

Yuwaya Ngarra -li Briefing Paper

Caring for Elders, Community and Culture:


A study of the potential impact of changes to the funding of home care on the aged care services provided by Dharriwaa Elders Group (DEG)

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This Briefing Paper has been prepared at the request of the Dharriwaa Elders Group

About the Author



KEY MESSAGES - Caring for Elders, Community and Culture

The purpose of this paper is to identify how the aged care services currently provided by Dharriwaa Elders Group (DEG) in Walgett may be affected by proposed changes to the system for funding and regulating home and community care services



A. Introduction

Purpose of the Paper

1. The purpose of this paper is to identify how the aged care services currently provided by Dharriwaa Elders Group (DEG) in Walgett may be affected by proposed changes to the systems for funding and regulating home and community care services¹ for older Australians. DEG currently receives funding from the Commonwealth Home Support Programme (CHSP).
2. These changes are being proposed by the Australian Department of Health (DoH) as part of a new Support at Home Program (SAHP) it is developing following the Final Report of the Royal Commission into Aged Care (RCAC) in February 2021 (RCAC 2021) and the Australian Government Response to that report in May 2021 (DoH, 2021).
3. The Dharriwaa Elders Group has a number of roles in considering the impact of SAHP - as users of the aged care services, as the governance body for a provider, as community leaders, and as local custodians of Aboriginal culture.
4. This paper aims to give DEG and its members an overview of the potential situations and options facing them as a basis for discussion and decisions about future action they may need to take in response to changes to the home and community care system.
5. The paper is written from the perspective of how to best ensure the well-being of Aboriginal² Elders³ in Walgett. This involves ensuring quality care and support for each individual Elder, but their well-being as individuals is also deeply grounded in their desire to maintain and enrich their

¹ The term 'home care' has been formally used for these services since 2015. Prior to that, the term 'home and community care' was used, which is more accurate given that a number of much used services are outside the home and in the community. For example, in 2020-21, 23.2% of total expenditure for CHSP services was for transport and social support services, with a further 1.8% for centre and cottage respite (Deloitte 2020). In this paper, the terms are used interchangeably, although 'home care' is mainly used where the discussion relates to government programs.

² The terms, Aboriginal, Indigenous, and First Nations are often used interchangeably. In this paper, 'Aboriginal' is used in references to Walgett and DEG as it is the term preferred by the Dharriwaa Elders Group, while 'Indigenous' is used in references to broader situations (e.g. national policy and programs). Many Elders also identify themselves by their nation or language group, which in Walgett includes Gamilaraay, Yuwaalaraay and Ngayiimbaa people.


³ There are different conceptualisations of 'Elders' used in different contexts in Aod



B. The Current Situation – DEG and Aged Care Services

DEG - The Organisation and its Activities

10. The Dharrivaa Elders Group (DEG) is an association of Aboriginal Elders that provides leadership on a range of community development and cultural engagement activities in Walgett. It was established in 1999 as part of the Walgett Aboriginal Medical Service (WAMS) and incorporated as a separate non-profit body in 2005.
11. The Gamilaraay word 'Dharrivaa' means 'common meeting place' in English. Facilitating meetings of Aboriginal Elders with each other, with others in the Aboriginal community, and with the broader Walgett community, has been a major goal and function of DEG throughout its existence.
12. DEG has been actively engaged in advocacy and research over the past two decades in a wide range of matters of significance for the Aboriginal community, Aboriginal culture, and the broader community. Its activities are aimed at (a) improving the economic, social, and environmental well-being of Aboriginal people in Walgett (b) maintaining the independence and the social and cultural connections of local Aboriginal Elders, and (c) enabling the Aboriginal community and broader community, especially young Aboriginal people, to benefit from the knowledge and experience of the Elders.
13. DEG's current and previous projects have encompassed aged care services, cultural heritage and knowledge, water, justice, youth, the environment, community well-being, community leadership, and relationships with police, councils and other bodies. A recent project of particular relevance to this paper is the Ageing Well study (see paragraphs 48-57 below).
14. The broader philosophical, psychological, and sociological rationale for the work of DEG is set out in McCausland et al (2021a) and McCausland et al (forthcoming). DEG's work embodies a strong commitment to Aboriginal cultural traditions and values, and to community and group-based approaches in the range of services and activities it provides for Aboriginal Elders and for others in both the Aboriginal and general community. Importantly, its approach is holistic and collective, recognising the structural drivers and interconnectedn (her)- (e)-12.2 .3 (al)-8-12.3 (i)(t)-1.1 (pr)-



building local community capabilities and control underpinned by the long-held vision for community well-being of Aboriginal Elders in Walgett (McCausland et al 2021). The structures, processes and projects of DEG and Yuwaya Ngarra-li represent a valuable model that other Indigenous communities may wish to consider and adapt to their own situation and needs. ⁴

