

# **National Aboriginal and Torres Strait Islander Ageing and Aged Care Council**

**Submission**

**Aged Care – Review 1**

**January 2026**



**NATSIAACC**



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National Aboriginal & Torres Strait Islander Ageing  
and Aged Care Council



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## Acknowledgement of Country

NATSIAACC acknowledges the Traditional Owners of the lands and waters on which we work, live and gather, as well as Country throughout Australia, and their enduring connections to land, sea and community. NATSIAACC acknowledges that these lands and waters were never ceded, and we acknowledge the sovereignty and self-determination of the Traditional Owners.

NATSIAACC pays its deepest respects to Elders past and present and recognise the continued cultural and spiritual connection to Country and/or Island Home, community, culture and knowledge.

NATSIAACC thanks them for their wisdom and courage, and for sharing their ways of knowing, being and doing, teachings that guide us to cherish and protect our Elders and Older People.

This always was and always will be Aboriginal Land.



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## National Aboriginal and Torres Strait Islander Ageing and Aged Care Council

### About

The National Aboriginal and Torres Strait Islander Ageing and Aged Care Council (NATSIAACC) is the national peak body for Aboriginal and Torres Strait Islander Ageing and Aged Care. NATSIAACC works to ensure that Aboriginal and Torres Strait Islander Elders and Older People can access support and care that is culturally safe, trauma aware and healing-informed recognising the importance of their connections to community, culture and Country and/or Island Home.

NATSIAACC's membership base includes:

- Aboriginal and Torres Strait Islander community-controlled Aged Care Providers of ageing and aged care, and
- Organisations committed to improving cultural safety and quality of life for Elders and Older People.

NATSIAACC's founding Directors are all leaders in Aboriginal and Torres Strait Islander Ageing and Aged Care provision.

### Our Vision

All Aboriginal and Torres Strait Islander people are thriving, healthy, strong, with ongoing cultural connections in their older years.

### Our Purpose

NATSIAACC supports Aboriginal and Torres Strait Islander older peoples, their families, and communities to identify, engage in, advocate for, and lead systemic reform to embed culturally safe practices across the aged care and ageing sector.

### With thanks

NATSIAACC thanks its members, stakeholders, and other peak bodies for their valuable contributions to this submission and for generously giving their time to support older Aboriginal and Torres Strait Islander People.

### Funding

NATSIAACC is funded by the Commonwealth Government and works closely with the Department of Health, Disability and Ageing (the Department) in the context of current Ageing and Aged Care reforms. The organisation has been in operation since 2022.



## NATSIAACC Recommendations

### 1. Fulfill cultural safety obligations by exempting Aboriginal and Torres Strait Islander Elders and Older People and their community-controlled Providers from co-contributions

NATSIAACC recommends that the Committee propose amendments to Chapter 4 of the Aged Care Act 2024, having regard to the intent and outcomes of Chapter 1, Part 2, Division 12, Section 15, to exempt Aboriginal and Torres Strait Islander community-controlled organisations and Aboriginal and Torres Strait Islander Elders and Older People from the co-contribution's framework.

### 2. Government to table and publish population specific affordability modelling underpinning the co-contributions framework outlined in Chapter 4 of the Aged Care Act 2024

NATSIAACC recommends that the Committee ask the Government to table and publish population-specific financial modelling including affordability levels for Aboriginal and Torres Strait Islander Elders and Older People.

## Executive Summary

The National Aboriginal and Torres Strait Islander Ageing and Aged Care Council (NATSIAACC) welcomes the opportunity to contribute to the statutory review being undertaken by the Senate Community Affairs Legislation Committee under section 602 (12) of the Aged Care Act 2024. This submission addresses the operation of the Aged Care Rules 2025 and the Aged Care (Consequential and Transitional Provisions) Rules 2025, insofar as those instruments give effect to Chapter 1, Part 2, Division 12, section 15 (Aged Care Quality Standards) and Chapter 4 (Funding of Aged Care Services) of the Aged Care Act 2024.

