Imagine ... an Australian community where older people are valued and included in community life, enabled to maintain health & independence, are able to contribute their talents and wisdom, pursue their interests, nurture relationships, maintain their culture and spirituality and be in control of their future. Imagine if those who need support can receive it in a way that supports the above, and is provided with dignity and respect.
(UnitingCare Australia submission to Productivity Commission - Caring for Older Australians, 2009)
About UnitingCare Australia

UnitingCare Australia is the national body for the Uniting Church’s community services network and is an agency of the Assembly of the Uniting Church in Australia. We give voice to the Uniting Church’s commitment to social justice through advocacy and by strengthening community service provision. We focus on delivering quality services that are strengths-based and meets the needs of people at all stages of life, with a focus on those who experience disadvantage or are most vulnerable. We seek to represent the interests of all vulnerable and disadvantaged community members, not just those who are served by UnitingCare providers.

Our **vision** is that all people thrive in a healed and reconciled world.

Support to older Australians is a significant focus of UnitingCare Australia’s mission and delivered across the continuum of care. This includes engagement at a local community level, home care, retirement living villages and residential aged care homes. UnitingCare Network’s footprint in aged care in Australia is substantial – approximately 55% of the Network’s services are aged care.

Our UnitingCare Australia Aged Care Network members include:

- Australian Regional & Remote Community Services (ARRCS)
- Clayton Church Homes
- Eldercare
- Helping Hand
- Juniper
- Resthaven
- Uniting AgeWell
- Uniting NSW and ACT
- Uniting SA
- Uniting Vic.Tas
- UnitingCare Queensland
- UnitingCare Wesley Bowden
- Uniting Communities
- Wesley Mission
- Wesley Mission Queensland
# Contents

- Executive summary ........................................................................................................... 1
- Overview of Australia’s current aged care system .............................................................. 9
- Vision for the future aged care system ............................................................................. 11
  - 2.1 Compassion, dignity and rights of people as they age ............................................ 12
  - 2.1.1 Self-determination and control .............................................................................. 12
  - 2.1.2 Building on strengths not deficits, across all dimensions of their lives ............. 13
  - 2.1.3 Meaningful relationships and communities ......................................................... 14
  - 2.2 Accessibility of services ........................................................................................... 15
     - 2.2.1 Meaningful choice ............................................................................................... 15
     - 2.2.2 Easy to navigate .................................................................................................. 17
     - 2.2.3 Timely access to care ......................................................................................... 18
  - 2.3 Quality, safety and innovation .................................................................................. 19
     - 2.3.1 Quality of life and wellbeing ............................................................................... 19
     - 2.3.2 Technology as an enabler ................................................................................. 20
     - 2.3.3 Culture of innovation ......................................................................................... 21
  - 2.4 Viability and sustainability of the aged care system .................................................. 22
     - 2.4.1 Value for money ................................................................................................. 22
     - 2.4.2 Flexibility in access to funding .......................................................................... 23
     - 2.4.3 Integration of care, health and housing ............................................................... 24
  - 2.5 Care workforce .......................................................................................................... 25
- Enablers to support the sector through change ................................................................. 26
- Appendix A  Summary of the desired future system, with the proposed horizon and leads .... 28
The Australian aged care system is in crisis as more older Australians are facing the prospect of being unable to access the care they need when they need it. In our Witness Statement to the Royal Commission on Aged Care Quality and Safety, UnitingCare Australia argued that the aged care system is not viable or sustainable in its current form as it “no longer meets the needs and expectations of its consumers and the Australian community more broadly”.

This document has been commissioned by UnitingCare Australia and prepared by Nous Group. Its content has been drawn from a series of workshops, as well as other input from UnitingCare Australia network members. It also incorporates findings from consumer research and other consultancies commissioned by the UnitingCare Australia network.

The Australian aged care sector is facing one of its most challenging times, driven by rising demand, fiscal pressure and changing demographics. The Australian population is rapidly ageing. In 2017, there were 3.8 million Australians aged over 65 comprising 15 per cent of the population (see Figure 1). By 2057, it is projected that there will be 8.8 million older Australians, comprising 22 per cent of the population. As Australia’s population ages, the profile of the older population is anticipated to change, with increasing complexity and diversity of needs and consumer expectations.

Figure 1 | Proportion of Australian population aged 65 and over, over time

The current system does not adequately cater to the different care needs of older Australians. Support for people’s physical, mental, emotional, social, cultural, sexual and spiritual wellbeing may not be achieved in current mainstream approaches to aged care. The current system’s focus on funding according to care need, while appearing to be equitable, has perverse incentives based on focusing on personal deficits, rather than strengths and the opportunity to improve health and wellbeing. There is no financial reward, and only financial penalties, for improving a consumer’s and/or carer’s personal capacity, and thereby eliminating, reducing or deferring a consumer’s need for services.

In addition, ageist stereotypes of older people represent them as a burden on society and fail to recognise the inherent value of each person, irrespective of age. Older people often need to wait to
receive the level of home care and support they require, and those who have high care needs often must accept being isolated in, or from, their communities and forfeit much of their independence. There is limited recognition of the value of families and other carers, neighbourhoods and communities in supporting older people. This is particularly important in the provision of culturally appropriate and acceptable care, system navigation support, and sharing of resources.

For some people, there is systemic disadvantage in access to services, which is exacerbated as they age. The system generally assumes older people and their families proactively engage with and access aged care services, when required. That assumption, combined with a focus on individualised funding to the exclusion of the engagement of communities to which older people belong, results in gaps in access to services for vulnerable people.

The historical over-reliance in Australia on residential aged care, and current immaturity of home and community-based care, severely limits the options for consumers to obtain care and accommodation in the community, in accordance with their preferences. That immaturity removes the potential level of substitution by home care for residential care. Existing supply controls in residential care provide competitive protection for providers and limited incentive for provider innovation. Despite the recent significant growth and the planned future increase in home care packages, the level of provision will not be sufficient to meet the known need (with over 121,000 people¹ waitlisted to receive their assessed level of support at home at June 2018). That will result in a continuing limited meaningful choice of care and accommodation options and an increased, unnecessary burden on residential care, hospital care and respite care.

The current aged care funding model is under significant strain. Residential aged care providers and home care providers report increasing costs each year, outweighing their increase in revenue.² With the rapidly ageing population, support and care for older Australians who require it will be compromised and financially unsustainable, without changes to the current funding systems.

Overcoming the challenge in achieving a sustainable aged care system is made more difficult by an inability to offer home and community-based alternatives to residential care and by current governance arrangements and regulation, which place an over-reliance on government subsidies to deliver aged care services. The current reliance on residential aged care and the proportion of expenditure borne by Government are costly to sustain. Analysis commissioned by UnitingCare Australia undertaken by Ansell Strategic, illustrates that a shift to a greater proportionate reliance on home-based care over the next decade could increase access to services, improve system sustainability and enable increased expenditure on staffing in residential care services.

In residential aged care, Government generally pays subsidies for over 90 per cent³ of all direct care costs (excluding daily living costs and accommodation costs) of residents and pays accommodation subsidies for almost half of the residents. This emerging sustainability challenge is exacerbated by the unwillingness of Governments to explore alternative funding options, including greater consumer contributions to the cost of their care.

These structural imbalances and perverse incentives must be addressed to meet the needs and preferences of different groups of consumers and ensure the sustainability of the care system. Funding siloes should be reviewed and progressively dismantled. Caution should be exercised in promulgating additional regulation and red tape which may be counterproductive to an effective and efficient care system focused on consumer choice.

It is critical that systemic reform continues without delay

A future-proof environment that meets the needs of all Australians should be fostered, enabling the flexibility of services to evolve and adapt to changing community expectations. Every person

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¹ UnitingCare Australia & Ansell Strategic, Aged Care Data Project – Module One, 2018
² Aged Care Financing Authority (ACFA)
³ UnitingCare Australia & Ansell Strategic, Aged Care Data Project – Module One, 2018
has the right to equitable access to care and support when and where they are needed, at an affordable price, throughout the course of their lives.

UnitingCare Australia has developed a vision designed to enable all older Australians to live their lives to their full potential and with dignity, exercising their rights. When required, they would receive care and support which emphasises their continuing independence and is provided with compassion. In addition to delivering on mainstream requirements, the vision incorporates specific approaches to reach out and respond appropriately and acceptably to vulnerable consumers and communities.

The foundation for UnitingCare Australia’s vision is the belief that all people should experience compassion and dignity as they age, and that they should be able to exercise their rights as full members of Australian society. UnitingCare Australia’s commitment to the rights of people of all ages is set out in the Statement to the Nation by the Inaugural Assembly of the Uniting Church in 1977:

“We affirm our eagerness to uphold basic Christian values and principles, such as the importance of every human being, the need for integrity in public life, the proclamation of truth and justice, the rights for each citizen to participate in decision-making in the community, religious liberty and personal dignity, and a concern for the welfare of the whole human race.”

Meaningful ageing experiences for Australians are facilitated by care and support that put people in the centre and build on their interests, strengths and capabilities. A good support system empowers older people, families and carers, service staff, volunteers and the broader community to live and work together in communities where they experience relationships, joy and hope. People of all ages have a valued place in their communities. Older people enjoy respect and dignity, can exercise their rights, and continue to live and grow to their full potential across all of the dimensions of their humanity. Where people are vulnerable, care and support systems reach out to them in partnership with their communities and are tailored deliberately to meet their needs, preferences and aspirations.

Significant change would require a three-horizon approach

Significant change and reform will be required to realise this vision for the future of Australia’s aged care system. It is important to acknowledge that it will take time to implement and embed the transition to a system that moves towards providing more meaningful care choices and puts people in the centre to build on their interests, strengths and capabilities.

UnitingCare Australia proposes that system changes be built by targeting outcomes over “three horizons”:

| HORIZON 1 (~2021) | Existing service offerings are adjusted to further consolidate a person-centred approach, based on flexibility and choice |
| HORIZON 2 (~2025) | Investments are made in an integrated system of models of care and support, with a priority of building on existing models, to be achieved within the next three to five years. |
| HORIZON 3 (~2040) | Social attitudes change to support a dynamic population where all people have access to quality care and support to live their lives to their full potential, with specific consideration of the needs of vulnerable people and communities. |
The vision presented in this report draws from the experience and practice-based evidence that resides within the broader UnitingCare Australia Network and insights from the national and international aged care research. Our vision for Australia’s future aged care systems is reflected in Figure 2. UnitingCare Australia emphasises the importance of a shared leadership responsibility and partnership between Government, consumer advocacy bodies, service provider peaks and service providers to drive the system design, implementation and reform. In developing this vision, UnitingCare Australia has also drawn on consumer research commissioned by its Network. It will continue to seek the views of consumers and refine that vision on an ongoing basis.

Figure 2 | UnitingCare Australia’s Vision for the future aged care system
## THE FIVE KEY COMPONENTS OF UNITINGCARE AUSTRALIA’S VISION

### COMPASSION, DIGNITY AND RIGHTS OF PEOPLE AS THEY AGE

All older Australians enjoy their lives in all its fullness, with dignity, respect and independence. Where required, support is provided as close to their own home context as possible, with care and compassion to enable continuation of self-determination and dignity of risk.

Care and support are focused on building strengths, using wellness and reablement approaches, across all dimensions of their lives. The fundamental importance of spirituality is recognised. Perverse incentives for older people to choose less appropriate and more expensive care and accommodation options are eliminated.

