



## Special Commission of Inquiry into Healthcare Funding

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**Name:** Australian Association of Gerontology and AAG Research Trust  
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Please find attached a submission prepared by the Australian Association of Gerontology (AAG).

Kind regards,  
Amber



**Dr Amber Mills**  
Policy and Research Manager  
**Australian Association of Gerontology and AAG Research Trust**

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[www.aag.asn.au](http://www.aag.asn.au)

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## The Special Commission of Inquiry into Healthcare Funding

### Description of the Submitting Organisation

Since 1964, the [Australian Association of Gerontology](http://www.aag.asn.au) (AAG) has been Australia's peak national body linking researchers, educators, policymakers, practitioners, and other experts engaged in ageing issues. AAG's purpose is to improve the experience of ageing through connecting research, policy, and practice. Its principles are to be evidence informed, multi-disciplinary and holistic, independent, collaborative, and fair. AAG has a growing membership of over 1,300 professionals working across every State and Territory in Australia representing all sectors and disciplines in ageing including research, policy, education, aged care, health and allied health, and consumer advocacy.

AAG is a national organisation with broad reach across an established network of collaborators and experts. In addition, AAG is the executive office of the International Association of Gerontology and Geriatrics Asia/Oceania Region and the International Longevity Centre (ILC) Australia, which is a member of the ILC Global Alliance.

AAG's approach to evidence-based policy and practice incorporates all types of evidence, namely: research evidence, professional knowledge and expertise, the full diversity of older people's needs and wishes, and the policy environment. We are funded to undertake this work in part by a grant from the Dementia and Aged Care Services (DACs) fund. The aim is to support Australian governments, professionals, and providers to deliver evidence-based policy and services to meet the needs of all older Australians.

### Introductory comments

AAG believes that access to quality and safe care for older Australians is foundational to a fair and just society. Older people should not be discriminated against because of their complex health and care needs; these should be available in the same manner as for other population groups.

AAG appreciates the NSW Government's commitment to ensuring health care funding and governance are appropriately targeted to maximise the health outcomes for people of NSW. While the Inquiry is designed to predominantly focus on NSW Government activities, structures and accountabilities, our submission focuses on the intersection between national and NSW health-related service delivery and priorities. In particular, we highlight the fragmentation of health services for older people living with complex and/or chronic health care needs. The current split of responsibilities between Commonwealth and NSW governments means that older people are required to navigate across various health, accommodation, and care settings to have their needs met, often at a time when they are least able to do so. We believe that a more coherent and streamlined approach to health and care funding, policy and service delivery is required to ensure the needs of older people are appropriately met, as well as improving outcomes for the NSW Government in terms of overall cost-savings to the health system. We urge the Committee to ensure that health care financing for NSW citizens is underpinned by a values-based public policy framework, which considers preventative as well as management of health issues.

### Specific comments

#### Health and aged care interface

Older people are high users of health services in Australia across primary, acute, sub-acute and allied health services<sup>1</sup>; this is in addition to services delivered through aged care programs. The Royal Commission into Aged

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<sup>1</sup> Australian Institute of Health and Welfare (2023) [Older Australians](https://www.aihw.gov.au/reports/older-people/older-australians/contents/health/health-care-gps-specialists), AIHW, Australian Government, accessed 21 October 2023. <https://www.aihw.gov.au/reports/older-people/older-australians/contents/health/health-care-gps-specialists>

Australian Association of Gerontology (AAG) acknowledges Traditional Owners of Country throughout Australia and recognises the continuing connection to lands, waters and communities. We pay our respect to Aboriginal and Torres Strait Islander cultures, and to Elders past and present, and to all Aboriginal and Torres Strait Islander peoples including members of the Stolen Generations

Care Quality and Safety,<sup>2</sup> like the Oakden Review<sup>3</sup> before it, heard numerous examples of the programmatic and structural barriers that have impacted on the ability of older people to receive timely and appropriate quality health care. The pressures experienced by public hospitals from aged care services being unavailable or unable to safely care for older patients continue to make headlines.<sup>4</sup> With responsibilities for health and aged care being undertaken by different levels of government, policy development to address these dilemmas is frequently reduced to reactivity and political point-scoring rather than collaboration and integration across sectors and service delivery models.

