



# Delivering quality care more efficiently

**KPMG submission**

---

KPMG Australia, September 2025  
[KPMG.com.au](https://www.kpmg.com.au)

# Contents

Executive summary	3
Background	4
KPMG insights	5

# Executive summary

As a leading professional services firm, KPMG Australia (KPMG) is committed to meeting the requirements of all our stakeholders – not only the organisations we audit and advise, but also employees, governments, regulators – and the wider community.

We strive to contribute in a positive way to the debate shaping Australia’s care economy and welcome the opportunity to provide this submission in response to the Commission’s Interim Report, Delivering quality care more efficiently.

Through KPMG’s Health, Ageing and Human Practice we work with governments and service providers to build a better, more sustainable care and support system for all Australians.

KPMG welcomes the Commission’s focus on improving productivity and outcomes across the care economy and supports all three draft recommendations outlined in the Interim Report. Drawing on our experience supporting governments and providers to deliver reform in complex care systems, this submission provides additional evidence to inform the case for change, highlights key implementation considerations, and sets out practical next steps. We also respond, where relevant, to requests for further information.

Across all recommendations, we suggest that reform will be most effective where it is supported by clear governance, stable and long-term funding, integrated and transparent data, and strong regional capability. We also emphasise the importance of collaborative commissioning, equity-driven funding, and cross-sector partnerships as enablers of better outcomes. These themes run through our advice on each recommendation.

In this submission, KPMG supports the Commission’s recommendation to enhance quality and safety regulation in the care sector, and we advocate for a move from compliance-focused frameworks to those that foster continual improvement and transparency. We also recommend a unified regulatory approach to reduce duplication and harmonise standards across care types, a consistent quality rating system, and better alignment of restrictive practice obligations. KPMG also supports collaborative commissioning with pooled funding and shared outcomes, as well as a legislated National Prevention Investment Framework for long-term, equitable prevention.

We have included more detailed comments across the three key areas outlined in the interim report. We look forward to continuing to support the Commission in its inquiry and would be pleased to discuss this submission further. Please contact us if you would like to arrange a discussion.

Yours sincerely,



**Evan Rawstron**

Partner in Charge, Infrastructure,  
Government and Healthcare  
Consulting

KPMG Australia



**Dan Jefferson**

National Sector Lead, Health,  
Ageing & Human Services  
KPMG Australia



**Sarah Abbott**

Partner, Health, Ageing & Human  
Services  
KPMG Australia

# Background

## About KPMG

KPMG is a global organisation of independent professional firms, providing a full range of services to organisations across a wide range of industries, governments and not-for-profit sectors. We operate in 143 countries and territories and have more than 265,000 partners and employees working in member firms around the world. In Australia, KPMG has a long tradition of professionalism and integrity combined with our dynamic approach to advising clients in a digital-driven world.

## Health, Ageing & Human Services

**KPMG's Health, Ageing and Human Services team is committed to improving the health and wellbeing of all Australians.**

This is our team's purpose and vision, and we strive to achieve this in all of our engagements.

We have a national team that is focused specifically on the Health, Ageing and Human Services sector. We are part of a global health network that spans 46 countries and allows us to connect our clients to the latest sector trends occurring nationally and internationally to help bring valuable best practice insights to our clients.

Our team brings together a rich blend of skills, knowledge and experience – our people are specialists, not generalists many of whom have significant experience working in, with and for Australian public and private service providers, state and federal government departments and agencies, not-for-profit organisations, service providers, and public and private payor organisations

**KPMG insights**

# KPMG response to Interim Report recommendations

KPMG supports all three draft recommendations outlined in the Commission's Interim Report, Delivering quality care more efficiently. The following sections provide more detailed commentary on each recommendation. For each, we outline the case for change, build on the opportunities for reform identified in the Interim Report, and set out practical next steps and considerations based on our experience supporting governments and providers to deliver reform in complex care systems.

## Reform of quality and safety regulation to support a more cohesive care economy

### **KPMG supports the Productivity Commission's Draft Recommendation 1 to strengthen quality and safety regulation across the care economy.**

Based on our experience evaluating large-scale reforms, we observe that regulation is most effective when it extends beyond compliance and supports continuous improvement. In our view, the Commission could consider how regulatory settings provide greater transparency, reduce duplication, and create capability-building opportunities for providers, while ensuring quality outcomes are consistently measured across healthcare, early childhood education and care, aged care, disability support, veterans' and other care sectors.

