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Caring for Everyone

Response to the Productivity Commission's draft report of its Caring for Older Australians inquiry

April 2011

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Anglicare Australia

Anglicare Australia is a network of 43 independent organisations that are linked to the Anglican Church and are joined by values of service, innovation, leadership and the faith that every individual has an intrinsic value. Our services are delivered to one in forty Australians, in partnership with them, the communities in which they live, and other like-minded organisations in those areas. In all, over 12,000 staff and 21,000 volunteers work with over 512,000 vulnerable Australians every year delivering diverse services, in every region of Australia.

Between them, 15 of Anglicare Australia's member organisations provide residential care for 5,282 and care in the community for 12,742 older Australians, employ 7,003 (FTE) aged care professionals and are actively supported by 2,728 volunteers.

Those organisations are Anglican Retirement Villages, Anglicare Canberra and Goulburn, Anglicare NT, Anglicare SA, Anglicare Sydney, Anglicare Tasmania, Anglicare Willochra, Benetas, Brotherhood of St Laurence, Clifton Waters Village, Gippsland Anglican Aged Care, Glenview Community Services Inc, Spiritus, St Johns Anglican Church and St Laurence Community Services.

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Contents

Executive Summary

Anglicare Australia is most interested in understanding how any changes to the way Australian society cares for its older members would affect those most vulnerable and marginalised in our community.

The Productivity Commission's draft report responds to stakeholder calls for a more flexible, individually responsive, and accessible system. Anglicare Australia sees the final report as an opportunity for the Commission to more adequately address the complex needs of the most vulnerable members of our society and also champion the broader social changes that are needed to match its proposed new aged care system, as identified below.

The most vulnerable and marginalised members of society

The most vulnerable and marginalised members of our community may require more in the way of services and support, and need particular consideration when it comes to care and community connection.

Ensuring high quality care and support in this setting needs innovative services that are purposive, that are connected to or a part of their communities, and that are by their nature linked in to a range of health and community services. While accurately costing the complex care and support that is needed is essential, it is not in itself an adequate assurance of quality or effectiveness.

Not for Profit organisations are shaped by their objects, rather than their fiduciary duty to shareholders or other owners. In that context, while not a guarantee in itself of delivering the appropriate high quality, efficient and effective care and services we would look for, NFP providers can at least be held to account against those goals, or objects.

Anglicare Australia would like to see innovative programs involving people with special needs developed in partnership with NFP provider and government, with block funding one of the options to ensure sustainability of that provision over the medium to long term.

An age friendly, inclusive society

For a new aged care system to support the independence of older people and their continuing contribution to Australian society, and that of their families and carers, the development and provision of housing, community services, infrastructure, employment and other cultural activity needs to be both age friendly and inclusive.

The Commission's draft report does not make strong recommendations to government for future development in these areas, nor does it adequately

articulate those goals for the Seniors' Gateway Agency or the Regulatory Commission proposed in the report.

Workforce development

Wage rates are too low across the sector to attract and retain staff into the future, and the Commission could reach beyond the notion of competitive wages to call for action on that front in its final recommendations.

More complex is the challenge of the changing shape of care work across sectors - particularly in community care and in regional and rural Australia. A workforce development project which drew in services, consumers and workers from aged, disability, alcohol and other drugs, and mental heath sectors could start to explore a more effective, inclusive and sustainable approach to funding and delivering high quality accessible care.

Accreditation and quality assurance

A restricted monopoly accreditation agency and a best practice systems approach to quality assurance sets a floor for acceptable service quality but doesn't encourage diversity or innovation in the provision of care and services, nor hold them accountable against outcomes for consumers.

Transition and oversight

It is not clear that the risks to small yet effective organisations are given sufficient weight. Locally connected, or culturally specific, NFP providers play a valuable role in meeting special needs and, through innovation, in responding creatively to local circumstance and emerging need. The proposed scheme's deregulation of supply and the shift towards consumer directed care potentially favours large providers, at least in the short term. Some consideration of "industry adjustment" assistance particularly for small providers is needed.

The proposed transition taskforce should establish a Diverse and Special Needs Reference Group to monitor the impact of the changes on the most vulnerable members of society.

Overview

Anglicare Australia is a network of social service organisations that are linked to the Anglican Church in Australia, that share a belief in the value and the potential of every person, and the principles of justice, hope and compassion. Within this frame of common values, we are most interested in understanding how any changes to the way Australian society cares for its older members would affect those most vulnerable and marginalised in our community.

The Productivity Commission's draft report on Caring for Older Australians recommends a real restructure of the Aged and Community Care system in order for it to be more flexible, more individually responsive, and fundamentally more accessible.

Almost all identifiable stakeholder groups are on the record calling for a profound change in how aged care services and funding is allocated; and the terms of reference for this Productivity Commission inquiry were framed in part in response to that call.

The finalisation of the Commission's report and then the Government's (and the Parliament's) response to that offer is an historic opportunity to reshape the system in order to meet current expectations and future needs.

Anglicare Australia sees this opportunity as something more than a plan to fix the existing aged care assessment and funding system, and argues that the Productivity Commission's existing proposal needs be matched by wider, but related, social changes.

Broadly speaking, we are very positive about the draft report as it demonstrates a thoughtful and analytical approach, in response to consultation, to restructuring the aged and community care system in order to give consumers more choice, to ensure there are incentives and opportunities for aged and community care providers in all communities, and to build a funding regime that is designed to cover the true cost of providing care.