In part, this has resulted from policy decisions within the Commonwealth government, so eloquently expressed in the title of the Interim Report of the Royal Commission, 'Neglect'. For several decades the Commonwealth has conceptualised aged care as predominantly a 'support' program designed to cater for personal rather than clinical needs, with care reduced to being a 'commodity' that is purchased and 'consumed', much as one shops around for white-goods appliances or groceries. The marketisation of human services together with constrained funding policies has resulted in a sector organised around provider interests, downward pressure on wages leading to low-paid workforce enduring highly stressful work environments,<sup>5</sup> in turn reducing the capacity of residential care to provide sufficient quality and safe care for either residents or staff.<sup>6</sup>

The Resource Utilisation and Classification Study (RUCS)<sup>7</sup> clearly demonstrated the complexity of health needs amongst people living in residential aged care services: only 15% were independently mobile, one in two (50%) required mobility assistance, and over a third (35%) were not mobile. The majority of residents (> 80%) need help with personal care and activities of daily living, and significant numbers had cognitive and mental health needs which impacted on their ability to communicate, interact with others, and participate in meaningful activities. Notably, one third of residents die each year. In general, staffing levels are inadequate to meet the clinical and care needs of residents, particularly in terms of nursing and allied health. While improvements are underway to address the longstanding poor health outcomes of aged care residents through mandated nurse presence and staff minutes, the aged care sector continues to struggle to meet these requirements.

### **The need for health reform**

As the Royal Commission into Aged Care Quality and Safety clearly demonstrated, the separation of health and care is clearly not working for older people, nor the communities in which they live. AAG believes a more coherent cross-jurisdictional approach needs to be taken to ensure the delivery of an efficient, effective, and sustainable health service system that benefits older people, as well as the local communities in which they and the health workforce live. We also believe that the NSW Government has the capacity to take a leadership role in delivering this, through advocating for reform that conceptualises health and aged care as part of a

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<sup>2</sup> Australia. Royal Commission into Aged Care Quality and Safety (2021). *Interim Report: Neglect* Retrieved October 21, 2023, from <https://www.royalcommission.gov.au/system/files/2021-03/interim-report-volume-1.pdf>

<sup>3</sup> Groves A, Thomson D, McKellar D and Procter N. (2017) The Oakden Report. Adelaide, South Australia: SA Health, Department for Health and Ageing.

<sup>4</sup> <https://nationalseniors.com.au/news/featured-news/aged-care-patients-stuck-in-hospital>

<sup>5</sup> <https://anmj.org.au/aged-care-nurses-in-moral-distress-and-burning-out/>

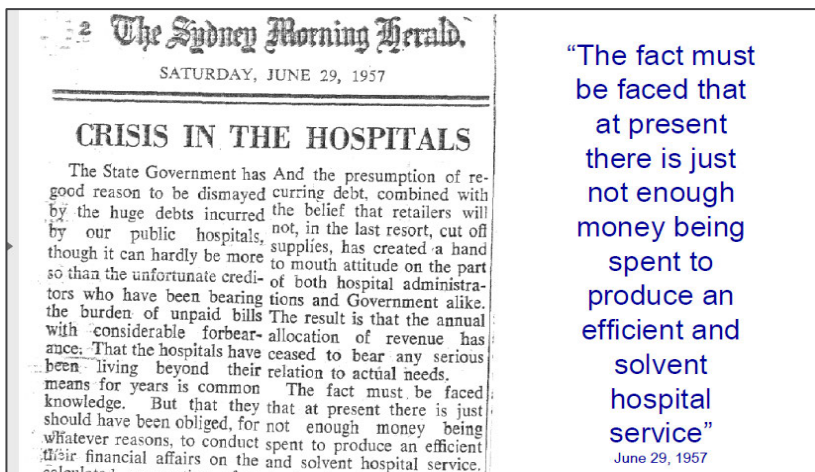
<sup>6</sup> Eagar, Kathy, Anita Westera, and Conrad Kobel. "Australian residential aged care is understaffed." *Med J Aust* 212.11 (2020): 507-8

