Good practice guidelines *for* closure *of* residential aged care homes

Co-produced by

OPAN AND **AGEING AUSTRALIA®**



Ageing Australia®

OPAN Older Persons Advocacy Network

The Older Persons Advocacy Network (OPAN) and Ageing Australia® recognise that the closure of residential aged care homes causes disruption for residents, supporters, their families and staff, as well as volunteers and the broader community.

However, the provision of high quality and safe care is of paramount importance, and consequently there may be some instances where it is appropriate for a registered aged care provider to close a home, despite the challenges and impacts associated with such a decision.

This document provides 'good practice' guidelines for registered providers to help them to meet their legal obligations and to support them with effective and timely communication strategies with residents and key stakeholders – facilitating a confident and smooth transition to appropriate alternative accommodation.

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About these guidelines

These guidelines outline what registered providers are required to do under the current legislation when closing a residential aged care home.

This information is complemented by good practice tips to help you minimise disruption and ensure that the concerns of residents, supporters, their families, volunteers and the community are understood and supported. The guidelines also include information about how to support aged care workers who are affected by the closure.

There are two case studies at the end of this guide which detail the approaches taken and lessons learned. These illustrate how legislative compliance, combined with good practice, can lead to better outcomes for residents in the event of a closure.

A NOTE ON HUMAN RIGHTS

The *Aged Care Act 2024* is a rights-based Act and includes a Statement of Rights enjoyed by all consumers of Government subsidised aged care services.

Throughout the process of closing an aged care home, registered providers must ensure residents' rights are recognised and respected, including their rights to:

- independence, autonomy, empowerment and freedom of choice
- equitable access
- quality and safe funded aged care services
- respect for privacy and information
- person-centred communication and ability to raise issues without reprisal
- advocates, significant persons and social connections.

Support available

If you are a registered provider planning to close one of your homes, you are encouraged to advise relevant advocacy bodies as early as possible. These bodies can support your organisation and residents and may be able to offer further tools and assistance. Please refer to the table below for contact details.

Provider type	Advocacy body	Contact number
All	OPAN	1800 700 600
Providers who are Ageing Australia members	Ageing Australia®	1300 222 721

Notification requirements

The legislation requires that the Aged Care Quality and Safety Commission (the Commission) must be notified of certain changes, including the following:

- changes to approved residential care homes[i]
- a change of circumstances or an event that materially affects the registered provider's suitability to be a registered provider[ii]
- a significant change in the organisation or governance arrangements of the registered provider[iii]
- change relating to the scale of operations of the registered provider[iv]
- changes relating to intended service types.[v]

The notification must be made within 14 days of the registered provider becoming aware of the change occurring.

Registered providers must inform the Commission about changes to responsible persons, including if a person is leaving or moving to another role.

The registered provider must apply for a variation to remove a home from its registration. The Commission will consider if it is appropriate as well as the continuity of care arrangements in making its decision.[vi]

If the home being closed is the only aged care service being provided, the registered provider can apply to have their registration revoked.[vii]

The registered provider must notify Services Australia that a resident has left the home.

(i) *Aged Care Act 2024* Section 167
(ii) *Aged Care Rules 2025* Rule 167-20
(iii) *Aged Care Rules 2025* Rule 167-35
(iv) *Aged Care Rules 2025* Rule 167-45
(v) *Aged Care Rules 2025* Rule 167-50
(vi) *Aged Care Act 2024* Section 123
(vii) *Aged Care Act 2024* Section 123

Registered providers must provide security of tenure

When a resident moves into a home a registered provider promises to provide accommodation and care to the resident permanently or for the period of respite. Registered providers cannot terminate this period of tenure early except in the circumstances set out in the legislation. Residents must be given security of tenure.

One of the circumstances in which a registered provider may ask a resident to leave a home early is if a decision has been made to close the home.[i]

Service agreements need to specify the type of assistance a registered provider will provide to a resident to obtain alternative accommodation if they are asked to leave.

NOTICE OF TERMINATION

Before the registered provider can terminate, they need to provide written notice (at least 14 days prior to the resident being required to leave) which includes:

- that a decision has been made to ask the resident to leave
- that this decision has been made because of the closure of the home
- the date by which the resident is required to leave the home
- the residents' rights in relation to being asked to leave the home, including the right to access the registered provider's complaints resolution mechanisms and any other mechanisms available to address complaints and advocacy bodies
- the notice must also contain a "Continuity of Care plan" for the resident.

