AGED CARE LEGISLATED REVIEW

SUBMISSION

About the National Aged Care Alliance

The National Aged Care Alliance (the Alliance) comprises 48 peak body organisations representing consumers and their families, informal carers, special needs groups, nursing, allied health and personal carers involved in the aged care sector, and private and not-for-profit aged care providers.

As a leading voice for improvements to aged care for the past decade, the Alliance strives to implement its vision for ageing in Australia, that is:

Every older Australian is able to live well, with dignity and independence, as part of their community and in a place of their choosing, with a choice of appropriate and affordable support and care services when they need them.

Prepared by the Aged Care Reform Secretariat, on behalf of and with the input of members of the National Aged Care Alliance. For further information about this submission please contact Judy Gregurke, Director, Aged Care Reform Secretariat, National Aged Care Alliance via email NACA.ACR.Secretariat@cota.org.au or on 03 9909 7911.

Permission is provided to publish the full response of the National Aged Care Alliance.
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Recommendations

Recommendation 1: That the review terms of reference be expanded to include items such as the Commonwealth Home Support Programme, as outlined in correspondence contained in Attachment 4.

Recommendation 2: That the reviewer comment on the importance of automated / ICT solutions to be developed for the Business-to-Government interface in order for greater levels of consumer activity and data to be provided.

Recommendation 3: That the Australian Government publish quarterly data on unmet demand, by aged care planning region, broken down by Residential Care, Home Care Package Level and Commonwealth Home Support Service Type.

Recommendation 4: That the Review commission financial modelling in conjunction with demand modelling of future costs to consumers, providers and taxpayers.

Recommendation 5: That the Review assesses how empowered consumers feel to exercise choice and control as a result of the recent reforms.

Recommendation 6: That, as an interim measure, the Department allocates packages according to the prioritisation queue rather than by level so that the allocation of places more closely reflects demand.

Recommendation 7: That the Review commission financial modelling on the future demand, cost and affordability of a consumer demand driven system.

Recommendation 8: That greater promotion of consumer protection laws, as they relate to Aged Care, be provided by the Australian Government especially the ACCC.

Recommendation 9: That the Review expand its consideration of the effectiveness of arrangements for equity of access beyond those populations listed in the Act to include the listed additional cohorts.

Recommendation 10: That a diversity framework or strategy for a range of diverse population groups should be developed and implemented.

Recommendation 11: That the legislated review of the aged care reforms in 2016/17 include a review of the age requirements for the NDIS to determine if NDIS eligibility should be linked to the Age Pension age, as envisaged by the Productivity Commission. Such a review should include consideration of the planned increase to 67 years and any future increase of age pension age to 70 years.

Recommendation 12: That the Review consider ways to improve the data collection of different population groups and effectively monitor the equity of access across the identified population groups.

Recommendation 13: The Alliance recommends that the Certificate III in aged care be regularly reviewed with strong sector engagement to maintain relevance to the changing needs of the sector.

Recommendation 14: That the Federal Government allocates dedicated aged care training funds. That these funds can be accessed by the sector to provide appropriate post-qualifications training that reflect the current and future workforce needs.
**Recommendation 15:** That the Federal Government invest in job design and workforce initiatives. Such a fund could provide innovation and research on industry wide attraction and retention strategies, models of care and regional mentoring models and career pathways.

**Recommendation 16:** That a plan be developed by the aged care sector, in partnership with the Australian Government, to address the issues within the aged care workforce such as low wages, career paths, and a sufficient and adequately skilled workforce, as part of a sector-led workforce strategy.

**Recommendation 17:** That the review provide a paper for discussion with the Sector following the report of the Aged Care Financing Authority, prior to the development of the Review’s draft report.

**Recommendation 18:** That a draft report be published for consultations with the Sector prior to being presented to the Parliament.

**Recommendation 19:** That the Review assesses the effectiveness of current reforms on increasing a focus on reablement and restorative care.

**Recommendation 20:** That the Review consider the impact of reforms on the interfaces with interconnected systems including health, disability, palliative care and community services.

1. Introduction

The National Aged Care Alliance welcomes the opportunity to make this submission to the 2016 Aged Care Legislated Review (the Review).

The Alliance broadly welcomed the Living Longer Living Better announcement of April 2012, and called for bipartisan support for the budget measures put forward in May 2012 to implement the first tranche of the reforms. The Alliance has continued to support various announcements along the aged care reform journey by successive Governments, including the more recent announcements of Increasing Choice to be implemented in February 2017.

In February 2012, following the release of the Productivity Commission’s ‘Caring for Older Australians’ report in 2011, the Alliance published the first of its Aged Care Blueprint series (attached in Attachment 1). This was then updated with its second Blueprint in June 2015 (attached in Attachment 2) which was further expanded upon with the development of the Alliance’s Position Statement for the 2016 Federal Election (attached in Attachment 3) that contained specific actions that could be taken to begin implementing Blueprint 2. In both documents the diverse, sector-wide members of the Alliance outlined a shared consensus vision for the issues and solutions required to develop a strong, sustainable consumer-centric, aged care industry in Australia.

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During the August 2016 meeting of the Alliance, the members present endorsed the Aged Care Roadmap\(^8\) in respect of the key goals for the new system that are consistent with the NACA Blueprint 2 (including the more detailed Position Statements for 2016 Federal Election). The Alliance and Aged Care Sector Committee documents outline a comprehensive and similar direction for the future of the Aged Care Reforms.

The Alliance strongly supports the Aged Care reform agenda that has largely enjoyed bipartisan support over the past five years. If we are to finalise these reforms in the coming years, the Alliance believes it is critical that the aged care legislative review should take into account and be located in the context of the NACA Blueprint 2 and the Aged Care Roadmap, noting the sector and bipartisan support for the proposals in these documents.