Older people continue to enjoy meaningful relationships with loved ones, their communities and neighbourhoods, and are valued, celebrated and recognised.

### ACCESSIBILITY OF SERVICES

Consumers have a meaningful choice about the adaptive care they will receive, and can choose between a diverse range of options, tailored to their preferences and needs, and enjoy independence as far as possible in its many aspects.

Care and support are universally available and easily accessible within a reasonable time frame and at an affordable price.

Access to appropriate care and system navigation is enabled by reliable platforms that provide accessible comparative information, deliver outreach care (for vulnerable individuals) and increase support for navigator services.

### QUALITY, SAFETY & INNOVATION

Care and support are consistent, high quality and focused on improving the wellbeing of older Australians, their families and communities, taking into account all dimensions of their selves.

**Shared leadership and accountability for quality** between providers, regulators, peak consumer and provider bodies, and Government to address risks and failure to respond to consumer expectations and concerns, build capacity within services and the sector as a whole, and acknowledge better practice and improvement in care and support.

**Technology** empowers older people, transforms care delivery, connects consumers to services through service navigation, and facilitates genuine choice in how and where they receive care.

Culture of innovation and continuous improvement is fostered through sufficient competitive tension within the system, and incentivising innovative service provision to improve health, wellbeing and quality of life outcomes.

### VIABILITY AND SUSTAINABILITY

A wide range of service options are available that provide value for money to government and consumers, with a concerted focus on developing further the home and community-based care system.

Older Australians have flexible access to funding sources which are directed by individuals and communities and sourced from a mix of Government(s), superannuation (through enhanced premiums), consumers, private health insurance or other forms of insurance, and families.

All Australians benefit from a health delivery model centred on the individual and based on an integrated, seamless care system of health, disabilities, aged care and housing services, recognising that an individual’s needs and wants are often complex and multidimensional.

### CARE WORKFORCE

A sustainable care workforce that is flexible, multidisciplinary, skilled, appropriately resourced, well remunerated and responsive to changing consumer needs. Staff capabilities in dementia care, mental health, culturally specific care, end of life care, are deliberately fostered and recognised. Staff provision enables a variety of service offerings, at different levels of care, whilst maintaining the highest quality standards and minimising risk to both consumers and staff.
A summary of the key actions required to move from the current to the future care system across three-time horizons is provided in the table below.

<table>
<thead>
<tr>
<th>HORIZON 1 (~2021)</th>
<th>COMPASSION, DIGNITY AND RIGHTS OF ALL PEOPLE</th>
<th>ACCESSIBILITY OF SERVICES</th>
<th>QUALITY, SAFETY AND INNOVATION</th>
<th>VIABILITY AND SUSTAINABILITY</th>
<th>CARE WORKFORCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Engage in and support financially campaigns that confront ageism and build empathy.</td>
<td>• Improve the platform for reliable and meaningful service information for consumers and carers</td>
<td>• Develop an outcomes-based framework focused on quality of life measures</td>
<td>• Provide funding to match demand for all aged care services to reduce or delay future service needs.</td>
<td>• Increase career and flexible work opportunities for Aboriginal and Torres Strait Islander workers within their communities</td>
<td>• Increase career and flexible work opportunities for Aboriginal and Torres Strait Islander workers within their communities</td>
</tr>
<tr>
<td>• Improve cultural safety and acceptability of current system for members of diverse and vulnerable groups.</td>
<td>• Invest in case management services, particularly community services for rural and vulnerable groups.</td>
<td>• Support interdisciplinary approaches (i.e. medical, nursing, allied health, behavioural and pastoral support), particularly for people living with dementia and at end of life</td>
<td>• Direct incentive funding to programs and providers which increase consumers’ wellbeing and capability.</td>
<td>• Build the aged care workforce through:</td>
<td>• Direct incentive funding to programs and providers which increase consumers’ wellbeing and capability.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Develop technology to improve safety and quality of care delivery</td>
<td>• Increase incentives for GPs to enhance involvement in aged care.</td>
<td>• an aged care workforce value proposition</td>
<td>• Increase support to informal carers.</td>
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<td></td>
<td></td>
<td>• Promote and invest in innovative ideas and service models, particularly approaches that improve outcomes for those who are under-served and/or in hard to reach communities</td>
<td>• Tertiary and VET scholarships in areas of skills shortage</td>
<td>• targeted support for student placement and development</td>
<td>• financial recognition of carers with more skills and qualifications.</td>
</tr>
<tr>
<td>HORIZON 2 (~2025)</td>
<td>COMPASSION, DIGNITY AND RIGHTS OF ALL PEOPLE</td>
<td>ACCESSIBILITY OF SERVICES</td>
<td>QUALITY, SAFETY AND INNOVATION</td>
<td>VIABILITY AND SUSTAINABILITY</td>
<td>CARE WORKFORCE</td>
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<tr>
<td>• Provide incentives for:</td>
<td>• Provide incentives to expand the range of flexible accommodation and care options</td>
<td>• Benchmark providers against outcomes-based quality of life measures.</td>
<td>• Reform funding models:</td>
<td>• Modernise and realign VET, and provide advanced training in more complex areas</td>
<td></td>
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<tr>
<td>• reablement, quality of life, wellbeing community-led initiatives</td>
<td>• Simplify assessment processes to complement individual strength-based planning approaches</td>
<td>• Invest in a navigation platform for consumers to access information and receive advice on the spectrum of services available to them.</td>
<td>• to enable consumer choice, including a range of individual, community and large-scale service arrangements</td>
<td>• Build capacity and recognise aged care specific skills e.g. dementia care, end of life care, mental health, culturally specific care, rural and remote specialisation</td>
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<tr>
<td>• Implement an entry-level model of community services which provides early, intensive support, focused on reablement and strengths.</td>
<td>• Extend high-level care funding into a range of settings in the community.</td>
<td>• Establish an Innovation Fund to support transformative investment in design, infrastructure and service models.</td>
<td>• to ensure that funding is adequate to meet the actual cost of care</td>
<td>• Funding based on cost of care, recognising measures of staffing adequacy (levels and mix).</td>
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<tr>
<td>• Extend programs of targeted and tailored outreach, support and access, for people who are vulnerable.</td>
<td></td>
<td>• Scale up demonstrated, innovative programs.</td>
<td>• Investigate alternative funding sources including alignment with retirement income policies.</td>
<td>• Develop training programs for volunteers and family members</td>
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</tr>
<tr>
<td>COMPASSION, DIGNITY AND RIGHTS OF ALL PEOPLE</td>
<td>ACCESSIBILITY OF SERVICES</td>
<td>QUALITY, SAFETY AND INNOVATION</td>
<td>VIABILITY AND SUSTAINABILITY</td>
<td>CARE WORKFORCE</td>
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<tr>
<td><strong>HORIZON 3 (~2040)</strong></td>
<td>• Design and implement systems that ensure services are available to all, based on need, regardless of age.</td>
<td>• Reintegrate health and aged care into a single, referrals-based scheme</td>
<td>• Establish a larger, non-government capital pool with tax incentives to enable providers to build specialist facilities</td>
<td>• Broaden funding programs that provide Government with a return on investment through elimination, reduction or deferral of services</td>
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More detail on proposed changes that would have impact on transforming the system towards a strengths-based, person-centred care system focussed on providing meaningful choice are detailed further in this report.
1 Overview of Australia’s current aged care system

The Australian population is rapidly ageing. In 2017, there were 3.8 million Australians aged over 65 comprising 15 per cent of the population. This is compared to 5 per cent in 1927 and 9 per cent in 1977. By 2057, it is projected that there will be 8.8 million older Australians, comprising 22 per cent of the population. In 20 years, the Australian population of 70 years and older will increase by approximately 1 million people each decade, from 2.7 million people in 2018.

In its current form, the aged care system is not fit for purpose or sustainable as it no longer effectively meets the needs and expectations of its consumers and the broader Australian community. The current system needs to adapt in order to create an Australian Aged Care System that flexibly meets the needs of older Australians and responds to the desires and aspirations of the people receiving care, their families, carers and communities.

In its Witness Statement to the Royal Commission on Aged Care Quality and Safety, UnitingCare Australia identified eight key needs and expectations that are currently not being met:

- That as they age, people are treated with care and compassion, and that their rights and dignity are respected
- That consumers have a meaningful choice about the aged care they will receive
- That the aged care system is easy for older people and their families to navigate
- That a person who has been assessed as requiring an aged care package is able to access that care in a reasonable time
- That aged care is provided by a skilled and adequate workforce, paid at levels comparable with similar positions in other sectors
- That visits to hospital be made only when necessary and not compromise a person’s health
- That outcomes that improve quality of life be measured
- That Government and providers develop a broader range of models and systems of health delivery to prepare for a changing future.

Key reasons for the failure of these expectations are:

- Absence of leadership around a dialogue respecting rights and adjusting inequities, and systemic stereotyping of older people
- Lack of Government funding to provide care, and unwillingness to discuss funding options involving greater consumer contribution
- Lack of co-ordination between agencies and services
- Funding and regulatory regimes that maintain the status quo and discourage innovation
- Absence of agreed outcomes and how they are measured
- Gaps at all levels of the aged care workforce, exacerbated by limited funding, difficult working conditions and inequitable pay
- Significant gaps in the interface between aged care and other health systems.

Existing shortcomings in the aged care sector will only be exacerbated unless strategic, thoughtful and purposeful actions are taken to address these challenges.

While compassionate, skilled care has been, and continues to be, provided in residential aged care services, and despite the growth in the population of older people, the number of older people entering permanent residential aged care each year has been static for the five years ending 30 June 2018 (with an increase in residential respite care). This trend has been influenced by an expanded availability of home care packages, particularly the rapid increase in Levels 3 and 4 home care packages from a low base. Home care package attractiveness also has increased due to changes in the funding rules which give consumers (rather than providers) control over how
money for care is spent. As alternatives expand, people are choosing to remain in their own homes as they age, in their geographical and cultural communities. Residential aged care remains an important resource for those needing high levels of care, but other, less costly options must be available to consumers to sustain a balanced, viable, high-quality system for the future.

Older Australians require more meaningful choices for their care and support, and acceptable access to those alternatives, if they are to realise their desire to age in place within their communities (geographical and cultural) and in a manner as close as possible to a home context.

While this paper highlights the requirement for systemic change, the significant policy decisions taken by Australian Governments over the last decade show that there is a capacity and desire to support the continuing evolution of the aged care system. Key steps taken have included:

- Increasing access to capital for high care residential aged care services, through enabling accommodation bonds in high care and substantially increasing accommodation payments by Government for people with modest and moderate financial means
- Rapid expansion of home care packages, particularly the expansion of Levels 3 and 4 home care packages
- Establishment of My Aged Care to enable consumers to access comparative information on aged care services
- Introduction of consumer-directed care for home care packages, and the subsequent allocation of home care places to consumers
- Development of a national Commonwealth Home Support Program, replacing the state-administered Home and Community Care (HACC) program
- Establishment of the Aged Care Quality and Safety Commission
- Development and implementation of the new Aged Care Quality Standards (Single Quality Framework) with a clear shift to a consumer perspective of quality
- Increased financial support provided to specialist services meeting the needs of some disadvantaged groups of people, including older people who are homeless and Aboriginal and Torres Strait Islander peoples
- Development of an aged care workforce strategy and initiatives to support provider-led approaches in areas such as rural and remote communities.

