La Trobe University's submission to the Productivity Commission

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Delivering quality care more efficiently – interim report

ENQUIRIES
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A. EXECUTIVE SUMMARY

La Trobe University[1] welcomes the opportunity to provide input into the Productivity Commission's Interim Report on Delivering Quality Care More Efficiently.

Home to the recently established Care Economy Co-operative Research Centre and to the Care Economy Research Institute, La Trobe is uniquely placed to work with Government on delivering the productivity gains that this sector is capable of. For years, the care sector has been considered as a drag on the economy. **Through greater uptake in technology in care delivery as well as through significant upskilling of the workforce, there is the potential to turn the care sector from a cost to the economy to a productivity driver**. It is for this reason that our key recommendation on this report is that the Government should consider scaling the approach adopted by the Care Economy CRC, which has the potential of delivering billions to the economy. Further details on this proposal are included in Annex 1.

La Trobe broadly supports the Interim Report's draft recommendations including the proposed National Prevention Investment Framework (the Framework) – its proposed Advisory Board, funding mechanism, and intergovernmental agreement would provide a sound foundation for long-term, coordinated investment in prevention. However, the Framework will only achieve its intended outcomes - improved population health, reduced demand for acute care, and sustainable expenditure - if it explicitly embeds multicultural quality and equity standards. Without these, prevention strategies risk widening, rather than narrowing, existing health inequities.

We also make recommendations on building a broader, more inclusive workforce. **There is an opportunity for Government to work with tertiary education providers such as La Trobe to address the training gaps for unpaid care workers who may eventually transition to the paid workforce and help to address workforce shortages.** It is also crucial to equip the existing workforce with transferable skills to enable them to move across various care sectors. We also underline the need to consider the impact of mental health, especially given its intersection with aged care, disability, and chronic illness and its impacts on long term productivity of the workforce across all economic sectors.

B. RECOMMENDATIONS

1. **Scale and expand the innovation model established in the Care Economy Cooperative Research Centre (CRC) to increase the scope of the engagement with Not-for-Profit (NFP) providers. NFPs play a very significant role in the care sector – rarely do they have the resources to invest in the sort of innovation that leads to significant productivity increases. We would encourage the Commonwealth to partner with universities, consumer groups and diverse industry partners to support these efforts. Currently the 10-year Commonwealth CRC funding is looking at this issue but is limited by requirements around co-funding. Providing a way to bring in NFPs and other smaller organisations would enhance productivity and provide a significant economic return in this growing sector.**

2. **Upskilling and training of the formal and informal care workforce**

    a. **Increase digital literacy and e-learning programs for carers – such programs should be co-designed with carers, evaluate care recipient outcomes, support carers' health and wellbeing, and offer future employment pathways for carers to get their skills recognised and enhance opportunities to receive upskilling.**

[1] This submission is on the basis of input from La Trobe's Care Economy Research Institute (CERI).

b. Address recruitment, retention, and low digital literacy skills in the formal workforce including those in regional, rural and remote areas. The workforce needs to have transferable skills and recognition of prior learning. There needs to be an enhanced scope of practice to address the complexity of care over time.

c. To inform future policy and practice, invest in projects such as CERI's Care Data portal to enable it to develop into an integrated data portal which also offers storage and analytics. La Trobe researchers have shown the importance of leveraging administrative data such as the Australian Institute Health and Welfare and Census data to identify existing care gaps and how they can be addressed. An integrated portal would also be useful for potential jobseekers and carers.

3. La Trobe supports the establishment of a National Prevention Investment Framework. We recommend that:

- **the Advisory Board include representatives from priority populations with expertise in multicultural health, equity, and lived experience from First Nations, culturally and linguistically diverse (CALD), rural, diverse and other priority communities;**
- **the Advisory Board evaluate prevention programs not only for cost-effectiveness but also for their impact on equity;**
- **a nationally-consistent equity framework is adopted to guide all assessments; and**
- **more attention is given to the impact of mental health on productivity. Mental health must be integrated the prevention framework and workforce planning and service design, especially given its intersection with aged care, disability, and chronic illness and its impacts on long term productivity of the workforce across all economic sectors.**

