

INDUSTRY UPDATE – AUGUST & SEPTEMBER

OCT 23RD, 2019 | ARTICLE

We are back after a short break! This edition of the industry update will wrap up both August and September news – and what a big one it was! The standout recent news has been the extension given to the Royal Commission, which will now continue past the original April 2020 date that the final report was to have been presented, to the new date of November 2020. Higher rates of facilities operating at a loss are coming to light, and some fascinating research into falls in older people is being reported, along with new solutions. Technology news is plentiful and exciting, with so much going on in the Aged Care space in innovation; and we cover the fallout from Earle Haven, which became a case study of the Brisbane Royal Commission Hearings. Finally, the television screening of a study into intergenerational interactions has been a highlight of the recent months, sparking many emotions, conversations and a great deal of focus on intergenerational programs. It is a beautiful highlight in the industry and we are excited to see it [as](#) the start of a shift in the culture of ageing in Australia. Let's leap into the last 2 months of Aged Care news!

ROYAL COMMISSION

It has been a big few months of news for the Aged Care Royal Commission. September saw the Morrison Government [approve a 6 month extension to the Royal Commission into Aged Care](#), to allow for more time for evidence from Australians to be presented. The extension will see the interim report still presented by 31 October 2019, with the final report due date extended from April 2020 to the new due date of 12 November 2020.

The extension has been welcomed by industry peak bodies and organisations such as [Aged & Community Services Australia \(ACSA\)](#); and the Federation of Ethnic Communities' Councils of Australia (FECCA), who believes it [will allow more opportunities for culturally and linguistically diverse \(CALD\) Australians to tell their stories](#). However, concern has been expressed that [an extension will delay action on critical measures and solutions](#) that the industry cannot wait for.

September also saw [the appointment of a third Commissioner](#), The Honourable Tony Pagone QC. Sadly on the 11th October 2019, Commissioner The Honourable Richard Tracey AM RFD QC [passed away after a short illness](#). Commissioner Lynelle Briggs AO has confirmed that the text for the October 31 Interim report has been finalised by both herself and Commissioner Tracey in September.

August saw the Brisbane Royal Commission Hearings take place, followed by the first Melbourne Hearing in September. The focus of the Brisbane Hearings was quality and safety and regulation of Aged Care, but began with a Case Study of the [Earle Haven facility in Queensland](#), that was suddenly shut down and its 68 Residents evacuated in July this year. [Witnesses and evidence such as the Triple 0 call](#) made by the Clinical Manager were presented. The August hearings continued to look into the [regulation of the sector](#) by both the Aged Care Quality and Safety Commission, the Department of Health, and the former Australian Aged Care Quality Agency. At the close of the Hearings, the closing statement by Mr Peter Gray from Senior Counsel Assisting declared that there [were 'serious defects' in the regulation](#) and there had been 'no sense of urgency' expressed by the Government to move forward with implementing recommended reforms.

The first of the Melbourne Hearings focused on the quality of life of younger people living in Aged Care, which was [declared a 'gaping hole' in the system and processes](#) where the care provided was not appropriate to younger Australians or those with disabilities.

Background Paper 7, [Legislative framework for Aged Care Quality and Safety regulation](#), was released by the Commission in August.

October has already seen the second and third Melbourne Hearings, and November is set to have a regional hearing in Mudgee before heading to Hobart. You can keep up to date with the hearing dates and topics [here](#).

With a great deal of media reports surrounding the Royal Commission, the [Aged Care Guide](#), [Australian Ageing Agenda](#) and [The Weekly Source](#) are excellent sources of information. You can also access live and past hearings via the Royal Commission webcast channel [here](#).

STAFFING RATIOS

In our [July Industry Update](#), we reported that the Queensland Government's own inquiry into Aged Care, End-Of-Life and Palliative Care and Voluntary Assisted Dying is still underway, in July proposing legislation that would [require all Queensland Aged Care Providers to publish staffing information publicly](#). This would mean that staffing ratios would be exposed to the public, which the Queensland Palaszczuk Government hopes would encourage higher staff to Resident ratios, and in turn encourage the Federal Government to legislate staffing ratios. The submission has been strongly responded to by the Morrison Government, who have stated that it ["appears to create a reporting burden on providers, with no clear benefits to consumers"](#). The Queensland Government intended to introduce the legislation to parliament by the close of 2019, with the intention of the website where staffing information will be published set to launch in April 2020.