Those developments can be built on so that the vision for Australia’s care and support of older people can be realised.

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4: Aged Care Financing Authority, Funding and Financing of the Aged Care Sector, 2018.
2 Vision for the future aged care system

Meaningful ageing experiences for Australians are facilitated by care and support that puts people in the centre and builds on their interests, strengths and capabilities. A good support system empowers older people, families and carers, service staff, volunteers and the broader community to live and work together in communities where they experience relationships, joy and hope. People of all ages have a valued place in their communities. Older people enjoy respect and dignity, can exercise their rights, and continue to live and grow to their full potential across all of the dimensions of their humanity. Where people are vulnerable, care and support systems reach out to them in partnership with their communities and are tailored deliberately to meet their needs, preferences and aspirations.

UnitingCare Australia’s Vision of the future aged care system is reflected in the Figure 2.

Figure 3 | Our Vision for the future aged care system
2.1 Compassion, dignity and rights of people as they age

2.1.1 Self-determination and control

**DESIRED STATE:**

All older Australians enjoy their lives in all its fullness, with dignity, respect and independence. Where required, support is provided with care and compassion, enabling continuing self-determination and dignity of risk.

**Proposed changes to the system**

- Internationally, and in Australia, ageism is recognised as a challenge to be confronted and exposed. This is demonstrated by international campaigns such as the Global Campaign to Combat Ageism (WHO). In Australia, the EveryAGE Counts campaign has similar goals. UnitingCare Australia supports the EveryAGE Counts campaign: “We want to see whole-of-government action on ageing and ageism, and that governments maintain a ministerial position responsible for ageing and older Australians, which has cross-portfolio responsibility, to ensure that policies and programs take an integrated, life-course approach and aren’t relegated to siloed health and social welfare portfolios.”

- Experiences that build empathy and community appreciation of older Australians should be invested in, promoted and encouraged. For example, in the Care Ethics Emersion (Belgium), care workers are sent to an immersive “care ethics lab” to experience care for a day and night. Dementia Australia’s Educational Dementia Immersive Experience (EDIE) Virtual Reality system also enables people to develop empathy by experiencing the world of people living with dementia.

- All Australians should be able to receive care as close to their own home context as possible. The aged care funding system should be flexible enough to enable recipients to receive their required care funding in a range of settings through removing the current funding silos (e.g. residential care, home care, health).

- Where people choose or require residential aged care, service delivery models should enable residents to dictate their own daily activities and life choices. For example, in the ‘Household model’ in Uniting NSW/ACT residents in a household (with their own living space) dictate the daily routines for themselves, and jointly with the people with whom they live, through a consumer-led decision-making approach. This includes decision-making regarding risk (“dignity of risk”).

- Similarily, the ‘Culture of Care’ at Juniper is a consumer-centred holistic approach that operates across residential care and home care. It has an emphasis on empowerment and independence and respects each person’s culture and spirituality.

- There should be greater recognition of the different circumstances of older Australians. The Aged Care Diversity Framework is a positive step in that direction. However, further emphasis should be placed on ensuring that funding and approaches to care and support are tailored and targeted, as well as developed and implemented in partnership with communities.

- At the same time, to achieve an equitable and sustainable care system, the Australian Government should extend the current means testing arrangements so that people with greater financial means contribute more to their care.

“I watch people lose themselves because they become something to look after, you’re no longer an individual or a person, and that happens all the time and it - the end of our lives should be something great, something that we leave with honour and not shame and desperation.” Older Indigenous Resident, (Resthaven & SAHMRI What Keeps You Strong Report: Supporting the wellbeing of older Aboriginal peoples in South Australia)
2.1.2 Building on strengths not deficits, across all dimensions of their lives.

**Proposed changes to the system**
- Introduce an outcomes-based framework with a focus on quality of life measures that includes prioritising wellness and reability.
- Introduce recognition programs and funding incentives in residential, home care and other services to promote improvement in quality of life, including through reability and wellbeing.
- Financially reward service provision which, through early intervention and reability, reduces and/or defers aged care and health care service provision.
- Increase the investment on upstream preventative measures. For example, the Seniors Gyms in Uniting NSW/ACT to improve strength and endurance for people with chronic health conditions and create valued social connections. Such programs have been proven to reduce morbidity.
- Facilitate and enable access to traditional healers and traditional food for Aboriginal and Torres Strait Islander people receiving care.
- Broaden access and availability of higher levels of care funding in a range of settings (not just traditional residential aged care). For example, the ‘Humanitas’ (The Netherlands) ‘apartments for life’ model that offers residential communities (where people continue to live with their partners and pets) for people with a range of care needs (from none to high) and focuses on conversations with people, engaging in life and enjoying modern common area facilities (restaurants, museums, bars, petting zoos, etc.).
- Implement an entry community-based model which provides early, active and intense support over a short period of time (often through allied health workers) to improve capability and eliminate, reduce or defer the need for care (e.g. ‘revitalise model’ from UnitingCare Queensland).
- Australian examples which adopt holistic person-centred approaches include:
  - Healthy Living for Seniors (HLFS) model (Uniting NSW/ACT) implemented as a day program that promotes a holistic approach with emphasis on empowerment and quality of life through social participation and consumer directed individual and small group options based on the interests of participants.
  - South Australia’s Elderly Citizens Homes’ model whereby clusters of home units partnered with a community cafe to create a hub for book clubs, gardening and art classes, and even a “death cafe” where end-of-life issues are discussed informally.
  - Opportunities for continued learning and services through partnerships with universities (e.g. U3A).

“We don’t miss out on anything that is part of life.” *Resident* (Uniting Starrett Lodge, NSW)

“I want to live in a place of cultural safety; where other residents and staff are respectful and welcoming of gay and lesbian people.” *Consumer* (Eldercare Summary report: Themes and reflections from the LGBTI Community).
2.1.3 Meaningful relationships and communities

**DESIRED STATE:**
Older people have a valued place in the community, are recognised for their past and current contributions, and are able to maintain and form meaningful connections. At the same time, communities and neighbourhoods support and engage with their older members.

All Australians make an important contribution to their communities, that should be valued, celebrated and recognised. Older people should be able to continue to enjoy meaningful relationships in their communities and neighbourhoods. Community connectedness is essential as families and communities have an integral role and responsibility in ensuring older Australians feel valued and are able to meaningfully participate in, and contribute to, society.

Older people are at risk of becoming increasingly isolated. Current funding is increasingly focused on individual transactional care arrangements, rather than community and neighbourhood care.

There is limited recognition of the value of families and other carers, neighbourhoods and communities in supporting older people and enabling older people to have fulfilling lives. For example, for older Australians receiving the highest levels of care funding is dependent upon them leaving their partner, neighbours, pets, routine, privacy and regular interaction with other generations.

Communities and neighbourhoods are integral in the provision of culturally appropriate and acceptable care, system navigation support, and sharing of resources. For example, families provide valuable support for older people and communities in supporting older people and enabling older people to have fulfilling lives. For example, for older Australians receiving the highest levels of care funding is dependent upon them leaving their partner, neighbours, pets, routine, privacy and regular interaction with other generations.

Desire for more neighbourhood and community support is evidenced through the popularity of community-led care and support (e.g. in Indigenous, Culturally and Linguistically Diverse, and LGBTI communities), which connect older people to their communities, ensure that support provided is appropriate, acceptable and culturally safe, and enable older people to form and maintain meaningful relationships.

Proposed changes to the system

- Recognise and strengthen community-led care and support, particularly those with strong social capital. Strategies could include provision of grants to encourage and reward community groups who facilitate continued connection with individuals to remain active and engage across the community as they age (e.g. an Australian/Indian cultural and spiritual group which operates six-day centres in Sydney to 400 older members of their community. Participants live for the day of the week in which they engage with peers in traditional cultural activities. The only Government funding that they receive is a part of the home care package funding for 5 participants).
- Establish partnerships between Government, providers and communities, particularly when reaching out to consumers who are vulnerable. For example, Government and providers should work in collaboration with local Elders and community groups to embed services in community.
- Incentivise providers and carers to work with communities.
- Support Indigenous residential care recipients to remain connected to community through residential staff assisting their return to country.
- Redirect funding, from the current centralised government model, to communities so that they can identify and direct the services needed and provided to their members.

Examples of how these can be achieved include:

- **Resthaven (SA)** provision of community grants through its Community Connections which supported local communities with small grants to improve the access of older people to community activities.
- The community-directed care programs of Uniting NSW/ACT where cultural groups meet with the provider to review and plan day program activities for the coming quarter. The programs are operated as a cooperative venture led by the older members of the communities and celebrate their culture through song, dance and other activities. Participation in these programs with their community is the highlight of the week for participants.
- The development of an Early Intervention Hub that combines a day centre with an assessment, early intervention, triage and referral hub. This would introduce a centralised point where people are assessed based on their potential outcome and a range of options are provided. Allied health would be on site and open to the public. Space could be used as a base for a multi-disciplinary Flying Squad, which goes to homes in the community to prevent admission to residential aged care and hospitals.

“...the community always maintained my interest, because...it’s important that you be involved and continue to participate, because you need to be able to support everybody and anybody in the roles that you play.” Older Indigenous resident (Resthaven & SAHMRI What Keeps You Strong Report: Supporting the wellbeing of older Aboriginal peoples in South Australia)
2.2 Accessibility of services

2.2.1 Meaningful choice

**DESIRED STATE:**

*Consumers have a meaningful choice about the adaptive care they will receive and can choose between a diverse range of options, tailored to their preferences and needs, and enjoy independence in its many aspects. Increased emergence of communities of care and support, rather than only individualised care.*

Every person has the right to equitable access to services when and where they are needed, at an affordable price. As far as possible, older Australians should also be able to choose how their services are provided, and in what setting.

The range of accommodation and care options should be expanded to meet individual preferences and needs and provide more meaningful choice. In addition, the focus should be on enhancing care within communities and neighbourhoods, rather than only individualised care.

Figure 4 shows a range of accommodation and care options that should be recognised as part of the future aged care system.

**Figure 4 | Accommodation and care options**

“My care needs to be tailored to me – this helps me feel respected, valued, supported and positively regarded … the care I receive shouldn’t feel like a ‘one-size fits all’ approach, where everyone receives the same care.” *Resident* (Co-designing Aged Care in Strathalbyn: Outcomes Report)
Every older Australian has different care needs. For example, older CALD Australians and Indigenous Australians have higher home care preferences compared to residential care (permanent and respite).

In addition, consumers often report limited awareness of the full range of service options and platforms available to support older Australians. For some older people, challenges with language, literacy, culture, remoteness, experiences of discrimination and/or cognitive barriers further limit their knowledge of, and access to, potential options.

Support for older people’s physical, mental, emotional, social, cultural, sexual and spiritual wellbeing may not be achieved through traditional approaches to aged care.

The existing paradigms are well-established and often difficult to break. For example, significant financial investment is committed to existing residential aged care homes. This needs to be acknowledged as the system evolves.

The uncertainty, limited access to highest levels of care funding, and delay in accessing home care packages restricts the capacity of aged care providers to offer more innovative and diverse alternative care and accommodation options which combine home care funding with a range of different accommodation models. The administrative complexity of home care packages provides a further disincentive for the development of alternative options.

