



TIPPING POINT

A plan for a shock-proof aged care system



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APRIL 2022



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Anglicare Australia (2022) Embracing the future: Building a shock-proof aged care system. Anglicare Australia: Canberra.

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About this paper

Everyone deserves quality care as they get older. But years of back-to-back crises have shown that Australia's aged care system is letting too many people down.

Much has been said about aged care in recent months and weeks, and how to address the current crisis. As it should be, the treatment and care of older people in Australia is proving to be a priority for many of the candidates of the upcoming election. Concern about aged care has reached a tipping point.

To help guide the decisions that must be made, and make sure aged care is prepared for all the challenges of the future – not just the immediate crises we face – Anglicare Australia has developed this blueprint to transform the system and prepare it for future shocks.

The global Covid-19 pandemic did not create Australia's aged care crisis. It worsened it, and it exposed the holes at the heart of the system. Aged care homes had been struggling to provide quality care and keep their doors open. Older Australians were paying the price.

Australia's aged care system was not prepared for the shock of Covid-19. Yet the pandemic struck halfway through a landmark Royal Commission, and after twenty years and twenty reviews into aged care. Government after government had failed to act, choosing piecemeal changes and band-aid solutions that left older people vulnerable.

The next emergency will not be far away. The pandemic came on the heels of the worst bushfire season Australia had ever experienced. As recent floods across Eastern Australia have shown, climate change will mean that Australia will face more extreme weather events and heatwaves. There will be another pandemic, another financial crisis, or another unforeseen event that will threaten the safety and wellbeing of older Australians and the operation of aged care. We must be ready.

To have a system that's fit for purpose, we must ensure that it doesn't leave anybody behind. That means making sure everybody can get the quality care they want, no matter who they are or how much income they have.

We need a system that allows people to age in their own home if they choose to. Nobody should spend years waiting for home care support or move into a residential facility before they want or need to.

We need a system that's flexible enough to meet people's needs, even when those needs change. Care plans should be updated as a person's situation evolves, and they should be given the power to co-design their own care with their carers and family. That will mean redesigning our bureaucratic, transactional system.

The tens of thousands of people who work in this system should be acknowledged as its backbone. They should be rewarded and celebrated for building caring and respectful relationships with the people they serve. Their dedication and courage should be recognised, and we should redouble our efforts to invest in their careers – and their wages.

The unpaid carers who do so much for older people should also get the support and recognition they deserve. Caring for a friend or family member is a privilege, but it can also be tiring, and can limit people's capacity to work or study. Carers should get payments that cover their costs, respite from their responsibilities, and leave to allow them to recoup.

To do all of this, we will need to break down the barriers between aged care, health care, mental health, and income support. All of these systems should be working together to support older people and their carers. Instead, too many people have to work against them to get the care they need.

We need to make sure the system is ready for the future – and that everyone can get the quality care they need, when they need it, where they need it.

The past two years have exposed the divide between the care that Australians expect, and how much we spend on that care. Australia spends half the OECD average on aged care. If the Government is serious about meeting the needs of older people, and preparing the system for future shocks, that is going to have to change.

We owe it to Australians to learn the lessons of the past two years.

It's time to listen to the voices of older people – and deliver an aged care system that they can rely on.

Our roadmap for a shock-proof aged care system

Part I: Urgent priorities

1. A strong workforce
2. A sustainable sector

Part II: Long-term reforms

3. Support to age-in-place
4. Boosting quality of life
5. Action on ageism.

Part I: Urgent priorities

A strong workforce

Since the start of the pandemic and well before, aged care workers have gone above and beyond to deliver care. Now they have found themselves on the frontline of the Coronavirus, keeping people safe in tough times. Older people have relied on them to deliver care in tough times, and they will be vital in building a system that's prepared to meet the challenges of the future.

Yet low pay in the aged care sector is forcing workers to make tough decisions. The Australian Aged Care Collaboration recently found that aged care workers are being priced out of their own communities. Based on average earnings and expenses, an aged care worker in a single household would have \$96.07 of income each week after expenses. An aged care worker in a single-parent household with one child would have \$9.68 of income each week after expenses.¹ This helps explain why so many workers are leaving the sector. Without action many more will follow, worsening the workforce crisis.

The Royal Commission into Aged Care Quality and Safety recognised the importance of workers to the system. It called for higher wages, better qualifications, and more time for workers to spend with older people. All of their reforms were based on a workforce with the values, experience and training to deliver quality care. However, when the Government responded to the Royal Commission, it did not take the right actions to support the workforce. Heavier workloads and limited time are leading to frustration for staff.

The system is now facing major workforce shortages. More than 110,000 care workers will be needed within the next decade as the sector tries to meet growing demand for care,² and unpaid care continues to decline. Services are competing for workers with the National Disability Insurance Scheme, the health system, and the community sector. Each of these sectors is funded to offer higher pay to these workers. Even after the Royal Commission, fair and competitive pay for aged care has not been funded by Government.