QLD INQUIRY

With the Earle Haven Facility sudden closure in July, the Queensland Government have introduced a new bill into Parliament in order to prevent a similar occurrence from happening again. The 'Health Transparency Bill' would mean all of Queensland Health's Aged Care Facilities need to adhere to a new minimum of average care provided per Resident per day (3.65 hours), a minimum Nurse skill mix of 50% and overall total care staff need to be Registered Nurses. The Bill is a [direct response to the Earle Haven closure](#). You can [read further on the Bill here](#).

In more news for Queensland, a [15 year 'master plan' has been opened for tender by Queensland Health](#), which will see the state's public Aged Care facilities audited as a part of the process. The master plan intends to consider the draft recommendations from the ongoing Royal Commission, and intends to create a long-term plan to support planning and infrastructure to support the sector in the state.

FACILITIES CONTINUING TO OPERATE AT LOSS

Business expert Dr Richard Cumpston has obtained Government data which demonstrates that of approximately 880 facilities, [almost 390 facilities saw losses in the 2017-2018 financial year](#). The deidentified data is reflective of the most recent [Stewart Brown report](#), with 45% of facilities reportedly running at a loss.

In September, a rural Aged Care Facility in the Victorian town of Pyramid Hill confirmed that it would be closing by the end of November 2019, potentially earlier, as it could [no longer afford to stay open](#) with \$1.1M in losses over the last 5 years.

The industry has been expressing [great concern over the current issues](#) of lack of funding, rising costs of care, increasing demand with falling staff numbers and with the findings, recommendations and actions from the Royal Commission still to be presented over 12 months away. A survey conducted by LASA on its members revealed that [four out of five Providers believed that financial pressures reduced their ability](#) to deliver the care that Residents need and deserve. While [listed Aged Care entities report to be performing slightly above average](#), costs continue to rise and StewartBrown senior partner Grant Corderoy has stated that some of the higher performance can reflect the location of the entity facilities being based in major cities.

AN-ACC TRIAL

In our [July Industry Update](#), we reported on the Department of Health reaching out to Residential Aged Care Providers to trial a proposed assessment framework – the Australian National Aged Care Classification (AN- ACC) tool. With the expressions of interest closing on 2 September, the Department of Health has reported that [more than 850 facilities volunteered to join the trial](#). A sampling strategy is being developed to ensure that the various types of facilities are represented

throughout the trial. For further details on the trial, you can read the Department's [Trial Factsheet here](#).

You can read our wrap up on the AN-ACC, and the myths and facts surrounding the timeline for the implementation of a new funding tool [here](#). For more information on the tool you [can visit the Government's website here](#).

FINANCE

A change that came into effect on 1 October, was an adjustment to the [maximum permissible interest rate \(MIPR\)](#), which is used in the calculation of Aged Care accommodation costs. The rate fell from 5.54% per annum to 4.98% per annum. The drop in the interest rate however, has been noted that overall it will affect low-means Residents, who have not been able to pay a Refundable Accommodation Deposit – whereas those that could, have their [Daily Accommodation Payment lowered by the drop in interest rate](#).

Indexation from September's rates and thresholds saw older Australians on the Aged Pension receive an increase of \$7.20 per fortnight, and for some, due to [changes to the deeming rates](#) in July, a lump sum backpayment. Changes to the deeming rates also [benefit those living in Residential Aged Care or receiving a Home Care package](#).

A study has shown that nearly 50% of Australians between the ages of 55 – 64 are still paying off mortgages, and taking those debts with them into retirement. The study, completed by Australian Housing and Urban Research Institute (AHURI) found that the [mortgage debt to income ratio had tripled between 1987 to 2015](#) from 71% to 211%, with many Australians paying off higher levels of debt in relation to the value of their homes. The report, *Mortgage stress and precarious home ownership: implications for older Australians* can be found on [AHURI's website here](#). The Federal Government is set to [review the retirement income system](#), to ensure that older Australians are supported financially throughout their retirement, considering the factors of the ageing population and people living longer lives.