Much of Anglicare Australia's contribution to discussion of the sustainability and viability of providers is being made through its work with the Campaign of Care for Older Australians and the National Aged Care Alliance. This response to the Commission's Draft Report focuses more on the possible impact of this scheme on people needing care and support as they age, particularly those most vulnerable.

Anglicare Australia has some concerns regarding the draft plan as it stands, particularly the underlying assumption that a freer market would necessarily be responsive to demand and need. We offer some suggestions for additional features and initiatives that would enhance the strength and fairness of the proposed scheme, particularly in terms of the wellbeing of the most disadvantaged members of our society, and seek a stronger emphasis on the broader social changes that are needed to accompany this system reform.

Response to draft recommendations

The following comments are linked to the Productivity Commission's draft recommendations in the first instance, with some arguments expanded further in attachments to this document.

1. Framework for assessing aged care — draft rec 4.1

Quality and the Not for Profit sector

Universal access to high quality care should be an explicit aim of the system, be written into the framework, and dealt with specifically in the outline of the responsibilities of both the proposed Australian Seniors Gateway Agency and Australian Aged Care Regulation Commission.

It is hard to share the confidence that the Commission seems to have that a freer market will necessarily result in high quality care for all. Higher prices and higher returns for providers serving more affluent, homogenous, and autonomous population groups may well push quality up in those segments of the market. But others of us as we age – with increased levels and complexity of care needs, limited additional resources and natural supports, and minimal capacity to 'shop around' – may not be so attractive to aged care businesses.

Anglicare Australia sees an important role for Not-for-Profit (NFP) providers in ensuring a focus on the quality of care and social inclusion is universal.

The Commission recognises the present role of the NFP sector in residential and community aged care. Many of these services have grown out of a connection to their local or religious communities, or as an expression of their organisations' social mission. While all NFP service providers would recognise that financial viability is essential to their operations, their objects are almost always broader, more inclusive, and socially purposeful than that. They have taken on the bulk of the work with some of the most disadvantaged and marginalised members of our community, and have led the way in innovation, service development and research.

It makes sense then to ensure that NFP providers are not disadvantaged by the new scheme, and are specifically supported where their work addresses the goals of inclusion, innovation, and community development and, in effect, egalitarianism and social harmony.

We are not aware of demonstrable examples in social/human services where such free market approaches increase quality in such markets.

In its initial submission to the Inquiry, Anglicare Australia recommended freeing up the market for quality systems, and holding providers accountable to the standards they have adopted against the outcomes for their residents.

While the report identifies some of the drivers for quality that come with a more competitive and flexible system, quality assurance is not explored in the report. Anglicare Australia believes issues around quality assurance, for care in particular, need to be discussed in more depth; and recommendations made on how a new system could assure consumers that the care is of the highest quality while still allowing for (and supporting) innovation in its provision.

Promoting independence and wellness of older Australians and their continuing contribution to society

It is important that this is the first principle of the Commission's proposed framework for assessing care. For the future aged care system to be able to promote independence and wellness, broader social and infrastructure changes are needed than are specifically recommended in this draft report.

They include

- an integrated inclusive approach to urban design and infrastructure development, as encapsulated by the age friendly cities movement,
- health and social service programs that are community based and culturally appropriate, including health promotion and active living programs,
- accessible and pertinent opportunities for life long learning, employment and cultural participation.

Age Friendly City principles provide a general guidance to urban development, ranging from improved building design to the provision of accessible and welcoming public places and adequate public transport. The Commission can quite reasonably recommend that Australian Governments adopt these principles. (See also attachment A below.)

Health promotion activity stretches across a very wide domain, from broad programs relevant to all people – generally provided in a non aged care setting – to specific programs and facilities to help people stay active and functional when the inevitable impacts of ageing take effect. In the interest of normalising healthy living through the ageing process, universal access is needed to community based health promotion and wellness activity. (See also attachment B below.)

While there is no shortage of evidence of the economic and health benefits that comes from sustained connectedness and participation, there are numerous structural, as well as cultural, disincentives for people to continue to participate in the culture and economy of our society. The breadth of change needed to remove these disincentives

may be beyond the scope of this inquiry; nonetheless support for such participation can and should be factored into the care and services that this new system would oversee.

Finally, the notion of independence is only one side of the equation. It is equally about interdependence. People who require support are dependent on services to support them, and we need to remove the stigma associated with seeking and needing support, so they can remain in their preferred environment with the supports they need.

Access for all older Australians needing care and support to person-centred services that can change as their needs change

There are many divisions in society that work against the kind of inclusive approach to care for ageing Australians that the principles of the framework suggest. This extends from ageism to the social exclusion of people who are poor, live with mental illness, have a history of homelessness, are members of several minority cultures, are Indigenous Australians, live in rural or remote Australia, and so on.

Providing access to person centred services for all incorporates catering for diversity, and Anglicare Australia makes some comments about special needs, varying costs and changing circumstances below. The issue is a broader one however, and a future person centred aged care system will fail the more disadvantaged or vulnerable of us, and our family members, if it is not a part of a more coherent approach to social inclusion.

Again, it is not unreasonable to consider the role many of the key aged and community care providers in the NFP sector play developing and supporting a truly inclusive society, and how that work is needed to underpin the principle of access when assessing aged care needs.

