



**Australian  
Aged Care  
Collaboration**

## **ROYAL COMMISSION PROVIDES OPPORTUNITY TO 'FIX' THE AGED CARE SYSTEM FOR EVER**

**Monday 1 March 2021**

TODAY's release of the Royal Commission report into Aged Care Quality and Safety is a critical watershed moment in Australia's quest for a fair and just system that gives older people the care and choice they need and deserve, according to the nation's aged care providers.

Speaking collectively under the Australian Aged Care Collaboration (AACC) banner, providers said the design of the current aged care system was structurally flawed.

The AACC represents more than 1,000 organisations who deliver 70 per cent of aged care services to 1.3 million Australians, either in their own homes or in communal residential settings.

AACC representatives Patricia Sparrow and Sean Rooney said more than 20 government aged care reviews in 20 years had left fundamental questions about sustainability, accountability, transparency and service for older Australians largely untouched.

"The standard of reform required has been set by the Royal Commission. As providers, we stand ready to play our part. It's now over to the Prime Minister and his government to drive the significant reforms that will set up Australia for our ageing population and guarantee older Australians the respect they deserve," Ms Sparrow said.

"We will of course need time to go through the recommendations in detail, but it is concerning the Royal Commissioners did not provide a unanimous and clear position of how aged care should be funded in future.

"Funding is what supports the employment of more care staff, better trained care staff, better paid care staff and better facilities for residents.

"Older people must be front and centre in everything we do, from human rights based legislation, to employing more staff, and supporting more people in their own homes.

"The inescapable challenge is that Australia spends less than half of what comparable countries do on aged care, at 1.2% of GDP versus an OECD average of 2.5%.

“As a result, under-resourced aged care homes were described by Counsel Assisting the Royal Commission as in an ‘impossible situation’, and were struggling to maintain standards and staffing, whilst fighting to keep their doors open. This raises the question of what sort of aged care system Australians want?”

Mr Rooney acknowledged the Royal Commission report cited some appalling examples where individuals or aged care services had failed in their duties to provide safe and quality care for older Australians.

“These failures are unacceptable, and we are deeply sorry for the harm they have caused. As a sector we are doing what we can to ensure these failures are not repeated,” he said.

“What Australia needs is a regulatory and funding model that recognizes older Australians’ fundamental human rights, whether they live in a communal residential aged care facility or are supported by a government-subsidised care package within their own home.

“That includes legislating the right to sufficient high quality and safe aged care and support in a way that binds both providers and government to safeguard this right.

“In addition, we suggest the government set out a two to three year schedule for releasing enough home care packages to clear the current 100,000 person queue, and ensure anyone who needs one can access one at the appropriate level of need.”

### **The problem**

- Australia spends \$26 billion a year on aged care, \$21 billion of which is in the form of government-subsidised care, and the remainder funded by individuals themselves.
- This is less than half of what comparable countries spend, as a percentage of GDP.
- 16,000 vulnerable Australians died in 2017-18 alone, while waiting for a government-subsidised support package in their own home.
- An additional 100,000 people are waiting for home support at their approved level - with those in need of the highest-level packages typically waiting at least 12 months.
- Separately, a further 88,000 places will be required in communal Residential Aged Care over the next 10 years, at a cost of \$55 billion.
- 78,000 extra workers are needed in the next 10 years to deal with the country’s ageing population.
- 64% of communal residential aged care homes operated at a loss in 2020, almost double the medium-term average of 33%.

“Australia needs a stable aged care funding system that transparently and independently links funding to provider costs, including the cost of attracting and training a skilled workforce and accessing capital, and supports innovation and productivity,” Ms Sparrow said.

“The Australian Government needs to ensure a fair balance of contributions between government and consumers, including consistency in contributions between types of care and equitable means testing approaches.”

More than 4.1 million Australians, or almost 16% of the population, are currently aged over 65. By 2057, that will rise to 8.8 million, or 22% of the population, and by 2097 it will reach 12.8 million people, or one in four Australians.

Eighty per cent of Australians who currently receive government-subsidised care do so in their own homes, while the remaining 20 per cent live in communal residential aged care homes, which dominated much of the Royal Commission’s attention.

### **Types of government-subsidised aged care**

Broadly speaking, 1.3 million Australians access government-subsidised aged care services in three different settings:

1. Own home: for people with low care needs (Commonwealth Home Support Program CHSP) – 840,000 people.
2. Own home: for people with greater care needs (Home Care Package Program) – 174,000 people.
3. Communal care homes: where residents generally receive nursing and personal care 24 hours per day, either on a permanent basis or as short-term respite stays (Residential Aged Care Homes) – 244,000 people.

### **AACC campaign for a fairer aged care system**

The AACC has launched a campaign for a fairer system for older Australians. An [‘It’s Time to Care About Aged Care’](#) campaign advertisement helps explain the challenges of the current system.

An additional [‘It’s Time to Care About Aged Care’](#) report identifies for the first time the 30 members of the 151-member Federal Parliament who represent the ‘oldest’ Australian communities by age, and who have the greatest obligation to fix the system.

Of these seats, 14 are marginal, and in some cases are held by only a few hundred votes. They contain 755,045 voters aged over 55, an extraordinarily concentrated voting block.

Critical decision-makers on both sides of politics represent these older communities. For example, the current Minister for Aged Care Greg Hunt

holds Australia's eighth 'oldest' electorate, Flinders, in Melbourne, with 50.7% of voters aged over 55.

Similarly, the Opposition's former Minister for Aged Care Justine Elliott holds the sixth 'oldest' electorate in Australia, Richmond, on the NSW north coast, with 51.4% of voters aged over 55 years old.

"The 30 Members of Parliament who represent Australia's 'oldest' electorates have the greatest opportunity to represent the needs of their communities, so that older Australians are finally given the respect, resources and support they deserve," Mr Rooney said.

"The Australian community looks to these elected officials to stand up for them in the national debate and to help influence positive outcomes on behalf of their constituents.

"These MPs have the opportunity to truly achieve something great – and avoid the mistakes of the past – by creating a sustainable and equitable aged care system that will stand the test of time."

#### **About the Australian Aged Care Collaboration**

The AACC is a group of six aged care peak bodies: Aged & Community Services Australia (ACSA), Anglicare Australia, Baptist Care Australia, Catholic Health Australia, Leading Age Services Australia (LASA) and UnitingCare Australia.

Together, the AACC represents more than 1,000 organisations who deliver 70 per cent of aged care services to 1.3 million Australians, either in their own homes or in communal residential settings.

The following representatives of the AACC are available for interview:

<b>Patricia Sparrow</b> CEO Aged & Community Services Australia (ACSA)	<b>Sean Rooney</b> CEO Leading Age Services Australia (LASA)
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**Media enquiries:** Adam Connolly 0417 170 084 or Jasmine Hogg 0422 834 912

[www.CareAboutAgedCare.org.au](http://www.CareAboutAgedCare.org.au)

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