**EXPLANATORY STATEMENT**

**Issued by the authority of the Minister for Aged Care**

***Aged Care Act 1997***

***Aged Care Legislation Amendment (Financial Information) Principles 2022***

**Purpose**

The purpose of the *Aged Care Legislation Amendment (Financial Information) Principles 2022* (Amendment Principles) is to amend the:

* *Accountability Principles 2014* (Accountability Principles);
* *Fees and Payments Principles 2014* (Fees and Payments Principles); and
* *Information Principles 2014* (Information Principles),

to improve the accuracy and frequency of financial reporting to the Australian Government (Government) by approved providers of aged care; increase transparency of approved providers’ financial information available to the public, including to care recipients; and clarify existing legislation. These amendments seek to improve Government oversight of approved provider’s financial viability risks, reduce the risk of approved providers becoming non-compliant with their responsibilities under the *Aged Care Act 1997* (Act), and to increase care recipient choice through greater financial transparency of the sector.

The Amendment Principles are a legislative instrument for the purposes of the *Legislation Act 2003*. Details of the Amendment Principles are set out in the Attachment below.

**Background**

The Act provides for the regulation and funding of aged care services. Persons who are approved under the Act to provide aged care services (approved providers) can be eligible to receive subsidy payments in respect of the care they provide to approved care recipients.

As part of the 2021-22 Budget, a new financial and prudential monitoring, compliance and intervention framework (the Framework) was announced for approved providers of aged care services. The Framework is designed to increase government oversight and transparency of approved providers’ financial performance, improve the financial resilience of the sector, and enhance the Government’s intervention powers to ensure approved providers that are financially underperforming either improve or exit the market. The Framework is being implemented over three phases. The Amendment Principles implement the subordinate legislative amendments of the second phase of the Framework, including amendments to:

* Introduce more frequent quarterly financial reporting, which will provide the Government with more timely information on the financial viability of the sector. Approved providers currently report financial information to the Department of Health and Aged Care (department) annually, four months after the end of their financial year. This means that at certain times, the Government may be reliant on financial information that is up to 16 months old.
* Increase financial information available to the public, including current and prospective care recipients, by providing the Secretary with the discretion to publish specified financial information. This is done with the aim of improving transparency to assist older Australians and their families to make more informed choices about aged care services.
* Clarify the law in relation to the use of refundable deposits and accommodation bonds for capital expenditure. For capital expenditure made with a refundable deposit or accommodation bond to be permitted, the expenditure must comply with all requirements at section 62 of the Fees and Payments Principles.

**Authority**

Under section 96‑1 of the Act, the Minister can make Principles by legislative instrument. This is to provide for matters required or permitted by the corresponding Part or section of the Act*,* or that are necessary or convenient in order to carry out or give effect to that Part or section of the Act.

**Reliance on subsection 33(3) of the *Acts Interpretation Act 1901***

Under subsection 33(3) of the *Acts Interpretation Act 1901*, where an Act confers a power to make, grant or issue any instrument of a legislative or administrative character (including rules, regulations or by-laws), the power shall be construed as including a power exercisable in the like manner and subject to the like conditions (if any) to repeal, rescind, revoke, amend, or vary any such instrument.

**Commencement**

The Amendment Principles commence on the later of 1 July 2022 and the day after it is registered on the Federal Register of Legislation.

**Consultation**

In the 2018-19 Budget, the former government announced that it supported strengthening the prudential framework for aged care (*Better Quality Care ‑ Managing Prudential Risk in Residential Care* measure). In 2019, the department consulted with the sector and broader community about managing prudential risk by releasing and inviting submissions to a public discussion paper entitled, *Managing Prudential Risk in Residential Aged Care.* The discussion paper consulted on reform options recommended through two previous reviews; *Ernst & Young 2017 Review of Aged Care legislation which provides for the regulation and protection of Refundable Accommodation Payments in Residential Aged Care;* and the *2017 Legislated Review of Aged Care* (Tune Review). Submissions received were considered in the development of the department’s prudential amendments including these reforms. Both reviews and the stakeholder responses to the discussion paper supported greater transparency and improved disclosure of financial reporting by approved providers.