This submission focuses exclusively on:

### **Chapter 1, Part 2, Division 12, Section 15 - Aged Care Quality Standards, and Chapter 4, Funding of aged care services (with particular attention to the operation of co-contributions)**

NATSIAACC continues to hold serious concerns that the co-contribution arrangements prescribed under Chapter 4 through the Aged Care Rules 2025 are not supported by any irrefutable evidence demonstrating affordability for Aboriginal and Torres Strait Islander Elders and Older People and that their interaction with the Strengthened Quality Standards fails to ensure ageing with dignity or alignment with culturally safe community protocols.

Co-contributions have been characterised by Government and the Aged Care Taskforce as “fair”, on the basis that they apply only to those who can afford to contribute to the cost of their care. However, no financial modelling has been publicly released demonstrating that Aboriginal and Torres Strait Islander Elders and Older People who fall within the full pensioner or part pensioner status can afford these payments. NATSIAACC has repeatedly sought this modelling through communication with relevant authorities. To date, no population-specific affordability modelling has been published or



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made available to NATSIAACC demonstrating capacity to pay for Aboriginal and Torres Strait Islander Elders and Older People, despite repeated requests and the Rules now being in force.

This absence of evidence is particularly concerning given clear, quantified indicators of financial constraint already within Aboriginal and Torres Strait Islander communities. In 2021, the median gross household weekly income for Aboriginal and Torres Strait Islander adults was \$825 (before tax), compared with \$1,141 for non-Indigenous adults (a gap of approximately 28%); 43% of Aboriginal and Torres Strait Islander adults had a gross weekly income below \$500; and 46% of Aboriginal and Torres Strait Islander households reported being unable to raise \$2,000 within a week for an emergency, indicating limited financial resilience.<sup>1</sup>

In this context, NATSIAACC questions how it can be considered “fair” to require a person whose sole source of income is the full Age Pension to make out-of-pocket contributions for Ageing and Aged Care services. For more than 30,000 Aboriginal and Torres Strait Islander Elders and Older People who rely on the Age Pension, this payment is not supplementary or discretionary income, it represents their entire financial security.<sup>2</sup>

NATSIAACC strongly rejects any framing that treats Ageing or access to Aged Care as a privilege. Ageing is universal and Aged Care should be understood as a right, particularly for people who have worked their entire lives, paid taxes over several decades, and contributed to Australian society. Requiring full-rate and part pensioners to pay for independent and everyday living Aged Care raises serious questions about the moral foundation of the funding framework, in addition to its economic and cultural impacts on Aboriginal and Torres Strait Islander Elders and Older People.

Further, NATSIAACC’s Provider Members have consistently advised that requiring Elders and Older People to contribute financially to their care is extremely culturally unsafe and deeply disrespectful. In Aboriginal and Torres Strait Islander communities, care for Elders and Older People is grounded in collective responsibility, reciprocity, and respect, not transactional financial arrangements. The operation of co-contributions within the current framework undermines cultural safety, contrary to the intent of the strengthened Aged Care Quality Standards and all associated regulatory reform.

This submission contends that, as currently operating:

The co-contribution framework lacks an adequate evidence base of affordability for Aboriginal and Torres Strait Islander Elders and Older People; the interaction between funding rules and the Quality

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<sup>1</sup> 2.08 income (no date) AIHW Indigenous HPF. Available at: <https://www.indigenoushpf.gov.au/measures/2-08-income> (Accessed: 15 January 2026).

<sup>2</sup> (2025) *Income and finance of First Nations people - Australian Institute of Health and Welfare*. Available at: <https://www.aihw.gov.au/reports/australias-welfare/indigenous-income-and-finance> (Accessed: 15 January 2026).



Standards does not ensure cultural safety; and the system risks entrenching financial and cultural harm for Aboriginal and Torres Strait Islander Elders and Older People.