16. DEG has brought together a number of elements in a way that makes it a highly innovative, if not unique, development in the Indigenous and community space in Australia. Here we have a small community-based organisation that raw on a



Key Structural Dimensions of DEG as a Service Provider

26. The discussion thus far has identified four key structural dimensions of DEG that are important in determining what aged care services it provides and how it provides them. It is a small, community-controlled organisation that serves Aboriginal people in a remote region.
27. First, it is a small organisation. The scale of an organisation can be measured in a number of ways (e.g. number of employees, number of clients, financial turnover). By any of these measures, DEG is small in the context of aged care providers in Australia. It is also small in terms of the scope of services that it provides, compared to the many other organisations that provide services across the three major forms of aged care (Residential, Packages, CHSP) as well as a wider range of home and community care service types.
28. Second, it is community-controlled. This is central to its operation and success. It has grown from the Walgett community, has developed and manages its service in response to local needs and circumstances, and is controlled by local people who remain directly accountable to the people that DEG supports. As such, it can identify and respond more rapidly and appropriately to changing and emerging needs. Such an appropriate response is a key dimension of DEG's service.



DEG's Aged Care Services - An Overview

39. An important focus of DEG is to provide a number of essential aged care services for Aboriginal Elders in Walgett who have relatively low external support needs, but who nevertheless need ongoing assistance to maintain their social connections and independence.

CHSP-funded services


40. Currently, DEG receives funds from the Commonwealth Home Support Programme (CHSP) for three types of home and community care services - Transport, Group Social Support, and Individual Social Support.

44. Any individual can receive all three service types subject to being assessed as eligible, and

The Value of DEG 's Aged Care Services

'Ageing well' for Aboriginal Elders in Walgett

48. In 2019, researchers from UNSW worked with the Dharriwaa Elders Group (DEG) as part of the Yuwaya Ngarra-li partnership to better understand what ageing wdE)ll n 81 (t)[.3 (g)-11.1 (age)-12.3 (i)3.2ll n

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- 7) Continuing important roles (passing down knowledge and stories, care-giving, leadership, safeguarding family, and caring for Country, for community and the well-being of younger generations)
 - 8)

communities such as Walgett, particularly if they are to obtain services that are culturally safe for Aboriginal people.

57. At the same time, the Elders saw significant benefits for them associated with living in Walgett, from ageing on and caring for Country, being connected to extended family, and being able to fulfil their roles as knowledge holders. Central to the Elders' message that what is needed to age well is 'not just care, but love'.

What the DEG services do for Elders

58. DEG's aged care services are important to the Aboriginal Elders in Walgett at three main levels - as individuals, as members of the community, and as the local custodians of Aboriginal culture. As well as providing assistance to individual Elders, the services are critical in enabling them to undertake group activities that both enhance their own lives and contribute more broadly to the community and the maintenance of Aboriginal culture.
59. First, the well-being of each individual person is important. The brief description above of the role of DEG's transport and social support services makes clear the benefits of these services in enabling individual Elders to carry on their day-to-day lives and to maintain their independence and social connections. However, the benefits of the services go well beyond these purely individual outcomes.
60. Second, the services are also very important to the Elders at a community level. By simply bringing people together, the transport and social support services create and extend the linkages and networks that represent the social capital of any community and society. In addition, however, the services provide the means by which groups of Elders can come together to actively work to improve their community. People are brought together to find and pursue common passions and make their lives more meaningful.
61. The importance of strengthening community-based action was brought home in the recent national election when a number of candidates from outside the major parties were successful by running very strongly on the basis of their community support. In the coming years it will be both good policy and good politics for governments to support strengthening communities.
62. Thirdly, DEG also uses the CHSP-funded services to bring Elders together to maintain and re-energise Aboriginal culture. Again this is important to them as individuals, especially since many of the Elders are either members of the Stolen Generation or are children of those who were stolen. Beyond that, each of DEG's activities aimed at enhancing the Walgett community is strongly grounded in Aboriginal culture and plays a central role in ensuring that Aboriginal people in Walgett can maintain their culture and retain community sovereignty over it. Allied with

this is the importance that DEG places on ensuring that all of its services are culturally safe for Aboriginal Elders.

63. While funding for the various DEG projects has often subsequently been found from other sources, a number of those projects originated from - and continued to be sustained by - the relatively simple transport services and group sessions supported by CHSP. Hence, the aged care services underpin a form of multiplier effect that generates and leverages even further funds and activities for the Aboriginal community and the town more broadly.
64. Moreover, DEG's various projects and activities generate important social capital at the local level, by both cemenattt gee l9.2 (ne)-80-12.2 arlg3 (ef)-13urers1 (i)3.22l3g3 (ef)-13ur

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Current Funding of DEG 's Aged Care Services

74. DEG's aged care services are primarily funded through the Commonwealth Home Support Programme (CHSP), which is administered by the Australian Department of Health (DoH).