A fairly paid workforce not only increases quality of care, it sees money flow back through local economies through higher spending from workers. The aged care sector is expected to provide a much of the future total job growth in Australia, yet there is no recognition of the economic boost this represents – especially in rural and regional communities.

We can take action now to build the workforce we need for the future by funding pay rises from the Fair Work Value Case, developing supported pathways for people into the sector, and acting on the all of the workforce recommendations from the Royal Commission.

Recommendations: A strong workforce

Anglicare Australia calls for:

- » A minimum wage increase for aged care workers, by funding the Fair Work Commission Work Value Case, and award wage increases from July 2022.
- » A workforce partnership fund for providers to spend on increasing wages, training, minutes of care, 24-hour nursing and Covid-19 prevention and workforce retention costs.

A sustainable sector

Fixing aged care means fixing aged care funding. That is the only way that services can hire enough staff, invest in quality care, and prepare for whatever the future will bring. Yet modelling for the Royal Commission shows that the existing \$18 billion committed by the Government will fall short of what is needed for a sustainable future system.

Financial security for aged providers allows them to care for people regardless of their background or circumstances. It enables them to absorb unexpected shocks and expenses without compromising the quality of care.

Crises like the pandemic have forced services to reach deep into their reserves to cover the extra costs of staff, cleaning, and PPE. These reserves are not bottomless. Most services are running at a loss, and some are on the verge of closing.

Older people are the ones who will pay the price. People will die waiting for urgent reforms to deliver the level of quality and safety they should be able to expect. Delays mean that aged care providers have little idea how much money they will have to deliver care in the future, and are losing some of their best staff to more secure jobs in other industries. Funding levels have failed to keep pace with the real cost of care. For example, recent indexation changes have not matched increases to the minimum wage.

The Fair Work Commission is considering raising wages for residential aged care and homecare workers by 25 percent as part of the Work Value Case. If the case awards higher wages to workers, as we hope it will, services will need to be funded to pay staff the wages they deserve.

Fair, transparent and sustainable funding for aged care has been a contentious issue for many years. This is in part because of the political unpalatability of proposals that link access to care to the value of the family home. The aged care sector has faced the unusual situation of being forced to argue for particular forms of revenue to address the gap between the quality of care we all want, and the funding that Government is willing to provide. No other part of the health system that is expected to make the case for the specifics of how revenue should be raised to fund it.

If the Government agrees that quality aged care is a priority, then it must come to the table with the funding to make it happen.

Recommendations: A sustainable sector

Anglicare Australia calls for:

- » Fairer funding for aged care. This means increasing indexation payments to cover costs, as recommended by the Royal Commission.
- » A proper funding model for allied health by 2024, by adopting a needs assessment and funding model.

Part II: Long-term reforms

Support to age-in-place

Most older Australians would prefer to age at home, wanting to stay in their own communities for as long as possible. Remaining at home helps people maintain their independence and identity, and it can help keep people connected to friends, family and the community they are familiar with.

Three in four Australians aged 85 or older live independently at home.³ For those people who want to remain at home, they can receive assistance through home care programs, or informal care from friends and family. Home care is also less expensive than residential care, and can be a smart choice for governments.

Older Australians are not a homogenous group. They have different needs, preferences and life experiences. Ageing will look different for different people. We need an aged care system that accounts for their different needs.

The traditional model of ageing in place relies on an older person or couple owning their own home, enabling them to make modifications. As the economy and housing market changes, more older Australians are being locked out of home ownership. Older people who rent face difficulties in ageing in place. They can be forced to move at short notice, and the lack of affordable rental properties can make moving stressful. For many, the risk of homelessness is real. They also lack the ability to make modifications to their homes without the landlord's consent and can be left with expensive 'make-good' obligations to reverse modifications if they leave a property.

We must create a tenure-equitable system of aged care. Older renters should have the same opportunity to age-in-place as other Australians. It would address the growing unaffordability of housing for people on low incomes by subsidising rents and improving security of tenure for older renters. All buildings should be accessible, so that modifications are seen as adding value to a property regardless of who lives

in it. All homes should meet certain standards, such as insulation and air conditioning, so they are well prepared for the extreme weather events of the future. Importantly, we must ensure home care is available to everyone, so that people don't become frailer or more unwell while they wait for care, taking away their choice about the type of care they want.

Recommendations: Support to age-in-place

Anglicare Australia calls for:

- » Investment in 500,000 new social and affordable homes to end Australia's shortfall, and make sure that older Australians have access to social housing when they need it.
- » A program of subsidised rents and improved security of tenure for older Australians retiring as renters.
- » National minimum rental standards to ensure all homes are disability accessible and age-friendly.

