

## COTA AUSTRALIA POLICY ALERT

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# **Federal Budget 2021 Aged Care Reform and more**

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## Federal Budget 2021 – Aged Care Reform and more

Aged Care Reform was the centrepiece of this year's Federal Budget, both in policy and financial terms. Responding to the recommendations of the Royal Commission into Aged Care Quality and Safety the Morrison Government announced a comprehensive package of reforms with a total additional expenditure over four years of almost \$18 billion. This was the largest increase in any portfolio of government in this Budget.

**A**part from aged care there are not huge gains in this Budget. There are a number of welcome measures in retirement income policy, and some small steps on increasing workforce participation. However, there is no substantive new support for mature age employment and support for vulnerable groups like pensioners and Jobseeker recipients who rent is still missing. Long-term solutions are still needed to ensure vulnerable older Australians are adequately supported.

We examine the aged care reform package in detail later but will start with some of the measures in other areas.

### 1. RETIREMENT INCOMES

#### **Removal of the \$450 threshold for Superannuation Guarantee**

Since the beginning of compulsory superannuation employers have not been required to pay it on earnings of less than \$450 per month, which often meant that a low income person working several casual or part time jobs across different employers might earn well over \$450 but get no super. COTA Australia has advocated for the removal of this minimum threshold for many

years on equity grounds. The Retirement Income Review agreed. In this Budget, the Government has finally acted. It is expected to come into effect from 1 July 2022.

#### **Superannuation 'work test'**

The Budget has abolished the 'work test' that required individuals between the ages of 67 and 75 years of age to work for at least 40 hours over fewer than 31 consecutive days to make a superannuation contribution. In 2018 we gained exemption for the work test for two years after retirement, now it has gone altogether from pension age to 75 (which is the upper limit on super contributions. All other rules on contribution levels of course still apply, its just the work test that has gone.

#### **'Downsizer' contributions to super extended**

This scheme allows older Australians to make a one-off, post-tax contribution to their superannuation of up to \$300,000 per person (so up to \$600,000 total if a couple) from the proceeds of selling their home. Both members of a couple can contribute with respect to the same home, and contributions do not count towards



non-concessional contribution caps. The eligibility for this scheme has been broadened by reducing the qualifying age from 65 years to 60 years of age. Like other measures in this Budget, this is expected to begin from 1 July 2022 after legislation is passed.

### **Pension Loan Scheme improved**

Under this scheme older Australians can receive a loan from the Federal Government, capped at up to 150 percent of the maximum rate of the Aged Pension, or 50% more if you are already a full pensioner. This scheme was expanded in the More Choice for a Longer Life Package in the 2018 Budget so that anyone over pension age is eligible and the amount borrowed significantly increased. As of 1 July 2022, people will be able to access up to two lump-sum advances in any 12-month period, up to a total value of 50 per cent of the maximum annual rate of the Age Pension. This is roughly \$12,000 single and \$18,000 couple. The scheme will also now include a formalised 'No Negative Equity Guarantee' to ensure that participants will not have to repay more than the value of their secured property. This Scheme has been budgeted at \$21.2 million over four years.

### **Responses to COTA Australia Priorities**

- The Superannuation Guarantee has not been added to paid parental leave impacting longer term on equity particularly for women in retirement. However this will be reconsidered later after a forthcoming review of parental leave arrangements.
- The Government has not provided more detail on the proposed requirements in legislation to implement the Retirement Income Covenant, which they have committed to introduce by 1 July 2022.
- The Government has also remained silent on the provision of financial advice to consumers by their superannuation funds on their likely retirement income.
- There has been no commitment to a well-structured consultation process with stakeholders and members of the community about the outcomes of the Retirement Income Review.

## **2. INCOME SUPPORT**

### **Jobseeker Payments**

The rates of JobSeeker Payment and other working age income support payments have been increased permanently in this Budget by \$50 per fortnight. However, under the new arrangements, claimants will no longer have their JobSeeker payments backdated to when they make their claims. Instead, those using digital services will have to complete a job plan first. That equates to a loss of about \$83 per affected job seeker, based on an average two-day delay between filing a claim and submitting a job plan, saving the government an estimated \$191.6 million over four years.

### **Career Transition Assistance Program (CTAP)**

The CTAP is intended to help job seekers over 45 years of age, to build their confidence and skills and become more competitive in the local labour market. The program is now available to job seekers before they are required to attend a job active agent as part of their mutual obligations. This will assist mature age jobseekers before the current 100 days mark if they are delayed from income support due to the liquid asset waiting period.

