



A new model for regulating Aged Care Feedback on Consultation Paper No.1

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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 are the largest network of social service providers in Australia, supporting 1.4 million people every year across urban, rural, and remote communities.

We focus on articulating and meeting the needs of people at all stages of life and those that are most vulnerable.

UnitingCare Australia Submission

UnitingCare Australia welcomes the opportunity to provide feedback on the first consultation paper on a new model for regulating Aged Care. UnitingCare Australia recognises and applauds the Government's prioritisation of aged care reform and the consultative footing it has taken on this priority.

The Royal Commission is the most recent of numerous reviews that have highlighted the failure of the current regulatory framework in aged care. Past efforts to rectify this have been insufficient against the scale of the problem. Consultation paper number one correctly identifies that a "modern and fit-for-purpose regulatory model" is required to deliver the quality and scale of aged care required in Australia today and into the future.

Through this submission we seek to emphasise the following four key regulatory enablers of high-quality aged care:

Clear responsibilities

1. Provide a clear outline of roles and responsibilities for regulators, providers, and workers in the sector.
2. Provide case studies and examples to offer the most robust possible picture of standards.
3. In balance with recommendations one and two, increase accessibility by reducing the number and length of documents while increasing consistency of documents outlining responsibilities.
4. Review the possibility of creating one overarching tool that incorporates rights, responsibilities, expectations and standards for care recipients, workforce, and providers. Insofar as possible, such a resource should distil all compliance requirements including food safety, NDIS, ABS, WGEA, WHS.
5. Include further detail on how lessons learned, industry benchmarking, analysis, market evaluation, and other information will be publicly reported to support continuous improvement.

Community endorsed standards

6. Regulatory settings should be consulted and established in line with community endorsed standards while extraordinary decision-making authorities should exist for extraordinary circumstances only.
7. Consumer expectations should not be created that providers are not adequately resourced to deliver.

Purposeful legislation

8. Include the rights of workers to experience a safe and respectful workplace within the regulatory framework.
9. Any consideration of adopting a NDIS style model should be undertaken with caution and a clear understanding of any unintended consequences.

Financial sustainability

10. Reporting requirements should be as efficient as possible.
11. The government should review all provider reporting requirements and provide funding to support the cost of compliance and reporting.
12. The government should provide an annual funding allocation quarantined for training and professional development.

Clear responsibilities

Clear statements of responsibility are essential to providers and workers being able to meet regulatory standards. The clearer and more accessible the new framework is the more successful it will be.

Once the new regulatory framework is in place, sweeping and frequent updates to the framework should be measured carefully against the functionality costs and financial costs of change.

Recommendations

1. Provide a clear outline of roles and responsibilities for regulators, providers, and workers in the sector encouraging improved collaboration between these groups to deliver higher quality care.
2. Provide case studies and examples to offer the most robust possible picture of standards.
3. In balance with recommendations one and two, increase accessibility by reducing the number and length of documents, while increasing consistency of documents outlining responsibilities.
4. Review the possibility of creating one overarching tool that incorporates rights, responsibilities, expectations and standards for care recipients, workforce, and providers. Insofar as possible, such a resource should distil all compliance requirements including food safety, NDIS, ABS, WGEA, WHS.
5. Include further detail on how lessons learned, industry benchmarking, analysis, market evaluation, and other information will be publicly reported to support continuous improvement.

Community endorsed standards

This consultation series in conjunction with other completed and concurrent reviews provide an important platform to establish a strong understanding of community expectation. Once ascertained, that community expectation should be endorsed in the framework.

Achieving this outcome will require full outlines of all proposed responsibilities to be included in the framework.

Recommendations

6. Regulatory settings should be consulted and established in line with community endorsed standards while extraordinary decision-making authorities should exist for extraordinary circumstances only.
7. Consumer expectations should not be created that providers are not adequately resourced to deliver.

Purposeful legislation

It is essential that the regulatory framework consultation gives rise to an understood and socialised set of standards for the sector. UnitingCare Australia notes that some aspects of consultation paper number one could be read as establishing an interest in NDIS style digital contracting care, see for example:

There is a lack of legislative alignment between aged care and the broader care and support sector. This creates unnecessary barriers to providers and workers across the entire sector. (Page 9)

For some services, the provider may not need to be a corporation, and some responsibilities and Standards may not be applicable. (Page 35)

The registration model will be able to graduate entry requirements and provider responsibilities according to the types of care and services being provided and the risks associated with them. (Page 38)

All significant alterations to the regulatory landscape should be the subject of clear and direct consultation with a focus on how the proposed reform would impact care recipients, providers, and the workers.

UnitingCare Australia also notes that considerable complaint has been brought against the proliferation of digital contractor work in the NDIS including a June 2022 report from the Per Capita Institute, *Contracting Care*, which outlines:

The potential hazards of the digital contractor model for workers appear consistent across many industries: lower income security, more complex administrative requirements, fewer training and peer-to-peer support opportunities, higher personal liability risks, and fewer social protections like sick pay, parental leave and superannuation contributions.

Recommendations

8. Include the rights of workers to experience a safe and respectful workplace within the regulatory framework.
9. Any consideration of adopting a NDIS style model should be undertaken with caution and a clear understanding of any unintended consequences.

Financial sustainability

Improving the reporting and training processes within aged care is both vital and expensive. Staff time remains our network's most valuable asset, while implementation of the Quarterly Financial Reporting regime cost one agency within our network over \$1 million with ongoing compliance costs of more than \$500,000.

The financial sustainability of the sector has been decimated over the past five years. Operating results in residential aged care have plummeted from \$9 profit per bed, per day in 2017 to a \$16 loss in 2022. This has been driven by drastically inadequate indexation, and rising costs associated with both the Covid crisis and inflation.

Part of the sector's financial crisis over the past five years has been obscured by sporadic profitability in the delivery of additional or premium services. It is essential this does not mislead

Our network understands the vital importance of detailed reporting and staff training, especially within the context of a rapidly changing regulatory environment. However, if government decisions continue to ask providers to do more with less the sector will fracture and fail. That failure will be especially felt by less well-off Australians.

Recommendations

10. Reporting requirements should be as efficient as possible.
11. The government should review all provider reporting requirements and provide funding to support the cost of compliance and reporting.
12. The government should provide an annual funding allocation quarantined for training and professional development.