

Productivity Commission Final Report

Following the release of the Productivity Commission's Final Report on its inquiry into aged care in August 2011, *Caring for Older Australians*, ACCV conducted a two-step briefing process with members on the report which included a series of information sessions and event, the Aged Care Leaders Symposium which was created specifically to begin to 'unpack' the implications of a reform agenda for members.

Following the presentation to members, ACCV sought member feedback on the Final Report from members via an online survey.

At the ACCV Aged Care Leaders Symposium, ACCV sought further member feedback throughout the event through various ad hoc survey requests.

This document provides a summary of this combined feedback.

Part 1: Summary of online member survey

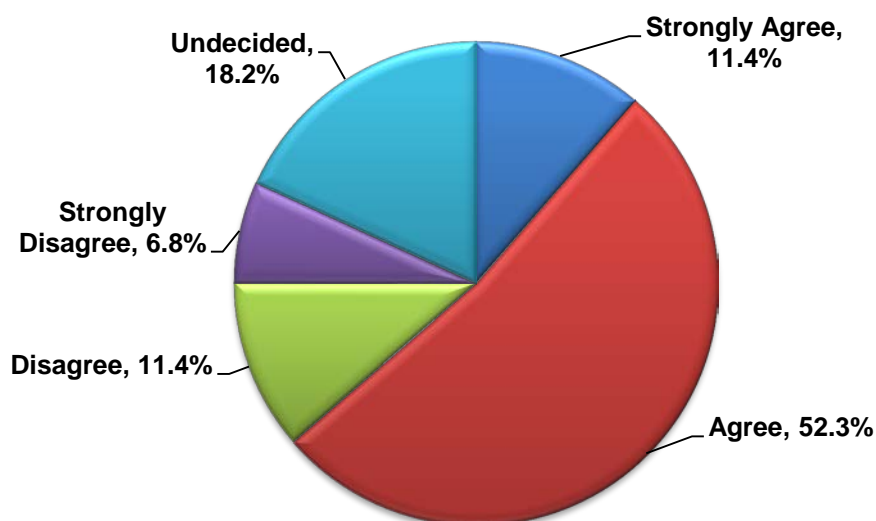
Following the release of the Final Report, ACCV CEO Gerard Mansour toured Victoria in August and September 2011 to present a summary of the Report to a range of ACCV regional and metropolitan member meetings.

Following the presentation, ACCV asked members to complete a short online survey to obtain feedback about their thoughts on the Report.

Rating the package

The survey showed that overall, more than two in three members who responded strongly agreed or agreed with the proposals outlined in the Final Report. Importantly, at the time of the survey, 14.9 per cent of respondents were undecided about their overall opinion of the proposed package.

How do you rate the package proposed by the Productivity Commission in its Final Report?



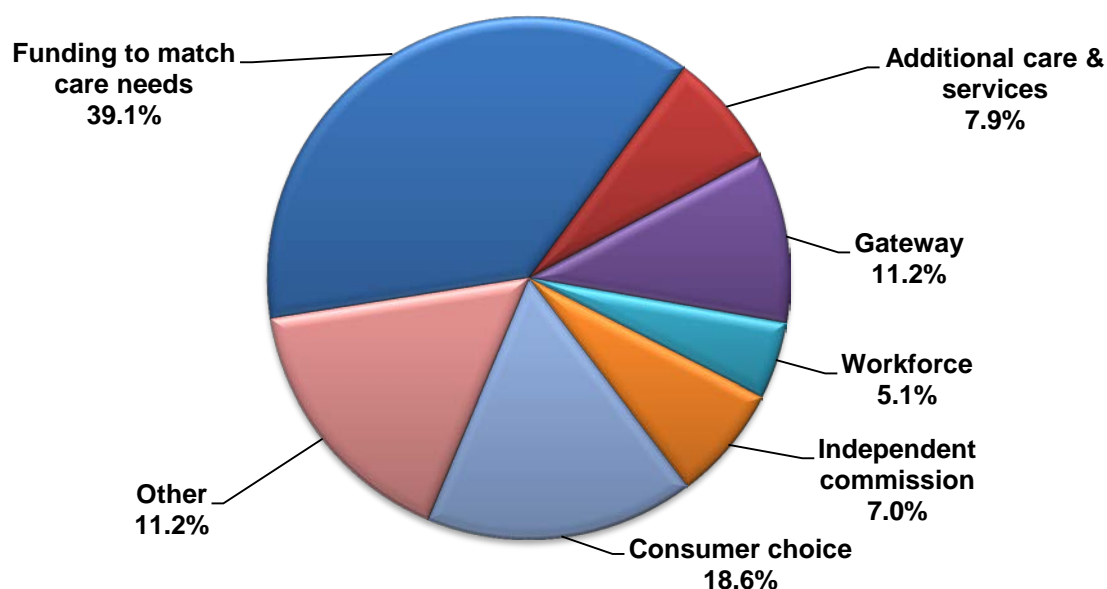
Strengths and advantages of the proposals

