



Governance (Pillar 5 of the Royal Commission response) – a new Aged Care Act

In response to the Aged Care Royal Commission, the Australian Government will invest \$26.7 million to develop and introduce a new Aged Care Act to underpin the fundamental and generational reform across aged care. It will replace the existing Act which has been in place since 1997, and is primarily concerned with funding aged care providers. The new Act will:

- legislate the five key pillars of reform as outlined by Government, including home care, quality and safety, residential aged care services and sustainability, workforce and governance
- establish provisions for eligibility for care, funding arrangements and regulatory powers
- support greater choice and control for senior Australians over the care and services they receive. Stronger provider and worker regulation provisions in the Act will protect senior Australians from mistreatment, neglect and harm, and
- include grant programs which can be tailored to specific needs in the aged care sector, including research to drive innovation and programs to address areas with limited services or low client numbers once the Act is developed.

A taskforce has been established to support the drafting of the new Act and to assist with transition and implementation of the legislation once it passes Parliament and receives Royal Assent.

Why is this important?

The new Aged Care Act will underpin the necessary and generational change required to reform aged care in Australia. The current Act requires replacement so that senior Australians will be central to the reformed aged care system.

The new legislation to be developed will set out system governance and accountability arrangements and workforce and provider standards, all of which will be necessary in a system aimed at improving the quality and safety of care for our senior Australians.

Interim amendments to existing legislation will be needed to enable urgent and transitional reforms to be put in place before the new Aged Care Act is drafted and introduced to Parliament.

This measure implements fully or in part *Recommendations 1, 2 and 3* of the Royal Commission final report and underpins the implementation of all other recommendations which have been agreed in full or in part and have a legislative basis.

Who will benefit?

Senior Australians will benefit from a new legislative framework formalising their access to an aged care system that is focused on their needs and delivers dignity, care and respect.

Aged care service providers will have a new funding model established and benefit from reduced red tape, clear quality standards and greater consistency across the disability and aged care regulatory frameworks.

Greater transparency and accountability under the new Act will also benefit senior Australians, the aged care workforce, family and carers to give them all greater choice with enhanced information about providers and services.

How much will this cost?

The Australian Government is committing \$26.7 million over 4 years, from 2021–22.