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Ms Angela MacRae
Commissioner
Productivity Commission
GPO Box 1428,
Canberra City ACT 2601

Dear Ms MacRae

I am pleased to provide you with UnitingCare Australia's submission, on behalf of the UnitingCare network, to the Annual Review of Regulatory Burdens on Business - Social and Economic Infrastructure Services – Aged care.

We are pleased with the overall direction of the Commission's findings. The attached submission provides our assessment of the draft recommendations as well as some further comments that the Commission may wish to consider as it finalises its report on the critical issue of aged care regulation. While we are supportive of the reforms identified, there remains a systemic issue around the development and implementation of regulation by government agencies. As outlined in our submission to the Productivity Commission's review into the contribution of the not for profit sector, UnitingCare Australia believes that further work must be done to strengthen scrutiny of the Regulation Impact Statement process. The burden of regulation and quasi-regulation are significant on aged care providers and we ask that the Commission recommend that the government reform the Regulation Impact Statement process to:

- ensure that the information contained in Regulation Impact Statement explicitly considers the implementation costs on providers (or those being regulated);
- locate the Regulation Impact Statements on a central website administered by the Office of Best Practice Regulation as a means to help monitor the cumulative impacts of new Administrative and Regulatory processes;
- Sanction government agencies who fail to comply with best practice in implementation of RIS; and
- Require newly developed administrative processes and quasi-regulation to be subject to Regulation Impact Statements process prior to being introduced.

We look forward to talking with you further on our submission, and hearing your responses to the issues we have raised. If you have any questions about this submission, you can in the first instance contact Mr Joe Zabar, Director of Organisational Development on ph: 6249 6717.

Yours sincerely

[Signed]

Lin Hatfield Dodds
National Director
UnitingCare Australia
31 July 2009

Uniting Care Response to the Aged Care Recommendations in the Productivity Commission Draft Research Report 'Annual Review of Regulatory Burdens on Business: Social and Economic Infrastructure Services' (June 2009)

UnitingCare is pleased to contribute a response to thirteen recommendations related to aged care services that were developed by the Productivity Commission in its review of regulatory burden on business in June 2009.

UnitingCare is one of Australia's largest providers of residential and community aged care services delivering services across Australia in metropolitan, regional and rural and remote locations.

We are supportive of all the Productivity Commission recommendations related to aged care. However we note that some recommendations could be interpreted in ways that could be counterproductive. Wherever we have concerns, we have provided comments to clarify the context of our agreement with the relevant recommendation.

DRAFT RECOMMENDATION 2.1

Introduce more competition in the provision of aged care services.

- We confirm our support of increasing competition through relaxing constraints on the number, types and quality of aged care services, which facilitates the development of innovative and effective service models.
- Our concern focuses on how the term "more competition' is interpreted and once operationalised the need to ensure that those already invested and committed to the provision of aged age in Australia remain viable and sustainable. There will be no gain for the aged community of Australia if an open competitive market means that only the high end for profit market can compete ultimately resulting in a reduced provider pool offering limited choice to the consumer and not able to support the breadth of demand.
- We also recommend freeing up the division between community and residential care. That is enabling a care recipient assessed as requiring care to determine their preferred environment for that care (ie accommodation choice).

Remove the regulatory restriction on bonds.

- We confirm our support for the removal of restrictions on bonds for high care places. We also ask that the distinction between high and low care environments be removed. The market will determine the acceptable in goings often based on the newer more contemporary environments. Provision of care remains regulated through the minimum standards of the Quality of Care Principles and Accreditation Standards.
- Our concern focuses on the nomenclature. 'Bonds' should instead be referred to as 'Refundable Deposits' to better reflect the nature of the transaction, to promote acceptability by industry, customers and the public, and therefore assist with the transition process.
- However, financial arrangements have the potential to extend beyond refundable deposits. Other innovative types of financial models could be developed (such as those involving long-term draw-downs) that better meet the needs of a variety of customer types (asset rich/poor, with/without cash,

concessional, indigenous, etc) and provider types (for profit, non-profit, metro, rural, etc). Innovative financial models could be categorised and named, and supported within the legislation.

DRAFT RECOMMENDATION 2.2

Abolish the 'extra service' residential care category. As an interim, free up the regional cap on 'extra service' places in particular regions where there is unmet demand, provided there is not an unreasonable reduction of access for supported, concessional or assisted care recipients.

