



## Residential aged care services and sustainability (Pillar 2 of the Royal Commission Response) – Reforming accommodation settings in residential aged care

In response to the Aged Care Royal Commission, the Australian Government will invest \$5.5 million and commence consultations with senior Australians and the aged care sector to develop a new Residential Aged Care Accommodation Framework. The Framework will commence from 1 July 2024 and guide the design of the most appropriate residential aged care accommodation going forward.

The consultation will assist in developing new National Design Standards for Residential Aged Care to ensure safer and more user-friendly environments for residents. These design standards, to be updated from time to time as necessary, will establish a baseline for accommodation quality, including consideration of accessibility, enablement, dementia-friendly design and smaller group home models, while enabling innovative design solutions.

The consultations will also consider options to promote adherence to the new design standards, including industry education and incentives, and whether there is a need to amend the National Construction Code.

The Government will consult with the sector to review the use of Refundable Accommodation Deposits (RADs) to raise capital within the residential aged care sector. This will include investigating new ways to assist residential aged care providers in raising capital.

### **Why is this important?**

The residential environment is important to the wellbeing of senior Australians, particularly those who are living with dementia. It is estimated that there are more than 450,000 Australians living with dementia. Of the more than 240,000 people that receive residential aged care each year, more than half have dementia.

There is currently no national standard for dementia-friendly design, and the Royal Commission into Aged Care Quality and Safety has identified that less than half of Australia's residential aged care facilities adopt a dementia-friendly design.

New design standards will address accessibility and dementia-friendly design in residential aged care, as well as the role of smaller group home models, enablement and respite settings, as recommended by the Royal Commission.

As senior Australians choose to remain at home for longer, these consultations will explore opportunities to address demand for flexible housing options, including smaller group home models.

This measure responds fully or in part to *Recommendations 45, 46 and 142* of the Royal Commission's final report.

### **Who will benefit?**

Senior Australians, particularly those living with dementia will benefit from new design standards in residential aged care, with a focus on accessibility and dementia-friendly design. Improvements to the environment where senior Australians live will positively contribute towards their wellbeing.

The adoption of national design standards will also guarantee greater choice for senior Australians including those living in rural and regional Australia by allowing older Australians to compare residential aged care facilities based on their adherence to the design standards.

Residential aged care providers and developers will benefit from clear design standards which will help guide their capital works towards more appealing, safer and more user-friendly environments for current and future residents.

Investors in the sector will benefit from increased clarity about financing mechanisms, raising capital and the viability of the operations of providers.

### **How much will this cost?**

The Australian Government is investing \$5.5 million over 4 years, from 2021–22.