

PARLIAMENTARY INQUIRY QUESTION ON NOTICE

Department of Health and Aged Care

Senate Standing Committee on Community Affairs Legislation Committee

Inquiry into the Aged Care Bill 2024 (Provisions)

03 October 2024

PDR Number: IQ24-000130

Impact of Bill on regional and rural providers

Written

Senator: Marielle Smith

Question:

How will the Bill impact regional and rural providers, what supports will be available for providers in thin markets

Answer:

As outlined in the answer to IQ24-000158, the Aged Care Bill 2024 (the Bill) supports the ongoing delivery of Commonwealth-funded aged care services in rural and remote Australia. This includes providing for additional targeted supports and varied arrangements for providers who operate in these areas where required. Some such supports will also be available to regional providers.

Like all other providers, regional and rural providers will need to be registered under the new Aged Care Act (new Act). They will also need to comply with ongoing conditions of registration and obligations set out in the new Act and related Rules, including taking reasonable and proportionate steps to act in accordance with the Statement of Rights. Some conditions of registration and obligations will, however, be varied to reflect the context in which they operate.

The Department of Health and Aged Care understands the concerns of providers about the potential increased compliance costs and the impacts of regulatory requirements, alongside the challenges of operating in thin markets. As a result, we continue to work through proposed conditions and obligations, with key stakeholder groups, including Multi-Purpose Services Program (MPSP) providers, State and Territory health agencies, and the Aged and Community Care Providers Association, as well as the Remote Accord in terms of impacts on remote providers. Adjustments to regulatory requirements to reflect challenges in thin markets will continue to be considered.

Eligible providers will also have access to flexible funding for the provision of funded aged care services under the new Act in thin markets, consistent with the recommendations of the Aged Care Taskforce. This includes:

- block-funding for specialist aged care programs (i.e. the MPSP and the National Aboriginal and Torres Strait Islander Flexible Aged Care Program (NATSIFACP), and
- additional, or varied, funding arrangements for services delivered through mainstream aged care programs in regional, rural and remote Australia.

As currently, these arrangements will be complemented by grant funding arrangements for workforce, professional and viability supports, as well as additional infrastructure funding to support the construction, upgrade and expansion of aged care services – with many of these initiatives targeted specifically to assist thin market providers.