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Care Economy CRC

15 September 2025

Alison Roberts, Martin Stokes & Angela Jackson
Commissioners
Productivity Commission

Dear Dr Roberts, Mr Stokes and Dr Jackson

Pillar 4: Inquiry into delivering quality care more efficiently

Care Economy CRC welcomes the opportunity to provide a written submission to the Productivity Commission in response to the published interim report "Delivering Quality Care more Efficiently"

The Care Economy CRC is a recently formed industry-led collaborative research initiative, funded through the Commonwealth Cooperative Research Centre Program. Over the next 10 years we will work with our 60 partners to solve industry-identified challenges and improve competitiveness, productivity and sustainability across Australia's Care Economy. Our partners deliver services across early child education and care, aged care, disability care, family services, mental health and healthcare in community settings. They have a shared interest in developing contemporary and innovative approaches to care through adoption of technology and actionable data insights. Working collaboratively with researchers, technologists, regulators, unions and workforce groups we will realise industry transformation through evidence-based approaches and drive productivity gains across and within care services.

The Care Economy is largely supportive of the interim report, with feedback from our partners and commentary related to the recommendations summarised here.

<u>Reform of Quality and Safety Regulation</u>
We note the recommendations include introducing a single set of practice and quality standards for aged care and the national disability insurance scheme services, as well as developing a data repository.

1. The Care Economy CRC supports alignment of quality and safety regulation at every opportunity across the care economy. We generally support a consistent regulatory approach to worker screening and registration, mutual recognition of audits and a single digital portal for provider registration and audits. We recommend a nuanced and flexible approach to the broader regulatory landscape alignment with the approach to standardise quality and safety requiring close consultation with service providers to avoid unintended consequences.
2. We support data collection as the first step in gathering evidence from which meaningful insights can be gained. The suggestion of a common set of standard indicators across the care economy is welcome, along with "report once, use often" approach to minimise administrative burden. We caution that poor quality or incomplete data will produce poor-quality or false insights.
3. We recognise the significant reform-fatigue and pressure faced by care economy providers and respectfully request a reasonable approach to future reforms, noting the reform proposed is estimated to occur between the next three to six years.

Regarding alignment of quality and safety regulation, we highlight the importance of building flexibility into the proposed approach to accommodate the unique context of care service types and particularly those seemingly common practices with nuanced differences that can impact on the safety and quality of care. For example 'restrictive practices' have been highlighted by the Commissioners as a potential area for greater alignment. We recognise the significant commonality across both aged and disability care services in restrictive practices. However, there are also stark differences in legislation, process, practice and protocols in different care settings as well as between states and territories. Restrictive practices applied to an older person with dementia in aged care are different to restrictive practices applied to address behaviours of concern related to a disability, and with good reason. A single set of practice and quality standards may lead to unintended consequences that increase risk such as impractical or irrelevant alternative strategies that may inadvertently increase use of restrictive practices, or introducing new practice standards that can restrict rights or reduce well-being. **A one-size fits all approach must be developed in close consultation with the care provides themselves to strike a balance between adequate flexibility to achieve safety and quality outcomes, whilst also offering appropriate safeguarding controls**.

Regarding developing a data repository, the Care Economy CRC supports data collection as a mechanism from which meaningful insights can be gained to drive effective policy reform and realise system-level improvements. **However, we caution against drawing insights from a data repository until it represents a full and rich data source that accurately captures appropriate and useful inputs. Poor quality or incorrect data measures will otherwise produce poor-quality or false insights.** We are concerned about availability of data across care sectors, and variations in the type and quality of data between sectors. For example, aged care has an emerging repository of data, including more recently care quality and satisfaction (star ratings), to form the beginnings of a comprehensive and rich data repository. By contrast, not all disability service providers are registered through the NDIS, and of those who are registered, the availability of relevant data is uncertain. Recent data suggest that around 9% of service providers are registered. Many of those unregistered NDIS providers have been providing services over many years that are of significant benefit to the disability community. A data repository reflecting only 9% of the disability service provider market may generate false insights.

Care Economy CRC partners also strongly expressed **reform-fatigue and call for reasonable timeframes allowing adequate industry consultation before introducing a single set of practice and quality standards**. With significant aged care reform set to be implemented from 1 November 2025, our aged care partners have been under considerable pressure to meet the condensed time-frames. They strongly caution against further regulatory reform in the near-term and describe the possibility as "frightening". Likewise, the significant reform agenda across services funded by NDIS, and the uncertainty around foundational supports to be provided by state and territory jurisdictions has similar cautions expressed by our disability service providers.

<u>Embed collaborative commissioning</u>

The Care Economy CRC is broadly supportive of the recommendations related to embedding collaborative commissioning. Our partners welcome embedding the process between PHN, LHN and ACCHO as a starting point and agree the suggested focus on reducing avoidable hospitalisations will have a significant impact.

Our partners highlighted concerns around the high degree of variability in processes, policies and

approach between each independent Primary Health Network, Local Health Network and Aboriginal Community Controlled Health Organisation, and the complexities in those relationships. The varying capabilities and effectiveness of each local partnership, creates a high degree of uncertainty and requires providers to respond with bespoke care service models to meet place-based variations. Partners are concerned this will lead to increased costs of service delivery as it will impact economies of scale, can make service delivery inefficient and may adversely impact their ability to deliver services into thin-markets.

Framework to support government investment in prevention

The Care Economy CRC is supportive of the recommendations related to establishing a national prevention investment framework.

The need for significant and long-term investment in collaborative partnerships to move beyond multiple pilot studies to achieve scale is highly encouraged. The Cooperative Research Centre (CRC) model is a good example of a collaborative approach with investment from Australian and state governments as well as industry to work together and address large-scale industry challenges. CRC's have been proven to have transformative industry outcomes, well supported by high-quality research outcomes alongside workforce training and development initiatives to realise long-term and sustainable change.

The Care Economy CRC has recently developed an investment, monitoring and evaluation framework to guide investment in research projects within our CRC. The model is provided to the Commissioners (in confidence) in response to information request 3.1 within the interim report.

Carmela Sergi
Chief Executive Officer & Managing Director