Registered providers must help find suitable alternative accommodation

A registered provider can only make a resident leave a residential aged care home if there is suitable alternative accommodation available that meets the resident's long-term needs and that is affordable to the resident.

A registered provider cannot require a resident to leave until alternative accommodation is found and a service agreement is offered to the resident.

This process should be clearly explained to residents and their supporters or representatives to provide assurance that residents' care will not be compromised during the transition period.

(i) *Aged Care Rules 2025* Rule 149-60

Communication with residents

Registered providers should provide transparent and timely information to residents.[i] This means when a home is being closed, registered providers need to provide clear and timely information to residents and their representatives or supporters throughout the process.

As residents may have cognitive impairments, vision or hearing loss, or have culturally and linguistically diverse backgrounds, information should be provided in appropriate formats, channels and languages to ensure residents (and their representatives or supporters) understand what is occurring and can make informed choices about future care arrangements.

Registered providers' obligations in relation to residents' finances

Refundable Accommodation Deposits (RAD) or Refundable Accommodation Contributions (RAC) must be refunded in full, minus any deductions that the resident has agreed to or any applicable retentions.

Deductions can include a Daily Accommodation Payment (DAP) if the resident has paid a partial RAD or other fees agreed to such as Contributions or Higher Everyday Living Fees.

Fees paid via DAP or Daily Accommodation Contributions (DAC) are non-refundable (unless they were paid in advance).

TIMING OF REFUNDS

Refund can occur via cash, cheque, bank cheque or electronic transfer[ii] If a resident is permanently moving to another home, requirements to refund any accommodation payment balances will depend on how much notice the resident gives, as summarised in Table 1.

Notice given by the resident	Timing of refund
More than 14 days' notice	On the day the resident leaves
Between one to 14 days' notice	Within 14 days of the resident giving notice
None	Within 14 days of the resident leaving

Table 1: Registered provider obligations in relation to timing of refunds.

(i) Aged Care Quality Standards, Standard 1 – Consumer dignity and choice, requirement (3)(e).
(ii) *Aged Care Rules 2025* Rule 311-5

Good practice tips

Stakeholder engagement

Registered providers should develop a communication plan to support timely, early and effective communication about the closure with key stakeholders.

These should include the Department of Health, Disability and Aged Care (DoHDA), the Commission, relevant advocacy bodies (including the local OPAN Network Member), residents, supporters, families, staff and volunteers.

The communication plan should ensure that messaging is consistent and that key information is provided to stakeholders simultaneously. This would mean, for example, ensuring staff and residents are informed of the impending closure at the same or a similar time.

Communication should be led by those in governance positions, such as the Chief Executive Officer and the Board. Providers should be as transparent as possible and use a variety of communication channels, as different stakeholders may prefer to receive information in certain formats. Generally, engagement with residents, supporters, family members and staff should be in person where possible. It may be beneficial to have a dedicated person onsite, either ongoing or for a time-limited period, to whom people can drop in and ask questions.

Community consultation should also be undertaken. While the key stakeholders will depend on the local context, this could include the local council, the mayor, local hospitals and significant local contractors (e.g. the local pharmacy). Engagement with the local community can be particularly important where the home is in a small community and where the impacts of the closure may be felt more acutely. For example, residents may need to move a considerable distance from the local community to access alternative accommodation, and the home may also be a major employer.

Where feasible, opportunities to repurpose the aged care facility to benefit the community should be considered (e.g. a former residential aged care home in a small remote town is now being used to provide accommodation for visiting health professionals).

Other forms of assistance

Registered providers can also consider covering or contributing to the costs of the move, engaging counsellors or other culturally appropriate supports, for those that need them. The registered provider should ensure any transfer is safe (including if it needs to be by ambulance).

Throughout the process of finding alternative accommodation, the registered provider should have a process in place for providing regular feedback to impacted parties.

Announcing the decision to close

It is good practice to announce the decision to close a home prior to sending written notice of the decision. The written notice can include any relevant plans and the assistance available. Making the announcement through the written notice is not optimal.

