

Budget 2020 – Health

Aged Care Overview

Many funding announcements were made in the Aged Care portfolio which will have a net positive impact for women.

- An additional 23,000 home care packages have been funded, which will reduce the waiting list, though tens of thousands will remain on the list.
- Money has been allocated to support the residential aged care sector in response to the Royal Commission interim reporting as well as to support responses to COVID-19.
- Two \$250 support payments have been funded for people receiving Carer Payment and Carer Allowance.

While a good start, more is needed to address a system in crisis struggling to meet increased demands due to the pandemic. NFAW recognizes that the findings of the Aged Care Royal Commission, due to conclude on 26 February 2021, will shape the direction of aged care services and future budget investment.

Aged Care

The Budget

The Government will provide \$2.0 billion over four years from 2020-21 for additional home care packages as well as continuing to improve transparency and regulatory standards.

Ageing and Aged Care

Payments (\$m)

	2020-21	2021-22	2022-23	2023-24
Department of Health	674.2	381.7	426.8	473.7
Aged Care Quality and Safety Commission	27.4	7.4	11.2	11.2
Services Australia	3.4	1.2	-0.2	-0.2
Total — Payments	705.0	390.3	437.8	484.7

Related receipts (\$m)

<i>Aged Care Quality and Safety Commission</i>	-11.4	-	-	-
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Source: 2020 Budget Paper No. 2, Ageing and Aged Care, p. 90.

This includes new funding of \$1.6 billion over four years from 2020-21 for the release of an additional 23,000 home care packages across all package levels. Other funding measures which have impacts for women include (Commonwealth of Australia, 2020, pp. 90-91):

- \$125.3 million over three years from 2020-21 to replace the *Commonwealth Continuity of Support Programme* with a new *Disability Support for Older Australians*

program to ensure that older Australians with disability who were not eligible for the National Disability Insurance Scheme continue to receive the supports they need;

- \$29.8 million over three years from 2021-22 to administer the new serious incident response scheme targeted at helping reduce abuse and neglect in aged care through developing management responses and care;
- \$26.0 million in 2020-21 to maintain the capacity of the Aged Care Quality and Safety Commission in its ongoing regulation and compliance of the aged care sector;
- \$11.3 million in 2020-21 to provide additional dementia services and training programs;
- \$10.6 million over three years from 2020-21 to establish a network of care coordinators to assist younger people in residential aged care or who are at risk of entering residential aged care to look for more age-appropriate accommodation and supports;
- \$10.3 million over three years from 2020-21 to support the Aged Care Workforce Industry Council to implement the Aged Care Workforce Strategy;
- \$4.6 million over two years from 2020-21 to review the support care needs of senior Australians who live in their own home and determine how best to deliver this care in the home; and
- \$4.1 million in 2020-21 to support the Department of Health and the Aged Care Quality and Safety Commission to respond to requests from the Royal Commission into Aged Care Quality and Safety.

This allocation builds on the July 2020 Economic and Fiscal Update measure which provided \$617.7 million over six years from 2019-20 (including \$21.8 million in 2024-25) to further support older Australians accessing aged care by providing some 6,105 additional home care packages and improving transparency and regulatory standards. The costs of this measure were to be partially met from within the existing resources of the Department of Health (Commonwealth of Australia, 2020, p. 240).

Aged Care and Covid-19

COVID19 Response Package — ageing and aged care

Payments (\$m)	2020-21	2021-22	2022-23	2023-24
Department of Health	728.9	4.9	2.0	0.1
Aged Care Quality and Safety Commission	2.4	-	-	-
Department of Veterans' Affairs	0.8	-	-	-
Department of Home Affairs	0.6	-	-	-
Total — Payments	732.7	4.9	2.0	0.1
<i>Related receipts (\$m)</i>				
Australian Taxation Office	42.0	4.1	-	-
Aged Care Quality and Safety Commission	-6.6	-	-	-
Total — Receipts	35.4	4.1	-	-

Source: 2020 Budget Paper No. 2, COVID-19 Response Package — Ageing and Aged Care, p. 94.

