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New Aged Care Rules Pave Way for Sector Reform

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The Australian Government has released the final draft of the Aged Care Rules, a critical milestone in implementing the Aged Care Act 2024. Scheduled to come into effect on 1 November 2025, these rules will establish a detailed regulatory framework for aged care providers, aiming to improve service quality, enforce stronger accountability measures, and better protect the rights of older Australians.

The reforms follow the findings of the Royal Commission into Aged Care Quality and Safety, which called for a fundamental overhaul of Australia's \$24 billion aged care sector. In

response, the government has introduced a rights-based approach designed to enhance transparency and support a culture of safe and respectful care. The Aged Care Quality and Safety Commission will be given expanded regulatory powers, including the authority to impose penalties of up to \$78,000 for non-compliance with the new rules.

Key features of the updated rules include refined definitions for allied health professionals, the introduction of an Assistive Technology Loan scheme, and mandatory exit strategies in restorative care plans. Cooling-off periods for residential care agreements will be extended from 14 to 28 days to allow families more time to make informed decisions. Monthly billing statements will also provide clearer breakdowns of means-tested contribution changes, increasing financial transparency for residents and their families.

The reforms remove hourly caps on in-home services such as cleaning, and introduce new limitations on daily accommodation contributions for individuals who entered residential care after 1 July 2014 and are transferring to a different facility. Governance rules have also been updated to align with the Co-operatives National Law, and providers will be required to deliver training on the role of independent advocates to strengthen consumer awareness and protections.

According to the Department of Health and Aged Care, the new rules were shaped through extensive stakeholder consultation that concluded on 13 May 2025. With Australia's aged population projected to grow to 6.6 million by 2042, the government considers these reforms essential for ensuring the long-term sustainability of aged care services. The updated regulatory framework aims to foster a more accountable and consumer-focused sector while providing clear expectations for providers and greater confidence for care recipients.