

Government Direction 2007 and Beyond

Speech to the Aged Care Association Australia 25th Annual Congress Perth Convention Centre, WA, 21st November 2006

Thank you for inviting me to speak at your conference. I was pleased to accept because I know ACAA, admire what you represent, and respect the fact that you care about ageing.

I'm particularly pleased to be here because this is your 25th annual congress. It is an honour to be invited to help you celebrate the silver anniversary of your association.

Much has happened in the past 25 years in the field of aged care. I think any impartial observer would have to say that we have seen enormous improvements during this time. And I acknowledge that the previous administration contributed something to this. But I would have to say that the major surge in improvements for older Australians has taken place under the Howard Government during the last 10 years.

1997 marked a watershed in your industry. The Ageing portfolio was created, which everyone can now see was a far-sighted decision to deal with the looming ageing of our population before the impact became a challenging reality. The Aged Care Act completely broke with the past and set us on the road to genuine improvements in the standards of care and accommodation.

Total funding for aged and community care has surged from \$3 billion in 1995-96 to greater than \$7 billion in 2005-06. That's an increase of nearly 140 per cent. When you consider that the growth in population aged over 70 for the same period has been less than 20 per cent, you'll see how much we have really increased our commitment to the industry in real terms.

I think you'll all agree that there has been quite remarkable progress in modernising the industry over the past decade.

In fact, I can say on the behalf of the Government, with some pride, that Australia's achievements in the field of ageing – and particularly in planning for an ageing population – have been recognised internationally.

In 2003 the Centre for Strategic and International Studies in the US produced its Ageing Vulnerability index, in which it compared 12 OECD countries for their ability to meet the ageing challenge. Australia came out clearly as first overall, as well as in most individual measures.

The report examined how well countries will cope with the challenges posed by the looming demographic change. Australia scooped first place partly because of our strong fiscal discipline, and our well-targeted age pension, and our well-developed superannuation system.

I quote:

Alone among the twelve [countries], Australia is meeting and winning the old-age dependency challenge with a long-term strategy that has no obvious shortcomings.

Underpinning this achievement is the sound economic management that the Howard Government has brought to Australia. Over the last 10 years Australia has enjoyed an unbroken period of economic growth – in fact, the longest period of economic growth in our history. We have also lived through the largest accumulation of wealth in our history.

Some difficult and often unpopular economic decisions taken by the Government over its time in office have laid the groundwork for our position of relative strength when it comes to ageing.

Talk of financial sustainability and fiscal responsibility can sometimes sound rather dry and impersonal, but these things are the foundations on which we have built a quality aged care system, and put in place the tax and savings settings that now allow Australians to properly plan for their old age.

These settings have been enhanced considerably by the changes to superannuation that the Treasurer announced in the Budget earlier this year. The removal of tax on superannuation benefits paid from a taxed fund; the abolition of reasonable benefit limits; and the halving of the pension assets test taper rate.

These are innovations that will keep Australia ahead of the pack when it comes to ensuring that future generations of retirees will be able to meet their retirement needs, including their aged care needs, without placing an unfair burden on taxpayers.

So the experts agree that Australia is well-placed to deal with the challenges ahead. They make the point that countries that don't address ageing population issues are going to end up in trouble.

Just what the consequences of inaction might be were spelt out by the Productivity Commission in its report the *Economic Implications of an Ageing Australia*. To give you just one example, it concluded that, without appropriate changes, per-capita growth in GDP might be only half its current rate by the mid 2020s – that is, around 1.25 per cent per annum.

Hence the broad strategic approach that the Government has taken to ageing – not only to aged care.

It is why we are encouraging people to be healthier throughout their lives – because it reduces the likelihood of ill-health in old age.

It is why we are asking older people to think about how they handle retirement, and legislating to make it possible for them to continue using their skills – or to update their skills – in the workplace.

It is also why we are urging the community to think about their attitudes to older Australians, and not be influenced by fallacious views about age.

