



Mandatory minimum ratios and staffing levels will have:

- A positive impact on Australia's elderly residents and their family, and help to arrest the increase in preventable deaths.
- A positive impact on overworked aged care staff and help keep and attract the best staff into the sector.
- A positive impact on the Australian economy.

What hours of care are needed

The ANMF National Aged Care Staffing and Skills Mix Project Report 2016¹, the first of its kind, considered the minimum care requirements for residents in aged care to avoid missed care.

The report found that an average of 4 hours and 18 minutes of care is needed each day, but the research showed that residents were only getting 2 hours and 50 minutes of care. The research also found the ideal skills mix required would comprise 30% registered nurses, 20% enrolled nurses and 50% care workers.

However, to develop the skills and workforce required to meet these minimum care levels, a phased implementation plan is needed. The plan will have to accommodate varying state and territory workforce capacities and work in collaboration with the Aged Services Industry Reference Committee².

Without action, care hours continue to drop

The continuing decline in care hours has resulted in chronic understaffing in many aged care facilities and this is seriously undermining the quality of care elderly Australians are receiving.

Residents, our loved ones, mums and dads, elderly vulnerable people, are suffering.

Academic and Industry analysis shows why aged care ratios make economic sense

Flinders University undertook an independent economic analysis of the National Aged Care Staffing and Skills Mix Final Report, *Financial and Cost Benefit Implications of the Recommendations*³.

This economic analysis shows that the benefits of implementing minimum staffing hours outweigh the costs. The report also warns that there would be significant costs of **not** implementing the recommendations.

Further to the Flinders University research, the Aged Care Workforce Strategy Taskforce report (*the Strategy report*), commissioned by the Federal Government, also outlined the economic case for staffing and skill mix changes in the aged care industry.⁴

The Strategy report advises that by implementing its recommended integrated approach to maximising the workforce, there will be an estimated productivity saving of \$488 million per annum. The Strategy report notes this saving represents a 'minimum net benefit' as the taskforce did not conduct a cost-benefit analysis of full implementation of its proposed workforce improvements.

The Strategy report also states that to achieve broad workforce improvements, wage increases of 10 – 15% for nurses and care-workers will be critical to address current pay deficiencies and better reflect the value of the aged care workforce and its contribution to delivering best care outcomes.⁵

Financial Cost Benefit Implications of **full** implementation of the ideal staffing and skills mix (at 2016 figures based on 2016 demand)⁶

Financial Implications	Costs	Savings
Increased staffing and skills mix costs	\$5.3b	
Reduced workforce attrition and productivity gains		\$0.5b
Reduced hospital system costs, and offsets in increased tax take ⁷		\$2.1b
Impact on the care quality, reduced mortality and increased quality of resident life (conservative estimate) ⁸		\$2.8b
Total	Total cost \$5.3b	Total savings \$5.4b
With additional 10% wage increase included	Total cost \$5.7b	Total savings \$5.8b

NB: Conservative estimates

The benefits of implementing the recommendations will grow over time to an estimated \$9.4 billion by 2036⁹

Put simply, aged care ratios make economic sense.

We cannot wait two years for a Royal Commission

The Federal Morrison Government made an announcement for a Royal Commission into aged care but with a 400% increase in preventable deaths over the last decade, the situation will continue to worsen. We cannot wait at least two years for a Royal Commission.

How do we get there? It will take time and commitment, but vulnerable elderly residents are worth the effort

All political parties must first make a commitment in principle to protect residents and support legislative change to introduce minimum staffing levels and hours of care for all residents.

Exemptions to assist facilities – some rural and remote facilities may find it difficult to implement full staffing requirements in line with the proposed timetable. Where a facility advertises positions for qualified staff, and cannot fill them, an exemption may be granted annually provided evidence of efforts to fill positions is reported.

Federal Government's own report shows at least 65,000 more jobs needed

Based on 2016 calculations from the Federal Government's report, The Aged Care Workforce 2016¹⁰, full implementation of the ANMF National Aged Care Staffing and Skills Mix project will require the creation of at least 65,000 more jobs. It is envisaged that development of this workforce will take 6 years to complete. Proposed stages and timeline for the workforce development and implementation are outlined below.

The staffing numbers and associated costs required for each stage of the implementation plan can be provided.

An initial audit of current staffing levels by facility owners will need to be undertaken to determine what current staffing and care hours are. Some facilities may already be meeting Stage 1, 2 and 3 hours, and assistance may not be necessary.

How Australia can implement safe staffing and protect vulnerable residents

STAGE 1 - 1 JULY 2019 – 1 JANUARY 2020

- Each residential aged care facility must ensure an average of 3.5 hours of nursing and personal care per resident and must provide 24-hour registered nurse cover on site (**minimum** 1 RN per shift). For those providers not able to achieve this increase in hours of care under current funding arrangements, funding top up principles apply and shall be met by the Federal Government.
- Funding to increase the wages for all aged care workers of 10% - 15%. This will assist with the recruitment and retention of quality workers and building the workforce of the future.

Future work to be commenced: developing the workforce of the future

- Education and training framework to support development of skills and workforce numbers needed to achieve minimum staffing ratios and skills mix during stages 2 - 5, in collaboration with Aged Services Industry Reference Committee.
- A licensing scheme for aged care workers – to ensure that the best workforce is available and adequately trained, a licensing scheme for aged care workers will be commenced. By 2022, all workers in aged care will be required to be registered under the licensing scheme.

STAGE 2 – 1 JANUARY 2022

- Each residential aged care facility must ensure an average of 3.75 hours of nursing and personal care per resident and must provide 24-hour registered nurse cover on site (**minimum** 1 RN per 30 residents on day shift and 1 RN per other shifts)

STAGE 3 – 1 JANUARY 2024

- Each residential aged care facility must ensure an average of 4.0 hours of nursing and personal care per resident and must provide 24-hour registered nurse cover on site (**minimum** 1 RN per 30 residents on day and evening shift and 1 RN on night shift)

STAGE 4 – 1 JANUARY 2025

- Each residential aged care facility must ensure an average of 4.3 hours of nursing and personal care per resident and must provide 24-hour registered nurse cover on site (**minimum** 1 RN per 15 residents on day shift, 1 RN per 30 residents evening shift and 1 RN per 30 residents on night shift).
- *Commencing in 2024, the 2016 staffing methodology will need to be reviewed to determine care needs and staffing requirements to be implemented from 2025.*

Staffing levels and skills mix are calculated across the facility, (not by individual units or wings). This gives the providers the flexibility to respond to the care needs of the residents.

Interim funding considerations

Some aged care providers state that they are struggling financially in the current environment and need an urgent injection of funds to continue to operate. Any required extra funding for providers who are struggling should not wait until the outcomes of the Aged Care Royal Commission.

Facilities and providers must be publicly accountable and transparent for any extra funding received from taxpayer dollars.

Funding top up principles

Principle 1 – any additional funding provided must go directly to staffing and care, and providers will be required to account for additional funds received.

Principle 2 – aged care providers must give an accurate overview of the number of registered nurses they have on each shift, and also the number of nursing and personal care hours they currently provide per resident. Once this information is provided, an accurate account of the amount of financial assistance can be determined.

Principle 3 – any provider seeking a funding top up will be required to provide to the Department of Health, full financial statements for their company, including board salaries and dividends paid.

It's time we value proper care because residents and families matter

Research shows reduced mortality, quality of resident life and quality of “relatives/carers” experience saves nearly \$2.8b.¹¹

	\$million	Summary Description
Reduced mortality	\$639	The value gained from extending resident lives due to extra care and preventative activity
Quality of resident life	\$1,439	Value gained from reduced stress and depression of residents as they feel more cared for
Quality of “relatives/carers” experience	\$720	As above but for relatives/carers of residents
Total	\$2,798	

¹ Willis, E., Price, K., Bonner, R., Henderson, J., Gibson, T., Hurley, J., Blackman, I., Toffoli, L and Currie, T. (2016) *Meeting residents' care needs: A study of the requirement for nursing and personal care staff*. Australian Nursing and Midwifery Federation http://www.anmf.org.au/documents/reports/National_Aged_Care_Staffing_Skills_Mix_Project_Report_2016.pdf

² Aged Services Industry Reference Committee established by the Morrison Government in 2018 to ensure that the national education and training system is able to deliver an agile workforce that can provide safe and quality care to older Australians in a variety of settings.

³ Burgan, B., Spoehr J. and Moretti, C. 2017. *Financial and Cost Benefit Implications of the Recommendations of the National Aged Care Staffing and Skills Mix Final Report*. Adelaide: Australian Industrial Transformation Institute, Flinders University of South Australia.

⁴ *A matter of Care: Australia's Aged Care Workforce Strategy*, Aged Care Workforce Strategy Taskforce, June 2018. Available online at: <https://agedcare.health.gov.au/aged-care-workforce-taskforce-strategy-report>

⁵ Page 92, *A matter of Care: Australia's Aged Care Workforce Strategy*, Aged Care Workforce Strategy Taskforce, June 2018. Available online at: <https://agedcare.health.gov.au/aged-care-workforce-taskforce-strategy-report>

⁶ Burgan, B., Spoehr J. and Moretti, C. 2017. *Financial and Cost Benefit Implications of the Recommendations of the National Aged Care Staffing and Skills Mix Final Report*. Adelaide: Australian Industrial Transformation Institute, Flinders University of South Australia.

⁷ Page 13, Burgan, B., Spoehr J. and Moretti, C. 2017. *Financial and Cost Benefit Implications of the Recommendations of the National Aged Care Staffing and Skills Mix Final Report*. Adelaide: Australian Industrial Transformation Institute, Flinders University of South Australia.

⁸ Page 13, Burgan, B., Spoehr J. and Moretti, C. 2017. *Financial and Cost Benefit Implications of the Recommendations of the National Aged Care Staffing and Skills Mix Final Report*. Adelaide: Australian Industrial Transformation Institute, Flinders University of South Australia.

⁹ Page (iii), Burgan, B., Spoehr J. and Moretti, C. 2017. *Financial and Cost Benefit Implications of the Recommendations of the National Aged Care Staffing and Skills Mix Final Report*. Adelaide: Australian Industrial Transformation Institute, Flinders University of South Australia.

¹⁰ 2016 National Aged Care Workforce Census and Survey – *The Aged Care Workforce, 2016*, Commonwealth of Australia as represented by the Department of Health, 2017. Available online at: https://agedcare.health.gov.au/sites/g/files/net1426/f/documents/03_2017/nacwcs_final_report_290317.pdf

¹¹ Page 13, Burgan, B., Spoehr J. and Moretti, C. 2017. *Financial and Cost Benefit Implications of the Recommendations of the National Aged Care Staffing and Skills Mix Final Report*. Adelaide: Australian Industrial Transformation Institute, Flinders University of South Australia.