#### Building on the opportunities for reform

We agree there would be value in developing a standardised safety and quality reporting framework and data repository, and in introducing a single set of practice and quality standards for aged care and NDIS services. The Interim Report rightly notes that fragmented regulation ultimately affects care users, who face inconsistent quality and risks arising from poor coordination.

In our experience, providers carry a significant administrative and financial burden when navigating multiple regulatory frameworks. These include overlapping requirements for data capture, reporting, and compliance, which can divert critical resources away from care delivery and service improvement.

A consistent regulatory framework would not only reduce duplication and complexity but also create greater opportunities for automation, particularly through the use of AI.

A joined-up approach offers the potential to reduce administrative load, lower costs, and redirect effort towards service quality and innovation. We suggest that reforms consider how regulatory frameworks can evolve beyond a narrow focus on clinical safety and compliance to also prioritise outcomes such as wellbeing, independence, and quality of life. Achieving this shift will require regulation that enables flexibility, collaboration, and innovation, while maintaining safeguards for vulnerable groups.

In our view, a single provider registration process across the care system could streamline administration and reduce unnecessary complexity for providers and care users alike. Many providers are already delivering, or considering, multiple service types across aged care, disability, veterans' care, and health. However, they face inefficiencies and workforce challenges created by inconsistent regulatory requirements. A unified registration process has the potential to encourage market expansion, support new entrants (including small and community-based providers), and stimulate innovation by allowing providers to differentiate themselves on value, quality, and care models.

Regulatory obligations for restrictive practices currently differ across aged care and disability services, particularly in relation to consent processes and reporting. We see an opportunity to harmonise these requirements while maintaining protections against misuse. Alignment would support more consistent person-centred care and could encourage greater use of environmental adaptations, behavioural analysis, and technology-supported interventions. Tailored compliance

strategies may still be required, but collaboration across jurisdictions could reduce duplication and improve outcomes for both care users and providers.<sup>1</sup>

We suggest the Commission consider the value of a consistent, transparent quality rating system across care sectors. The [Aged Care Star Ratings system](#) and the [National Quality Framework for early childhood services](#) provide useful precedents, offering simple, comparable metrics that support informed choice.<sup>2,3</sup> Expanding this approach to disability and other care settings could improve visibility of service performance and create a unified framework for assessing quality. Indicators would need to be tailored to service types, but the principle of transparent, standardised reporting is transferable across the care economy.

### The case for change

KPMG recognises the challenges that care systems face in gaining and sustaining public trust, particularly as community expectations evolve. Trust deficits manifest differently across sectors: in aged care, through high-profile incidents that led to the [Royal Commission into Aged Care Quality and Safety](#); in the NDIS, through perceptions of administrative inefficiency and inadequate provider accountability; in veterans' care, through delays in claims and access to trauma-informed services; and in child care, through concerns about affordability, safety, and staff capability<sup>4,5,6</sup> At the centre of all care systems is the need to uphold respect, dignity, accessibility, equity, safety, and wellbeing. A unified regulatory framework provides an opportunity to address these deficits consistently, while tailoring responses to the distinct needs of each sector.

KPMG's recent report, [Care Reimagined 2025](#) highlights that regulation is most effective when it is outcomes-focused, with clear, measurable objectives that create accountability, support prioritisation of resources, and enable transparent decision-making. This type of approach helps to centre the experience of care users while allowing regulators to adapt frameworks to shifting expectations and innovation in service delivery. Emerging technologies, including artificial intelligence (AI), can further strengthen outcomes-focused approaches. [KPMG's Trusted AI Framework](#) sets out how ethical principles, privacy safeguards, and robust governance can be embedded across the AI lifecycle to ensure innovation is balanced with accountability and public trust. International and domestic evidence shows that using longitudinal and large-scale data to track outcomes enables regulators to move from reactive compliance to more proactive, system-wide improvement.<sup>7</sup> KPMG is also responding to the Commission's *Harnessing data and digital technology* inquiry with more detailed insights on AI regulation.

In our view, regulatory reform that combines consistent cross-sector standards with outcomes-focused priorities and proportionate governance of digital innovation is more likely to rebuild trust, improve transparency, and ensure that quality of life, independence, and wellbeing are at the centre of care.