It is for these reasons the Alliance has written to the Minister seeking that the terms of this review be explicitly expanded beyond the narrow confines of those included in the legislation in 2012 (see Attachment 4).

The Alliance recognises that the Commonwealth Home Support Program (Home Support) is not currently within the realm of the Aged Care Act, and is not explicitly covered by the legislated terms of reference of the 2017 Review. Nevertheless, the Alliance submission will include, where relevant, commentary on Home Support.

Importantly, the inclusion of Home Support will enable the Review to assess the implications of creating a single home care and support program from July 2018 as a step forward to the Roadmap destinations. This includes the implications for modelling the demand and financial effects of an integrated uncapped aged care system envisaged under the Roadmap, including being able to more accurately assess its cost and affordability. In looking to the future of the system, it may be necessary for the Review to consider the impact of reablement as a front-end component in any future system design.

A national poll\(^9\) conducted by the Alliance’s Age Well Campaign during the 2016 Federal Election identified that:

- 52% of the population disagreed with the statement ‘Australia is well prepared to meet the needs of the ageing population’;
- Only 19% believed ‘Australia’s aged care system is affordable.’
- 56% of the population agreed ‘I am concerned I, or my relatives, won’t be able to get aged care when we need it.’ (The survey also asked if a friend or family member was receiving aged care services, of those who were a total of 73% of respondents were concerned about accessing aged care)

The Alliance believes the finalisation of the reform agenda, envisaged by Living Longer Living Better, improved by Increasing Choices and with the future outlined by the Aged Care Roadmap (and our own Blueprint 2) will increase the confidence and satisfaction of the Australian population in Australia’s aged care system. The reflections and considerations of the Review’s report will be another milestone contribution towards identifying and reaching our final reform destinations.

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Recommendation 1: That the review terms of reference be expanded to include items such as the Commonwealth Home Support Programme, as outlined in correspondence contained in Attachment 4.

2. Response to Criteria in the Legislation

2.1 Whether unmet demand for residential and home care places has been reduced

Refer to Section 4(2)(a) in the Act

In this context, unmet demand means:

- a person who needs aged care services is unable to access the service they are eligible for e.g. a person with an Aged Care Assessment Team / Service (ACAT or ACAS) approval for residential care is unable to find an available place; or
- a person who needs home care services is able to access care, but not the level of care they need e.g. the person is eligible for a level 4 package but can only access a level 2 package.

The Alliance notes that the only quantifiable data available on unmet demand is the period of time that consumers wait between being assessed and accessing services. While this is not a comprehensive indicator, as there could be a range of reasons for the delay, it would appear from the most recently published data that unmet demand continues to be an issue across the country.

While these currently published figures may not be able to provide a completely accurate indicator of unmet demand, the increased period across the board, in all states, across all levels of care implies that unmet demand has not been reduced over the five-year period of the Living Longer Living Better reforms.\(^\text{10}\)

The Alliance notes that there has been an increase in quantity of some package levels and residential bed. However, the most recent data shows negligible progress towards the Living Longer, Living Better stated objective of 125 aged care places per 1000 Australians over 70 years of age.\(^\text{11}\)

At 30 June 2011 (the last reported period prior to the Living Longer Living Better announcement) there were 85.8 residential and 27.0 Home Care places, totalling a ratio of 112.8. At 30 June 2016 residential dropped to 79.7 with Home Care having a small increase of 31.9 places and the introduction of Short Term Restorative Care (STRC) program of 1.6, totalling 113.2. Without the STRC, these results after 5 years of the reform journey would have represented a drop of 1.2 places across the board, however even with the introduction of this program, it still represents an increase of only 0.4 places. This lack of expansion of services based on client ratios is seen as contributing towards ongoing pressures on unmet demand.

The Alliance notes the Living Longer, Living Better commitment to 125 aged care places by 2020/21, which has continued to be supported under the current Government. However, the release of significant numbers of packages to reach this target has been pushed out to future years. The Alliance is concerned the impact of these delays may contribute to this objective not being achieved within the stated timeframes.


The Alliance notes that occupancy rates of residential aged care placements nationally have fallen however there is anecdotal feedback from members of waiting time pressures for access to residential beds in some areas. In the area of access to respite services, Carer Respite and Carelink Centres report increased difficulty in finding respite places since 2011 and this would seem to be supported by the decrease in available respite places on a national population basis. There is a range of different outcomes when looking at wait times across level packages and across different states, for example one member of the Alliance has reported constant feedback and complaints about the lack of Level 4 packages across Australia, with many of these clients being left on a Level 2 package while they wait for availability of their assessed level of care needs. The Alliance recognises there can be a range of factors impacting occupancy trends, including the cost of client contributions, the location of availability and whether the available packages reflect client assessed level of need.

The Alliance suggests a deeper analysis on unmet demand must be provided by the Department on a region by region basis as part of the review. The Review would provide a valuable opportunity for co-designing a methodology and framework for the ongoing measurement of unmet demand that will help establish the affordability of the Roadmap’s destination of a consumer-driven market-based aged care system. The Alliance believes that unmet demand has not been reduced.

Consideration of future initiatives

The Alliance notes that, in the future, the My Aged Care system has the potential to provide:

- Some improvement in tracking unmet demand in residential care requests (when looking at times between approval, service requests generated and services commencing)
- A very accurate indicator of unmet demand for each Home Care Package levels (based on time between Assessment approval and offer made to a consumer), including an indicator of time spent waiting on both an approved level of care and any interim lower levels of care offered.
- Some improvement on unmet demand in Commonwealth Home Support Program services between assessment request for service and commencement of service.

