

12 November 2020

Counsel Assisting  
Royal Commission into Aged Care Quality and Safety  
GPO Box 1151  
Adelaide SA 5001

Dear Counsel Assisting

### **Additional Material – Counsel Assisting’s final submissions**

National Seniors values the opportunity to make a submission to the Royal Commission into Aged Care, Quality and Safety in response to the Counsel Assisting’s final submission.

We would like to thank the Counsel Assisting for putting forward a comprehensive set of recommendations for consideration. We also commend the Royal Commission, for allowing stakeholders the opportunity to provide feedback on this vision for a better, safer future.

At the outset of the Royal Commission, Prime Minister Morrison stated its primary purpose was to ‘restore faith’ in the system. Overall, National Seniors strongly supports the vision outlined by Counsel Assisting and supports most of the recommendations put forward. They provide the building blocks for the long process of restoring the Australian people’s faith in aged care.

In addition to the feedback provided against each of the recommendations in the attached spreadsheet, we also want to take the opportunity to reiterate what we see are the key areas of reform in the eyes of older Australians and to highlight any omissions and issues in the recommendations outlined.

### **Rights based, demand driven system**

We particularly applaud the recommendation to shift aged care to a rights-based, demand driven system. We also emphasise, however, that rights to care are supported by caring values and relationships which need to be maintained and sustained. For far too long, government has chosen to ration aged care services to meet budget restrictions. This has led to a system that falls far short of meeting the needs of older Australians and puts their health and safety at considerable risk. This cruel, neglectful, rationing of care must end.

## Efficiency

In supporting a move to a rights-based, demand driven approach, we acknowledge there will be considerable cost involved. As such, we support adding a policy principle of economic efficiency to the list of principles put forward by Commissioner Briggs in the final hearings. This would include economies of scale where default options are provided for consumers to help them with complex choices. It is imperative the aged care system is efficient and cost-effective, especially if we are to move to the recommended model in which all people, regardless of means, have the cost of their basic care needs met.

We also note that the number of new entities, mergers and commissioners as well as existing entities such as the Aged Care Sector Committee, the National Aged Care Alliance and many others provide a worrying complexity and significant cost. The experience of the relatively new Aged Care Quality and Safety Commission in setting standards, internal process and an internal culture of effective regulation needs to be noted as a process to be confronted by all new bodies. These entities will need to be justified with rigor then constructed in coherent relationships to one another if we are to move to a better system.

## Co-contributions

Removing means testing for care while asserting means testing co-contribution arrangements on non-care related supports (such as domestic assistance, home modifications and assistive technologies in home care and daily living and accommodation costs in residential care) will make the system fairer and simpler to understand.

## Funding

We believe it is up to government to put forward a suitable option for funding the additional cost in moving to a rights-based, demand driven system. While it might be attractive to have the Royal Commission recommend an option, this can only be done once a full understanding of the costs has been undertaken and an analysis of the most efficient and appropriate option to gather this funding has been made. There are many different options available, each with their own positives and negatives. Some of these options include:

- a hypothecated levy
- an increase to the Medicare Levy
- an increase to GST
- increasing general revenue by reform of superannuation concessions
- removing the tax-free status of superannuation
- introducing a stamp duty on currency transactions

National Seniors has proposed funding model options in our finance submission, in which we acknowledged the challenges of asking the public to contribute more money for aged care. There is a need for multi-partisan support for any changes to the tax and transfer system to ensure that aged care funding goals are achieved. The Commissioners should consider recommending the establishment of a multi-partisan parliamentary committee to investigate and recommend the most appropriate funding option. All parties should be bound to accept the recommendation of the committee and work collaboratively to engage in a dialogue with the public to address concerns and encourage public acceptance of the recommended funding option. The public must have faith that the reforms proposed will result in a high quality and safe aged care system that is also transparent and efficient.

## **Transparency**

For this to occur there must be greater transparency, as is set out by Counsel Assisting in the recommendations relating to funding, staffing and quality. Older Australians won't tolerate a system that does not have, at its core, a basic level of transparency about the nature of the services they receive.

## **Home care**

National Seniors strongly supports recommendations to dramatically increase home care services and to reorient the aged care system, so it better supports people to stay in their homes. Older people, in fact almost all people, say they want to age in their own homes if they can. It is the role of government to do all it can to support this, not just because it is what people want, but because it is the most economically efficient option. It's the right thing to do.

## **New Aged Care Program**

We support the model put forward by Professor Kathy Eagar in her submission of 1 July 2020. It provides the right balance between general and targeted assistance and offers an integrated continuum of services in the community, home and institutional settings. The model creates a streamlined, efficient, but responsive approach with its inclusion of options for episodic care. It enables different funding models to be applied to different service types and importantly, distinguishes services that are fully funded from those that require co-contributions. This is easier for older people and carers to understand. Importantly, the model also allows for ongoing choice. We encourage the Commissioners to look again and consider including it in the final report to government.