4. Funding mechanism

- **The definition of "best value for money" should include measurable reductions in inequities, not just fiscal savings.**
- **A dedicated funding stream should be established for CALD-focused and other priority population prevention initiatives.**
- **Longer funding horizons should be explicitly permitted for programs requiring sustained engagement in priority population initiatives.**

5. Intergovernmental Agreement

- **National agreements should include measurable multicultural equity targets and accountability mechanisms.**
- **Standardised reporting should require disaggregation of outcomes by self-identified ethnicity, language, and migration background.**

6. Building the Evidence Base for Prevention

- **National data systems must be strengthened to capture outcomes for all Australians particularly priority populations such as CALD. Interoperability across relevant data systems will enhance productivity and care quality outcomes. The use of Artificial Intelligence would enable timely decision making process and care delivery.**

- **Evaluation methods should integrate community feedback alongside actuarial and clinical analysis.**

- **Universities and research institutions should be key partners in building the evidence base for equity.**

C. LA TROBE'S RESPONSE TO THE INTERIM REPORT'S RECOMMENDATIONS

Draft recommendation 1.1: The Australian Government should pursue greater alignment in quality and safety regulation of the care economy to improve efficiency and outcomes for care users.

- Delivering care more efficiently in Australia's care economy requires more than just greater alignment in regulatory frameworks—it demands a fundamental rethink of how we value, support, and structure 'care' work. While regulation is often introduced with the intention of improving safety and accountability, it can inadvertently create barriers to efficiency, especially when it adds layers of administrative burden and duplication of processes that pull workers away from direct client care. Regulatory alignment should therefore be thought of as shared purpose with flexible pathways; setting clear national goals – such as safety, dignity and quality of care - while allowing local systems to determine how best to achieve them.

- Achieving this is best done through embedding lived experience into regulatory design as care participants know where and how the rigid systems fail. Their insights can shape the rules that govern service delivery.

A broader, more inclusive workforce

- One of the most immediate opportunities lies in **reforming the credential and recognition of skills and prior learnings**. Many individuals—particularly those from culturally and linguistically diverse (CALD) backgrounds or with overseas qualifications—bring valuable experience to the sector yet face systemic barriers to entry. By shifting the focus from formal qualifications to demonstrated capabilities, and recognising unpaid care experience, it is possible to unlock a broader, more inclusive workforce. This must be done alongside robust screening and clearance processes to ensure safety without excluding those with the skills but not the paperwork. For instance, in delivering quality care, the new Aged Care Act focuses on home based care. Whilst this is what older people prefer e.g. to live independently in the community, the significant co-contribution (cost shifting) to access care will make care unaffordable for most pensioners. In addition, demand on informal carers will increase resulting in significant implications on overall productivity of carers particularly those who are in the sandwich generation. The flow-on impact of increased care demand at home will further exacerbate chronic workforce shortages in Australia. One way of addressing this is to create pathways similar to Recognition of Prior Learning (RPL) that enable carers to be unskilled and contribute to the workforce in flexible ways. A 'Digital Passport' would enable individuals and employers to better meet care requirements and enable more transferability of workers across the care sector.

- The need to provide training and support for unpaid informal carers of people with various health conditions is well established. It is for this reason that La Trobe's CERI undertook a narrative literature review[2] to explore recent evidence of informal carer eLearning education and training programs, and to guide the design of an online training program for Australian carers, including those living in rural and geographically remote settings. The study found that that there is a lack of good quality research evidence for the range and efficacy of eLearning programs designed for carers of veterans and adults with disabilities, or mental health conditions, with most evidence related to carers of older people and people with dementia. The study found that online educational programs for carers of older people and/or older people with dementia, and those with mental health conditions can improve carer well-being. Future programs should be co-designed with carers, evaluate care recipient outcomes, and address recruitment, retention, and information technology skills.

[2] Frontiers | Type and efficacy of online training for informal carers: a narrative review

- Another key gap is the lack of pathways and regulations for people of all abilities, ages and geographical location to access employment. These include cohorts such as people living with a disability and/or people aged 50 or over who, if offered targeted employment support and pathways, could help contribute to filling the chronic workforce shortages. With the rising cost of living and retirement age, formal support mechanisms are warranted to ensure that individuals are ageing in place and continue to contribute to the society and economy.