While this change in the program availability is not explicitly included in the Budget papers, we have been advised by Services Australia that this change to the access policy is now in place and that it will be promoted on that basis.

### **Expansion of the Local Jobs Program**

The Local Jobs Program supports tailored approaches to accelerate reskilling, upskilling and employment in 25 regions across Australia. In this Budget, the Government has allocated \$213.5 million to expand the program to all employment regions across Australia. While not specifically aimed at older Australians, an example of older Australians is used to highlight the value of the program.

### **Responses to COTA Australia Priorities**

- The Government has failed to remove the Liquid Assets Waiting Period (LAWP) for all people, or at least people over 50, or to withdraw legislation proposing to increase the waiting period from 13 weeks to 26 weeks that is currently before the Senate.



# The Budget includes a substantial Aged Care Reform package in the form of a detailed response to all the recommendations of the Royal Commission on Aged Care Quality and Safety.

- The Government has made no commitment to investigate alternative rental assistance models or to increase Commonwealth Rent Assistance.
- People over 55 years of age remain excluded from the Jobmaker program (although the program has not generated many jobs).
- The Government has not committed to trial alternatives to Restart wage subsidy programs to increase mature age employment participation among the long term unemployed. Restart Wage Subsidies are designed to encourage employers to hire mature age job seekers in sustainable jobs by contributing to the initial and ongoing costs of recruitment, including training and wages.
- The Government has not yet undertaken to provide formal legal advice by the Australian Solicitor General or similar around the ability for job advertisements to identify preferences for mature-age workers. Similarly, there is no commitment to establish a roundtable to discuss technical solutions for matching employers and employees using government and other online job boards.

## 3. AGED CARE

The Budget includes a substantial Aged Care Reform package in the form of a detailed response to all the recommendations of the Royal Commission on Aged Care Quality and Safety. The package is presented under five pillars: Home Care, Residential Aged Care Services and Sustainability, Residential Aged Care Quality and Safety, Workforce, and Governance. The package includes a timetable for the implementation of key measures.

Most of the Royal Commission's recommendations have been accepted - most as recommended, others with some variation. A few have been rejected (some because there was conflict between the two Commissioners over key issues) and some others are to receive further consideration. There was not a lot of time between the

Final Report being released and this Alert summarises and comments on the Budget measures. COTA Australia is generally very pleased with and encouraged by the Budget package. Potential concerns lie in the adequacy of the Government's response to certain Royal Commission recommendations and the implementation of reform. Our more detailed paper will cover this at a later date.

### Key areas of funding – Budget Highlights

Over three quarters of the funding allocated over four years in the aged care budget package is for three measures:

- Immediate investment of \$6.5 billion to address the critical need for home-based care through the release of 80,000 additional home care packages over the next two years.
- Mandatory care time standards and reporting in residential care. This will increase care time for residents to an average of 200 minutes per day (including an average 40 minutes of Registered Nurse time) and for a Registered Nurse to be onsite for a minimum of 16 hours per day, at a cost of \$3.9 billion.
- Funding uplift for Residential Care. This includes a new Government Basic Daily Fee (BDF) supplement of \$10 per resident per day at a cost of \$3.2 billion, and continuation of previous 30% increases in the homeless and viability supplements.

Other substantive initiatives included:

- New face-to-face services navigation and information services available in up to 325 Services Australia service centres. Funding includes the establishment of a network of 500 local Community Care Finders to improve engagement with vulnerable older Australians. This is a key COTA-led initiative.
- Funding to support informal carers particularly to increase the availability of respite services.





- Investment in services for First Nations people including support for the National Aboriginal and Torres Strait Islander Flexible Aged Care services and funding for a face to face First Nations workforce to assist with access to and navigation of the system.
- Significant new funding for dementia care and support services for both people with dementia and their carers.
- Improving access to primary care and other health services including funding for Primary Health Networks to build on-the -round capability
- Strengthening the regulatory powers and capability of the Aged Care Quality and Safety Commission (ACQSC) to implement enforcement measures, respond to complaints, detect risk in home care services and support a review of the ACQSC in 2023.

## Key Messages from the Budget

The Budget package of \$17.7 billion is substantial and significant; a solid base for the future and potential transformative reform of the aged care industry.