The Government is providing \$746.3 million over four years from 2020-21 (\$700.2 million including income tax revenue impacts) to support older Australians throughout the COVID-19 pandemic. To date the Government has committed over \$1.6 billion (\$1.5 billion including income tax revenue impacts) in COVID-19 specific supports for the aged care sector since the

pandemic commenced (Commonwealth of Australia, 2020, p. 95). Funding which has impacts for women includes (Commonwealth of Australia, 2020, pp. 94-95):

- \$205.1 million over two years from 2020-21 (\$159.0 million including income tax revenue impacts) to support the direct care workforce through a third instalment of the workforce retention bonus and additional funding for the second instalment.
- \$103.4 million in 2020-21 to continue the COVID-19 aged care preparedness measure that supports aged care providers to manage and prevent outbreaks of COVID-19, including infection control. This includes a number of measures to directly support the aged care workforce.
- \$92.4 million in 2020-21 to expand support under the Supporting Aged Care Workers in COVID-19 Grant Opportunity for aged care providers in designated COVID-19 'hotspots'.
- \$71.4 million in 2020-21 to support residents of aged care facilities who temporarily leave care to live with their families.
- \$10.8 million over five years from 2020-21 to enhance the skills and competencies of Enrolled Nurses and Registered Nurses working in aged care by expanding the Australian College of Nursing Scholarship Program and establishing an Aged Care Transition to Practice Program to help graduate nurses transition to the aged care workforce, and to establish a skills development program for nurses and personal care workers working in residential aged care.
- \$9.1 million in 2020-21 to support the operation of the Victorian Aged Care Response Centre.
- \$9.0 million in 2020-21 for the Department of Health and the Aged Care Quality and Safety Commission to support the ongoing regulation of the aged care sector.

This allocation builds on the July 2020 Economic and Fiscal Update measure titled COVID-19 Response Package — ageing and aged care, where \$812.8 m was provided over four years from 2019-20. Funding which has impacts for women include: a Workforce Retention Bonus for eligible direct care staff; a temporary supplement to support aged care providers with the additional costs of staffing, training, supporting visitations and connections and the provision of personal protective equipment; additional aged care staff and additional infection control support and food supply; short-term home support services for senior Australians who are frail or have self-isolated due to a high risk of contracting COVID-19 (Commonwealth of Australia, 2020, p. 241).

The Government is temporarily relaxing work limitations on international students to help address staff shortages, and providing \$6.9 million in 2020-21 to extend the reporting date of the Royal Commission into Aged Care Quality and Safety to 26 February 2021.

Gender implications

Why is this an issue for women?

Australia has an ageing population, and it is projected that the proportion of people over 65 years will increase from 3.8 million (or 15 per cent) in 2017 to 8.8 million by 2057 (22 per cent; Australian Institute of Health and Welfare, 2018). 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 (Australian Institute of Health and Welfare, 2020).

This gendered ageing will place pressure on the provision of both formal and informal care, as it is projected that the demand for informal carers will increase from around 1.25 million in 2020 to 1.54 million in 2030, a 23 per cent increase, and approximately 72 per cent of females are primary carers (Deloitte Access Economics, 2020). Additionally, more than two-thirds of aged care residents are women (Australian Bureau of Statistics, 2018), and the aged care workforce is dominated by female employees, with both residential and community aged care estimated to be 90% female (Hodgkin et al., 2016).

What are the 2020 Budget impacts on women?

The budget has a net positive impact on women, with increased spending in aged care across a range of measures which will benefit older women receiving care, women providing informal care, and those working as paid care workers. While it is a good start, it does not comprehensively address the needs of women within a system in crisis, as evidenced by the Aged Care Royal Commission and the disproportional impacts of the COVID-19 pandemic on aged care residents, and informal and paid carers.

Aged care funding in this budget includes \$2.0 billion over four years from 2020-21 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 \$1.6 billion over four years from 2020-21 to release an additional 23,000 home care packages.

For the past two years, more than 100,000 older people deemed eligible for home care packages have been on waiting lists, with tens of thousands entering residential aged care prematurely as a result (Cox, 2020). As at March 2020, more than 100,000 people waited more than 12 months for a package they were deemed eligible for (Royal Commission into Aged Care Quality and Safety, 2019). This may lead to premature deaths, as during 2017-2018, 16,000 people died on the wait list (Royal Commission into Aged Care Quality and Safety, 2019). While the funding announcement is positive and moving in the right direction, it is only “a drop in the bucket of what is required” to support the sector into the future (Aged and Community Services Australia, 2020. para. 1).

The budget has funded support to stop younger people with disability inappropriately entering residential aged care by introducing system coordinators to link young people with disability with more age-appropriate facilities (Carers Australia, 2020a).

