



Department of Health and Aged Care
Ageing and Aged Care Engagement Team
By Email: AgedCareRegModel@Health.gov.au

5 October 2022

Dear Reviewing Officer,

Re: A new approach to regulating aged care - Consultation Paper 1

The Physical Disability Council of NSW is the peak systemic representing the interests of an estimated 1,056,440 million people with physical disability¹, including age-related disabilities. We welcome the opportunity to comment on the proposed model for regulating Aged Care.

Every Australian deserves the right to age in comfort, with dignity, and to exercise choice and control in relation to the supports and services they require to realise these objectives.

PDCN supports the recommendations of the Royal Commission into Aged Care, and the introduction of a new, modernised Aged Care System that is *'fit for purpose, delivers proportionate regulation, and supports the provision of safe and quality care for senior Australians'*²

Community expectations regarding the administration and delivery of supports for older persons has shifted significantly with the introduction of the National Disability Insurance Scheme (NDIS), and there is a strong call for parity in supports and services between the two schemes.

The proposed model makes significant inroads both philosophically and administratively aligning Aged Care with the core principles of 'choice and control' underpinning the NDIS. We appreciate the investment that the Department of Health and Aged Care has made in ensuring that the end users of the scheme – older Australians – can input into various aspects of the new scheme, and strongly encourage the Department to utilise co-design across all stages of development to ensure that the scheme is fit for purpose.

¹ Australian Bureau of Statistics, Disability, Ageing and Carers, Australia: Summary of findings 2019 <<https://www.abs.gov.au/statistics/health/disability/disability-ageing-and-carers-australia-summary-findings/2018>> accessed 5 October 2022

² Department of Health and Aged Care, A new model for regulating Aged Care, consultation paper 1, September 2022 <[final-new-model-for-regulating-aged-care-sep-2022.pdf \(health.gov.au\)](#)> accessed 5 October 2022, p. 1

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We welcome the simplification of supports and services including the amalgamation of the CHSP, HCP and STRC into a single 'Support at Home Program' and the Department's focus on making the scheme more accessible to older Australians and their families.

PDCN would welcome the introduction of a new system to allow older persons to better search and connect with supports and services and encourage the Department to work closely with the aged community to ensure that resources to navigate the System reflect best practice accessibility.

We support a tiered approach to service types which we anticipate will reduce the current barriers that inhibit the capacity for smaller businesses and independent contractors to enter the lower-risk end of the market. We anticipate that reduced 'red tape' and administration costs will enhance opportunities for market growth, particularly in areas where we know there are existing service gaps, including remote and regional locations.

Research has indicated high levels of consistency in the supports being accessed by participants across the disability and aged care spaces with most services accessed across both cohorts focusing on daily living and engaging in social and community activities.³

PDCN supports a robust market where older Australians have choice of service provider and agree that there is a need to remove arbitrary barriers across the provision of services across disability, veterans, and aged care services. We anticipate that greater consistency across the three schemes would reduce the regulatory burden on dual NDIS and Aged Care service providers, but strongly encourage the department to work closely with existing providers across the current service sectors to ensure the transition to a collective 'care and support sector' does not result in unanticipated negative impacts for individual providers.

PDCN welcomes a rebalancing of regulatory effort towards areas where the risk of harms to older Australians is greatest. We support the creation of clear service standards to align with contemporary community expectations around care and support of older Australians, coupled with more efficient regulatory efforts. We look forward to the Regulator having greater powers to assess providers both prior to, and across the period of service provision, including the capacity to initiate investigations as well as apply penalties and sanctions.

Moving forwards there are several key features we look to see incorporated in the new Aged Care Scheme on behalf of our membership:

Focus on funding prevention and early intervention supports to ensure older Australians age well and remain engaged with community

The current categories of supports for individuals under Aged Care are responsive to the existing support needs of participants, but do not facilitate good health or prolonged

³ Spiers, Troy and Hicks, Tim, *Comparing Aged Care and NDIS Support: A Funding Analysis*, Discussion Paper, Leading Age Services Australia (LASA), January 2021, p.4

independence through funding for preventative services, such as nutrition advice, exercise, or physical therapies to maintain mobility.

Similarly, as the age of retirement continues to rise, and more people over 65 continue to work, there is no support for those accessing the scheme to find or keep employment. A new, contemporary Aged Care System should provide an expanded range of supports and services that more accurately reflect current societal expectations around ageing well and remaining connected to community through employment and ongoing education.