## **Accessible Housing**

National Seniors is concerned that there were no recommendations made to strengthen the National Construction Code to include stronger accessible housing design requirements. Especially given this is currently under review by the Australian Building Codes Board (ABCB). While we welcome recommendations about better design of residential care homes and the promotion of ‘small home’ residential care models, if we are to support older people to receive care at home, then we must have more housing in the general community that meets the needs of people as they age. Older people tell us they want housing options other than dedicated seniors housing, such as retirement villages.

## **Pension Loans Scheme**

National Seniors notes that the final submission did not include a recommendation to use the Pension Loans Scheme (PLS) to create an ‘Aged Care Loans Scheme’ to help people pay for extra care and support in their own home. Such a scheme with a nominal interest rate tied to the RBA cash rate would be an attractive option to maximise care at home. The scheme is similar to the HECS style home equity scheme proposed by former Prime Minister and Treasurer, Paul Keating at the Royal Commission.

“We are not forcing anyone out of their home in old age, we’re not obliging an aged person to negatively mortgage their home. You’re not asking members of families to chip in and pay for relatives. I think such a system has a lot of advantages.” Paul Keating

We believe the PLS could be rebranded and revised to be a better version of the existing model. The ‘Aged Care Loans Scheme’ would enable homeowners to draw on their equity to top up any home-based support or care and live more safely and comfortably. Eighty per cent of 80-year-olds own their home and this scheme will increase their chances of remaining out of residential care for as long as possible. It is an essential component of any new system with the added value of frozen assets being bought into the economy when they are needed for economic recovery.

## **Monitoring technology**

Another omission in the submission is reference to forms of technology that enhance monitoring in both the residential and home care setting. It would be useful if there was a specific fund, in addition to what is supplied for assistive technologies, for monitoring devices that can enhance aged care services. Monitoring technology, such as CCTV, personal alert systems and others, improve quality and safety for older people. Monitoring devices, such as CCTV, are highly acceptable among the

wider public, provided adequate safeguards exist and consent is in place. Legislative barriers to their use should be addressed so this option is available if requested.

Former Aged Care Minister Ken Wyatt provided \$500,000 to trial the use of CCTV cameras and said after the 4 Corners that triggered this Royal Commission “none of us would have known what was happening” in nursing homes “without the camera footage we saw last night.” CCTV monitoring can improve both safety and quality of care. It has been shown in the UK to save lives in situations where resident on resident attacks have been stopped and where a resident has fallen over, and the fall is quickly detected via monitoring and the cost is minimal.

## Choice and control

Fundamentally, older people need to be in the centre of decision making about who cares for them and what support they need. Under the model suggested by Professor Kathy Eagar the following should occur:

- In the planning and commissioning of community-based services, older people (and their carers) should be consulted to ascertain what kind of services they want and need and to understand why individuals do not participate in block funded services. This should inform changes to service offerings and enable alternative providers to apply for funding for services that better meets needs and preferences.
- An older person (and their carer) should be able to select the types of primary care services they want and need and be able to select individuals or companies offering domestic and social supports through any provider. (although this should be called primary *support* services to distinguish between more intensive *care* services offered through the secondary care stream)
- An older person and their carer should be able to co-design their program of care through the secondary care service stream and be offered opportunities to review and change the suite of care and assistance provided to them on a regular basis in consultation with a regular case manager.
- There should continue to be an option to allow older people (and carers) to select staff to perform secondary care roles, provided there are adequate safeguards to protect against abuse. This will be especially important in thin markets where there is a lack of providers available.
- An older person (and their carer) should be consulted in the development of care plans when entering residential care or an alternative to residential care.

## Aged care re-design model

National Seniors remains committed to a model, already presented to the Commission, redesigning advice and care services in a life course approach to understanding ageing and care, namely:

- A universal shift required in how care is perceived and provided
- Care needs to be incorporated into context of individuals' changing health, wealth wellbeing across the whole of later life
- Care preparation needs to occur at early stage pre-retirement and is an ongoing process into older age
- Care preparation incorporates assessment, advice and information from multiple sources including healthcare professionals, financial advisors, family members
- Care co-ordinators will be critical to help people navigate, integrate and act on advice received
- Regular care check-ups and assessments by health professionals can capture changes in an individual's capacity and circumstances with the goal being to reduce the risk of a 'care crisis' that propels people prematurely into residential care and places unacceptable stress on family and care-givers.

## Independent Commission

We support the recommendation to create an independent commission to administer and manage aged care in the future but note that the commission will only be as good as the legislation governing its operation and the governance and oversight arrangements in place to hold it to account. Both government, as the body responsible for drafting legislation, and the Inspector General, as watchdog, have important roles in making sure the independent commission operates in the best interest of older Australians.

Thank you for the opportunity to comment on the Acting Counsel's recommendations. We thank the Commissioners and wish them all the best in making their final report to government. We hope this once-in-a-lifetime opportunity to reform the system is not wasted when the final recommendations are handed to government.

Yours sincerely



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