Care economy efficiency Inquiry – Bolton Clarke Submission

Bolton Clarke is Australia's largest independent not-for-profit aged care provider, with 140 years of history and a team of 16,000 people, delivering the full continuum of care across 11,000 daily home care and home support visits, 43 retirement villages, and 88 residential care homes.

We appreciate the opportunity to provide feedback. Our comments relate to the Commission's recommendations on regulatory reform.

The overwhelming majority of regulatory costs come from the application of regulatory rules to people and organisations that operate within each part of the care economy. There are some costs from inconsistency and duplication, and these should be addressed, but this cannot be at the expense of reviewing the appropriateness of the substantive requirements. The pursuit of regulatory consistency also often increases regulatory costs, because transition costs can be substantial, and because the strictest rules are often copied across sectors. If the goal is to increase efficiency, the easiest and lowest risk form of alignment is typically mutual recognition.

The potential for 'alignment' to result in additional regulatory costs is demonstrated by the elements of recommendation 1.1 relating to worker regulation.

- Worker screening: The Commission' recommends a single national worker screening check with real-time checking. These sort of checks currently only apply to the NDIS. NDIS checks are already recognised in aged care. NDIS worker checks are also more costly than police checks, so this recommendation is likely to result in additional regulatory costs. The benefits of having a live check may outweigh these costs. However, it seems misleading to suggest that this will reduce regulatory costs.
- Worker register: The Commission also recommends that the Commonwealth establish a national worker registration scheme across aged care, disability and veteran's care. The recommendation appears contrary to text of the report, which states that the Commission has not examined whether a registration scheme should be established and is only recommending that if any such scheme is established it should be consistent across the care economy. The Commonwealth has already announced that it will create a worker registration scheme for childcare, including details of employment history. The Commonwealth has also consulted on the establishment of a worker registration scheme for aged care that may come with mandatory qualifications and ongoing education requirements. Public commentary unsurprisingly took the Commission's recommendation as an endorsement of the Commonwealth's approach to childcare and a call for this to be extended across the care economy. Creating an accurate and up-to-date central record of employment for workers is a complex project that is likely to heavily depend on the feasibility of a suitable ICT solution. The benefits may outweigh the costs, and there are some significant potential benefits from a worker screening perspective for employers. However, it is not reasonable to characterise this as deregulation.

Similarly, the Commission's recommendations for a more consistent registration/accreditation and audit framework have merit in principle, but will be fraught in practice.

- Suitability assessment: It is not clear what the Commission means when it recommends the establishment of a common 'suitability assessment'. The Commission refers to demonstrating sound governance and operational management. There should be a high degree of consistency

in what constitutes good governance between sectors. However, the measurement of good operational management is likely to depend on what is being managed. Notably, the new aged care regulatory arrangements involve tiered regulatory requirements, including governance requirements and operational standards, based on the type of service that a provider is delivering.

- Mutual recognition of audits: We broadly support the mutual recognition of audits. However, there is some complexity. Where a residential care service supports a small number of NDIS clients, audits of residential aged care services against the aged care standards should be recognised for the purposes of NDIS registration, perhaps with an additional module on behaviour support from a NDIS perspective. However, it is not necessarily clear that the residential care provider should then be automatically able to offer specialist disability accommodation (SDA) more broadly on the same site. Equally it does not seem like and NDIS provider who has been audited as and SDA provider should be able to offer residential care. Residential care and SDA have significant similarities, but they also have significant differences. Client expectations and goals, and the nature of risks are substantially different, and staff would require significantly different training for the respective contexts. A similar situation applies in relation to home based aged care and disability services. In the short-term the focus should be on removing the wasteful double auditing of residential care services with a small number of NDIS recipients and the associated duplicative reporting requirements. Opportunities for broader mutual recognition should be a medium-term project.
- Single portal: There could be some benefits in a single portal. However, there is a significant risk that the development of such a portal will become an obstacle to improving the ICT interfaces that providers are currently using, partly by drawing away resources, and partly because there will seem to be little point in updating a system that will be replaced in the near future. Rather than a single portal, a better solution may be to support information sharing in the government operated backend, so that information does not need to be entered multiple times, and consistent credentials can be used across systems.
- Single set of standards: Aged care has had a single set of standards for residential care and home care since 2019. This has done little to promote services working across both settings. While the rules are broadly the same, the capabilities to deliver quality services in each setting remains substantially different. This partly a function of differences in funding, and partly due to fundamental differences in the needs of clients and the services that are being provided. Moving to a single standard has created some challenges as auditors apply residential care concepts in a home care context. Consequently, we are sceptical about the benefits of a single set of standards across the care economy. There are also substantial transition costs that add to a series of major policy changes that aged care providers have already experienced. This risks further distracting attention from actually running and improving services directly.
- Single auditor: A single regulator across the care economy is likely to be a more productive first step towards alignment than a single set of standards as this supports opportunities for common practice, and alignment of systems without forcing alignment where the case does not stack up.