- There is an opportunity to work with education and training providers such as La Trobe to create a database of training (online and face-to-face options). La Trobe has been working with its partners to identify these gaps and is willing and able to support this process. **We submit that there is also an opportunity for Government to work with tertiary education providers to address the training gaps for unpaid care workers who may eventually transition to the paid workforce and help to address workforce shortages. It is also crucial to equip the workforce with transferable skills to enable them to move across various care sectors.** The latter would require the adequate safety regulations to be in place.

Addressing low digital literacy among workers

- Another key issue to address is digital literacy for older carers who also struggle to access available resources. For instance, despite My Aged Care and My Health Record existing for many years, uptake is still slow and low, as they are not user friendly. Many digital solutions available in the market, lack the codesign with care participants and lack the evidence on the validity and effectiveness. Many digital solutions are also not cost effective. For carers in regional, rural and remote areas, another crucial consideration is to make sure that they have access to adequate infrastructure such connections to broadband and Wi-Fi, or hubs that can offer in person support.

National Screening Clearance System

- La Trobe supports the idea of a national screening clearance system but its implementation must be sensitive to the realities of CALD and migrant workers. Language barriers and unfamiliarity with local systems should not become exclusionary filters. Data plays a crucial role in this context. Instead of using data to enforce conformity, La Trobe would advocate for the use of data to highlight variation that actually works. A centralised Care Data portal (like the one CERI has built) integrates multiple databases and could track outcomes across different models, revealing which approaches deliver better results in specific contexts. This evidence can then inform smarter, more targeted regulation.[3]

- Efficiency also hinges on better data infrastructure. Fragmented systems and siloed reporting requirements cause immense frustration to users and consumers alike. Service providers often lack the capital, knowledge and training to effectively make best use of the data they have. Institutions like La Trobe's CERI can work collaboratively with service providers and government departments to make sure the right questions are being asked of the data that is collected and also ensuring that data is curated and safeguarded in secure environments for analysis. A Care Data portal, supported by clear data-sharing arrangements, would allow providers and policymakers to jointly assess needs, evaluate programs, and reduce duplication. This kind of integration is essential for smarter regulation—one that is informed by real-time evidence rather than one size fits all compliance.

- CERI's Care Data portal currently collates metadata of valuable care data assets and collections. In time we plan to offer storage and analytics; not just indexing existing data but bringing new data

[3] The Impact of Population Ageing on Rural Aged Care Needs in Australia: Identifying Projected Gaps in Service Provision by 2032
Equitable Care for Older Australians: A Comparative Analysis of Aged Care Workforce Shortages in Metropolitan, Rural, and Remote Australia

assets into existence. La Trobe researchers have shown the importance to leverage on administrative data such as the Australian Institute Health and Welfare and the Census data to inform the care gaps and how the gaps can be addressed. Such integrated portal also has the potential for jobseekers and carers beyond informing future policy and practice.

Draft recommendation 2.1: Governments should embed collaborative commissioning, with an initial focus on reducing fragmentation in healthcare to foster innovation, improve care outcomes and generate savings.

- Competitive funding frameworks often pit providers against one another, disincentivising collaboration. Instead, the Australian Government should invest in networks and communities of practice that bring together for-profit, not-for-profit, and government organisations across care sector to co-design solutions and share innovations. For example, CERI convenes the **Care Economy Collaborative Network** (CECN) to co-design research programs that prioritises industry needs.

Draft recommendation 3.1: Establish a National Prevention Investment Framework to support investment in prevention, improving outcomes and slowing the escalating growth in government care expenditure.

- La Trobe strongly supports this recommendation. As a university with deep expertise in health equity, culturally responsive models of care, and community-engaged research, La Trobe recognises the need for prevention strategies that reflect Australia's cultural diversity and deliver measurable equity outcomes.