<sup>7</sup> Eagar, Kathy, et al. "AN-ACC: A national classification and funding model for residential aged care: Synthesis and consolidated recommendations. The Resource Utilisation and Classification Study: Report 6." (2019).

local/regional ecosystem. The recent Capability Review of the Department of Health and Aged Care<sup>8</sup> has shown there is limited capacity at the national level for strategic policy development. It concluded that one of the ‘most critical challenges’ facing the Department was the growing health and care needs associated with an ageing population, and ‘significant reform is needed across the health and aged care sectors ... (in particular) interactions between the sectors’. This suggests there is an opportunity – and even, perhaps, appetite - for alternative models of health care policy and funding to be considered.

**Sustainability is not just a matter of funding**

One of the key concerns of this Committee will be the sustainability of the health and care system, which is likely to pose considerable challenges given the ageing population and associated increase in need for health services. But as the illustration below shows, the challenges of appropriately funding health services are longstanding.



AAG believes a new approach to sustainability is required, where health is conceptualised from an ecological perspective that recognises the interaction between health, care, and community services under a local/regional governance structure. There would be many benefits to such a model. Rather than siloing of services (acute, primary, aged), health ‘authorities’ would be responsible for planning of health and wellbeing services that meet the needs of local communities, across the age continuum. This would encourage a focus on health promotion and prevention to reduce potential future health costs, as well as build on existing service infrastructures and networks to respond to local pressures and needs.

For example, many rural towns across NSW find it difficult to attract and retain suitably qualified health professionals within the public health system and, similarly, aged care homes struggle to meet the recently introduced mandated staff time and skills mix requirements. Reduced availability of skilled staff within residential aged care often results in older people requiring transfer to acute hospitals when their care needs are unable to be met. A regional authority with responsibility for both health and aged care services would not only foster the development of innovative care models and collaborative arrangements between service types,

<sup>8</sup> Australian Public Service Commission (2023) Capability Review Department of Health and Aged Care <https://www.apsc.gov.au/initiatives-and-programs/workforce-information/research-analysis-and-publications/capability-review-department-health-and-aged-care> p11

reducing the risk of unnecessary use of hospital and emergency services, it would also support coordinated recruitment strategies, career progression and staff development opportunities across service types.

### **Principles for health funding and system governance**

AAG believes that a new approach is needed, to ensure the health system within NSW is fit-for-purpose to meet the current and future needs of older people, and should reflect the following public policy objectives:

- Equity and fairness – it should ensure the needs of older people, including the most vulnerable, are addressed.
- Quality and safety – older people should receive quality care that meets their needs and must not be at risk of ‘neglect’.
- Accessible and responsive – the system must be capable of accommodating the needs of individuals and their communities, including those with special or specific needs (geographic, cultural, LGBTQI and so on).
- Efficiency – the system must be affordable for those who pay for it. This includes taxpayers and care recipients.
- Sustainable and predictable – to enable certainty and transparency for governments, providers, and older people.

AAG looks forward to engaging with the Special Commission of Inquiry into Healthcare Funding to explore a new approach to sustainability and funding, and we stand ready to provide further information on this submission.

Yours sincerely,



Renu Borst

Chief Executive Officer – AAG & AAG Research Trust

Executive Officer – IAGG Asia/Oceania Region & ILC Australia

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This submission prepared by Anita Westera, AAG Vice President and AAG NSW Division member, and Dr Amber Mills, AAG Policy & Research Manager.

For further information please contact:

