

Submission by the Australian Nursing and Midwifery Federation

Aged Care Taskforce – Funding Principles

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Australian
Nursing &
Midwifery
Federation



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Introduction

1. The Australian Nursing and Midwifery Federation (ANMF) is Australia's largest national union and professional nursing and midwifery organisation. In collaboration with the ANMF's eight state and territory branches, we represent the professional, industrial and political interests of more than 321,000 nurses, midwives and care-workers across the country.
2. Our members work in the public and private health, aged care and disability sectors across a wide variety of urban, rural and remote locations. We work with them to improve their ability to deliver safe and best practice care in each and every one of these settings, fulfil their professional goals and achieve a healthy work/life balance.
3. Our strong and growing membership and integrated role as both a trade union and professional organisation provides us with a complete understanding of all aspects of the nursing and midwifery professions and see us uniquely placed to defend and advance our professions.
4. Through our work with members, we aim to strengthen the contribution of nursing and midwifery to improving Australia's health and aged care systems, and the health of our national and global communities.
5. The ANMF thanks the Aged Care Taskforce for the opportunity to provide feedback on the Aged Care Funding principles. The ANMF has chosen not to address the consultation questions outlined as the ANMF believes these are not the correct questions to consider at this stage of the review. The ANMF will however provide high level commentary on the review's approach and the draft principles presented.



Overview

6. Aged care reform offers a once in a generation opportunity to build an aged care sector that is fit for purpose, delivers high quality, safe aged care and is sustainable so that older Australians can have the confidence that appropriate services will be available if and when they need them.
7. The ANMF welcomes the opportunity for the Government to examine the funding arrangements for aged care. However, the ANMF has concerns with the approach in which the review is progressing. The current consultation is limited to the sustainability of funding the sector for Commonwealth funded services only. The ANMF recommends that the review should be significantly broader in its approach focusing on a whole of government, system sustainability approach for aged care.
8. The review currently does not consider the direct connection of aged care with the health and primary care sectors. It must consider the extent to which the current state and territory health systems continue to subsidise care delivery across aged care. For example:
 - The extensive funding provided by jurisdictions such as Victoria to deliver public aged care services every year.
 - The significant increase in ambulance ramping with older people being unnecessarily transferred to hospitals from nursing homes.
 - Ongoing funding for many people who remain within hospitals for extended periods of time who have approval for a nursing home however are unable to access a bed.
 - Ongoing services public hospitals provide older people who are waiting to access home care packages due to extensive wait list delays.

Jurisdictional subsidisation is extensive and must be meaningfully considered and addressed in this review.



9. The ANMF is also disturbed by the strong references to increasing co-contributions as a solution to funding aged care going forward. Aged care is a context of health care. It must be recognised as such and aligned with other health care contexts such as the acute sector and primary care. Aged and health care are human rights, not a market transaction involving a “consumer” and provider of care. Australia has one of the best health systems within the world and its ideological basis is, and has been, universal health care since 1984.¹ Increasing co-contributions for aged care threatens the premise of access to universal health care for older Australians and ultimately discriminates against older people requiring them to pay more for health care than any other person within the country. It is essential that health care remains the responsibility of government and is funded by government for all Australians to access.
10. Gaining a clear picture of the actual cost of care for aged care delivery and how these funds are being used by providers is an essential starting point for this review. The Royal Commission into Aged Care final report outlined that:

Accountability and transparency are critical features of good governance. They are particularly important in the case of approved providers of aged care that receive most of their funding from taxpayers and provide care to vulnerable people.²

Although there has been a number of improvements to progress financial transparency within the sector, there is still much work to do. Greater focus should be placed on the way funding is used by providers and the methods of how this will be reported. It must be an obligation on providers that the use of any funds received for care be transparently and accountably used for the purposes it was provided, and if not, for the surplus to be returned to the Government. Discussing future funding mechanisms without a clearer understanding of financial transparency and how taxpayer funds are being used for care does not enable an informed and trustworthy discussion for this review.

Draft Funding Principles

The Taskforce is interested in your views on the following draft aged care funding principles which will inform the work of the Taskforce. The draft aged care funding principles are:



Principle 1 – *The aged care system should enable and encourage participants to remain in their home for as long as they wish and can do so.*

Principle 2 – *Aged care funding arrangements and their outcomes should be fair, simple, transparent and sustainable.*

Principle 3 – *Government is and will continue to be the major funder of aged care. Government funding should be focused on care costs. Personal contributions should be focused on accommodation and everyday living costs with a sufficient safety net.*

Principle 4 – *Government and participant contributions should be sufficient to provide quality and appropriate care delivered by a skilled workforce, allowing and encouraging innovation by the health, hospital and aged care systems.*