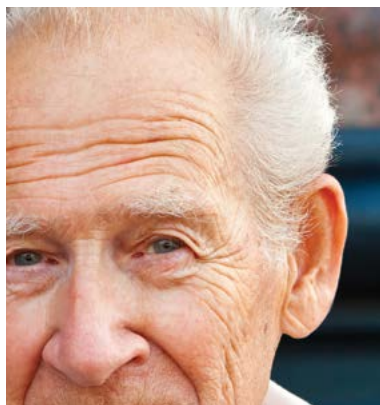
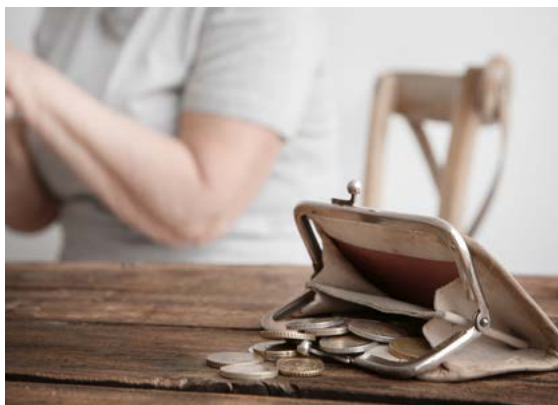
It is particularly pleasing for COTA Australia that investment supports the acceleration of improved home care through more packages, development of single assessment workforce, increased transparency, and a move to consolidated single support at home service system.

The Budget provides a base for key reform. Implementation is crucial. On many announced measures more detail is required. Important funded

reform related initiatives include:

- The commitment to a new Aged Care Act including consultation with consumers.
- Establishing 'system governance' architecture broadly adhering to the Government. Leadership model proposed by Commissioner Briggs. This includes an independent Inspector General, and Independent Pricing Authority, a National Aged Care Advisory Council, and a Council of Elders.
- Increased staffing time, improved funding system and efficient pricing in residential care.
- Investment in development of a star rating system so consumers can make informed decisions on the quality of residential care.
- Commitment to abolishing bed licences and the Aged Care Approval Round (ACAR) and putting residential care funding in the hands of consumers by 2024.
- Indication of general support for improving pay, skills, and careers of workforce. However, there is a need to encourage government to be a party for the upcoming Fair Work Case.
- Funding for improving access and navigation including establishing a network of 500 local Community Care Finders.
- Investment for Dementia Care and Support for Informal Carers.
- Substantial funding to deliver improvements for vulnerable groups particularly First Nations people.





## Response to COTA Priorities

### Integrated Home Care with reduced wait times for consumers

COTA Australia prioritised the funding of an integrated home-based care services at a sufficient level to reduce wait times so that no consumer will need to wait more than 30 days after assessment.

The Budget allocated:

- \$6.5 billion over four years to release 80,000 additional home care packages over two years from 2021-22 (40,000 in 2021-22 and 40,000 in 2022-23). This will bring the total number of home care packages to 275,598 by June 2023.
- \$36.7 million over four years will be provided to the Aged Care Quality and Safety Commission to ensure sufficient capacity to undertake compliance activities on the additional 80,000 Home Care packages.
- \$18.4 million over four years from 2021-22 to enhance the oversight and transparency of the delivery of home care packages. To ensure that home care package recipients receive value for money and are not charged unreasonable or excessive fees, a cost calculator and pricing comparator will be introduced through My Aged Care and the establishment of program assurance reviews.
- \$10.8 million in 2021-22 to design and plan a new home care program to better meet the needs of senior Australians. A new Home Care program will commence from July 2023. The Government will extend the Commonwealth Home Support

Programme for one year to 30 June 2023 while preparing for and designing the new program. The Government has committed to consulting older people and community stakeholders about the design of the program.

The investment in home care packages will remove the current waiting list and should achieve our the waiting time target by 30 June 2023 or before. Government must guarantee that in the new program no older Australians will wait longer than 30 days from the moment they register, to the moment they start to receive services.

The Budget investment should contribute to a better home care program that makes consumers genuine partners in the design and delivery of their care. The reform to the system with a single assessment service and a single Support at Home program is critical to ensuring that older Australians stay at home and receive the care they choose and need for as long as that is possible and the best care option.

### Implementation Plan

COTA Australia advocated for the Australian Government to develop a detailed implementation plan for the reforms, over the Forward Estimates.

The Budget provided a timetable for the implementation of key measures over the next four years. We expect a more detailed implementation plan will be released after consultation with the new National Aged Care Advisory Council, the body considered as the key advisory support for implementation.

