

Budget 2021 – Health

Aged care overview

Many funding announcements were made in the Aged Care portfolio which will have a net positive impact for women. \$17.7 billion was allocated over 5 years to address key areas identified in the Aged Care Royal Commission, including an additional 80,000 aged care packages to reduce the waiting list and additional funding for staffing and governance. However, the budget failed to address the poor pay and undervaluing of aged care workers. There is an urgent need for structural change, increased status of workers, strategies to boost recruitment, training and retention and funding for higher wages. The ongoing border closures will present immediate issues for a workforce heavily reliant on new migrants to fill skill gaps.

Aged Care

The Budget

The Government will provide substantial funding of \$17.7 billion over 5 years to support and reform the aged care system.

Funded measures include^{1,2,3}:

- \$6.5 billion for an additional 80,000 Home Care Packages over the next two years
- \$231.9 million for the Aged Care Quality and Safety Commission to manage compliance and ensure quality care services and the introduction of new star ratings
- \$798.3 million to support informal carers of older Australians, including for increased access to respite services and more targeted assistance for carers of people with dementia
- \$21.1 million to strengthen governance arrangements, including establishing a National Aged Care Advisory Council, Council of Elders, and an Inspector-General of Aged Care
- \$26.7 million over 4 years to develop a new values-based Aged Care Act by mid-2023
- \$7.8 billion to implement a new aged care funding model and introduce a new Government Basic Daily Care Fee supplement of \$10 per resident per day
- \$3.9 billion to support an average of 200 minutes of care time per resident per day. Care staffing minutes will be required to be reported and published on the MyAgedCare website from 1 July 2022

- \$3.2 billion to supplement the Basic Daily Fee by \$10 per day and continue increases in the homeless and viability supplements
- \$135.6 million for eligible registered nurses, nursing scholarships and training and \$449.4 million to enhance training for aged care workers, particularly in dementia care
- \$105.6 million to introduce nationally consistent worker screening and code-of-conduct for all care sector workers, including aged care workers
- \$630.2 million to improve access to high-quality aged care services for people in regional, rural and remote areas, for Aboriginal and Torres Strait Islander people and people from other special needs groups
- \$942 million to support older Australians to access safe and quality care
- \$67.5 million for Dementia Behavior Management Advisory Service and Severe Behaviour Response teams to reduce restrictive practices
- \$652.1 million to upskill the aged care workforce (an additional 33,800 training places through JobTrainer to enable existing and new aged care workers to improve their qualifications)
- \$94 million to expand independent advocacy.

Aged Care

	2020-21	2021-22	2022-23	2023-24	2024-25
	\$m	\$m	\$m	\$m	\$m
HEALTH					
<i>Aged Care Quality and Safety Commission</i>					
Aged Care — Government response to the Royal Commission into Aged Care Quality and Safety — governance and regional access	-	0.8	0.8	0.8	0.4
Aged Care — Government response to the Royal Commission into Aged Care Quality and Safety — home care	-	5.2	10.5	10.5	10.6
Aged Care — Government response to the Royal Commission into Aged Care Quality and Safety — residential aged care quality and safety(b)	-	80.3	49.5	44.5	43.8
Aged Care — Government response to the Royal Commission into Aged Care Quality and Safety — residential aged care services and sustainability(b)	-	1.2	5.0	9.0	8.4
Aged Care — Government response to the Royal Commission into Aged Care Quality and Safety — workforce(b)	-	10.6	17.8	15.7	15.5
<i>Department of Health</i>					
Aged Care — Government response to the Royal Commission into Aged Care Quality and Safety — governance and regional access	0.5	95.1	180.4	204.1	212.9
Aged Care — Government response to the Royal Commission into Aged Care Quality and Safety — home care	-	684.2	1,645.0	2,432.3	2,471.0
Aged Care — Government response to the Royal Commission into Aged Care Quality and Safety — residential aged care quality and safety(b)	-	228.3	197.8	126.4	119.9
Aged Care — Government response to the Royal Commission into Aged Care Quality and Safety — residential aged care services and sustainability(b)	262.2	833.0	1,795.4	2,241.3	2,348.9

Aged Care — Government response to the Royal Commission into Aged Care Quality and Safety — workforce(b)	-	83.7	265.2	176.8	67.5
SOCIAL SERVICES					
<i>Department of Social Services</i>					
Aged Care — Government response to the Royal Commission into Aged Care Quality and Safety — home care	..	10.5	28.6	25.8	38.5
<i>NDIS Quality and Safeguards Commission</i>					
Aged Care — Government response to the Royal Commission into Aged Care Quality and Safety — workforce(b)	-	1.4	1.4	1.4	1.4
<i>Services Australia</i>					
Aged Care — Government response to the Royal Commission into Aged Care Quality and Safety — residential aged care services and sustainability(b)	0.4	12.4	22.1	11.1	10.1
Aged Care — Government response to the Royal Commission into Aged Care Quality and Safety — workforce(b)	-	8.8	7.3	2.1	2.1
VETERANS' AFFAIRS					
<i>Department of Veterans' Affairs</i>					
Aged Care — Government response to the Royal Commission into Aged Care Quality and Safety — home care	-	-	3.8	4.1	4.4
Aged Care — Government response to the Royal Commission into Aged Care Quality and Safety — residential aged care quality and safety(b)	-	0.4	0.4	-	-
Aged Care — Government response to the Royal Commission into Aged Care Quality and Safety — residential aged care services and sustainability(b)	0.5	31.2	65.2	64.5	68.1
Aged Care — Government response to the Royal Commission into Aged Care Quality and Safety — workforce(b)	-	1.7	1.7	-	-

Source: 2021 Budget Paper No. 2, Table 2: Payment measures since the 2020-21 MYEFO, Health, pp. 36-37, 44, 45, 49.

