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**The Hon Roger Cook MLA  
Deputy Premier  
Minister for Health; Mental Health**

Our Ref: 4-122197

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

Via email: [community.affairs.sen@aph.gov.au](mailto:community.affairs.sen@aph.gov.au)

Dear Secretary

Thank you for the opportunity to provide a submission to the Senate Community Affairs Legislation Committee's inquiry into the *Aged Care Amendment (Aged Care Recipient Classification) Bill 2020* (the Bill).

Broadly, I am concerned that the Commonwealth is pushing ahead with aspects of aged care reform without genuine engagement with State and Territory Health Ministers, Western Australia's (WA) senior officials and the Western Australian aged care sector. There is a complex interface between the Commonwealth-managed aged care system and the State-managed health system. Any reforms must have a whole-of-system approach, with a full appreciation of the impacts on older people's health outcomes, patient flow, costs and workforce. There must be structured engagement between Commonwealth, State and Territory Health Ministers on the aged care reform agenda, especially in the context of the interface between public hospitals and aged care. This concern is reflected in the recommendations made by Counsel Assisting the Royal Commission into Aged Care Quality and Safety.

This Bill introduces an additional, discretionary procedure for classification of recipients of residential aged care, and in doing so, enables the Commonwealth's 'shadow assessment' in 2021. The creation of the shadow assessment workforce next year will create significant workforce pressures. It is likely that the Commonwealth's shadow assessment process will draw from the finite pool of qualified nursing and allied health staff in existing health and aged care services who are already carrying a heavy burden from preparing for and responding to the COVID-19 pandemic, in addition to the normal care they provide for older people. I would be concerned if an outcome of the Commonwealth's shadow assessment was to diminish the ability of this workforce to deliver routine services or respond if COVID-19 surge capacity is required. There appears to have been no consultation with the Western Australian Government or the Western Australian aged care sector to understand the workforce consequences of a shadow assessment process before committing to these changes.

The Western Australian Government acknowledges the value of transitioning over the medium term from the Aged Care Funding Instrument (ACFI) to a case-mix classification model such as the Australian National Aged Care Classification (AN-ACC). However, it is critical that the funding model delivers transparency in price setting and adequate funding at a system level and for individual residents, accounting for the increasing complexity of health needs, the geographical location of aged care facilities and provide sufficient growth in funding to keep pace with service costs. The Commonwealth appears to be pushing ahead with foundational aspects of the reform, including enabling legislation for the shadow assessments, while remaining silent on the most salient issues regarding how the funding model will operate and the level of funding that will be available.

The introduction of the AN-ACC represents significant funding reform for the Australian aged care sector. The Western Australian aged care sector is already facing significant challenges, particularly in rural and regional areas where there are thin markets and ongoing viability issues. Further, the decision not to pursue a market approach for the delivery of National Disability Insurance Scheme assessment services in regional and remote WA is evidence of the potential issues for aged care assessment delivery in these areas. The lack of meaningful consultation on the shadow assessment process raises concerns that the Commonwealth will unilaterally implement subsequent residential aged care funding reforms. I encourage the Commonwealth to work in partnership with the Western Australian Government and the Western Australian aged care sector, including on models for aged care assessments that ensure equitable access to services in regional and remote areas.

The Western Australian Government remains absolutely committed to the continuation of joint eligibility assessments for aged care. I would caution the Commonwealth against re-prosecuting its efforts to privatise eligibility assessments, which would drive a further disconnect between the health and aged care system at a time when the strategic direction should be to build stronger connections. I remain concerned that such a proposal would expose older Western Australians to poorer health outcomes from increased hospitalisations and lengths of stay, increased emergency presentations, loss of secondary hospital avoidance and triaging functions in the community.

I look forward to the outcome of the Committee's deliberations on the Bill.

Yours sincerely

**HON ROGER COOK MLA**  
DEPUTY PREMIER  
MINISTER FOR HEALTH; MENTAL HEALTH

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