- We confirm our support for freeing up any cap on 'extra services' places. Although we are a not-for-profit organisation, extra service places are valued because:
    - We are able to meet the demands of our customers who request this service. This is particularly important now that the baby-boomer generation are entering retirement age, and predictions about the associated increased demand for extra services.
    - We can remain competitive in geographical areas were the population is more wealthy (eg Gold Coast).
    - This will enable concessional residents being admitted into 'extra services' facilities without the approved provider loosing the concessional resident subsidy and other penalties for not able to meet the designation regional % of concessional residents.
    - The resulting financial benefit is used to cross-subsidise services located in areas where the population is less wealthy and where the demand for concessional places is greater (often in rural and remote areas).

DRAFT RECOMMENDATION 2.3

Evaluate the current police check requirements to identify potential cost efficiencies.

- We confirm our support for identifying potential cost efficiencies in the probity process, the establishment of a national system with clear alignment with the defined purpose of such a process. Blue Care, the largest provider of aged care services in QLD has conducted some research on the cost of probity processes, and the details are attached as Appendix 1. The research shows that there are three major components, and Table 1 shows the average yearly cost to Blue Care:

Table 1: Cost of Complying with Probity Regulations in Residential Facilities

Cost of new probity checks (staff and volunteers)	$107, 600
Cost of renewal probity checks (every 3 years)	$44,300
Staff time to monitor and administer the process.	$266,700
Total average costs per year	**$418,600**

Note: Based on 76 residential care facilities with approximately 4,200 beds, 5500 staff and 1800 volunteers.

DRAFT RECOMMENDATION 2.4

Redesign the unannounced visit program using a risk management approach that focuses on under-performing aged care homes.

- We confirm our support for changing to a risk management approach for the use of unannounced visits. We see merit in having a set of relevant and attainable performance indicators agreed to by the Department, the Agency and providers inform the Agency when unannounced visits are appropriate.

    - Our concern focuses on the definition of "underperforming", and we assume this is related to poor accreditation or audit scores or inordinate number of complaints being referred from the Complains Investigation scheme. The Agency has identified risk indicators that inform their risk management approach to the frequency of visits. The Department have funded some initial work on Care outcomes/quality of life key indicators, this work needs to be advanced to better inform the visiting regime of the Aged Care Standards Agency.

DRAFT RECOMMENDATION 2.5

Reduce the reporting requirements related to the Accommodation Bond Guarantee Scheme.

- We confirm our support for all strategies mentioned to reduce the reporting requirements related to the Accommodation Bond Guarantee Scheme.

DRAFT RECOMMENDATION 2.6

Reduce the reporting requirements related to Conditional Adjustment Payments.

- We confirm our support for reducing the reporting requirements related to Conditional Adjustment Payments
- We question that the data in its current form is useful for the department to monitor performance. However we would suggest that focused specialised financial reporting be considered, taking account of key stakeholder's requirements. Further, any data collected should be fed back to the industry through the regular publication of reports.

DRAFT RECOMMENDATION 2.7

Implement the National Quality Reporting Framework as soon as possible.

- We confirm our support for the implementation of the National Quality Reporting Framework as soon as possible. We see this as critical to the industry given the current and projected accelerated growth of this sector.
- Our concern focuses on the maze of aged care, disability and health programs and their associated quality reporting obligations. The matrix contained in Appendix 2 shows the myriad of services that Blue Care provides across residential and community aged care services, and the interface of those services across a multitude of State and Commonwealth programs and sub programs. Blue Care has quality reporting obligations across all of those programs which is a significant regulatory burden. Will the new National Quality Reporting Framework make enough of an impact?

DRAFT RECOMMENDATION 2.8

Provide a clearer delineation of responsibilities between the Department of Health and Ageing and the Aged Care Standards and Accreditation Agency regarding monitoring of provider compliance with the accreditation standards.

- We confirm our support for information to be released on the protocols in place between the Department of Health and Ageing and the Aged Care Standards and Accreditation Agency in overseeing provider compliance. We hope that this information will clearly outline where the responsibility of each department begins and ends as well as assist the industry understanding the exchange of information and the expectations of each agency on the other with respect to responses to such information. We would support any further communications by the Department and the Agency to better explain the delineation of their respective roles and accountabilities to better equip approved providers in staff and consumer education.

