



Supplementary Submission to Senate Community  
Affairs Reference Committee Inquiry into the  
Future of Australia's Aged-Care Sector Workforce

UnitingCare Australia

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## **UnitingCare Australia**

UnitingCare Australia is the national body for the UnitingCare Network, one of the largest providers of community services in Australia. With over 1,600 sites, the network employs 40,000 staff and is supported by the work of over 30,000 volunteers. We provide services to children, young people and families, Indigenous Australians, people with disabilities, the poor and disadvantaged, people from culturally diverse backgrounds and older Australians in urban, rural and remote communities.

UnitingCare Australia works with and on behalf of the UnitingCare Network to advocate for policies and programs that will improve people's quality of life. UnitingCare Australia is committed to speaking with and on behalf of those who are the most vulnerable and disadvantaged, for the common good.

The UnitingCare Aged Care Network represents not-for-profit aged care providers within UnitingCare. Members of the Network provide residential aged care and home based aged care. The Network has in excess of 15,000 residential aged care beds across Australia, with services in capital cities, major towns and rural and remote locations.



## UnitingCare Aged Care Network

### Submission to Senate Community Affairs Reference Committee Inquiry into the Future of Australia's Aged-Care Sector Workforce

#### Supplementary Submission by UnitingCare Australia

##### Inquiry Terms of Reference

The future of Australia's aged care sector workforce, with particular reference to

- a. the current composition of the aged care workforce;
- b. future aged care workforce requirements, including the impacts of sector growth, changes in how care is delivered, and increasing competition for workers;**
- c. the interaction of aged care workforce needs with employment by the broader community services sector, including workforce needs in disability, health and other areas, and increased employment as the National Disability Insurance Scheme rolls out;
- d. challenges in attracting and retaining aged care workers;**
- e. factors impacting aged care workers, including remuneration, working environment, staffing ratios, education and training, skills development and career paths;**
- f. the role and regulation of registered training organisations, including work placements, and the quality and consistency of qualifications awarded;
- g. government policies at the state, territory and Commonwealth level which have a significant impact on the aged care workforce;
- h. relevant parallels or strategies in an international context;
- i. the role of government in providing a coordinated strategic approach for the sector;
- j. challenges of creating a culturally competent and inclusive aged care workforce to cater for the different care needs of Aboriginal and Torres Strait Islander peoples, culturally and linguistically diverse groups and lesbian, gay, bisexual, transgender and intersex people;
- k. the particular aged care workforce challenges in regional towns and remote communities;
- l. impact of the Government's cuts to the Aged Care Workforce Fund; and
- m. any other related matters.

## Introduction

UnitingCare Australia made a submission to the Community Affairs Reference Committee Inquiry into the Future of Australia's Aged-Care Sector Workforce prior to the election in 2016. In that submission, we emphasised that:

1. Regulation of aged care services should ensure that any efficiencies due to reductions in relative staffing costs are directly related to more effective training and mobilisation of staff, and not to reductions in staffing ratios, skills levels and/or employment conditions of staff in the aged care sector.
2. A future workforce strategy needs to identify and address the many challenges facing the aged care workforce, including labour market shortages, the increasing demand for aged care services, the ageing workforce, wage disparity between aged and acute care, gaps in training, barriers to workforce re-entry and the increasing casualisation of the community sector workforce.
3. A future workforce strategy needs to acknowledge the value of the aged care sector to the broader community and to the economy.
4. The Australian Government should ensure aged care funding requirements specifically address risks associated with the over-reliance on casual workers.
5. While broadly welcomed, reforms to aged care such as the introduction of Consumer Directed Care, place additional pressure on the sector and on the workforce.
6. Funding and policy uncertainty into the future places significant pressure on the sector and on future planning, including workforce mapping.
7. Funding uncertainty in the area of residential aged care undermines investor confidence, eroding the viability of the sector and its capacity to plan for infrastructure development. This is particularly serious when faced with growing demand for aged care services.
8. A future workforce strategy should specifically examine ways to more proactively engage the labour force in the aged care and community sectors more generally, including through funding targeted promotion of careers in the sector/s to school leavers and graduates and designing appropriate workforce re-entry packages and support.
9. Workforce shortages and skills gap are particularly acute for aged care services operating in rural and remote areas.
10. The Australian Government should consider additional ways to ensure that providers 'at risk' of becoming unviable during the current period of reform are able to invest in appropriate workforce and enterprise development tailored to the needs of the organisation.

UnitingCare Australia considers that these points remain valid because the issues have been given a greater focus following the 2016-17 Budget in which the Federal Government announced funding changes that will reduce funding for the Complex Health Care element of the Aged Care Funding Instrument by \$1.2 billion over the forward estimates. This funding change followed changes announced in the Mid-Year Economic and Fiscal Outlook (MYEFO) in December 2015. In total, the changes will remove more than \$2 billion from the sector.