2. Paying for aged care — draft recommendations 6

Removal of high care/low care distinction [DRAFT RECOMMENDATION 6.3]

The removal of the distinction between low and high care places in residential care has industrial ramifications due to award and union coverage that needs to be worked through to avoid unintended consequences.

Regulating accommodation payments [DRAFT RECOMMENDATION 6.4]

Residential aged care providers, including Anglicare members, will respond in detail to issues arising from the proposed deregulation of accommodation payments, including the consequent need to re-capitalise facilities. The destabilising impact of those changes on residents (with the possibility of some services facing closure or amalgamation) remains a serious concern, and there are major implications for transitional provisions.

The proportion of places for supported residents [DRAFT RECOMMENDATION 6.5]

Anglicare Australia supports the setting of the proportion of supported residential places on a regional basis, but suggests that even standard regions may be too big an area on which to make that judgement.

The proposal to allow trading of supported places is a serious concern. As some regions in Australia are extremely large, a situation could arise over time where the only "supported" places available are difficult to access from some other parts of the region, leading to "supported" residents becoming isolated. It could also severely constrain the consumers' choices in regard to services they wish to access; which would not fit with the principles in the report of equity and choice. Anglicare Australia could not support the trading of supported places except where analysis showed benefits in terms of quality and/or choice for those residents.

Anglicare Australia rejects a competitive tendering approach to the provision of such services as the experience of network organisations, with Government programs across Australia, is that competitive tendering tends to be a 'race to the bottom' in terms of service quality and innovation.

The distribution or allocation of supported places needs to be reflective of, and responsive to, the composition of the local communities and local circumstances, with the subsidy rate adjusted to take account of the true cost of accommodation.

The Productivity Commission's report on *The contribution of the not-for-profit sector*, released last year, suggested a number of different models for government funding, and steered away from competitive tendering as the funding model for projects that address complex issues. And so, for residents in need of supported aged care places, where the market is unable to effectively meet their needs, an expression of interest (EOI) or partnership approach would seem to be a better option.

The approved basic standard of accommodation [DRAFT RECOMMENDATION 6.7]

There are two aspects to this recommended basic standard for supported accommodation that led Anglicare Australia network members to reject it.

One is the appropriate level of care, and the kind of facilities that are needed to support it. It is widely acknowledged, in this report and elsewhere, that acuity of care needs for aged care residents is increasing significantly, and is expected to accelerate further over the next 15yrs. That means issues involved with dementia, frailty and end of life journeys must be appropriately accommodated.

People eligible for supported accommodation are likely to include most of those who have experienced homelessness, episodic illness, alcohol or other drug dependence, social disadvantage and in other ways lived on the margins of our society. Experience

shows us that in most instances a two-bed room would be less, rather than more, appropriate for people with higher and more complex needs. That is, for clinical needs, such a form of accommodation is not the most appropriate.

The other point to make is about the meaning of home. While we don't claim that entitlement to aged care should deliver accommodation of identical scale and amenity to everyone, we take the view that the minimum standard in our society for a home does stretch to a one bed room, be it for young people in out of home care or people who are ageing in residential care. As the Commission argues through the report, costs and thinking around accommodation and medical care should be separate. Consequently, even if there was a case to be made for a two-bed room in the context of care, the standard for everyone, unless they choose otherwise, should be their own room. In our view, this is a fundamental right.

Finally, it has been noted by many that the proposed two-bed room minimum requirement is below the long established and current certification standard – adopting it would be a retrograde move that would neither match market demand nor current practice.

Co-contribution means and assets tests [DRAFT RECOMMENDATION 6.9]

Anglicare Australia recognises the distorting effect of current taxation law and pension regulations regarding the treatment of 'family homes' and commends the Productivity Commission's considered approach to addressing this issue in the draft report.

There are some very reasonable sensitivities to the draft proposal which should be addressed, one of which is quantum. While the proposed equity release and pensioner bond schemes would provide home owners with some flexibility and wealth protection when they need to draw on that asset, the thought of the family home being classified simply as another (large) asset in this context is disturbing for many.

Furthermore, while a home owner's asset value may be protected through a pensioner bond, the sale of their home would not be reversible, potentially leading to people in need of additional care unwilling to take the extra step. There are arrangements, through trusts in the UK for example, where homeowners can make a trial move with the option of returning to their home open for up to two years that are worth considering.

3. Care and support draft recommendations 8

Gateway Agency [DRAFT RECOMMENDATION 8.1]

Anglicare Australia is greatly encouraged by the notion of a gateway that can provide people with simple and accurate information about care that they may need and

guidance to negotiating their access to it. In the context of competitive diverse supply of services and a shift towards consumer directed care, such an agency would have a very important role in ensuring equity of access for providers and consumers to services and service funding.

Across the network however there is some concern about how the Australian Seniors' Gateway Agency might operate in practice. We would hope it could be the centre of a 'no wrong door' approach to accessing and navigating aged care services, but see a risk in it, as the monopoly operator for assessment, acting as a gate keeper to those services. This is of particular concern as the gateway will impact demand and act as the *de facto* control over government fiscal exposure, as acknowledged in the draft report. Very tight controls over eligibility and access could well recreate – on perhaps a larger scale – all the frustrations that come with the current ACAT system.