Levels of funding and outputs

75. The funding for DEG aged care services began in 2005-06, auspiced by the (Dubbo-based) Thubbo AMS with a very small grant from the HACC program via the then NSW Department of Ageing, Disability and Home Care (DADHC). By 2009-10, the total funding was still only \$11,172 for Centre-Based Day Care. Over the last decade, extra funding has been obtained for additional services.
76. The total CHSP funding to DEG for its aged care services in 2021-22 was \$123.653. The funding and required outputs for each of the three services in 2021-22 was as follows:
- xTransport - \$32,297 p.a. for which it had to provide a minimum of 1,816 trips during the year (an average of about 35 trips per week at an average cost per trip of \$17.78)
 - xGroup Social Support -


(b) 2022-23

xAs noted earlier (para 25), in 2016 there were 218 potentially eligible people in the Walgett town and surrounds (of whom 61 were 65+yo), with another 212 (59 who were 65+) in the larger Walgett Shire area.

xHowever, as Table 4 shows, CHSP funding only allows for 35 people to be given transport and for 20 to get individual social support once each week.

82. There is much variation among Walgett Elders in their use of DEG CHSP services, ranging from those who make frequent use of the services, others who are regular but relatively limited users, others who are occasional users, and finally a much larger number who are registered but have made little if any recent use. Moreover, COVID has had a big impact on reducing the number of different people who have used DEG services in the last two years. In general, however, in a 'normal' year (i.e. prior to 2020) around 40 people have used the services each year, most of these on a regular basis. Further, most of DEG's clients are 65 + yo (with no more than 5 who were 50-64 in any of the last three years).

83. Thus, given the available funding, a high proportion of Walgett Elders (57%) aged 65+ (93/163) are not

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85. CHSP-funded providers are able to charge their service users a small fee (co-payment) if they wish, but DEG's policy is firmly against any form of co-payment. It does not charge any users for the cost of any of its services, and would strongly oppose the introduction of a mandatory co-payment for all home care services.
 86. Under the current funding model, DEG cannot obtain additional funding for exceeding its contracted outputs regardless of the support needs of its users.
 87. DEG is required to provide DoH with data on its outputs every quarter in order to show its targets are being met and thus ensure continuation

94. The counter-argument, of course, is that competition improves service by requiring providers to increase the quality of their services and their responsiveness to users if they are to remain in business. While that is not irrelevant, there are also multiple examples of how competition in human services has had negative effects on quality by encouraging a focus on maximising 'sales', reducing costs, and maximising profit (Davidson, forthcoming).

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greater 'war chest' to cover unforeseen contingencies) and the payment in arrears model that DoH is due to introduce on 1 July, 2022 (see paras 199-201).

101. Second, there are problems stemming from the fixed amounts paid under block grants. DEG (as with all CHSP-funded providers) get no financial credit for any additional activity or outputs above the contracted levels, and thus incurs extra costs without recompense when they do this. Linked to this, it cannot significantly respond to extra demand for its services without departmental approval for additional funds.
102. Third, there are a number of administrative and financial costs to meet the compliance requirements of DoH and regulatory bodies. However, these costs are likely to be currently less than would be the case under fee-for-service and individual funding systems.

Operational issues for DEG

103. This paper is concerned with the potential impact on DEG's aged care services of possible changes in the funding and regulation arrangements for home care. As such it is not directly examining a range of operational issues that affect how well and how efficiently DEG can and does provide the services, except in so far as those issues may be affected by DOH's proposed changes.
104. Thus, for example, one problem for DEG arising largely from the remoteness of Walg-6.3 (omaw 0.759 0 e f)-

C. Imperatives for Change

Previous change in home and community care programs for older people

105. A major watershed in the development of home and community care services for older people in Australia was the establishment of the Home and Community Care (HACC) program in 1985, which involved the consolidation, standardisation, and expansion of a disparate range of national and state programs that had developed since the 1940s. Home Care Packages were then introduced in 1992, with higher levels of Packages introduced in 2001 (EACH) and 2005 (Each Dementia).
106. Since DEG began providing home and community care services in 2005-06 (under HACC), there have been a number of changes in the policy, funding and regulatory environment for home and community care services for older people.
107. Two major milestones in that time have been the Productivity Commission Report, Caring for Older Australians in June 2011 (PC, 2011), and the Liviananderihye hg.1 (21-.9 ())14-6.4 (i)3.TJ /TT2 1 w -26.3

et al 2014), and the issuing of the Aged Care Roadmap (Aged Care Sector Committee, 2016) with its (similarly unsubstantiated) support for increased marketisation across aged care.