The additional cost of tailoring services to meet the needs of vulnerable groups (e.g. remote Aboriginal communities) are not adequately recognised in current funding arrangements.

Proposed changes to the system

- Continue to implement and extend flexible funding arrangements, where care funding can be applied across a range of settings based on individual need within the community. This model already exists in NATSIFAC Program and could be applied more broadly.
- Implement and reintroduce service models which leverage existing community resources, and support families and communities to provide neighbourhood and community-led care.
- Make higher levels of care funding available to consumers living outside of residential aged care. This could be through enabling the provision of home care package support within three months of assessment for individuals with high care needs.
- Improve current Government systems (e.g. My AgedCare, Medicare) to ensure effective and timely individual access to services when assessed as eligible.
- Match funding levels with the cost of serving disadvantaged communities, particularly rural and remote communities.
- Incentivise and encourage providers to ‘innovate at scale’, particularly to design approaches to scale ideas that have proven evidence-based benefits and success.
- Broaden funding models to include a range of care and support options, including:
  - The Community Options program where experienced case managers, with modest brokerage funding, supported people to utilise all of the local support systems and entitlements within their community.
  - A home-like model of residential care for people living with dementia (Uniting NSW:ACT, Juniper, Helping Hand and Others).
  - Care at home that addresses a range of clinical conditions that can be effectively and safely managed without a person needing to stay in hospital, similar to ‘Hospital in the home’ (Blue Care).
  - Co-located intergenerational communities of living or multigenerational housing developments, that include residential care services, child care services, universities facilities and the broader community, similar to Liebenau Foundation (Germany).
  - Small groups of residents with dementia that have shared interests and live in houses with carers, in a self-contained village, similar to De Hogeweyk village (Netherlands).
  - Neighbourhood care, where the system deploys teams of nurses (up to 12) responsible for, between 40 and 60, people within a particular area (similar to Buurtzorg, Netherlands). The nurse acts as a “health coach” for the individual and their family, emphasising preventive health measures but also delivering care when required.
  - Expanded application of day/overnight cottage-based programs, e.g. cottages where older people can stay for a few hours, a few days, a few weeks, etc. with company, a range of activities and care support (e.g. Japan, Australia, Netherlands, etc).
  - The 10K Project (Southern Cross Care NSW/ACT) which develops community well-being approaches for aged care facilities through engaging community resources and networks within 10 km radius (e.g. schools, community centres, Churches and faith-based organisations, neighbourhood centres, education, etc).
  - Virtual day programs, where monitoring, telehealth and support (social, medication management) for people with chronic illnesses are undertaken remotely and clients can be linked to the base and/or to other clients.
  - Allow an equilibrium of residential aged care and home and community-based care to be reached through consumers exercising their choice as a result of access to home and community-based care when needed.
2.2.2 Easy to navigate

**DESIRED STATE:**

Personalised navigation support is available to assist people through the system, including opportunities for outreach to older people and their families.

The care system should provide consumers with ease of navigation and include outreach opportunities for vulnerable individuals.

Limited understanding of available platforms and support can hinder access to, and limit awareness of, services options to support older Australians. Older people and families often report that My Aged Care is confusing to navigate. Difficulties to navigating the system can lead to delayed access to services until a crisis point is reached.

While the aged care navigator trial is a positive step, there is limited Government funding and support for navigator services.

Currently, the system assumes older people and their families proactively engage and access aged care services, when required. For some older people, the care and support system will need to adapt and reach out in partnership with their communities. This requires recognition of the role of cultural, geographic and other (e.g. LGBTI) communities in providing trusted advice and support to older members of their communities in relation to their care and support.

There are significant gaps in the interface between aged care and other health care systems and/or services. The disjointed funding approaches increase the risk for some older people to miss out on support. There is inherent inefficiency in overlapping systems.

**Proposed changes to the system**

- Continue to build an improved platform for reliable and accessible comparative information to help consumers select services and providers. This includes improving and refining the My Aged Care contact model through increased transparency and accuracy of service features and residents’ fees of providers (as is being done for home care packages).

- Extend the provision of outreach care, whereby potential consumers are sought out for assistance. Outreach care should primarily be targeted at hard to reach or marginalised people, e.g. the successful Assistance with Care and Housing for the Aged (ACHA) program for older people who are homeless. These can include funding trusted community organisations to inform and assist consumers to access the care system. Alternatively, mobile hubs could also be introduced in communities.

- Continue to improve accessibility of the current system for people with language barriers (e.g. greater accessibility of multi-language information, staff and interpreters).

- Increase funding and support for navigator services. Build on the current trial to determine how these services can achieve maximum impact. In addition, other trusted advisors can be engaged to support the navigation of consumers. For example, incentivising financial advisors and financial counsellors to socialise future aged care conversations into broader financial consultations with clients.

- Introduce (or endorse) targeted community navigation services for rural and/or marginalised groups. For example, these could take the following forms:
  - Additional community development block funding that is outcomes focused but has place-based services embedded and works with the local community.
  - Design and develop app-based offerings or technology similar to Mosaic (Uniting NSW.ACT) that empowers marginalised groups (e.g. lesbian, gay, bisexual, transgender and intersex) to better manage their aged care, to support active decision-making around the services they receive, and improve health outcomes.

“I’ve learnt the hard way that transitions are inevitable as we become older. When I’m properly supported to navigate these changes, I experience positive outcomes in almost every facet of life.” **Resident** (Co-designing Aged Care in Strathalbyn: Outcomes Report)
2.2.3 Timely access to care

**DESIRED STATE:**

Care and support are universally available and easily accessible within a reasonable time frame.

All Australians should have universal and early access to care. Processes for accessing these services should be quick and fair.

While steps have been taken to reduce the complexity of means testing forms, the overall assessment processes for eligibility are unnecessarily complex. Often older people experience multiple rounds of assessment, and need to overcome several hurdles, before their need is translated into funding eligibility. Even when individuals are assessed as eligible for support, they can wait a long time before receiving care and support.

Change is required to ensure that consumers are able to access care in a reasonable time.

For some older people, there are systemic barriers to timely access to services due to language, technology, literacy, culture, socio-economic status and particularly, remoteness. There are very limited service offerings in remote communities and accessing such services can lead to significant wait and travel times.

In addition, fiscal and staffing challenges associated with service providers in remote communities limit the provider’s ability to achieve economies of scale, recruit trained staff and provide specialised services to vulnerable communities.

Change is required to ensure that all consumers have equitable access to care.

**Proposed changes to the system**

- UnitingCare Australia supports ACSA’s proposals to boost access to services through the additional increase of at least 40,000 Level 3 and 4 home care packages in 2019-20, with no one waiting more than 3 months for care (COTA Australia), and to keep regional and rural Australians in their communities by increasing the rural and remote supplement by at least $10 per day.

- To achieve earlier access to support (when required), the Australian Government policies should provide price guidelines to consumers for home care package services and enable greater flexibility to repurpose unspent funds. In a market where the consumer receiving the service has imperfect knowledge, the absence of the exercise of any price guidance by the Government purchaser results in the inefficient application of resources. In addition, unspent home care package funds could contribute to an increase in supply of HCPs, to ensure individuals do not need to wait for more than three months from assessment.

- Simplified assessment processes would help to streamline eligibility for support. Trials to simplify the assessment processes should be undertaken through a simple one-off assessment or by integrating ACAT resident assessments and ACFI funding assessments.

- Consumers could have the capability to purchase services directly from providers (initially residential aged care) when required, where the provider can demonstrate that the needs of the person justify their entitlement to care (i.e. without the requirement for an assessment by ACAT).

- Incentivise providers to implement technology to automate their assessment processes to reduce administrative burden, boost efficiency and enable practitioners to better focus their time on delivering care. Cloud-based solutions also enable greater collaboration between aged care services and hospitals to improve and better target the care of their shared consumers.

- Develop and implement a community hub-based approach that provides a centralised point of care and support through a community day centre where people can have an eligibility assessment, early intervention, triage and referral, and access a range of local care options immediately. Allied health would be on site and open to the public.

As at 30 June 2018, there were more than 121,000 people on the waitlist for their approved package level. Of these consumers, 65,000 had been assigned an interim (lower) level package, whilst 57,000 people were on the waitlist with no interim package or access to care and support.
2.3 Quality, safety and innovation

2.3.1 Quality of life and wellbeing

**DESIRED STATE:**
Care and support are high quality and focused on a person’s wellbeing, taking into account their whole self.

Care should be designed to improve the quality of life and wellbeing of Australians, their families and communities. Older Australians should expect and receive safe, consistent and high-quality care that they can easily access when they need it.

Older people should enjoy their independence and be given the opportunity to utilise and develop their capabilities and enhance their quality of life, while maintaining their dignity of risk.

It is critical to invest in early, targeted intervention to maximise the wellbeing of older people and their carers, and minimise the unnecessary use of services or premature escalation of care needs.

Current funding is allocated according to deficits rather than the strengths and capabilities of older Australians. There is no financial reward, and only financial penalties, for improving personal capacity, and thereby eliminating, reducing or deferring a consumer’s need for services. Related to this, there is an assumption that the well-being and functional capacity of older people cannot be improved. This fallacy is held even more strongly in relation to people living with dementia.

The absence of a national quality of life and capability measure perpetuates a system that is focused on compliance to regulation and policy, and a narrow view of care and support, over quality of life outcomes. Fragmentation that exists in the care sector further exacerbates these challenges, as care for older Australians frequently is not holistic, and fails to consider the ‘whole person’ with each person’s multitude of needs, preferences, aspirations and capabilities.

Further to this, to date the focus of aged care sector regulation and enforcement has not been on how providers actively deliver quality holistic care to improve quality of life outcomes. The new single aged care quality framework and the Royal Commission into Aged Care Quality and Safety represent the starting points for a new direction in the sector which must be built upon.

“I want to maintain a wide range of interesting activities” **Respondent** (Eldercare Summary report: Themes and reflections from the LGBTI Community)

Proposed changes to the system

- Complete the implementation of the ‘Single Aged Care Quality Framework’ including quality of life indicators that focus on consumer outcomes.
- Change regulation to standardise, promote and socialise the quality of life indicators/measures, including residents/clients and their families and carers and focused on client outcomes.
- Hold providers accountable for their efforts and results in sustaining and/or improving the quality of life of consumers, including residents/clients and their carers.
- Incentivise providers and consumers to adopt approaches which improve personal capacity and eliminate, reduce or defer the need for services (e.g. for providers - by maintaining funding at higher levels for a period after services have been eliminated or reduced, and/or favouring proactive providers in funding round allocations).
- Encourage the establishment of comprehensive, multi-disciplinary carer teams for people with dementia and palliative care, containing medical, nursing, allied health, behavioural and pastoral expertise, that provide support to the consumer (at home or in the community).
2.3.2 Technology as an enabler

Technology should be harnessed and adapted to empower older people, transform care delivery and facilitate genuine choice in how and where they receive care. Wearable devices and smart home technology networks improve quality of at-home care through remote monitoring and support. Mobile or virtual care workforces can further support freedom of choice and methods of care, when enabled to be responsive to consumer needs.

Technology could be better deployed to enable greater independence, maintain links to communities, and enable consumers to stay at home for longer.

In addition, technology should be used to improve the current limited awareness of care and support options. Its application can promote choice and control over the type of care consumers receive, as well as when and where they receive it.

