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PO Box 4093  
Ainslie ACT 2602

T (02) 6230 1775

F (02) 6230 1704

E [anglicare@anglicare.asn.au](mailto:anglicare@anglicare.asn.au)

W [www.anglicare.asn.au](http://www.anglicare.asn.au)

Committee Secretary  
Senate Standing Committee on Community Affairs  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

Dear Committee Secretary,

**Anglicare Australia – Submission to the Senate Community Affairs Inquiry into the “Living Longer Living Better” Bills**

Thank you for the opportunity for Anglicare Australia to make a submission to the Senate Inquiry on the Government’s legislative package to implement its “Living Longer Living Better” (LLL) aged care reforms.

**Background**

The Anglicare Australia network is a values based organization comprising 45 agencies members across every state and territory of Australia and five associate members in New Zealand, Papua New Guinea and Singapore. Each of these members is an independent organisation choosing to come together as a part of the national network matching local presence with national strengths.

Working together we are better able to understand the factors that contribute to deprivation and disadvantage; develop best practice principles in supporting individuals and families to overcome these barriers; and to help the community understand that, without its support, these issues will remain intractable. We aim to ensure our services are based on our values and provided in a sustainable way.

Anglicare Australia advocates at a national level on behalf of those individuals and families who access the services provided by the network members in a bid to change the system for the better and to help politicians understand that without this change, life for people living on the edge of our society may never improve.

Anglicare agencies work in close cooperation with other community organisations and some receive funding from Federal, State and Local Governments to provide a wide range of services including:

- residential and community aged care
- foster care, Out-of-Home Care, adoption and child care

- family relationship support programs
- support for people with disabilities
- financial counselling and low/no interest loans
- family support and relationship counselling
- treatment for drug and alcohol dependence
- family violence
- youth programs
- emergency relief
- employment services
- community housing and emergency accommodation for homeless people
- community development through building communities of hope
- working with Aboriginal and Islander Australians
- assistance to refugees and migrants
- social research and advocacy

### **Aged Care Reform**

Anglicare Australia has contributed to the work of the National Aged Care Alliance in the development of the policies and strategies submitted to the Productivity Commission's Inquiry into aged care and to the Government in the development of the LLLB aged care reform package

Anglicare Australia's contributions to the reform processes have been guided by its values and the experience of its members in ensuring that services are equity based and serve the special needs of people.

We recognise the needs for major reform in the Aged Care sector particularly given the unmet needs and the projected growth in demand for aged care services. We seek to ensure that the aged care sector can provide services in a sustainable and equitable manner.

### **Anglicare Australia's Position in Relation to the LLLB Bills**


We are aware that the proposed legislation reflects compromises necessary to find a way forward from a stakeholder and a political and budgetary perspective.

We believe that the Bills will deliver the framework for some very important and long overdue changes to aged care and will provide a platform for addressing the significant increase in future demand for aged care. The passage of the Bills would enable the implementation of those important reform elements of the LLLB package requiring legislation, including providing the authority for the making of subordinate law through Aged Care Principles and Ministerial Determinations. We commend the Government for introducing these Bills and support their passage through the Parliament.

We consider an important aspect of the package of reforms is the Review specified in the legislation and commencing in 4 years time. The Review is an important mechanism for testing the appropriateness and impacts of the reforms in achieving better aged care.

There are however some issues which we would like to raise for the Committee's consideration. We realise that some of these concerns may be addressed in the Principles and Determination. However, as the details of the Principles and Determinations are as yet unknown, we believe it is important to raise them at this point in the process.

- The key message we wish to put forward is that all older Australians should have an entitlement to access appropriate aged care. We accept that to provide such service will take some time to gear up from budgetary, infrastructure and personnel perspectives. It is important to set in place this target to meet the rights of older people. We believe reference to this objective should be embedded in the legislation.
- One of the biggest concerns over the foreseeable future will be the increasing demand for aged care workers. While wages remain low and not competitive, there will be a continuing drain on the aged care workforce with all the attendant waste of training and skills. While we recognise that the workforce supplement is aimed at addressing some of these inequities, the Compact will require significant unfunded on costs for the provider, along with difficulties in planning and therefore cashflow. We are concerned that the lack of funding directed to the additional on costs arising from the Workforce Compact will mean that many providers will not sign up to receive the supplement. We raise this issue as the supplement is referenced in the legislation.
- We are concerned that the legislation does not specifically address the special needs of people such as homeless people. We also question how the needs of people who acquire disabilities over the age of 65 will be addressed compared with those who will be assisted under disability legislation if they acquire a disability under the age of 65. These issues need to be addressed from an equity and human rights perspective.
- We understand that the needs of people living in remote communities will be recognised in some of the Principles. We stress that one size does not fit all and there needs to be consideration on how services can be accessed especially in relation to consumer directed care.
- We have concerns that the Aged Care Funding Commissioner is not fully independent in that decisions can be delegated to the Department and therefore not independent of the agency which has advised the initial determinations.
- While the Government has continued to guarantee repayment of the accommodation deposit and dropped the proposal for the provider to obtain private insurance, the legislation provides for the option of private insurance to be considered in the review. We do not support private sector insurance of accommodation deposits, due to increased risk for the consumer and insurance costs for the provider. We believe all reference to this private insurance should be removed from the legislation and not an issue for consideration in the review.
- We have a concern that the proposed financial arrangements may disadvantage provider sustainability with increased on costs having to be met by the provider in terms of initiatives such as consumer directed care and the loss of income through the removal of the retention amount for the residential care deposit (currently the accommodation bond).
- In particular we raise concern over the proposed method of calculating the equivalent Refundable Accommodation Deposit (based on the Daily Accommodation Payment and the Maximum Permissible Interest Rate.) This method will lead to significant fluctuations in the Refundable Deposits over time with changes to the interest rate possibly leaving the provider to make up losses



incurred when one resident leaves and the new resident arrives under a higher interest rate scenario.  
This will cause uncertainty to cash flows and funding for infrastructure.

Thank you for your consideration of this submission.

Yours sincerely

Kasy Chambers  
Executive Director

*Anglicare in every community*

