

Assistant Treasurer
Hon Michael Sukkar
Parliament House
CANBERRA ACT 2600

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Email to: prebudgetsubs@treasury.gov.au

24 August 2020

Dear Minister,

Re: Federal 2020-21 Pre-Budget Submission

ACSA is the leading national peak body supporting not-for-profit church, charitable and for-purpose providers of retirement living, community, in-home and residential aged care around Australia for more than 450,000 older Australians.

The 2020/21 Pre-Budget submission comes at a critical time for older Australians, with Australia in the midst of a Royal Commission into Aged Care Quality and Safety. ACSA recognises that Australia's aged care system is in need of reform, and although there is much that we can be proud of, it requires increased investment and radical change to achieve the care for older Australians that we all really want. The Royal Commission into Aged Care Quality and Safety will map out the need for future change and guide government investment in the future of the aged care system. ACSA will continue to work with the Commission as it develops and publishes its final report.

The great challenge of the COVID-19 pandemic has had a sudden and unprecedented impact worldwide, and the aged care sector has been significantly challenged by the speed and severity of the effects of this global health and economic crisis. The ongoing second wave in Victoria is demonstrating the significant vulnerability of older Australians to the effects of this virus, particularly given the significant increase in community transmission. It is also demonstrating how challenging it is for aged care providers to quickly respond to an outbreak and navigate the impacts of the virus.

The operational, financial and workforce challenges experienced by the aged care sector in responding to the COVID-19 pandemic cannot be understated. This has required changes right across their operations to mitigate risk and ensure the safety

and security of residents and clients. It has caused significant disruption to operations, great fatigue in staff, substantial negative financial impact and is not sustainable in the long term.

The cost of delivering aged care during the pandemic has significantly increased as all aged care providers work to keep residents, clients and the workforce safe and well. This cost has been deeply felt across the aged care sector. The additional funding and resourcing provided by Government during the pandemic has been fully appreciated but it does not match the additional costs being incurred. The 'new normal' is not funded and, in a sector already challenged by structural deficiencies in funding models, is not sustainable in the medium or long term. Our focus for the 2020- 2021 budget is therefore on fighting COVID19. Our recommendations are below, and I have attached recent correspondence with Minister Colbeck about supports for aged care and considerations for the national cabinet.

Recommendations

Enhancing and continuing existing supports for the everyday costs of preventing COVID outbreaks

- \$15 per resident per day for residential care - paid as one-off payments covering six months in September and February.
- \$5 per client per day for home care – paid to the provider (rather than as a package subsidy) as one-off payments, covering six months in September and February.
- Continued temporary 30 per cent increase to the Residential and Home Care Viability Supplements and the Homeless Supplement Continuation of grants for CHSP providers to claim additional costs associated with COVID.

Additional workforce supports

- Funding for paid pandemic leave for all employees irrespective of their geographic location.
- Commitment to fund single site worker arrangements wherever they are required so that providers can ensure that no worker is worse off, and no services are under-staffed. Limiting the number of staff working across multiple

sites was one of the first lessons internationally to reduce the spread of COVID-19.

- Creation of a \$500m fund to:
 - strengthen workforce skills in infection prevention and control and COVID related social support, and
 - train additional workers to deepen workforce reserves and retrain people retrenched in other sectors.

Sentinel testing

- Routine mandatory (through a direction/public health order) sentinel testing for aged care staff in Melbourne Metro and Mitchell Shire. And expansion of sentinel testing to locations in other States and Territories, including both declared hotspots and all areas where community transmission is active.
- Expansion of sentinel testing to locations in other States and Territories, including both declared hotspots and all areas where community transmission is active; and

Top-up support for outbreaks, suspected outbreaks and hotspots

- Enhancing support for services responding to outbreaks or suspected outbreaks and preventing outbreaks in areas of heightened risk, including removing the cap on costs for outbreak responses, covering PPE costs (acquisition and disposal), supporting alternative visitation arrangements.

ACSA looks forward to a continuation and expansion of tangible Government support as we face this extraordinary challenge together.

Yours sincerely,



Patricia Sparrow

CHIEF EXECUTIVE OFFICER

Aged & Community Services Australia