

1 February 2021

Assistant Treasurer
Hon Michael Sukkar MP
Parliament House
CANBERRA ACT 2600

Email: prebudgetsubs@treasury.gov.au

Dear Assistant Treasurer,

Re: **Pre-budget submission**

I am writing to you on behalf of Leading Age Services Australia (LASA) regarding our priorities for the 2021/22 Commonwealth Budget.

LASA is the largest national peak body representing and supporting providers of age services across residential care, home care and retirement living, including faith-based, not-for-profit, private and government providers. We represent our Members by advocating their views on issues of importance and we support our Members by providing information, services, training and events that enhance their performance and sustainability.

The issues, challenges and failures of Australia's aged care system are well documented and will be accounted for in the Royal Commission into Aged Care Quality & Safety Final Report due to Government on 26 February 2021. The Royal Commission has also identified strengths within the aged care system that sees passionate workers and outcome focussed aged care providers doing all they can to make a positive difference in the lives of the older Australians they care for.

The Royal Commission's findings and recommendations will present much needed transformational change for Australia's aged care system. Implemented effectively, the resulting reforms will build the foundation for an aged care system that is high performing, respected and sustainable. Older Australians, today and tomorrow, need and deserve access to care and support that is safe, of high quality, and delivered with compassion – always. This is the aged care system that our country must realise.

LASA is a member of *The Australian Aged Care Collaboration* – a group of peak and provider bodies who have come together to work to ensure that older Australians receive the care and services they deserve and those who care for them are equipped to do so.

I have appended to this letter a short list of priorities developed by LASA and the other peak bodies in the Australian Aged Care Collaboration. These priorities align closely with the 146 recommendations proposed by the Counsel Assisting the Royal Commission at the final hearing in October 2020.

The identified priorities include actions for immediate remediation of the urgent challenges that the sector is facing, as well as actions for medium-term transition and long-term transformation.

LASA's pre-budget submission endorses the Australian Aged Care Collaboration's list of priorities, and calls on government to work with the sector to implement the structural changes that older Australians need and deserve.

Kind Regards



Sean Rooney
Chief Executive Officer
Leading Age Services Australia
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APPENDIX 1 – AUSTRALIAN AGED CARE COLLABORATION – POLICY PRIORITIES

Accountability and human rights objective | Regulatory and service frameworks support older people to exercise their human rights and ensure both government and providers are accountable for outcomes within the system.

(A1) Legislate the right to sufficient high quality and safe aged care and support in a way that binds both providers and government to safeguard this right.

(A2) Collect and publish casemix/risk adjusted performance indicators, including outcomes such as quality of life measures and inputs such as staffing.

(A3) Fund local care finders and navigation assistance, especially for vulnerable people.

Home care objective | People can choose to age at home with comfort and dignity.

(H1) Set out a two to three year schedule for releasing enough home care packages to clear the queue, and uncap supply thereafter.

At the same time: **(H2)** combine home care and CHSP into a single, enablement-focused program with scalable assessment and reassessment;

(H3) create a new allocation system that more closely aligns funding to an individual (and carer/s) needs;

(H4) align maximum package values with subsidies for residential care; while

(H5) developing policies to carefully manage the shift to caring for people with more complex needs outside of residential care, including adequate and accessible respite services.

Residential care objective | People who choose or need residential care have high quality and safe options that allow them to continue to live with comfort and dignity.

(R1) Introduce staffing benchmarks/requirements that take into account all staff (including nurses, PCWs and lifestyle staff), different care models and resident needs/acuity with appropriate flexibility and associated disclosure requirements.

(R2) Ensure allied health is appropriately funded such as through separate Medicare items.

(R3) Set a timetable to remove the ACAR and assign entitlements to older people to support increased choice, while also creating clear access standards and policies for ensuring sufficient supply for vulnerable groups and thin markets.

Workforce objective | Aged care organisations can attract and retain suitable staff from a workforce with the attributes needed to provide the care and services that the community expects.

(W1) Immediately fund improved and expanded workforce training and invest in a campaign to attract more workers to aged care to meet the demand created by increased access and higher levels of available support.

(W2) Introduce a PCW registration scheme with mandatory Cert IIIs (after completing current curriculum reviews), ongoing CPD, recognition of prior learning and provisional registration.

(W3) Commence a joint negotiation between the Commonwealth, providers and unions to ensure that workers are appropriately remunerated and aged care salaries are competitive with community and health sector equivalents.

Transparent and sustainable funding objective | A stable funding system that transparently and independently links funding to provider costs, including the cost of attracting and training a skilled workforce and accessing capital, and supports innovation and productivity.

(T1) Legislate for independent and transparent price determination based on regular costing studies for all types of care, ensuring that prices capture the funding implications of changes in standards and community expectations and that funding mechanisms support protections for thin markets and special needs groups, including people with low financial means.

(T2) As immediate measures, increase the basic daily fee by \$10 per resident per day, link indexation to award wage changes and cost, and prospectively fund any significant changes in care delivery and compliance.

(T3) Ensure a fair balance of contributions between government and consumers, including consistency in contributions between types of care, equitable means testing approaches and support for home equity release (e.g. a more attractive Pension Loans Scheme) and payment through superannuation products such as annuities and longevity insurance.