110. Davidson (forthcoming) notes that a number of the changes since 2013 have been in the wrong direction and represent 'own goals' by those who designed the system and ultimately by the government for accepting that advice. Some of the current DoH Proposals for SAHP effectively seek to rectify some of the changes from the past decade, while other Proposals exacerbate errors made in that period.

The Royal Commission and the Government Response

111. By 2018, multiple problems had emerged in the aged care system (some long-standing, some introduced since 2013), leading to the establishment of the Royal Commission into Aged Care Quality and Safety (RCAC) on 8 October 2018.
112. The Final Report of the Royal Commission in February 2021 (RCAC, 2021) identified substantial problems with the aged care system in Australia. The major focus of the RCAC Report was on residential aged care, but it also identified a number of problems in home care, notably (a) a shortage of funds for Home Care Packages for people with more complex needs (b) low quality providers gaining entry in recent years, and (c) some inconsistencies within and between the two major programs.
113. The RCAC's greatest concern about home care related to the lack of adequate funding for Packages at a level that could meet the needs of the numbers of people that had been approved. Similarly, CHSP does not have adequate total funds to meet the identified need for services from the program.
114. The RCAC did support a proposal for 'risk-

informal carers, local community care-finders, a new support at home program (with no detail given), and a single assessment workforce.

119. The RCAC did not propose major changes to the CHSP funding model or significantly less regulation of the entry of providers, nor were these matters mentioned in the Government Response. Later (para 216) we note the relationship between the features contained within the DoH Proposals and what the RCAC Report actually said on certain aspects.
120. One new measure since the 2021 Government Response to the RCAC Report that is relevant to DEG was the announcement in April 2022 by the then government of a series of grants to assist home care providers to 'grow and upskill their workforce'. The National Aboriginal Community Controlled Health Organisation (NACCHO) was a recipient of one of these grants, with a key focus being to address the greater challenges of recruiting workers in remote communities.

NAGATSIAC Proposals

121. One further source of imperatives for change of particular relevance to DEG has come from the National Advisory Group on Aboriginal and Torres Strait Islander Aged Care (NAGATSIAC), which has produced two major documents relevant to home care. The first one (NAGATSIAC, 2020) was released in April 2020 prior to the RCAC Final Report.
122. The second NAGATSIAC document was a Five Year Plan for ATSI Aged Care which was released in June 2021 following the Government Response to the RCAC Final Report. A key thrust of the NAGATSIAC Plan was to give Indigenous people greater control over the systems through which aged care is provided to Indigenous people through establishment of parallel Indigenous-specific services for access, assessment, delivery, and the workforce.
123. Table 5 sets out the main proposals contained in NAGATSIAC's Five Year Plan (NAGATSIAC 2021a, 2021b). As noted later (paras 186-187), one positive aspect of the DoH Proposals is the adoption of the proposals for a separate Indigenous Trusted Navigator (carefinder) service and a separate Indigenous Assessment service (i.e. Actions 2 and 3 in Table 5 below).

TABLE 5: NAGATISIAC PROPOSALS FOR AGED CARE

Reform Areas		Priority Actions	
1	Indigenous Access Pathways	1	Annual Access Targets
		2	Indigenous Trusted Navigators
2	Indigenous Assessment Pathways	3	Indigenous Assessment Services
3	Indigenous Service Delivery Pathways	4	

xFourth, even within their own terms, there are still many details of the Proposals to finalise (paras 178-184, 204-205).

xFifth, nothing has been thus far presented on a number of central issues for funding (e.g. co-payments) (paras 202-206).

xSixth, there are a number of broader concerns about the wider and dynamic effects over time of the Proposals (paras 208-215).

xSeventh, the DoH Proposals have generated criticisms and concerns across the sector (paras 252-254).

xEighth, from an Indigenous perspective, the National Advisory Group on ATSI Aged Care (NAGATSIAC), which has thus far had some of its proposals accepted by DoH, has other measures it would like

b) The DoH Proposals that refer to mainstream services will also apply to Indigenous services.

xAt this stage there are already some potential alternatives to this assumption including

- (i) the impact of the DoH Proposals for two separate Indigenous-specific services and
- (ii) the possibility of additional grants for some providers in so-called 'thin markets'.

xAs well, government may accept more of the additional NAGATSIAC proposals

c) DEG will seek to continue its current services with as little change as possible.

xWe will later briefly consider the Overview Paper and alternatives in terms of how they affect current plans that DEG has to extend, expand, or amend its current services (paras 223-225).

