

Aged care challenges

More reform needed in aged care

Open letter to federal Parliamentarians

The peak organisations representing all the nation's aged-care providers are calling for bipartisan support to back a new wave of reforms to ensure stable and sustainable development.

The heads of the Aged Care Guild, Leading Age Services Australia, and Aged & Community Services Australia, warn the next year will be a critical time for the industry.

The three organisations represent about 95 per cent of all aged care services in Australia.

They say decisions made in the next 12 months will likely resonate for years to come—shaping the aged care system for older Australians, providers and governments.

On Tuesday a review of the 2013 Living Longer, Living Better legislation, (LLL) was handed to the Minister for Aged Care, who has 15 sitting days to table it in Parliament.

The long-awaited review was conducted by Mr David Tune AO, the independent chair of the Aged Care Sector Committee which provides advice to the government.

The LLL legislation gave older Australians more choice and control over their care, whether at home or in a residence.

But the recent federal budget funding cuts have since undermined confidence in the sector, diminished some benefits and made it crucial that more reforms are undertaken.

Aged care is funded by the federal government but delivered by the private sector, both profit and not for profit. Cuts of \$1.7 billion over four years have damaged investor confidence and undermined the ability of the industry to provide new beds.

Sean Rooney

Sean Rooney, the chief executive officer of Leading Age Services Australia, says the necessary reform agenda is underpinned by four principles: ageing in place; consumer choice; market-based competition and consumer contributions.

Rooney says the industry needs certainty in policy, legislation and funding.

"This is too important, not to get right," he says.

Rooney says up to 5 million more seniors potentially will need care in the next decade and the unprecedented demand will only skyrocket.

The industry acknowledges the cultural values of Australians entering aged care are changing and are going to challenge conventional service models.

The indications are that baby boomers and subsequent generations will expect their needs to be met through dynamic and flexible care models rather than fixed solutions that might hamper their independence.

They expect to be fully informed of their care



This is too important, not to get right.

Sean Rooney, CEO Leading Age Services Australia.

options including self-management where possible. There are also broader implications for other industries including health care, accommodation, and transport services.

Cameron O'Reilly

Cameron O'Reilly, the chief executive officer of Aged Care Guild, says the recent budget cuts could take years to remedy and have far-reaching impacts.

He believes the way forward has already been laid out in the Aged Care Roadmap, which was developed in 2016 by the Aged Care Sector Committee. It is imperative the industry has adequate and stable funding to meet the growing demand for aged care while other issues must be addressed including means testing and consumer contributions.

"If we get the funding mix right, then aged care growth can be managed in a fiscally sustainable way," O'Reilly says.

Preparing for the growth in aged care requires funding and policy stability—neither of which are currently in place.



If we get the funding mix right, then aged care growth can be managed in a fiscally sustainable way.

Cameron O'Reilly, CEO Aged Care Guild.

Pat Sparrow

Pat Sparrow, the chief executive of Aged & Community Services Australia, says without bipartisan support for stable and adequate funding "years of important progress will stall, or worse, falter".

Ms Sparrow says they also support the Aged Care Roadmap to a single aged care and support system that is market-based and consumer-driven with access based on assessed need.

She warns there will be some older Australians whose needs are sidelined by this rapid shift to a consumer-focused model including those living in rural and remote areas, or disadvantaged groups such as homeless.

She says lawmakers should not forget them. Ms Sparrow says reform must remain sensitive to these needs and any unintended consequences of the changes.

All three peak bodies believe the Tune review is an opportunity to examine what is working, what is not working and what more needs to be done.

It is already known that aged care needs new beds, improvements to existing ones, and to recruit



Without bipartisan support for stable and adequate funding 'years of important progress will stall, or worse, falter'

Pat Sparrow, chief executive Aged & Community Services Australia.

more workers for home and residential care.

The industry is urging Parliament to move ahead with a new wave of reforms to meet the demographic challenge of our ageing society and to be responsive to the next generations who will need aged care services.

The industry view is that, if the opportunity can be seized, this could be a seminal moment to lay the foundations for Australia's aged care sector to meet the needs of older Australians for decades to come.

Cameron O'Reilly, CEO Aged Care Guild. Association of the nine largest residential aged care for profit providers in the industry.

Sean Rooney, CEO Leading Age Services Australia. National Peak body representing all providers of age services across residential care, home care, and retirement living.

Pat Sparrow, Chief executive Aged & Community Services Australia. National peak body for Australia's not-for-profit, and faith-based aged care providers.



Today's aged care supplement aims to increase understanding of the challenges facing Australia's world class aged care sector and is the result of a collaboration between the Aged Care Guild, Leading Aged Services Australia, and Aged and Community Services Australia. It was sponsored by the Aged Care Guild. The members of the Aged Care Guild are: Allity Pty Ltd; Arcare Aged Care; BlueCross Community and Residential Services; Bupa Aged Care Australia Pty Ltd; Estia Health; Japara Healthcare; McKenzie Aged Care Group Pty Ltd; Opal Specialist Aged Care; and Regis Healthcare Limited.

www.agedcareguild.com.au