The department consulted with the sector on the new requirements for approved providers to submit quarterly financial reports and the publication of their general purpose financial reports. In December 2021, a consultation paper was provided to a group of residential and home care providers and a subsequent consultation forum was held, which was open to the Chief Financial Officers and General Managers from the same group. The department subsequently consulted further with the sector, through multiple webinars, on the quarterly financial report submission timeframe and general purpose financial report publication date. Feedback from the sector was that the proposed due date for the quarterly financial report of 21 days after the end of a provider’s financial year was insufficient. In response to this feedback, the due date was extended to:

* for a quarter ending at 31 December—within 45 days after the end of the quarter; and
* for any other quarter—within 35 days after the end of the quarter.

The extended period for quarters ending at 31 December is in response to feedback that many approved providers experience leave and shutdown over the Christmas period.

**ATTACHMENT**

**Details of the *Aged Care Legislation Amendment (Financial Information) Principles 2022***

**Section 1** provides that the name of the instrument is the *Aged Care Legislation Amendment (Financial Information) Principles 2022*.

**Section 2** provides that the instrument commences on the later of:

* 1 July 2022; and
* the day after it is registered on the Federal Register of Legislation.

**Section 3** states that the authority for making the instrument is the *Aged Care Act 1997*.

**Section 4** provides each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

**Schedule 1—Amendments**

**Part 1—Quarterly financial reports**

***Accountability Principles 2014***

**Item 1 – Section 4**

Item 1 inserts definitions of “quarter” and “quarterly financial report” into section 4 of the Accountability Principles.

* “quarter” is given the meaning given by new subsection 43(5).
* “quarterly financial report” is given the meaning given by new section 43(1).

**Item 2 – At the end of section 31**

Item 2 inserts a note at the end of section 31 to clarify that Part 4A of the Accountability Principles specifies “additionalfinancial reporting responsibilities of approved providers”. This clarifies that the reporting responsibilities under Part 4A are in addition to those under Part 4 of the Accountability Principles, which deals with the aged care financial report.

**Item 3 – After part 4**

This item inserts new Part 4A – Quarterly financial report into the Accountability Principles.

*Section 42*

New section 42 sets out the purpose and application of new Part 4A.

New subsection 42(1) specifies that for the purposes of paragraph 63-1(1)(m) of the Act, Part 4A specifies financial reporting responsibilities of approved providers. The note specifies that Part 4 of the Accountability Principles specifies additional financial reporting responsibilities of approved providers.

New subsection 42(2) specifies that new Part 4A applies to an approved provider if the approved provider is:

* an approved provider of a residential care service; or
* an approved provider of a home care service; or
* an approved provider of a multi-purpose service.

*Section 43*

New section 43 sets out a new responsibility for certain approved providers to provide a quarterly financial report.

*Subsection 43(1)*

New subsection 43(1) specifies that an approved provider must give the Secretary a quarterly financial report for the approved provider for each quarter of a financial year for the approved provider.

*Subsection 43(2)*

New subsection 43(2) specifies that each quarterly financial report for an approved provider is due:

1. for a quarter ending 31 December—within 45 days after the end of the quarter; and
2. for any other quarter—within 35 days after the end of the quarter.

The extended period for quarters that end on 31 December is to account for Christmas shutdown and leave that many approved providers may experience.

*Subsection 43(3)*

New subsection 43(3) specifies that a quarterly financial report for an approved provider must:

1. be in writing; and
2. be in a form approved, in writing, by the Secretary in relation to the approved provider or a class of approved providers to which the approved provider belongs; and
3. include any information or statements that the provider is required by the approved form to include in the report.

This provision allows the form of the quarterly financial report to be amended year to year. For example, to expand the information collected and/or to omit information from being required by the form if it is realised that such information was no longer required.

*Subsection 43(4)*

New subsection 43(4) specifies that the Secretary may, for the purposes of paragraph (3)(b), approve different forms in relation to different approved providers or classes of approved providers. This means that different approved providers or classes of approved providers may be required to report different information by the approved form. This will enable the Secretary to minimise the reporting burden on the sector, by allowing the Secretary not to require certain approved providers or classes or approved providers to respond to questions that do not relate to them.

*Subsection 43(5)*

New subsection 43(5) specifies who must sign a quarterly financial report if the approved provider is not a State, Territory or an authority of a State, Territory or local government authority.

*Subsection 6*

New subsection 43(6) specifies who must sign a quarterly financial report if the approved provider is a State, Territory or an authority of a State, Territory or local government authority.

*Subsection 7*

New subsection 43(7) sets out what is a *quarter* of a financial year for an approved provider. That is:

1. the period of 3 months beginning on the first day of the financial year for the approved provider
2. each successive period of 3 months that occurs during the financial year for the approved provider after the end of the period mentioned in paragraph (a).