Digital literacy is a significant impediment to the consumer’s adoption and use of technology to access services. For some older people, access to internet and technological infrastructure is difficult. The challenges for older Australians to engage with technology should be addressed through tailored solutions.

The current system can at times require consumers to go to the place of care provision, which limits access to care for some older people. Technology could be used to enable greater mobility of care services and the care workforce, based on real-time demand for services.

In the past, successful trials of technological solutions have not been able to access continued funding to extend or scale the innovation, leading to lost opportunities. In addition, there is limited desire by aged care providers to invest in new, innovative technology.

“People want to use social media to connect within and outside of residential aged care facilities”

Respondent (Eldercare Summary report: Themes and reflections from the LGBTI Community)

Proposed changes to the system

- Introduce a platform for consumers to access information and receive advice on a full spectrum of services (from home care to residential care) using accessible technology (e.g. mobile apps) to make continuous choice
- Develop a platform to link people of all ages to volunteering opportunities (from which older people could also be involved), creating a manageable and easy way to identify opportunities for older people to receive care, support and social interaction.
- Encourage partnership and/or implement sustained additional Government funding (e.g. building on the Innovation and Technology Grant Funding under the current National Dementia Support Program tender) to explore how technological advances could modernise care delivery. Examples of these approaches include:
  - The ARC Research Hub into Digital Enhanced Living led by Deakin University (with Uniting NSW.ACT, Uniting AgeWell and UTS as partners), whereby the programme facilitates the trial and adoption of technologies in aged care.
  - The ‘Holographic doctors’ by Silver Chain (Adelaide) whereby care is delivered via a headset to enable remote residents to speak with medical staff.
  - Elsi Smart Floor, where the sensor technology under the floor surface used to detect if a person has had a fall, triggering an alarm for an immediate response from the carer.

- Encourage partnership and/or Government funding to further explore how technological advances could improve system navigation. The benefits of this approach can be seen in the following examples:
  - Uniting NSW.ACT’s Mosaic app that empowers lesbian, gay, bisexual, transgender and intersex (LGBTI) people to better manage their own aged care, to support them to be active participants in decisions around the care services they receive.
  - Hayylo app designed to enable home care providers to consolidate consumer data, that is often spread across multiple systems, into one location. The app enables care providers to effectively coordinate their customer data and care activities, provides consumers with personalised and regular updates about their care services, and ensures consumer interactions are centralised into a single customer profile.

DESIRED STATE:
Technology is an enabler to better empower and connect consumers to services that support their care needs through service navigation, prevention and early intervention, as well as service provision.
2.3.3 Culture of innovation

**DESIRED STATE:**

The care system drives a culture of innovation and continuous improvement, rewarding and incentivising providers that improve the health, wellbeing and quality of life outcomes for older Australians.

Through regulatory changes, the system should recognise and incentivise innovative service provision and provide further support and measured risk-taking to improved outcomes for older Australians.

This can be encouraged by creating sufficient competitive tension within the system, where success depends on continually improving services and enabling new entrants in the market to obtain benefits from providing alternative and/or superior service offerings.

There is currently minimal incentive and funding available to support new and ongoing innovative approaches, particularly for residential care and CHSP programs.

In addition, there are limited investment streams to test and/or implement new innovative approaches based on successful trials and pilots.

The current risk appetite within the sector is very low. This culture is largely dictated by the rigidity of the system, lack of the availability of the highest levels of care funding outside of residential care, protection of supply in the residential and CHSP programs, and constraints of the siloed regulatory environment. The recent strong regulatory enforcement approach may also contribute to risk aversion by providers. The greatest challenge for providers is balancing the prevalent low risk approach with a much-needed innovation culture.

**Proposed changes to the system**

- Continue and increase Government funding to promote innovative ideas. For example, Innovation Grants to support dementia and aged care choices were introduced by the Australian Government in 2017. A total of $34 million in funding grants were allocated for start-ups and organisations working on innovative services within the aged care sector, with a key focus on dementia.

The Commonwealth Government (Department of Health) has invited and received Expressions of Interest under CHSP Innovation Funding for trials or innovative approaches for the delivery of CHSP services from existing CHSP providers as well as new organisations.

- Continue and scale successful innovative pilot programs. Too many innovative programs are piloted, evaluated as successful, and then discontinued.

- Recognise and share innovation in the aged care sector (e.g. innovAGEING coordinates a community of practice for aged care service innovators, showcases examples of innovation in our industry, and celebrates age services innovation through a national awards program (LASA and ACSA).

- Establish an Innovation Fund to support transformative investment in design, infrastructure and service models that respond to community expectations and utilise funding effectively. Such a fund can demonstrate the value of implementing different funding and service models, in areas such as the application of technology, incentives for achieving improved quality of life and functional capacity, directly funding communities, neighbourhoods and families and providing high care in community-based settings.

- Introduce funding and regulatory reform to overcome the perverse incentives that maintain the status quo and limit risk-taking by care providers, with a view to encourage reablement of older Australians.

- Introduce incentives for providers to deliver innovative approaches that improve outcomes to those who are under-served and/or in hard to serve communities.

- Establish a larger, non-government capital pool to enable aged care providers to build specialist facilities for vulnerable/disadvantaged consumer groups.

“The intention of holding a Royal Commission into aged care suggests many services are not fit for purpose.” Survey respondent (Attitudes towards the Aged Care Sector, New Gate Report for UnitingCare Australia)
2.4 Viability and sustainability of the aged care system

2.4.1 Value for money

**DESIRED STATE:**

A range of service options are available that provide value for money to government and consumers. Older Australians can choose a care provider and model that meets their specific requirements, at the level of care they need and with the option to choose any additional benefits they want and can afford.

*Substantial investment is needed in programs and providers that emphasise early intervention, wellness and reablement. Consumers should be given every opportunity to stay at home in their communities or live in a normalised home-like environment.*

Older Australians often are in crisis situations when important decisions need to be made about the mode, nature and the location of the care they receive. This often leads to the need for highest, and most expensive, levels of care being needed.

Often the most expensive aged care option, being residential aged care, is the most accessible to consumers. Consumers are often poorly informed of the various care and funding options available to them, leading to ill-informed decision-making and poor value for money for both consumers and the government.

No reward is given to providers who eliminate, reduce or defer the cost of services to government and consumers.

Some lower cost models of support which use case management skills to leverage existing community resources and the local entitlements of older people with small brokerage funds to meet these client’s needs, have been discontinued.

In addition, innovative and low-cost forms of care including, but not limited to, family care, neighbourhood care and group funding options are not adequately funded.

Residential aged care is a relatively high cost form of care provision for government. Government generally pays subsidies for the care of residents and significant accommodation subsidies for almost half of residents. A mature home and community-based care system would reduce the reliance on this high cost mode of aged care to those who require and desire it.

The government should invest in approaches that increase value for money, leverage community-based resources and technology, and reduce reliance on longer-term care.

*Proposed changes to the system*

- Increase investment in programs which remove, reduce or defer people’s need for on-going long-term care services and simultaneously improve consumers’ wellbeing. This could include incentives and/or increased funding for intensive short-term reablement support and programs that increase wellbeing through social connection.

- Broaden the funding programs that are incentive based and/or provide Government with a return on investment.

- Fund place-based responses in Indigenous community service delivery that enable community development and engagement to better support individual and community outcomes.

- Introduce a Level 5 funding package to enable more people to continue living at home.

- Introduce financial or other incentives to consumers which meet their needs and reduce the cost to Government. For example, consumers could receive financial incentives if they choose options which reduce the cost to government.

- Options should be investigated to increase the levels of funding provided to informal carers who care for loved ones who have been assessed as eligible for aged care services.

“The research found that people do not have a good understanding of how aged care is funded and what the Government’s role is, in terms of either residential aged care or home care.” Survey respondent (Attitudes towards the Aged Care Sector, New Gate Report for UnitingCare Australia)
2.4.2 Flexibility in access to funding

DESIRED STATE:
Older Australians have flexible access to funding sources which are directed by individuals and communities. The aged care, disability, health and housing systems are aligned so that there are no perverse incentives for older people to choose less appropriate and more expensive options. Consumers and their care providers can continue to benefit from their private health insurance and maintain access to health services.

Consumers should continue to benefit from existing health insurance schemes, including Medicare, and be able to access appropriate levels of funding relative to their respective needs for various services, irrespective of the care setting.

Where consumers have significant financial means, they should be required to contribute more to the cost of their care and accommodation.

Within the current care system, individuals and communities have limited direct access to funding, services and options from which they can choose to apply their eligible aged care funding. Current consumer and community choice is significantly limited in relation to the modes of care they can receive.

This is exacerbated by the fact that the current funding is insufficient and service models do not deliver the desired outcomes to consumers. Lack of connectivity between different funding streams (e.g. Medicare, Centrelink, NDIS, ACFI), duplication in regulation across the aged care, health, disability and housing sectors, and different levels of government, lead to inequitable distribution of funding, limits on quality of service provision, and additional governance and compliance issues. There is also a risk that consumers fall between the gaps of the different systems.

Additional pressure is placed on the aged care system as consumers cannot access their private health insurance to fund allied health services once they are in residential care.

The current unwillingness to explore funding options involving greater consumer contributions to their aged care, further exacerbates the funding pressure on governments, and compromises their ability to adequately fund care as demand for care grows into the future.

Change is required in the aged care funding model to allow for improved flexibility, empowering individuals and communities to direct funding to which they are entitled.

Proposed changes to the system
Please note the proposed changes below should be considered, with the merits of implementation fully investigated as a matter of priority. It is recognised that all suggestions may not be viable or implemented concurrently:

- Aged care funding should be diversified. It could be sourced from a mix of Government(s), superannuation, consumers, private health insurance or other forms of insurance, families or a mix.
- Residential aged care means testing should be modified to include the full value of the home.
- The lifetime aged care means testing limits should be removed.
- People living in residential aged care should be able to continue to access allied health services through the Medicare and private health insurance systems.
- An insurance approach to care, similar the National Ageing Insurance Scheme (NDIS), could be introduced
- Tax incentives could be developed to encourage advance and alternative funding streams (e.g. through superannuation) to enable diversification of funding models.
- An enhanced premium for superannuation products could be developed, where consumers are given a tax break to contribute to their super so that they could fund their aged care needs. If it is not used, the money would remain as part of their estate.

“Hospital systems are overloaded and end up sending people home before they are ready. The aged care system is underfunded and not looking after the elderly properly.” Survey respondent
(Attitudes towards the Aged Care Sector, New Gate Report for UnitingCare Australia)
2.4.3 Integration of care, health and housing

System-wide reform is necessary to enable flexibility and fluidity in service delivery and funding accessibility, across the different services within the aged care system and beyond.

A seamless interface needs to be created between aged care, health care and other community services (including housing) to meet the full range of people’s needs, including exploring fully integrated technology solutions.

The health, disabilities, aged care and housing sectors often share the same customers, however systems are often siloed and disjointed in their funding and models of care provision.

The sectors are administered by different levels of government, have different regulatory requirements, different funding allocations, with no intentional strategic planning that links the sectors and the services they provide. This restricts the value for money for Government and consumers, creates complexity for the consumer to navigate and choose care options, and limits integrated community solutions.