NATSIAACC urges this review to closely scrutinise the rules now in force and to ensure that the Aged Care system operates in a manner that is evidence based, culturally safe, and grounded in the principle that access to care in later life is a right, not a privilege.

## Chapter 1, Part 2, Division 12, Section 15 – Aged Care Quality Standards

NATSIAACC expresses deep concern regarding Section 15, which establishes the Aged Care Quality Standards and enables rules prescribing the standards governing the quality and delivery of funded Aged Care services by registered Providers.

When assessed through this lens, the co-contribution model does not merely raise a financial question, it creates a quality and safety contradiction. The Strengthened Quality Standards require registered providers to deliver funded Aged Care that is accessible, person-centred, and delivered in ways that are culturally safe, trauma aware and healing informed.<sup>3</sup> Where the system compels Aboriginal and Torres Strait Islander Providers to ask Elders and Older People for money as a condition of receiving supports, the model drives interactions that our members report are culturally unsafe and shameful, undermining the Standards.

As currently drafted and operating, the Aged Care Rules 2025 create a structural contradiction between the enforceable obligations imposed under section 15 and the funding mechanisms prescribed under Chapter 4. Providers are required, through the Rules, to implement contribution mechanisms that directly undermine their ability to comply with the Quality Standards' requirements for culturally safe, accessible and dignity-affirming care.

Standard 1 (The Individual) and its supporting outcomes emphasise dignity, respect, decision-making, and transparency in service arrangements, with explicit expectations that care be delivered in culturally safe, trauma aware and healing informed ways.<sup>4</sup> The Commission's own guidance stresses that providers must offer "accessible, culturally safe, trauma aware and healing informed care and services" based on the older person's needs and preferences.<sup>5</sup>

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<sup>3</sup> (2025) *Person-centred care | aged care quality and safety commission*. Available at: <https://www.agedcarequality.gov.au/strengthened-quality-standards/individual/person-centred-care> (Accessed: 15 January 2026).

<sup>4</sup> (2025) *Person-centred care | aged care quality and safety commission*. Available at: <https://www.agedcarequality.gov.au/strengthened-quality-standards/individual/person-centred-care> (Accessed: 15 January 2026).

<sup>5</sup> (2025) *Person-centred care | aged care quality and safety commission*. Available at: <https://www.agedcarequality.gov.au/strengthened-quality-standards/individual/person-centred-care> (Accessed: 15 January 2026).



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Both NATSIAACC and our members stress that a model that conditions essential supports on pleading for money, particularly when that payment must be actively sought by community-controlled Providers from their own Elders and Older People, cuts across the Standards' core commitments to dignity, accessibility and cultural safety.

We are unsure of why the system has been set up in a way that is culturally unsafe for our Providers and Aboriginal and Torres Strait Islander Elders and Older People. There is strong evidence within the departments own data that shows that culturally unsafe experiences are strongly associated with avoidance of care, even when care is needed.

AIHW reports that in 2018-19, of Indigenous Australians who did not access health services when they needed to, 32% said this was due to cultural reasons (including discrimination and cultural appropriateness).<sup>6</sup> AIHW also reports that 22% of Indigenous Australian adults (or their families) experienced racial discrimination by doctors, nurses and/or medical staff in the last 12 months (2022).<sup>6</sup> These data sets are directly relevant to section 15, as they demonstrate a clear and consistent system-wide pattern, when interactions with care systems are experienced as culturally unsafe or disempowering, Aboriginal and Torres Strait Islander People disengage from services altogether, even where doing so places their health, wellbeing and safety at risk.

Co-contributions add a second, compounding barrier that is directly inconsistent with the Standards' accessibility intent, cost. The Indigenous Health Performance Framework reports that cost is a main reason for not seeking some health care when needed (with variations by service type).<sup>7</sup> The Quality Standards require safe and quality funded care, a framework that predictably introduces cost as a friction point, particularly for supports that maintain independence, cannot credibly claim to operationalise "accessibility" in a way that is equal and culturally safe in practice.