DRAFT RECOMMENDATION 2.9

Amend the missing resident reporting requirements to allow providers to report to the Department on missing persons only once every twelve months unless a certain threshold has been reached.

- We confirm our support for changing the 'missing resident 'reporting requirement to annually within a particular threshold. The current practice is that if a particularly contentious incident occurs involving risk of media coverage or high probability of death the approved provider informs the Department as a courtesy. This practice will remain in place but not regulated.
- We feel that this will greatly reduce some of the micro-management that currently occurs. For instance, DOHA officers make multiple phone calls to facility managers when each incident is reported. Annual aggregate reporting at the provider head office level will reduce administrative burden at the service facility level.

DRAFT RECOMMENDATION 2.10

Use current reviews of the accreditation process and standards to identify and remove, as far as possible, onerous duplicate and inconsistent regulations.

- We confirm our support for identifying and removing onerous, duplicate and inconsistent regulations. Detailed submissions have been made through the Accreditation review process, we would encourage the Department to also hold roundtable consultations to assist in the full exploration of the issues and opportunities for reduction of duplication and inconsistencies and unnecessary burden.

DRAFT RECOMMENDATION 2.11

Abolish the annual fire safety declaration for those aged care homes that have met state, territory and local government fire safety standards.

- We confirm our support for this recommendation.

DRAFT RECOMMENDATION 2.12

Merge building codes/standards so that aged care facilities need only meet the requirements of one code (the Building Code of Australia).

- We confirm our support for merging the building codes/standards so that aged care facilities need only meet the requirements of one code.

DRAFT RECOMMENDATION 2.13

Allow residential aged care providers' choice of accreditation agencies to introduce competition and to streamline processes for providers who are engaged in multiple aged care activities.

- While there may be merit in opening up the assessment process to greater competition there needs to be careful consideration around how best to ensure consistency in the quality of assessments which is already proving to be difficult under the current "single assessor" model.

APPENDIX 1: Costing of Probity for Blue Care Residential Services

The activities associated with probity were divided into three components: 1) cost of new probity checks, 2) the cost of renewals, and 3) costs of staff time to administer to the process.

Cost of probity checks – New checks

Assumptions

- Average of 35 new probity checks per day across Blue Care
- 260 days per year
- 59% of Blue Care employees work in residential aged care
- 76% residential aged care staff are employees
- 59% of Blue Care volunteers work in residential aged care
- 24% residential aged care staff are volunteers
- $25.00 per check for staff, $5.00 per check for volunteers

Based on these assumptions, Table 1 describes the cost of new checks with an average annual cost of over $107,000. Include is a sensitivity analysis in which the minimum number of new probity checks per day in RAC is 10 and the maximum is 60.

Table 1: Cost of new probity checks

cost of probity checks (new)	Min	Average	Max
per day	**10**	**35**	**60**
staff	$111.12	$388.91[a]	$666.71
volunteer	$7.13	$24.94	$42.75
total	$118.24	$413.85	$709.46
per year	$30,743.29	**$107,601.53[b]**	$184,459.76

[a] Calculated as follows = 35 new checks/day × 59% in RAC × 76% in RAC are staff × $25.00
[b] Calculated as total daily cost × 260 working days

Cost probity checks - Renewals

Assumptions

- $25.00 per check for staff, $5.00 per check for volunteers
- 30% of RAC staff renewed per annum
- 30% of RAC volunteers renewed per annum

Using February 2009 figures to estimate the number of staff (N=5547) and volunteers (N=1779) working in Blue Care RAC, the cost of probity renewals is calculated as follows:

For staff = 5547 × 30% × $25.00 = $41,602

For volunteers = 1779 × 30% × $5.00 = $2,667

Total $44,269

Cost of probity checks - Staff time

The extent of the probity task for Blue care is sufficient enough to require a full time Probity Officer. This position was costed into the model based on an estimation of the proportion of time attending to residential probity issues (59%). The flow of the probity process also requires the attention of the Residential Service Manager, an administration officer and the cluster Human Resources Manager. Based on the assumptions below, the annual average cost of staff time for administering probity checks is over $266,000 (Table 2).