The proposed agency has a number of roles that will require robust relationships with industry, community sector and government bodies, and internally. The notion of providing a link to primary healthcare, to public health and wellness programs, to other avenues for social inclusion and participation presupposes a welcoming and appropriate interface with people from all aspects of our society. It is particularly important that the gateway can be responsive to and accessible for those who are vulnerable, disadvantaged or lacking in confidence.

In reality such a role will only be filled if the gateway were to operate as the hub of an extensive network including aged and community care providers, primary health providers, government social services, housing and community organisations including advocacy bodies.

It is important to understand that the traditional medical approach to care has been reactionary, and the framework for this new agency must recognise and underpin the provision of preventative and enabling care to older Australians. It is not clear from the draft report how the gateway would drive or indeed improve the wellbeing/independence/enablement of older Australians.

Also, while it isn't specifically mentioned, it is assumed that respite care would come in under the gateway's wing. Presently, there are real issues regarding inadequate access to respite care in most settings, and it would be reassuring if respite care were addressed overtly in the description of the gateway's roles, and more generally in the architecture of the new scheme.

Presumably also, the gateway would triage and refer complaint from consumers and family members to providers, advocacy bodies, the complaints resolution service, and so on.

There are also some further questions around the specific assessment role of the Gateway. In addition to the pressure for timely initial assessment, there is also the need

for timely review, reassessment and approval. A single agency with responsibility for assessing and approving all changes to care, unless generously resourced or very open and flexible in its approach, appears to be – at best – a recipe for frustration, specifically where it fails to meet the needs of the key stakeholders, including, most pertinently, the consumers.

Finally, there are real challenges in any system around educating and informing consumers and their carers about the quality of services. As the gateway would appear to have a role in advising on the quality as well as the availability of the full range of care and services, quality assessment will become an issue. It is not clear in comments to date regarding the Gateway Agency or the proposed Regulation Commission how quality assessment will reflect the experience of consumers and their families, nor whether such assessment will be based on outcomes for consumers or on quality systems that providers have in place.

4. Catering for diversity and special needs groups draft recs 9

The Gateway and diversity [DRAFT RECOMMENDATION 9.1]

The recommendations on catering for diversity, in respect to the proposed gateway, are limited to language and translation. It is not helpful to use diversity as code for non-English speaking. While it is most important that the gateway ensures people without good English language skills can access relevant information, it also needs to consider more broadly who is made welcome and appropriately supported to find the care and connections that they need, no matter what their health status, ability, orientation, background or experience. Although that is quite clear in the Commission's description of the environment in which the gateway will operate, there is no requirement that the agency welcomes and is accessible to this diverse population, nor that it has the ability to provide the necessary services to such people.

Costing diversity and special needs [DRAFT REC 9.2]

Population groups whose care needs ought to be specifically acknowledged and considered in these recommendations include those who are prematurely aged; people suffering from mental illness, and alcohol and other drug misuse; people living with disability; people experiencing and at risk of homelessness; urban Indigenous people; and others with a history of disadvantage and marginalisation.

The challenges for people living in rural and remote communities, Indigenous or not, in terms of care needs – and care costs – also need to be factored into entitlement and pricing.

While the issues are well canvassed in the body of the report, there appears to be little in the way of an articulated process that would ensure these diverse needs and costs are

met. It would instil confidence in the model if the Commission carried its discussion forward into its costing process, and the structure of the scheme.

There are many groups in our society with special and complex needs, and many approaches to engaging with them. The report does not provide enough detail around how the referral and assessment functions would work for these special needs groups nor does it recognise the important role of case management in ensuring that complex needs are managed appropriately.

The particular needs of homeless older people (and the costs of meeting them) serves as a useful example, noting the number of paths for referral into homeless services that a single gateway may not accommodate.

In Anglicare Australia's original submission to the Productivity Commission's Inquiry into Caring for Older Australians, we drew attention to the extra amount of time and resourcing required by care managers to engage with people with a homelessness background and to undertake suitable assessments for community care. It recommended a flexible funding pool be established for use by care managers when working with special needs groups, such as those with a homelessness background. Consequently it is disappointing that the draft report seems to put homeless older people in with the broad group of Financially Disadvantaged, which includes people who own their own homes. It is our experience (and that of others) that homeless older people have specific needs that are different to many of those who come under the broad umbrella of "financially disadvantaged", and these needs should be recognised and addressed.

Anglicare Australia welcomes the recognition given in Draft Recommendation 9.2 to the costs associated with catering for diversity in English language competence. However, we believe that such recognition should also be given to the costs associated with engaging with other special needs groups and assessing their needs, often with difficulties with far greater costs than those associated with language.

While it is pleasing to note that the draft report mentions the inability of the current Aged Care Funding Instrument (ACFI) to fully capture costs associated with behaviour, which is usually an issue with homeless older people (among others), there is no recommendation as to how this can be addressed. The draft report does mention the setting of a scheduled set of prices for care services, but this needs to be taken further with a specific recommendation that the provision of appropriate care for a person with challenging behaviours and special needs (as identified above) be fully costed and taken into account in a scheduled set of prices.

5. Age friendly housing draft recommendations 10

Home modification and universal design [DRAFT RECOMMENDATION 10.1 AND 10.2]

Clearly a national scheme to help homeowners modify their homes for ageing suitability would be welcome. Similarly, stamp duty exemptions or similar support would make it easier for people to downsize out of the family home into housing which is more accessible and appropriate for ageing in place.

