



Australian Government
Department of Veterans' Affairs
OFFICE OF THE SECRETARY

Mr Ian Holland
Committee Secretary
Community Affairs Legislation Committee Senate Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Mr Holland

Enclosed is a submission from the Department of Veterans' Affairs to the Senate Committee on Community Affairs Legislation on the Inquiry into Aged Care (Living Longer Living Better) Bill 2013; Australian Aged Care Quality Agency Bill 2013; Australian Aged Care Quality Agency (Transitional Provisions) Bill 2013; Aged Care (Bond Security) Amendment Bill 2013; and Aged Care (Bond Security) Levy Amendment Bill 2013.

Should you wish to discuss any aspects of this submission, the contact officer in DVA is Dr Christine McPaul, Assistant Secretary, Community, Aged Care and Transport Branch

Yours sincerely

Shane Carmody
Acting Secretary

 April 2013

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Saluting Their Service

Department of Veterans' Affairs Submission to the Senate Committee on Community Affairs Legislation Inquiry into: Aged Care (Living Longer Living Better) Bill 2013; Australian Aged Care Quality Agency Bill 2013; Australian Aged Care Quality Agency (Transitional Provisions) Bill 2013; Aged Care (Bond Security) Amendment Bill 2013; and Aged Care (Bond Security) Levy Amendment Bill 2013.

Purpose

This submission provides a general statement on the Department of Veterans' Affairs (DVA) involvement in, and support of, the Government's *Living Longer, Living Better* aged care reforms. It does not address any of the individual Bills making up the package of legislation.

Background

DVA is responsible for carrying out Government policy and implementing programs to fulfil Australia's obligations to veterans, war widows and widowers (widow/ers), serving and former members of the Australian Defence Force, certain Australian Federal Police officers with overseas service, and Australian participants in British nuclear tests in Australia, and their dependants.

DVA is a significant player in the provision of health and community aged care services for eligible members of the veteran community. As well as providing a number of its own community care programs, DVA also holds the financial appropriation for the Australian Government Subsidy for approximately 27,500¹ veterans and widow/ers residing in residential aged care facilities.

Since its announcement in April 2012, DVA has been working closely with the lead agency, the Department of Health and Ageing (DoHA), on many aspects of the *Living Longer, Living Better* aged care reforms, including the implementation of a number of measures that will directly impact the veteran community.

In November 2012 and January 2013, DVA was provided with the opportunity to comment on the *Pre-release Consultation – Overview of Proposed Changes to the Aged Care Act 1997* and related legislation. DVA provided significant feedback at this time and has continued to liaise with DoHA regarding the legislative changes and possible impacts on DVA clients and programs.

DVA's Role

Veterans and widow/ers make up a significant portion of the aged population in Australia, with the DVA treatment population (i.e. those in receipt of a payment or benefit) representing approximately 23 per cent² of the total population in the over 85 age group. Whilst DoHA has carriage of management and policy development for Commonwealth residential services and the majority of community aged care services, the substantial representation of the veteran community accessing these services means DVA holds a significant stake in the reforms to the aged care sector.

¹ Department of Veterans' Affairs 2011-12 Annual Report

² Table 8: DVA Treatment Population compared with Australian Population by Age Group over 64 and Sex, as at 28 December 2012.

As well as holding the appropriation for the veteran component of the Australian Government Subsidy for residential aged care, and funding a large number of other health services, DVA also administers its own community care programs targeted at the aged population. This includes: the Veterans' Home Care program; the Rehabilitation and Appliances program; HomeFront; the Repatriation Transport Scheme; and the Community Nursing program.

In addition, many members of the veteran community, as Australian citizens, access mainstream community care services administered by DoHA. These services, catering for those with both high and low level care needs, include: the Home and Community Care program; the National Carer Respite Program; the Commonwealth Respite and Carelink Centres; Day Therapy Centres; and the various levels of community-based packaged care for those with higher level support needs.

Over the years, DVA has developed a close collaboration with DoHA as an advocate for the care needs and interests of the veteran community in both residential aged care and mainstream community aged care. This collaboration continues in the context of *Living Longer, Living Better*, where DVA has been working closely with DoHA on many aspects of the reforms to ensure new arrangements are complementary to DVA programs and services, and where possible, result in improved outcomes for the veteran community.

Living Longer, Living Better

DVA is broadly supportive of the changes being introduced under the *Living Longer, Living Better* aged care reforms, noting that a number of initiatives will directly impact the veteran community.

From 1 July 2013, the Better Support for Veterans in Home Care packages and residential aged care measure will introduce the new Veterans' Supplement (the Supplement).

Under this measure, Residential Aged Care Facilities and Home Care Package providers who provide services for veterans with mental health conditions, accepted by DVA as related to their service, will be eligible for an additional payment to ensure veterans can access the services they require.

DVA considers that this initiative will provide a strong incentive, and additional resources, to Residential and Home Care package providers to support the provision of the most appropriate care and ensure access to these services for those veterans with mental health conditions and severe behavioural issues associated with their service.

From 1 July 2013, employees of DVA Veterans' Home Care and Community Nursing contracted providers will also benefit from the introduction of the Workforce Compact and the associated Workforce Supplement. The Workforce Supplement will deliver increased wages for these employees as well as other non-wage related outcomes to assist in attracting and retaining a skilled and productive workforce.

The Workforce Supplement funding is based on aged care providers in the residential and community care sectors either having an enterprise agreement that meets the terms of the Workforce Compact, or certifying that they meet these requirements without having an enterprise agreement in place. In 2012-13, this funding equates to an additional 1 per cent on top of current fees/rates, gradually increasing to 3.5 per cent in 2016-17. All funding

associated with the Workforce Supplement must be passed on in full as wage increases for staff.

The inclusion of providers of DVA's Veterans' Home Care and Community Nursing programs as in-scope for this measure will ensure that these providers, and their staff, remain competitive in the sector as the broader workforce changes resulting from *Living Longer, Living Better* take effect.

The other major initiative with implications for DVA is the redevelopment of the Aged Care Payment System, and the introduction of new means testing arrangements for all Australians, including veterans and war widow/widowers in residential care and those receiving Home Care Packages from 1 July 2014. DVA will undertake means testing for the eligible veteran population and is working closely with DoHA and the Department of Human Services on this initiative.

Of particular interest to DVA will be the introduction of the new Gateway to Aged Care Services. This measure will see the progressive implementation of a single point of entry into aged care services in Australia through the *MyAgedCare* website and call centre. DVA participates on the Gateway Consultation Forum and will use this group to ensure linkages and cross-over between mainstream Commonwealth and DVA community care services are considered, and where relevant, DVA assessment and referral processes are aligned or integrated to ensure streamlined access to these services.

DVA will continue to work closely and collaboratively with DoHA and other stakeholder agencies over the coming months and years to ensure veteran community interests are appropriately represented, and the overall success of this major set of reforms.