

Aged Care Star Ratings

Public statement – 31 October 2024

High quality aged care is a critical part of ensuring people in our community are afforded the opportunity to live a dignified, safe and meaningful life in old age. It is therefore vitally important older Australians and their families have reliable, accessible and meaningful information readily available to make informed choices about aged care.

Since January 2024, the media has reported public concerns that aged care star ratings (star ratings) may not be providing meaningful information about residential aged care services' quality of care.

Administered by the Department of Health and Aged Care (the department), star ratings were developed in response to the Royal Commission into Aged Care Quality and Safety which recommended a system of ratings, to support older people and their families make meaningful comparisons of the quality and safety performance of aged care services and providers.¹ Since December 2022, all residential aged care service providers are assigned an overall star rating (1 to 5), comprised of 4 weighted individual ratings – resident experience (33%), compliance (30%), staffing (22%) and quality measures (15%).

Noting public concerns, my Office took a closer look at star ratings and sought information from the department. The symbol of a 5-star rating is a powerful one, usually associated with high quality products and services. In my view, while noting the department's advice about steps it has taken and is intending to take to improve the star ratings system, currently star ratings are not sufficiently meaningful to help people make informed decisions about their aged care.

¹ [Aged Care Royal Commission Final Report: Recommendations](#) - recommendation 24

Given an independent evaluation into star ratings is currently underway,² along with proposed legislative changes, I have not commenced a formal investigation under the *Ombudsman Act 1976*. I instead encouraged the department to consider and act on my concerns. I make this statement to provide assurance to the public that my Office is monitoring this issue.

Star ratings do not include all non-compliance information

As the regulator of Commonwealth funded aged care services, the Aged Care Quality and Safety Commission (the Commission) monitors aged care providers' compliance with the requirements of the *Aged Care Act 1997*.

The Commission may issue a formal compliance notice requiring a provider to take action to remediate identified issues. Based on publicly available information, only when the Commission issues a formal compliance regulatory notice will the non-compliance impact a provider's compliance and overall star ratings. This means that in some instances the Commission may find a provider is not meeting the required standards, potentially for an extended period, but its star rating does not change.

Regulators have discretion in how they approach instances of non-compliance and I acknowledge the Commission can properly choose to address some matters of non-compliance informally. However, noting the standards reflect the level of care the community expects from aged care providers,³ it is important that publicly available information about the compliance rating clearly sets out why some instances of non-compliance are not relevant to a provider's star ratings and directs the public to other information about the level of care provided by individual providers.

The department advised my Office that it expects the compliance rating will transition to a graded assessment (as recommended by the Royal Commission into Aged Care Quality and Safety) with the commencement of a new Aged Care Act. In my view, the department's current approach to determining the star ratings may not be transparent nor wholly reflective of the quality of care being provided by aged care providers and could be improved in this regard, with commensurate benefit to the public.

² [Evaluation of Star Ratings | Australian Government Department of Health and Aged Care](#)

³ [Aged Care Quality Standards | My Aged Care](#)

Star ratings information is technical and lacks detail

Star ratings can be found through the *Find a Provider Tool* on the [My Aged Care](#) website.⁴ My Office looked at the *Find a Provider Tool* and considers that understanding a provider's overall star rating is complex and requires a person to navigate across multiple websites to locate and interpret somewhat technical information in order to be able to draw meaningful conclusions about a provider's star rating.

For example, the compliance star rating shows current and historical formal compliance notices and specifies the various aspects of the Quality Standards that a provider is or is not meeting. My Office noted one provider with a 3-star compliance rating, where the information shows the provider is not meeting the requirement to ensure its workforce is competent and members of its workforce have the qualifications and knowledge to effectively perform their role.

Without accessing multiple webpages and resources such as the [Star Rating Provider Manual](#) (approximately 50 pages) alongside the *Find a Provider Tool* to understand how the compliance rating is determined, people may struggle to comprehend how a provider can have a 3 star compliance rating when the Commission is not satisfied that the provider is ensuring its workforce is competent.

Information about star ratings should be clear, simple, accessible and not misleading. Additional information about how a provider failed to meet the required standards and the action it is taking to address the concerns, may also help people understand a provider's performance against the quality standards.

I note that when it recommended establishing star ratings, the Royal Commission stated that the overall star rating should be accompanied by appropriate additional information relevant to an aged care service's performance, even if it is not reflected in the overall star rating outcome, including complaint information.^[1]

⁴ Information about star ratings is also available on the [department](#) and the [Aged Care Quality and Safety Commission](#) (the Commission) websites

^[1] Recommendation 24 ([page 225](#))

As outlined in my Office's [Better Practice Complaint Handling Guide](#) analysing complaint data and trends can identify opportunities to improve policy settings and administrative practices.^[2] In my view, complaints about aged care services are an important information source providing valuable insights into resident, their families and advocates' experience with an aged care provider. While some information about individual providers' approach to complaint handling is available under the resident experience star rating, I encourage the department to consider how actual complaints data can be further used to inform star ratings and support people to make decisions about aged care.

Providing assurance to the public

The data used to calculate star ratings is sourced from third parties, including self-reported data from aged care providers, the Commission, and external survey providers. It is important the department makes it clear to the public how it makes sure the individual datasets and the overall star rating are accurate. The department advised my Office that it conducts a range of checks on the data reported by aged care providers and external survey providers before it is used to calculate star ratings.

Additionally, it is essential that agencies responsible for administering programs implement appropriate frameworks to gain assurance they are achieving their objectives, identify risk, and improvement opportunities. This is particularly important where the program involves input by other entities.

I note that if passed, the *Aged Care Bill 2024*⁵ introduced into the Parliament on 12 September 2024 will modify the current regulatory framework, establishing the Secretary of the Department of Health and Aged Care as the System Governor. The department advised my Office the proposed changes will strengthen its ability to undertake assurance checks on data used for star ratings.

My Office will monitor whether the outcomes of the independent evaluation or legislative changes address my concerns.

Iain Anderson
Commonwealth Ombudsman

^[2] [Better-Practice-Complaint-Handling-Guide-February-2023.pdf \(ombudsman.gov.au\)](#) (page 5)

⁵ [Aged Care Bill 2024 – Parliament of Australia \(aph.gov.au\)](#)