The Alliance is concerned that these indicators may not always be available in the current My Aged Care system as there is no mandatory requirement for ‘service commencement’ dates to be entered into My Aged Care. Further the only pathway to provide such information is through the manual entry of data via the provider portal, which the Alliance agrees should remain voluntary until such time as a business-to-government ICT solution is provided to automate the sharing of this information. Nevertheless, the Alliance draws attention to the importance of this data as an accurate measurement of unmet demand and suggests the Reviewer consider commenting on the importance of technological solutions for such data be collected in the near future.

A key step identified in the Roadmap for transitioning to an uncapped consumer demand driven system is financial modelling of future costs to consumers, providers and taxpayers under various scenarios, including consumer contribution scenarios and in conjunction with demand modelling.

As part of the current requirement for the Review to assess the level of unmet need, whether to move to a consumer demand system and the effectiveness of means testing arrangements, the Review should also include modelling to test affordability under a variety of scenarios involving levels of unmet demand, consumer preference between home care and residential care in a free choice environment and a variety of consumer contribution options.
While such modelling undertaken at this time may not lead to sufficiently informed analysis that would allow a decision on uncapping in the short term, it would form the basis for ongoing monitoring as the overall supply of places is increased, the proportion of home care places is increased and consumer contribution policies are adjusted.

The Alliance notes the Review could seek information on how consumers feel in relation to exercising choice and control under the current system, including as a result of the introduction of individualised budgets and consumer directed care for home care packages. The Aged Care Roadmap recognised the need to support consumers in navigating and asserting their choices within the aged care system. The Alliance’s Blueprint (and its associated position statements) recognised the need for consumers to be better informed, including through the development of a consumer support platform\(^{12}\). An assessment of progress towards this end as a result of the recent reforms would be a valuable contribution to planning the transition to a consumer-driven uncapped system.

**Recommendation 2:** That the reviewer comment on the importance of automated / ICT solutions to be developed for the Business-to-Government interface in order for greater levels of consumer activity and data to be provided.

**Recommendation 3:** That the Australian Government publish quarterly data on unmet demand, by aged care planning region, broken down by Residential Care, Home Care Package Level and Commonwealth Home Support Service Type.

**Recommendation 4:** That the Review commission financial modelling in conjunction with demand modelling of future costs to consumers, providers and taxpayers.

**Recommendation 5:** That the Review assesses how empowered consumers feel to exercise choice and control as a result of the recent reforms.

2.2 Whether the number and mix of places for residential care and home care should continue to be controlled

*Refer to Section 4(2)(b) in the Act*

In this context:

- the **number and mix of packages and places** refers to the number and location of residential aged care places and the number and level of home care packages allocated by Government; and
- **controlled** means the process by which the government sets the number of residential care places or home care packages available.

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2.3 Whether further steps could be taken to change key aged care services from a supply driven model to a consumer demand driven model

Refer to Section 4(2)(c) in the Act

In this context:

- a supply driven model refers to the current system where the government controls the number, funding level and location of residential aged care places and the number and level of home care packages;
- a consumer demand driven model refers to a model where once a consumer is assessed as needing care, they will receive appropriate funding, and can choose services from a provider of their choice and also choose how, where and what services will be delivered.

The Alliance will respond to questions 2.2 and 2.3 concurrently. In June 2015 the Alliance released its second Blueprint calling for a ‘consumer-led, demand-driven, equitable aged care system by 2020’. The Alliance is firmly of the view that the number and mix of residential and home care should not continue to be controlled. It stated its view that a future system should include the following elements:

1) A single care and support service system that is consumer-led and demand-driven, with access based on assessed need. Such access must ensure appropriate and equitable access and outcomes for special needs groups.

2) Consumers assessed with having care needs will be able to access care appropriate to their needs and preferences.

3) The market will determine the nature, location and quantity of services. Government will no longer regulate the number or distribution of services, but will take other action if necessary to ensure provision in circumstances where services might otherwise not be provided.

4) Government will continue to regulate for consumer protections, safety and quality of aged care and establish a single overarching quality framework based on independent assessment which is co-designed with all stakeholders.

5) Consumers will be able to choose:
   - the setting (e.g. in their home or in a variety of other residential settings); and
   - type of care and support they will access.

6) Providers will have greater flexibility and incentive to develop innovative and responsive services that respond to consumer needs and expectations including episodic, early intervention and restorative care programs.

7) Where there is insufficient market response, government will take other steps to ensure the system delivers services to all people assessed as in need of support and care. This could include:

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a) Non market-based funding in areas where services might not have otherwise been provided.

b) Dedicated funding for services targeted to special needs groups, where market based approaches do not achieve quality service delivery consistent with consumer preferences.

c) Ensuring that prices and supplements are adequate to meet the increased cost of specialist service delivery for consumers with special needs who choose not to (or are not able to) enter specialist block-funded services.

8) Ensure that while funding will follow the consumer, there will also be effective programs to address disadvantage, as necessary

The Alliance believes it is important that the Review produce or commission robust financial modelling based on estimates of demand and a variety of user contribution scenarios, and modelling of the impact on all stakeholders. Such modelling should be co-designed and include specific modelling of the impact on special needs groups and particular geographical areas, including rural and remote areas.

The financial modelling of future costs to consumers, providers and taxpayers under various scenarios, including consumer contribution scenarios along with demand modelling are key steps identified in the Roadmap for transitioning to an uncapped consumer demand driven system. Without this information it is difficult to provide specific steps to enable the achievement of a demand driven system.

While such modelling undertaken at this time may not lead to sufficiently informed analysis that would allow a decision on uncapping in the short term, it would form the basis for ongoing monitoring as the overall supply of places is increased, the proportion of home care places is increased and consumer contribution policies are adjusted.

As an interim measure, with the introduction of Increasing Choice measure from 27 February 2016, there is an opportunity for the Department to begin allocating the level of home care packages based on the wait demand of consumers assessed need rather than by level. The Alliance recognises that the allocation of packages by level is currently a Budget control, but believes this could be maintained in the interim, as a first step, by converting the package levels into a funding envelope cap for home care packages. The Alliance believes this will be a necessary first step towards a consumer demand driven model within the current controlled measure of the overall budget allocation.