### Workforce

COTA Australia called for investment in and prompt implementation of the recommendations of *A Matters of Care: Australia's Aged Care Workforce Strategy*.



“COTA Australia warmly welcomes the decision to put bed licenses in the hands of consumers, a long-term advocacy goal. The bed licence system has protected poorer quality providers from competitive pressure from high quality providers, who have been prevented from expanding to meet consumer demand.”

The Budget allocated:

- \$3.9 billion over three years from October 2022 to fund an increased number of residential care staff so that on average each resident receives 200 minutes of direct contact care a day, including 40 minutes nursing care. This will become an enforceable requirement by October 2023 (COTA will argue this should be by 31 March 2023).
- \$228.2 million to support the establishment of a single aged care assessment workforce for residential care from October 2022, and for home care from July 2023.
- \$135.6 million in financial support for registered nurses to work for the same aged care provider over a 12-month period, and those working in rural and remote areas or holding additional qualifications or training responsibilities.
- \$105.6 million to introduce nationally consistent worker screening, register and code-of-conduct for all care sector workers including aged care workers.
- An additional 33,800 training places for personal care workers to attain a Certificate III in Individual Support (Ageing). Both new and existing personal care workers will be encouraged to obtain this qualification.
- \$91.8 million over two years from 2021-22 to support the training of 13,000 new home care workers.
- \$49.4 million in increased funding to support palliative care, dementia care and infection prevention and control training to workers and include improved access to dementia training in regional and rural areas. Learning networks will support the aged care workforce in adopting better dementia care practices.
- \$27.3 million to fund 1,650 new training places, including the Aged Care Transition to Practice Program (150 places) and Aged Care Nursing Scholarship Program (1,200 places). Allied health professionals will also be eligible for postgraduate scholarships (300 places).
- \$25.1 million to expand the Rural Locum Assistance Program, ensuring continuity of clinical care and strong clinical leadership, so aged care providers in regional and rural areas will have increased access to a surge workforce. An incentive scheme for permanent placements in regional and remote areas will also increase staff retention.
- \$9.8 million over two years from 2021-22 to extend the Care and Support Workforce national campaign to help attract the right workers to the sector.
- \$6.3 million to improve workforce data reporting and enhance linkages with other aged care data sets.

COTA Australia is particularly pleased with the introduction of an Aged Care Screening System for personal care workers and the funding of 33,800 VET traineeships by extending JobTrainer. This will start the important work of increasing the number of workers needed in the system.

We call on the Government to join the Fair Work Case and support an increase in wages in this low paid industry on the basis of increased work value, to speed up the process; and to make provision for funding an increase to worker wages in MYEFO in December.

**Investment in Government Information Technology**

COTA Australia called for investment in government IT upgrades to provide the basis for more streamlined and mandated B2G provider reporting, software-based quality control systems, and genuinely consumer centric services.





There were no explicit Budget provisions for government information technology, however, COTA Australia understands that a number of relevant measures across the Budget package contain funding for this purpose and that substantial additional personnel are being added to the Department for this purpose. We know this is a key interest of Government and of Minister Colbeck in particular.

The Government is supporting residential aged care facilities to implement an electronic National Residential Medication Chart (eNRMC) and support the adoption of the My Health Record by June 2023.

The Government is examining Business-to-Government capability in aged care. This capability would be introduced in stages and would enable the direct exchange of data between government and aged care provider systems. This would provide a foundation for the interchange of aged care recipient data with other government systems, including My Health Record.

Requirements for approved providers relating to digital technology and My Health Record will be included in the new Aged Care Act. These will enable government to require that aged care providers can provide government with real time specified financial and prudential data, and with specified quality performance measures again in real time.

### Stronger Regulation

COTA Australia advocated for the Government to provide sufficient funding for the Aged Care Quality and Safety Commission to implement better consumer engagement in their quality assessment processes and a rigorous schedule of unannounced visits to residential aged care facilities and home care services; and provide

the Commission with a wider range of powers and regulatory tools.

The Budget allocates \$262.5 million to the Aged Care Quality and Safety Commission to increase their capability. This includes investment for:

- Improving the complaints and investigation response.
- Providing additional 1,500 site audits in residential care in 2021-22.
- Developing Home Care tools including an enhanced risk profiling tool.
- Strengthening the regulation of the use of physical and chemical restraint.

From 1 July 2022, \$14 million is allocated to expand the Serious Incident Response Scheme to include home care.