Assumptions

- Probity officer salary level 7
- Average number of probity checks in Blue Care per day of 35.
- Residential Service Manager requires an average of 15 minutes per probity check

- Administration Officer requires 30 minutes per probity check
- The cluster Human Resources Manager requires 15 minutes per probity check
- Ten cluster Human Resources Managers
- 76 Residential Aged Care facilities
- 260 working days per year

Table 2: Cost of staff time for probity checks

	salary/yr		**%time spent on residential probity**	**Total hours**	**salary spent on residential probity**	**Total cost (Probity Officer)**
Probity officer (Level 7)	$89,900		59%	1,159	$52,769	$52,769
Other staff	**New**	**Renew**	**Total checks**			
# checks/day	21	8	29			
# checks/admin/day	0.28	0.10	0.38			
# checks/HR/day	2	1	3			
# checks/service manager/day	0.28	0.10	0.38			
Staff	**hrs per check**	**hrs spent/day**	**salary/hr**	**Total cost per staff**	**Total hours**	**Total cost all RACF**
service manager (N=76)	0.25	0.10	$45.50	$1,128	3,769	$85,751[a]
admin officer (N=76)	0.5	0.19	$20.89	$1,035	1,884	$78,733
HR (N=10)	0.25	0.72	$26.23	$4,944	4,910	$49,447
Total					**8,699**	**$266,701**

[a] sample calculation (service manager) = hrs spent/day × salary/hr × 260 days × 76 RACF
= 0.10 × $45.50 × 260 × 76 = $85,751

Cost of probity checks - Summary

Therefore, the total annual cost to Blue Care of conducting probity checks in RAC in terms of fees and staff time is in excess of $418,000. One way sensitivity analysis adjusting the number of probity checks performed each day from a low of 10 per day to a high of 60 per day changes the overall cost of probity activities from between $199,138 to $589,791 per annum.

APPENDIX 2: Matrix of Client Needs and Community Services in Aged Care

(Services provided by Blue Care)

Funding Stream	State Government							Commonwealth Government									Fundraising
Programs	HACC (Jointly funded with Common wealth)			DSQ		Hospitals		Dept of Veterans ' Affairs		Dept of Health & Ageing							Extra Services funded by donations, etc
Sub-Programs Client need in the Community	General HACC, top-up, interim	Volunteer Svs	MASS	DSQ Lifestyle	RSP	Post Acute Funds	Palliative Care Funds	DVA - Nursing	VHC	ACAT	CACPs	EACH & EACH/D	Transition Care Packages	NRCP/CCRC/Carelink	Day Therapy Program	Residential Aged Care	Blue Care & similar Service Providers
Comprehensive Assessment	✓							✓		✓							
Personal Care	✓			✓	✓	✓			✓		✓	✓	✓				
Domestic Help	✓			✓					✓		✓	✓					
Food Services	✓			✓					✓		✓	✓					
Medication Mgt	✓			✓	✓	✓	✓	✓			✓	✓	✓				
Transport & Escort	✓	✓		✓							✓	✓					✓
Social Support	✓	✓		✓							✓	✓					✓
General Nursing	✓			✓		✓		✓				✓	✓				
Specialist Nursing	✓					✓	✓	✓			✓	✓	✓				
Palliative Care		✓					✓				✓	✓					✓
Day Respite	✓			✓					✓		✓	✓		✓			
Overnight Respite	✓			✓							✓	✓		✓			
Dementia Respite	✓								✓		✓	✓		✓			
In-home Respite	✓			✓					✓		✓			✓			
Emergency Respite	✓			✓					✓		✓	✓		✓			
Carer support											✓	✓		✓			
Home Maintenance	✓			✓					✓		✓	✓					
Home Modification	✓			✓							✓	✓					
Social Work & Counselling	✓			✓							✓	✓	✓	✓	✓		
Podiatry	✓			✓							✓	✓			✓	✓	
Occup. therapy	✓			✓							✓	✓	✓		✓	✓	
Physiotherapy	✓			✓			✓				✓	✓	✓		✓	✓	
Speech Therapy	✓			✓							✓	✓	✓		✓	✓	
Dietician Nutrition	✓			✓							✓	✓			✓	✓	
Spiritual Support		✓					✓					✓					✓
Bereavement		✓										✓					✓
Health Maintenance	✓			✓				✓			✓	✓	✓				
Health Promotion	✓											✓					✓
Music Therapy												✓		✓		✓	✓

Diversional Therapy												✓		✓	✓	✓	
Complementary Therapies																✓	✓
Residential Care													✓			✓	
Mental Health												✓					
Medical Aids			✓	✓							✓		✓			✓	
Medical Supplies			✓	✓							✓		✓			✓	
Information Support														✓			