Occupational Therapy Australia

Senate Community Affairs Legislation Committee

Review of the Aged Care Rules

January 2026



Occupational Therapy Australia

Introduction

Occupational Therapy Australia (OTA) is the professional association and peak representative body for occupational therapists (OTs) in Australia. There are over 34,000 registered OTs working across the government, non-government, private and community sectors in Australia. OTs have a critical role in supporting older people to maintain their independence, manage cognitive decline and dementia, and reduce their risk of falls. OTs also support residents of aged care facilities by adapting environments and prescribing assistive technology.

OTA welcomes the opportunity to contribute to this review and to bring to the Committee's attention a number of concerning aspects of funding arrangements under the new Support at Home program.

OTA's response to the Review

This submission responds to specific provisions of the Aged Care Rules that have direct implications for the delivery, quality, funding and sustainability of occupational therapy and allied health services within the aged care system, particularly under the Support at Home program.

While the Review encompasses a broad range of specified provisions under the Aged Care Act, OTA's comments focus on those areas where the Rules tangibly affect access to safe, high-quality, person-centred and reablement-focused care for older people, and where implementation directly impacts occupational therapists. This submission addresses:

Section 15 – Aged Care Quality Standards, with a focus on the application of Quality Standard 5 (Clinical Care) to home-based aged care services and the implications of differential regulatory accountability between residential and community settings.

Chapter 4 – Funding of aged care services, including the transition to unit-based pricing under Support at Home, the adequacy of allied health pricing and costing, the impact of co-contribution settings on access to essential assistive technology and home modifications, and the alignment of funding arrangements with the reablement and preventive intent of the Act.

Sections 141 (Provider Register), **154** (Personal information and record keeping) and **379** (Aged care worker screening database), considered together due to their overlapping operation and combined impact on workforce regulation, subcontracting arrangements, administrative burden and allied health workforce sustainability in the absence of a centralised worker registration and screening system.

OTA does not provide detailed commentary on other specified provisions of the Act, including those relating to the Aged Care Code of Conduct, reportable incidents, restrictive practices, or banning orders, except where they intersect with the above areas. OTA's decision to focus its submission in this way reflects its role as the peak body for occupational therapists and its commitment to providing evidence-based, practice-informed input on those aspects of the Rules most likely to affect older people's functional independence, safety, participation and quality of life.

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Section 15 – Aged Care Quality Standards

OTA is concerned that the current regulatory framework creates a significant gap in the application of Quality Standard 5 (Clinical Care) for home-based aged care services.

Under this model, residential aged care providers are allocated to registration Category 6 and must comply with the full suite of Quality Standard 5. This ensures residents receive comprehensive, evidence-based, person-centred clinical care, encompassing assessment, planning, treatment, monitoring, and review, including allied health services.

In contrast, allied health services delivered under the Support at Home program are allocated to registration Category 4. Providers in this category are only required to meet Outcome 5.1 of Standard 5, which focuses on having systems to manage the safety and quality of clinical care. They are not required to meet Outcome 5.4, which specifies comprehensive clinical care obligations, including assessment, planning, treatment, review, and risk management.

This creates a regulatory gap in home-based services:

- Older people receiving multidisciplinary allied health support at home may not be guaranteed comprehensive, safe, evidence-based clinical care.
- Occupational therapists and other allied health professionals rely on providers having robust systems for assessment, care planning, risk management, and review. Limiting accountability under Standard 5 may compromise the quality and safety of care.
- Home-based clients often have complex clinical and functional needs similar to residential care, but their providers are not held to equivalent standards.

The Support at Home Program Manual (July 2025) highlights multidisciplinary care requirements that fall under Outcome 5.4, demonstrating that these obligations are relevant to home care settings. Addressing this gap is essential to ensure older people in the community receive equitable, safe, and high-quality care comparable to that provided in residential settings.

Chapter 4 – funding of aged care services

The introduction of separate pricing for direct and indirect activities is a welcome step towards recognising the complexity of allied health services. However, it does not address the core concern that pricing must be appropriately reflective of the contribution and value of allied health across the full range of practice settings in which allied health professionals operate.

