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Dear Committee Members,

Anglicare Australia welcomes the opportunity to provide this brief feedback to the provisions of the Aged Care Amendment (Implementing Care Reform) Bill 2022.

Everyone deserves quality care as they get older. Aged care is about supporting older Australians, keeping them healthy, and keeping them safe. The Bill is an important step in progressing a safe and strong aged care system.

The Anglicare Australia Network consists of social and health service organisations that are linked to the Anglican Church in Australia, that share a belief in the value and the potential of every person, and the principles of justice, hope and compassion. Collectively our services provide community-based and residential aged care services to more than 68,000 elderly Australians and employ more than 9,700 staff.

Our providers vary significantly in size, from the very large to the very small. Several Anglicare Australia Network members are specialist residential aged care providers for people who were homeless or at risk of homelessness before they entered care.

Inadequate staffing means not enough time to care, and poorer outcomes for residents and staff. For this reason, Anglicare Australia supports the provisions relating to 24 hour per day nursing. The reforms will impact different services and communities differently. We have taken this opportunity to highlight some of the impacts on specialist and rural and regional providers.

We also support continuing to improve transparency, affordability and fairness of home and community care funding. Our members are already charging no or low exit fees, that just cover the administrative costs of the transfer. We look forward to continuing to work with the Government to ensure any caps do not limit care management or inhibit flexibility and choice for older Australians.

Invest in the aged care workforce

Many of our member's residential aged care facilities already have a registered nurse on site at all times. For others, the difficulties in recruiting nurses and aged care workers pose a major barrier to meeting the Bill's requirements.

The details of eligibility for exemptions are not yet clear. While some of the services experiencing workforce shortages may be able to obtain an exemption, this means residents will miss out on care time and quality oversight. It would be better to invest in and grow the aged care workforce, so that all services can meet staff time standards.

We welcomed the Government's support for a pay increase for aged care workers, and their commitment to funding the increase. This decision will make the workforce stronger, and help it support older people.

Yet some of the factors contributing to workforce shortages are outside the control of the aged care system. Cost of housing in many parts of Australia is a major barrier to recruitment. Our 2022 Rental Affordability Snapshot found only 1.6 per cent of rentals were affordable for a person working full-time on minimum wage.ⁱ Rental availability has fallen to record lows. For low-paid aged care workers, many working part-time, finding an affordable rental house is virtually impossible in many parts of Australia. Some providers are forced to offer housing options to attract staff.

Without action, this workforce crisis will get worse. While exemptions for services unable to recruit into registered nurses positions is one part of the puzzle, a comprehensive workforce strategy is needed.

There may be unexpected impacts for small or specialist services

For some small or specialist providers, including for people who are homeless or living with mental illness, there may be unintended consequences of the provisions related to 24-hour nursing. While they may be able to fulfil the requirements to recruit and retain a registered nurse, this could come at the expense of other staffing hours, which will reduce their flexibility to match support to the needs of their unique cohort.

For example, for a small specialist homeless provider the resident population is on average younger and has lower clinical need than a large mainstream residential service (but more complex social and wellbeing needs). To maintain financial viability and meet the requirement for a full-time registered nurse, they will need to reduce the hours of care by enrolled nurses and require the registered nurse to take on duties more typical of a support worker or enrolled nurse, though paid at a higher rate.

We note that Recommendation 86 (7)(a) of the Royal Commission anticipated that in some specific purpose facilities, including specialist homeless services it may be appropriate to substitute a registered nurse with other qualified professionals.

Reforms could impact providers financial viability

About two-thirds of residential care providers are operating at a loss.ⁱ We are concerned about any additional financial impact of these changes, especially on rural and regional providers. If these providers were to fail, whole communities could be left without care options and older people forced to move far from their families and support networks.

For example, one Anglicare Australia Network members operates services in regional Western Australia. Amana Living are one of only two providers in the region and provide more than 70 per cent of available residential care beds. The costs of providing care in this area are about 15 per cent higher than in metropolitan Perth. But under the new AN-ACC funding model, larger regional areas such as Kalgoorlie, with high living costs and acute labour shortages are at a disadvantage. Under the Modified Monash Model, the residents will receive the same base care tariff as residents in metropolitan areas like Sydney, Perth or Canberra. They are forecasting a significant financial loss in the next financial year as a result.

With this year's indexation set at only 1.7 per cent, organisations are already unable to meet the growing costs of goods and services and meet award rate increases. The provider in this example already has to pay about 50 per cent above award wages to recruit staff in a competitive market. It took more than a year to recruit into two senior registered nurse positions. If these reforms make it even harder to recruit, but there is no matching increase in funding, their situation is likely to worsen.

We look forward to working closely with this committee and the Parliament to continue improving care and support for older Australians. If you would like to further discuss anything raised in this submission, please do not hesitate to contact us on anglicare@anglicare.asn.au

Yours sincerely

Kasý Chambers
Executive Director

ⁱ Anglicare Australia (2022) [Rental Affordability Snapshot 2022](#)

ⁱⁱ Stewart Brown (2022) [Aged Care Financial Performance Survey Sector Report March 2022](#)