139. In assessing the nature and impact of the DoH Proposals, it is critical to understand the likely and potential dynamic effects over time of each of the proposed features. Such changes, for example, are at the core of the argument for using market mechanisms, the assumption being that turning service users into 'consumers' and removing barriers to entry for new providers will, over time, change how providers and users function in ways that improve the operation and outcomes of the services. A long history of empirical research shows that such measures do indeed have on-going and long-term effects - but all too often those changes also generate substantial negative effects. This was surely one of th

TABLE 6: The Future SAHP – DoH’s Proposed New Features

Nature and significance of the Feature		Feature
I.Four major proposed changes	1	Replacement of block grants to current CHSP providers by fee-for-service payments from each user for each transaction
	2	Introduction of individualised financial and service entitlements for all users of government-subsidised services
	3	Changes to regulation, with a ‘risk-proportionate’ system, whereby regulation will be reduced for some service types and specific providers
	4	End of a specific program focus on older people with relatively low support needs (who are the large majority of the users of home care services)
II.Other proposed changes affecting all services	5	Single common classification system for the assessment of all home care users
	6	Single common service list and classification system for all service types

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xTwo features that are totally or substantially directed to Indigenous services that should be of benefit to DEG (Rows 13-14); and

xTwo previously announced features implemented on 1 July 2022, that will have a significant impact on some providers, especially small ones such as DEG, one positively, the other negatively [Rows 15-16]

A brief outline of each of the 16 features and their significance follows. Davidson (forthcoming) considers the nature and implications of each of these features in more detail.

Four major changes

143. There are four features of the DoH Proposals that represent major changes to the structure and functioning of home care that

156. The Proposal is very different from the current arrangements for user entitlements within the CHSP, where formally there are no limits on the financial entitlements of any user. An older person is simply approved for certain services. The assumption is that if they need extensive services they will go onto a package, but for various reasons (especially the poor design of current co-payment arrangements in CHSP and HCPP) a small number of people have a high use of CHSP services when logically they should go onto a Package.¹⁹

160. The current arrangements for the HCPP, whereby users have a set of approved service types and a maximum financial entitlement amount, with the detailed services then worked out between the user, their family, and providers, is preferable.

xThe NDIS has demonstrated that totally individualised entitlements, while ostensibly aimed at being responsive to the unique needs of each individual, can in practice reduce a person's choice and control and leave them open to arbitrary cuts in their services.

xMoreover, as we have seen with the NDIS, many individual users who have had their entitlements arbitrarily cut have become political footballs as they seek to appeal decisions,.

Risk-proportionate regulation [Row 3]

161. The approved provider model is to be replaced by a 'risk-proportionate' system of regulation. Under such a system, regulation requirements will vary according to the perceived 'risk' of the service type and specific provider in each case. The overall effect will be to reduce the regulation of the entry and exit of providers and the regulation of provider behaviour.

162. This is presumably aimed at (a) reducing the administrative burden on providers and users (b) encouraging the entry of new innovative and responsive providers to better meet the needs of older people.

- e) A major change in the profile of providers that will have an overall negative effect; and
 - f) Greater potential for fraud.
165. Perversely, the proposed system appears overall to be both more complex and less rigorous than current regulation.
166. The DoH Regulation Concept Paper (DoH 2022b) does at least set out some rationale for the new system, in relation to increased flexibility for providers and users and the alleged benefits of that, but at no stage does it enter into debate about the very powerful reasons for tighter regulation, and the problems identified by the RCAC in regard to the increasing entry of low quality providers in recent years (para 114).
167. Much experience from other human service sectors tells us that under the proposed changes to the regulation for entry, it is likely that virtually anyone will be able to start up a new provider for some service types. Relaxing entry requirements has also been one of, if not the, major cause of debacles in human services over recent decades (on 12.3 (29..2 (debac)4m4)-8B1 (c)-8 (e ta5n)(t /TT2)

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172. However, it will in fact mean:

- a) The program that services the large majority of home care users and that is fundamentally working well (CHSP) will be dismantled;
- b) Less focus on the distinctive circumstances and needs of older people who are still active in terms of (i) supporting their current activities, and (ii) assisting them to remain relatively independent and socially connected for longer, with the health and fiscal benefits that brings;
- c) Potentially higher costs.

xWhile the situation varies between jurisdictions, a number of state governments have abrogated their responsibilities such that many people who had previously received some support no longer get anything.

Other features affecting all services

176. The DoH Proposals include a number of features that would result in changes to the administration of home care, but which would be less disruptive to the basic structure and functioning of the home care system than the four major changes, and which could all be basically positive (even if only slightly so with some of the features).

177. There are four such features:

xA single common classification system for assessing the support needs of SAHP users

xA single common service list and classification system for all service types

xGrants to providers in so-called 'thin markets...who deliver services to small cohorts of senior Australians who have unique aged care support needs that can't be met elsewhere.'

xA point-of-delivery payment service.

178. However, publicly much remains to be done in clarifying and finalising the detail of how each of these features will operate, with some having the potential to generate problems for users and providers unless they are designed well.