- Prevention is critical for increasing productivity. Programs that support ageing in place and age-friendly planning allow older Australians to remain in their communities longer, easing the burden on hospitals and residential aged care services. Similarly, dementia prevention research and chronic illness pilot projects offer promising models for community-based care that reduce long-term costs and improve quality of life. La Trobe is working with partners on these initiatives.

- While long-term reforms like collaborative commissioning and prevention frameworks are essential, we must also act now to relieve pressure on the care workforce and care participants. Streamlining provider processes, addressing cost-of-living pressures, and ensuring fair financial recompense are immediate priorities that have been identified through a recent piece of work undertaken with senior leaders and members from the CECN.

- Labour productivity in health and care industries is best served not by more paperwork, but by freeing up time for meaningful client interaction. Initiatives that reduce administrative load and increase face-to-face contact—such as vitals monitoring and falls prevention—can have a direct impact on outcomes. CERI is working with partners across the health services and small medium enterprise sectors to bring researchers together to leverage technology to reduce administrative burdens for the care workforce.

- La Trobe advocates for a regulatory approach that is grounded in the lived experiences of care participants. Policy decisions should be shaped by their voices, ensuring that operational efficiency never compromises dignity or emotional wellbeing. To achieve this, **the development of a National Prevention Framework should actively incorporate insights from a dedicated Lived Experience Advisory Group or panel.**

- La Trobe agrees that the NDIS, aged care, early childhood education and care, and veterans care have many intersections which make them the most logical to integrate first. However, we would also stress that the mental health of Australians remains underrepresented in productivity discussions. It must be integrated into prevention framework, workforce planning and service design, especially given its intersection with aged care, disability, and chronic illness and its impacts on long term

productivity of the workforce across all economic sectors. The Productivity Commission itself estimated that mental illness and suicide cost the Australian economy up to $180billion per year (2019).

Advisory Board

- The Advisory Board should include representatives with expertise in multicultural health, equity, and lived experience from CALD communities. Including CALD health experts, researchers, community leaders, and interpreters ensures that prevention priorities are shaped by those who understand cultural realities and systemic barriers, making the framework more inclusive and effective.

- The Advisory Board should evaluate prevention programs not only for cost-effectiveness but also for equity outcomes. This means systematically assessing whether initiatives improve access, uptake, and outcomes for multicultural Australians, so that funding decisions reflect both efficiency and fairness.

- A nationally consistent equity framework should be adopted to guide all assessments. This framework should include standard indicators for cultural safety, interpreter use, and community reach, ensuring equity impacts are measured consistently across jurisdictions and over time.

Building the Evidence Base for Prevention

- National data systems must be strengthened to capture outcomes for all Australians particularly priority populations such as CALD communities. Linking and disaggregating data across health, aged care, and community sectors will enable identification of inequities and measure prevention effectiveness.

- Evaluation methods should integrate community voices alongside actuarial and clinical analysis. Participatory approaches and culturally sensitive methods ensure that evaluations capture the lived experiences and priorities of multicultural communities, not just technical outcomes.

- Universities and research institutions should be key partners in building the evidence base for equity. By drawing on academic expertise, the framework can ensure evaluations are robust, independent, and inclusive, while also training the workforce in culturally responsive prevention.

ANNEX 1: DELIVERING QUALITY CARE MORE EFFICIENTLY – LA TROBE'S KEY PROPOSAL TO MAKE PRODUCTIVITY GAINS

Scale and expand the innovation model established in the Care Economy Cooperative Research Centre (CRC) to increase the scope of the engagement with Not-for-Profit (NFP) providers. NFPs play a very significant role in the care sector – rarely do they have the resources to invest in the sort of innovation that leads to significant productivity increases. We would encourage the Commonwealth to partner with universities, consumer groups and diverse industry partners to support these efforts. Currently the 10-year Commonwealth CRC funding is looking at this issue but is limited by requirements around co-funding. Providing a way to bring in NFPs and other smaller organisations would enhance productivity and provide a significant economic return in this growing sector.