AGED CARE ACT AMENDMENT

A new amendment to the Aged Care Act 1997 has been passed in September, which will [allow provisionally allocated places to be moved across regions](#), within the state or territory. The amendment means that Aged Care places, that previously have been unable to have a change of region, can move dependent on requirements or planning. The move will still require a demonstration of reason, prior to a move. The Aged Care Amendment (Movement of Provisionally Allocated Places) Bill 2019 [can be found here](#).

FALLS IN AGED CARE

A recent study into falls in older people has shown that falls that result in a head injury has almost doubled over the past decade, with 125,000 people aged over 65 seriously injured as the result of a fall between 2016-17. The [report](#) released by the Australian Institute of Health and Welfare (AIHW) showed that 51% of falls that result in a hospitalised stay occurred in the home, with [21% occurring in Residential Aged Care Facilities](#).

Preventing falls or sending an alert for help after a fall has been a great subject for technology and innovation in Aged Care, with inventions such as a [‘smart bed’](#) to prevent falls occurring when getting out of bed, and a [pre-emptive app developed by Neuroscience Research Australia and the Mark Moran Group](#), is being trialled at Aged Care Facilities (read more about this in our tech segment!)

Aged Care Provider Regis has implemented a [Falls Management Program at their Norwood, Tasmania facility](#), part of a national initiative to reduce falls, which focuses on improving the strength of balance in Residents.

From a health insurance perspective, with the federal government pushing for private health insurance to be made more affordable, a report commissioned by the Medical Technology Association of Australia has suggested that [rugs be removed from Aged Care facilities to reduce falls](#).

SERIOUS INCIDENT RESPONSE SCHEME

A discussion paper and survey was released in September to [start a consultation period for a new Serious Incident Response Scheme](#) (SIRS). The scheme will entail Residential Aged Care Providers identifying, managing and resolving serious incidents, which involve abuse or neglect of Residents. The intention is to enable facilities to have the capacity to respond accordingly. The new SIRS was announced in the 2019-2020 budget, and \$1.5M of funding was announced to undertake the preparatory work. The consultation period closed on the 4th October, however you can [read the discussion paper here](#).

AGED CARE WORKFORCE

To workforce news, and the growing need for the workforce to continue to expand to meet demand over the next 30 years is facing challenges, [with public opinion of the Industry sitting low](#). A recent survey of tertiary students, commissioned by Aged Care Provider The Whiddon Group, resulted in the revelation that 62% of them [would not consider a career in Aged Care](#) (although students were surveyed across multiple disciplines). The Aged Care Work Strategy has [begun to commence the strategic actions](#) set by the strategy, including defining new pathways, reframing the qualification and skills framework, and finding new ways to support and expand the workforce in rural and remote areas.

You can read more on the Workforce Strategy [here](#) and view the report released by the Taskforce, *A Matter of Care*, [here](#).

There are other innovative strategies coming to light to encourage interest in a career in Aged Care. The Story-care project, funded by the Australian Collaborative Education Network and developed by Central Queensland University researchers, is [a course designed to encourage students to undertake a work placement in a Residential Care Facility](#). The course is based on a creative writing learning experience, and was piloted with 22 students and two Aged Care facilities in Queensland. The course intends to be promoted to Health students, change the way students see the industry and improve perspectives and knowledge on non-ageist care. The course is accessible for free and [can be found here](#).

In regional NSW & Queensland, a [new mentoring program is also being piloted](#) through The Whiddon Group, where tertiary students are placed with an Aged Care Nurse for mentoring. The program aims to show students what working in Aged Care is like, addressing negative perceptions and working to change them.

And to Western Australia, [Aged Care Providers \(both Home and Residential\) can apply for funding under the Enterprise Training Program](#), to identify skills gaps and then work with a registered training organisation (RTO) to develop training. There is \$4M available in funding for the program, and is a part of the WA strategy to guarantee a skilled workforce in the face of need. A secondary program, the Pre-Traineeship Program, means Aged Care Providers can apply for funding to enable supervised placements for students, as well as having access to the graduates at a later date. You can [find out more about both these programs here](#).

TECHNOLOGY & INNOVATION

As always, it has been an exciting period of technology and innovation in Aged Care. There have been numerous developments in the tech and innovation space, so let's look at a quick snapshot of what has been happening!

