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Associate Professor Nicole Sutton and Mr Nigel Ray PSM

Independent Reviewers

Residential Aged Care Accommodation Pricing Review

accompricingreview@health.gov.au

Dear Associate Professor Sutton and Mr Ray

Thank you for the opportunity to provide feedback to the Residential Aged Care Accommodation Pricing Review.

Dementia Australia is the peak body representing the estimated 433,000 people living with dementia and their carers. Dementia prevalence is set to increase to more than a million people by 2065 [1]. As such, delivery of quality dementia care is a key concern for the aged care system.

Cognition issues are common in residential aged care, and dementia does not only occur within memory support units or dedicated dementia services. Data from the Australian Institute of Health and Welfare show that more than half of residential aged care residents are living with dementia [2].

Recent data from a Registry of Senior Australians study has shown that 17% of people entering residential care without a cognitive impairment will develop dementia. People entering care with a cognitive impairment have a high incidence of developing dementia within 1.5 years [3].

There is intensifying pressure on the residential aged care sector to provide quality dementia care and questions of how best to allocate funding to achieve this. There is also a widely acknowledged critical shortage of residential aged care places across the country, with particular severity in regional and rural areas. Additionally, there are financial viability concerns for many aged care providers.

In short, accommodation supply and design are critical issues in the delivery of high-quality dementia care.

Dementia Australia is concerned that the Higher Accommodation Supplement may not be properly incentivising the use of dementia design principles or consistent investment in construction and maintenance of dementia-appropriate care facilities.

We would support a system linking supplementary funding for providers to the use of dementia design principles, potentially with a requirement for an inter-related strategy to upskill staff to deliver care in improved environments. This would support high-quality care for people living with dementia, expand access to care and assist in preventing the inappropriate use restrictive practices including physical and chemical restraint.

This issue requires further consideration, and we would be interested in arranging a discussion with you to explore strategies to leverage accommodation supplementation to improve accommodation design for quality dementia care.

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With respect to the consultation questions on accommodation fees for service users, we note that any changes need to have a clear communication strategy on the implications of different fee options, including communication that is appropriate for people living with dementia and their families.

Sincerely,

[REDACTED]

Chief Executive Officer

References

1. Dementia Australia. *Facts and Figures 2025*; Available from: <https://www.dementia.org.au/about-dementia/dementia-facts-and-figures>.
2. Australian Institute of Health and Welfare, *Dementia in Australia*. 2025, Australian Government
3. Shoubridge, A.P., et al., *Individuals with Cognitive Impairment Entering Long-Term Care: Characteristics and Cumulative Incidence of Dementia after Care Entry*. Journal of the American Medical Directors Association, 2025. **26**(6): p. 105568.