## **Supplementary Submission**

In light of the Budget changes, UnitingCare Australia, on behalf of the UnitingCare Aged Care Network (the Network), makes the following supplementary submission, noting it is of relevance to points b, d and e of the Inquiry's Terms of Reference.

The Network has publicly expressed concern that funding changes, or cuts, of this magnitude will significantly reduce the funds available for services to meet complex health care needs such as wound and skin care, arthritis treatment, mobility support and end-of-life care for frail older people with conditions such as diabetes, dementia, heart disease, arthritis and bone fractures. This care is mostly delivered by registered and enrolled nurses, general practitioners, personal carers and a range of allied health professionals.

In order to gain a greater understanding of the impact of the changes, UnitingCare Australia, together with Aged and Community Services Association and Catholic Health Australia commissioned Ansell Strategic to conduct independent modelling. The modelling, covering more than 500 aged care providers, showed that the cuts will reduce the funding to meet the care needs of older people by an average of 11 per cent or \$6,655 per resident per year.

The modelling, and our own analysis, demonstrate that the cuts will be far greater for residents with very high care needs: leading, in some cases, to funding reductions of up to \$18,000 per resident per year. Further, the cuts will have a significantly heightened impact on rural and remote service providers which already face higher costs and lower returns.

The Network is deeply concerned that the cuts will significantly reduce the level of services able to be provided to frail older people in care, and thus reduce their quality of life. As the cuts are phased in for new residents and for those whose needs are reassessed, our Network also believes they will introduce an unacceptable level of inequity within aged care services, with residents with similar health care needs receiving vastly different levels of service.

Funding cuts of this magnitude will also have a significant flow-on impact on the broader health care system and most particularly on already stretched public hospitals. In particular, the Network believes the cuts may result in frail older people remaining in hospital longer than medically necessary as the availability of suitable aged care places is reduced and that end-of-life care may be limited to hospitals and hospices. This in turn would place greater pressure on the already severely strained public health system.

Of particular relevance to this Committee is our concern at the potentially negative impact of the cuts on the aged care workforce, particularly in the face of growing demand for care. In responding to the modelling survey, many service providers indicated the cuts would force them to consider reviewing admission policies for consumers with high needs or reducing staffing numbers and services.

In particular, service providers indicated:

*“The complex care needs for physiotherapy and exercise physiology would be reviewed and cut even though our falls have reduced dramatically since the program commenced some years ago.”*

*“We will have to reduce pain management services, protective bandaging for oedema, skin integrity management.”*

*“In the medium term we may be forced to be selective and screen potential residents who have complex care needs.”*

*“As we approach person centred care we would like to be able to continue to provide holistic care for our residents and continue to do what we have always done. However, we are required to strategically think and structure our facility to remain viable in the future. The funding changes are likely to cut care hours.”*

*“We will no longer be able to accept residents with complex care needs or people with any multiple medications. Would not take further residents with PEG tubes, insulin management etc.”*

*“We will be unable to provide essential pain management services to our residents and will lose the expertise of a full time Physiotherapist.”*

*“...pre-admission will need to be screened thoroughly to ensure services can be delivered for each resident.”*

*“Will need to reconsider which residents are admitted as it will not be possible to continue to provide the same level of care if the funding is cut.”*

*“We will be less likely to accept residents with high complex needs e.g. wounds, pain management, due to the high cost of providing complex care services.”*

*“We may have to transfer high care residents to a different setting for managing safety needs.”*

*“Providers will be forced to review all residents’ care needs prior to admission to ensure their required services will be financially viable for them.”*

*“Will be sending more residents to hospital and not providing complex treatment in their own environment, we will reconsider admitting potential residents with complex needs.”*

*"This will affect the quality of care, availability of services and access of the services for residents especially those who are receiving pain management which may severely affect the residents' well-being and quality of life. This will also have repercussions to the resident's behaviours, mobility, independence, emotional health and nutrition. As a likely result, this will increase the frailty and independence of the residents which may also increase their need to visit tertiary care providers such as hospitals."*

*"Our physiotherapy program is the core of our Living Longer/Living Better initiatives for our residents, to cancel this program would be catastrophic for our residents, impacting pain management, mobility, independence, continence to name just a few unacceptable outcomes."*

*"...residents with complex pain will most likely be treated by medication which will reflect on service delivery and increased side effects on residents."*

*"In 25 years I have seen the residents moving into residential care, now arriving at an older age bracket, most with multiple diseases and co-morbidities. These residents require skilled clinical and medical care which will not be available due to reduced funding. This will result in the displacement of residents into acute care settings to enable access to appropriate care thereby creating greater stress on these resources."*

*"We will rely on medications to reduce pain rather than allied health pain management programs to assist with the treatment of chronic pain."*

*"My major concern is the viability of our small rural residential care facility in the future with these ongoing cuts. We are not a large aged care provider and if we were forced to close our small rural community would have to send their elderly away from the district, community support and family."*

