Ageing Australia

Submission to Productivity Commission inquiry into delivering quality care more efficiently – interim report

Ageing Australia

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About Ageing Australia

Ageing Australia is the national peak body representing providers across the aged care sector, including retirement living, seniors housing, residential care, home care, community care and related services.

We represent the majority of service providers, working together to create a sector that empowers older Australians to age with dignity, care and respect.

We advocate for a sector that champions excellence, sustainability and innovation, ensuring our members have the tools, resources and guidance they need to deliver exceptional services.

We use our united voice to amplify our members' contributions and concerns to government, media and the wider community.

We are committed to reshaping the future of ageing in Australia by fostering collaboration and driving meaningful change, making it a fulfilling journey.

Executive summary

Ageing Australia welcomes the opportunity to provide feedback on the Productivity Commission's interim report on delivering quality care more efficiently (Interim Report) and draft recommendations.

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

Ageing Australia supports the overarching recommendation for the Australian Government to pursue greater alignment in quality and safety regulation of the care economy to improve efficiency and outcomes for care users (draft recommendation 1.1).

In response to a survey issued by Ageing Australia to providers, respondents indicated a broad level of support for the actions that sit under draft recommendation 1.1. Accordingly, we broadly support the suite of actions under draft recommendation 1.1, provided the approaches taken create efficiencies and do not increase regulatory and compliance burden.

We also recommend that, to ensure momentum is maintained, regulatory alignment is prioritised across the care economy. As regulatory alignment progresses, it will be important for the Australian Government to consider the sector's capacity, given the scale of ongoing reform. Changes should be designed to deliver the greatest impact with the least disruption, and providers must be adequately funded to implement them.

Embed collaborative commissioning to increase the integration of care services

Aged care providers are increasingly seeking support for place-based and community approaches enabling aged care service delivery that addresses local needs, and leverages local strengths.

Ageing Australia supports the intent of the proposed recommendation to embed collaborative commissioning, aimed at optimising the potential of 'collaborative place-based approaches'.

The proposed recommendation could be strengthened beyond seeking health outcomes to include a 'continuum of ageing' approach, whereby older Australians are supported to age well, regardless of location or background.

A national framework to support government investment in prevention

Ageing Australia agrees that increased government funding for prevention in aged care would improve outcomes for older people and the community and help to reduce per capita government expenditure. We support the development of national framework. We broadly support the establishment of a Prevention Framework Advisory Board, although note the need for streamlined decision making. Increased funding for prevention could

be delivered through purposeful and flexible funding arrangements under the National Health Reform Agreements.

Ageing Australia also supports changes to the federal budget process to incorporate investment in prevention. We recommend that all new spending proposals in the care economy include a mandatory requirement to allocate five per cent of the proposed expenditure to cross-sector prevention initiatives.

Recommendations

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

R1 **Pursue greater alignment in quality and safety regulation of the care economy.**

R2 **Progress the suite of actions under draft recommendation 1.1 in the Interim Report, provided the approaches taken create efficiencies and do not increase regulatory and compliance burden.**

R3 **To ensure momentum is maintained, prioritise regulatory alignment across the care economy, and:**

- **a. identify a lead agency that has sufficient authority to bring government agencies together to progress the alignment agenda.**
- **b. establish a care and support economy advisory group, comprised of sector leaders across the care economy, to advise this lead agency.**
- **c. further consult on, test and evaluate the actions, proportionate to risk and impact.**
- **d. publish timelines and regular progress updates.**

R4 **As regulatory alignment progresses, consider the sector's capacity, given the scale of ongoing reform. Design changes to deliver the greatest impact with the least disruption, and adequately fund providers to implement them.**

Embed collaborative commissioning to increase the integration of care services

R5 **Broaden the design of the collaborative commissioning framework beyond a health focus to encompass an integrated, holistic, person-centred and local approach supporting older people to age well in place and in communities.**

R6 **Ensure the design of eligibility criteria for collaborative commissioning funded projects is outcomes-focused, sufficiently flexible and responsive to local circumstances, in order to move beyond traditional 'health' systems and encompass a range of community needs and strengths.**

A national framework to support government investment in prevention

R7 **All new spending proposals in the care economy include a mandatory requirement to allocate five per cent of the proposed expenditure to cross-sector prevention initiatives.**

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

Ageing Australia supports the overarching recommendation for the Australian Government to pursue greater alignment in quality and safety regulation of the care economy to improve efficiency and outcomes for care users (draft recommendation 1.1). This is particularly welcomed in light of the challenges faced by aged care providers delivering services in the aged care and NDIS sectors, as identified in our June submission to this inquiry (hereafter referred to as 'June submission').