NFAW recognizes that the findings of the Aged Care Royal Commission, which commenced in February 2019 (and was due to conclude on 12 November 2020, but has now been extended to 26 February 2021 due to COVID-19 related delays) will shape the direction of aged care services and future budget investment. Government has foreshadowed that more money will be allocated for the residential sector in future, when government provides a comprehensive response to the release of the Aged Care Royal Commission’s final report in February 2021 (Cheu, 2020b).

It must, however, be noted that Australian aged care funding is characterized by low spending, high informal care use and support, and low private expenditure, with funding allocated on

the basis of eligibility rather than need for services (Duckett, Swerissen & Stobart, 2020). Australia spends less on long-term care than other countries with similar systems, with estimated expenditure at 1.2 per cent of GDP compared with Canada (1.3 per cent), England (1.5 per cent), the Netherlands (3.4 per cent), Japan (3.6 per cent) and Denmark and Sweden (both more than 4 per cent; Dyer et al., 2020, p. xi, 109). It has been reported at the Aged Care Royal Commission that indexation freezes to the Aged Care Funding Instrument used to fund residential aged care in 2012-13 and 2016-17 were likely money saving measures, which may have had a negative impact on the ability of providers to meet minimum standards of care (Cheu, 2020a).

COVID-19 has disproportionately affected older people, with rapid spread in many aged care facilities resulting in more than 670 deaths in aged care nationally (Cox, 2020). The budget reflects this in its allocation of funds for COVID-19 responses in aged care. In September 2020, the Royal Commission (2020) handed down a special COVID-19 report, which found the sector failed to adequately prepare for the pandemic. All six of the report's recommendations have been supported by government with additional funding allocated in the budget.

However, it must be recognised that the pandemic has had significant impact on the aged care workforce beyond managing, testing, and treating COVID-19 cases (Australian Nursing & Midwifery Journal contributor, 2020). Insecure work and lack of sick leave may increase the risk of spread in aged care, with workers often working across multiple sites with vulnerable clients (Robertson, 2020). with workers attending shifts when unwell. Facilities not providing adequate infection control training may also have been a factor (Woodley, 2020).

Informal carers have also experienced a significant increase in stress and caring responsibilities (Carers Australia, 2020b) as they have had to pick up from paid services where services have been suspended. Informal primary carers for aged and disabled people have been estimated to provide an average of 35.2 hours of care per week (152 hours per month), with non-primary carers provide an estimated average of 10 hours per week (43 hours per month; Deloitte Access Economics, 2020). Before the pandemic, carers were estimated to be providing 2.2 billion hours of unpaid care in 2020, with a replacement value estimated to be almost \$78 billion, highlighting the contribution of unpaid carers to both communities and the economy (Carers Australia, 2020b). The budget announcement provides two separate \$250 support payments to people receiving Carer Payment and Carer Allowance, which is a positive step, but does not significantly compensate carers for the increased household expenditure associated with additional support provided to care recipients (Carers Australia, 2020a).

Modelling of the effect of increased government expenditure to support additional employment and higher wages in the care sector has indicated a positive impact on GDP growth, such that GDP in 2030 would be 1.64 per cent higher than otherwise (see Appendix A: Simulations of increased government expenditure in the care sectors). Increasing employment opportunities and wages in the care sector would directly benefit women and help alleviate female economic disadvantage. Supporting increased employment in the care sector would underpin an increase in budget revenue which would offset much of the cost to government of increased service delivery (Dixon, 2020). An increase in formal care would also relieve informal caregivers of some of their responsibilities and enable them to enter the labour force or increase their hours of paid work.

Provision of an extra 23,000 Home Care Packages will also benefit carers; however, the sector has called for such packages to also place equal importance on the needs of carers as well as those receiving the packages (Carers Australia, 2020a). Additionally, the budget has increased investment for psycho-social support services for carers of people experiencing behavioural and psychological symptoms of dementia.

Recommendations

1. **Aged Care funding:** Aged care in Australia is chronically underfunded and the residential care sector is in need of major reform. NFAW recommends that funding should be increased to a sustainable level based on need and quality outcomes rather than eligibility. Further funding needs to be provided to reduce the waiting list for home care packages and to assist providers to support staff and provide quality care through the pandemic.
2. **Paid care workers:** Care workers must be paid well in recognition of the important work they do, and have job security and access to sick leave. NFAW has addressed the scope for government to invest in sufficient and adequately compensated workforce to complement and support the role of informal carers (see the Overview section).
3. **Informal carers:** NFAW recommends that the two \$250 support payments for carers be increased to compensate for the increased household expenditure associated with additional support provided to care recipients.

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