Separate and disjointed technology/software platforms often create further complexities for consumers that need to access multiple programs for the same need across different service systems.

These siloed systems create a number of perverse incentives, which can result in the potential overreliance on one of the sectors that may not be best suited to providing the relevant service.

This is most notable in the housing sector, where the costs to consumers with limited financial means are lower in residential aged care than they would be if they receive home based care and support while renting privately.

Proposed changes to the system

• Medicare item numbers should be increased to incentivise GPs to continue to offer care for older Australians as there is currently limited GP access in many RAC facilities

• An integrated care system should be introduced, where the continuum of care is seamless, and consumers never experience a ‘wrong door’ to access care, allowing any person to access timely care when they need it. Examples of these could include:
  • A formal and intentional strategic planning link should be introduced between the acute/sub-acute health care system and the aged care system (to bridge the gap between more acute clinical care and aged care services). This could involve establishing arrangements and contracts with aged care providers, to offer alternatives to hospital admission or provide consumers with temporary or permanent care support after hospitalisation. This would expand the current Transition Care Program and other similar State based post-hospitalisation programs. In the UK, contractual relationships between NHS Trusts and social care providers are commonplace. The Intermediate Care strategy involves the NHS Trusts developing partnerships with aged care providers to ensure that older people with chronic conditions do not attend hospital unnecessarily.
  • An Australian example of this approach is the Western HealthLinks program (funded by Victorian DHHS; Western Health and Silver Chain Group) that supports more than 3,500 patients with chronic and complex conditions, where there is a central portal that can be accessed by the patient or personal ‘care navigator’, who links the patients and care professionals (and manages hospital based and primary care services).
  • Funding for vacant stock and underutilised beds in RACFs should be repurposed (i.e. convert funding for unused beds) to provide high care in the community and to create alternative options for affordable housing to all Australians.
  • Networks and packages of services should be created for specific communities (geographical, cultural, etc.), aimed specifically at targeting people who are marginalised or have special needs. These networks could use resources that are pooled between health, aged care, housing, and other community support services.
2.5 Care workforce

It is critical that the care workforce is skilled, adequately resourced, well remunerated and responsive to consumer’s needs. There should be a sustainable provision of staff that enables a variety of service offerings, at different levels of care, whilst maintaining the highest quality standards and minimising risk to both consumers and staff.

To enable this shift, the role and value of family, carers and communities in the provision of care should be recognised and rewarded. Often the formal care system displaces older Australians from their families and communities. This adds additional difficulty for consumers and their families to maintain strong relationships with their carers.

The provision of adequate incentives for skilled workers to enter and remain in the care sector will be critical to support older people both in their communities and in formal care arrangements.

Over the next 20 years, the Australian population of 70 years and over will increase by approximately 1 million people each decade, from 2.7 million people in 2018. The aged care sector is not currently prepared to cope with this growth in demand.

The sector is already experiencing gaps at all levels of the care workforce, exacerbated by limited funding, difficult working conditions and inequitable pay. This creates risks for both staff and consumers alike.

The increasing complexity of consumers’ needs creates additional pressure for a more skilled and diverse workforce. Greater reliance on care workers has been driven by workforce shortages of nurses. This in turn has made it challenging to attract and retain workers in the aged care sector.

The Australian Government’s 2019/20 Budget commitment to introduce $2.6m to support the implementation of the Aged Care Workforce Strategy and the $2m commitment to support the work of the Remote Aged Care Workforce Accord is recognised and welcomed. The following initiatives are also recommended:

- Realign existing workforce to meet the demands of a strong consumer led approach, with increased funding and support with a mix of staff, that could require a different workforce with different training and industrial relation regulations.
- Introduce initiatives to attract more people to aged care from other sectors, by reframing and promoting the contributions of the workforce, potentially through an aged care workforce value proposition.
- Increase support, incentives and pathways for Aboriginal and Torres Strait Islander workers to have career and flexible work opportunities within their communities caring for Elders.
- Introduce fringe benefit tax exemptions and other tax benefits to incentivise people in carer roles to enter and remain in the care workforce, as has been implemented in Hong Kong.
- Modernise and realign vocational education, providing advanced training in more complex areas and recognising that workers with increased skills and qualifications need to be financially rewarded.
- Fund training programs for volunteers and family members, allowing them to ‘give back’ and help older Australians make positive / life-enhancing choice, whilst encouraging inter-generational care.
- Provide funding to ensure that the workforce is appropriately resourced, skilled and equitably remunerated (at levels equivalent to other comparable sectors).
- Encourage younger people to work part time in care worker roles to experience caring for older Australians.
3 Enablers to support the sector through change

Significant change and reform will be required to realise this Vision for the future of Australia’s aged care system. It is important to acknowledge that some stakeholders may be impacted as the system moves towards providing more meaningful care choices and puts people in the centre to build on their interests, strengths and capabilities. To mitigate risks and ensure the continuity of care across services, changes to the current system will need to be strategically planned, in consultation with the sector and consumers, to ensure that the transitions are phased, and that implementation success is achieved.

Table 1 considers the specific actions/levers required to affect change as the system transitions through the three horizons, including mechanisms to mitigate potential losses for different stakeholders in creating a consumer-directed aged care system.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Summary of enablers</th>
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</table>
| **LEADERSHIP COMMITMENT** | • Garnering support and commitment from the Australian Government to implement selected changes, to gain political buy-in and identify political champions to drive (and model) the change.  
• Government assurance that key service outcomes are effective and enabling, e.g. Medicare and My Aged Care.  
• Government providing adequate resources to ensure individuals achieve the greatest possible quality of life and care outcomes. |
| **CARE SECTOR PARTNERSHIP** | • Encourage shared leadership responsibility and partnerships from Government, consumer advocacy bodies, and service provider peaks to drive the system design, implementation and reform.  
• Drive collaboration and cooperation with other Government Departments to explore opportunities to more strategically integrate between (aged) care, health and housing. |
| **POLICY CHANGES** | • Reform is required to enable more flexibility between different models of care (e.g. residential care, community care and home care).  
• Funding models will need to be ‘fit for purpose’, rather than being paid based on service provision, particularly for those with the highest care needs. Providers should be incentivised to reduce and/or defer consumers’ reliance on long-term aged care homes care and health services.  
• Regulatory changes may be required to enable funding allocations directly to individuals, and the types of services they are entitled to access with that entitlement.  
• Shift in community and system perception from ‘aged care’ to ‘care’, through removing silos between different types of care (e.g. aged care, disabilities, health care, primary care) |
| **CONSUMER AND COMMUNITY INVOLVEMENT** | • Ensure the consumers, families and communities are continuously involved in decision-making and codesign of care solutions that are tailored towards consumer needs and desires.  
• Engagement with related community stakeholders including, where appropriate and relevant, involvement of Uniting Church and congregations in strategic planning and frameworks. |
<table>
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<tr>
<th>CHANGE MANAGEMENT</th>
<th>ENCOURAGE INNOVATION</th>
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<tr>
<td>• Design and implement a stakeholder engagement strategy to meaningfully and purposefully engage with Government Departments, service providers, consumers, their families and carers, etc around the change.</td>
<td>• Establish clear standards and a risk management framework to build a culture that supports innovation, whilst also mitigating the impact of risk through early evaluation and management.</td>
</tr>
<tr>
<td>• Establish a change management process to manage the transition, particularly with those who are well established in the current system and may feel disempowered or facing significant potential losses with the proposed changes.</td>
<td>• Continue to encourage and explore funding options through financial innovation and/or partnerships</td>
</tr>
<tr>
<td>• Identify key stakeholders who will be impacted by the changes and engage providers/consumers early in the consultation.</td>
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<tr>
<th>LEVERAGE DIGITAL SOLUTIONS</th>
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<tbody>
<tr>
<td>• Use digital solutions and technology to increase awareness of the service options and the platforms available, and facilitate direct access to services when required.</td>
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</tr>
<tr>
<td>• Implement digital solutions to transform and ‘modernise’ the approach to service delivery.</td>
<td></td>
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<tr>
<td>• Leverage current digital platforms to streamline and integrate services.</td>
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## Appendix A Summary of the desired future system, with the proposed horizon and leads

<table>
<thead>
<tr>
<th>Current state</th>
<th>Desired future state</th>
<th>Summary of changes</th>
<th>Changes across the horizons</th>
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<tbody>
<tr>
<td><strong>COMPASSION, DIGNITY AND RIGHTS OF PEOPLE AS THEY AGE.</strong></td>
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<tr>
<td><strong>5.1.1 Self-determination and control</strong></td>
<td>Ageism sees older people as a burden on society, their inherent value and contributions are not recognised. For some people, there are systemic disadvantages in access to services, which are exacerbated as they age. Older people often need to wait to receive care and support, and those who have high care needs must accept being isolated in or from their communities and forfeit their independence.</td>
<td>An Australian society where ageism is exposed and challenged, and older people are appreciated. All older Australians (including those who are vulnerable) are able to access services to support them to enjoy life with dignity, respect and independence. Funding and approaches to care and support are tailored, targeted and flexible, as well as developed and implemented in partnership with communities. Support is provided to older Australians as close to their own home context as possible, with care and compassion to enable self-determination and a dignity of risk.</td>
<td><strong>Whole of government action to overcome ageism and ensure older Australians’ have self-determination, dignity and control over their lives.</strong></td>
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5.1.2 Building on strengths not deficits, across all dimensions of their lives.

The current funding system’s focus only on funding according to care need has perverse incentives based on recognising only personal deficits, rather than personal strengths and the opportunity to maintain and improve health and wellbeing. That approach drives service models characterised by transactional interactions that address deficits. They often ignore the potential to utilise and enhance the inherent strengths, capabilities and interests of the individual, and don’t consider the person’s ability to contribute to the community.

Older people have access to opportunities to improve health and wellbeing, across all dimensions of their lives, in a variety of settings. While recognising the importance of meeting people’s needs, care and support are focused on improving quality of life and prioritising wellness and reablement outcomes.

Service providers (and Government) measure improvement in quality of life and promote reablement and wellbeing. Financial incentives reward consumers and providers who adopt these approaches.

**Government** to urgently reform funding approaches to incentivise, reward and promote quality of life, wellness and reablement.

**Service providers and peak bodies** to adopt (and scale) care models that focus on improving quality of life and reablement.

**Horizon 1**
- Introduce an outcomes-based framework with a focus on quality of life measures that includes prioritising wellness and reablement.
- Encourage and reward care providers who develop and implement models that promote quality of life, reablement and wellbeing, including early intervention programs.

**Horizon 2**
- Australian Government policies to extend the current requirements so that people with greater financial means contribute more to their care.
- Flexible funding system that enables consumers to receive required care funding in a range of settings through removing the current funding silos (e.g. residential care, home care, health) and enable Australians to receive care as close to their own home context as possible.
- Greater recognition (by Government, providers and peak bodies) of the different circumstances of older Australians by targeting and tailoring access mechanisms, funding models, and approaches to care and support, particularly for people who are vulnerable. Approaches should be developed and implemented in partnership with relevant communities.
- Introduce funding incentives and rewards for providers and consumers in residential care, home care and other services, to improve quality of life and reduce and/or defer aged care and health care service provision.
<table>
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<tr>
<th>5.1.3 Meaningful relationships and communities</th>
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<tbody>
<tr>
<td>Older people are at risk of becoming increasingly isolated. Current funding is increasingly focused on individual transactonal care arrangements. There is limited recognition of the value of families and other carers, neighbourhoods and communities in supporting older people and enabling older people to have fulfilling lives.</td>
</tr>
<tr>
<td>Older people have a valued place in the community, are recognised for their past and current contributions. Older people continue to enjoy meaningful relationships with their communities and neighbourhoods, and are valued, celebrated and recognised.</td>
</tr>
<tr>
<td>Government recognise and support community and family led care through direct grants and funding increases.</td>
</tr>
<tr>
<td>Service providers and communities create partnerships to better provide services, particularly for hard to reach consumers.</td>
</tr>
</tbody>
</table>

**Horizon 1**
- Government, providers and communities establish partnerships to better provide services, particularly when reaching out to consumers who are vulnerable and hard to reach.
- Incentivise providers and carers to work with communities.