Recommendation 6: That, as an interim measure, the Department allocates packages according to the prioritisation queue rather than by level so that the allocation of places more closely reflects demand.

Recommendation 7: That the Review commission financial modelling on the future demand, cost and affordability of a consumer demand driven system.
2.4 The effectiveness of means testing arrangements for aged care services, including an assessment of the alignment of charges across residential care and home care services

Refer to Section 4(2)(d) in the Act

In this context:

- **means testing arrangements** means the assessment process where:
  - the capacity of a person to contribute to their care or accommodation is assessed (their assessable income and assets are determined); and
  - the contribution that they should make to their care or accommodation is decided (their means or income tested care fee, and any accommodation payment or contribution is determined).

The Alliance welcomes the improvements to client contributions and means testing across the aged care system. The introduction of life time and annual caps, along with the extension of hardship provisions to home care has seen a greater level of equity across the system. However, there are a number of areas for improvement that should be considered by the Review.

The first is the inequity of contributions paid by consumers towards their care across the various aged care programs. For the same level of service, the client contribution paid in the Home Care Packages Program compared with the Home Support Program are greatly different. The lack of alignment of client contributions between the two programs since the announcement of Living Longer Living Better will likely result in significant adjustments for new clients in the new merged program for those that would have previously been on the Home Support program. The Alliance supports the alignment of the client contributions across programs to ensure that similar services are contributed to equitably by the consumers of all programs. Any alignment must continue to have hardship provisions recognising the unique challenges for people that face widespread disadvantage.

At the lower end of services, the Alliance is concerned that a cost vs benefits consideration will need to be conducted to assess whether the cost to Government of going through means testing and income testing, relative to the amount of consumer contributions collected, is justified. The Alliance suggests modelling of entry-level services (e.g. Home Support), including how the introduction of a tiered client contribution scheme could be applied should be considered by the Review. Such modelling should include consideration of how to simplify the determination of financial contributions by consumers, in order to reduce the burden of time to calculate consumer contributions. One way to achieve this might be setting tiered contribution levels against pensioner status, possession of a Commonwealth Seniors Health Card or a full self-funded retiree. The Alliance recommends the review consider how alignment might occur between aged care client contributions and age pension means testing outcomes in order to mitigate the double assessment of older Australians.

With the move towards a single integrated aged care system, the current disparity in consumer contributions across Home Support, Home Care Packages, Residential Care and Respite Care is inequitable and therefore unsustainable. Under the Roadmap destinations, mandatory means tested co-contributions would be introduced across all aged care which are linked to the cost of services and complemented by a safety net for those consumers with few means. Consideration
must also be given to the equitable viability of providers who provide services to an increased number of consumers with low means to ensure disadvantaged populations continue to be serviced.

The Alliance shares the concerns of many consumers that their contributions for home care are the same regardless of the amount of care received. The Alliance believes that modelling should be done as part of the Review to consider how client contributions could be amended from a flat rate plus means tested amount, to a base rate tiered contribution linked to the quantum of service received, plus means tested amount. The Alliance notes its view the inequity in required client contributions for Level 1 Home Care Package compared to services provided, may also be a contributing factor of the lower than expected occupancy rate for Level 1 packages. In addition to a genuine inability to contribute the 17.5% client contributions, the perceived inequity of value for client contribution (particularly for the lower levels of Home Care packages) has started to create market pressures whereby providers feel unable to charge the full 17.5% basic daily care fee.

2.5 The effectiveness of arrangements for regulating prices for aged care accommodation

Refer to Section 4(2)(e) in the Act

In this context:

- regulating prices for aged care accommodation means the legislation that controls how a residential aged care provider advertises their accommodation prices.

The Alliance believes the current arrangements for regulating prices of aged care accommodation strike an appropriate balance within the current regulated market. The Alliance supported the introduction of market-based accommodation prices under the Living Longer Living Better reforms for non-supported residents across all residential care. The Alliance also supported giving consumers the discretion to pay by either Refundable Accommodation Deposit (RAD), or Daily Accommodation Payment (DAP) or a combination of the two and the requirement for providers to publish maximum accommodation prices which are equivalent in value across all three payment methods.

We note that future changes towards an uncapped, consumer-driven market-based system will require changes to the regulation of aged care prices, including accommodation, if a truly market system is to be developed. The Alliance believes the Pricing Commissioner provides a pivotal role until such time this occurs. The principle of ensuring transparent, easily accessible information about all costs, including accommodation prices should continue to be at the forefront of any reforms in this area in the future.

Today, and especially under a future system with fewer regulations, the role of existing consumer protection laws will be critical. Further information and awareness of how such measures apply in an aged care context should be developed and promoted within the sector. This could be modelled on the information recently developed for Australians accessing the National Disability Insurance Scheme\(^\text{14}\).

One area of concern around any future removal of price regulation, is to ensure the market continues to provide affordable residential aged care services across the country. This may require some level of Government intervention in some markets where there is not the demand to sustain service provision.

**Recommendation 8: That greater promotion of consumer protection laws, as they relate to Aged Care, be provided by the Australian Government especially the ACCC.**

2.6 The effectiveness of arrangements for protecting equity of access to aged care services for different population groups

*Refer to Section 4(2)(f) in the Act*

In this context *equity of access* means that regardless of cultural or linguistic background, sexuality, life circumstance or location, consumers can access the care and support they need.

