



# **Catholic Health Australia – Submission on the Draft Regulatory Strategy 2025-26**

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Catholic Health Australia  
[www.cha.org.au](http://www.cha.org.au)

Catholic Health Australia (CHA) is Australia's largest non-government grouping of health, community, and aged care services. CHA Members provide 12 per cent of all aged care facilities across Australia, in addition to 20 per cent of home and community care.

Our members account for over 15 per cent of hospital-based healthcare in Australia and operate hospitals in each Australian state and in the Australian Capital Territory, providing about 30 per cent of private hospital care and 5 per cent of public hospital care in addition to extensive community and residential aged care.

CHA not-for-profit providers are a dedicated voice for the disadvantaged which advocates for an equitable, compassionate, best practice and secure health system that is person-centred and community-focused in its delivery of care.

## Overall comments

Catholic aged care providers are focused on working with the Aged Care Quality and Safety Commission (ACQSC) to ensure the sustainable provision of aged care and support services for older Australians meets community expectations of safety and quality of care.

CHA welcomes the opportunity to provide input into the Commission's consultation process on the *Draft Regulatory Strategy 2025-26*. We look forward to continued dialogue with the Commission to ensure that the Regulatory Strategy (the Strategy) achieves its intended outcomes and supports a high-quality, equitable, and sustainable aged care system for all Australians, regardless of their financial means or location.

This submission outlines opportunities for improvement in the Draft Regulatory Strategy, with a focus on ensuring it is practical, equitable, and responsive to the realities of aged care service delivery. Catholic Health Australia (CHA) and its members emphasise the urgent need for clearer guidance, and regulatory flexibility - particularly for providers operating in regional, rural, and remote areas. Inconsistent regulatory advice and communications create operational challenges, increasing administrative burden and potentially impacting compliance.

Of particular importance is practical support for providers navigating complex decision-making under the new rights-based Aged Care Act, including situations where consumer autonomy may conflict with family expectations or workforce safety obligations. The submission calls for detailed guidance, case studies, and clarity around how the Commission will assess provider actions in such scenarios.

To ensure the Strategy is workable and fair, strengthening consultation and codesign processes should be a priority. The submission also refers to the respective roles and responsibilities of both the Commission and providers, and the need for clearly articulated expectations - particularly in relation to provider registration, workforce engagement, and communication protocols. CHA acknowledges the Commission's efforts to address diverse sector perspectives and offers targeted recommendations to support the next iteration of the Strategy in the context of broader aged care reforms.

## Contents

#	Item	Page number
1	<b>Section 1: Developing a flexible, responsive regulatory framework</b>	3
2	<b>Section 2: Addressing inconsistencies with regulatory advice</b>	5
3	<b>Section 3: Providing guidance in situations of conflict and ambiguity</b>	7

## Submission

### Section 1: Developing a flexible, responsive regulatory framework

#### Addressing the need for detail and clarity

While the draft Regulatory Strategy (the 'Strategy') outlines broad intentions, it remains high-level and lacks the specificity required to support practical implementation within the sector.

The Strategy does not sufficiently reflect the day-to-day realities faced by aged care providers, nor does it offer clear direction on key initiatives or implementation pathways. Commonly used terms such as "remedy," "restore," and "prevent" are not supported by operational definitions or indicative timeframes. This makes it difficult for providers to interpret and apply these concepts consistently. For instance, a provider may undertake a range of remediation activities in response to a concern, yet without clear criteria, it remains uncertain whether these efforts would be deemed satisfactory by the Commission or the individual affected.

To support meaningful implementation, the Commission should articulate how it will assess a provider's efforts to remediate a situation - particularly in complex or evolving circumstances. This includes clarifying what constitutes a proportionate and timely response, how outcomes will be evaluated, and how providers will be supported to improve where needed. It is unrealistic for the Commission to envision and describe a response to every scenario, but greater use of case studies would improve the Strategy's utility for providers and consumers.

While the Strategy references a partnership model between the Commission and providers, it does not provide sufficient detail on how this model will operate in practice. There is limited information on how transparent engagement will be facilitated, what mechanisms will be used to foster collaboration, and what roles and responsibilities providers will be expected to assume. Without this clarity, the partnership risks being perceived as symbolic rather than substantive.