As part of Royal Commission reform, the Government has committed to a new independent Aged Care Safety and Quality Authority will be established. This will be informed by the outcomes of the capability review of the Aged Care Quality and Safety Commission to be undertaken in 2023.

COTA welcomes the additional resources for the Aged Care Quality and Safety Commission. A well-resourced regulator with enhanced tools and functions will help lift standards in aged care. Supporting stronger regulation, \$94 million will be provided to expand independent advocacy. This will more than double the aged care advocacy workforce to over 150 advocates nationally.

The doubling of independent advocacy services will greatly assist more older people to access the aged care system and make choices about the services they need.





## Full Transparency

COTA Australia has long argued for full transparency and easy to understand indicators publicly available for consumers of the aged care system to enable them to make informed decisions about their care.

The Budget allocates \$200.1 million to establish a new Star Rating system. This will combine the existing Service Compliance Ratings and Quality Indicators and will be added to over time, including with consumer experience reports.

COTA Australia will monitor the development of this closely, particularly the effectiveness and breadth of new Quality Indicators. We are confident that the introduction of the Star Rating system from late 2022 will provide a meaningful easy to understand comparator between different aged care providers which will improve over time as more indicators are added.

## Replace the Aged Care Approvals Round (ACAR) with control for consumers and families

COTA Australia has long called for the replacement of the Aged Care Approvals Round bed allocation process with new arrangements that place control in the hands of consumers and families, to encourage good providers to expand and assist the exit of poorer providers. This was a key recommendation of the Productivity Commission's 'Care of Older Australians' report in 2011.

The Government will, by 2024, finally implement its 2018 'in principle' commitment to put the funding for residential aged care in the hands of consumers by abolishing bed licences and the Aged Care Approval Round (ACAR) by implementing the recommendations of the Impact Study (which Government has had for over

a year). Effectively this decision has immediate effect as good providers will start planning expansion now and poor quality and inefficient providers are on notice.

COTA Australia warmly welcomes the decision to put bed licences in the hands of consumers, a long-term advocacy goal. The bed licence system has protected poorer quality providers from competitive pressure from high quality providers, who have been prevented from expanding to meet consumer demand.

## Other Important Measures

### Legislation and Governance

The Government has allocated \$26.7 million to establish and implement a new Aged Care Act and is committed to its enactment by 2023 following consultation with stakeholders, including consumers. The Government has accepted without qualification the first three recommendations of the Royal Commission Final Report which deal with the new Act. COTA Australia will engage in further policy and advocacy work, utilising resources with specialist expertise and working with other consumer organisations, to develop a draft human rights model to present to government.

The Government broadly supports the Government Leadership governance model recommended by Commissioner Briggs. They have allocated \$21.1 million to strengthen governance arrangements.

From 1 July 2021, the National Aged Care Advisory Council will provide expert advice to government on reform implementation.

A Council of Elders will be established to provide a voice to Government from senior Australians. This Council will have a wide remit to consult and advise the Minister



COTA Australia is satisfied, in principle, that the key governance arrangements are on the right track. However, further detail is required to assess how these bodies will work.

and the Department of Health on aged care from the perspective of the quality and safety of care, and the rights and dignity of senior Australians. The Council will comprise up to ten members to ensure that it can ably represent the diverse characteristics, life experiences and views of senior Australians.

An Inspector General of Aged Care will be established to provide independent oversight of the aged care system. The primary functions will be to identify and investigate systemic issues in the provision or regulation of aged care, to publish reports of its findings, and to make recommendations. For COTA Australia it is important that the Inspector General reports to the Parliament.

The Independent Hospital Pricing Authority will have an expanded role in aged care particularly to ensure aged care costs are directly related to the care provided. The Government will allocate \$49.1 million to do this. This recommendation will need to be progressed in consultation with state and territory governments.

There is a commitment to strengthening the Department of Health through a local network of Department of Health aged care staff. An initial rollout phase will be subject to an evaluation before nationwide rollout.

COTA Australia is satisfied, in principle, that the key governance arrangements are on the right track. However, further detail is required to assess how these bodies will work. The particularly applies to the future role of the Department of Health which, at this point, appears vague.