### Practical next steps and considerations

For regulatory reform to strengthen quality and safety across the care economy, the government should:

- Map requirements across all care setting legislation and regulation to identify areas of alignment and where tailored approaches are required.

<sup>1</sup> Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability. (2023). *Reducing restrictive practices: A review of evidence-based alternatives (Research Report)*. University of New South Wales. Commissioned by the Royal Commission. Available at: <https://disability.royalcommission.gov.au/publications/reducing-restrictive-practices-review-evidence-based-alternatives>

<sup>2</sup> Australian Government Department of Health, Disability and Ageing. (2025). *About Star Ratings (Aged Care Star Ratings system)*. Canberra: Commonwealth of Australia. Available at: <https://www.health.gov.au/our-work/star-ratings-for-residential-aged-care/about-star-ratings>

<sup>3</sup> Department of Education, Australian Government. (2025). *National Quality Framework*. Available at: <https://www.education.gov.au/early-childhood/about/quality-and-safety/national-quality-framework>

<sup>4</sup> Royal Commission into Defence and Veteran Suicide. (2023). *Final Report*. Commonwealth of Australia

<sup>5</sup> NDIS Review. (2023). *Working together to deliver the NDIS*. Department of Social Services

<sup>6</sup> Royal Commission into Aged Care Quality and Safety. (2021). *Final Report: Care, Dignity and Respect*. Commonwealth of Australia. Available at: <https://agedcare.royalcommission.gov.au/publications/final-report>

<sup>7</sup> Productivity Commission. (2024). *Harnessing Data and Digital Technology: Interim Report*. Commonwealth of Australia.

- Adapt regulatory frameworks to support competency-based learning, micro-credentialing, and recognition of non-traditional roles.
- Ensure regulation is flexible enough to empower frontline workers with scalable skills, particularly as AI becomes embedded in care delivery.
- Consider how the regulation of AI in care services can enable productivity and innovation, while ensuring safety, ethics, and public trust.

To deliver on the promise of regulatory reform, the focus should shift from compliance alone to a cohesive, outcomes-focused framework that reduces duplication, builds trust, and enables consistent quality across the care economy.

### **Map requirements across care settings**

We suggest government consider a systematic review of standards and regulations across aged care, disability, veterans' care and other settings. Our experience shows there are many similarities in intent and design, but also important sector-specific nuances. Mapping these requirements would highlight opportunities for alignment and help identify where a unified approach is feasible, and where sector-specific tailoring is required.

### **Support competency-based learning and new roles**

In our view, regulation could evolve to better accommodate competency-based learning models, micro-credentialing, and recognition of non-traditional roles that may not fit neatly into existing worker registration systems. This would allow providers to respond more flexibly to workforce challenges and help ensure that regulatory frameworks enable, rather than constrain, innovation in workforce design.

### **Enable scalable skills in AI-assisted roles**

As AI becomes more common in frontline care, regulation will need to allow for scalable skill development. One option is to design regulatory frameworks that support upskilling pathways, enabling workers to develop and demonstrate the competencies required to work safely and effectively with AI-assisted tools.

### **Regulate AI to balance innovation and safeguards**

AI has the potential to improve safety, efficiency and user experience across care settings. At the same time, its implementation must be ethical, transparent and safe. We suggest regulation should strike a balance: enabling innovation and productivity gains while embedding safeguards around bias, privacy and accountability to maintain public trust.

## **Embed collaborative commissioning to increase the integration of care services**

### **KPMG supports the Productivity Commission's Draft Recommendation 2 to embed collaborative commissioning and increase the integration of care services.**

In our experience, commissioning works best when it acts as a platform for shared problem-solving across health and related sectors, rather than a mechanism for shifting procurement risk. The Commission may wish to consider how collaborative commissioning can be underpinned by pooled funding, risk-adjusted for local population needs, and supported by shared metrics that capture both short-term service changes and long-term wellbeing outcomes. A key strength of collaborative commissioning lies in empowering locally funded providers to retain and reinvest the value they create.

### **Building on the opportunities for reform**

The Interim Report rightly highlights the need for more joined-up approaches. In our view, the next step is to embed collaborative commissioning as the structural mechanism for cross-sector integration. This approach would be underpinned by pooled or blended budgets that are risk-adjusted for local population needs and linked to shared outcome metrics. These metrics should balance short-term improvements (such as access, reduced duplication, and earlier intervention)

with long-term outcomes (such as reduced preventable hospitalisations, improved quality of life, and equity of access). In this model, commissioning bodies act as integrators of capability, culture, and data, ensuring that resources flow to where they generate the greatest value.