Our members have advised that the harm is not solved by "better communication" or "training in fee discussions". The requirement itself is culturally unsafe. It places Aboriginal and Torres Strait Islander community-controlled organisations in the position of asking their own community Elders and Older People for money for care, an interaction that members describe as shameful, damaging to trust and inconsistent with cultural obligations to care for Elders and Older People in ways grounded in respect. The result is a structural pressure point where providers are expected to evidence compliance with cultural safety requirements under section 15, while being required to implement a mechanism that our members report generates cultural unsafety at the point of care. Because this harm arises from the design and operation of the Rules themselves, it cannot be remedied through guidance, training or provider-level mitigation alone.

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<sup>6</sup> (2023) *Cultural safety in health care for Indigenous Australians: Monitoring Framework, Summary - Australian Institute of Health and Welfare*. Available at: <https://www.aihw.gov.au/reports/indigenous-australians/cultural-safety-health-care-framework/contents/summary> (Accessed: 15 January 2026).

<sup>7</sup> (2023) *Cultural safety in health care for Indigenous Australians: Monitoring Framework, Summary - Australian Institute of Health and Welfare*. Available at: <https://www.aihw.gov.au/reports/indigenous-australians/cultural-safety-health-care-framework/contents/summary> (Accessed: 15 January 2026).



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Because section 15 is about the enforceable standards of quality for funded services, the remedy must address the structural cause of the quality failure, not merely mitigate its symptoms. NATSIAACC therefore advocates for legislative and/or rules change to exempt Aboriginal and Torres Strait Islander community-controlled organisations and the Elders and Older People they support from the co-contribution model. This is the most direct way to ensure the system can genuinely meet what section 15 requires, funded Aged Care that is culturally safe, accessible, and delivered with dignity.<sup>8</sup>

Removing the requirement for Providers to request and collect these payments in community-controlled contexts would reduce a predictable driver of disengagement, strengthen trust, and support earlier access to support, thereby improving continuity, safety and wellbeing. These are precisely the outcomes section 15 is meant to guarantee through enforceable standards.

## NATSIAACC Recommends:

That the Committee propose amendments to Chapter 4 of the Aged Care Act 2024, having regard to the intent and outcomes of Chapter 1, Part 2, Division 12, Section 15, to exempt Aboriginal and Torres Strait Islander community-controlled organisations and Aboriginal and Torres Strait Islander Elders and Older People from the co-contribution's framework.

## Chapter 4 – Funding of Aged Care Services

One other central concern is that the co-contribution system (independence and everyday living contribution rates), operating under Chapter 4 is being justified as “fair” on the basis that people only contribute to the extent they can afford. Yet, to date, no irrefutable affordability modelling has been publicly released demonstrating that Aboriginal and Torres Strait Islander Elders and Older People, especially those relying on the full or part Age Pension, can meet these costs without hardship. This is a critical deficiency in a framework already in force, with “fairness” is being asserted as a primary design principle, but the evidence base proving affordability for our communities has not been placed on public record.

Available national data does not support any assumption that many Aboriginal and Torres Strait Islander Elders and Older People have the financial capacity to absorb these co-payments. In 2021, the median equivalised gross weekly household income for Aboriginal and Torres Strait Islander adults was \$825, compared with \$1,141 for non-Indigenous adults. That same data suite shows substantial concentration at the very low end of the income distribution, which directly limits any realistic “capacity to contribute”.<sup>1</sup> In other words, the baseline financial position is materially weaker before any co-contribution is even applied.