As made clear by the note, this provision reflects that a financial year for an approved provider may begin on a day other than 1 July.

**Part 2—Publication of reports and information**

***Accountability Principles 2014***

**Item 4 – At the end of subsection 35A(1)**

Item 4 inserts a new note at the end of subsection 35A(1) specifying:

* when copies of general purpose financial reports for a financial year must be given to the Secretary or other persons; and
* publication requirements of general purpose financial reports.

**Item 5 – Subsection 35A(4) (note)**

Item 5 repeals the note at subsection 35A(4). This a consequential amendment to item 4 above.

**Item 6 – Section 36 (heading)**

Item 6 omits the words “—non‑government approved providers” from the heading of section 36. This simplifies the heading without changing the existing provisions that relate to the general purpose financial report, which is specified by section 35(4) and clarified by the heading of section 35A.

**Item 7 – Section 37A (heading)**

Item 7 omits the wording “by non‑government approved providers” from the heading of section 37A. This simplifies the heading without changing the existing provisions that relate the general purpose financial report, which is specified by section 35(4) and clarified by the heading of section 35A.

**Item 8 – Section 37A**

Item 8 inserts the words “mentioned in subsection 35(4)” after “An approved provider”. This clarifies that section 37A only applies in relation to an approved provider mentioned in subsection 35(4).

**Item 9 – After section 37A**

Item 9 inserts new section 37B, which deals with the publication of general purpose financial reports and audit opinions.

*Subsection 37B(1)*

New subsection 37B(1) specifies that if an approved provider is required under section 35A to prepare one or more general purpose financial reports for a financial year for the approved provider, then the approved provider must ensure that, for a period of at least 3 years starting no later than 5 months after the end of the financial year for the approved provider:

1. each general purpose financial report is published in a way that makes the report readily accessible to members of the public, on:
   1. if the approved provider has a website—on a website of the approved provider; or
   2. if the approved provider does not have a website—on another website; and
2. each audit opinion about such a report that is obtained in accordance with section 36 of the Accountability Principles is published on the same website.

This will increase financial transparency and assist current and prospective care recipients of aged care services to make more informed choices about their care by ensuring up to date financial information about approved providers is more easily accessible.

*Subsection 37B(2)*

New subsection 37B(2) specifies that all material published under subsection (1) must be published on the same website even if that website may change from time to time. This ensures a person is be able to access all information published under subsection (1) in one place. This aims to improve transparency and accessibility of the information for care recipients, while also recognising that approved providers may need flexibility to change the website the information is published on at any time.

***Information principles 2014***

**Item 10 – At the end of section 8**

Item 10 inserts new paragraphs (f) and (g) into section 8 of the Information Principles. This item aims to increase transparency by enabling the Secretary to publish certain information, including specific financial reports, to assist current and prospective care recipients of aged care services to make better‑informed decisions about their aged care. This includes any information taken or derived from the types of information listed in paragraphs (f) and (g). For the avoidance of doubt, this may include information that is summarised or manipulated prior to publishing.

**Part 3—Permitted uses of refundable deposits and accommodation bonds**

***Fees and Payments Principles 2014 (No. 2)***

**Item 11 – At the end of paragraph 62(a)**

Item 11 inserts at the end of paragraph 62(a) the words “, but only to the extent that the expenditure relates to those premises”. This clarifies the existing legislation that a refundable deposit or accommodation bond is only permitted to be spent on capital expenditure in accordance with paragraph 62(a) if it relates to premises used to provide residential or flexible care.

This means that if a premises is being used or will be used for providing residential or flexible care services and another purpose (for example, an independent living unit or retirement village), then a refundable deposit or accommodation bond is not permitted to be used for the component of the expenditure that will be used for another purpose.

**Item 12 – At the end of paragraph 62(b)**

Item 12 inserts at the end of paragraph 62(b) “, but only to the extent that the expenditure relates to the provision of that residential care or flexible care”. This is a clarification of the existing legislation. It clarifies that capital expenditure paid for using a refundable deposit or accommodation bond, and that is used to acquire, erect, extend or significantly alter premises used or proposed to be used for providing residential care or flexible care, is only permitted to the extent that the expenditure relates to the provision of that residential care or flexible care. This includes capital expenditure designed to enable or support the provision of care in the premises (for example hallways, receptions or staff rooms). This means expenditure to acquire, erect, extend or significantly alter the premises for any other purpose is not permitted.