Demographic change

And that brings me to our plans for the future. They say the only things we can be sure of in our futures are death and taxes. To that I would add the ageing of our population. It is going to happen – indeed has started already – and is absolutely unstoppable. But it will be slow – and that gives us time to prepare, to adjust and to respond to its opportunities as well as its challenges.

Ladies and gentlemen, most of you know that our population is ageing. I don't need to recite all the figures to you. Suffice it to say that we are preparing for a future in which one in every four Australians will be older than 65. That will occur in about 50 years' time. But in just 20 years, more than one-third of our population will be older than 55.

We will find ourselves with fewer taxpayers and more dependent elderly. But we will need to continue to provide for old people who cannot look after themselves; we must continue to provide a health care system that delivers for older people, whose demands are often ongoing and expensive.

And we will have to be able to do all this with a shrinking workforce and a diminishing pool of individual taxpayers. To do so, we will need an efficient, productive and competitive economy. And efficient and competitive aged care providers.

In the future, the role for governments will be to set the conditions to allow the industry to respond to changing consumer expectations within a strong framework that protects consumers and encourages improved standards of care.

It will do this while maintaining core services for those unable to pay for themselves.

I believe that we are ready and willing to meet the challenges the future will hold and we look forward to working with you to build an even better residential and community care system.

Consultation

This brings me to the subject of consultation with the industry.

Since becoming Minister for Ageing in January 2006, I have made it a priority to talk to, and some would say more importantly listen to, residents, their families, providers and people who work in aged care. I have taken every opportunity to make myself available to the industry as a whole.

I have greatly appreciated the time that people have given me and the insight into the aged care industry that these discussions have provided. And I have also acted on the views that have been put to me.

I want to talk through some of the work that I have done in response to discussions I have had with industry because I think it's important that we appreciate what can be achieved when we work collaboratively. While the reality remains that government and industry will not always agree on everything, what I can guarantee is that, when shaping policy, I have always taken account of the views of industry and will, of course, continue to do so.

The most significant matter that I have faced since becoming Minister for Ageing has been the incidents of alleged abuse of residents of aged care homes. At the earliest possible opportunity I convened a special meeting of the Aged Care Advisory Committee to seek advice on what could be done. ACAC includes representatives from the entire spectrum of aged care – providers, including ACAA, consumers and professional bodies.

In the wake of these allegations, which were fuelled by some irresponsible reporting and opportunism from some members of the Opposition, our industry – and that's how I see it, *our* industry – was in serious trouble. The general public's level of confidence was falling fast.

However, thanks to the Government committing over \$100 million worth of reforms and the assistance and understanding of providers, we have maintained strong public confidence in the industry.

I know that many in the industry have difficulty with the Government's response to this issue. I understand that caring for elderly people in a residential setting is a very difficult and challenging task and that not every resident is necessarily a nice little old lady. The general population of older people comprises the same mix of human flaws exhibited in the rest of the population.

Furthermore, an aged care home is a very unusual setting. It throws together into a communal setting people who under normal circumstances would not normally choose to live together. This fact alone will give rise to tension. The role of the aged care provider requires often the wisdom of Solomon and patience of Job. And so I can understand that providers might feel unfairly put-upon by additional government regulation that seeks to compensate for the normal allocation of wisdom and patience. However, what the Government is doing here is no more than taking industry best-practice in terms of police checks, and automatic reporting of incidents of abuse, and making it an industry wide requirement. The Australian community would expect no less.

Throughout the development of the package of responses, I worked hard to consult as widely as possible to ensure that the initiatives will be effective and that they can be introduced in a responsible and a sensitive manner. I have never sought to impose politically expedient solutions. My views on compulsory reporting, for example, have been shaped by what I have heard through the Aged Care Advisory Committee. And I have revised the timetable for implementing police checks in response to calls from the industry to minimise the burden by taking a phased implementation approach.

I also took the opportunity to call a meeting of my state and territory government counterparts to discuss the introduction of police checks – I am told the first time such a meeting has been held. The views expressed at this meeting were also taken into account.

