

Aged Care

Position Statement

Position

Baptist Care Australia believes every older Australian should have the opportunity to live well, with dignity and independence as part of their community and in a place of their choosing. Aged care services should be easy to access and understand, offer real consumer choice and control, and be of a high quality.

Appropriate and affordable aged care services should be available when and where people need them, regardless of their background, culture, location or entry point.

Older Australians have the right to expect a high quality aged care system that delivers care, including complex care, to everyone who needs it. More than one million older Australians currently receive aged care services, with over half of those people receiving care in their own home. These people are supported by over 2.7 million carers, most of whom are family members who receive limited financial support. The aged care system employs over 370,000 staff across over 2,100 aged care providers and contributes an annual revenue of \$21.5 billionⁱ to the Australian economy. With a system that touches the lives of millions of Australians each year, we need to deliver the best system possible.

Funding a high quality and sustainable aged care system is an ongoing challenge, and this challenge is likely to intensify as both competition and demand for services grows. Without a substantial and sustained investment over the next 20 years our aged care system will not be able to appropriately support people as they age.

Baptist Care Australia is supportive of deregulation of the aged care system and recognises the positive impact market-based measures have on consumers' ability to exercise choice and control. However, it is important that the quality and safety standards of the aged care sector are retained and strengthened. The sector's regulatory environment should support and safeguard both quality and innovation to ensure a high level of public confidence without unnecessary regulatory red tape.

Baptist Care Australia believes a successful aged care system is one where no-one is left behind – where a person's ability to pay for care does not determine the level of support they receive. As a member of the *National Aged Care Alliance*, Baptist Care Australia endorses the NACA Blueprint for aged care.

Background

Australia's population is changing: we are living longer than ever before. The number of older Australians has increased dramatically over the past 10 years, and this number is forecast to exponentially increase over the next 40 years.

In 2018, there are around half a million people aged 85 and over, making up 2% of the population, and this is projected to increase to 4.4% by 2057.ⁱⁱ This increase presents a serious challenge for the aged care system and it is crucial that we build a system that sustainably supports our older Australians both now and well into the future.

The aged care system in Australia covers a broad range of programs and policies supporting people with a broad range of individual care needs. The central purpose of the aged care system is to support older people to live well. The sector has recognised for some time that the aged care system would be unable to respond appropriately to the increase in demand for aged care services, and that significant reform was required to ensure the sustainability of the sector.

The reform process to date has enabled older Australians to exercise greater choice and flexibility in the type of care and support they receive. The changes to the sector means that consumers now have a greater interest and increased expectations, particularly as more Australians are asked to contribute to the cost of their care.

A key issue moving forward is the adequate and sustainable funding for the system. Significant investment is required to ensure that aged care providers are able to continue to keep up with the demand for services. An estimated \$33 billion of capital investment needed to construct new and expand existing residential aged care facilities to provide for the additional 82,000ⁱⁱⁱ people who will access residential aged care over the next decade. Aged care providers are continuously forced to review operational and strategic direction due to policy changes that affects their capacity to undertake appropriate strategic forecasting and attract appropriate investment. Providers are unable to invest if the sector is not financially sustainable, and while refundable accommodation deposits provide some financing for some of these capital projects, providers need to make a sufficient return on capital to encourage the level of investment that is required to meet future demand. This will only be possible if providers are able to generate a sufficient level of operating profit, and further reform is required to support providers to achieve this.

As the profile of our aged care system changes, the types of services that will be required will also change. Residential aged care is increasingly becoming an end-of-life service as people move into facilities with higher care needs for shorter periods of time. This shift is also transforming home care services as people seek to age in place for as long as possible. The additional costs associated with providing this higher level of care are not reflected in current subsidy allowances and as a result providers are having to compensate for the costs. The number of people living with dementia and other complex care needs is projected to more than double over the next 20 years, and how the sector is going to be able to support the needs of this population group must be considered carefully.

The future access of aged care services is almost entirely dependent on having an appropriately skilled workforce. Almost 40% of older people aged 65 and over needed assistance with more than one activity of daily living in 2015,^{iv} with this need increasing with age (89% of people aged 90 and over). Currently over 75% of residential aged care and 50% of community care providers report staff shortages, and this number is growing. Attracting and retaining appropriately skilled staff remains an ongoing challenge, and this is exacerbated in rural and remote areas. Funding cuts directly impact workforce attraction, retention and development. The aged care sector must be seen as a viable career option, with opportunities for career development and growth.

