

# Aged Care Taskforce

## Communique 12 October 2023 meeting

The Aged Care Taskforce held its fifth meeting on 12 October 2023 in Melbourne. The Taskforce considered feedback from roundtable consultations held over September and October with residential aged care and home care providers, including those operating in thin markets, banks and superannuation funds, and First Nations and workforce representatives. Key themes from the roundtables included:

- the need to ensure funding arrangements are linked to care outcomes and facilitate participant's care needs;
- the need to consider provider reporting requirements and greater flexibility in mainstream funding arrangements to support the ability to provide quality care; and
- the need for funding arrangements to support innovation, thin markets and workforce shortages.

The Taskforce also reviewed the feedback received via the public submission process held throughout August. The vast majority of respondents recognised the need to adjust the aged care system to modernise it and make it fair, sustainable and innovative. Most felt those with capacity to contribute should make a fair contribution to their aged care costs, while stakeholders also agreed there is a need to simplify the fee system and make it easier for older people to navigate. Most individuals who participated in the consultation indicated a strong preference to age at home. Further details on the feedback will be made available on the Department of Health and Aged Care's Engagement Hub shortly.

The Taskforce is focused on ensuring Australia's aged care system can meet current and future funding challenges. The Taskforce reflected on the revenue and capital gap in the residential aged care sector, particularly in geographically thin markets. This constrains the sector's ability to deliver the required growth in facilities and services required to meet the expected growth in demand for aged care services over the next 1-2 decades. While currently viable, the sustainability of the home care sector is expected to come under pressure in coming decades as demand increases.

The Taskforce is closely considering system funding arrangements, noting the wealth of aged care participants is increasing while the proportion of working age people is shrinking. Consideration is also being given to how funding arrangements can embed innovation, promote high quality services and ensure aged care services meet the needs, preferences and circumstances of older Australians.

Taskforce members commenced consideration of potential policy options to address these challenges, for further refinement and consideration as part of the final report. Members noted the need to ensure options for the final report are considered as a combined package that is robust, fair and equitable for all Australians. Members also considered options relating to transparency, innovation, thin markets and financial products to assist people to access their wealth.

# Aged Care Taskforce

## Communique 15 December 2023 meeting

The Aged Care Taskforce held its seventh and final meeting on 15 December 2023 in Melbourne.

Taskforce members endorsed the final proposed recommendations of reforms to be included in the final report. The final package reflects feedback from the public consultations and targeted roundtables and the Taskforce's deliberations over the past 6 months.

Members noted the proposed recommendations would create an aged care system that is simpler, more flexible and transparent for older people. It would also enable the aged care sector to meet current and future funding challenges and support service quality and innovation.

# Aged Care Taskforce

## Communique 15 September 2023 meeting

The Aged Care Taskforce held its fourth meeting on 15 September 2023 in Brisbane. The Taskforce reflected on the feedback from the public consultation process to date. While the draft principles were broadly aligned with the public's views, the Taskforce noted that some minor adjustments may need to be made.

Taskforce members discussed potential solutions to address the scale of the aged care funding challenge.

Members also had an initial discussion regarding transparency, innovation, thin markets and financial products to assist people to access their wealth to contribute to their care. Members noted the aim is to support our aged care system to be sustainable, simple and assist all Australians no matter their background or whether they live in a metropolitan or rural community.

Taskforce members acknowledged that Pat Garcia has been appointed to the Aged Care Taskforce in place of John Watkins.

# Aged Care Taskforce

## Communique – 16 June 2023

The Aged Care taskforce held its inaugural meeting on 16 June 2023.

The members are aged care sector leaders, experts in the provision of care, and experts in social, health, and demographic trends.

The taskforce was briefed by the Chair, the Minister for Aged Care and Sport, the Hon Anika Wells MP, and Deputy Chair, Mr Nigel Ray, on the importance to all Australians on reforming funding for aged care. This included the need to address the long term funding and financing of the aged care sector to ensure that older people have access to an equitable, innovative, high quality aged care system now and in the future.

The taskforce agreed the need for its work to be guided by a sound set of principles that will be discussed at the next meeting.