Boosting quality of life

The care model for older Australians must begin well before they need aged care services. Aged care cannot be treated separately from overall health. Our health and wellness determines our quality of life as we age, and can make it easier to bounce-back from unexpected events. A secure income, stable housing, good food and nutrition, strong social connections, and access to health services are all crucial to ageing well.

The wellbeing of older people is also linked to their engagement with others. Research shows that social activities can improve health and lower the risk of mortality as much as regular exercise. Mood, quality of life and independence can all dramatically improve when a person does not feel alone. 10 percent of older Australians suffered from loneliness everyday pre-pandemic,⁴ and we can imagine how this has worsened following the restrictions of the Covid-19 period. Personal, family and community relationships are crucial in helping people survive a disaster and recover in the long-term.⁵

Principles of wellness and reablement are key to successful ageing, but too little has been done towards embedding them in aged care services. Our models of care, and our funding systems, are too focused on looking after people as they become unwell or less able. Instead of assessing people to give them a static level of care, we should be working with older people to ensure they can live as fully as possible. This means that the system as a whole should be able to frontload its investment into people when they start to access care and support, which might mean scaling back later as part of the reablement process. Government must think through this approach as it implements the current round of aged care reforms.

Finally, quality care within a rights-based framework must be prioritised above efficiency. This is essential to ensuring that older people in care can truly live the second half of their lives.

Recommendations: Boosting quality of life

Anglicare Australia calls for:

- » Funding for wellness and reablement in aged care, as well as providing clinical care when needed.
- » A rights-based framework for aged care to protect and promote the rights of residents, strengthen their freedom of choice, and enhance their quality of life.

Action on ageism

Ageism flows through our society. It is impossible to value older people if we don't value old age itself. By not valuing old age, we have created a system that fails to find ways to maintain the health of older people. At the same time, our own fear of the natural process of ageing can see us deny older people agency in choosing if and how they want to manage their own health.

Ageism has contributed to the Covid-19 crisis in aged care. If older people are forgotten or overlooked during emergency planning and responses, they are at higher risk of neglect and isolation, and may get poor access to services they need.

The public response to the crisis in residential aged care has shown that the community values older people in a way that is not always reflected in public discourse, emergency planning, or in decisions about investment. The media has been dominated by stories of people suffering during the Omicron wave, and the public has dismissed suggestions from some in Government that deaths in palliative care are any less tragic.

A true path of ageing and dying with dignity would not deny vital health care, nor force older people into rigidly prescribed programs that deny them the right to choose how they experience life. The views and approaches of professional staff, family, and older people themselves are all at play as we try and navigate a better path.

Anglicare Australia is a supporter of the EveryAGE Counts campaign, and we endorse their proposals to tackle ageism in aged care and more broadly. If we do not address the impacts of ageism, we can never build a successful and resilient aged care system in Australia.

Recommendations: Action on ageism

Anglicare Australia calls for adoption of the EveryAge Counts proposals to tackle ageism in aged care, including:

- » Training for aged care workers and providers to identify the forms of conscious and unconscious ageism, and understand their impact within aged care;
- » Funding for a 'what works' program to build evidence-based approaches to addressing ageism in aged care settings.

Conclusion

Even before the current pandemic, the aged care system was struggling to meet the demand of an ageing population and ensure equity for people who are poor, isolated, or vulnerable. Buckling under the pressure of decades of underfunding by consecutive governments, it was poorly positioned to absorb two years of pandemic hardship.

Eventually the Covid-19 pandemic will end. The isolation that so many have experienced during the pandemic will recede, and families and friends will be able to reconnect. No longer will press conferences and case numbers dominate our lives and conversations.

But the lessons of the pandemic need to inform our future. Aged care, among many other essential systems and services, was deeply unprepared for the pandemic. The structural weaknesses in our system were exposed.

The next emergency will not be far away. The pandemic came on the heels of the worst bushfire season Australia had ever experienced. As recent floods across Eastern Australia have shown, climate change will mean that Australia will face more extreme weather events and heatwaves. There will be another pandemic, another financial crisis, or another unforeseen event. We must be ready.

Older Australians and their families need an aged care system that can withstand the shocks that will come its way. Major reforms are needed to build a high-quality system for older people today, and to make sure it is ready for those who will need care in the decades to come. Tinkering around the edges of the existing system, or doing more of the same, isn't going to get us to where we need to be. The Royal Commission and the pandemic have shown us that.

We owe it to Australians to learn these lessons, and to act.

- 1 Committee for Economic Development (2021) [Duty of care: Meeting the aged care workforce challenge](#).
- 2 Australian Aged Care Collaboration (2022) [Priced out: Aged care wages and living costs](#).
- 3 Global Centre for Modern Ageing (2020) [Ageing in the Right Place](#).
- 4 Australian Institute for Health and Welfare (2021) [Social Isolation and Loneliness](#).
- 5 Council of Australian Governments (2011) [National Strategy for Disaster Resilience](#).

