

# **Response to the Australian National Audit Office's Aged Care Reform Performance Audit**

---

May 2023

## Contacts



UnitingCare Australia

Level 3, 42 Macquarie St.

Barton ACT 2600

Phone (02) 6249 6717

Email [ucaremail@nat.unitingcare.org.au](mailto:ucaremail@nat.unitingcare.org.au)

Website [unitingcare.org.au](http://unitingcare.org.au)

## About UnitingCare Australia

UnitingCare Australia is the national body for the Uniting Church's community services network and is an agency of the Assembly of the Uniting Church in Australia.

We give voice to the Uniting Church's commitment to social justice through advocacy and by strengthening community service provisions.

We are the largest network of social service providers in Australia, supporting 1.4 million people very year across urban, rural, and remote communities.

We focus on articulating and meeting the needs of people at all stages of life and those that are most vulnerable.

# Introduction

UnitingCare Australia welcomes the opportunity to contribute to the Australian National Audit Office's (ANAO) performance audit regarding the design and early implementation of residential aged care reforms from the Australian Government Department of Health and Aged Care (DoHAC) and the Aged Care Quality and Safety Commission (ACQSC).

We acknowledge the consultative approach that Government, across all of its agencies, has adopted in ushering in the suite of reforms across the aged care sector. We appreciate the ANAO's role in assessing the effectiveness of advice provided by DoHAC to the Australian Government, and examination of the latter's overall performance with regard to decisions that have been implemented to date.

UnitingCare Australia is committed to ensuring that best possible outcomes are achieved for older Australians. We submit that achieving best practice can be achieved through a diversity of approaches, but that our end goal must remain achieving the highest clinical standards of care for people accessing support. We restate the critical importance of Government supporting the aged care sector with well-planned and developed policy and decision-making processes that recognise both the importance of achieving the reform outcomes recommended by the Royal Commission, as well as the obstacles that stand in the way of implementing these reform measures effectively.

In this context, we submit the following response to the select focus questions provided by the ANAO.

## Responses to ANAO questions

### **How have the 24/7 Registered Nurse and care minutes reforms impacted your organisation?**

As the largest network of aged care providers across Australia, the UnitingCare Network remains committed to lifting the quality of aged care in Australia and working in partnership with Government to implement its aged care reform agenda.

However, we highlight the complex operating environment in which services are situated with regard to financial sustainability, a workforce crisis, pressures associated with the implementation of ongoing reforms, and managing growing complexity and demand for services across the community. Each of these factors has a significant impact on the daily operations and ongoing viability of aged care services.

In line with consistent feedback provided to DoHAC, UnitingCare Australia has cautioned that, in the current and foreseeable workforce context, the narrowness of the proposed exemption requirements related to the 24/7 Registered Nurse (RN) and care minute reforms may lead to a lower quality of care being offered, and potentially, the withdrawal of further

aged care services operating within the market. Specific issues regarding these potential adverse impacts are outlined in response to *Question 3* of this submission.

### **What engagement has your organisation had with the Department or ACQSC in relation to 24/7 RN and care minutes reforms? Who was your point of contact?**

UnitingCare Australia provided a submission to the Department of Health and Aged Care on 17 March 2023 regarding the *Aged Care Legislation Amendment (Registered Nurses) Principles 2023*.

As a member of The Aged and Community Care Providers Association (ACCPA), UnitingCare Australia is also engaged through ACCPA's representations to DoHAC and ACQSC. This includes UnitingCare Australia's endorsement of the issues raised in ACCPA's submission on *Exposure draft – Aged Care Legislation Amendment (Registered Nurses) Principles*, provided to DoHAC in March 2023.

UnitingCare Australia's National Director maintains a positive and constructive relationship with the Deputy Secretary for Aged Care within DoHAC, who has facilitated regular dialogue and maintained an open approach to consultation.

We further note that Chief Executive Officers of UnitingCare aged care providers hosted a face-to-face meeting with Ministers Butler and Wells on 31 March 2023, during which issues regarding 24/7 RN and care minute reforms were discussed.

In their capacities as independent organisations, UnitingCare service providers have individually engaged with DoHAC and taken up the opportunity to provide feedback regarding implementation of the legislative changes and the broader aged care reform agenda, where possible.

### **What opinions, advice or feedback have you provided to the Department or ACQSC on the design and implementation of the 24/7 RN and care minutes reforms?**

UnitingCare services continue to highlight the significant gap between legislative requirements and the physical possibility of implementing changes regarding the introduction of 24/7 nursing and the shift to increased mandatory care minutes.

We note that significant challenges need to be overcome in order for service providers to effectively meet the new legislative requirements. Barriers relate to:

- ***Inconsistencies in modelling regarding the number of required nurses.***

DoHAC briefing has indicated that the Government has modelled the shortfall of RNs in aged care to be 11,800 in 2023-24, which is prior to RN care minute requirements

increasing 10 per cent in October 2024<sup>1</sup>. In contrast, analysis by UnitingCare Australia shows that, on current settings, there could be a nursing care minute deficit amounting to 4,217 aged care beds within its network nationwide from October.

Totalled with the forgone opportunity of unoccupied beds, fully enforcing regulation could generate a system capacity reduction of 5,468 aged care beds nationwide within UnitingCare's network alone.