The top highlighted strength and/or advantage of the proposed package focused on the provision of funding to match care needs. Almost 40 per cent of respondents highlighted this as a core strength. Increased consumer choice was rated after this, with almost 19 per cent of respondents outlining this as the key strength, followed by the proposal to implement a Gateway Agency (11.2%) and a focus on additional care and services (7.9%).

Comments included, regarding the financial sustainability of the industry based on the proposals and the proposal of funding to match care needs, that this provides a more flexible option for providers. The 'unbundling' would be a positive initiative in that it separates accommodation costs from everyday costs.

Comments made in reflection of increased consumer choice stated that the proposals promote independence and provides a more streamlined approach to selecting care and accommodation services. Comments also stated that the pensioner savings account was a good idea that improves affordability for consumers.

Strengths / Advantages of the PC Package



Weaknesses and disadvantages of the proposals

In outlining the areas in which the proposals present a weakness or area which needs more focus, the core focus issue presented in the topic of capital. Primarily, members would like to know they will have sufficient capital to operate following changes around accommodation bond and daily fee use. This accounted for 21.4 per cent of responses.

Following this, respondents (15.3%) raised concerns around the Gateway Agency, predominantly, will this service be adequately resourced so that it provides access in a manageable format or will it prove a bottleneck system?

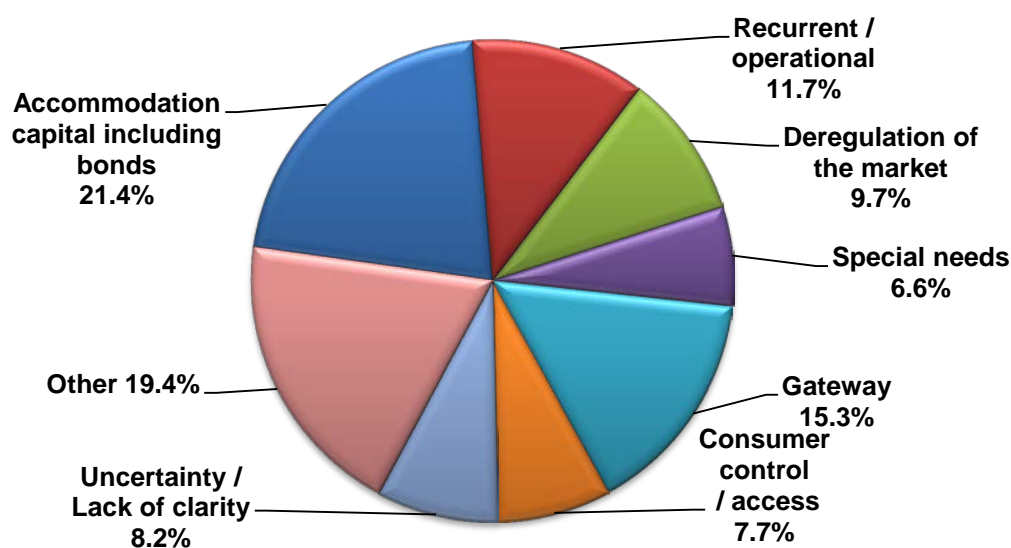
Members (11.7%) also raised issue around the proposals to do with the annual funding increase, and whether it will match operational costs increases. A portion of members (9.7%) also questioned the deregulation of the market, and will the market model work in practice?

Comments made in relation to capital concerns were focused on the use of bonds and the lack of clarity surrounding the changes thus far. Providers want to know how this will impact on them, and what implications will be for capital raising, amongst other concerns.

