

MINISTERIAL INFORMATION REQUEST

MB18-004632

Date Sent to MO:26/10/18

MINISTER: Minister Wyatt**cc: Minister Hunt****Issue: Government response to the Aged Care Workforce Strategy****Response:****Key Issues:**

1. The strategic actions identified in the Strategy were designed by the industry-led Aged Care Workforce Strategy Taskforce (the Taskforce) for industry to implement.
2. The Strategy is not a review and as such does not require a formal Government response.
3. The Department is developing a proposal for establishment of an Aged Care Centre for Growth and Translational Research.

Background**Government response to the Aged Care Workforce Strategy**

On 13 September 2018, you released the Aged Care Workforce Strategy (The Strategy).

The Strategy was developed by an industry-led Taskforce and identified actions for industry to implement. It was not a review developed for Government and consequently does not require a formal Government response.

Whilst the Strategy was focussed on actions for industry to undertake, some of the strategic actions identified functions that require Commonwealth and/or state/territory government involvement (Attachment A refers).

The media release announcing the release of the Strategy identified a series of actions taken by Government that support workforce reform and broadly align with the identified roles for Government. These include:

- Engaging the former Chair of the Taskforce, Professor John Pollaers OAM, to support industry to implement its Strategy;
- The establishment of an Aged Services Industry Reference Committee to review vocational education and training programs;
- Endorsement of a new Industry Accord on the Remote Aged Care Workforce;
- Funding committed through the 2018-19 Budget to support aged care workers to deliver effective care to people with complex care needs; and
- Investment of \$33 million in the 2017-18 Budget for the Boosting the Local Care Workforce Program, designed to support disability and aged care service providers to meet their workforce needs.

The Department has also consulted across Government to develop a more comprehensive list of Government-funded programs that support workforce attraction and retention and training. This information will soon be available on the Strategy webpage.

The Department understands that your office is currently in discussions with Aged and Community Services Australia, Leading Age Services Australia and the Aged Care Guild to provide support to

establish the Aged Services Industry Council (as described in the Strategy's strategic action 14) to provide governance and decision making arrangements for Strategy implementation. Professor Pollaers has participated in these discussions.

Release of a formal response to the Strategy would carry several risks for Government, including the following:

- Invite renewed criticism of the absence of similar responses to other aged care review reports, including the Legislated Review of Aged Care and the Review of National Aged Care Quality Regulatory Processes.
- A Government position on selected actions identified in Strategy are subject to the outcomes of ongoing review processes that were conducted in parallel with the development of the Strategy. However, a number of these processes are due to conclude this year, including the Medicare Benefits Schedule Review and the Resource Utilisation and Classification Study. A formal response indicating that Government policy will be informed by the outcomes of these reviews is likely to create strong expectation for Government action on aged care and health funding upon release of the findings of these reviews.
- A formal Government response will invite public statements by key stakeholder groups, drawing renewed attention to sensitive matters such as staff ratios, aged care funding, access to health services for older Australians and service quality.
- A number of actions currently being taken are not in the public domain and cannot be shared at this time, including the establishment of a COAG working group to examine issues at the interface of health, disability and aged care and bilateral agreements with state/territory governments as part of the National Health Reform Agreement.

Establishment of an Aged Care Centre for Growth and Translational Research

In consultation with you, Minister Hunt directed the Department to develop a new policy proposal seeking Cabinet agreement to a disbursement of \$175 million from the Medical Research Future Fund (MRFF) for an Aged Care and Dementia Research Mission.

The effective use of these funds is compromised by a lack of infrastructure to support strategic use of these funds and ensure rapid and effective research translation.

Experience with grant funding programs such as the Aged Care Service Improvement and Health Ageing Grant Program (predecessor to the Dementia and Aged Care Services (DACs) Fund) and the Cognitive Decline Partnership Centre revealed that a lack of project sustainability, top down level support for projects and ineffective communication between end users and researchers undermined research translation.

The Aged Care Workforce Strategy proposed the establishment of an Aged Care Centre for Growth and Translational Research (CGTR) (described in strategic action 12) to address these barriers to research translation through the following strategies:

- End user-directed funding priorities
- Collaborative ecosystem for end user engagement in project design
- Embedded process for nationwide knowledge transfer.
- Provider co-investment to ensure that research funded is tailored to end user needs.
- Gated funding with investment across the product development cycle.
- Dedicated funding for projects focussed on regional Australia and special needs groups.
- Coordination with other aged care research funding bodies.

Similar infrastructure to promote research translation has been developed for health (Advanced Health Research Translation Centres) and dementia research (NHMRC National Institute for Dementia Research (NNIDR)) supporting strategic distribution of MRFF, NHMRC and Australian Research Council funds.

Under this model, the NNIDR would be responsible for stewardship of dementia research with a biotechnology and clinical focus, including development of diagnostics, therapeutics and clinical interventions which tend to be researcher-initiated.

The CGTR would support translation of research focussed on aged care (including dementia care), including enhancing workforce capability, developing assistive technologies and models of care, which are amenable to being end user initiated.

However, MRFF cannot be used to fund development of enabling infrastructure or operational costs for the CGTR. A ministerial submission is being developed seeking your agreement to a revised approach to funding research and innovation projects through the DACS Fund. One proposal that will be presented is to use a portion of the funds currently allocated to support Research and Innovation Funding Rounds over five years to support establishment of the CGTR. This investment in the CGTR would create the infrastructure to better support translation of projects currently funded through DACS Research and Innovation Funding Rounds. The proposed approach would reserve discretionary funds within DACS for targeted investment in other priorities.

The Department has received a number of unsolicited proposals to establish the CGTR. Subject to your agreement, it is proposed that the Department take policy responsibility for establishing the CGTR to ensure the following:

- Limit the cost of the CGTR by leveraging existing Government-funded infrastructure such as Dementia Training Australia.
- Ensure that dedicated funding is provided for projects focussed on supporting consumers with special needs or those living in regional and remote communities.
- Avoid conflict of interest with provider members of the Aged Services Industry Council that may seek to participate in the CGTR.
- Ensure that this investment addresses Government priorities and can support adoption of aged care reforms.

Budget/Financial Implications: Establishment of the CGTR would be funded through existing Department funding.

Impact on Rural and Regional Australians: The Strategy proposes the creation of a Remote Accord to promote tailored solutions to challenges faced by service providers and workforce in regional and remote communities.

Minister Wyatt
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Adviser/DLO Comments:

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