# Australian budget entrenches inequities in aged care

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In its annual budget last week, the Liberal-National Coalition government announced that it would spend $17.7 billion over the next five years on aged care.

The outlay falls far short of the $20 billion per year that a recent Royal Commission calculated would be required to address the neglect and social misery in the sector.

The budget, moreover, entrenches the dominance of highly-profitable financial operators. They are notorious for operating for-profit homes, often characterised by substandard care, where nearly 700 of Australia's 910 COVID-19 deaths in 2020 occurred.

The government spend is a further windfall for these corporations. Shares in several of them shot up between 3 and 4 percent on news of the allocation.

The budget outlays some $6.5 billion over four years to fund 80,000 home-care packages, purported to enable elderly people to remain in their own homes for as long as possible.

This, however, does not even meet the number of people on the existing waiting list for such packages, who currently number 102,000. It has been calculated that $7.9 billion would be required to eliminate the waiting list, which has resulted in some elderly people dying before they receive a package.

Paul Versteege from the Combined Pensioners and Superannuants' Association responded to the budget by stating that the home care spend represented "a shortfall of $1.4 billion. The government's two previous announcements about increased homecare places—10,000 in 2018–19 and 12,000 in 2019–20—were also deceptive because there also wasn't enough money to deliver the care."

Furthermore, 19 percent of older people in Australia do not own their own homes but are forced to rent. Access to a home-care package is irrelevant for those who are homeless or insecurely housed.

Prominent representatives of the aged care sector have warned against any increased funding of home care, because of the impact that it would have on their own operations.

Bupa chief executive Hisham El-Ansery told the *Australian Financial Review* that, "For those people who are able to afford it, we should consider their contributing more to the cost of their accommodation and daily needs. Why shouldn't they spend a reasonable proportion of their accumulated wealth looking after themselves at the sunset period of their life?"

David Stanto, head of healthcare equity at Jefferies, bluntly stated that higher government spending on home-care packages "has the potential to decrease residential aged-care occupancy, a critical input into profitability for residential aged care."

For those in the aging population unable to care for their own needs, the prospect of residential aged care can be terrifying. The royal commission, and media reports, documented multiple instances of neglect and insufficient care, some of which have led to premature death.

The budget allocates $3.9 billion over three years to increase the number of frontline staff. This will purportedly deliver an increase of care time for residents to an average of 200 minutes per day, including up to 40 minutes with a registered nurse (RN).

These care times will only become mandatory in October 2023. They do not even meet the limited royal commission recommendations that a registered nurse (RN) be present at aged-care facilities all times, and that by 2024, 215 minutes of care be provided per day with 44 minutes of those by an RN.

The new policy does not mandate a minimum staffing ratio, or a wage rise above the current poverty-level $21.96 per hour for a personal-care assistant.

On Facebook, one professional in the sector wrote: "Today I taught at a workshop for 20 RNs working in residential aged-care facilities. When asked how many residents they were responsible for on their usual shift, answers ranged from 40 to 70."

In comments beneath the post, one nurse stated: "When I do aged-care shifts I have 92 residents that I'm responsible for." Another: "Where I work it is one RN to 120." And a third: "As an RN on dayshift I oversee the care of 36 high-care residents with care staff. PM [afternoon] shift its 73 and ND [night duty] 146. Mandatory ratios are desperately needed now, not in 2023. Our elderly deserves better."

The budget allocates $3.2 billion to provide a Basic Fee Supplement of $10 per bed per day for nutrition, linen and cleaning. This recommendation of the Royal Commission is to supplement a base of just $6.08 per resident per day, the average spent currently.

While 85 percent of the pension is deducted per resident, amounting to $802.66 a fortnight for a single pension, currently just $85.12 is expended on food, meant to cover three meals a day, as well as morning and afternoon tea.

The new amount of $16 will supposedly improve meals. In reality it will swell the private operators' coffers. Jarden Australia financial analysts expect incremental funding of $21.5 million for Estia Health, $14.6 million for Japara Healthcare and $23.6 million for Regis Healthcare.

In addition, the Coalition government will implement a new funding model for residential aged-care services from October 2022 at a cost of $189.2 million. This will replace the existing Aged Care Funding Instrument.

The new system known as the Australian National Aged Care Classification (AN-ACC) was commissioned from the University of Wollongong in 2017 to develop a casemix funding model based on evidence of the relative costs of delivering care to different types of residents.

Casemix or activity-based funding has been used as a battering ram in the general hospital system since its introduction in Australia in 1993–94. Yardsticks such as length of stay and throughput have been particularly harsh on hospitals dealing with complex and often intractable conditions.

Under the AN-ACC, aged-care residents varying frailty and health status will be weighed for funding. But aged care is fundamentally different from hospital admission in that its duration is indefinite. The complexities of imposing such a system are to be intensified by adjustment of care minutes (from the 200 per day), according to the casemix assessment of resident need. Allied health provision for therapy, massage and entertainment may not be included.

The budget papers state that within two years the aged-care workforce will need to increase by around 3,600 RNs and 34,200 personal-care workers. The claim is made that $338.5 million will be allocated over three years to grow, train and upskill the workforce. But this amount includes $91.8 million that had already been announced in March 2021 in response to the royal commission to attract 13,000 new personal-care workers for home care support.

Nothing will be done to address the high rates of casual staffing that exacerbated the COVID-19 crisis of 2020. An estimated 25,000 casual workers are employed in the sector.

Professor Joseph Ibrahim, head of the health, law and ageing research unit at Monash University's forensic medicine department, told the *Guardian*: "We can't be fooled by the pile of gold, because a lot of it is just going towards meeting existing requirements. The industry really requires a culture change and I don't believe this has been set within the budget, because the key elements remain within the government."

In his budget reply, Labor leader Anthony Albanese bemoaned the crisis of aged care but presented virtually no policies to address it. Albanese referenced the poverty-level wages of care staff but would not commit to supporting any concrete pay rise.

The abysmal conditions confronting staff and residents in the sector are the outcome of pro-business policies implemented by Labor and Coalition governments over decades. The crisis can only be resolved on the basis of a socialist program, aimed at placing the entire health and care sector under public ownership, to meet social need, not private profit.