Evidence shows that when community voices are embedded, outcomes improve. KPMG's [Independent Audit and Analysis of Government and Government Funded Services Delivered to Mornington Island](#) found that reforms anchored in community decision-making built resilience, trust, and measurable improvements in wellbeing.<sup>8</sup> Similarly, KPMG International's 2024 report [Healthcare Horizons Revisited](#) demonstrated that technology-enabled, equity-driven commissioning models increase responsiveness and efficiency.<sup>9</sup> International examples, such as the [NHS Integrated Care Systems in England](#), reinforce that collaborative commissioning works best when equity, prevention, and accountability are built into the structure from the outset. In the United States, Northwell Health's community investment strategy provides evidence that targeted interventions in food security and maternal care reduce preventable complications and long-term health disparities.<sup>9</sup>

### The case for change

Australia's current funding and governance arrangements reinforce fragmentation, siloed decision-making, and short-term program cycles. This constrains the system's ability to respond to population needs and entrenches inequities in rural, remote, and underserved communities. Funding tied to discrete programs or short-term grants and contracts rarely provides the stability needed for prevention or early intervention, shifting costs downstream into acute care and crisis responses.

Collaborative commissioning offers a pathway to address these challenges. By linking investment to social determinants of health (SDOH) such as housing, education, employment, and community safety, governments can intervene earlier and design responses that reflect the full spectrum of factors shaping wellbeing. Evidence from Mornington Island and Healthcare Horizons Revisited shows that community-led, equity-driven models are more likely to deliver sustainable outcomes, while international experience demonstrates how system-level approaches reduce fragmentation and support accountability.

The evidence is clear: systems that align community leadership, equity-weighted funding, and shared accountability deliver better outcomes at lower long-term cost. Collaborative commissioning provides a means of shifting Australia's care economy away from fragmented, program-based funding and towards integrated, prevention-oriented investment.

### Practical next steps and considerations

For collaborative commissioning to succeed, the government should:

- Embed community leadership into every stage of the commissioning cycle by establishing governance structures that ensure decision-making power is shared with individuals who bring community, cultural, and lived experience perspectives.
- Implement equity-weighted, multi-year funding models that prioritise high-need regions and allow flexibility to align with local priorities.
- Develop a national outcomes and accountability framework that balances short-, medium- and long-term measures, with transparent reporting through public dashboards.
- Treat data integration as enabling infrastructure, investing in interoperable, real-time data platforms that support shared accountability across sectors.
- Build commissioning capability through hubs or shared technical support that provide expertise in actuarial modelling, outcomes-based contracting, and equity impact assessment.

<sup>8</sup> KPMG (2019). *Independent Audit and Analysis of Government and Government Funded Services Delivered to Mornington Island*. Available at <https://www.mornington.qld.gov.au/wp-content/uploads/2023/08/KPMG-Final-Report-Mornington-Island-and-Analysis.pdf>.

<sup>9</sup> KPMG (2024). *Healthcare Horizons Revisited: How systems can deliver better health outcomes with fewer resources*. Available at: [https://assets.kpmg.com/content/dam/kpmgsites/xx/pdf/2024/10/KPMGI\\_Healthcare\\_Horizons\\_Revisited\\_report-Web.pdf.coredownload.inline.pdf](https://assets.kpmg.com/content/dam/kpmgsites/xx/pdf/2024/10/KPMGI_Healthcare_Horizons_Revisited_report-Web.pdf.coredownload.inline.pdf).

- Remove the requirement to return savings to government agencies or local commissioning bodies, this approach maximises local impact and drives continuous improvement.
- Phase implementation through pilots with pooled budgets and adaptive funding cycles, balancing early effectiveness with long-term investment certainty.

To deliver on the promise of collaborative commissioning, reform needs deliberate steps that move beyond cooperative planning into structural change.

### **Establish regional governance structures**

Government should establish regional commissioning authorities with joint Commonwealth–state backing and formalised decision rights. These should include mandated community, cultural, and lived experience leadership, not just advisory roles. Governance arrangements should define how disputes will be resolved, how accountability will be shared across levels of government, and how equity priorities will be embedded in decision-making.