179. The two proposed measures for single common classification systems for user assessment and service types [Rows 5-6] are moves in the right direction by ensuring greater consistency in these aspects.

xHowever, while they take up much of the space in the DoH Overview Paper, much more work is necessary on them. For example (a) the proposed system for assessing the support needs of older people has been criticised as excessively complex and (b) the proposed system for service types appears to be overly rigid in the context of multi-service sessions that workers commonly provide (e.g. personal care and domestic assistance in one visit) or that is characteristic of much of DEG's most valuable work with Elders (e.g. see para 72).

180. The proposal for grants to some providers in so-called 'thin markets' [Row 7] is likely to be relatively positive for DEG, and may in part offset the effect of the fee-for-service as the prime means of funding.

x However, a combination of fee-for-service and block grants will increase the administrative complexity for both providers and DoH, and still leave providers subject to some greater volatility.

x Moreover, it seems to be putting the cart before the horse to have the grant as an add-on to the fee-for-service payments, when what should logically happen is to ensure the basic capacity and stability of providers (via block grants) and then allow for them to meet any additional demand (via a fee-for-service arrangement) (along the lines of what is proposed in

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TABLE 7: CHANGES IN DEG UNIT PRICES
From 2021- 22 to 2022-23

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Gaps in the Proposals

202. A further major concern with the DoH Proposals is that (as presented thus far) they do not adequately explain why some of the major changes should be made nor do they address a number of issues that are central to the design of any effective government-funded human service system. Even allowing for some aspects that are yet to be announced, there are many factors that have not been - and appear unlikely to be -covered.
203. Table 8 lists these issues. In summary there is:
- 1) No discussion of some key unavoidable issues (e.g. co-payments, rationing mechanisms for total expenditure);
 - 2) No recognition of the relevance of the two major constraints on the growth of aged care (total funding, workforce);
 - 3) No or inadequate justification for the four major changes;
 - 4) No recognition of the major strengths of the current programs (especially CHSP and local providers);
 - 5) No mention of some key problems relating to providers (lack of transparency, the growing maze of providers) that will be exacerbated by the DoH Proposals; and
 - 6) No recognition of the lessons from previous use of market-based systems.

Co-payments

that a significant proportion of older Aboriginal people will be Stolen Generation survivors (as is the case in Walgett).

TABLE 8: Gaps in the DoH Proposals for SAHP

1. No discussion thus far of some key unavoidable issues	
a	No explanation of what rationing mechanism(s) will control total expenditure either currently or in the future with a rapidly ageing population.
b	No mention of co-payments
2. No recognition of the relevance of major constraints on the growth of aged care	
c	No reference to the impact arising from the limitations on total government funding that is available
d	No reference to the implications of and for workforce issues
3. No or inadequate justification for the four major changes	
e	No justification for a fee-for-service model to be applied to all services
f	No justification for the individualised entitlements
g	No adequate justification for the risk-proportionate regulation model being proposed
h	No adequate justification for ending the policy and program focus on low need users
4. No recognition of the long -established	

206. Davidson (forthcoming) elaborates on some of the key problems that arise from these gaps. They include, for example:

- xThe lack of a rationing mechanism for total expenditures and the failure to effectively future-proof the system in the face of a rapidly ageing population over the next 30 years means a fiscal time-bomb for government, as has now occurred with the NDIS.

- xThere is no recognition of the implications of a fee-of-for-service model for the workforce, by reducing income and job security for workers, thus making working in the sector even less attractive.


- xOf particular concern is the lack of any recognition of the important social capital and community development role played by CHSP and by locally-based providers such as DEG,

212. In terms of their impact, the Proposals will no doubt lead to better services and outcome for

- decentralised approach is desirable (e.g. government assessors determine the precise services each person can receive);
- 2) A regulation system that will be both more complex and less rigorous;
 - 3) An implicit assumption that the operation and outcomes of services will be improved by increasing the number and market share of more commercially focused providers that may have little or no experience in human services, at the expense of long established, experienced and successful social-maximising non-profit bodies;
 - 4) In spite of the excessive faith in market mechanisms, the proposals will significantly work against key market goals such as efficiency and choice in a number of ways;²⁵ and
 - 5) The system that is basically working well for the large majority of home care users, despite increasing under-funding in recent years (CHSP), is to be dismantled.
215. Davidson (forthcoming) outlines in more detail the processes by which the DoH Proposals will lead to the above effects.
216. The DoH Proposals allegedly flow from the RCAC Report and the Government Response, but some of them go well beyond anything suggested by either of those documents. Indeed, not only do a number of the key DoH Proposals not flow from the issues and problems raised in the RCAC Report, but they directly contradict it in a number of core aspects.
- xFor example, the RCAC noted the problems of markets in aged care (see para 206 above) and the entry of low quality providers in recent years (para 114), but the DoH Proposals would increase marketisation and further weaken the regulation of entry.
- xIn practice, the proposals do nothing and even work against the aims of RCAC Recommendation 33 regarding social isolation, linkages with existing local provisions, supporting centre-based care and retaining grant-funding for social support services.
- xThe proposals also include an NDIS-like system of individualised entitlements, something not recommended by the RCAC and which has been very problematic for the NDIS.
- In short, DoH appears to have gone well beyond its public brief in developing its proposals for a new Support at Home Program (SAHP).