In relation to the Gateway Agency, members raised concerns that the system could become overly bureaucratic, as well as resourcing concerns.

Comments made in response to the proposed deregulation of the market were focused on regional locations where respondents stated the market-based system would not work and could be potentially detrimental to the operations of these, and smaller operating organisations.

Weaknesses / Disadvantages of the PC Package



Part 2: Summary of ACCV Aged Care Leaders Symposium

On 16 September 2011, ACCV hosted the Aged Care Leaders Symposium at the Melbourne Park Function Centre. The event offered an interactive opportunity for delegates to engage in dialogue and response to an interview with the Minister for Ageing about the Government's response to the aged reform agenda.

Throughout the day, delegates responded to ad hoc survey requests to analyse responses to discussion topics.

Entitlement and assessment

There was strong support with 73 per cent of respondents stating that the distinction between high/low/extra services as well as CACP, EACH, EACH D should be abolished.

There was also strong support for consumers to have access to an entitlement system in a location of their choice with more than 87 per cent of respondents agreeing with this.

Respondents (83%) also agreed that those consumers that could afford to pay for their care, should do so.

There was support for the proposed question around whether the Department of Health and Ageing should be removed from administration of aged care, and replaced with the Gateway Agency and the Australian Aged Care (AAC) Commission. However a response of 49 per cent was dominant with respondents unsure as to how this would work in practice.

Finance and accommodation

More than 60 per cent of respondents agreed that accommodation charges should be uncapped.

Only 24 per cent of respondents either strongly agreed or considered that providers would have sufficient access to capital from financial institutions. Thirty-nine per cent disagreed or strongly disagreed with this statement, and 37 per cent of respondents were unsure.

Only 13 per cent of respondents believed they would be able to meet consumer demand if lump sum payments were replaced by daily charge fees. Fifty-six per cent of respondents disagreed or strongly disagreed that they could meet demand, and 32 per cent were unsure.

In addition, a very strong response of 93 per cent of respondents agreed that providers would need to change their current business models to adapt to the proposed financial models.

Two out of three respondents agree with the proposed creation of the Australian Pensioner Savings Account and the Aged Care Home Credit Scheme, and three quarters of all respondents believe consumers should contribute up to 25 per cent towards the cost of their care.

Wellness care and services

In continuing the theme of consumers paying more for their care, 89 per cent of respondents agreed that consumers should be entitled to pay for additional care and services on a fee-for-service basis. Sixty per cent of respondents also stated that a supported resident accommodation payment based on 1.5 beds was not acceptable.

Quality of care

Respondents were also asked to comment on whether they thought the proposals to encourage older people to remain living in their own homes longer would have any effect on consumer choice. Almost 90 per cent of respondents believed that the model would encourage consumers to live at home longer, and 46 per cent agreed that this is a positive outcome. There was some uncertainty as to whether sufficient resources would be provided for those older people who do remain living at home to have a quality of life and avoid social isolation.

Where to from here?

The focus has now turned fairly and squarely onto the Gillard Government as it now considers how to respond to the Productivity Commission's final report on aged care reform.

The Minister for Mental Health and Ageing has committed to obtain feedback and input from the National Aged Care Alliance (NACA), of which ACCV is a member through our national associations Aged Care Association Australia (ACAA) and Aged and Community Services Australia (ACSA).

In addition, the Minister is conducting more than 30 'Conversations on Ageing' across Australia, seeking the views of the community on aged care reform.

ACCV CEO Gerard Mansour has been actively involved with the NACA as an ACAA nominee, and continue to be actively involved in discussions about the aged care reform agenda. The Minister has set up an 'Ageing Reform Expert Panel' comprising eight members from the NACA, incorporating providers, consumers, staff and professional organisations. ACCV members are represented on the Panel by both national association CEO's Rod Young (ACAA) and Patrick McClure (ACSA).

In addition, NACA has created five Working Parties to feed into the Panel. Gerard is a member of the 'Finance Working Party' which is providing input to the Panel and the Minister.

ACCV continues, as its number one reform agenda priority, to advocate for the need to ensure we build a financially viable and sustainable industry so that consumers can receive both choice and access to aged care services in their own homes and aged care homes.