### Residential Aged Care

The Budget has allocated:

- As mentioned in Workforce, 3.9 billion over four years from October 2022 to increase the amount of front-line care (care minutes) delivered to 240,000 aged care residents and 67,000 who access respite services, by 1 October 2023. This will be mandated at an average 200 minutes per day, including 40 minutes with a registered nurse.
- From 1 July 2022, providers will also be required to provide a monthly care statement to residents and their families, outlining the care they have received and any significant changes or events during the month.
- \$3.2 billion to support aged care providers to deliver better care and services through a new Government-funded Basic Daily Fee supplement of \$10 per resident per day, while continuing the 30 per cent increase in the homelessness and viability supplements.
- \$365.7 million to improve access to primary care and other health services in residential aged care, and additional investment in digital and face-to-face assistance to make it easier to navigate the aged care system.
- \$279.8 million over three years from 2020-21 to further support residential aged care providers through the continuation of temporary financial supports and the Viability Fund.
- \$189.3 million over four years from 2020-21 to implement the new funding model, the Australian National Aged Care Classification (AN-ACC).
- \$117.3 million to support structural reforms, including discontinuing the current bed license and the Aged Care Approvals Round process from 1 July 2024, a \$100 million Structural Adjustment Program proposed by COTA to support providers to either improve their operations, merge with another provider, or exit the sector; and implementation of a new Refundable Accommodation Deposit (RAD) Support Loan Program. This funding also includes strengthened financial reporting requirements for residential aged care providers. Current business advice services will be continued with a new workforce planning stream to support providers to attract and retain staff.
- \$49.1 million for the current Independent Hospital Pricing Authority to establish a new aged care





funding wing to advise government on the fair and efficient pricing of support and care services to ensure aged care funding achieves the stated outcome objectives.

COTA Australia welcomes the Government's initial investment into the daily care of older Australians living in residential aged care. This investment will be complemented by increased transparency about staffing and public funding and will ensure all aged care homes have a minimum staff time per resident. These measures need to be stronger than announced and we will continue to argue for mandatory full transparency about staffing numbers and mix, finances including third party entity payments, quality measures and resident and family feedback. The Australian public deserves to know how their funding of aged care is being spent.

### Accessing and navigating Aged Care

The Budget allocates funding for new face to face services. This includes:

- \$93.7 million for a network of up to 500 local Community Care Finders to provide intensive face-to-face support to older people to access aged care services and connect with other health and social supports. The Aged Care System Navigator services will be extended to December 2022 until the Community Care Finders are in place.
- \$86.4 million to provide information services in up to 325 Service Australia Service Centres. In 70 centres, located across Australia, new aged care specialists will be available to connect older people with local services.

- \$65.2 million to provide greater access to translating and interpreting services for Culturally and Linguistically Diverse (CALD) older people.
- \$9.6 million to certify over 2,000 providers where specific services are offered that meet diverse needs.
- \$7.2 million to provide advocacy organisations to represent older people to access and receive effective support from the aged care system.

COTA Australia welcomes investment in Care Finders particularly as we identified the need for them and other consumer support services back in 2016 and since the More Choices for a Longer Life package in 2018 have been demonstrating the need for them through the aged care "system navigators" trial over for the past two years. We look forward to working with government on how best to implement this initiative.

We are also pleased about the \$7 million investment over 18 months to continue the Aged Care System Navigator service prior to the commencement of Community Care Finders.

### Access to Primary Care

The Budget allocates:

- \$178.9 million over four years to Primary Health Networks to use their regional expertise and on-the-ground capabilities to better support the delivery of telehealth services and help practitioners to better support older people. This will include funding to develop local dementia care pathways that will support GPs to link people living with dementia and their carers with the services they need.





- \$42.8 million over two years to boost the Aged Care Access Incentive to increase face-to-face care from GPs within residential aged care facilities. The maximum yearly payment to GPs will double to \$10,000, which is expected to attract an extra 1,100 GPs.
- \$37.3 million over four years to the Greater Choice for At Home Palliative Care Pilot to expand from 11 pilot sites to all Primary Health Network areas.

This is a reasonable start to funding improved access to primary health care. It should be expected that, given the focus on this in the Royal Commission, more initiatives will be forthcoming. Accepting that some potential measures are contingent on negotiations with State and Territory governments, COTA Australia will particularly advocate for the establishment of a National Senior Dental Scheme and funding to further improve access to mental health services.

COTA Australia expects that more detail will be provided on the funding and service implementation process to be managed and implemented by Primary Health Networks.