- Delivering quality care more efficiently is at the heart of the recently established Care Economy Cooperative Research Centre (CRC) led by La Trobe University. The care economy is growing exponentially but has not embraced the potential productivity benefits of new technologies, leading to sector-wide inefficiencies with ripple effects on the wider economy. Through greater uptake in technology in care delivery as well as through significant upskilling of the workforce, there is the potential to turn the care sector from a cost to the economy to a productivity driver.

- It is our strong view that there is a significant potential to scale the model established in the Care Economy CRC and expanding the model to increase the scope of the engagement with Not-for-Profit providers. This could be enabled via additional Government funding into engaged (but as yet under-invested) care subsectors.

- The potential of what can be achieved is much larger and with significant potential for Australia's productivity agenda:

    - The CRC has already engaged more than one hundred not-for-profit and other care providers which were not in a position to make a financial contribution. These partners will be valuable translation partners for the CRC but, with additional support, they could be more usefully engaged in active Research and Development programs.
    - The introduction of cost efficient mechanisms to scale such as small grant programs and/or Higher Degree research scholarships could help leverage this investment, triggering potential productivity insight and gains to the economy.
    - There is an opportunity to scale the CRC approach into additional care subsectors such as the rehabilitation and veterans sectors and/or increasing the coverage within the childcare sector. These sectors were engaged in the CRC development process but were not able to be scaled in the successful bid or, in the case of the childcare sector, are relatively under-represented compared to the industry size and scope for benefit.

- The scale of the Care Economy CRC was limited by industry partner co-investment and care subsector spread – therefore, **near-equivalent multipliers to Government investment are still on the table and achievable**:

    - An existing, ready-to-go engagement network and translation model through the care economy network.

    - An additional $130 million investment from universities, government and industry in La Trobe's Care Economy CRC would essentially double the size of the current CRC and could deliver $2.1 billion in benefits to the economy from Australia's $327 billion care economy.

How La Trobe can help achieve this goal

La Trobe has taken the lead in this work through the establishment of the **Care Economy Research Institute (CERI)** – Australia's first institute with over 100 researchers dedicated to all aspects of care economy research. The embedding of critical technologies in care delivery will enable the transformation of care services spurring productivity growth as will the upskilling of the workforce in technology skills. Improved and sustainable care services will be delivered by a connected and adaptable workforce with improved technology skills and capability.

The recent establishment of the Care Economy CRC is the next step in this process of transformation. It will transform the quality, productivity and outcomes of aged care, disability services, healthcare, family services and social housing. Innovative industry-partnered research and workforce education and development programs will provide solutions to improve productivity and help overcome chronic skills shortages. Further information about the CRC can be accessed **here**.

Digital Innovation Hub

La Trobe's **Digital Innovation Hub** provides businesses, students, and community access to advanced facilities in Artificial intelligence (AI) and Internet of Things (IoT), software development, data analytics and networking. All through the co-location of three leading digital labs in the one facility at La Trobe University: 'Optus 5G Lab', 'Cisco Innovation Central Melbourne' and La Trobe's Centre and AI and IoT.

The hub brings together experts like software engineers and architects, programmers and product developers, as well as other like-minded businesses, to help build digital capability, create and test new products and accelerate the update of digital innovations in business. It enables commercial grade prototyping, testing and the commercialisation of digital solutions that can be practically implemented within a business.

Australian Centre for Artificial Intelligence in Medical Innovation (ACAMI)

La Trobe is also home to the Australian Centre for AI in Medical Innovation (ACAMI) established in partnership with the Victorian Government. ACAMI is a collaborative research, workforce development and clinical trials centre operating at the intersection of artificial intelligence and medical innovation.

ACAMI is delivering new and additional capabilities to Victoria's world leading medical innovation and life sciences ecosystem. Leveraging technology, science, data and skills innovation from La Trobe, Victorian, Australian and International Partners, the centre drives transformation and growth in AI-enabled medical ecosystems. ACAMI is providing a dedicated focus to accelerating the research and development of immunotherapy, vaccines and medical innovations, by applying AI and Machine Learning from discovery to development.

The centre builds on La Trobe University's existing capabilities in artificial intelligence research, cancer, immunology and immunotherapy research, a well-established clinical trial network, and recognised leadership in producing industry-ready graduates.