We also acknowledge that the Aged Care Quality and Safety Commission and Department of Health, Disability and Ageing have been working on 'cross-sector initiatives to reduce unnecessary compliance burdens and improve coordination with other regulators and departments'.[1] These include work 'focusing on implementing mutual recognition of suitability assessments for market entry, aligning relevant standards, and mutual recognition of audits' and 'enabling common suitability requirements and approaches to worker screening for care and support sector workers'.[2] It is important that these initiatives feed into any future work by the Australian Government to progress the actions as set out in the Interim Report, and are not done in isolation of broader work to align regulation across the care economy.

R1 Pursue greater alignment in quality and safety regulation of the care economy.

Actions under draft recommendation 1.1

In response to a survey issued by Ageing Australia to aged care providers, respondents indicated a broad level of support for the actions that sit under draft recommendation 1.1. We also note that a number of the actions seek to address issues raised in our June submission.

Accordingly, we broadly support the suite of actions under draft recommendation 1.1, provided the approaches taken create efficiencies and do not increase regulatory and compliance burden.

R2 Progress the suite of actions under draft recommendation 1.1 in the Interim Report, provided the approaches taken create efficiencies and do not increase regulatory and compliance burden.

[1] Aged Care Quality and Safety Commissioner letter to the Treasurer and Minister for Finance, 1 August 2025.
[2] Ibid.

Care worker regulation actions

Of all the actions under draft recommendation 1.1, providers' responses to our survey indicated the highest level of support for the two care worker regulation actions, with 93 per cent of respondents indicating support for both:

- developing a national screening clearance for workers in the aged care, NDIS, veterans' care and early childhood education and care sectors
- adopting a unified approach to worker registration across the aged care, NDIS and veterans' care sectors.

Indeed, a harmonised framework will support clarity for workers and providers alike.

Regarding **worker screening**, as stated in our June submission, an aligned approach is welcomed, but it is important that this approach is efficient and consistent Australia-wide. A national screening clearance should be risk-based and processed promptly with rapid employer notification. It should also be cost-efficient, with consideration of reasonable fees to ensure this does not act as a barrier to worker entry.

On **worker registration**, the Interim Report notes that the 'absence of existing schemes in the three sectors provides an opportunity to ensure a unified approach from the outset, which will avoid the need to bring disparate schemes into alignment in the future'.[3] We agree that the opportunity to develop a unified worker registration approach from the outset should be taken, rather than developing separate schemes in each sector and then aligning them later down the track.

We support the Interim Report's recommendation that worker registration be delivered through a single national system and portal, with mutual recognition for health professionals already registered under the National Registration and Accreditation Scheme.

To enable seamless access, it will be important that the single national worker portal is easy for workers to use and update, including for those with low-bandwidth internet. There should also be alternative access methods to enable all workers, including those in regional, rural and remote areas, to have access.

The worker registration requirements need to be proportionate to risk, include recognition of appropriate prior learning/experience (particularly for the existing workforce), and have fair fee structures to avoid cost barriers.

Care provider accreditation, registration and audits actions

Ageing Australia supports the work underway on provider accreditation, registration, and audits, particularly in light of the issues raised in our June submission. These actions were strongly endorsed by providers, with at least 79 per cent of respondents expressing support. The most highly supported actions were to:

[3] Productivity Commission, *Delivering quality care more efficiently: Interim report*, page 19.

- create a single digital portal for providers to manage their registration and audits cross the aged care, NDIS and veterans' care sectors (90 per cent of respondents supported)
- create a single (potentially modular) set of practice and quality standards across aged care and NDIS services (87 per cent of respondents supported)
- establish mutual recognition of audits against the aged care quality standards and NDIS practice standards (85 per cent of respondents supported).