In this context *different population groups* could include:

- people from Aboriginal and/or Torres Strait Islander communities;
- people from culturally and linguistically diverse (CALD) backgrounds;
- people who live in rural or remote areas;
- people who are financially or socially disadvantaged;
- people who are veterans of the Australian Defence Force or an allied defence force including the spouse, widow or widower of a veteran;
- people who are homeless, or at risk of becoming homeless;
- people who are care leavers (which includes Forgotten Australians, Former Child Migrants and Stolen Generations);
- parents separated from their children by forced adoption or removal; and / or
- people from lesbian, gay, bisexual, trans/transgender and intersex (LGBTI) communities.

It is noticeable that residential and home-based care are increasingly being called upon to support a range of emerging client profiles that, under the current terms of reference, the Review would not consider, as there are a range of population groups who may face aged care service access issues, beyond those groups listed as a ‘Special Needs Group’ in the Aged Care Act.

In order to ensure equitable outcomes for a range of differing population groups, their inclusion in the Review’s consideration of vulnerable populations is important. The Review must recognise the existence of intersectionality between these population groups. That is, an individual may be vulnerable for a range of different but interconnected reasons.

The Alliance proposes the Review should consider populations groups beyond those listed above, including those who:

- Require/request palliative care services,
- Present with chronic and complex health care conditions,
• Experience elder abuse,
• Require/request assistive technologies, and
• Are accessing services across multiple systems (e.g. health, disability).
• Experience dementia and other cognitive impairments,
• Experience age related conditions prior to the age of 65 years (other than Aboriginal and Torres Strait Islander people and those at risk of homelessness who are currently included within the aged care system),
• Are in the justice system,
• Experience mental health concerns, or
• Have a disability.

Recommendation 9: That the Review expand its consideration of the effectiveness of arrangements for equity of access beyond those populations listed in the Act to include the listed additional cohorts.

The Alliance notes that there have been two strategies developed for specific populations designed to address a range of issues for those populations including equity of access. The Alliance would encourage the Review to consider the efficacy of such approaches within its report on this aspect of the Review. The Alliance notes its support for the future development of a diversity framework across a range of population groups to ensure that no populations are disadvantaged over others. This framework should be developed in a co-design process with the key diversity representatives and engagement with other sector representative organisations as the framework develops.

Recommendation 10: That a diversity framework or strategy for a range of diverse population groups should be developed and implemented

The Alliance has previously identified the need to provide ‘outreach to vulnerable groups to ensure they link into and access the system and receive quality aged care services that address their individual needs15’. This should be made up of two components - ‘Outreach services’ and ‘System Navigators’

Outreach - Outreach refers to the activity of actively ‘seeking out’ and engaging with clients in their own environment, rather than waiting for the person to request a service or waiting for another agency to make a referral. It may also involve re-engaging with an existing client who has become withdrawn, and providing continued support to help the person remain linked in with services. In some cases, outreach activity will involve engaging with communities and groups rather than individuals. Outreach services are flexible and the support provided is culturally appropriate in content and delivery, uses existing, trusted communication channels and networks and is delivered within culturally safe environments.

Outreach services have been provided through aged care and disability programs in the past, and under the Commonwealth Home Support Programme are provided to people aged 50 years and over who are experiencing homelessness or are at risk of homelessness, through the Assistance with Care and Housing service type.

Other difficult to engage groups and socially isolated or historically disadvantaged individuals and communities would also benefit from outreach support to link them in with services.

A range of service delivery models should be considered, including locating outreach workers within communities (e.g. Aboriginal communities, particular cultural or ethnic communities, condition-specific groups), resourcing people from specific communities to deliver outreach, fly in/fly out services and funding capacity in ‘partnership’ organisations.

‘System navigator’ - An extension of the outreach model, the ‘systems wrangler/navigator’ is a ‘trusted, independent friend’ who walks alongside the person while they are navigating aged care, providing one-on one support to formulate and achieve goals and identify suitable providers. This more intensive support could be provided through targeted funding for vulnerable population outreach or advocacy services (such as exists within the Assistance with Care and Housing for the Aged program) or even could an optional service paid for by the client retrospectively through Home Care Packages as part of establishment costs.

Inconsistency between NDIS/Aged Care cut off and Pension Age

In August 2016 the Alliance released a discussion paper on the interface between the aged care and disability systems\(^\text{16}\). In its 2011 report, the Productivity Commission envisaged that “People who acquired a disability after the Age Pension age would enter the aged care system, with the exception of the relatively few people experiencing catastrophic injury\(^\text{17}\)”.

At the time of this report the age pension eligibility age was 65, however since then is being progressively increased to 67, with some speculation it may be increased further in the future to 70. Accordingly, there is a 2-5 year window where older Australians may be accessing aged care services to support a newly acquired or substantially differing disability, while still remaining in the workforce and being ineligible for age pension. The age cut-off for NDIS eligibility could be adjusted in line with the Age Pension age, as envisaged by the Productivity Commission, to prevent a misalignment of systems where a person who acquires a disability between the age of 65 and 67 years cannot access the NDIS and, in practice, may have limited access to supports within the aged care system to support remaining in or returning to the workforce. This may severely impact on individuals’ ability to co-contribute towards aged care costs, given the higher contribution to retirement funds made in the final decade of working life. Consideration of these scenarios, and their impact on the aged care system to support people with a disability generally, should be considered by the aged care reform review, or through a separate assessment process within the next 12 months.

Recommendation 11: That the legislated review of the aged care reforms in 2016/17 include a review of the age requirements for the NDIS to determine if NDIS eligibility should be linked to the Age Pension age, as envisaged by the Productivity Commission. Such a review should include consideration of the planned increase to 67 years and any future increase of age pension age to 70 years.

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Data Collection

Currently the collection of data to identify most of the Special Needs Groups are inconsistent and often not asked of consumers at all. The Alliance is deeply concerned at the lack of data this generates, thus reducing the ability to conduct a thorough investigation of the access issues faced by various vulnerable groups. While the Alliance has called for increased support in the form of outreach for vulnerable populations to improve access measures, as part of a consumer support platform, without the collection of this data, it will continue to be impossible to report efficiently on the effectiveness of any measures to address equity of access.