The taskforce also discussed the need to take a wide approach to its work, including consideration of:

- A comprehensive view of the scale of the challenge including trends in demography, income and wealth, and a clear assessment of short- and long-term provider viability issues
- The full range of mechanisms to develop a more equitable, sustainable and viable aged care sector, including existing financial products that are currently underutilized in aged care, and
- The practical steps needed to create and embed a system with much better clarity/transparency over what taxpayers and consumers pay, and which is more equitable system where contributions match the capacity to pay.
- Improving the way people access and navigate the system.

Taskforce members are determined to take a data led approach, and to have thorough engagement with the community and aged care thought leaders.

Taskforce members agreed to provide an interim report this October and the final report in December 2023.

The Aged Care Taskforce is chaired by the Minister for Aged Care and Sport, the Hon Anika Wells MP.

The taskforce terms of reference are attached, with final membership list.

# Aged Care Taskforce

## Communique 22 August 2023 meeting

The Aged Care Taskforce held its third meeting on 22 August 2023 in Brisbane. Members considered the scale of the aged care funding challenge including the needs of older people, the financial performance of the sector, and the increasing costs and demand for aged care services expected over the coming decades. The Taskforce also discussed a range of home care issues including complexities associated with the current system, and how best to support independence and safety in the home.

Members had an initial discussion about the policy options available to address these issues, with a view to creating a fair and equitable funding system for aged care. The Taskforce agreed to further explore these policy options alongside the outcomes of its public consultation process at the next meeting in September.

# Aged Care Taskforce

## Communique 22 November 2023 meeting

The Aged Care Taskforce held its sixth meeting on 22 November 2023 in Sydney. The Taskforce considered feedback from additional consultation sessions with Chief Financial Officers from residential aged care providers and banking and superannuation sector representatives.

Taskforce members considered a package of reforms to provide a system that is simpler and more flexible and transparent for older people, while enabling the aged care sector to meet current and future funding challenges and support service quality and innovation.

As part of these deliberations, members noted research conducted by Kantar Public on public understanding and perception of co-contributions in aged care. The key themes raised through the research are:

- people mistakenly believe they need to pay for 49 per cent of their aged care costs, which they feel is too much
- government actually pays 95 per cent of home care costs and 75 per cent of residential aged care costs
- when people know the full cost of aged care services, they are willing to pay between 30 and 40 per cent of the cost of the service
- people are willing to pay more for home care services that are essential and increase quality of life and dignity
- people are willing to pay higher co-contributions for services where the costs of services is transparent and they understand what they receive for their co-contribution
- 75 per cent of people prefer a 'user pays' model where they provide a co-contribution for services received
- people have limited understanding of how the aged care system works and how changes to the system will impact them.

# Aged Care Taskforce

## Communique 25 July 2023 meeting

The Aged Care Taskforce held its second meeting on 25 July 2023 in Adelaide. The meeting included a discussion on draft principles for the funding of aged care, and on the scope of the Taskforce's work and community engagement.

The Taskforce discussed and agreed a set of draft principles for the funding of aged care. The draft principles are intended to act as a base for ongoing discussions within the taskforce and with the community and will be revised accordingly following those discussions. They will also guide the development of the Taskforce's advice to government. A copy of the draft principles is below.

The Taskforce noted that significant community engagement and data analysis and research will be required to inform its deliberations and advice to government. In addition to targeted consultation, the Taskforce will conduct a public submission process, which will be available through the Aged Care Engagement Hub).

### Draft aged care funding principles

Note: The following principles were developed by the Aged Care Taskforce at its July meeting. These principles are considered draft and may change subject to further Taskforce deliberations.

**Principle 1** – The aged care system should enable and encourage participants to remain in their home for as long as they wish and can do so.

**Principle 2** – Aged care funding arrangements and their outcomes should be fair, simple, transparent and sustainable.

**Principle 3** – Government is and will continue to be the major funder of aged care. Government funding should be focused on care costs. Personal contributions should be focused on accommodation and everyday living costs with a sufficient safety net.

**Principle 4** – Government and participant contributions should be sufficient to provide quality and appropriate care delivered by a skilled workforce, allowing and encouraging innovation by the health, hospital and aged care systems.

**Principle 5** – There should be accountability for funding received from government and participants, how it is spent, and the quality of the services provided.

**Principle 6** – The residential sector should have access to sufficient, and new, capital to encourage the development of new accommodation and upgrades to existing accommodation.

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