Amount of notice

Registered providers must give 14 days written notice to terminate the agreement, however practically a lot more time is required. While the amount of notice given to residents may vary depending on the reasons for the closure, a period of 4–6 months (following the announcement of the decision to close) is usual for the process of relocation and closure to occur.

Grievences and complaints

Processes and procedures for handling grievances and complaints may include a relocation grievance plan and a follow up notice for any residents who refuse to leave a home, even though suitable alternative accommodation has been found.

Finding suitable accommodation

Providers should have a conversation with their residents to identify what kind of accommodation would be suitable for their needs. This can relate not just to their care needs, but also their personal preferences – including location, proximity to family members and/or friends or cultural considerations.

What is considered 'suitable alternative accommodation' for a particular resident will depend on their specific circumstances, needs and preferences, this could include options such as moving to another residential aged care home, transitioning to supported independent living accommodation, or moving in with a family member and receiving in home aged care.

To ensure the new home- or home-based aged care service will meet the residents' long term care needs, the provider should review the residents' care needs with the resident and keep a record of this.

Supporting staff

The needs of employees should also be a key consideration when planning to close a home as the closure can have significant impacts on staff. These may include distress and uncertainty, as well as impacts associated with changes in employment.

Registered providers should develop a staffing strategy which covers matters such as communications and engagement, entitlements, absence, retention incentives and counselling (e.g. Employee Assistance Program).

Offering retention payments to staff may be an effective strategy for reducing the number of staff leaving prior to closure and allowing for greater continuity of care for residents.

Giving existing staff opportunities to take on higher duties during the transition period may also provide an incentive for employees to continue working at the home for as long as possible.

Registered providers should also consider how they can support their employees to find new jobs, such as offering them roles at their organisation's other homes (if applicable) or contacting homes in the local area to check whether they have any job vacancies.

Staff affected by the closure should be provided with details of HR personnel they can contact if they have any questions.



Case study 1: Brightwater's closure of three of its residental aged care homes

Brightwater is an aged care provider in Western Australia which delivers a range of services including residential aged care, retirement living and home care assistance.

After deciding to close three of its residential aged care homes in Joondalup, Huntingdale and South Lake, Brightwater adopted a project management approach and undertook careful planning to help support a smooth transition, as far as possible, for their residents and staff.

They established a Steering Committee and Working Groups, as well as a dedicated Project Manager, to oversee and support the closure process. The Staff and Resident Transition Working Groups met weekly, with meetings transitioning to bi-weekly closer to the closure dates.

Brightwater engaged a communications agency to develop a communications plan, which included a detailed checklist of who they would inform and when (e.g. ministers, local MPs, local councils, the regulatory body, residents and families). This was also an important step to ensure there was a consistent message that the Board and staff could articulate if asked about the closures by the broader community.

In April 2026 Brightwater announced to residents and staff that it would be closing the three residential aged care homes over the upcoming 12 months. They had already notified the Commission of this once they signed a contract of sale. While they did not proactively contact the media about the closures, they prepared a holding statement that could be used if they received media enquiries. Following an invitation, the CEO was interviewed on radio after the announcement.

Supporting the happiness of residents was identified as a key issue in their risk management plan, so Brightwater implemented a range of measures to mitigate the risk of a negative response. This included adopting a case management approach, with bespoke engagement of residents and their representatives according to their personal needs and preferences, in addition to holding regular structured meetings for all residents.

Additional resources were made available onsite to support the day-to-day operations of the homes. This enabled the Service Manager (who was already known to the residents) to dedicate more time to engaging with residents about the closures.

Brightwater made an Employee Assistance Program (EAP) support available to staff when they were informed of the closure. HR Business Partners were also onsite most weeks to manage a range of matters, including questions from staff and unions.

Although Brightwater had initially advised that the closures would take 12 months, all three homes were closed within five months.

Case study 2: Closure of Canning Lodge

Canning Lodge was operated by the City of Canning. In March 2026, the Council made the decision to close the residential aged care home after attempts to find a new operator failed. The closure process included a focus on measures to minimise the negative impacts on the residents who would need to relocate and to address the challenges and strain of their relocation.