In the context of a very tight rental housing market, there is no incentive for residential landlords to modify or improve the functionally of their properties to the benefit of older tenants. It is hard to see how a nationally coordinated home modification scheme – as recommended – will address the needs of this substantial group of older, and generally disadvantaged, Australians unless more assertive action is pursued.

It is disappointing then that the Commission appears to take a very soft line on ensuring new or refurbished housing is built on universal design principles. As argued in attachment B, about age friendly design, there are intergenerational and community wide benefits to housing that accommodates the needs of people who are ageing or living with disability. And while the additional cost is estimated at 1 - 2% for houses, and perhaps less for units, it is coming down. Changes to national building codes to make such design principles mandatory would start to shape building stock for future need and likely further bring costs down.

Australia's private property development market doesn't make good design for older people, or social need, its priority. Action to shift that balance would need to be taken by government.

Strategic framework to ensure sufficient housing [DRAFT RECOMMENDATION 10.3]

Housing un-affordability is a profound society wide problem, which impacts very broadly on the wellbeing of ageing people and their care options, particularly those with limited financial resources. It is a key component of the aged care challenge that is in effect missing from this draft report.

The report points to plans that governments have in place to address the shortage of affordable housing, although those investments are quite limited in the context of the scale of the problem (as fig 10.1 in the report makes clear.) Perhaps more importantly, national taxation and pension policies have worked to drive up the cost of housing, and to skew the market away from the provision of relatively modest low cost homes in accessible, well connected locations.

There is no doubt that the shortage of accessible and affordable housing leads many people to move into residential aged care sooner than they, and services providers, would desire, and that would be cost effective for the wider community.

None of this is new information. However, in the context of restructuring aged and community care systems (with a focus on sustaining people's independence and capacity to contribute to the community around them), governments need to develop a more coherent, and urgent, approach to ensuring adequate, affordable and well located housing is available to people as they age.

At an immediate and practical level, it makes sense to make funding available to community housing and NFP aged care providers to refurbish and replace independent living units (ILUs). These have been an important housing option for low income older people, but due to the changing funding landscape many NFP providers are no longer in a position to maintain, let alone expand, existing stock.

More generally, as a part of the proposed COAG "strategic policy framework for ensuring that sufficient housing is available that would cost effectively meet the demands of an ageing population", it would appear necessary to legislate and regulate for better designed and adapted rental housing, commit to urban design policies that link the reshaping of our cities with age friendly design, and make supporting and encouraging personal investment in these housing outcomes a principle of the new taxation system.

6. Delivering care to the aged — draft recommendations 11

Support for family carers

[DRAFT RECOMMENDATION 11.1]

Adequate support for informal or family carers is a vital part of aged care and support, and this consideration of carer needs and capacity is an important recommendation. The Commission's scheme needs the role of carers, the provision of respite (for them and the people they care for), increased scope for innovation in supporting care arrangements articulated in more detail. Most particularly, while carers' role in navigating the aged care system for older people is acknowledged, their needs, the cost of their involvement and their rights are not apparent in the draft scheme.

While carers are a *de facto* part of the work force in the present system, it is disheartening to see them described in that way, rather than having a separate section.

The need to pay competitive wages

[DRAFT RECOMMENDATION 11.2]

It makes good sense to point to the need to pay competitive wages when setting the cost of care. In the context of a widely acknowledged discrepancy in the pay rates of nurses in and outside of aged care, and a wage case arguing the systemic undervaluing of aged

care workers; a recommendation that more strongly articulates the need to better value and more fairly pay the workforce as a whole, and to restructure the industry in order to support such a workforce, would be very useful.

The implication in this recommendation, and elsewhere in the report, that as demand for the workforce grows, pay and conditions will by necessity improve, is not convincing. Given a large proportion of the cost of this aged and community care scheme will be publicly funded, and that there will always be pressure on Government to limit fiscal exposure, and given it is government that sets the price it will pay for that care – there is no guarantee that care will be funded at an adequate level to attract and retain good staff, especially for those services providing care and support in challenging circumstances. Most of us in the sector believe that a more coordinated approach to workforce development and wage justice is needed.

In regard to aged care nurses, Anglicare Australia proposes a transparent review of aged care nurses' wages to establish an equitable rate of pay indexed against rates of pay for nurses in the public system. [See also attachment C.]

For the wider aged care workforce, which is the majority of care and support staff, the relatively low pay rates are endemic and of concern. Such pay rates are not sustainable as aged and community care moves into an era of increased need and growing workforce demand both within and beyond the industry.

These pressures are further complicated by the shift towards consumer directed care and the resulting demand for a more flexible workforce.

While an emphasis on wage competition may deliver some outcomes for aged care workers in well resourced areas of the market it is simplistic to assume that those conditions will apply industry wide. Indeed, there is no empirical evidence in health/human services that this occurs. If the wages of staff are to increase adequately, an industry wide solution involving a comprehensive assessment of the cost of high quality care, and fair wage levels as a component of that, is required.

Workforce development and promotion [DRAFT RECOMMENDATIONS 11.3 & 11.4]

These recommendations propose a limited promotion of aged care work to prospective employees.

Through this report and elsewhere, the substantial workforce challenges facing the aged care sector have been well canvassed. The Minister himself has on several occasions reflected that this is the key issue that 'keeps him awake at night'.

In the context of a growing competition for labour, given:

- the concomitant freeing up of the disability sector, with a similar growing pattern of flexible person centred services;

- increased medical and communication technology;
- the widespread recognition of the value of autonomy for self directed workers;
- the evident need and capacity for older people to continue with some involvement in the world of work;

simply promoting existing employment opportunities will not stand the sector in good stead.

