

Aged Care Sector Reforms

Three months in review

July 2026

The current and emerging regulatory landscape

Three months on: The latest aged care reform developments

- **Liquidity Standard targeted review:** Earlier this month, the Aged Care Quality and Safety Commission (**Commission**) commenced a targeted review of the new Financial and Prudential Liquidity Standard under the *Aged Care Act 2024* (Cth) (**Act**). The review aims to assess how well non-government providers registered in Category 6 understand and comply with their liquidity obligations, including maintaining a Liquidity Management Strategy with adequate systems for managing cash flow and financial risks. Providers selected for review may include those at risk of or with a history of non-compliance, or those whose size, type, or location makes them of particular interest to the Commission. A findings report will be published to highlight common issues and areas for improvement. More information on targeted reviews is available on the Commission's [webpage](#).
- **SAH Assurance Framework:** In March 2026 and July 2026, the Department of Health, Disability and Ageing (**Department**) published a [Support at Home Program Assurance Framework](#) and [Support at Home Program Assurance Plan 2025-2027](#), establishing a rolling review cycle under sections 508-513 of the Act. Reviews commenced in February 2026 and will progressively cover all providers, verifying payment integrity, including that services were delivered, prices were agreed, and statements were accurate. This review is separate from the pricing reviews that target providers with outlier pricing, who must justify that their prices are not unreasonable or face referral to the Commission. The Framework suggests the Department will work with providers to self-correct, but that repeated or deliberate non-compliance may result in compliance notices, referral to the Commission, or referral to law enforcement.
- **CHSP to remain separate from SAH:** On 24 June 2026, the Senate recommended that the Commonwealth Home Support Program (**CHSP**) be retained as a separate block-funded program and not transitioned into Support at Home (**SAH**), with funding to be extended for an additional three years beyond July 2027. They cited concerns about transitioning approximately 800,000 older Australians into a program already experiencing extensive wait times would cause 'further suffering and unnecessary deaths'.
- **HELFI investigation:** Earlier this month, the Commission announced it had launched investigations into several residential aged care providers over concerns that Higher Everyday Living Fees (**HELFI**) are being charged in ways that are inconsistent with the *Aged Care Rules 2025* (Cth) (**Rules**) and the rights of older people. Allegations under examination include providers charging for services already included in standard residential care, presenting optional fees as mandatory, and removing basic amenities with the intention of charging residents to have them reinstated. The Commission has warned it will take strong regulatory action, including requiring providers to reinstate withdrawn services and issue refunds, and has reminded the sector that HELFI cannot be a condition of entry and must relate only to genuine additional services that a resident has freely chosen to receive.
- **Sector performance data:** Following the July to October 2025 sector performance report, the Commission published a [data spreadsheet](#) for 1 November to 31 December 2025, though a full sector [performance report](#) is yet to be released for this period. In residential care, 9,605 reportable incidents were notified (2,835 priority 1 and 6,770 priority 2), with unreasonable use of force and neglect comprising the majority of reported incidents. A total of 1,551 complaints were received in residential care, with care provision and planning concerns (14%) and workforce management (7.8%) the most common complaint categories. In home services, 814 reportable incidents were notified (309 priority 1 and 505 priority 2), with neglect the most reported category.
- **'Choice, dignity, respect' program:** On 4 May 2026, the Commission launched the 'Choice, dignity, respect – your rights in aged care' national public information program. Registered providers are encouraged to direct older people to the [Commission's website](#) and utilise the [Provider and Worker Toolkit](#) to clearly communicate complaints and feedback processes to residents and their supporters.

■ **SAH Senate Inquiry:** The Senate has established an inquiry into the SAH program, examining access to services, the impact of contribution payments and pricing mechanisms, financial hardship provisions, and effects on residential aged care, hospitals, and thin markets – including impacts on First Nations and CALD communities. [Public hearings](#) are scheduled for July and August 2026, with the inquiry due to report on 24 November 2026.

■ **Aboriginal and Torres Strait Islander Aged Care Commissioner:** On 1 July 2026, the Government [introduced](#) the *Aged Care Legislation Amendment (Aboriginal and Torres Strait Islander Aged Care Commissioner and Other Measures) Bill 2026 (Bill) to establish Australia's first permanent Aboriginal and Torres Strait Islander Aged Care Commissioner as an independent statutory office within the Commission. The Bill gives effect to Recommendation 49 of the [Royal Commission](#) into Aged Care Quality and Safety. The Commissioner will serve as an advocate for older First Nations people, working to ensure aged care is culturally safe and responsive to their needs. The Bill also makes permanent a number of transitional system modification measures, strengthens provider refund obligations, and gives the regulator enhanced powers to determine when a price is unreasonable.*

Where to next?

Next steps in the 2026 aged care reform journey



OCTOBER

1 Oct: Personal care – such as showering, dressing and continence care – reclassified as 'clinical care', ending SAH participant co-payments.

31 Oct: Extra Service and Additional Service agreements cease.

NOVEMBER

1 Nov: Extra Service and Additional Service agreements transition to HELF and subject to GST.

1 Nov: Resident Agreements transition to Service Agreements.

24 Nov: SAH Senate Inquiry report published.

■ **Price caps deferred indefinitely:** The Government announced in May 2026 that the implementation of formal price caps under the SAH program has been deferred indefinitely, having originally been due to take effect on 1 July 2026. The deferral was driven by concerns that setting price caps amid economic instability risked locking in inflated costs and producing poor outcomes for older people, with the Government also noting the unintended consequences observed in comparable schemes, including the NDIS.

■ **Wait Times Report:** On 12 May 2026, the Department published its first [Wait Times Report](#) under the new reporting requirements in section 342A of the Act, which mandates quarterly reporting on waiting periods for certain funded aged care services. Key findings include a national median wait of 294 days from application to service commencement, with the End-of-Life Pathway recording the shortest median (15 days) and Support at Home (SAH) (ongoing) the longest (347 days).

■ **Contribution payments removed for personal care:** From 1 October 2026, personal care services delivered under SAH will move from the 'independence' category to the 'clinical supports' category. Accordingly, personal care services will no longer attract contribution payments. To assist SAH providers with the transition, the Department has released the [Provider Readiness Checklist Playbook](#) and [Stakeholder Kit](#), which contain suggested template emails and news articles, frequently asked questions, and an implementation timeline.

■ **Aged Care Amendment Bill:** On 2 July 2026, the Senate passed the *Aged Care Amendment (Restoring Human Override for Aged Care Needs Assessments) Bill 2026 (Bill)*, which amends the Act to clarify that the Integrated Assessment Tool and any other classification tools prescribed by the Rules must support, not replace, the professional judgement of approved needs assessors in conducting aged care needs assessments. The Bill has not yet been implemented, and we will continue to monitor developments as they progress.

Resources

Access our other recent updates on the [Aged Care Act 2024](#).



Contact us

Our experienced Aged Care Team is here to assist you through these reforms. We would be delighted to find out how we can help your organisation. To stay informed with our latest updates about the aged care or disability sector, we invite you to join our mailing list. Please contact Penelope Eden on the email below to be added to the list.



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