



Time for ageing action

Advocates want reforms to the aged-care system to start as soon as they can, writes Julian Swallow.

AGED-CARE reforms recommended in the August Productivity Commission report must begin soon, says the Council on the Ageing.

COTA chief executive Ian Yates says necessary reforms will take a minimum of five years to implement and older Australians will expect an indication of the Federal Government's plans before the 2012 budget.

"Our view is that they have to start in 2012 but we can't necessarily guarantee a response before the 2012 Budget," he says.

Mr Yates says the Government's ongoing public consultations into the wholesale reform of Australia's aged-care system have been constructive but it is time for meaningful action.

He has praised his talks with Ageing Minister Mark Butler as "constructive, genuine and detailed" and says there is a sense Mr Butler understands the issues of concern to older Australians and the aged-care sector.

"I think broadly speaking he understands the Productivity Commission's recommendations are in line with what the community wants and what the sector wants him to do," Mr Yates says.

The Productivity Commission's inquiry into Australia's aged-care system says services are limited, quality is variable and accommodation charges – which range from as little as \$1000 to about \$65,000 a year – often fail to reflect the costs of providing residential accommodation to an ageing population in which more than one million Australians currently receive aged care.

It calls for fundamental reform to ensure the system's long-term sustainability against projections the public cost of aged care will rise from \$10 billion to \$50 billion a year in 40 years.

The commission's recommendations include ensuring older Australians aren't forced to sell their homes to pay for accommodation, and instead be allowed to draw against the equity in their home through a government credit scheme in order to pay for their care.

It also advocates separate charges for aged-care services and accommodation and ad-

ditional support for unpaid carers through a central system that assesses the needs of an older person and helps co-ordinate their care.

Mr Yates says these recommendations would see a move from a residential-based to a community-based system with the majority of support and care provided in the home. "The very strong preference of older Australians is that they want support to stay in their homes rather than go into aged care," he says.

"We also expect a higher quality of care and we want the fee structure to be fair and equitable. We also want more choice and control."

For aged-care providers, the report proposes progressively deregulating the number of care packages provided in the community and the supply of hostel and nursing-home beds.

Thomsons Lawyers associate Ruth Hood, who specialises in health and aged care, says the report's recommendations are a fundamental rethink of the aged-care system and, if accepted, would usher in a "user-pays" system that allows higher charges but places a greater emphasis on consumer choice.

"There is likely to be some release of financial pressure currently faced by operators... with scope for savvy operators to capitalise on an emerging competitive market," she says.

A spokeswoman for Mr Butler says the Federal Government intends to make aged-care reforms part of a broader ageing agenda but would not be drawn on a specific timetable.

"The Government is determined to begin to make the necessary reforms to our aged-care system in this term of government," she says.



What the changes may mean to you

Recommendations:

» A range of options will be available to meet the cost of care and accommodation, including the ability to use home equity
» Consumers would still have access to a government safety net, in the form of government-sponsored credit to help meet their care, accommodation and living expenses

» An Australian Aged Care Commission responsible for quality and issuing accreditation would recommend efficient prices to the government

» The Intergenerational Report 2010 estimated Australian Government spending on aged care would increase from 0.8 per cent of GDP in 2010 to 1.8 per cent of GDP by 2050



REFORMS: The Council on the Ageing has praised the work of Ageing Minister Mark Butler.