**Horizon 2**
- Recognise and strengthen community and family led care through provision of direct grants and funding increases that encourage and reward community groups who facilitate continued connection with individuals to remain active and who engage across the community as they age.

**Horizon 3**
- Provide funding directly to communities so that they can direct the services provided to their members.

- Increase focus and investment in upstream preventative measures.
- Service providers (and Government) to introduce an outcomes-based focus with quality of life measures that includes prioritising wellness and reablement.
ACCESSIBILITY OF SERVICES

5.2.1 Meaningful choice

The current system does not adequately cater to the different care needs of older Australians. Support for older people’s physical, mental, emotional, social, cultural, sexual and spiritual wellbeing, may not be achieved in current mainstream approaches to aged care. The existing aged care paradigms are well-established with significant levels of committed investment. The historical development of the sector has resulted in an over-reliance on residential care, with substantially greater incidence of use and length of stay than in comparable countries.

While there has been significant growth and development in home care in the last decade, the absence of a fully developed home and community-based care support system in Australia is the major reason for this over-reliance. The immaturity of the home and community-based care support system and the existing supply controls in residential care provide competitive protection for residential aged care services. The highest level of care funding is only available in residential aged care, as is the easiest access to high levels of support. There is little incentive for innovation, and funding is difficult to access for Consumers have a meaningful choice about the adaptive care they will receive and can choose between a diverse range of options, tailored to their preferences and needs, and enjoy independence in its many aspects. Australians have equitable access to services when and where they are needed, at an affordable price. In addition, the emergence of communities of care and support is increased, rather than only individualised care.

Government to broaden flexible funding arrangements to support a range of care and support options (including making higher levels of funding available outside of traditional residential aged care), leverage families and communities, and further recognise the additional costs in serving people who are vulnerable.

Service providers to expand the range of services, increase the level of service innovation, engage with communities in their development of support options, and share ideas with the broader aged care sector.

Horizon 1
- Expand the range of accommodation and care options by immediately increasing the number of Levels 3 and 4 home care packages.
- Implement and reintroduce service models which leverage existing community resources, and support families and communities to provide neighbourhood and community-led care and support.

Horizon 2
- Implement a Level 5 home care package with reduced administrative complexity, to facilitate development of a range of flexible care and accommodation packages.
- Match funding levels with the cost of serving disadvantaged communities (e.g. regional, rural and remote communities and indigenous communities)
- Incentivise and encourage providers to ‘innovate at scale’, particularly for those ideas that have proven evidence-based benefits.

Horizon 3
- Remove siloed funding models to ensure access by consumers to a broad range of care, accommodation and support options.
- Broaden access and availability of higher levels of care funding in a range of settings including residential communities (not just in traditional residential aged care).
- Allow an equilibrium of residential aged care and home and community-based care
### Diverse Alternative Care and Accommodation Options

Even with the development of My Aged Care, consumers often report limited awareness of the full range of options available to support older Australians, with less knowledge held by people who are vulnerable. Even with the development of My Aged Care, consumers often report limited awareness of the full range of options available to support older Australians, with less knowledge held by people who are vulnerable.

### 5.2.2 Easy to Navigate

Access to services is hindered by the limited understanding of available platforms, the complexity of arrangements, and lack of public awareness of service options to support older Australians.

While the aged care navigator trial is a positive step, there is limited Government funding and support for navigator services. Difficulties in navigating the system often lead to delayed access until a crisis point is reached.

Currently, the system assumes older people and their families/carers proactively engage and access aged care services, when required. For some older people, the system will need to reach out in partnership with their communities, rather than wait for them to come to the main access points.

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<thead>
<tr>
<th><strong>Horizon 1</strong></th>
<th><strong>Horizon 2</strong></th>
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<tbody>
<tr>
<td>• Continue to build an improved platform for reliable and accessible comparative information to help consumers select services and providers.</td>
<td>• Increase funding and support for navigator services. Build on the current trial to determine how these services can achieve maximum impact.</td>
</tr>
<tr>
<td>• Continue to improve the accessibility of the current system for people with language barriers (e.g. greater accessibility of multi-language information, staff and interpreters).</td>
<td>• Introduce (or endorse) targeted community navigation services for rural and/or marginalised groups.</td>
</tr>
<tr>
<td>• Increase funding and support for navigator services. Build on the current trial to determine how these services can achieve maximum impact.</td>
<td>• Extend the provision of outreach support, whereby potential consumers are sought out for assistance. Outreach care should primarily be targeted at hard to reach or marginalised people. Where relevant, their communities should be engaged to maximise the effectiveness of the outreach.</td>
</tr>
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</table>

Personalised navigation support is available to assist people through the system, providing consumers with ease of navigation, including outreach opportunities for vulnerable individuals.

To ensure all older Australians have access to the appropriate care and that ease of navigation is improved, the system should build reliable platforms that provide accessible comparative information, support provision of outreach care, increase support for navigator services and targeted community navigation services.

**Government** (and relevant service providers) to improve existing platforms and fund community-led navigator services and outreach services, particularly for people who are vulnerable.
5.2.3 Timely access to care

Often older people experience multiple rounds of assessment before their care need is translated into funding eligibility. Even when individuals are assessed as eligible for support, there often is a long wait time before receiving care and support.

For some older people, there are systemic barriers to timely access to services due to language, technology, literacy, culture, socio-economic status and, particularly, remoteness.

Care and support are universally available and easily accessible within a reasonable time frame. Processes for accessing these services are quick and fair. Eligibility assessment processes for support are simplified and streamlined. Technology is used to automate assessment processes, to reduce administrative burden, boost efficiency and enable practitioners to better focus their time on delivering care.

As well as increasing the investment in home and community-based programs, Australian Government policies should better use available funding by providing guidelines for consumers regarding prices for services charged by providers of home care packages and repurposing unspent funds to expand the number of people who can be supported. There should be an immediate increase in home care packages and an increase in the level of rural and remote supplement available to older Australians.

Government to urgently increase the availability of home care packages and other home and community-based care and accommodation options to ensure eligible individuals have timely access to support where and when needed. Part of this growth could be funded through repurposing home care package unspent funds.

Government and service providers (and peak bodies) to simplify, and implement technology to automate, their assessment processes to create efficiencies.

Horizon 1

- Expedite and further increase the investment in home care packages and other home and community-based care and accommodation options.
- Incentivise providers to implement technology to automate their assessment processes and encourage cloud-based solutions, to reduce administrative burden, boost efficiency, increase collaboration and enable better focus on care delivery.
- Repurpose unspent home care funds to contribute to increased provision of home care services.
- Establish guidelines that consumers not wait for more than 3 months for home care services.
- Government should provide guidelines for consumers regarding the prices of home care package services.

Horizon 2

- Simplify assessment processes to help streamline eligibility for support and reduce complexity of means testing forms.

Horizon 3

- Implement a community hub-based approach that provides a local centralised point where people can receive an eligibility assessment, early intervention, triage and referrals to access a range of care options immediately. Allied health would be on site and open to the public. This would require an entitlement-based approach to funding.
- Consumers should have the capability to purchase services directly from providers when required, applying the Government funding associated with their needs, where
the provider can demonstrate that the needs of the person justify their entitlement to care (i.e. without the requirement for an assessment by ACAT).
<table>
<thead>
<tr>
<th>QUALITY, SAFETY AND INNOVATION</th>
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<tbody>
<tr>
<td><strong>5.3.1 Quality of life and wellbeing</strong></td>
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<tr>
<th>Current state</th>
<th>Desired future state</th>
<th>Summary of changes</th>
<th>Changes across the horizons</th>
</tr>
</thead>
</table>
| Current funding is allocated according to deficits rather than the strengths and capabilities of older Australians. There is no financial reward for providers, and only financial penalties, for improving the personal capacity of consumers and thereby eliminating, reducing or deferring a consumer’s need for services. This flows from a disproven assumption that the well-being and functional capacity of older people cannot be improved. The absence of a national quality of life and capability measure perpetuates a system that focuses only on compensating for deficits rather than improving quality of life outcomes. Fragmentation that exists in the care sector further exacerbates these challenges and fails to consider the ‘whole person’ receiving care. | Care and support are high quality and focused on a person’s wellbeing, taking into account their whole self. The new single aged care quality framework is fully implemented, and care is designed to improve the quality of life and wellbeing of older Australians, their families and communities. All older Australians should expect and receive safe, consistent and high-quality care that they can easily access when they need it. Older people enjoy their independence and are given the opportunity to utilise and develop their capabilities and interests, while maintaining their dignity of risk. There is investment in early, targeted intervention to maximise the wellbeing of older people and their carers, and minimise the unnecessary use of services or premature escalation of care needs. | Government to change regulation to standardise and promote quality of life measures as performance indicators. Providers to adopt (and embed) approaches that improve personal capacity and wellbeing. | Horizon 1  
- Complete the implementation of the ‘Single Aged Care Quality Framework’.  
- Horizon 2  
  - Define, measure and support quality of life through an agreed evidence-based indicator across aged care services.  
  - Develop comprehensive, multi-disciplinary care teams for people with dementia and palliative care, containing medical, nursing, allied health, behavioural and pastoral expertise, that provide support to consumers in the community.  
- Horizon 3  
  - Change regulation to standardise, promote and report the quality of life indicators/measure.  
  - Hold providers accountable for their efforts and results in sustaining and/or improving the quality of life of consumers, including residents/clients and their families and carers.  
  - Incentivise providers and consumers to adopt approaches which improve personal capacity and eliminate, reduce or defer the need for services. |
5.3.2 Technology as an enabler

Digital literacy is a significant impediment to some consumers’ use of technology to access services. In addition, there are limited tailored technological solutions for older Australians. For some older people, access to internet and technological infrastructure is difficult. In the past, successful trials of technological solutions have not been able to access continued funding to extend or scale the innovation, leading to lost opportunities for system-wide impact.

Technology is an enabler to better empower and connect consumers to services that support their care needs through service navigation, prevention and early intervention, as well as service provision. Technology is harnessed and adapted to empower older people, transform care delivery and facilitate genuine choice in how and where they receive care. Apps can support system navigation. Wearable devices and smart home technology networks improve quality of at-home care through remote monitoring and support. Mobile or virtual care workforces can further support freedom of choice and methods of care, when enabled to be responsive to consumer needs.

Government, consumer organisations, technology organisations and providers to strengthen partnerships to introduce advances that improve system navigation and modernise care delivery to empower consumers. Providers to continue to design and pilot tailored technological delivery of care and to be supported to move from innovating successful pilots to delivering at scale.

