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### **NRHA response to question on notice**

#### **Senate Community Affairs Legislation Committee Inquiry into the Aged Care (Living Longer Living Better) Bill 2013 and associated legislation Public Hearing 2 May 2013**

10 May 2013

#### **Question on notice:**

Senator FIERRAVANTI-WELLS: Could I ask the rural alliance to take a question on notice. When the transcript becomes available, could you look at some of the evidence given by the regional and rural providers in Western Australia and in Victoria yesterday, particularly evidence given by Mr Smith and a number of small providers in regional Victoria. It specifically goes to the point that you raise, Ms Hopkins, about packages and the allocation of packages. You have a residential aged-care facility that employs staff but often they do not know how many packages are in the area. It picks up the point in the discussion we had about the Productivity Commission and its parameters of expanding residential facilities in a hub model. Could you look at that evidence and provide any comments you might have in relation to that?

#### **National Rural Health Alliance response:**

The National Rural Health Alliance (NRHA) has reviewed the evidence from providers of aged care in rural and regional areas in the transcripts for the public hearings in Western Australia on 29 April 2012 and in Melbourne on 1 May 2013.

The Committee has heard from the NRHA and from several providers of aged care in rural and regional areas about the challenges of providing services, let alone choice in aged care, for people who live in rural and remote communities as they grow older. Several different models of providing these aged care services are described in the evidence. These include:

- large national service providers running residential aged care facilities and home care services in the regions as well as in the suburbs, and some of the challenges they face in supporting the services in more remote areas;
- a smaller service provider within a State running several urban residential aged care facilities, with cross subsidy required over several years when they branched out to establish a single regional facility, and with ongoing higher costs and staffing challenges in the regional facility; and

- a regional service provider that was running a network of aged care services within a region, including both residential and home care services.

The evidence reinforces the importance of flexible funding models so that these different approaches (and other models as well) can be used to ensure viable aged care services in rural and remote communities. It is plain that the challenges of providing aged care in rural and remote communities must be heard and understood in the consultations around the legislation, in developing the principles and other content of the subsidiary legislation, and throughout the implementation of the aged care reform package.

It is plain also that providers of rural and remote aged care services need to be involved and informed in a timely and ongoing way to ensure some certainty of funding for them in small and fluctuating markets. Business and administrative supports may be critically important to the smaller operators ahead of and during implementation of the reforms, along with timely and sufficient details to inform their short and medium term plans.

It is also plain that arrangements for home care need to be included in these considerations. At least one of the regional providers was relying on confirmation of home care packages as well as residential places to inform their business plans from 1 July 2013. Given the higher proportion of home care services already in use outside major cities compared with urban areas, even for large service providers covering rural areas as well as city centres, the ongoing viability of service provision in rural and regional areas will depend on home care package distributions and conditions as well as residential aged care places.

The NRHA looks to the Committee to ensure that the legislation is strengthened to be clear that viability supplements apply to home care as well as residential care in rural and remote communities and that supplements to recognise higher care needs (such as the additional dementia supplement and the new veteran's mental health supplement) are considered for home care, not just for residential accommodation. Lower thresholds for workforce supplements to offset higher costs of recruiting, retaining and backfilling staff should also be considered for rural and remote communities across the mix of home and residential care.

Also, the NRHA would like the Committee to consider recommendations to strengthen the terms of the review of the operation of amendments, to pay particular attention to the impact of the reforms in rural and remote communities. This should include consideration of changes to means testing and co-payments in areas where average incomes are lower than the cities. It should also include monitoring the impact of the reforms on service viability and access to services for people who live in rural and remote communities, with a view to timely adjustments to avoid service loss or withdrawal.

The Australian Aged Care Quality Agency will face particular challenges relating to how best to sustain and deliver good quality aged care services in rural and remote communities despite higher costs, sparse populations, workforce challenges and fewer services without inadvertently creating unfair burdens or even forcing closures. To this end, the NRHA asks the Committee to consider recommending that the membership of the Quality Advisory Council be extended to include substantial knowledge of healthy ageing and aged care in rural and remote communities.