**Item 13 – At the end of paragraph 62(c)**

This item inserts at the end of paragraph 62(c) “, but only to the extent that the expenditure relates to the provision of that residential care or flexible care”. This is a clarification of the existing legislation. It clarifies that capital expenditure with a refundable deposit or accommodation bond that is used to acquire or install furniture, fittings or equipment for premises used or proposed to be used for providing residential care or flexible care:

1. when those premises are initially erected; or
2. following an extension, a significant alteration or a significant refurbishment,

is only permitted to the extent that the capital expenditure relates to the provision of that residential care or flexible care.

**Item 14 – Paragraph 62(d)**

This item omits “directly attributable to doing a thing referred to in” and substitutes “directly connected to expenditure covered by”. This is a clarification of the existing legislation and means capital expenditure paid for using a refundable deposit or accommodation bond may be used for incidental costs such as administrative costs that are directly connected to capital expenditure covered by paragraph 62(a), (b) or (c).

**Part 4—Permitted uses reconciliation**

***Accountability Principles 2014***

**Item 15 – Section 4**

Item 15 inserts the meaning of “***permitted uses reconciliation***” into section 4 of the Accountability Principles. The meaning is the same as the meaning given by subsection 40A(1) of the Accountability Principles (as inserted by item 16 of the Amendment Principles, below).

**Item 16 – After section 40**

Item 16 inserts new section 40A into the Accountability Principles, which provides for the provision of a permitted uses reconciliation.

*Subsection 40A(1)*

New subsection 40A(1) specifies that a form approved by the Secretary for an aged care financial report for an approved provider may require such a report to include a statement setting out information about reportable uses of funds by an approved provider. This report is referred to as a “***permitted uses reconciliation***”. The provision makes clear that the information in a permitted uses reconciliation may be for one or more specified financial years.

The permitted uses reconciliation will provide more detailed information about expenditure by an approved provider about reportable uses of funds than the categories of permitted uses in the Act and Fees and Payments Principles.

*Subsection 40A(2)*

New subsection 40A(2) specifies what is a reportable use of funds for the purposes of subsection 1.

Subsection (2) is necessary to enable the permitted uses reconciliation to reconcile with the annual prudential compliance statement (which also requires an approved provider to report on the total amount expended by the approved provider against each permitted use, regardless of whether the amount expended was a refundable deposit or accommodation bond).

The note clarifies that section 52N-1 of the Act specifies permitted uses of refundable deposits and accommodation bonds.

**Part 5—Disclosure to care recipients**

***Fees and Payments Principles 2014 (No. 2)***

**Item 17 – Section 4**

Item 17 inserts the meaning of “***permitted uses reconciliation***” into the Fees and Payments Principles, which has the same meaning as in the Accountability Principles, discussed above.

**Item 18 – Before subsection 57(1)**

Item 18 is a consequential amendment and inserts a subtitle “Notification by approved provider” to the subsection to clarify the purpose of that subsection.

**Item 19 – After paragraph 57(1)(a)**

Item 19 inserts new paragraph 57(1)(aa) into the Fees and Payments Principles. New paragraph 57(1)(aa) makes clear that if, during the 2 years prior to a request by a care recipient under subsection 57(1), the approved provider has given the Secretary an aged care financial report for the approved provider that included a permitted uses reconciliation, the approved provider must give a copy of the permitted uses reconciliation included in the most recent such report to the care recipient.

An approved provider’s permitted uses reconciliation is given as part of its aged care financial report, which is due four months after the end of the approved provider’s financial year. A care recipient will be unable to receive the permitted uses reconciliation for the previous financial year if it is requested under subsection 57(1):

* after the end of an approved provider’s financial year; and
* before the approved provider has given the aged care financial report for that most recently ended financial year to the Secretary.

Item 18 means that if a request is made during such a period, then in cases in which the approved provider gave a permitted uses reconciliation for the financial year prior to the one that most recently ended, the care recipient will be able to access that permitted uses reconciliation. The care recipient may then request the more recent permitted uses reconciliation following the approved provider’s submission of a more recent aged care financial report.

**Item 20 – Before subsection 57(2)**

Item 20 is a consequential amendment and inserts a subtitle “Disclosure on request” for subsection 57(2) of the Fees and Payments Principles to clarify the purpose of that subsection.