- A [new trial to test an Australian invention that predicts falls](#) (with 75% accuracy) is currently being undertaken by the Mark Moran Group. The app, FallScreen+, has been developed in partnership with Neuroscience Research Australia (NeuRA) who have undertaken more than 30 years of studies at their Falls Balance and Injury Research Centre.
- An exciting update on the pain assessment tool *PainChek*: The new tech will be [rolled out to Victorian-based Aged Care Provider VMCH](#), after successful trials in 2018, joining Dementia Services Australia and Queensland provider Churches of Christ. *PainChek* has [also signed a deal with an Aged Care provider in Singapore](#).
- [The use of video games is being tested at provider Feros Care Facilities in New South Wales](#) as a part of a study by the University of New England. Playing video games (specifically *Star Wars: Battlefront*) is being used to promote cognitive stimulation, improve memory and quality of life for

residents. The study has so far shown that playing video games have evidence of improving memory, mental processes and the 'ability to switch tasks and maintain visual attention'. Brain training apps are also being researched, with a game called Luminosity being [studied as a tool to prevent cognitive decline](#).

- An App created in Adelaide that monitors the wellbeing of older people living in care has [secured funding from an investor and plans to expand into the US](#). *CareApp*, that we reported on in our [February Industry Update](#), is currently in use across Australia and intends to enter the US market in late 2020.
- Robotics and Artificial intelligence are also being developed across to world, to assist with a multitude of care functions such as [cognitive stimulation, building strength, mobility and combatting loneliness](#), or [assist with a multitude of home-based needs](#) such as telemedicine, ordering meals and housekeeping or a system that responds to verbal calls for help.
- In-home assistance technology is also a growing area of technology, with the Australian Government [granting \\$3 M to a new research hub](#) to develop and research these technologies.
- To innovation, and Australian Financial Review's BOSS Top 50 Most Innovative Companies in Australia [named peak body LASA](#), and [Aged Care provider RFBI in the top 5](#) of the list, with RFBI winning the Government, Education and Not-For-Profit category for the [Dining with Dignity](#) initiative.

MEANINGFUL AGEING & SPIRITUALITY IN AGED CARE

In our [May Industry Update](#), we reported that the national spiritual care and ageing peak body, Meaningful Ageing Australia, had received over \$500,000 in funding from the Government. The funding was to be used to roll out two national programs; one of which was a series of short films. These videos, focusing on spiritual care and the quality standards, [have now been developed and launched by Meaningful Ageing Australia](#). The video series introduces the overall concept of spirituality and how to embed understanding into care. A [new resource guide has also been released](#) by Meaningful Ageing Australia, aimed to assist Providers in introducing spiritual care programs into their care services. You can read more about the resources available on the [Meaningful Ageing Australia website](#).

In Brisbane, a Home Care service provider has looked to create a 'Death Café' – a [safe space for people to discuss death and dying](#). The concept of the Death Café is the bringing together of professional speakers and anyone who wishes to attend, who may have questions around advanced and palliative care, dying at home or any other topic or myths around death.

HOME CARE

Post the Royal Commission Mildura Hearing in July, which heard that more than 16,000 people died waiting for a home care package in 2017-18, peak body LASA has called for a [90-day maximum Home Care package wait time](#). September saw the waitlist number for Home Care released, [with a small drop](#) from 129,000 last

quarter to around 120,000 currently waiting for their care package. With the Brisbane Royal Commission hearings covering regulation of safety and quality in the sector, Senior Counsel Assisting Peter Gray QC stated that [regulation of Home Care was 'deficient'](#).

With many older Australians [living in their homes for as long as possible](#), ensuring quality of life and safety is crucial. [A new research project](#) at The Caring Futures Institute at Flinders University will be studying quality of life for people accessing Aged Care in Australia. The three year project will look into self-care and caring solutions.