### Care for Vulnerable Older Australians

The Budget allocates \$630.2 million to deliver improvements in service delivery for vulnerable groups of older people including First Nations people, people who are experiencing homelessness or at risk of homelessness and those living in regional, rural, and remote Australia. This includes:

- \$396.9 million for providers to make improvements to buildings and build new services in under resourced areas.

- \$125.7 million for the National Aboriginal and Torres Strait Islander Flexible Aged Care Program and Multi-Purpose Services Program, where delivery costs are higher and service viability is compromised.
- \$106 million for a workforce of 250 trusted First Nations people to provide tailored face-to-face support, to assist First Nations people to better navigate and access aged and disability care.

COTA Australia welcomes the range of initiatives to assist First Nations people's access to aged care, and to improve services for people living in rural and remote areas.

COTA Australia expects more information to be provided about funding and policy directions related to diverse population groups including Culturally and Linguistically Diverse (CALD) people, Lesbian, Gay, Bisexual, Transgender, Intersex, Queer (LGBTIQ).

### Support for Informal Carers and Dementia Care

The Budget allocates:

- \$441.4 million to support residential respite to assist families and informal carers.
- \$134.9 million to boost the Commonwealth Home Support Programme (CSHP) respite services.
- \$103.4 million for early referrals to Carer Gateway services by aged care assessors to support informal carers with counselling, coaching, support, and skills training.
- \$67.5 million to increase dementia care capability by increasing funding for the Dementia Behaviour Management Advisory Service and the Severe Behaviour Response Teams.





- \$60.1 million to improve respite, through care planning for people living with dementia, and training for residential facilities to implement respite care plans and dementia care respite models.
- \$53 million to improve early intervention assistance for people newly diagnosed with dementia each year and their carers. This includes more support for the National Dementia Helpline and National Dementia Support Program.

The Government has stated that it will refer to the Productivity Commission a proposed amendment of the National Employment Standards to provide for additional entitlement to unpaid carer's leave.

COTA Australia welcomes and supports these initiatives.

### User Contributions

COTA Australia will continue to advocate to government for a strategy and approach to user contributions in aged care that is robust in its application, easy to understand, transparent and fair. The effective future financing of aged care will require significant equitable user contributions based on the capacity of people to pay.

It is understandable that the government did not address this issue in this Budget given the lack of sound guidance from the Royal Commission on future consumer co-contributions, and the short time available to respond to the Final Report before Budget and the range of other measures it managed to deal with in that time. However, the aged care system will need reform

to the current policy mess and regressive system of user co-contributions to generate from people with capacity to pay revenue in addition to general revenue from taxation.

COTA Australia will continue to undertake more detailed and substantive analysis of the Government's response to the Royal Commission recommendations as more details of the decisions and future directions emerge.

## 4. HEALTH

This Budget includes several health measures which are likely to impact positively on the lives of some older Australians. We are pleased to see more funding allocated to mental health and measures designed to facilitate some older people's access to community-based health and some Medicare Benefits Schedule (MBS) services.

We also support the increased upgrades to the myGov and My Health Record sites. These digital enhancements are critical to underpinning the shift to more integrated health and support services for older people.

Despite a number of positive health measures that will benefit some older Australians, key areas where this Budget omitted to deliver greater critically needed assistance to older people include the ramping up of funding for preventive health and reablement measures. These are vital if the community is seriously concerned with optimising older people's functional ability, wellbeing and independence, which contribute to reduced need for higher level aged care and acute health services.



A key concern of COTA's for many years has been oral and dental care, and the Royal Commission recommended the establishment of a Seniors Dental Health Scheme, as COTA has done in past Budgets and elections. Whilst Government did not commit to resourcing this it has not closed the door on this proposal. We will pursue it.

### **Palliative Care**

COTA Australia supports the much needed expansion of the Greater Choice for Home Palliative Care pilot. This measure will expand the 11 pilot sites to over 31 making it more likely an older Australian nearing the end of their life will have the option of accessing quality palliative care in their home. The end goal must be for every person who needs palliative care to receive it in the setting of their choice – usually home or hospice. It is unacceptable to expect aged care services to provide specialised palliative care without the appropriate resources.

### **Mental Health**

An extra \$2.3 billion is being invested over the four years starting 2021-22 to implement the National Mental Health and Suicide Prevention Plan, in collaboration with state and territory governments. This increased investment in mental health is very welcome and follows on the findings of the Productivity Commission report into Mental Health and, in no small way, the increased pressure on mental health support services throughout the pandemic. We maintain these changes need to mark a genuine start to systemic reform of mental health.

