

Australians deserve to



agewell

preparing for our future now

Blueprint for Aged Care Reform

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AUSTRALIANS DESERVE TO AGE WELL

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Australia's aged care system was designed for another era and is in desperate need of reform.

The system is very complicated and confusing, with funding problems putting unacceptable pressure on the quality and availability of services.

Too often older people, and their carers, are missing out on the support they need and deserve to help them live at home. Or they have no choice but to move into residential care when they don't need to, often distant from family and friends at a time when they need them most.

Too many aged care workers are leaving the industry because their work is undervalued and underpaid.

Providers have been unable to build the residential care beds required to support people with high-care needs because funding is inadequate.

The independent Productivity Commission report *Caring for Older Australians*, being considered by the Government, recommends comprehensive reform to the aged care sector to provide a system which is simpler, fairer, more affordable and equitable for all Australians.

Without this reform, the system will increasingly fail to meet community needs and expectations and will compromise the quality of care provided to older Australians. We have to start reform now to avoid more expensive intervention in years to come.

The 28 member organisations of the National Aged Care Alliance (the Alliance) have developed the *Blueprint for Aged Care Reform* (available at www.naca.asn.au) which outlines how the major

reforms needed can begin in a responsible way as part of this year's Federal Budget. The required reforms will:

- Build community care and wellness services that maintain a person's independence for as long as possible, and minimise the need for more expensive services;
- Target services and support to an individual's needs, resulting in more effective use of limited resources;
- Cut wasted resources on staff turnover (up to 40% of the workforce each year) and build a workforce able to meet the increasing challenges of providing high quality care and support to older people;
- Increase Australia's ability to pay for aged care services through a combination of Government funding and co-contributions from older people according to their financial capacity;
- Improve affordability of aged care for the community through a reasonable balance between individual responsibilities, support for those most in need and taxpayer funding; and
- Ramp up the fight against dementia, arguably the most unrecognised scourge of our time.

Reform will need to be implemented in a planned, transparent and phased way. It is important to provide certainty for everyone so that change is not disruptive, especially for older people and their family carers.

There are 300,000 aged care workers now. By 2050 we will need more than 500,000 additional workers. Turnover now runs at 25 – 45% annually at an estimated cost of \$5.39 billion between now and 2050.

By 2056, 25% of Australia's population will be 65 years or older including 7% who will be aged 85 years or over.

The Alliance recognises that the current budgetary constraints mean that we need to set priorities. However putting off aged care reform is not an option – it's well past time for older people's needs to be given priority.

The immediate priority must be preparing for our future now by developing and implementing those reforms that will lay the foundations for real and sustainable long-term change, while also responding to the more immediate pressures in the system.

We can start preparing for the future by:

- ✓ Making a **public commitment** to an entitlement-based aged care service system, and set out a **timetable for its implementation**.
- ✓ Establishing a high level **Aged Care Reform Council** involving representative stakeholder groups to work with the Government to drive the development and implementation of reform.
- ✓ Start developing an **entitlement-based system**, including wellness-based assessment tools for older people and carers, with an integrated funding model, including the HACC Program.
- ✓ Establishing the key bodies - the **Gateway and the Australian Aged Care Commission (AACC)** – which will drive and enable reform to occur.
- ✓ Undertaking an **independent cost of care study** to set initial prices for care entitlements (pending the establishment of the AACC) which will provide enough funding for quality service delivery and enable the payment of fair and competitive wages.
- ✓ Responding to the increasing and unmet demand for care at home by **continuing the phased increase in community care packages**, particularly at the high needs level, along with the **introduction of a mid level package** between CACPs and EACH/EACHD .

- ✓ Starting the **phased increase in the Government accommodation payment for supported residents** until it reflects the real regional cost of construction as determined by the AACC.
- ✓ Establishing the **Australian Pensioners Savings Account** and the **Australian Aged Care Home Credit Scheme** to give people greater flexibility in making aged care co-contributions, without having to sell their homes.
- ✓ Removing the outdated and dysfunctional **distinction between residential low and high care places**, giving consumers the right to the best package of care for their needs and giving service providers the flexibility to respond by tailoring service models and planning to meet local needs.
- ✓ Announcing a wages bridging supplement and signing a Heads of Agreement, establishing the payment mechanism, and paying the first instalment.
- ✓ Establishing an **Aged Care Workforce Ministerial Taskforce**.
- ✓ Investing in **dementia risk reduction** and research to reduce future numbers of people with dementia.

Implementing these reforms now has the support of all key stakeholders, including representatives of and advocates for older people, aged care providers, unions and professionals working in aged care.

The Alliance calls on the Federal Government to start implementing these reforms in this year's Budget, and urges the Opposition, the Greens and the Independents to give these reforms their unanimous support - so that all current and future Australians can age well!

280,000 people have dementia now. 16,000 of these people are under age 65. By 2050 there will be close to 1 million Australians with dementia.

2.6 million Australians provide unpaid assistance to older people or those with a disability.

The National Aged Care Alliance is the representative body of peak national organisations in aged care including consumer groups, providers, unions and professionals.



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