OTA remains concerned that the transition to unit-based pricing for allied health services under Support at Home, if not underpinned by robust, transparent and profession-specific costing, will result in prices that are insufficient to sustain safe and high-quality service delivery. Pricing that does not adequately reflect the diversity of allied health practice models - including travel and service delivery requirements, subcontracting arrangements, workforce costs and regulatory compliance obligations - risks rendering service provision financially unviable. These risks are particularly acute for small, regional and sole trader

practices, whose exit from the market would significantly reduce access to essential allied health services, constrain multidisciplinary care, and undermine the delivery of reablement and preventive interventions in the home. Inadequate pricing therefore poses a direct risk to workforce sustainability, service continuity, and the health, safety and functional independence of older people.

Current funding arrangements continue to create barriers to delivering care that is genuinely preventive, participatory and focused on reablement for older people – elements which are central to the principles and intent of the new Act. Funding settings tend to favour task-based service delivery, rather than enabling investment in evidence-based allied health interventions, including occupational therapy.

While providers will be required to publish reasonable and transparent prices, and price caps are intended to commence from July 2026, the interim period - including the early years of Support at Home - will continue to rely heavily on provider-determined pricing. This sets an unstable foundation for consistent pricing across the market, undermining efforts to support equitable access and sustainable service delivery.

OTA is also concerned about the role that indicative pricing will play in informing future price caps. Current data capture and costing methodologies employed by IHACPA provide limited insight into the nature, cost and diversity of allied health services delivered to older people living at home and tend to reflect available service data rather than the level of allied health care people may be clinically assessed to need. These approaches will influence IHACPA's advice to Government, particularly where indicative prices from 1 November are used as foundational inputs to price caps due to commence in mid-2026. Without transparent, profession-specific costing methodologies that adequately capture the diversity of allied health practice settings, there is a risk that early pricing assumptions will be entrenched in future caps, under-mining service sustainability over the longer term.

This creates a misalignment between the Act's emphasis on independence, meaningful participation and safe functional performance, and the funding settings that operationalise care. As a result, many older people do not receive timely functional assessments, home modifications, assistive technology, or targeted reablement, despite strong evidence that these interventions reduce risk, prevent deterioration and support healthy ageing.

Recent shifts towards increased consumer co-contributions have further exacerbated these challenges and have produced significant unintended consequences. OTA is increasingly hearing that co-contribution requirements are deterring older people from accessing essential home modifications and assistive technology, including mobility aids, bathroom safety equipment and cognitive supports. These supports are not discretionary; they are fundamental enablers of safety, independence and falls prevention. When older people are unable to afford them, functional decline accelerates, care needs increase, and costs are shifted elsewhere in the system. Although hardship provisions exist, they are difficult to navigate, inconsistently applied, and often inaccessible to those most in need. This reflects concerns raised by Allied Health Professions Australia, National Aged Care Alliance and the Australian Rehabilitation and Assistive Technology Association, and is inconsistent with the Royal Commission's recommendations for fair and transparent, means-tested consumer contributions. Without a practical and equitable hardship pathway, the current funding model risks embedding inequity and denying essential supports to people with limited financial means.

The cumulative effect of these funding settings is to limit provider capacity to respond holistically to complex care needs. Occupational therapy plays a critical role in preventing functional decline, supporting cognitive and psychosocial wellbeing, reducing falls risk, enabling safe mobility, and supporting older

people to maintain control over their daily lives. When funding does not adequately resource these contributions, the consequences are seen in increased dependence, avoidable injuries, and premature escalation to higher levels of care. This undermines both system sustainability and consumer wellbeing.

Aged care funding arrangements should be reviewed to ensure they genuinely support the delivery of reablement-focused, equitable and sustainable care, including by:

- embedding funding streams that specifically resource functional assessment and evidence-based allied health interventions
- enabling earlier and more consistent access to occupational therapy, rather than intervention only after deterioration
- ensuring funding models reflect the true cost of multidisciplinary care, including collaborative planning and coordination
- ensuring consumer co-contribution settings do not act as barriers to essential assistive technology and home modifications, supported by accessible and effective hardship provisions
- supporting providers to invest in prevention and functional enablement, rather than limiting care to task-oriented service delivery.

Strengthening funding arrangements in these ways would support system sustainability, improve workforce viability, and ensure older people receive the high-quality, function-focused care that underpins independence, dignity and wellbeing.

