



Aged Care Quality Agency

2015 Budget

The Australian Government will consult with the aged care sector regarding the establishment of a single quality framework for all aged care services, and options for establishing private market provision of accreditation services.

What was announced in the 2015 Budget?

The Government will work with the aged care sector to identify opportunities to improve quality assessment and risk management systems.

Currently, different arrangements apply in residential care compared to at-home care services. This increases complexity and red tape for providers who deliver both types of care.

The Government will also work with the sector to deliver private market provision of accreditation services as part of a single aged care quality regime across both community and residential care. Currently, the Government's Aged Care Quality Agency is the sole provider of aged care accreditation services.

This process will include the expansion of cost recovery arrangements for accreditation services for residential aged care providers by the Australian Aged Care Quality Agency.

Competition in accreditation services will help put downward pressure on these costs for providers while improving the overall quality for older Australians.

Savings of \$30.7 million over four years will be achieved by expanding cost recovery arrangements for residential care accreditation services undertaken by the Aged Care Quality Agency from 1 July 2016.

Partial cost recovery arrangements for accreditation services have been in place since 1997. This measure expands those arrangements so that residential aged care providers pay the full cost of accreditation activities, including accreditation site audits and one unannounced visit per year.

The changes will improve equity and accountability by ensuring that residential service providers that use Australian Government services bear the associated cost.

Safeguards will be introduced to ensure that the increased cost to providers does not compromise their financial viability.

A 50 per cent cost recovery discount will apply to small residential care facilities with fewer than 25 places, as well as those who receive the viability supplement (including homes in rural and remote areas, and services for people who are homeless or at risk of homelessness).

Residential care facilities with fewer than 25 places that also receive the viability supplement will not pay anything under the new arrangements.

Key facts

- The government will consider options for establishing a market for accreditation services, to help the industry adapt to new consumer demands and preferences.
- It will ensure that all residential service providers that use Australian Government services bear the cost.
- Safeguards will be introduced for small services and those receiving the viability supplement.
- This measure will save \$30.7 million over four years.

More information

For more information about this measure and other Department of Social Services' Budget measures, visit the [Department of Social Services](http://www.dss.gov.au) website (www.dss.gov.au).

For information about the 2015 Budget, visit the [Australian Government budget](http://www.budget.gov.au) website (www.budget.gov.au).