- ***Lack of trained nurses and competition between sectors.***

UnitingCare Australia has identified a significant shortfall in the pool of available and suitably qualified nurses that services will have capacity to recruit from in meeting the new legislative requirements. The number of nurses obtaining initial registration in Australia was lower in 2020 than it was in 2019, and further, the growth of initial nurse registrations in 2021 sat at just 3 per cent above 2019 levels<sup>2</sup>.

Many nurses have also indicated that they plan to leave the profession. A survey conducted by McKinsey and Company last year found 8 per cent of Registered Nurses say they intend to move countries or change careers within 12 months<sup>3</sup>.

In addition, competition for Registered Nurses remains strong, with the aged care sector struggling to match state operated hospitals and health services in terms of their resourcing and capacity to offer sign-on bonuses, cost-of-living allowances and significant pay rises.

The predictable outcome of these combined supply and demand trends is that there are not enough nurses in the Australian labour market, and aged care service providers will face significant challenges in recruiting sufficient nursing staff to meet requirements.

- ***Limited exemption requirements potentially undermining care outcomes.***

Under the exposure draft an exception to the requirement to have a Registered Nurse onsite 24/7 at a residential aged care facility may only be granted where:

- the facility is in a Modified Monash Model (MMM) 5 area, MMM6 area or MMM7 area; and
- there are no more than 30 operational places in the facility; and
- the Secretary on DoHAC is satisfied that the provider has taken reasonable steps to ensure that the clinical care needs of the care recipients are being met.

---

<sup>1</sup> Department of Health and Ageing, Senate Committee: Community Affairs Budget Estimates 2022-2023. (2023)

<sup>2</sup> Department of Education, Skills and Employment, 2020. *Section 14 Award course completions* (2022).

<sup>3</sup> McKinsey and Company, *Should I stay, or should I go? Australia's nurse retention dilemma* (2022).

The criteria to access an exemption to the requirement to have an onsite RN 24/7 are so strict that care quality may suffer. Facilities that would otherwise find a different optimal balance between clinical and other supports to maximise care outcomes will be forced to limit these other supports in order to meet clinical resourcing requirements.

The application of a hard bed count and MMM conditions on exemption applications will incentivise facilities just beyond these lines to reduce bed counts and close. We reiterate the position previously submitted to DoHAC that exceptions should be made available to facilities, of any size in any location, that can demonstrate legitimate effort towards recruiting the necessary workforce and appropriate care strategy for those in residence.

### **Has the support and guidance from the Department and/or ACQSC assisted your organisation to comply with the 24/7 RN and mandatory care minutes requirements?**

UnitingCare Australia acknowledges the consultative footing that the Government has taken and the collaborative approach it has adopted in implementing 24/7 nursing and increased mandatory care minute reforms in collaboration with the aged care sector.

We also recognise the recent investment that Government has made in the aged care sector more broadly through provisions included in the 2023-24 Federal Budget.

UnitingCare Australia has, however, advocated the need for the government to provide further information on, and a commitment to fund, additional policies and supports that will be implemented in the following areas to mitigate adverse impacts associated with the introduction of 24/7 RN and mandatory care minute requirements:

- Strategies to increase workforce supply and pipeline of suitably qualified nursing and care staff;
- Guidance on what constitutes a 'good faith endeavour' with regard to implementation of the reforms; and
- Whether, and how, any penalties will be applied beyond star ratings in the event of services being unable to meet the new requirements.

### **How will rostering or other administrative practices need to change to ensure compliance with the new requirements?**

Given the current workforce crisis impacting the aged care sector, we observe the significant administrative and resource burden that services have faced in ensuring compliance to the new requirements.

Many UnitingCare organisations already employ a 24/7 RN model and will therefore not experience further significant changes to rostering in relation to this reform. The exception to

this situation may be in rare instances of unplanned absenteeism, however, with the possibility of needing to accommodate RN absence through flexible rostering, which will come at the cost of additional time and resourcing.

Further, we express caution regarding the nature of the forthcoming reporting requirements, detail on which remains unclear. Given the excessive amount of reporting that services are already subject to, the likelihood of significant additional time and resourcing needing to be committed to ensure compliance with new reporting standards is of significance.

### **What are your views on the Department and ACQSC's approach to monitoring compliance with 24/7 RN and care minutes requirements?**

UnitingCare Australia supports the position that ACQSC is adopting with regard to 24/7 RN compliance. However, we note that ACQSA appears to be adopting a stricter stance with regard to care minutes. As previously noted, the inconsistency between the legislation and the ACQSC position is of concern to UnitingCare organisations in terms of its achievability in practical terms.

Further, we note that there is currently no clear understanding of what constitutes a "proportional risk-based approach" with regard to compliance, and what this will mean in practice. We have called on the Government for greater clarity with regard to expectations around these new standards and how legislative requirements will be enforced.

### **Have you observed changes to staffing levels at residential aged care facilities over the past 12 months? What have you observed?**

UnitingCare organisations note that staffing levels have progressively increased over the past 12 months as additional minutes are added to the roster. Staff availability, including unplanned absenteeism and persistent high rates of staff turnover have continued to place stress on organisations' workforces.

## **Conclusion**

We appreciate this opportunity to provide feedback to the ANAO's performance audit. Additional feedback or clarification on any of the points raised can be provided upon request.