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- e) Fifth, the Indigenous-specific assessment and Trusted Navigator services could lead to additional entitlements for DEG clients, in turn leading to an expansion of DEG's services. After all, the goal of creating these parallel services using Indigenous people and organisations to undertake assessment and support functions

lost (from death, growing infirmity such that they move onto more complex home care or residential care, or Elders moving to new providers),²⁷ and/or

x the average use of services per client may decline (for the same reasons as above as to why the total number of clients may decline), and/or

x

approved services and financial entitlements for each Elder resulting from the new system of individualised entitlements.

- g) Seventh, a fee-for-service model inevitably leads to management needing to give a greater relative priority to obtaining new clients (and hence revenue) with less time devoted to improving services.

x It is likely the changes would require some increase in DEG's back-office services (especially in relation to its financial management and IT capabilities).

x In addition, if DEG wishes to expand its services (see para 47 and Table 3), there will be substantial implications for the structure, resources, and capacity of the organisation.

228. Three questions that DEG will need to consider in the context of the forthcoming changes to the funding and regulation of home care are (a) how big will it have to become (b) how big does it want to become, and (c) how big can it become?

x

Remoteness

234. Regardless of what changes are made to home and community care in the new SAHP, DEG will continue to be impacted by two factors arising from remoteness, namely (a) the cost and availability of key inputs to its services, especially staff, and (b) the 'thin market' on the demand side which unavoidably limits the extent to which DEG can gain any economies of scale.
235. From this perspective, the current DoH Proposals, which intrinsically favour the growth of larger provider organisations, potentially pose some threats to the operation - and ultimately viability - of the DEG services.

Overall Impact on DEG

236. From DEG's perspective, the main concern is that the changes proposed by DoH (especially in relation to block grants) would create a more volatile and uncertain operating environment and one that is inconsistent with the DEG philosophy and goals concerning group and community approaches. In turn, DEG's current capacity to support the well-being of each individual Elder and empower Elders to contribute to the community and to strengthening Aboriginal culture would be threatened.
237. Notwithstanding that, given all of the above factors, DEG may be able to largely continue its current operations and services, at least in the short term, although some organisational adjustments will be necessary. However, the risks and threats for all service providers inherent in the DoH Proposals are likely to necessitate more significant further changes for DEG in the intermediate and longer term.
238. The above assessments of the impact of the changes on DEG arising from the DoH Proposals are necessarily very tentative and subject to two major caveats, namely that (a) future developments in the design of SAHP may take the program a long way from the current DoH Proposals, and (b) there needs to be further in-depth analysis of DEG's organisation to identify the specific changes that would be required in response to the final design of SAHP.
239. As the new SAHP is developed and more details are clarified, the nature and impact of some of the above considerations may change. But at this stage there appear to be some grounds for optimism for DEG and other Indigenous providers that do not exist more generally for all CHSP providers.

F. What Could Happen with SAHP?

240. This paper has argued that while there are number of positive aspects to the current DOH proposals for SAHP, some of the key changes that are proposed are very problematic and will work against the best interests of the Aboriginal Elders who use DEG's aged care services.

241. The following suggestions are made in light of DEG 's goals and philosophy and the likely impact of the currently proposed changes on its future. More detail can be found in Davidson (forthcoming) about each of these suggestions and how they would function.

242. In order to ensure that DEG and other Indigenous and community-based service providers can continue to best serve older people and their community and cultures, the design of the future system for home and community care needs to include the following elements:

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c) Introduce a fee-for-service arrangement to apply above the level of block grant funding for