**Item 21 – Subsection 57(2)**

Item 21 omits the words “If a care recipient who has paid a refundable deposit, an accommodation bond or an entry contribution requests the approved provider of the service through which the care recipient is being provided with care” and substitutes the words “If a care recipient requests the approved provider of the aged care service through which the care recipient is being provided with aged care”.

Subsection 57(2) therefore applies in respect of each care recipient of an approved provider of an aged care service, regardless of whether or not the care recipient has paid a refundable deposit, an accommodation bond or an entry contribution. This enables all care recipients being provided with care through an aged care service to request that the approved provider give them any of the information or documents specified in subsection 57(1).

**Item 22 – After subsection 57(2)**

This item inserts new subsections 57(2A) and (2B) to the Fees and Payments Principles.

*Subsection 57(2A)*

New subsection 57(2A) specifies that subsection 57(2) applies to each care recipient of an aged care service regardless of:

1. whether the aged care is residential care or another kind of aged care; and
2. whether or not the care recipient has entered into an accommodation agreement with the approved provider of the aged care service; and
3. whether or not the care recipient has paid a refundable deposit, an accommodation bond or an entry contribution to that approved provider.

The provision makes clear to whom subsection (2) applies. This aims to ensure that each care recipient of an approved provider of an aged care service can request and receive the information and documents specified in subsection 57(1). This is consistent with item 21.

*Subsection 57(2B)*

New subsection 57(2B) provides that if an approved provider is required under subsection (2) to give a care recipient a summary of permitted uses, an approved provider can satisfy this requirement by providing the care recipient a copy of the permitted uses reconciliation where the approved provider has given the Secretary an aged care financial report for the approved provider for the previous financial year, and that report included a permitted uses reconciliation.

This means that an approved provider can still meet their disclosure requirements where they have not produced or given to the Secretary a summary of permitted uses by providing the care recipient a copy of the permitted uses reconciliation.

**Item 23 – Before subsection 57(3)**

Item 23 is a consequential amendment and inserts a subtitle “Disclosure after end of financial year for approved provider” for subsection 57(3) of the Fees and Payments Principles to clarify the purpose of that subsection.

**Part 6—Application provisions**

***Accountability Principles 2014***

**Item 24 – In the appropriate position in Part 8**

Item 24 inserts new section 58 into the Accountability Principles, which is an application provision for certain amendments introduced by the Amendment Principles.

*Subsection 58(1)*

New subsection 58(1) specifies that new Part 4A applies in relation to a quarter of a financial year for an approved provider ending on or after the commencement of that Part. This means the subsection applies even if a quarter commenced prior to the commencement of that Part of the Amendment Principles but had not yet ended.

*Subsection 58(2)*

New subsection 58(2) specifies that new section 37B applies in relation to a financial year for an approved provider beginning on or after 1 July 2021. This means that a relevant approved provider must publish each general purpose financial report, and the audit opinion for the report, for each financial year that began on or after 1 July 2021, including where the financial year commenced before the commencement of Part 2 of the Amendment Principles.

*Subsection 58(3)*

New subsection 58(3) specifies that new section 40A applies in relation to an aged care financial report for a financial year for an approved provider if the financial year for the approved provider begins on or after 1 July 2021, regardless of the commencement date of that Part of the Amendment Principles.

*Subsection 58(4)*

New subsection 58(4) specifies that an approved form for an aged care financial report for an approved provider may, under new section 40A specify a financial year or years for the approved provider whether the specified financial year, or any of the specified financial years, began before, on or after the commencement of Part 4 of the Amendment Principles. This means that the specified financial year or financial years may be any financial year or financial years of the approved provider. For example, an approved form in the financial year of 2024-25 may specify the financial years of 2017-18 to 2018‑19.

*Subsection 58(5)*

New subsection 58(5) sets out the definition of amending Schedule for the purposes of new section 58.

***Fees and Payments Principles 2014 (No. 2)***

**Item 25 – In the appropriate position in Part 9**

Item 25 inserts new section 78 into the Fees and Payments Principles, which is an application provision for certain amendments introduced by the Amendment Principles.

*Subsection 78(1)*

New subsection 78(1) specifies that new paragraph 57(1)(aa) applies in relation to an aged care financial report referred to in that paragraph whether the report was given to the Secretary before, on or after the commencement of that Part.