Given the scale and complexity of ongoing aged care reforms, it is critical that the Strategy uses language that is consistent and relevant to providers. Clear articulation of expectations, responsibilities, and processes is essential to ensure the Strategy is actionable.

The Commission should include wording that clearly outlines the criteria and process for assessing remediation efforts. Similarly an **implementation plan with practical examples, timeframes and engagement mechanisms** to support the operationalisation of the Strategy would be extremely useful. These specific actions will help ensure the Strategy is grounded in the realities of the aged care sector, and will support providers to deliver safe, high-quality care for older people.

#### Ensuring that the Strategy does not adopt a one-size-fits-all approach

CHA members deliver residential, in-home, and community aged care services across a wide range of communities, including those in regional, rural, and remote areas. These providers often operate in thin markets, where they play a vital role in supporting vulnerable and marginalised populations. Catholic providers, as mission-driven not-for-profit organisations, have a long-standing presence in both metropolitan and non-metropolitan Australia. Their deep community roots, values-based governance, and commitment to person-centred care make them uniquely positioned to sustain aged care services in geographically and operationally challenging environments.

However, providers in these areas often face significantly higher operating costs, limited access to health services, exacerbated workforce shortages, and infrastructure constraints. These realities restrict their ability to scale services or absorb additional regulatory burden. CHA members are concerned that the draft Strategy does not adequately reflect these challenges, nor does it offer tailored regulatory approaches that account for geographic and market diversity. Uniform compliance expectations - without flexibility - risk penalising providers who are unable to implement innovative models of care due to structural limitations. This could lead to service withdrawal, which would result in older people being required to leave their communities and potentially additional strain placed on acute care systems.

Regulatory The Commission should **explore the feasibility of segmented regulatory settings as part of the Strategy's implementation plan(s)** so that it reflects the realities of rural and remote providers. Catholic providers are available to work collaboratively with the Commission to co-design what this flexibility looks like in practice. This includes developing proportionate compliance mechanisms, context-sensitive oversight models, and practical guidance that supports continuous improvement without compromising care quality.

Further, CHA urges the Commission to better align **regulatory reform with funding reform by partnering with the Department on its review of the Modified Monash Model (MMM)**. Outcomes from this review should inform regulatory responses to ensure consistency, fairness, and long-term viability across diverse service contexts. By embedding flexibility and collaboration into the Strategy, the Commission can support Catholic providers in continuing their mission to deliver high-quality, compassionate care to older Australians—regardless of location.

## Ensuring sufficient consultation with the sector

Sufficient and genuine stakeholder engagement is a crucial element of the design and implementation of a responsive, adaptive and risk-proportionate regulatory framework. While there has been a consultation process with a draft Strategy, there remains a perception that consultation with the broader sector has not been sufficient and that recommendations arising from this consultation process may have limited scope to inform meaningful change. Catholic providers have raised concerns about the limited nature of provider consultation. Members consider this to be in conflict with the intentions of the proposed partnership model between the Commission and providers in a shift towards risk-proportionate regulation.

The Commission should consider a more thorough Strategy development process that has embedded monitoring and evaluation functions, as well as embedded codesign with key sector stakeholders in the next iteration of the Regulatory Strategy. This is essential given the context of broader aged care reforms and a new rights-based approach to aged care service delivery. As an example, more information on how the Commission interprets the rights-based principles contained in the new Aged Care Act (2024) and how these principles informs the Commission's regulatory approach to providers in the second year of the implementation of the Act, would be beneficial to ensure a consistent approach – as a sector – towards a flexible, responsive regulatory framework.

The Commission should **embed monitoring and evaluation functions into the next iteration of the Regulatory Strategy**. This should include codesign of evaluation approaches or methodology with key sector stakeholders to ensure a thorough, inclusive consultation process in light of the broader aged care reforms.

## Section 2: Addressing inconsistencies with regulatory advice

### Addressing operational challenges with inconsistent regulatory advice

CHA members operate a diverse range of aged care services - including residential care, in-home care, and community supports - across multiple jurisdictions and communities. A growing concern among providers is the inconsistency in regulatory advice issued by the Commission, which varies not only across regions but also between individual aged care services.