A movement away from the medicalised model of care and support

A key difference between the NDIS and Aged Care is that the NDIS is geared to support participants across all aspects of their lives, including social and community participation, learning, relationships, and daily living skills, whereas the Aged Care system has a stronger focus on practical supports, like home cleaning, meal preparation and transport to services.

There is substantive research linking individuals' health and wellbeing to a range of sociological factors, including social inclusion. A new aged care system should take a more wholistic approach to supports and services – like the NDIS already has – in funding the provision of wrap around supports and services that assist participants to connect with other people, build, (or maintain) social connections and participate in activities to increase overall wellbeing.

Greater parity in funding for individuals between aged care and NDIS

Research conducted by Leading Age Services Australia (LASA) in 2021 indicates that the estimated participant equivalent allocation of total Government funding for the aged care program is near to one quarter that allocated by the NDIS.⁴

NDIS participants were reported as having an annual allocated support of around \$200,000 for high need participants, \$61,000 for moderate need participants and \$22,000 for those with low needs, verses an average spend of \$104,000 for high needs Aged Care participants in residential aged care, \$47,000 for high needs Aged Care participants at home, \$18,000 for those with moderate needs and \$3000 for those on the lowest level of the Commonwealth Home Support Program (CHSP).⁵ Analysis of individual case studies show that a primary difference in support levels across aged care and disability programs relates to the number of hours of personal care available.⁶

The Aged Care capped funding system often forces individuals to forgo supports to 'build up' sufficient capital to afford larger cost supports or manage urgent need for specific supports. In many instances, funds are insufficient to provide older Australians with the level of support

⁴ Ibid, p. 23

⁵ Ibid.

⁶ Ibid.

and access to services, modifications, or equipment they need to realise basic human rights to health, dignity, and social inclusion.

Banded funding should be removed under the Aged Care System and instead determined on an individual basis based on the reasonable and necessary supports an individual needs to meet their health and wellbeing requirements.

Greater focus on self-management for older Australians

Currently older Australians are not able to self-manage their plans. Care management/support coordination and management fees can account for a significant proportion of an individual's overall funding irrespective of whether they require these services or not. In comparison the NDIS provides options for individuals to self-manage their plans, as well as providing separate funding to cover plan administration and management costs for those who do not choose to self-manage.

Older Australians should have equal right to manage their funding if they have the capacity to do so. It is an inefficient use of the limited resources otherwise available to participants under the existing Aged Care scheme for funds to be committed toward paying for care and package management where a person can self-manage allowing for funds to be better channeled towards necessary supports. The new Aged Care Scheme should provide older Australians with the same right to self-manage as currently experienced by NDIS participants.

The care and support needs of people of older persons with disability who are not covered, either by insurance or the NDIS must be addressed

There is currently a cohort of individuals that are currently unable to have their disability needs met either through the NDIS, Aged Care, or various insurance schemes. This cohort are usually over 65 years of age – and thus excluded from the NDIS – and have care and support needs that are not adequately accommodated through the present schedule of supports offered under Aged Care. An example is where an individual over the age of 65 experiences a catastrophic injury which then requires them to have access to high level care and supports such as assistive technology.

We warmly welcome news that the Department is currently looking into options to specifically address gaps in older Australians' access to assistive technology support but are concerned that this does not go far enough to resolve existing inequities for this cohort. PDCN recommend that the Department conducts specific research into how best to fully address the needs of people over 65 years of age with disabilities that are currently unable to fully access necessary care and supports and would welcome the opportunity to contribute to such research.

Increased emphasis on funding prevention and early intervention supports to ensure older Australians age well

The current categories of supports for individuals under Aged Care are responsive to the existing support needs of participants, but do not facilitate good health or prolonged independence through funding for preventative services, such as nutrition advice, exercise, or physical therapies to maintain mobility.

Similarly, as the age of retirement continues to rise, and more people over 65 continue to work, there is no support for those accessing the scheme to find or keep employment. A new, contemporary Aged Care System should provide an expanded range of supports and services that more accurately reflect current societal expectations around ageing well and remaining connected to community through employment and ongoing education.

In summary, we see many positives in the Government's proposed plans to reform the Aged Care System. Whilst the Aged Care Plan represented a significant, and positive step in supporting older Australians when it was first conceived, the system is no longer fit for purpose in meeting modern expectations of the type of care and support our society expects for our older citizens.

PDCN looks forward to further information about the Government's aged care reforms and participating across future engagement opportunities.

Please direct any questions or comments to
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Sincerely,



Serena Ovens
Chief Executive Officer