The Alliance also notes that the recent Increasing Choice changes in the area of Home Care means that special needs packages will no longer be allocated as had previously occurred during the Aged Care Approval Rounds (ACAR). To ensure inequities in the new system does not occur, the Government has indicated it will analyse the national approvals processes to monitor access equity of population groups and if necessary investigate and adjust allocations based on the results of this data. The Alliance, and particularly its members working with special needs groups, notes its willingness to participate in a co-design process to ensure this monitoring and review mechanism is appropriate for all groups.

Recommendation 12: That the Review consider ways to improve the data collection of different population groups and effectively monitor the equity of access across the identified population groups.

Ensuring Equity of Access & Outcome in the Future Aged Care System

The Alliance has identified a number of principles to consider in order to ensure ‘the aged care system (is) designed, developed and implemented to ensure no section of the Australian population is disadvantaged.’ The Principles will be used to identify barriers or issues faced by clients and the potential actions to be provided. A final version of the Alliance’s short paper on this will be made available to the Reviewer when finalised as a supplemental submission.

2.7 The effectiveness of workforce strategies in aged care services, including strategies for the education, recruitment, retention and funding of aged care workers

Refer to Section 4(2)(g) in the Act

In this context aged care workers could include:

- paid direct-care workers including: nurses personal care or community care workers; and allied health professionals such as physiotherapists and occupational therapists; and
- paid non-direct care workers including: managers who work in administration or ancillary workers who provide catering, cleaning, laundry maintenance and gardening.

The Alliance is concerned by the lack of workforce planning and development that has occurred over the past five years. In particular, the Alliance is concerned about the impact on future reforms in aged care, and achievement of the quality care that providers want to provide and older Australians deserve.
The 2011 Productivity Commission inquiry estimated the direct care workforce would need to triple by 2050 to meet growing demand. This estimate was indicative only and was based on the sector as it was in 2010, not factoring in subsequent reforms which may lead to a need for even greater workforce growth\(^\text{18}\). The reform of in home care, the introduction of consumer directed care and the growth in the number of home care packages available could all impact on workforce numbers.

At the same time as the sector undergoes reform and demand increases, social and demographic trends suggest that there will be a decline in the availability of informal carers, upon whom the care of older people currently significantly depends\(^\text{19}\). A decline in the availability of informal carers will put added pressure on the paid workforce to make up the difference.

This is happening at the same time as the introduction of the National Disability Insurance Scheme (NDIS) which also requires a doubling of the workforce by around 2020. Competition for workers between aged care, the NDIS and the community sector can only intensify current attraction and retention problems. Now is the time for action on the aged care workforce if it is not to be left behind and become a sector of last resort for prospective workers.

Satisfying fulfilling roles within the aged care sector are important to workers and consumers of care. Workers want and need adequate hours of employment, ensuring a living wage which results in delivery of quality care to consumers. Career pathways (for example) from PCA to Registered Nurses, specialist care roles or management is an important concept that ensures life-long commitment to the industry. Career pathways including recognition of prior learning and possible employer supported education would assist and encourage people to commence and be retained in the sector.

Consumer directed care requires a multi skilled workforce that can provide a range of services to meet client needs. With the growing complexity of care that is needed by consumers; skill development, training and career paths that facilitate and recognise higher quality care and responsibility in areas such as dementia care, palliative care, mental health and diabetes (amongst others) across aged care is required.

Wages in aged care must be fair and competitive into the future in order to attract and retain a sufficient quality workforce. Fair and competitive wages create stability, reduce turnover and ensure quality staff are attracted to aged care work. Aged Care remains a predominantly female workforce and its funding regime has not enabled wages to keep pace with other industries. Workers have increasingly borne the brunt of funding pressures as providers navigate constrained funding arrangements by opting for the most economically ‘efficient’ method of meeting quality outcomes. Staff costs represent the largest expenditure in residential aged care at 67% of the total budget in an environment where only 68% of providers are able to achieve a net surplus\(^\text{20}\). In practical terms this has meant that workers have been subject to two cost pressures:

- the suppression of wage levels; and
- a dramatic increase in work intensification, particularly for personal carers and registered nurses.

\(^{19}\) Productivity Commission. Caring for Older Australians, Vol 1 p 58 quoting NATSEM (2004, p30) which projects that the supply of informal carers could rise by 60 per cent between 2001 and 2031, while on current trends demand would rise by 160 per cent
The introduction of the NDIS and the need for workforce expansion in disability provides career and development opportunities for workers to work across aged care and disability and needs to be considered in the development of career pathways and innovation in job roles.

The Alliance is concerned by the variable quality of the delivery of formal training in the Certificate qualifications in aged care. Quality delivery of these qualifications can provide a solid knowledge and experiential base with which to understand work in aged care. However poor quality training delivery leaves the student ill equipped for the job and compromises care outcomes. It should not be the provider’s responsibility to assess the quality of the individual training delivered to each candidate.

The Australian Skills Quality Authority initiated a review in 2012 into the sector’s training in response to the 2011 Productivity Commission’s report. It found that training programs are largely too short and included insufficient time in a workplace for satisfactory skills development, most RTOs offering aged care and community care training were not fully compliant at the initial audit, with 87.7% not complying with at least one of the national training standards and RTO leadership and staff had a poor knowledge and understanding of the required national standards, and of the requirements of training packages (which form a core element of these national standards). The Alliance notes the 2015 update to various aged care related qualifications which now include a minimum work requirement of 120 hours (in addition to theory) that should substantially improve the quality of training delivery across the board.