It is surprising then that there appears to be no strategic approach to explore a reshaping or recasting of the role and reach of care workers, as National Institute for Labour Studies (NILS) Senior Research Fellow Dr Debra King has been suggesting.

Anglicare Australia recommends that connection to other existing reports and studies about workforces should be taken up in this report and, at the very least, public investment in a comprehensive cross sector workforce development plan be proposed.

The likelihood of technology playing a new and expanded role in the delivery of care also needs to be factored in to workforce development plans.

We are moving to a bigger consumer population, which will present with more co-morbidities and chronic conditions, and almost inevitably a contracting skilled workforce. Technology already exists that allows providers to better manage, and people to self manage, their care, and it will develop further. Future planning needs to take on board the likely use by health professionals of technology to monitor the well being of patients both within and beyond the aged care domain to provide appropriate interventions. The model of care using technology in this way has the potential to reduce hospital admissions; improve clinical staff efficiency and quality of care; empower clients to manage their own conditions; and improve the quality of people's lives.

7. Regulation — the future direction draft recommendations 12

The Australian Aged Care Regulation Commission (AACRC) [DRAFT REC 12.1]

Anglicare Australia would welcome the establishment of an <u>independent</u> commission. Noting its diversity of responsibilities, we would hope strong functional separation would be established within it.

Anglicare Australia is keenly interested in seeing how this proposed new structure can support innovation in high quality care, particularly for and with people who are vulnerable, marginalised or have special needs.

While much of the Commission's responsibilities reflect new thinking – in areas such as the costing of care, the de-regulation of supply, the provision of subsidised places – the

approach to accreditation and quality assurance appear relatively unchanged and unchallenged.

Anglicare Network members are clear in their frustration with the existing system, where accreditation and quality assurance can appear more a policing exercise than anything else.

Not only are visits shaped as an inspection or tick the box compliance test, but operations as a whole are often brought to a halt by assessment conducted by staff with differing approaches and understanding.

International best practice records of holistic care have been rejected because they lacked the specific information that an assessors check list requires. A failure to update a care record has become a much more serious finding of non compliance regarding the clinical care itself.

It is not surprising then that allowing older residents to hang out their washing or eat soft boiled eggs are famously seen as too risky.

Consumer Directed Care, which is the future for the sector, is already throwing up similar problems – a ban on employing family members, to give their parents their daily shower perhaps, is just one obvious example.

In terms of standards, we see a strong role for the Commission in education and support. However, it is still our view that a standards based regulatory approach to service provision, in itself, will not support the level of creativity and innovation that is needed to develop the flexible, cost effective high quality care that older people will be looking for, in the proposed "deregulated" environment, and that our society will need in the future.

Along with such a strategy, a commitment to innovation, and the increased flexibility in service provision that AACRC would be overseeing, comes some increased risks, particularly in terms of consumer choice and activity. While it is fair to say the aged care sector is historically conservative and risk averse, the scene is beginning to change as leaders recognise that innovation and initiatives that 'push the boundaries' are necessary growth, progress and to enhance sustainability.

In its Aug 2010 submission, Anglicare Australia argued for a more open and contestable accreditation system with providers able to choose an accreditor. We argued that this, with outcomes based quality assurance, would encourage real diversity and innovation in service provision.

While we understand that a simultaneous change in every element of the aged care system is unlikely to be supported, a move away from the monopoly control of

accreditation and quality assurance a few years down the track is needed if we are to develop a diverse, innovative and responsive system.

In the meantime, the Productivity Commission could recommend that Government invest in working closely with the aged care sector to identify the impediments to innovation, and implement strategies to allow the industry to take the necessary risks to bring about innovation and service improvement.

The publication of quality of care assessments [DRAFT REC 12.1]

Another aspect of quality assurance relates to the lived experience of care consumers, their families and carers.

The quality of care assessments for both residential and community care will presumably be reflected by the Gateway Agency in advising consumers, their families and carers. This is a problematic approach in a movement to a deregulated environment. Anglicare Australia would like to see a more robust approach incorporated into the system, with consumer and carer experience factored in to continuous improvement and quality assurance, and with aged care providers able to input into the dissemination about the quality of their services.

8. Aged care policy research and evaluation draft rec 13.1

The Commission's recommendation that research findings should be publicly released and made available in a timely manner is welcome but could go further.

The proposed Australian Aged Care Regulation Commission should not only be a clearinghouse for aged care data, which is important, but undertake the role of a clearinghouse for research findings relating to service improvement and evaluation.

Also while the Commission mentions Government funding for various large research centres it overlooks the need for Government support to develop researchers in the sector, and the specific targeting of funding for obtaining evidence for service improvement and innovation.

Finally, the current regulatory burden makes innovation and research difficult, especially in residential aged care. A relaxation of some of the regulations, with appropriate safeguards, is recommended for service improvement trials and evaluations.

9. Reform implementation draft recommendation 14.1

In articulating the particular challenges for transition faced by aged and community care providers, and arguing for transitional arrangements that will ensure continuity of care and operations, Anglicare Australia will make its major contribution through its

work as a member of the Campaign for Care of Older Australians (CCOA) and the National Aged Care Alliance (NACA).