Worker Registration, Screening and Record-Keeping (Sections 141, 154 and 379)

OTA supports the intent of the Aged Care Act to strengthen safeguards, transparency and accountability across the aged care workforce. Robust worker registration, screening and record-keeping arrangements are essential to protecting older people and maintaining trust in the system. However, OTA has significant concerns about the operational and workforce impacts arising from the current drafting and implementation of these provisions, particularly in the absence of a functional, centralised aged care worker register and screening system.

At present, registered providers are required to comply with new registration, screening and record-keeping obligations from 1 November, despite the fact that key enabling infrastructure, including a national aged care worker screening database and centralised worker register, is not expected to be operational until at least mid-2026. In the absence of clear, consistent and centralised processes, providers are left to interpret and implement these requirements independently. This has resulted in fragmented and inconsistent approaches to compliance across the sector, with significant unintended consequences for subcontracted allied health professionals, including occupational therapists.

OTA is increasingly hearing from members that subcontracted clinicians are being required to repeatedly provide identical documentation to multiple providers, undertake duplicative or poorly targeted training, and absorb the administrative burden associated with meeting varying compliance expectations. There is ongoing uncertainty about which training requirements are mandatory for subcontracted clinical professionals, how these requirements intersect with existing professional obligations under AHPRA, and how subcontractors are expected to be remunerated for time spent meeting provider-imposed compliance and training requirements. This is occurring despite the fact that registered providers retain the legal responsibility for compliance under the Act.

Occupational therapists are already subject to rigorous regulatory oversight through national registration with AHPRA, including mandatory continuing professional development, professional standards, codes of conduct, and established complaints and disciplinary mechanisms. OTA notes that earlier advice to the sector indicated that AHPRA-registered professionals may be exempt from separate aged care worker screening requirements; however, this position was revised shortly before commencement of the Act, pending further work with states and territories. The failure to recognise existing professional regulation in the interim has resulted in duplication, inefficiency and regulatory burden without a commensurate improvement in safety outcomes.

These impacts are particularly acute given the workforce profile of occupational therapists delivering home-based aged care services. The majority operate as sole traders or small businesses, often subcontracting across multiple registered providers. The cumulative effect of inconsistent documentation requests, unpaid compliance time, and increasing expectations that providers may pass compliance monitoring costs down to workers poses a risk to workforce participation and sustainability. Without intervention, these arrangements risk reducing the availability of allied health services in home-based aged care, undermining multidisciplinary care and limiting older people's access to reablement-focused, preventive supports.

OTA also notes that workforce sustainability is influenced not only by funding arrangements, but also by administrative and regulatory burdens on allied health providers. In particular, the introduction of national aged care worker screening, registration, and record-keeping requirements has created additional compliance costs and inefficiencies. This is particularly acute for small, regional, or sole trader practices, who may face disproportionate administrative burdens in addition to financial pressures from under-reflective pricing models. These burdens, in combination with inconsistent and insufficient pricing, may adversely impact the availability of allied health services in home-based aged care, constraining multidisciplinary care, and limiting older people's access to reablement-focused and preventive interventions.

OTA is also concerned about the potential impacts of proposed future arrangements, including the introduction of multi-provider recognition or registration models, if these are applied uniformly across all registered providers without regard to provider size, service mix, or workforce model. While such approaches may offer efficiencies for large providers, they risk entrenching complexity and administrative burden for small allied health practices and sole traders if not designed with proportionality and flexibility in mind.

OTA proposes that the Rules and associated guidance should more clearly articulate how worker screening, registration and record-keeping requirements will operate in practice during the transition period, and how existing professional regulation will be recognised. In particular, there is a need for clearer national guidance to ensure consistent implementation across providers, reduce duplication, prevent inappropriate cost-shifting to workers, and support a sustainable allied health workforce. Without such clarity, the combined operation of Sections 141, 154 and 379 risks undermining both provider compliance and the availability of skilled clinicians essential to delivering safe, high-quality, person-centred aged care.

Conclusion

OTA welcomes the opportunity to make a submission to the Senate Community Affairs Legislation Committee's review of the Aged Care Rules. OTA is committed to contributing to an aged care system that supports older people to live as independently as possible and maximise their health and wellbeing.

OTA would welcome the opportunity to discuss these matters with you further in more detail. Please contact OTA on policy@otaus.org.au to arrange a meeting, or with any questions.



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5 / 340 Gore St. Fitzroy VIC 3065 1300 682 878 OTAUS.COM.AU