Principle 5 – *There should be accountability for funding received from government and participants, how it is spent, and the quality of the services provided.*

Principle 6 – *The residential sector should have access to sufficient, and new, capital to encourage the development of new accommodation and upgrades to existing accommodation.*

11. The proposed principles lack ‘vision’ in terms of a systems approach and do not put the people receiving care at the centre of the review. They do not provide a way forward outlining “what a quality aged care sector should be within Australia” and what should people expect from access to ongoing care delivery.
12. The principles have little to no focus on the provision of care beyond that “Government funding should be focussed on care costs” and that “...contributions should be sufficient to provide quality and appropriate care.” There is no mention of care needing to support better clinical outcomes, be restorative/rehabilitating, or be provided in a manner that puts the older person at the centre of care. There is also no mention of how care must be provided that is evidence-based best practice or safe, effective, meaningful, and dignified care.



13. There is little to no focus on the experience of the older person (or informal care providers/families/loved ones) beyond aiming to “enable and encourage participants to remain in their home for as long as they wish and can do so.”
14. The principles also need to identify the importance of how older people co design their care and services with aged care providers and the workforce delivering care to ensure person centred care without assumptions being made.
15. The principles do not significantly focus nor address the aged care workforce despite the fact that the largest share of funding is directed to employing care staff. There is no mention or reference in the principles identifying that funding is sufficient to support the safety, health, and wellbeing of the workforce. The principles also lack the acknowledgement of the need to ensure that staff are effectively and appropriately remunerated. It is essential that one of the fundamental principles going forward addresses workforce in relation to a fair, simple, transparent, and sustainable system for aged care workers.
16. The principles do not adequately address the issues faced for older people receiving aged care in rural and remote areas of Australia. Nor do they address and provide leadership in improving culturally safe aged care access and ongoing care for Aboriginal and Torres Strait Islander peoples.
17. The principles also do not address how quality care is defined or how accommodation and everyday living costs services are classified. Although the ANMF can see why the principles were designed to separate care and hoteling, a number of potential unintended consequences could result. Aged care services must be designed as wrap around services in both community and residential care. Artificially separating aged care delivery could create further fragmentation within the sector.

Next Steps

18. The ANMF Federal Council recently considered the Aged Care Taskforce consultation and discussed the issues outlined above extensively. The ANMF recommends that the system for delivering aged care be significantly disrupted and unanimously passed the following resolution:



FCM#01/23

BACKGROUND

The Federal Council notes the Federal Government’s recent establishment of an Aged Care Taskforce to investigate future funding options to ensure a sustainable aged care system. The Federal Council wishes to raise its significant concern with the narrow scope of the draft principles proposed by the Taskforce, which insufficiently consider how taxpayer funds and consumer contributions are used. In addition, the Federal Council is particularly concerned by the Taskforce’s apparent lack of consideration of the extent to which publicly funded state and territory health systems continue to subsidise care delivery across the aged care system. This is not only inefficient and costly to both governments and the community, it also leads to poorer health outcomes for all.

MOTION

The Federal Council resolves to request that the Federal Government investigate fully the efficiencies and benefits that would be gained by the Federal Government providing all commonwealth aged care funding directly to states and territories for them to administer and run the aged care systems in their jurisdictions, with each state or territory determining the most suitable and holistic approach to delivery of aged care services within their specific jurisdiction.

Moved: Elizabeth Dabars (SA)

CARRIED

Seconded: Lisa Fitzpatrick (VIC)

UNANIMOUSLY

Conclusion

19. The ANMF looks forward to working with the Aged Care Taskforce and the Government moving forward to discuss the issues outlined in this submission relating to the review, in particular to the Federal Government providing all Commonwealth aged care funding directly to states and territories to run the aged care systems in their jurisdictions. The ANMF would also recommend that the Aged Care Taskforce strongly consider the work completed by the Centre for Future Work –Funding High-Quality Aged Care Services.³ This work clearly identifies a number of important options for financing Aged Care reform for consideration.

References

¹ Australian Government, Department of Health and Aged Care (2019) The Australian Health System. <https://www.health.gov.au/about-us/the-australian-health-system>

² Royal Commission into Aged Care Quality and Safety (2021), Final Report: Care, Dignity and Respect, Volume 1, Summary and Recommendations, retrieved from https://agedcare.royalcommission.gov.au/sites/default/files/2021-03/final-report-volume-1_0.pdf

³ Richardson, D & Stanford, J (2021) Funding High Quality Aged Care Services. The Australia Institute Research that matters. Centre for Future Work https://australiainstitute.org.au/wp-content/uploads/2021/05/Funding_Aged_Services_FINAL.pdf