Gender implications

Why is this an issue for women?

Ageing and aged caregiving is a gendered issue, both in terms of the people receiving care and the people providing it. Australia's ageing population is projected to increase from 15 per cent of the population in 2017 to 22 per cent by 2057. There are more older females than males; non-indigenous women have a higher average life expectancy of 83.4 years than do non-indigenous males at 80.2, though life expectancies for Aboriginal and Torres Strait Islander people are significantly lower, at 75.6 years for indigenous women, and 71.6 for indigenous men.

As at June 2020, 1.3 million older Australians were accessing aged care services, and there are around 360,000 care staff. Additionally, more than two-thirds of aged care residents are women, and they tend to receive aged care services for longer than men. The aged care workforce is dominated by female employees; 87 per cent of residential aged care workers and 89 per cent of home care or home support workers are women.

Gendered ageing will continue to place pressure on the provision of both formal and informal care. Demand for informal carers is projected to increase by 23 per cent over the next decade, and approximately 72 per cent of primary carers are female. Women who are caregivers are less

likely to be in employment, and more likely than men to reduce their hours, limit their career progression, and leave the workforce to accommodate caring responsibilities, which directly impacts their assets, savings, and superannuation.

What are the 2021 Budget impacts on women?

The aged care budget has a net positive impact on women, with substantially increased spending in aged care across a range of measures which will provide some benefit for older women receiving care, women providing informal care, and those working as paid care workers.

Older women who are care recipients

This year's budget is a [meaningful response](#) to the individual and systemic 'neglect' identified by the Aged Care Royal Commission. Aged care funding includes \$17.7 billion over 5 years from 2021-22 to further support older Australians accessing aged care by providing additional home care packages, as well as continuing to improve transparency and regulatory standards. Significantly, this includes \$6.5 billion over the next 2 years to release an additional 80,000 home care packages (though as [of June 2020](#), there were 103,000 older people on the waiting list).

This measure will substantially reduce the waiting list and help ease the burden on informal carers; it may also reduce the pressure on residential aged care as people are supported to stay in the community for longer. It may also reduce premature deaths, as during 2017-2018, [16,000 people died on the waiting list](#). Industry has [called for a guarantee](#) that no older Australian will wait longer than 30 days to receive services.

Funded measures targeted at increasing the quality and safety of care for older Australians include around \$25 million for the Aged Care Quality and Safety Commission to undertake [an additional 1,500 safety audits](#) in residential care over the next year (an increase of 900 to those currently scheduled). A new funding model will be implemented that supports the introduction of a [\\$200 million star rating system](#), allowing comparison of the quality and safety performance of providers.

[From 2023](#), staff will spend at least 3 hours and 20 minutes per day with each resident, increasing to 3 hours 35 minutes by 2024, with at least 40 minutes of that time with a registered nurse. The Basic Daily Fee [will be supplemented by \\$10 per day](#), at a cost of \$3.2 billion, to providers who report on daily services such as food, nutrition, linen, and cleaning, [which will support the new star rating system](#). From July 2022, at least one registered nurse will need to be on shift at each facility for a minimum 16 hours per day.

The [Serious Incident Response Scheme](#) has been expanded from residential care to home and community care, with an initial \$14 million from July 2022. These measures should increase the quality of care and safety of care recipients and reduce pressure on care staff.

In terms of access and equity, \$630 million has been allocated over 5 years to improve service access for people in regional, rural and remote areas. Additionally, \$272.5 million has been allocated to assist people to access and navigate the aged care system from 2023, and this includes establishing a [network of First Nations people](#) to provide tailored face-to-face support to assist Aboriginal and Torres Strait Islander people to better navigate and access disability care (a navigators program for culturally and linguistically diverse communities has been previously announced).

\$94 million has been allocated to expand independent advocacy. This will [help support the rights of older people](#) and assist to safeguard them from abuse and mistreatment. The establishment of the National Aged Care Advisory Council and Council of Elders will support collaboration and engagement of stakeholders, though it is important to ensure that the voices of older women from diverse and marginalised groups are adequately represented.

Women who are care workers (see also Social Infrastructure)

The budget has allocated funding to several areas which will support women who work in the aged care sector. There is \$652.1 million allocated to upskill the aged care workforce (including an additional 33,800 training places through JobTrainer to enable existing and new aged care workers to improve their qualifications) (Budget Paper No 2, p. 103). Of that, \$91.8 million over two years is to support the training of 13,000 new home care workers.