*Subsection 78(2)*

New subsection 78(2) specifies that new paragraph 57(1)(aa) also applies in relation to:

1. a notification given by an approved provider under subsection 57(1) of these principles on or after the commencement of that Part, whether the accommodation agreement mentioned in that subsection was entered into before, on or after that commencement; and
2. a request made by a care recipient under subsection 57(2) of these principles on or after the commencement of that Part; and
3. a written statement given by an approved provider under paragraph 57(3)(b) of these principles on or after the commencement of that Part, whether the financial year for the approved provider mentioned in subsection 57(3) of these principles ends before, on or after that commencement.

This aligns with Part 5 of the Amendment Principles, which aims to improve transparency by expanding the information and documents that can be made available to care recipients on their request. This is to allow for as much information to be disclosed as is desired by the care recipient.

*Subsection 78(3)*

New subsection 78(3) specifies that amended subsection 57(2), and new subsections 57(2A) and (2B), of the Fees and Payments Principles apply in relation to a request made by a care recipient on or after the commencement of that Part of the Amendment Principles, whether the care recipient began to be provided with aged care before, on or after that commencement. This aligns with Part 5 of Schedule 1, which aims to improve transparency by expanding the disclosures as broadly as was reasonable. This is to enable as much information to be disclosed as desired by the care recipient.

*Subsection 78(4)*

New subsection 78(4) sets out the definition of amending Schedule for the purposes of new section 78.

***Information Principles 2014***

**Item 26 – At the end of the instrument**

Item 26 inserts new Part 4 into the Information Principles, which sets out the application provisions for the Amendment Principles.

*Subsection 9(1)*

New subsection 9(1) specifies that new paragraph 8(f) applies in relation to information referred to in that paragraph that is given to the Secretary after the commencement of that Part.

*Subsection 9(2)*

New subsection 9(2) specifies that new paragraph 8(g) applies in relation to information about whether an approved provider has given the Secretary a financial support statement under section 39 of the Accountability Principles if the information relates to the approved provider’s giving, or not giving, such a statement to the Secretary after the commencement of that Part.

**Statement of Compatibility with Human Rights***Prepared in accordance with Part 3 of the Humans Rights (Parliamentary Scrutiny) Act 2011*

***Accountability Amendment (Financial Information) Principles 2021***

The *Aged Care Legislation Amendment (Financial Information) Principles 2022* (Amendment Principles) are compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny Act) Act 2011*.

**Overview of the Legislative Instrument**

The Amendment Principles amend the:

* *Accountability Principles 2014* (Accountability Principles),
* *Fees and Payments Principles 2014* (Fees and Payments Principles); and
* *Information Principles 2014* (Information Principles),

to improve the accuracy and frequency of financial reporting to the Australian Government by approved providers of aged care; increase transparency of financial information available to the public, including care recipients; and clarify existing legislation. The amendments seek to improve Government oversight of approved provider’s financial viability risks, reduce the risk of approved providers becoming non-compliant with their responsibilities under the *Aged Care Act 1997*, and to increase care recipient choice through greater financial transparency of the sector.

The Amendment Principles are a legislative instrument for the purposes of the *Legislation Act 2003*.

**Human Rights Implications**

The Amendment Principles promotes:

* the highest attainable standard of physical and mental health, as contained in article 12(1) of the *International Covenant on Economic, Social and Cultural Rights* (ICESCR); and
* an adequate standard of living including adequate food, water and housing and to the continuous improvement of living conditions, as contained in article 11(1) of the ICESCR.

The Amendment Principles do this by enabling the Government to better assess, monitor and mitigate financial risks in the aged care sector through increased financial reporting. In better managing financial risks, Government is seeking to reduce the risk of a sudden cessation of care, and to support the continuity of the provision of care for aged care recipients. By supporting the continuity of care, this promotes the right to health and an adequate standard of living by ensuring that care recipients continue to receive appropriate care to support their physical and mental health and ensure their continued access to adequate food, water and housing.

The Amendment Principles will also enable the provision of more financial information to the public, in order to increase transparency. This aims to empower current and prospective care recipients to make more informed decisions about their care or prospective care. This promotes the right to health by maximising a care recipient’s ability to receive the best care appropriate for their needs.

**Conclusion**

The Amendment Principles are compatible with human rights as they promote the human rights to an adequate standard of living, the highest attainable standard of physical and mental health, and access to a social security scheme that provides a minimum essential level of benefits to all individuals and families.

**Hon Anika Wells MP**

**Minister for Aged Care**