However is not clear that the risks to the continuity and viability of small, effective organisations and providers are given sufficient weight in this report. Locally connected, or culturally specific, NFP providers play a valuable role in meeting special needs and, through innovation, in responding creatively to local circumstance and emerging need. The proposed scheme's deregulation of supply and the shift towards consumer directed care potentially favours large providers, at least in the short term, as experience in the disability sector already shows. Some consideration of "industry adjustment" assistance particularly for small providers is needed.

There also needs to be oversight of the impacts of these changes on population groups with diverse and special needs, The increased opportunity both for providers and consumers, where resources are available, are – in themselves – unlikely to result on a greater focus on the disadvantaged, less able, less articulate members of society unless the transition pro taskforce takes on that responsibility.

In terms of the process for implementation, Anglicare Australia asks for

1. provider, workforce and consumer representation on a Transitional Taskforce which is independent (but with departmental representation)

2. The establishment of a Diverse and Special Needs Reference Group to that taskforce to monitor the impact of the changes on the most vulnerable members of society

3. Consideration of the cost of changing systems to fit the new requirements, and assistance for providers to make those adjustments.

In regard to priorities for implementation, Anglicare Australia suggests

1. freed up and expanded provision of community care by existing residential aged care as well as new and existing community care providers

2. agreed process to deal with workforce remuneration and development issues,

3. the expansion of advocacy services

4. the development of robust connections between the expanded age and community care services, the primary health care systems, including (but not limited to) Medicare locals and hospitals, and community based social services.

END

Attachments to discussion

Attachment A — Age friendly cities

While the Productivity Commission Report deals with a wide range of issues in respect of age-friendly housing and neighbourhoods which include the recognition of the effect on the health and quality of life of older Australians, the benefits of universal design standards, home maintenance and modification, the development of age-friendly communities, the impact of Stamp Duty on older people changing dwellings, the types of options for age-friendly accommodation and affordable rental options, the recommendations made by the report are limited to those of home modification and design, the development of building design for adaptability of residential housing to meet access needs, the availability of sufficient housing to meet the demands of an ageing population and that the regulation of Retirement Villages should remain the jurisdiction of state and territory governments.

These recommendations are welcomed and if implemented will provide positive outcomes for older Australians. However, Anglicare Australia considers that it is also important to provide greater focus on other aspects discussed in the Report.

1. Although design of age-friendly housing is seen as beneficial the Report makes no recommendation but states that "in assessing the benefits compared to the costs…. from the perspective of older Australians alone" that mandatory universal design is not warranted. However the report fails to recognize that universal design has intergenerational benefits for all Australians. Anglicare Australia suggests that like other Governments the Australian Government should take the lead in policy development for this area and not leave it to voluntary participation.
2. The Report discusses the importance placed on improving the age friendliness of communities through submissions and the activity of the Australian, State and Local Governments in developing strategies and guidelines in this space. It does however recognise that there is no national focus on bringing these together. The Report suggests there is merit in assigning responsibility to the Local Government and Planning Ministers Council but there is no formal recommendation to this effect.

Anglicare Australia wishes to strongly emphasise the relevance of age-friendly communities - that the quality of the built environment impacts on the quality of life of older Australians and mitigates social isolation. It is not just concerned with access issues but provides opportunity for older people to remain engaged and productive participants in society/community, fostering links between generations given that age friendly communities result in older people not being alienated or marginalized but remaining part of the mainstream. It is suggested that more consideration is required

for this aspect and a formal recommendation to be made for a National Policy and Guidelines regarding age-friendly neighbourhoods/communities.

Attachment B Health promotion

Health promotion – an integral element in caring for older Australians

Anglicare Australia is pleased to see draft recommendation 4.1 acknowledges the importance of health promotion by stating that the aged care system should "promote independence and wellness of older Australians and their contribution to society."

However, while the importance of wellness is given credence in various ways throughout the Draft Report, little or nothing is offered in the Draft Report to translate this point of principle or statement of intent into practical or operationally meaningful reform. Anglicare Australia requests the Commission to provide more information on how the pursuit or achievement of wellness would be operationalised in its final report.

The underlying assumption to the Draft Report's description of a new aged care system is that government support need only "kick in" at the point where an older person is beginning to require services. Such a position is open to interpretation that the nation's collective obligation to care for older Australians does not extend to keeping them as well as possible in the first place.

The physical, social and financial value of health promotion has been well documented over recent decades, yet in the Draft Report the concept remains seriously disconnected from the broad notion of what communities and families would normally associate with the concept of "care". The Draft Report describes a model of care and service in a unified continuum, beginning with basic care (typically provided in a community setting) and extending through to specialised care (provided by centre-based services) through to nursing homes and hostels This approach therefore infers that health promotion is something separate from care. The starting point for this new care continuum needs to be extended to include and provide for health promotion.

In recent years one of Anglicare Australia's member organisations, Anglican Retirement Villages, has embarked upon a variety of health promotion initiatives, offering residents programmes in "Better Balance" (falls prevention), "Bright Minds" (cognitive stimulation), together with a wide range of social based programmes designed to enhance social inclusion, which is in and of itself an important element in healthy living. To date these initiatives have been by Anglican Retirement Villages' charity arm, the Foundation for Aged Care. Anglican Retirement Villages believes these initiatives have played a significant role in keeping its independent living residents healthier and more independent and with a higher quality of life. However if the benefits to older people of health promotion are to be realised across the country, government resourcing is essential.