Outside the VET sector training and education initiatives are limited and not well coordinated. This has been hampered by the absorption of the aged care specific National Workforce Development Fund into the general Health Workforce Fund without any clarity as to how this money could be made available to aged care. Post qualification training in new and emerging areas such as consumer directed care, wellness and reablement, palliative care models and specialist dementia is also needed. The Alliance recommends that funding for workforce training be available and that this funding is administered in a way that keeps pace with the changing sector needs and the growing workforce.

As the numbers of aged care consumers from diverse populations increases (for example culturally and linguistically diverse cultures and the LGBTI communities), so too does the need to attract workers from these backgrounds. This diversity needs to be reflected in training to ensure these workers are able to work with consumers in a safe and effective and culturally sensitive manner. Training should be accessible to people from all backgrounds, and should reflect the provision of services to a diversity of older Australians.

Recommendation 13: The Alliance recommends that the Certificate III in aged care be regularly reviewed with strong sector engagement to maintain relevance to the changing needs of the sector.

Recommendation 14: That the Federal Government allocates dedicated aged care training funds. That these funds can be accessed by the sector to provide appropriate post-qualifications training that reflect the current and future workforce needs.

22 See for example http://training.gov.au/training/details/chc33015
Recommendation 15: That the Federal Government invest in job design and workforce initiatives. Such a fund could provide innovation and research on industry wide attraction and retention strategies, models of care and regional mentoring models and career pathways.

Recommendation 16: That a plan be developed by the aged care sector, in partnership with the Australian Government, to address the issues within the aged care workforce such as low wages, career paths, and a sufficient and adequately skilled workforce, as part of a sector-led workforce strategy.

The Alliance understands that the informal and volunteer workforce is vital to the aged care system and essential to effective care for our elderly community as a whole. The Alliance also acknowledges the importance of the broader workforce supporting aged care but not necessarily directly employed in aged care such as doctors, pharmacists and other health or community sector professionals. Thought needs to be given as to how to encourage and support greater participation from these populations in a manner that is complimentary to any strategy/s focusing on the paid staff working in the aged care industry.

2.8 The effectiveness of arrangements for protecting refundable deposits and accommodation bonds

Refer to Section 4(2)(h) in the Act

In this context:

- arrangements for protecting refundable deposits and accommodation bonds means the operation of the Aged Care Accommodation Bond Guarantee Scheme.

The Alliance welcomed the new ways for care recipients to pay for their accommodation (i.e. periodic payment, lump sum or a combination of both) introduced as part of Living Longer Living Better. Consumers need guaranteed outcomes in relation to the return of their accommodation lump sum payments/bonds if they are to be asked to make refundable deposits as payment for their accommodation costs. Any changes to arrangements for protecting lump sum deposits must maintain the absolute confidence in the aged care system.

At the time of the introduction of the LLLB reforms consideration was given to providers utilising privately insured bonds instead of the Government underwritten Accommodation Bond Guarantee Scheme (bond scheme). The Government of the day determined that “neither the sector nor the market were ready for an insurance based solution23”.

The residential aged care sector in Australia currently holds approximately $18 billion in RADS and Accommodation Bonds24. The Alliance understands that the Commonwealth has been required to pay bond balances to care recipients of approximately $40 million as part of the Accommodation Bond Guarantee Scheme.

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While the Commonwealth is entitled under legislation to seek recovery of these costs from approved providers across the sector, the Alliance notes its appreciation that, to date, it has chosen not to do so.

The Alliance understands that the Minister has requested the Aged Care Financing Authority to examine the bond scheme and to provide a report to Government in the first half of 2017. The Alliance will wait for this report, in particular to identify the likely fiscal impact on both providers and consumers if any changes or abolition of the bond scheme were to be considered.

**Recommendation 17: That the review provide a paper for discussion with the Sector following the report of the Aged Care Financing Authority, prior to the development of the Review’s draft report.**

### 2.9 The effectiveness of arrangements for facilitating access to aged care services

**Refer to Section 4(2)(i) in the Act**

In this context *access to aged care services* means:

- how aged care information is accessed; and
- how consumers access aged care services through the aged care assessment process.

A common complaint received by members of the Alliance about the changes to accessing aged care services is that all information is now largely online via My Aged Care website, with very little printed materials widely available. The Alliance recognises that some of these concerns might be attributed to the transition away from localised information through HACC Service Group 2 type services and nationally inconsistent localised solutions towards a nationally consistent single method of communication. However, there remain concerns about the ready access to face to face or printed information for vulnerable and older cohorts of aged care consumers who may be less technologically savvy, with limited online access or with a cultural tradition of an oral history. Additionally, the translation of such materials for the various diverse language populations continues to be of some concern. While the Alliance recognises many of these issues have been identified and plans are underway to address them as part of the Departments co-design processes for improvements to My Aged Care in 2017, the Alliance mentions them as they are an important consideration when reviewing the implementation of the reforms over the past few years.

Another area of concern identified is the lack of training and awareness raising of My Aged Care and the aged care service system generally, for services outside the aged care system that provide a front line touchpoint for many older socially isolated Australians. This includes the lack of ongoing training and awareness raising of aged care services for ambulance workers, pharmacists, general practitioners and their staff, community service staff, public housing staff etc. On top of these communication activities to targeted professionals, more regular work needs to be done to provide materials to support community networks and organisations servicing older Australians to be aware of and provide information to their members. This may include local community centres, University of the Third Age, Seniors Clubs, CWA, Mens Shed and other older community group volunteers.
The introduction of My Aged Care, the regional assessment service (RAS) and the integration of the Aged Care Assessment Team has been a positive step forward in facilitating access to the most appropriate type of aged care services based on an individual's care needs. However, the change management processes for the earlier stages of implementing My Aged Care appear to have underestimated the impact of the cultural change to business and consumer behaviour. This has largely subsided, with the system as designed now being widely adopted across the Sector. While there continues to be a number of challenges posed by the implementation of My Aged Care, the Alliance notes its appreciation for the Government’s co-design approach to future enhancements of the processes and IT infrastructure to address the issues that have been identified by the Sector as part of this process.