*"We may not be able to provide therapeutic treatments to our residents with increased pain due to the cuts because the time required to provide 12.4b is too extensive. Our residents who thoroughly enjoy their treatments will miss out on services that currently reduce their pain and enhance their quality of life."*

*"We are a rural facility and have been unable to provide allied health pain management programs due to the limited availability of services in our area. With the decrease in the funding available for the RN massage, our facility will be at risk of being unable to provide this service."*

*"A reduction in the availability of this skilled service may in turn lead to increased resident dependency, reduced resident quality of life and potentially increased hospital transfers."*

*"Less one on one time with residents, increase pressure on remaining staff."*

*"Reduced resources to enable quality health care (e.g. palliative care, management of oedema, DVT, arthritic joints and chronic skin conditions requiring compression garments, bandages and dressings etc.)."*



*"It will minimise the level of services provided to our clients as our capabilities to provide these services require adequate funding."*

*"I will need to consider when admitting residents whether the individuals will require a higher level of care ongoing. Residents will need to be nursed in hospital rather than in the home due to insufficient resources."*

*"The changes will reduce the services we are able to provide to the most disadvantaged and marginalised residents."*

*"Will be sending more residents to hospital and not providing complex treatment in their own environment, we will reconsider admitting potential residents with complex needs."*

*"...reduced carer numbers will result in less time spent with residents and qualitative outcomes will reduce."*

*"We envisage increased hospitalisations as providers reduce clinical staff."*

*"We would have to send more residents to the hospital emergency department as we wouldn't have the funds to meet their care needs."*

*"I think it will be a challenge to deliver consumer directed care with the proposed changes to the budget given the reduction on staffing."*

*"The announcement of funding cuts has redirected the focus to the 'cuts' and not the crisis that has been happening for years in underfunded aged care. Residential aged care will be unable to accept high needs residents requiring more than one staff member to deliver care and therefore the acute hospital system will back up with elderly patients unable to be placed."*

*"...proposed cuts will have a major impact on our viability. Residents are coming into care later with more complex needs and with poor mobility or behavioural problems. That is why medication claims have increased. That is why complex care has increased."*

*"The changes will affect our viability and will result in reduction of beds offered to aged care in our rural location."*

*"Acute services i.e. hospitals/ambulance, will see the impact of the reduction in wellness programs and withdrawal of complex care management from residential homes."*

*"Our elderly deserve to have treatments and quality services that make their end of life the best possible. We in aged care are not here for the money. As we all know it is one of the lowest paid industries. We do this because we care about our elders."*

*"Impact on regional, remote and rural providers is significant. Again, the Government bases all decisions on major population centres and fails to recognise the impact of their broad brush approach."*

*"Huge impact on staff losing their jobs/security, residents' care standards will be compromised, hospitals will be full of aged care residents."*

*“Registered Nurses will be utilised back in direct care, instead of being able to provide sound clinical governance and direction.”*

*“...as a facility we will be reactive rather than proactive to our interventions.”*

*“Increased reliance on external service providers – palliative care units, rapid response teams, wound management specialists and hospital admissions.”*

*“Work-related stress for nurses and carers, a high turnover among nurses, an increase number of complaints from unsatisfied residents and their relatives, an increase number of transfers to hospital, a reduced funding to provide appropriate level of care and sufficient amount of equipment, supply for nursing service and treatment.”*

*“Reduced staffing numbers and higher stress levels.<sup>1</sup>”*

The Network notes that the Government, through the Aged Care Sector Advisory Committee, is examining alternative means of achieving the Budget savings. In doing this, the Government has emphasised that the savings must be within the already announced Budget envelope - \$1.2 billion. The Network considers that it is the quantum of savings that is the key issue, and that whatever approach is adopted, the removal of more than \$2 billion from the aged care sector will have serious negative consequences for the quality of care and for the future of the aged care sector as a whole.

Finally, the Network notes that moves by State Governments to mandate nursing ratios would have a further negative impact on the cost of care. If aged care services providers are required to meet mandated staffing ratios without adequate compensation, the impact on the viability of services and on the broader aged care workforce would be significant.

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<sup>1</sup> Ansell Strategic, *Budget 2016 – ACFI Modelling – Summary Findings*, June 2016, pp31-34.

## Conclusion and Recommendations

While it may be considered that some of the factors raised in this Submission extend beyond the Committee's terms of reference, the Network emphasises that anything that impacts on the aged care sector by necessity also impacts on the workforce that serves it.

The Network urges the Committee consider the impact of the funding changes on:

- The aged care workforce – particularly relating to reduced attraction and retention, reduced staffing overall, reduced specialised staff, reduced training and staff development and increased stress for aged care workers;
- The aged care sector – particularly relating to future viability and attractiveness as an employer;
- Older people in care – particularly relating to quality of care and accessibility of care; and
- The broader health system – particularly the impact on the acute care sector, public hospitals and the staff in those services.

