Review of the Aged Care Rules 2025 and the Aged Care (Consequential and Transitional Provisions) Rules 2025

Bupa Submission – Senate Standing Committee on Community Affairs

23 January 2026

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Executive Summary

Bupa welcomes the opportunity to provide a submission to the Senate Standing Committee on Community Affairs review of the Aged Care Rules 2025 and the Aged Care (Consequential and Transitional Provisions) Rules 2025 (the Rules).

Bupa is an international healthcare group which has been committed to a purpose of helping people live longer, healthier, happier lives and making a better world for more than 75 years. Bupa Australia supports approximately 6.5 million customers through a broad range of health and care services including health insurance, aged care, dental, medical, optical and hearing services. As one of Australia's largest aged care providers, Bupa currently operates 57 residential aged care homes across four states, employing around 7,000 team members and caring for more than 5,500 residents. Bupa Villages and Aged Care is also one of the largest providers in rural and regional Australia. We care about the health and wellbeing of Australians and believe that we can make a real difference to the lives of customers through our values, purpose and the way that we deliver personalised care.

Bupa welcomes the commencement of the Aged Care Act 2024 (the Act) and implementation of the Rules, which delivers a suite of reforms which place older people at the centre of the aged care system, strengthens the quality of aged care services, and ensures a robust accountability framework which oversees the aged care system.

The Aged Care Rules embed a range of important policy reforms to improve the quality of aged care services in Australia. Notable reforms for providers include implementing the Aged Care Code of Conduct and updated Quality Standards, strengthening provider registration, governance, and record-keeping, and establishing frameworks for funding, contributions, and regulatory reporting. This review provides an important opportunity to consider whether the implementation of the legislative reforms achieves the intent to deliver a rights-based aged care system which provides high quality, person-centred care that supports the health and wellbeing of older Australians.

While ongoing refinement to the Rules will be required to ensure they achieve the intent of the Aged Care Act, further work is urgently needed to ensure the ongoing sustainability of the aged care sector. The legislation represents an important step forward; however the aged care sector continues to face persistent challenges to its ongoing sustainability and growth, which is vital to ensuring older people can access residential care in the coming decade.

Bupa supports both the Government and the private sector's efforts to build a robust and sustainable aged care system that meets the needs of all Australians. We are committed to working in partnership with the Government as well as the broader sector to ensure these reforms create an aged care system that delivers better outcomes for older Australians now and into the future.

Recommendations

Recommendation 1:
Section 53 of the Rules should be amended to either remove the requirement in section 53(3) to review and vary each existing service agreement to meet the requirements of the Act or replace it with a requirement for providers to write to all residents setting out key changes, their rights and provider obligations and how it affects them.

Recommendation 2:
That the Commonwealth Government prioritises the implementation of policy options to incentivise aged care providers to build the new rooms required for an ageing population.

Transition timeframes for new Service Agreements

There are several challenges arising from the Rules that may not support the objectives of the new Act. In particular, the requirement to vary current agreements, as mandated under section 53 of the *Aged Care (Consequential and Transitional Provisions) Rules 2025*, may create significant complexity for older Australians, their families, and providers (including not-for-profit and faith-based providers). Industry associations representing the sector, such as Ageing Australia, have publicly expressed concern regarding the scale and timing of these transitional requirements, noting their onerous nature and potential impact on service delivery[1].

Entering residential aged care is already a complex process, often occurring during stressful and difficult circumstances. While providers work hard to make this process clear and accessible, the implementation of the new Rules risks confusing existing residents and their families and would impose a substantial administrative burden on providers and their teams. For Bupa, this would require more than 5,500 residents to essentially enter into new agreements by 1 November 2026. This could have a significant financial impact on providers, particularly smaller providers with limited resources to enter into and carry out the new agreements. Residents and their families are also likely to face additional costs if they seek independent legal or other professional advice to review the proposed varied arrangements. While the sector is awaiting further guidance from the Department of Health, Disability and Ageing on how the transition is intended to be implemented in practice, we believe strongly that a burdensome process does not necessarily empower older Australians to exercise consumer choice, as intended by the Act.

Recommendation 1:

- *Section 53 of the Rules should be amended to either remove the requirement in section 53(3) to review and vary each existing service agreement to meet the requirements of the Act or replace it with a requirement for providers to write to all residents setting out key changes, their rights and provider obligations and how it affects them.*

Financial reforms an important first step to a sustainable sector

The implementation of several funding reforms recommended by the Aged Care Taskforce is also a significant and positive first step toward improving the sustainability of the aged care sector. However, further reforms are urgently needed to deliver the capacity growth required for the aged care sector to care for Australia's growing ageing population. While the broader changes to funding arrangements are generally positive and support the financial sustainability of the aged care sector, the package of reforms under the new Act falls well short of delivering the capacity growth the sector urgently needs. New investment to build capacity is critical to meeting projected demand for residential care, which is set to double by 2040. Access to affordable aged care is a key principle for Bupa, and a lack of accessibility driven by capacity constraints is damaging to individuals, the lives of family members and friends who support them, and the public hospitals which often function as a "carer of last resort". Bupa recommends an urgent consideration of policy options to incentivise aged care providers to build the new rooms required for an ageing population. We proposed several recommendations in our submission to the Accommodation Pricing Review, which is attached for the Committee's consideration.

Recommendation 2:

- *That the Commonwealth Government prioritises the implementation of policy options to incentivise aged care providers to build the new rooms required for an ageing population.*

[1] Ageing Australia (April 2025), *New arrangements make community care transition impossible,* available at: https://ageingaustralia.asn.au/media-releases/new-arrangements-make-community-care-transition-impossible/