Canning Lodge had clear, timely and ongoing communication with residents and relatives on the attempts to locate another operator for the home. Both residents and relatives were given access to the City of Canning's counselling support services.

There was proactive engagement and negotiation with other residential aged care homes in the area to explore options for residents to transfer, so they could remain in their local community where possible.

Where possible, City of Canning negotiated residents' Refundable Accommodation Deposit (RADs) and Daily Accommodation Payment (DAPs) with other providers to ensure they would not experience financial hardship or repercussions from relocating. This was particularly valuable, as some residents had been with Canning Lodge for a long time and financial arrangements had changed over the years.

In terms of the relocation of residents, Canning Lodge staff supported residents and relatives by:

- informing them of potential options to seek independent assistance to support their decision-making, including providing information from local OPAN Service Delivery Organisation Advocare to know their rights in the process
- providing support to residents and families throughout the relocation process
- providing support in relation to physical re-location, including help with packing and transporting personal belongings and furniture for residents, so they and their family members could focus on their wellbeing
- continuing to provide support to residents after they moved into their new home, to ensure they settled in as smoothly as possible.

Lessons learnt

Lead times for notice

While the appropriate lead time will depend on the scale of and reasons for the closure, generally a shorter lead time than 12 months will be preferable. A key reason for this is the difficulty of managing fluctuating resident and staffing levels for a prolonged period of time. It may also be difficult to relocate all residents in a shorter timeframe.

Managing expectations in a changing environment

While it is critical to plan as much as possible, it is also important to acknowledge the potential for variation to help manage people's expectations (e.g. communications should state what the provider plans to do but also acknowledge things may change).

Understanding what is important to residents about their alternative accommodation

Before planning transitions to alternative accommodation, registered providers should talk to residents to get a better understanding of what kind of qualities are important to them regarding their new home (rather than making assumptions). For example, Brightwater had anticipated that wanting to live close to family would be a key consideration for most residents. However, wanting to live with or near fellow residents, who they were friends with, turned out to be very important to many residents and, in some cases, more important than proximity to family.

Communication with residents

While it is essential to convey information to residents about their rights and the applicable legal framework (e.g. how long they have to leave, timing of refunds), registered providers should carefully consider the language, tone and framing of such information to ensure it is communicated both effectively and sensitively.

Early engagement with advocacy services

Registered providers should include early engagement with their local OPAN Network Member as part of their communications plan and ensure the OPAN Network Member attends the meetings with residents and their representatives when closures are announced. Early engagement helps align OPAN Network Member activities for residents and their families from the beginning, ensuring a smoother process.

Ongoing engagement with advocacy services

Registered providers should build ongoing engagement with their OPAN Network Member into their communications plan to allow residents and families ample opportunity to engage with and receive independent information and support throughout the closure and transition processes.

One point of contact

The media stakeholder engagement element of the communications plan should include one consistent point of contact for all media engagements.

Timing of relocations

It may be preferable to try to plan for the relocation of the last group of residents to occur around the same time if possible, as living in a residential aged care home with only a few residents and staff members is unlikely to be ideal for residents' care or morale.

Giving residents closure

Providers should facilitate a sense of closure for residents, acknowledging their time at the residential aged care home and the fact that they are being required to leave their home for a new one. Things like having a farewell event is very important for some residents.

Planning for NDIS participants

If a residential aged care home has residents who are NDIS participants, the project plan for closing the home should include a specific section about how the provider will support such residents' transitions. As some residential aged care homes do not take residents who are NDIS participants, registered providers should be aware that it may take longer to find or there may be fewer options for alternative accommodation for these residents.

It is also an opportunity to support NDIS participants under 65 years old to move into supported independent living options, if that is their choice and they are able to do so. Registered providers must also consider continuity of care obligations under the NDIS legislation.

Agency staff

Registered providers should factor into the planning that agency staff will likely be increasingly needed closer to closure, as many permanent staff will likely have transitioned or moved on.

Updating communications materials

To prevent confusion and frustration for prospective residents and their representatives, the registered provider should try to update their communications materials, such as their website and brochures, to reflect the planned or completed closure of a home.





enquiries@opan.org.au
Aged Care Advocacy Line 1800 700 600

opan.org.au

info@ageingaustralia.asn.au
1300 222 721

ageingaustralia.asn.au

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