Opportunities to align regulation should be taken wherever possible, but it is acknowledged that each sector is not homogenous, and it may be necessary to accommodate sector specific differences (which is also recognised in the Interim Report on page 14). This is relevant to the action to develop a single set of practice and quality standards as recognised in the Interim Report: 'These unified standards will likely need to be modular to accommodate different service types – for example, there could be core modules that apply to most or all providers, and supplementary modules that apply depending on the type of services delivered'.[4] In the aged care context, home care providers noted that the Strengthened Standards are more suited to residential care. It is important that any unification of standards does not further exacerbate this.

Broader regulatory landscape actions

Actions to align the broader regulatory landscape were broadly supported by providers, with most actions being supported by approximately 85 per cent of respondents (with one exception, noted below).

In relation to the action to establish a standardised quality and safety reporting framework and data repository to hold data reported against the framework, the Interim Report states that 'Governments should follow the principle of "report once, use often", and aim to reduce burden without compromising the quality or usefulness of data'.[5]

Ageing Australia strongly supports this principle, which should apply across the care economy – but also *within* aged care in particular. As recommended in our June submission, the Australian Government should consider and identify opportunities to maximise the efficiency and effectiveness of regulatory requirements within aged care. This would be particularly beneficial for smaller providers and regional, rural and remote providers who are disproportionately impacted by compliance burden, due to resourcing limitations.

We also note the action to explore the potential for greater alignment in the regulation of behaviour support plans and use of restrictive practices. We welcome further work being done on this in light of the challenges experienced by staff, as raised in our June submission. Any aligned approach should be clear, to minimise confusion for staff when applying the requirements.

[4] Ibid page 23.
[5] Ibid page 21.

Regarding the possibility of moving to a single regulator for the aged care, NDIS and veterans' care sectors, we acknowledge this would be a significant shift, but could potentially have significant benefits if implemented well. Of the actions that sit under draft recommendation 1.1, while still supported by the majority of provider respondents, the level of support was lower compared to the other actions (66 per cent of respondents indicated support). Given introducing a single regulator would be a fundamental change, it is important this is comprehensively explored (in accordance with the action as worded, which is to '*explore* the suitability of a single regulator'). This should involve significant sector consultation and cross-agency collaboration to ensure, if implemented, it works effectively. It should also engender confidence in consumers of care and support economy services, as well as the broader community, that such a single regulator could ensure quality and safe care.

Process and timelines

The timeframes that have been proposed are ambitious. Concerns were raised by providers about the feasibility of the Australian Government being able to adhere to the 3-year timeframes, in particular.

The Interim Report recognises that barriers (competing priorities, fragmented responsibilities and resistance to further change) have prevented the Australian Government from maintaining momentum on regulatory alignment.[6] However, it is also noted that the Minister for Health and Ageing taking on the disability portfolio 'reduce[s] fragmentation and create[s] clearer responsibility for aligning aged care and NDIS regulation'[7]. We agree that this provides an opportunity for progressing – and making meaningful progress towards – regulatory alignment.

The Australian Government should commence work to progress regulatory alignment immediately and ensure it continues to be prioritised. As suggested in the Interim Report, the Australian Government should work with stakeholders and give 'a lead agency … sufficient authority to bring government agencies together to progress the alignment agenda'.[8] A care and support economy advisory group, comprised of sector leaders across the care economy, should also be established to advise this lead agency. Regarding working with stakeholders, we recommend there is further targeted consultation undertaken on each of the actions, proportionate to risk and impact (i.e. actions requiring more significant change should require more extensive consultation). This will help to minimise any unintended consequences. The Australian Government should also publish timelines and regular progress updates to promote accountability and transparency.

[6] Ibid page 26.
[7] Ibid.
[8] Ibid page 27.

R3 To ensure momentum is maintained, prioritise regulatory alignment across the care economy, and:

- **a. identify a lead agency that has sufficient authority to bring government agencies together to progress the alignment agenda.**
- **b. establish a care and support economy advisory group, comprised of sector leaders across the care economy, to advise this lead agency.**
- **c. further consult on, test and evaluate the actions, proportionate to risk and impact.**
- **d. publish timelines and regular progress updates.**

Notwithstanding the above, it should also be recognised that both the aged care and disability sectors continue to experience significant and ongoing reform, and providers will have different levels of capacity for further change (e.g. digital maturity).