It is also important to note that while the *Final Report of the Aged Care Taskforce* contains high-level charts and trends, there is no unquestionable evidence that the Taskforce's work included

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<sup>8</sup> (2025) *Cultural safety in health care for Indigenous Australians: Monitoring Framework, Summary - Australian Institute of Health and Welfare*. Available at: <https://www.aihw.gov.au/reports/indigenous-australians/cultural-safety-health-care-framework/contents/summary> (Accessed: 15 January 2026).



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affordability modelling specific to Aboriginal and Torres Strait Islander Elders and Older People in relation to co-contributions, nor modelling that clearly demonstrates affordability across the broader older population. If Government is relying on Appendix C charts (including Charts 4–7) to justify fairness, it should be required to provide the same analysis disaggregated between Indigenous and non-Indigenous Australians and to explain using supporting evidence, where Aboriginal and Torres Strait Islander Elders and Older People sit within those distributions and how this translates into genuine capacity to pay.<sup>9</sup>

The Taskforce’s Recommendation 3 states that “it is appropriate older people make a fair contribution to the cost of their aged care based on their means”. However, this framing fails to address a fundamental question, whether it is culturally appropriate or culturally safe, to require Aboriginal and Torres Strait Islander Elders and Older People to pay for care in the first place, particularly where care is grounded in community responsibility, reciprocity, and respect.

NATSIAACC members have been explicit that, in practice, this model is experienced as culturally unsafe and shameful, because it places Aboriginal and Torres Strait Islander Aged Care Providers in the position of having to ask their own community Elders and Older People to hand over money for care, an expectation that conflicts with cultural protocols of respect for Elders and Older People and risks undermining trust in the care relationship.

While NATSIAACC acknowledges the Taskforce’s recognition under Recommendation 7 that further work and consultation was required to avoid unintended consequences, NATSIAACC is of the view that genuine co-design with Aboriginal and Torres Strait Islander Aged Care Providers and with Elders and Older People themselves, would have triggered significantly stronger scrutiny of this model from the outset.

Financial resilience indicators further demonstrate why affordability cannot be presumed. The Aboriginal and Torres Strait Islander Health Performance Framework reports that 54% of Indigenous Australians lived in households that could not raise \$2,000 within a week for an emergency (with higher rates in remote areas). AIHW reporting similarly identifies that 46% of First Nations households could not raise \$2,000 within a week (2022–23) and that 44% had days without money for basic living expenses in the previous 12 months.<sup>2</sup> These are (to some extent) indicators of an already stretched household budget and are fundamentally inconsistent with an assumption that additional out of pocket Aged Care charges are readily absorbable or serviceable.

Individual contributions outlined in Chapter 4 of the Aged Care Act 2024, currently operates as a price pressure that can drive disengagement from care or force trade-offs between care and essential everyday living costs. NATSIAACC is not alone in raising this concern. The Inspector-General of Aged Care has warned that co-payments can effectively tie continuity of care to out-of-pocket capacity, which is inconsistent with a rights-based approach to access. For Aboriginal and Torres Strait Islander

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<sup>9</sup> *Final report of the aged care taskforce*. Available at: [https://www.health.gov.au/sites/default/files/2024-03/final-report-of-the-aged-care-taskforce\\_0.pdf](https://www.health.gov.au/sites/default/files/2024-03/final-report-of-the-aged-care-taskforce_0.pdf) (Accessed: 15 January 2026).



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Elders and Older People, where pension reliance is high and financial stress is well documented, the likely outcomes include avoidable hardship, delayed care, and disengagement, increasing downstream risks to health, safety, and independence.

This is squarely within the purpose of the statutory review. A legislated Senate review of rules exists to test whether rules, as made and operating, are coherent, evidence-based, proportionate, and aligned with the Act's intent. Where Chapter 4 rules rely on affordability as the foundation for "fairness," the Committee is entitled, indeed required, to examine whether affordability has been demonstrated for populations known to face materially different financial circumstances. Through this statutory review, the Committee has the authority to recommend amendment, disallowance or replacement of Rules where they are shown to operate without an adequate evidence base or in a manner inconsistent with the Act's intent.