- f* The aim of this measure is to give good providers greater flexibility to innovate and to adapt services to individual user needs.
 - f* The tighter the regulation of entry, the more this is possible given that there can be a greater level of confidence in the capability and motivation of all providers.
- h) Introduce the two Indigenous-specific proposals contained in the DoH Proposals, subject to clear statements about the basis of the relationship of these services with Indigenous service users and providers.
 - f* In addition, seek to embed Indigenous navigators within local providers in rural and remote areas.
- i) Explicitly recognise the importance of the social capital and community development role played by CHSP and locally based providers, with additional funding and measures to enable locally-based providers to continue and strengthen this role.
 - f* For a relatively small amount of additional funding a network of Local Aged Care Information Centres (LACICs) could be established in many communities based on current local providers. This would be more accessible to users and more effective than the proposed system of care-finders; alternatively, the two measures could complement each other.
 - f* It perhaps needs to be noted here that this is not looking back to return to some cottage-based industry using only locally-based providers. That would be quite inappropriate for a system that has to effectively and efficiently meet the diverse needs of over one million older people across a nation as large as Australia. However, the presence of vibrant and well-supported local non-profit providers in each community is an essential element of an optimum home and community care system.
- j) Additional funding and measures to assist locally-based providers to identify and support socially marginalised older people who may not otherwise seek assistance.
- k) Retain payments in advance, subject to acquittal of the use of funds as agreed.
 - f* There is no need for funding in arrears, especially if block grant funding is retained.
- l) Accept in principle the broad goals of the other DoH Proposals affecting all services and expanding services (i.e. Rows 5-14 in Table 6 and paras 176-191), with further clarification and/or development necessary for each of these.
 - f* They may all ultimately be acceptable if designed appropriately.
- m) The arrangements for co-payments should ensure
 - f* the financial viability of quality services for all older people
 - f* people are not deterred from using services that are essential for their well-being,
 - f* both horizontal and vertical equity between services and users.
- n) Support some of the further Indigenous-specific measures as proposed by NAGATSIAC.

243. There are also possible additional measures particular to services for Indigenous people that could be adopted. In particular, DEG is likely to support the following proposals from NAGATSIAC (2022b), subject to fu (pr)-6.3 (op)- (0)-14.3 (2)-2.6/(E).1 (A)-e(l)3.1 (op ()JTJ -en(t)-1.1 a0.554

G. Action Required by DEG

245. Given that there will almost certainly be some changes in the funding and regulatory systems for home and community care, DEG needs to consider action at four main levels, namely to:

- x review its service offerings over the intermediate and longer terms;

- x determine organisational development action that may be necessary;

- x determine its position on issues concerning the future design and key features of SAHP (as in Section F above); and

- x determine action it might take to influence decisions about the final form of SAHP.

246. We now briefly look at what DEG might do under each of these four levels of action.

247. First, review its service offerings over the intermediate and longer terms.

- x This involves reviewing (a) its current services and the way it plans and delivers those services (b) possible additional services it could provide, and (c) alternative approaches to planning and delivery, with a particular focus on how to retain the strengths of its community and cultural roles.

- x Flowing from such a review it can determine (a) if there is a need to vary how the current services are provided, and (b) what additional services it wants to provide if more funds were available.

- x Ultimately, DEG's continuing viability and success as a service provider under any system will

- x introduce new IT systems that may be necessary (e.g. from individualised funding);
- x enable implementation of long-term plans to expand services (as in Table 3); and
- x establish relationships with the two parallel Indigenous services (assessment, navigators).

249. Third, determine its position on issues concerning the key features of SAHP that will come under discussion.

x DEG has the opportunity to influence the final form of SAHP, the design of which is far from finalised and which will be subject to consultation and change.

x Section F above contains a suggested approach on what DEG's position could be on various aspects of the new program.

250. Fourth, determine action it might take to influence decisions about the final form of SAHP.

x This essentially involves (a) establishing processes to keep informed about ongoing developments with the design of SAHP, and (b) deciding what, if any, forms of advocacy it can most effectively undertake

x Possible forms of advocacy include direct approaches to politicians and DoH, attendance and presentations at aged care forums, and ongoing contacts with media outlets (including the aged care media).

x An important aspect is to establish and maintain ongoing linkages with a range of other organisations in the sector (e.g. government, Indigenous, peak bodies) so as to advocate for its needs and to participate in joint action with those organisations.



260. Moreover, with the change of government after the May 21 election, the incoming government needs time to determine its position on the future of SAHP. No government would want to face the problems that the current DoH Proposals will inevitably bring. Alongside this (and towering over any actual problems specific to home and community care), are major and urgent issues on multiple fronts in other areas of aged care that require immediate and whole-hearted government attention and resources and for which there are no easy or obvious short-term answers. This is especially so in regard to the workforce, residential care, and COVID. Why would a new government wish to open up another front of change on matters for which even the need for major change is hotly disputed?
261. In the above context, it is important that (a) the development of SAHP should be paused, and (b) that there then be significant change in both the parameters for SAHP as set out in the DoH Proposals and the proposed timetable for consultation and the start of the new program. A traditional government Green Paper,³¹ developed with significant stakeholder input, and canvassing the full range of evidence and issues, would be a valuable first step.
262. This would mean that the current DoH timetable for consultation would be substantially revised and the start of SAHP deferred from July 2023, probably at least until July 2024 as the RCAC recommended for the start of the single overall aged care program. That would not preclude the earlier introduction of some of the features in the DoH Proposals that are less controversial and properly developed.

³¹ <https://guides.library.uq.edu.au/how-to-find/parliament-government-information/white-green-papers>

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About the Author

Dr Bob Davidson is a researcher and consultant who has had extensive experience in the government, community, and corporate sectors in Australia across a wide range of economic, social, and environmental fields.