This variability creates significant operational challenges. Providers attempting to implement standardised policies and procedures across their services are often forced to accommodate nuanced differences in regulatory interpretation. This is particularly problematic for staff who work across multiple sites, as they must navigate and comply with differing expectations, policies, and procedures - adding to their administrative burden and increasing the risk of non-compliance.

Such inconsistencies also raise questions about the reliability and consistency of auditor training and guidance. Without a unified approach, providers are left to interpret and reconcile conflicting advice, which undermines confidence in the regulatory system and detracts from their core focus: delivering high-quality care to older Australians.

The Commission should seek to include the sector in regular reviews of **its policies, procedures, and auditor training materials**. This will help reduce surprises and ensure a consistent, well-understood regulatory approach.

### Addressing communication gaps between the Commission and providers

CHA members have reported mixed experiences in receiving timely, consistent, and high-quality communication from the Commission. While many members acknowledged the positive impact and responsiveness of communications related to residential care operations - particularly around auditing processes - others noted that communication regarding community care provision remains fragmented and, at times, vague. This suggests that more mature communication systems and protocols may be in place for residential care, but are not yet fully developed or consistently applied in community-based aged care settings.

CHA acknowledges the Commission's ongoing efforts to improve communication through digital platforms and portals, which are promising steps toward greater transparency and accessibility. The success of these tools will depend on a collaborative sense of ownership over communication - where both the Commission and providers actively contribute to maintaining regular, clear, and context-sensitive dialogue.

To support the Strategy's intent of fostering meaningful partnerships and a more coordinated aged care system, CHA recommends that **communication processes are strengthened across all care settings**, with particular attention to community care. This may include a specific workstream on sector communication as part of the implementation plan(s) supporting the Strategy. Additionally, **continuity mechanisms could be established and communicated with the sector** to better manage staffing transitions and handovers, which would ensure consistency in sector engagement and messaging.

Improved communication is essential to building trust, reducing administrative burden, and enabling providers to focus on delivering high-quality care to older Australians. As such, a shared commitment to regular, two-way communication could involve **specific communication channels or initiatives** that are articulated as part of the Strategy's proposed partnership model. This would recognise providers as key stakeholders in reform implementation, emphasising a clear commitment towards collaboration.

## Ensuring that the Strategy promotes fairness, responsiveness and improved sector coordination

Moreover, inconsistencies in regulatory advice can result in inequitable treatment of providers, with some subject to more stringent or differently interpreted standards than others. While the proposed risk-proportionate regulatory approach outlined in the Strategy is clearly intended to promote fairness, responsiveness, and improved coordination, there is a risk that without targeted action, it may inadvertently reinforce or exacerbate existing regulatory challenges—particularly in the absence of mechanisms to ensure consistency across jurisdictions and services.

CHA recognises the Strategy's intent to support a more coordinated and person-centred aged care system. However, further work is needed to ensure that its implementation does not contribute to an unfair operating environment, especially for providers navigating multiple regulatory interpretations. This would conflict with the objectives of the new Aged Care Act, which seeks to reduce complexity, enhance coordination, and refocus the system on the needs and wellbeing of older people.

CHA recommends that the Commission establish clear, nationally consistent regulatory guidance that is uniformly applied across jurisdictions. This work should be supported by a **dedicated monitoring and evaluation function** to ensure that this guidance is effectively implemented and aligned with intended objectives. As part of this function, the Commission should ensure that its auditors receive standardised, high-quality training to support consistent interpretation and enforcement of standards.

The Commission should **release clear, supporting guidance material on existing mechanisms and channels that are being used to identify and resolve conflicting advice** in a timely and transparent manner. To ensure that these mechanisms are fit-for-purpose, the Commission should establish detailed plans to **engage with providers to co-design practical solutions** that reduce administrative burden and support workforce sustainability. A consistent and fair regulatory environment is essential to enabling providers to focus on care, not compliance, and to uphold the principles of equity and coordination embedded in the new Act.

## Section 3: Providing guidance in situations of conflict and ambiguity

### Addressing practical tensions in decision-making

#### *Addressing conflicts in preferences between older people and their families or supporters*

The new Aged Care Act, and by extension the Regulatory Strategy, appropriately places the rights of older Australians at the centre of the aged care system. Catholic providers are deeply committed to upholding these rights and delivering care that respects the autonomy,

dignity, and preferences of older people. However, in practice, tensions can arise when the choices of an older person differ from the wishes or expectations of their family members or supporters. These situations are often complex and emotionally charged.