NATSIAACC's recommendation here is straightforward, the co-contribution rules must not continue to operate on an untested assumption of affordability for Aboriginal and Torres Strait Islander Elders and Older People. The Committee can achieve this within the scope of the review by requiring Government to table (or commission and table) population-specific modelling that tests affordability impacts for Aboriginal and Torres Strait Islander Elders and Older People, including scenarios for full- and part-rate pension recipients. If "capacity to pay" is the principle, the Committee should require proof that is disaggregated, transparent, and fit for purpose.

## **NATSIAACC Recommends:**

That the Committee ask the Government to table and publish population-specific financial modelling including affordability levels for Aboriginal and Torres Strait Islander Elders and Older People.

## Benefits of reform for Government

Adopting the amendments proposed by NATSIAACC would provide Government with a clear opportunity to demonstrate that Aged Care reform is not merely structural, but genuinely responsive to evidence, equity and lived experience. Addressing the cultural safety failure embedded in the co-contribution framework would strengthen the credibility of the Aged Care Act 2024 at an early stage of implementation, reducing the likelihood of ongoing legislative review, adverse findings, or future corrective amendments.

From a fiscal perspective, reform would support earlier and sustained engagement with low level Aged Care supports, which are consistently shown to be significantly less costly than crisis driven hospital admissions, visits to the emergency department or premature entry into Residential Aged Care.

Importantly, these changes would also align Government action with its stated commitments under Closing the Gap, particularly Priority Reform Three, by removing a system design feature that disproportionately burdens Aboriginal and Torres Strait Islander communities.



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In doing so, Government would mitigate foreseeable policy failure, reduce long-term expenditure pressures and reinforce public confidence that the new Aged Care system operates fairly, proportionately and in accordance with its own legislative intent.

## Consequences of inaction

If the co-contribution framework remains unchanged, consequences will follow. AIHW data shows that 32% of Indigenous Australians who did not access health services when needed cited cultural reasons, while cost remains a persistent barrier across service types. Financial vulnerability further compounds this risk with 46% of Aboriginal and Torres Strait Islander households are unable to raise \$2,000 within a week, and 44% experienced periods without money for basic living expenses in the previous 12 months.

In these circumstances, even relatively modest Aged Care co-payments operate as a structural deterrent to access, not a neutral and culturally safe contribution. The likely outcome is delayed engagement with community-based supports, deterioration in health, wellbeing and functional capacity and increased reliance on acute and hospital services, outcomes that are both clinically avoidable and significantly more expensive. AIHW consistently reports higher rates of potentially preventable hospitalisations among Aboriginal and Torres Strait Islander People, a trend that will be exacerbated where care is delayed or avoided due to cost and cultural unsafety.

Inaction therefore risks entrenching a two-tier Aged Care system, one in which access is preserved for those with financial flexibility, while Aboriginal and Torres Strait Islander Elders and Older People are pushed toward crisis-based care pathways.

Such an outcome would directly undermine the Government's stated reform objectives, expose the system to ongoing scrutiny and shift costs rather than control them, transferring fiscal pressure from Aged Care into already-strained hospital and emergency systems, while perpetuating inequity and avoidable harm.

## Conclusion

As currently made and operating, the Aged Care Rules implementing Chapter 4 of the Aged Care Act 2024 produce outcomes that are not culturally safe for Aboriginal and Torres Strait Islander Elders and Older People and their community-controlled Providers. It places community-controlled Providers in the unacceptable position of requesting payment from those they are culturally obligated to support. If the Quality Standards outlined in Section 15 of the Act are intended to be the benchmark for safe, high-quality, and culturally respectful care and if the Aboriginal and Torres Strait Islander Ageing and Aged Care sector continues to make clear that this funding mechanism deliberately works against those standards, then there is a clear need for change. The Government must act to ensure the Act operates in a way that is culturally safe for our communities.



**NATSIACC**