### **Implement equity-weighted, multi-year funding models**

Pilots should test risk-adjusted pooled budgets across health and social services in defined regions. These budgets should be tied to equity-weighted outcome measures rather than activity volumes. To build trust, government should commit to multi-year contracts (minimum five years) that give regions confidence to invest in workforce and infrastructure. Removing the requirement to return savings strengthens the ability of regions to maximise local impacts and sustain continuous improvement. By aligning financial autonomy with shared outcome metrics, this approach ensures that resources are directed strategically, fostering innovation and delivering lasting benefits for local populations. Treasury and Finance should be partners from the outset to design pooled funds that meet budget rules but also allow for innovation.

### **Develop a national outcomes and accountability framework**

Government should co-design a national outcomes framework that regions must report against, with flexibility for local tailoring. Metrics should include:

- **Short-term:** uptake of services, reduced duplication, consumer experience.
- **Medium-term:** reductions in ambulatory-sensitive hospitalisations, improved housing or employment for at-risk cohorts.
- **Long-term:** improvements in quality-adjusted life years (QALYs), equity of access, and reductions in preventable mortality.

Public dashboards should give communities visibility of progress, building transparency and trust.

### **Treat data integration as enabling infrastructure**

Collaborative commissioning requires data to be treated as core enabling infrastructure. Government should invest in regional data collaboratives that integrate hospital, PHN, social care and housing datasets. Interoperability with My Health Record and other national platforms must be mandated. Data should not only support retrospective performance reporting but also real-time decision-making and adaptive funding. Without this, commissioning will be blind to equity impacts and local effectiveness.

### **Build commissioning capability**

Commissioning requires new skills that do not exist uniformly across PHNs, LHNs or community organisations. Government should invest in commissioning hubs or shared technical support units that can provide actuarial modelling, outcomes-based contracting expertise, equity impact assessment, and lived-experience governance training. Secondments across government and providers can also help build a common commissioning culture focused on integration, not contract management.

### **Phase implementation**

The Commission should recommend a staged implementation model. Early pilots should be set up in diverse contexts (urban, regional, remote, First Nations communities) to test design options.

These should run with explicit adaptive cycles: test–learn–scale. Governments must also commit to tolerating some failure, collaborative commissioning is about system transformation, and not every pilot will succeed. Funding cycles should be designed to scale what works and retire what does not, creating a portfolio of investments rather than a patchwork of short-term projects.

### Independent audit and analysis of Government and Government Funded Services delivered to Mornington Island

KPMG conducted an [analysis of Government and Government Funded Services delivered to Mornington Island](#). This involved analysing service integration and effectiveness and providers capacity to engage with community for input into the design and delivery of services. The analysis highlighted challenges were linked to the absence of consistent shared decision making between government and the local community. We identified the need for government to work in genuine partnership with the Mornington Island community to prioritise place-based reform of services and enabling infrastructure. Appendix A of the final report provides A Blueprint for Reform, created to show the role of local decision-making bodies in joint governance arrangement with governments. This approach centres self-determination of community in the design, delivery and effectiveness of government services.

## A national framework to support government investment in prevention

### KPMG supports the Productivity Commission’s Draft Recommendation 3 to establish a National Prevention Investment Framework.

Prevention is one of the most effective and underused levers to improve health and social outcomes while reducing long-term system costs. We believe an enduring, legislated framework with ring-fenced funding is needed to overcome ‘short-termism’, embed equity, and provide the certainty required for prevention to deliver measurable and lasting impact.

#### Building on the opportunities for reform

Prevention investment in Australia has often been fragmented across jurisdictions and vulnerable to short-term funding cycles. This has limited continuity, weakened knowledge transfer, and reduced trust with communities. The Commission’s proposal for a Prevention Framework Advisory Board (the Board) provides a sound basis for addressing these challenges, provided its composition and mandate are designed to support broad ownership and accountability. Based on our experience, it would be valuable for the Board to include representation from Commonwealth, state and territory governments, and community and cultural leadership. Its role could extend beyond oversight of the Fund to monitoring equity outcomes and aligning prevention investment across sectors such as health, housing, education, justice, and other domains that influence wellbeing.

The Interim Report’s reflections on the former National Partnership Agreement on Preventive Health (NPAPH) and the Australian National Preventive Health Agency (ANPHA) highlight the risks of initiatives that are not resilient to political cycles. In our view, the Commission should consider these lessons in finalising its recommendations. Enduring mechanisms, such as legislated or ring-fenced funding, may provide greater stability for prevention investment over time.