"Caring for Older Australians" should begin with initiatives that promote healthy ageing – and keep them away from "care" for as long as possible in the first place. Government resourcing should recognise this by building health promotion into its emerging care assessment and funding model.

Another Anglicare Australia member, St Laurence Community Services Inc, introduced a Day Therapy Centre (DTC) initiative as an early intervention model designed to sustain the physical capacity of aged people living both in residential aged care settings and in their community. A range of allied health supports, such as physiotherapy, occupational therapy and dietetics are, provided through the DTC and are not time limited. The DTC maintains an individual's physical capacity and in so doing supports ongoing independence as well as promoting wellbeing within a socially inclusive model. Where DTCs are offered in communities there is evidence to support the fact that many aged people have not had to rely on support services earlier or entered the revolving door of acute health care[1]

DTCs provide a conduit between aged and acute health care systems working collaboratively with General Practitioners to achieve slow stream rehabilitation for ageing members of the community.

DTCs are often located within local communities and, like the centre operated by St Laurence, are frequently co-located with residential facilities. This collocation offers allied health professionals access to a broad range of local needs, identifying key issues for ageing people on a wider scale. The collocation of DTCs provides ease of access for people ageing in local communities to participate in specific targeted services such as, no falls programs, pulmonary rehabilitation, continence support, counselling and a broad range of culturally appropriate initiatives. The Draft Report has not discussed the importance of this model of support as one inexpensive service option that helps to keep members of the aged community away from dependence on more intensive service areas or acute health.

St Laurence has built on the concept of DTCs and taken it a step further. It delivers a Healthy Ageing and Wellbeing Centre (HAWC) in Geelong, Victoria. The HAWC provides a gym like environment for people over the age of 55 years and to people living with a disability. The program provides an individual capacity building fitness program in concert with healthy living education, working collaboratively with General Practitioners. The goals set are: getting to the mail box, doing the shopping, re-engaging in cooking, supporting ones home maintenance or being able to provides one's own personal hygiene i.e. brush ones teeth/hair. St Laurence HAWC membership stands at 165 people with an addition of 40 drop in casual participants per week, achieved within an 18 month period. It receives no government funding to operate.

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[1] A. Butler & H. Russell "Rehabilitation in the Community: the Role of Day Hospitals and Day Therapy Centres in Victoria," Australian Journal on Ageing, Vol 15, No 2, 1996

The outcomes for some participants has been to have less reliance on walking aids, increased core strength, increased confidence, increased self reliance, greater physical capacity with less reliance on support services and increased levels of social engagement.

However, after two years of operating it has become clear that without some minor financial assistance the model is not sustainable in middle to low socioeconomic communities. The average pensioner cannot afford a sustainable membership fee, there are no health insurance incentives and alternative dependence on support services such as Home and Community Care delivered meals, in home cleaning and shopping assistance and are attractive because these are heavily subsidised by government.

There remains a very strong medical model attached to ageing rather than a focus on health promotion and community engagement. Certain assumptions have again meant health promotion has not been included in what is considered to be "aged care".

The Commission's report has not taken into consideration any incentive based initiatives or funding allocations for older people to remain well and avoid service dependence. In essence the Report assumes a heavy reliance on service delivery for aged people to manage physical decline.

Attachment C — Pay equity for aged care nurses

The serious problem of recruitment and retention into the nursing profession has been extensively documented and was the subject of two Government inquiries in 2002. Before that, concern about the recruitment and retention of nurses in aged care led to the Aged Care Workforce Committee being established in 1996 by the Minister for Aged Care. Pearson et al (2001) and Stein (2002) suggest that the primary reasons registered nurses choose not to work in the aged care sector include a lack of wage parity between nurses in the aged care and other sectors; demanding workloads; excessive levels of documentation; lateral violence in the workplace; and the lack of a clear career path.

These reasons are strong enough to counter most efforts to attract, recruit and retain registered nurses in the sector. Acute shortages of registered nurses have been reported across the sector, causing heavy reliance on agency nurses to meet the care requirements of a more frail, older, confronting, and co-morbid constituency (Stein 2002:5). The above factors mean that the aged care workforce is characterised by low morale and high rates of staff turnover.

Anglicare Australia notes the response of the Australian Nursing Federation to the Productivity Commission's draft report: that the Commission has 'ignored calls for urgent workforce reform' and needs to address issues of staffing levels and closing the wages gap between nurses in the public system and aged care nurses. Anglicare Australia recognises that aged care facilities are not simply medical facilities, but are

meant to provide a whole-of-life response to ageing where community and well-being are equally important outcomes for residents and service users apart from health outcomes. However aged care nurses are an essential part of the aged care system; Anglicare Australia is therefore concerned about these workforce issues that contribute to difficulties in recruitment and retention of nurses and will ultimately result in the erosion of the aged care workforce.

Anglicare Australia is concerned about the large gap in wages reported to be, on average, up to $340 per week less for aged care nurses than their colleagues in other sectors (ANF, 2009). We consider that in order to arrive at 'competitive wages', this gap will need to be more specifically addressed by the Commission. To this end, Anglicare Australia recommends that Recommendation 11.2 be amended to state that the proposed Australian Aged Care Regulation Commission:

- Conduct a fair and transparent review of aged care nurses' wages to establish a more equitable rate of pay relative to public system nurses; and
- Aged care nurses rates of pay be indexed against rates of pay for nurses in the public system.

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