As regulatory alignment progresses, it will be important for the Australian Government to consider the sector's capacity, given the scale of ongoing reform. Changes should be designed to deliver the greatest impact with the least disruption, and providers must be adequately funded to implement them.

This could be supported by further prioritising the recommendations: identifying which actions can be pursued initially, and implementing these well. For example, for the actions earmarked for three years, mutual recognition of audits (particularly given this is only between aged care and NDIS) could be actioned first.

R4 As regulatory alignment progresses, consider the sector's capacity, given the scale of ongoing reform. Design changes to deliver the greatest impact with the least disruption, and adequately fund providers to implement them.

Throughout the process of aligning regulation, the Australian Government should be actively considering opportunities for efficiencies and improvements. Alignment and harmonisation across sectors without implementing efficient, appropriate, and workable solutions will not achieve the stated goal of 'remov[ing] unnecessary complexity and cost … while protecting the rights and safety of care users and ensuring regulation remains fit for purpose'.[9] The practical effect of implementing these recommendations should be that regulatory and compliance burden for providers is reduced, thereby enabling more efficient and effective care delivery and scope for innovation.

[9] Ibid page 14.

Embed collaborative commissioning to increase the integration of care services

Aged care providers are increasingly seeking support for place-based and community approaches enabling aged care service delivery that addresses local needs, and leverages local strengths.

This includes improved connectivity with health, primary care, allied health and wellbeing services at the community level. This ensures older people experience coordinated support, preventative care and services that are easier to navigate, respond early and adapt to their individual needs.

While every community is unique, communities share a common goal of supporting older people to remain connected to their community, living safely, independently and with dignity, for as long as possible. As Australia's ageing population grows, this commitment will become even more critical, requiring communities to adapt and innovate so older people can continue to age well into the future.

Ageing Australia supports the intent of the proposed recommendation to embed collaborative commissioning and optimise the potential of 'collaborative place-based approaches that promote local autonomy and accountable service delivery can focus services on local needs, reduce fragmentation, and foster new innovative models of care, improving productivity and delivering better care.'[10]

The actions proposed received substantial support from provider survey respondents, particularly for resourcing and funding of sufficient resourcing to undertake comprehensive joint governance (69 per cent support) and sufficient dedicated funding to embed collaborative commissioning program once they submit a joint plan (76 per cent support).

However, the recommendation could be strengthened with a broader focus beyond seeking health outcomes and aspire to a 'continuum of ageing' approach whereby every older Australian, regardless of location, has access to care and is supported to age well. This broader approach recognises that ageing well is not determined by health alone, and includes factors such as housing (including retirement living and seniors housing), mobility, social connection and carer support.

Encompassing a 'continuum of ageing' approach to collaborative commissioning will benefit older Australians across all stages of ageing to access the right supports and age well, regardless of location or background. Such an approach also promotes more integrated policy and service design, better aligning health, aged care, housing and community supports.[11]

While the proposed recommendation notes that 'scaling up' could be possible, the structures must be designed from the outset to be fit for purpose for an ageing

[10] Ibid page 29.
[11] Ageing Australia, *Continuum of Ageing 2050*.

population. Governance, planning and commissioning frameworks should be required to tailor services to the preferences and expectations of older Australians, as well as the evolving needs of their local communities.

This could include greater linkages with local governments and the flexibility to work across people's neighbourhoods that may span multiple governance structures of LHNs/PHNs.

R5 Broaden the design of the collaborative commissioning framework beyond a health focus to encompass an integrated, holistic, person-centred and local approach supporting older people to age well in place and in communities.

It is also important that the collaborative commission model is open to initiatives that will require innovative approaches beyond the 'health' focus of LHNs/PHNs. This might include solutions on housing and accommodation for workforce in association with local government or state government, or governance arrangements that allow for pooled sharing of workforce.