Baptist Care Australia advocates strongly for the recognition of specific population groups within the aged care system, and the acknowledgement that there is no 'one size fits all' solution for providing appropriate aged care. One of the side-effects of the move to marketisation of the aged care sector is that certain population groups are at risk of not being able to access services as service provision in some areas becomes financially unviable for smaller service providers or unattractive to larger providers.

Baptist Care Australia believes that where an open market fails to deliver services where they're needed, or to the people who need them, government has a responsibility to ensure everyone has the same opportunity to access services and support. All Australians deserve to age with dignity, and this is

particularly true for individuals with high care needs (including cognitive impairment and dementia), people living with a disability, people living in rural and remote areas, members of Aboriginal and Torres Strait islander communities and people from culturally and linguistically diverse backgrounds. Those needing additional support also encompass individuals who have specific cultural, spiritual, ethical and privacy requirements that need to be recognised and supported to ensure quality care provision.

People experiencing financial or social disadvantage, veterans, single older women, and people who are experiencing homelessness or at risk of becoming homeless are also of particular concern as they often experience significant barriers in accessing and sustaining services and support. It is important to recognise that it is overwhelmingly the not-for-profit aged care providers that deliver care to these vulnerable population groups, often supplementing care costs through a range of measures. As the cost of care becomes more expensive for providers there is a real risk that members of these vulnerable population groups will be left behind.

Solutions

Baptist Care Australia is seeking an aged care system that meets the needs and expectations of our older Australians and their families.

- We need a sustainable aged care funding strategy that ensures we have an equitable and sustainable system to deliver the services people need and want into the future. This will involve significant investment on the part of government as well as the aged care sector.
- A single assessment agency that can access and approve the appropriate type of care for any individual is essential. As more people access the aged care system, the assessment process must be streamlined to avoid additional delays in people receiving services.
- Special considerations need to be made for the provision of aged care in rural and remote Australia, as well as for vulnerable population groups.
- The cost of providing quality care must be reviewed, taking into account the cost of providing for people with high care needs as well as location as a cost determining factor.
- The aged care quality indicators should be regularly reviewed and improved. This will maintain public confidence in the sector and also ensure that service providers are implementing current best practice.
- Palliative care must be appropriately funded. More community-based palliative care services are needed to enable people who wish to die at home to do so, and end of life care in residential facilities must be better resourced. This will reduce the burden placed on the hospital system as many residential aged care facilities are not able to offer high-level palliative care services.
- Aged care policy should be spearheaded by a dedicated Federal Department of the Ageing which is supported by infrastructure that would provide the expertise, experience, continuity and established networks with all levels of government. The current interaction between the different departments that have responsibility for components of the aged care system is inefficient and inhibits people from accessing services in a timely manner.

- Informal carers must receive additional support and access to respite. Lack of respite opportunities contributes significantly to people needing permanent residential aged care, and many carers end up needing care of their own.

Why we care

Baptist Care Australia works to bring social justice to Australian communities, advocating nationally on social issues such as homelessness, aged care and domestic violence.

Our members bring life-enriching care to their clients and residents, their families and communities. We believe every person has value and deserves respect. We see communities where people care for each other, and particularly for those in need, as a cornerstone of the Australia we want to help create.

Baptist Care Australia is the fourth-largest not-for-profit aged care provider group in the country. Members serve 18,500 home care customers nationwide. They provide more than 4400 homes to residential aged care customers and 3700 independent living units in communities for older people.

Baptist Care Australia takes a proactive approach to aged care policy reform so that members can continue to provide high quality care to consumers and grow to help meet increased needs in the future. Members have a particular focus on ensuring older people with limited resources are able to access the care they need.

Our members have an annual turnover of around \$700 million, employ around 9,000 staff, and engage with more than 2,500 volunteers annually. Each year, our services directly touch the lives of more than 190,000 Australians.

ⁱ Aged Care Financing Authority 2017 Report (insert link)

ⁱⁱ ABS (insert link)

ⁱⁱⁱ Aged Care Financing Authority 2017 Report (insert link)

^{iv} ABS 2016 (insert link)