The Framework will also need to support investments of different types and durations. Some programs may require long-term or ongoing commitments, while others may be time-limited or designed to test new approaches. It will be important that the Board can balance both, and that it signals tolerance for early-stage learning and refinement. Equity impact assessments could form a standard part of the funding process, ensuring that proposals are assessed for their potential to reduce disparities, not just deliver aggregate benefits. Dedicated funding for workforce capability and knowledge translation, along with investment in shared prevention data infrastructure linking health, education, housing, social and other datasets, would further strengthen the Framework by making outcomes visible, comparable, and scalable.

## The case for change

Australia's healthcare system faces escalating demand and rising costs that cannot be addressed through treatment alone. Evidence consistently shows that well-designed prevention programs deliver strong returns across health, social, and economic domains. However, prevention investment in Australia has been fragmented, short-term, and poorly coordinated across jurisdictions. In our view, this results in sub-optimal health and social outcomes for communities and increased demand, and therefore cost, in downstream services. More stable, coordinated investment in prevention would reduce avoidable pressure on acute care, support workforce sustainability, and generate broader benefits across education, housing, justice, and other domains that influence wellbeing.

Prevention initiatives consistently demonstrate value. For example, school-based initiatives such as *Physically Active Children in Education* and *Transform-Us!* improve both health and educational outcomes.<sup>10</sup> The NSW Government's *Tackling Violence* program demonstrates how prevention can shift cultural attitudes and reduce domestic violence, with positive spillovers into community resilience.<sup>11</sup> [KPMG's evaluation of the Journey to Social Inclusion \(J2SI\) program](#) showed that intensive housing-first support reduced reliance on crisis services and delivered a benefit–cost ratio of 2.2, with avoided costs across health, justice, and homelessness systems.<sup>12</sup> Similarly, KPMG's [report on the impact of loneliness with the Groundswell Foundation](#) found loneliness costs the economy \$2.7 billion annually, yet interventions deliver a return of \$2.14–\$2.87 for every \$1 invested.<sup>13</sup>

Prevention also produces long-term benefits that extend beyond health. Reduced chronic disease, stronger social cohesion, higher workforce participation, and improved educational attainment all strengthen Australia's economic resilience. International experience confirms this: investments in food security for vulnerable pregnant women at [Northwell Health in the US](#) reduced preventable complications, while [Finland's Digital Health Village](#) shows how technology-enabled prevention reduces system demand. These examples illustrate that prevention is not only cost-effective but also builds resilience across whole communities and economies.

Without an enduring national framework, prevention will remain underfunded, inconsistent, and siloed. The evidence is clear: investing in prevention delivers measurable health improvements, saves money, and strengthens social and economic outcomes. The challenge is not proving prevention works - it is designing a governance and funding mechanism that ensures prevention is prioritised, sustained, and scaled.

## Practical next steps and considerations

For National Prevention Investment Framework to be successful, the government should:

- Establish clear scope and criteria for eligible prevention initiatives, with equity as a central selection principle.
- Ring-fence and legislate long-term funding to provide stability and protect prevention investment from political cycles.
- Mandate robust data collection and evaluation to ensure cost-effectiveness and impact are visible.
- Develop a standardised evaluation framework to support comparability across programs and jurisdictions.

<sup>10</sup> The Australian Prevention Partnership Centre. (2021) The surprising co-benefits of increasing physical activity in schools. Available at: <https://preventioncentre.org.au/news/the-surprising-co-benefits-of-increasing-physical-activity-in-schools/>

<sup>11</sup> NSW Government (2015). *Tackling Violence: Evaluation of a community-led program to reduce domestic and family violence*. Department of Communities and Justice.

<sup>12</sup> PMG (2015). *Journey to Social Inclusion (J2SI) Phase 2: Final Evaluation Report*. Sacred Heart Mission. Available at: <https://www.dtf.vic.gov.au/sites/default/files/2024-10/Journey-to-Social-Inclusion-Stage-3-Evaluation.pdf>

<sup>13</sup> KPMG & Groundswell Foundation (2022). *Ending Loneliness Together in Australia*. Available at: <https://www.groundswellfoundation.com.au/post/connections-matter-a-report-on-the-impacts-of-loneliness-in-australia>

- Adopt clear economic benchmarks for prevention, recognising the need for long-term horizons.
- Invest in prevention workforce capability and infrastructure to ensure delivery capacity at scale.