A further \$216.7 million will be allocated over three years from 2021-22 to enhance nurse leadership and clinical skills, including additional nursing scholarships and places in the *Aged Care Transition to Practice Program*; to provide more dementia and palliative care training; to recruit aged care workers in regional, rural and remote areas and to provide eligible registered nurses with additional financial support (Budget Paper No 2, p. 103). There is \$74.8 million for Dementia Behavior Management Advisory Service and Severe Behaviour Response teams to support care workers and help reduce restrictive practices (Budget Paper No 2, p. 101). These are positive measures which will help to recruit, train, upskill, and retain women working in aged care.

The funded commitment to increasing care minutes to 3 hours and 20 minutes of care per day per resident makes it imperative to have plans in place to attract and retain the workforce needed to provide the care. Modelling commissioned by the [Health Services Union](#) has found that \$20.4 billion over four years for additional staffing in residential aged care would create 59,000 skilled aged care jobs, including a \$5 per hour pay rise. What the budget provides is \$3.9 billion over four years to increase the amount of front line care (care minutes) delivered to 240,000 aged care residents (Budget Paper No 2, p. 102), or enough for around 11,000 jobs (assuming the pay rise eventuated).

Much of the aged care workforce [is composed of new arrivals](#) to Australia from countries such as Nepal, India and China. With the international borders being closed due to COVID-19 until [possibly mid next year](#), the supply of workers is drying up and it must be questioned where these additional workers will be found in the short term.

Women who are informal caregivers

[Women provide the largest amount of unpaid care work](#), spending 64.4 per cent of their average weekly working time providing care compared to 36.1 per cent for men. There has been \$798 million allocated to support informal and family carers in relation to respite services, with \$229 million for dementia services. Providers are to be offered additional respite subsidies to incentivise residential facilities to provide respite, which is [estimated to benefit up to 67,000 families per year](#).

[Measures to improve carer well-being](#) include:

- \$134.9 million to boost the Commonwealth Home Support Programme respite services to an additional 8,400 carers

- \$60.1 million to improve respite for dementia carers, and training for residential facilities to implement respite care plans for dementia care respite models
- \$53 million to improve early intervention assistance for people newly diagnosed with dementia and their carers. This will include more support for the National Dementia Helpline and National Dementia Support Program
- \$103.4 million for early referrals to the Carer Gateway to support carers with counselling, coaching, support and skills training.

Continued undervaluing of the aged care system, which operates in the intersection of ageism and sexism, is one of the most obvious indicators of poor attitudes to women in our society. The aged care sector relies on undervalued and underpaid women who go above and beyond their roles to make an underfunded and under-resourced system work. While the budget has been lauded by the sector as addressing many of the challenges facing aged care, and it will have a net positive impact on women receiving and providing care, unaddressed issues remain.

The funding allocated is still well below the estimated \$7.6 - \$9 billion per year needed to address all Royal Commission concerns. Though funding has been allocated to address key response areas identified by the Royal Commission, including system transformation, workforce and governance, identified gaps remain. These include no wage increase for aged care workers, whose hourly rate is amongst the lowest in Australia -- though it has been estimated that 78,000 extra workers will be needed to join the workforce over the next decade to support Australia's ageing population. It has also been estimated that a further 88,000 residential aged care places will be required over the next 10 years, at a cost of \$55 billion.

While funding has been allocated to develop a new 'values-based' Aged Care Act, the Royal Commission recommended that this be 'rights-based'. While values are aspirational, they are generally not enforceable. Fundamental reform will not happen unless the rights of the older person are embedded in legislation that respects, protects and enforces these rights.

Recommendations

A rights-based system: The rights of aged care users and workers should be made central to the aged care system, be grounded in the UN Declaration of Human Rights and include:

- The right to be treated with respect
- The right to participate in decisions about care
- The right to personal safety
- The right to access to appropriate medical services and care
- The right to fair remuneration and safe working conditions

Aged Care funding: substantial funding has been provided, but it is concerning that the Government has not introduced any ongoing revenue raising initiatives as it must be sustainable in the long term. There are also no measures outlined to increase transparency and accountability for how providers spend their funding. NFAW recommends that funding should be sustainable and provide rights-based quality outcomes, including consumer control over their funding, independent pricing and transparency about how money is spent.

Paid care workers: there is some money addressing workforce issues in the budget, but measures focused on increasing the pay and status of the aged care workforce have been largely excluded. The workforce conditions and pay of these workers must be improved and the pay gap between hospital and aged care staff closed. Workforce funding needs to improve career paths, pay, and skills to support better care of older Australians. NFAW recommends that the Government support the current application for a work value increase in the hourly rate for aged care workers to ensure the right people are attracted to work in the sector.

Informal carers: funding an additional 80,000 aged care packages as well as increased access to respite care will provide substantial support to women who are informal caregivers. Further recognition of the impact of caregiving on women financially needs to be considered. It has been suggested that the Government examine entitlements to unpaid carer's leave, with a focus on the proposal for incorporating additional unpaid leave entitlements for informal carers in National Employment Standards.