For example, one member in a regional NSW area with access to limited workforce supply is seeking to progress a collaborative commissioning project that can pool labour resources across local health and aged care services. However, in order to design and assess suitable governance, workplace relations and funding frameworks, there need to be drivers and incentives to find ways forward beyond traditional organisational silos and Federal/State and Territory structures. It also requires a willingness from state, territory, and Commonwealth governments, to foster and support the innovation involved in collaborative commissioning in order optimise outcomes at a local level.

R6 Ensure the design of eligibility criteria for collaborative commissioning funded projects is outcomes-focused, sufficiently flexible and responsive to local circumstances, in order to move beyond traditional 'health' systems and encompass a range of community needs and strengths.

A national framework to support government investment in prevention

Prevention is a key element of aged care policy. Ageing well focuses on promoting health and wellbeing throughout later life, enabling people to maintain independence for as long as possible. A key aspect of this is supporting people to remain in their own homes, in line with the changing expectations of older people. This defers the need for more specialised support in residential or higher-level care. Many aged care programs incorporate a preventative focus, aiming to support ageing well and delay the onset of higher care needs.

Governments at all levels aim to reduce risk factors for older Australians before problems arise (primary prevention) and to detect problems early (secondary prevention), with a view to slowing the progression of physical decline and dependence on aged care supports (tertiary prevention). For example:

- Support at Home aims to reduce costs for the Australian Government and individuals, while optimising wellbeing and quality of life for older people – it is a key example of the cost-saving programs described on page 55 of the Interim Report.
- State governments have invested in strategies to support older people to age independently, such as care coordination and strategies to reduce the risk and length of hospitalisation for older people.
- At the local level, councils often develop 'Healthy Ageing' or 'Ageing Well' strategies that embed health promotion, active living, social connection and age-friendly community initiatives into their planning. Several councils also deliver home care services helping to delay the need for intensive aged care.

Every day, aged care providers and workers are striving to apply best practice approaches to improving older Australian's physical and emotional wellbeing. This not only benefits those utilising care services, but also reduces demand on downstream health services, easing overall system costs and contributing to wider macroeconomic sustainability.

Increasing investment in prevention

We support the Productivity Commission's conclusion that investment in prevention can produce significant benefits to individuals, government and community, relative to its costs. We also support, in principle, the development of a national prevention investment framework as an objective mechanism for standardised assessment of prevention strategies, guiding decision makers about the benefits and costs of prevention. It is appropriate that this would take a whole of government and society perspective, focus across sectors and levels of government, and consider impacts over longer timeframes.

Ageing Australia also supports the proposal to increase government investment in research and prevention, including a nominal target, such as the five per cent target recommended by the National Preventive Health Strategy. We agree that securing new

funding for prevention in aged care would improve outcomes for older people and the community and help to reduce per capita government expenditure.

Ageing Australia supports changes to the budget process to incorporate investment in prevention. Specifically, we support two of the proposed adjustments to Budget Process Operational Rules (page 69 of the Interim Report): a) allowing second-round fiscal effects in policy costings relating to preventive programs, and b) enhanced public reporting in budget papers on prevention investments. We also recommend an additional option, which is that all new spending proposals in the care economy include mandatory investment of up to five per cent of the proposed expenditure on cross-sector prevention initiatives.

R7 All new spending proposals in the care economy include a mandatory requirement to allocate five per cent of the proposed expenditure to cross-sector prevention initiatives.

Alternative approaches to the Prevention Framework Advisory Board

Ageing Australia is broadly supportive of the establishment of a Prevention Framework Advisory Board, although we note the potential for lengthy lead times in decision making. The Australian Government should consider strategies to streamline decision making and link funding to outcomes.

Providers have indicated a preference to:

- increase government support for cross sectoral and community led research initiatives in aged care, and
- establish centres of best practice in healthy ageing that could share knowledge and build industry capability.

The National Health Reform Agreements (NHRAs) offer an alternative mechanism for increased funding for prevention in aged care. NHRAs offer purposeful and flexible funding arrangements that can be negotiated across governments. The negotiation of the next NHRA agreement should enable collaboration with aged care providers, carers and the community sector in the design of preventive care models and initiatives.