To deliver on the promise of a National Prevention Investment Framework, reform should move beyond program-by-program funding to establish a stable, long-term platform that supports cross-sector investment, robust evaluation, and measurable population outcomes.

### **Establish clear scope and criteria**

Government should define which initiatives are eligible for funding under the Framework and how proposals will be assessed. Selection criteria should advance prioritise equity, so that programs with smaller reach but meaningful impact on vulnerable groups are valued alongside broad-reach initiatives. The Framework should also carve out a proportion of funding for innovative programs that lack a strong evidence-base but can generate new evidence through rigorous evaluation. Assessment should consider existing funded programs to avoid duplication and reduce confusion for communities.

### **Ring-fence and legislate funding**

The Commission could consider funding arrangements that provide stability over the long term, insulated from electoral and budget cycles. Options include a quarantined or ring-fenced fund, or a model similar to the Medical Research Future Fund. Funding should be flexible enough to support both ongoing programs and time-limited initiatives, with certainty that enables workforce development, community trust, and long-term outcomes.

### **Mandate robust data collection and evaluation**

All funded initiatives should be required to implement robust data collection systems from the outset. KPMG's evaluation experience shows that poor or inconsistent data is one of the main barriers to demonstrating value. Programs should track outcomes across multiple domains and be supported to build capacity in data management and reporting.

### **Develop a standardised evaluation framework**

The Framework should establish a national evaluation standard covering: independence of evaluators, access to data, modelling support, and evaluation timelines. A standardised approach will ensure findings are comparable across programs and jurisdictions. It should also mandate reporting against short-, medium-, and long-term outcomes to demonstrate both early implementation progress and accrued benefits over time.

### **Adopt clear economic benchmarks**

In our experience, prevention programs are best assessed using economic benchmarks that are tailored to the type of initiative and the outcomes it seeks to achieve. We suggest the Framework provide guidance on how value will be assessed, while allowing flexibility. For cost-effectiveness, the commonly referenced threshold in Australia is around \$50,000 per quality-adjusted life year (QALY) gained. For cost-benefit analyses, a benefit-cost ratio (BCR) greater than 1 is generally taken to indicate positive return. However, many prevention initiatives show lower BCRs in the short term, with benefits accruing over time. We suggest that assessments also draw on comparisons with similar programs and take account of both early implementation evidence and the potential for long-term system savings and broader social benefits.

### **Invest in prevention workforce and infrastructure**

In our experience, the success of prevention initiatives depends not only on program design but also on the capability of the workforce and the availability of enabling infrastructure. One option could be for the Framework to allow applications that include funding for workforce development, for example, training in prevention delivery, evaluation skills, and knowledge translation. Another consideration is whether the Framework could support access to shared infrastructure, such as interoperable data platforms, digital delivery channels, or regional support hubs. These enablers can strengthen delivery capacity and improve consistency across jurisdictions, while still operating within a funding-pool model



## Key authors and contacts

### **Evan Rawstron**

Partner in Charge,  
Infrastructure, Government and  
Healthcare Consulting

### **Dan Jefferson**

National Sector Lead, Health,  
Ageing & Human Services

### **Sarah Abbott**

Partner, Health, Ageing and  
Human Services

### **Lauren Frost**

Director, Health Ageing and  
Human Services

### **Sam Wild**

Director, Health Ageing and  
Human Services

### **Laura Andrew**

Director, Health, Ageing and  
Human Services

### **Hayley Caulfield**

Associate Director, Health,  
Ageing and Human Services

[KPMG.com.au](https://www.kpmg.com.au)



The information contained in this document is of a general nature and is not intended to address the objectives, financial situation or needs of any particular individual or entity. It is provided for information purposes only and does not constitute, nor should it be regarded in any manner whatsoever, as advice and is not intended to influence a person in making a decision, including, if applicable, in relation to any financial product or an interest in a financial product. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the situation.

To the extent permissible by law, KPMG and its associated entities shall not be liable for any errors, omissions, defects or misrepresentations in the information or for any loss or damage suffered by persons who use or rely on such information (including for reasons of negligence, negligent misstatement or otherwise).

©2025 KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

Liability limited by a scheme approved under Professional Standards Legislation.