Horizon 1
- Implement sustained additional Government funding to encourage the development of technological advances to modernise care delivery.
- Develop a platform to link people of all ages to volunteering opportunities, creating a manageable and easy way to identify opportunities for older people to receive care, support and social interaction.

Horizon 2
- Encourage partnership and/or Government funding to further explore how technological advances could improve whole system navigation.
- Introduce a platform for consumers to access information and receive advice on a full spectrum of local services (from home care to residential care) using accessible technology (e.g. mobile apps).

5.3.3 Culture of innovation

There is currently limited incentives and funding available to support new and ongoing innovative approaches to providing care, particularly for residential care and CHSP programs. The low risk appetite of the care sector is largely dictated by the rigidity of the system, lack of the availability of the highest levels of care funding outside of residential care, immaturity of the home and community-based care system, protection of supply in The system recognises and incentivises innovative service provision to improve health, wellbeing and quality of life outcomes for older Australians. There is sufficient competitive tension within the system, and success depends on continually improving services. New entrants in the market can obtain benefits from providing alternative and/or superior service offerings.

Government to make regulatory and funding changes to encourage and support innovation in service provision (e.g. a sustainable, continuing innovation fund offering innovation grants), and increase competitive tension. Providers to recognise and share innovation in the aged care sector.

Horizon 1
- Continue and increase Government funding to promote innovative ideas and service models.
- Continue and scale successful innovative pilot programs.
- Recognise and share innovation in the aged care sector.
- Introduce incentives for providers to deliver flexible and innovative approaches that improve outcomes for those who are under-served and/or in hard to reach communities.
the residential and CHSP programs, and constraints of the siloed regulatory environment. In addition, there are limited investment streams to test and/or implement new innovative approaches based on successful trials and pilots.

**Horizon 2**

- Improve competitive tension to drive innovation through making high level care funding available outside residential care and substantially growing the home and community-based care system.
- Establish an Innovation Fund to support transformative investment in design, infrastructure and service models that respond to community expectations and utilise funding effectively. Target demonstration models which reverse the perverse incentives (e.g., those which penalise functional improvements) inherent in the current funding models.

**Horizon 3**

- Introduce funding and regulatory reform to eliminate the perverse incentives in care providers with a view to encourage reablement of older Australians.
- Establish a larger, non-government capital pool with tax incentives to enable aged care providers to build specialist facilities for vulnerable/disadvantaged consumer groups.
### VIABILITY AND SUSTAINABILITY OF THE AGED CARE SYSTEM

#### 5.4.1 Value for money

**Current state**

Older Australians often are in crisis situations when important decisions need to be made about the care they receive. Consumers are often poorly informed of the various care and funding options available, leading to ill-informed decision-making and poor value for money for both consumers and the government. This often leads to consumers accessing the highest, and most expensive, forms of care.

No reward is given to providers who eliminate, reduce or defer the cost of services to government and consumers.

Residential aged care is a relatively high cost form of care provision for government. Government generally pays subsidies for the care of residents and accommodation subsidies for almost half of residents. A mature home and community-based care system would reduce the reliance on this high cost mode of aged care to only those who require and desire it.

Some lower cost models of support which utilise case management skills to leverage existing community resources.

**Desired future state**

A wide range of service options is available that provide value for money to government and consumers. There is a concerted focus on the development of the home and community-based care system. Substantial investment is provided to programs and providers that:

- emphasise early intervention, wellness and reablement; leverage community-based resources and technology;
- reduce ongoing long-term care services; and/or provide Government with a return on investment.

Older Australians can choose a care provider and model of care that meet their specific requirements, at the level of care they need, and with the option to choose any additional benefits they want and can afford. Consumers are provided with every opportunity to stay at home in their communities or live in a normalised home-like environment.

**Summary of changes**

**Government** emphasises approaches that increase value for money, leverage community-based resources and technology, and reduce reliance on longer-term care.

**Changes across the horizons**

**Horizon 2**

- Increase investment in programs which remove, reduce or defer people's need for on-going long-term care services and simultaneously improve consumers' wellbeing. This could include incentives and/or increased funding for intensive short-term reablement support and programs that increase wellbeing through social connection.

- Introduce financial or other incentives to consumers which meet their needs and reduce the cost to Government. For example, consumers could receive financial incentives if they choose options which reduce the cost to government.

- Options should be investigated to increase the levels of funding provided to informal carers who care for loved ones who have been assessed as eligible for aged care services.

**Horizon 3**

- Broaden the funding programs that provide Government with a return on investment through elimination, reduction or deferral of services.
and the local entitlements of older people have been discontinued.

### 5.4.2 Flexibility in access of funding

Within the current system, individuals and communities have limited direct access to funding, services and options to which they can choose to apply the care funding for which they are eligible.

Lack of connectivity between different funding streams, duplication in regulation across the aged care, health, disability and housing sectors, and different levels of government, lead to greater cost and inequitable funding distribution, duplication and gaps in service provision, increased complexity for consumers, and additional governance and compliance challenges.

Older Australians have flexible access to funding sources which are directed by individuals and communities. Care funding should be diversified and sourced from a mix of Government(s), superannuation (through enhanced premiums), consumers, private health insurance or other forms of insurance, families or a mix of sources.

The aged care, disability, health and housing systems are aligned so that there are not perverse incentives for older people to choose less appropriate and more expensive options. Consumers can access appropriate levels of funding related to their needs for various services, irrespective of the care setting.

Consumers with significant financial capacity are required to contribute more to the cost of their care. Lifetime Government (in consultation with the consumer, and provider peak bodies) to develop, investigate and advance alternative funding streams (e.g. through superannuation) to enable diversification of funding sources.

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<th>Horizon 1</th>
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<tr>
<td>• Modify residential aged care means testing to include the full value of the home and remove the lifetime limits on consumer contributions to care funding.</td>
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<td>• Investigate the merits of developing alternative funding sources. Establish priorities for further development and implementation based on that investigation.</td>
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<th>Horizon 2</th>
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<tr>
<td>• Consumers should be able to continue to access their full private health insurance entitlements in areas such as allied health services.</td>
</tr>
<tr>
<td>• Explore diversification of funding sources from a mix of Government(s), superannuation, consumers, private health insurance, Medicare or other forms of insurance, and families.</td>
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</table>
Additional pressure is placed on the aged care system as consumers cannot access their private health insurance to fund allied health services and there is an unwillingness to explore funding options involving greater consumer contributions to their aged care.

Horizon 3
- Alternative insurance approaches to care should be evaluated.
- Tax incentives should be developed to encourage the development of advance and alternative funding streams (e.g. through superannuation) to enable diversification of funding models.
- Investigate enhanced premium for superannuation products, where consumers are given a tax break to contribute to their super so that they could fully fund their aged care needs. If it is not used, the money would remain as part of their estate.

5.4.3 Integration of care, health and housing

While health, disabilities, aged care and housing sectors often share the same customers, the systems are siloed and disjointed in their funding and models of care provision.

The sectors have different regulatory requirements, are administered by different levels of government, have different levels of funding allocation and are often disjointed, with no intentional strategic planning that links the sectors or services they provide. This restricts value for money for Government and consumers, creates complexity for the consumer to navigate the diverse systems and choose care options, and limits the development of cost-effective integrated community solutions.

All Australians benefit from a broader range of models and systems of health delivery centred on the individual and based on an integrated, seamless care system of health, disabilities, aged care and housing services, recognising that an individual’s needs and wants are often complex and multidimensional.

Whole of government reform to establish formal and intentional strategic planning links between the aged care and health system. Development, at system and local levels, of packages of care and housing that span the different service systems, including packages targeted for specific groups.

Horizon 2
- Increase Medicare item numbers to incentivise GPs to continue to offer care for older Australians.
- Create networks of services and packages of care and support for communities (geographical, cultural, etc.) targeted at people who are vulnerable or have special needs.

Horizon 3
- Funding for vacant stock and underutilised beds in RACFs should be repurposed to provide high care in the community and to create alternative options for affordable housing to all Australians.
- Introduce an integrated seamless care system, where the continuum of care is seamless, and consumers never experience a ‘wrong door’ to access care. Examples include:
  - a formal and intentional strategic planning link introduced between the health care and the aged care system (to bridge the gap between clinical care
and aged care services). This could involve establishing arrangements and contracts with aged care providers, to offer alternatives to hospital admission or provide consumers with temporary or permanent care support after hospitalisation (as in the UK intermediate care strategy)

- the Western HealthLinks program (by Victorian DHHS, Western Health and Silver Chain Group) that supports more than 3,500 patients with chronic and complex conditions, where there is a central portal that can be accessed by the patient or personal ‘care navigator’, who links the patients and care professionals.
### CARE WORKFORCE

#### 5.5 Care workforce

<table>
<thead>
<tr>
<th>Current state</th>
<th>Desired future state</th>
<th>Summary of changes</th>
<th>Changes across the horizons</th>
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<tbody>
<tr>
<td>The aged care sector workforce is not currently prepared to cope with the substantial growth in demand of the ageing population. The sector is already experiencing gaps at all levels of the care workforce, exacerbated by limited funding, difficult working conditions and inequitable pay. The role of family, carers and communities in the provision of care are not adequately recognised or rewarded. The increasing complexity of consumers’ needs creates additional pressure for a more skilled and diverse workforce. The provision of adequate incentives for skilled workers to enter and remain in the care sector will be critical to support older people both in their</td>
<td>A sustainable care workforce that is flexible, multidisciplinary, skilled, appropriately resourced, well remunerated and responsive to changing consumer needs. This could be assisted by ensuring people in carer roles enjoy fringe benefit tax exemptions and other tax benefits, modernising and realigning vocational education, and funding training programs for volunteers and family members. Staff provision enables a variety of service offerings, at different levels of care, whilst maintaining the highest quality standards and minimising risk to both consumers and staff.</td>
<td>Government and providers implement aged care workforce development in line with the Pollaers’ workforce strategy report.</td>
<td>Horizon 1</td>
</tr>
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<td></td>
<td><strong>Government</strong> to provide funding to the sector aligned with the development and remuneration required to achieve a skilled, adequately resourced workforce.</td>
<td>• Continue to develop and implement strategies focused on the cooperative recruitment, development and retention of staff in rural and remote communities. • Increase support, incentives and pathways for Aboriginal and Torres Strait Islander workers to have career and flexible work opportunities within their communities caring for Elders. • Introduce initiatives to attract more people to the aged care workforce from other sectors through an aged care workforce value proposition • Provide incentives to encourage younger people to work part-time as care workers to experience caring for older Australians. • Recognise service provider initiatives supporting student placement and development • Government to work with service providers to increase the provision of tertiary scholarships in related aged care services area.</td>
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communities and in formal care arrangements.

Horizon 2

- Modernise and realign vocational education, providing advanced training in more complex areas, and recognising that increased skills and qualifications need to be financially rewarded.
- Increase funding to support staffing levels that will increase the quality of life outcomes and ensure the care workforce are skilled, appropriately resourced and well remunerated.
- Fund training programs for volunteers and family members, allowing them to ‘give back’ and help older Australians.
- Greater linkage between service providers (employers) and RTO funding outcomes.

Horizon 3

- Ensure people in carer roles enjoy fringe benefit tax exemptions and other tax benefits to incentivise them to enter and remain in the care workforce, as has been implemented in Hong Kong.