DEMENTIA

Dementia Awareness month ran throughout September, with the [Dementia Action Week](#) held from 16 – 22 of the month. Dementia Australia's theme for 2019 was 'Dementia doesn't discriminate. Do you?', exploring discrimination and dementia and the impact on people living with dementia, their families and their carers. Throughout Dementia Awareness month, a new guide with information [aimed to support people who have a loved one living with dementia](#) was released; and a new [innovative aged and dementia care model](#) was introduced in the Sutherland Shire of NSW. Sydney-based Aged Care provider Montefiore are also [implementing a new program](#), titled the Montefiore Dementia Model (MDM), that promotes active participation in everyday activities for their Residents living with dementia, such as preparing their meals. In WA, [a travelling 'dementia bus'](#) was launched in August, which will visit WA schools to give presentations that provide information on dementia, as well as giving carers respite, support and information. To dementia research, and \$1.2 M in funding has been granted to a study, to be conducted by University of South Australia (UniSA) to [study factors that can reduce the risk of dementia](#). The research, which is financially supported by the National Health and Medical Research Council (NHMRC), hopes to discover how various lifestyle factors combined can be used to reduce dementia rates and optimise prevention. Finally for dementia news, [two reports have been released](#) by The Australian Institute of Health and Welfare (AIHW) looking at dementia in the years 2016-17; one on dementia hospitalisations that you can read [here](#), and one on anti-dementia medication that you can read [here](#).

AGED CARE EMPLOYEE DAY

7 August marked [Aged Care Employee Day](#); a day to celebrate and acknowledge the contribution made by all those working in Aged Care from volunteers, to carers and nurses, to cleaners, administration and allied health professionals. Aged Care employees [provide care to approximately 1.3 million older Australians](#), and the day highlights not only the amazing work, but also the challenges of the work that they can be faced with. You can read the Minister for Aged Care and Senior Australians media release [about the importance of this day to the Industry here](#).

PETS IN AGED CARE

'Pet Therapy' has featured in a number of Aged Care Facilities across Australia, however a 2018 Study has shown that although [64% of Australian households are pet owners, only 18% of Residential Aged Care Facilities enable pets to reside with their owners](#). This means that many Residents entering care have been unable to bring family pets with them as a result of the restrictions of pets in Aged Care Facilities, forcing the decision to give them away, or surrender their animals. This has led to an increase in calls to encourage more pet friendly Aged Care accommodation. A formal submission made to the Royal Commission by Dr Janette Young, UniSA Lecturer in Health Sciences, highlighting the research and scientific evidence surrounding [the health benefits of pets to those living in Aged Care](#). Dr Young has stated that there [needs to be more research](#) into how animals can be safely introduced into Aged Care settings.

You can read the Animal Welfare League Australia's *Pets in Aged Care National Snapshot 2018* [here](#).

PHYSICAL & CHEMICAL RESTRAINT REGULATION

The *Quality of Care Amendment (Minimising the Use of Restraints) Principles 2019*, recently introduced to limit the use of restraints in Residential Aged Care Facilities, has been [criticised by researchers, experts and public officials](#). The regulations, aimed to reduce and limit the use of physical and chemical restraints in Aged Care, was taken to the [Parliamentary Joint Committee on Human Rights](#) to address the complications of the regulation. You can read an [overview of the requirements on the Department's website here](#).

A SPOTLIGHT ON POSITIVITY IN THE INDUSTRY

The Aged Care Industry has been faced with many challenges over the recent years, especially compounded by the new Accreditation Standards and the Royal Commission which brought unexpected workloads as well as removing staff from their dedicated roles to prepare. Whilst many stories have been shared in the media, a [recent research report](#) shares the perspectives of people working in Aged Care, who are dedicated to providing the highest quality of care and making a Facility a home for their Residents. The report, *Working Well in an Aged Care Home*, [can be found here](#).

September also saw the [Emboden 2019 Festival](#) held in Melbourne, addressing ageism and innovations to combat it. The festival is held by [Celebrate Ageing](#), a national program supporting older people and challenging ageism.

And finally, the most beautiful news of recent months, was the screening of *Old people's Home for 4 Year Olds* on ABC TV. The intergenerational social experiment, documented in the program, has been [hugely popular and encouraged further intergenerational activities to be researched and commenced](#) across Australia. The

experiment originated in the US, and was adapted from a UK series, which also bears the same name, and [aims to see if intergenerational interactions improve health and quality of life for older people](#). The return effect on the pre-schoolers who participated [has also been positively reported](#). The popularity of the show has increased intergenerational connections, with both young children and high school age participating such as in [regional Queensland](#) and [Victoria](#). [Ageless Play](#) and [Playgroup Australia](#) are the fantastic organisations behind the show, and we highly recommend viewing their research and getting involved.

That's all for this month but check back in with us next month for another industry update!

See more at: <https://providerassist.com.au/news-resources/>



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