The need for some clients to be supported through their entry and initial navigation within the aged care system is critical to ensuring all clients can access aged care services. In this area, there remain concerns for different populations. While the initial request for tender documentation for Regional Assessment Services included a ‘Linking Service’ as part of their service delivery it would seem the service has not been implemented. This type of service may have assisted consumers with the journey through the aged care system but there has been no discussion about why this has not occurred nor any indication from Government for alternative arrangements. The Alliance notes its previous discussions under equity of access relating to ‘outreach’ and ‘system navigation’ services that should be provided as part of a consumer support platform. The Alliance notes this may be an alternative to the original ‘linking service’ identified.

The challenge in aged care to adapt to more streamlined system is more complex as people seeking aged care are often older, more vulnerable and less confident in navigating a more complex system. As an example a study by the Brotherhood of St. Laurence “Generating Know How in Later Life” explored what knowhow Australians value in later life and how they acquire it. This is increasingly important in a more complex world where individuals are required to make more complex choices and assess any potential risks and implications. According to the study knowhow is propagated in a social context. Of all modes of acquiring knowhow, social interaction was implicitly and explicitly by far the most prevalent and valued means of acquiring knowhow. Observation and ‘eavesdropping’, day to day conversation, clarifying and verifying information with others, and group activities are all important to the generation of knowhow. The study highlights that Knowhow evolves in the company of others. Together older adults not only acquire knowhow, they create it in a dialogic process and propagate it through their social networks. Interestingly the study identifies social isolation as the enemy of knowhow. This research further contributes to the case for a stronger need for consumer-led education and information services to other consumers about accessing aged care services.

Carers of older Australians have reported that the implementation of My Aged Care, Regional Assessment Services (RAS) and Home Support has had a negative effect on carer access to respite services for the person they care for and to carer support services for themselves. This may also explain the lower levels of satisfaction than clients with My Aged Care reported in reflected also satisfaction research.


The shift to allocate respite based on the need of the care recipient, rather than the carer has led to confusion and complications for carers to access respite and other carer support services where the person they care for is not registered on My Aged Care, or where they are ineligible for services in their own right due to age of functional ability. Importantly it would appear the implementation of the recent aged care reforms has reduced the data collected on carers. This includes the absence of carer need identified in the National Screening and Assessment Form, as well as the lack of identification of carers under the Home Support’s DEX reporting system (even for those services that are designed for carers). This lack of data on carer need or outcomes is troubling and should be addressed.

The Alliance notes that for small number of specific services there is an emerging question whether the newly designed regional assessment services are providing overassessment by requiring a regional assessment for such services as community transport. The Alliance supports the principle of assessment of need for all entrants of the aged care system, but would welcome the review’s consideration of whether there are targeted exceptions that should be considered in the future of any redesigned system.

3. Other comments

The Alliance appreciated Mr Tune attending its November meeting and providing members with an overview of the Review’s approach. We note his consideration of future engagement forums with sector representatives and would like to offer to assist in any way we can as part of the Review’s engagement process. The Alliance envisages having a strong interactive relationship with the Review throughout its development.

Given the technical nature of much of the Review’s analysis and its dependence on data held by the Departments of Health and Human Services or provided in reports of third parties engaged by the Department of Health, there is a case for the sector having the opportunity to comment on a draft Review report. The Alliance’s members would welcome the opportunity to comment on a draft of the report, prior to its finalisation. The Alliance notes that, given the lack of access to such information, it would welcome the inclusion of the data on which the report’s conclusions are based, to ensure the sector is fully aware of the information available.

**Recommendation 18: That a draft report be published for consultations with the Sector prior to being presented to the Parliament.**

LLLB’s policy vision included an emphasis on ‘prevention and reablement’ within the Home Support, with Home Care Packages including a focus on ‘wellness and restorative care’. However, to date the efficacy of such approaches have never been reported on. In the destinations envisaged by the Roadmap, such approaches would support the increased focus on older Australians being able to remain in their home for as long as they choose to and are able to do so. The Alliance would encourage the Review to consider whether this vision has been achieved and what steps would be necessary to achieve these objectives in the future.

**Recommendation 19: That the Review assesses the effectiveness of current reforms on increasing a focus on reablement and restorative care.**
The Alliance’s Positions Statements for the 2016 election notes that the Alliance believes there are a number of interfaces between aged care and other systems that could be significantly improved. In some cases, the Alliance is concerned there may be an increase in older Australians ‘falling through the cracks’ if monitoring and improvement of these interfaces does not occur.

**Recommendation 20: That the Review consider the impact of reforms on the interfaces with interconnected systems including health, disability, palliative care and community services.**

In February 2012, prior to the announcement of the Government’s Living Longer Living Better reforms, the Alliance developed its first Aged Care Blueprint and a number of position papers as part of an Aged Care Reform Series. These papers remain on the Alliance’s website and include such topics as Assessment and entitlement (including the Gateway); Financing aged care in Australia; Palliative care; Quality of care; Wellness; and Workforce. While many of the Alliance’s positions were adopted in full or in part, not all of its ideas were fully implemented by the Government as part of its reform. Given this review’s historical context we note these positions may be of interest to the Reviewer in understanding the Sector view of issues and solutions prior to the Government’s announcement of Living Longer Living Better.

5. Appendices

The following documents are attached to this submission:

4.1. NACA Blueprint for Aged Care Reform (Blueprint 1) — February 2012

4.2. NACA Blueprint Series: Enhancing the quality of life of older people through better support and care (Blueprint 2) — June 2015


4.4. Letter to Minister Wyatt regarding scope of Aged Care Legislated Review — November 2016
The National Aged Care Alliance is the representative body of peak national organisations in aged care including consumer groups, providers, unions and professionals.