While Catholic providers remain steadfast in their ethic of care and advocacy for older people, they are often required to navigate complex and sensitive situations where the preferences of the older person may conflict with the wishes of their family members. Under the new Aged Care Act, which introduces a rights-based framework and the principle of supported decision-making, there is growing uncertainty across the sector about how these scenarios will be managed in practice. The Act presumes that older people have the capacity to make their own decisions and may choose to be supported by a registered supporter. Crucially, the role of a registered supporter is to assist - not replace - the decision-making of the older person. Providers will continue engaging directly with the older person, even when a supporter is involved.

The new regulatory settings should be clearly aligned with a practical interpretation of a rights-based approach to aged care service provision. Providers need clear, practical guidance on how to respond when an older person's expressed wishes are at odds with those of their family or appointed supporters. This includes understanding the boundaries of family involvement, how to manage disputes, and how to document and communicate decisions in a way that aligns with both the rights-based approach and regulatory expectations, with the interests of the older person at the core of decision-making.

Greater clarity is needed to help providers confidently navigate these competing perspectives while remaining compliant with the new regulatory environment and continuing to uphold the dignity, autonomy, and wellbeing of older Australians. Given the broader reform context, CHA urges the Commission to **clearly articulate how a risk-proportionate and flexible regulatory approach will be implemented** during the transition period and at least the first 12 months following the commencement of the new Act. This will enable providers to navigate these nuanced scenarios without fear of punitive regulatory action, while continuing to prioritise the rights and wellbeing of older people.

#### *Supporting providers to manage tensions between overlapping regulatory requirements*

The delivery of high-quality, rights-based care for older Australians is central to the work of aged care providers and underpins the regulatory framework administered by the Commission. At the same time, providers are legally obligated to comply with workplace laws, including workplace health and safety legislation, which requires them to ensure a physically and psychologically safe environment for their workforce.

The Statement of Rights in the Act appropriately acknowledges that the rights and freedoms of individuals - including aged care workers and other consumers - must be balanced. CHA strongly supports the explicit recognition of aged care staff rights within the Act. Providers have existing legal responsibilities to maintain safe working conditions, which also extend to managing risks posed by residents to other residents and staff in residential aged care settings. This recognition reflects the complex realities of care delivery and reinforces safeguards for the aged care workforce, including volunteers.

However, the intersection of these regulatory frameworks can give rise to practical tensions. For example, a provider may face a situation where upholding a consumer's right to autonomy conflicts with the need to protect staff from physical or psychological harm. In

such cases, providers must navigate competing obligations under different legislative regimes.

To support providers in managing these complexities, it is essential that the Strategy - and the Commission's regulatory approach - offers clear, practical guidance on these matters. This should include **detailed case studies and examples** that illustrate how providers should act when rights-based care obligations intersect or conflict with workplace safety requirements. Furthermore, the Commission should **clarify how it will assess and regulate provider actions** in such scenarios to ensure consistency and fairness.

### **Providing clarity on expectations for workforce engagement**

The draft Regulatory Strategy outlines that providers must “engage with, educate and learn from their workers.” While this principle is commendable, the Strategy lacks sufficient detail on what this obligation entails in practice. Many Catholic providers already maintain robust workforce engagement mechanisms - both formal and informal - yet it remains unclear whether these existing frameworks meet the Commission's expectations under the new regulatory model.

This ambiguity is particularly concerning given the broader reforms introduced by the new Aged Care Act, including the registration of aged care workers and the Commission's expanded oversight role. The Strategy does not explain how provider obligations to engage with workers intersect with the Commission's approach to worker registration, nor does it clarify the role providers are expected to play in supporting workers to register and communicate with the Commission.

The Commission's provider registration model indicates that providers will be monitored continuously through a risk-based supervision model, and that registration categories will determine specific obligations. However, there is limited guidance on how workforce engagement contributes to meeting these obligations, particularly in relation to compliance, risk mitigation, and quality improvement. CHA recommends that supporting guidance material for the Strategy clearly sets out the **expectations of providers in supporting workers to register and communicate with the Commission.**