, keeping the relevant sections of that Act in force for these purposes despite its repeal.

Part 6 – Matters for Chapter 5 of the new Act

ID Cards

These rules require only the needs assessment workforce that undertakes classification assessments in approved residential care homes to be issued, carry, and produce identity cards. This will remain in effect until 30 June 2026.

Complaints

These rules ensure that any complaints made under the old Act which have not yet been resolved can be managed under the new Act.

Where a decision was made about a complaint prior to the new Act starting but the period for reconsideration had not yet ended, the complaint is still reviewable upon request.

Where a person requested to have a complaint decision reconsidered prior to the new Act starting and a decision had not been made on this review, the Aged Care Quality and Safety Commission is still required to consider the request under the old Act.

Part 7 – Matters for Chapter 6 of the new Act

Recoverable Amounts

If a registered provider was liable to pay a recoverable amount at the transition time, then that provider is still liable to pay this amount under the new Act. A 'transferee' under the old Act becomes a 'debtor' under the new Act and is still required to pay their debt.

Assurance Activities

These transitional rules allow the System Governor to conduct assurance activities based on information provided at any time during the 18 months prior to the start of the new Act.

Part 8 – Matters for Chapter 7 of the new Act

Star ratings

The transitional rules deal with the use and disclosure of information from the old Act in relation to the operation of star ratings under the new Act.

Part 9 – Matters for Chapter 8 of the new Act

Delegations

A delegation by the Secretary under section 96-2 of the old Act which was in effect prior to the start of the new Act will remain in effect for the purposes of a decision made after the start of the new Act under the old Act in accordance with the *Aged Care (Consequential and Transitional Provisions) Act 2024* or these rules.

Part 10 – Matters for multiple Chapters of the new Act

Refundable deposits

The transitional rules provide for recognising accommodation agreements that were entered into under the old Act are recognised as accommodation agreements under the new Act. The transitional rules also provide arrangements for the transition of refundable deposits and recognising these under the new Act.

Accommodation bonds and charges

The transitional rules establish that an accommodation bond agreement for individuals in the pre-2014 accommodation class, including associated charges and requirements, are to be treated as an accommodation bond agreement for the purpose of the new Rules.

Schedule 1—Repeals of instruments

In anticipation of new subordinate instruments introduced under the new legislative framework, Schedule 1 repeals the following instruments under the old legislation:

- Accountability Principles 2014
- Aged Care (Conditions of Allocation) Determination 2016
- Aged Care (Leave from Residential Care Services) (Situation of Emergency—Human Coronavirus with Pandemic Potential) Determination 2020
- Aged Care Quality and Safety Commission Rules 2018
- Aged Care (Subsidy, Fees and Payments) Determination 2014
- Aged Care (Transitional Provisions) Principles 2014
- Aged Care (Transitional Provisions) (Residential Care Subsidy) Determination 2014
- Aged Care (Transitional Provisions) (Subsidy and Other Measures) Determination 2014
- Allocation Principles 2014
- Approval of Care Recipients Principles 2014
- Classification Principles 2014
- Extra Service Principles 2014
- Fees and Payments Principles 2014 (No. 2)
- Grant Principles 2014
- Information Principles 2014

- Prioritised Home Care Recipients Principles 2016
- Quality of Care Principles 2014
- Records Principles 2014
- Subsidy Principles 2014
- User Rights Principles 2014