A significant proportion of the funding, \$1.4 billion, is for a national network of mental health treatment centres for adults, youth and kids. This measure is to be complemented by the establishment of a dedicated phone service to support timely intake, assessment and referral. There is also a significant investment in suicide programs.

While we fully support the increased focus on enhancing access to locally based mental health supports, COTA Australia is disappointed that none of the identified measures specifically also target older people with mental health issues. Although older people are unlikely to be excluded from accessing adult mental health treatment centres, COTA Australia argues that in addition to life stressors that can be experienced at any time in

one's life, there are specific types of stresses that are more likely to affect older people.

### **COVID-19**

COTA Australia supports a continued strong focus on ensuring Australia remains on top of COVID and notes the Australian Government's COVID-19 response measures to expand its response to COVID-19 including the extra \$1.9 billion to be spent on Australia's vaccine strategy over the next five years.

However, COTA Australia would welcome government's commitment to continuing to invest in extending the Home Medicine Services and upgrading and expanding MBS telehealth (inclusive of GPs, specialists, nursing and allied health) and pathology services beyond the funded period. This will be important to augment older Australians' growing confidence in telehealth as an effective and convenient way to access, as appropriate, specific and/or supplementary health care and pharmaceutical services.

### **Primary Care and Preventive Health**

Although the 2021-22 Budget announcements precedes government's release of its 10 Year Primary Health Plan, COTA welcomes the modest financial commitment to supporting improved access to primary care services. The measures that may benefit older Australians include the \$71.9 million for the one-year extension to the Primary Health Network After Hours Program and the accessing of some MBS services through myGP.

We understand that as result of these and related measures, older Australians should experience some improvement in gaining more timely access to primary care services. For older Australians in residential aged care homes, the measures should facilitate better transitions between aged care and health care systems, as well as improved medication management. However, the more far reaching primary care improvements desperately needed to support the health and wellbeing of older Australians depend on the injection of appropriate levels of funding to resource the required innovative reforms. It is anticipated this will occur following the release of the Primary Health Plan.

Although the budget provides only minimal additional funding for preventive health, COTA acknowledges that close to \$0.5billion has been allocated to supporting immediate priorities identified in the forthcoming



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National Preventive Health Strategy (Strategy) 2021-2030. Included as part of this funding is a national health literacy strategy, to inform the Strategy. Plus, COTA welcomes the increased focus on improved cancer screening for life threatening cancers. This will provide a greater level of reassurance for older Australians and their families. We await details regarding how this measure will be implemented.

COTA Australia advocates for a much stronger focus on promoting and resourcing preventive health. We believe much more must be done in full collaboration with older Australians to assist them to maintain their functional ability, reduce the incidence of accidents and enhance overall wellbeing and independence. Strong investment in this area will deliver significant quality of life benefits for older Australians, their families and the wider community. It has also been shown to dramatically alleviate financial pressure on the acute end of the health system.

### **Rural Health**

Within the health space, COTA Australia appreciates that rural Australia is to better be supported through the continual rollout of reforms under the Stronger Rural Health Strategy. The Budget sees an additional \$123million allocated to strengthen the rural workforce and \$65.8 million (from 1 January 2022) to increase bulk billing incentive payments for GPs working in remote and rural locations. COTA Australia sees this measure as important to reducing the gap paid by people living in these areas, many of whom will be older, as well as shoring up the sustainability of primary care services for people living outside metropolitan and regional areas. COTA Australia is also pleased to note the \$111.2 million investment directed to ensuring people living in regional, rural and remote areas have access and choice to low cost digital mental services.

The big question still to be resolved is workforce – particularly in relation to rural and remote areas. COTA Australia believes government must address this issue as matter of high priority across health, aged care and disability sector workforces. There is no point in each cannibalising the other and then dealing with retaliatory responses. A comprehensive approach is essential.

### **Digital Health**

\$301.8 million investment in the overhaul of the MyGov and My Health Record sites is very welcome. This investment sets the foundation for a fundamental upgrade to the way Australians' service information is managed and shared across multiple care and support settings. For instance, in relation to health care it will ensure better coordination of health information across health and aged care settings.

We particularly welcome that \$45.4 million has been allocated to support the adoption of electronic Residential Medication Charts in residential aged care homes. This will increase the use of My Health Record and support a safer transition of older people between aged care and hospital setting through the digital sharing of information. This imperative has been long advocated by COTA Australia and strongly reinforced by numerous witness before by the Royal Commission.





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