I have also been working hard on the arrangements for the new Aged Care Funding Instrument. And again, I have consulted with industry every inch of the way. In response to concerns raised by providers around the timing of the introduction of the ACFI, I have delayed the start date until July 2007, giving additional time to the industry to prepare itself for the implementation of the new instrument, as well as giving the Government more time to consider fully the funding implications.

And after gaining knowledge of industry concerns, I decided a week or so ago to bring forward to March 2007 the start date for the roll-out of some elements of the training program for the ACFI. I sent a letter advising aged care services of this on the 10th of this month.

This comprehensive package of training will cover the rules and transitional arrangements, ACFI appraisals, including record-keeping, and how to use the ACFI. I have also agreed to increase the number of staff that larger homes can have trained.

Homes with less than 80 places will have two training places.

Homes with between 80 and 120 residents can have three training places.

Homes with more than 120 residents can have four training places.

This will ensure that all homes have sufficient staff who are trained in the ACFI appraisals on its introduction. Information and resources on ACFI administration and business rules will be available prior to the roll-out of the training program.

I have also instructed the department to commission an independent analysis of the impact of various pricing options for funding following the introduction of the ACFI. Again, I committed to undertaking this work following suggestions from industry, and consulted the industry peaks on the terms of reference for the review.

Finally, in regards to the ACFI and its capacity to reduce the burden of red tape on the sector, I am currently considering calls from industry to remove the requirement for mandatory annual reappraisals.

Since I became Minister, industry representatives have raised concerns about the transparency and consistency of the processes by which places are allocated through the Aged Care Approvals Round and the outcomes the process delivers.

As a result, I have initiated a probity review of the conduct of the annual approvals round, to be undertaken by an external independent firm, so that you can be assured of the integrity of the department's decision-making process. The reference group for that review includes both Bryan Dorman and Glenn Bunney.

I read with interest the submissions to the Banks review and, subsequently, the final report. The Government's response is centred around getting the level of regulation right for specific businesses.

In aged care this means getting the right balance between regulation – which is there to ensure the best possible results in terms of our duty of care towards the frail elderly receiving care – and innovation. Essential though regulation is, we must ensure that it does not distract from service delivery or stifle innovation.

It is worth reflecting on this for a minute or two. Government and industry together share a responsibility to the Australian people for aged care. I am amazed that some providers continue to call for government to cut regulation at all costs. Yes, red tape needs to be minimised wherever possible, but there remains a necessity for accountability to older Australians and their families.

I have also listened to industry calls about CAP (Conditional Adjustment Payment) and levels of indexation. These are whole-of-government considerations and in that context I have taken up your concerns with my government colleagues. This issue is also under very active consideration as part of the wider work on longer term reform.

In fact, I would challenge anyone in this room to nominate any Minister for Ageing who has undertaken more face-to-face consultation with the sector in any 10-month period than the Minister you see before you!

Over these last 10 months I have participated in literally scores of meetings with industry representatives, and formally with representative industry organisations to discuss concerns and gain feedback on government involvement in the industry.

And every time I visit an aged care facility – and I have visited dozens of them across our country – I always take time to not only speak with residents and staff, but also management and provider representatives. I enjoy and appreciate getting feedback from those at the ‘coal face’.

And my speech at this conference today marks the 9th keynote address I have made to an aged care peak body conference since becoming Minister.

Additionally, it is worth noting that the Government’s Aged Care Advisory Committee, which as I said earlier has among its membership ACAA leadership, has met four times already this year.

In light of this record of consultation and responsiveness to the concerns of the industry, I must admit to being a little disappointed when I find that some industry representatives consider this degree of openness and responsiveness as not enough.

Earlier this year, in August, I convened the first-ever meeting of a Minister for Ageing with the chairs and CEOs of all the state and national provider peak bodies. In fact, I was informed at that meeting that it was the first time that group had ever assembled, let alone as the result of a desire by the Minister to consult directly with them.

At that meeting, I undertook to get back to the group with whatever reform options Cabinet gave me permission to discuss.

The fact that I have not yet got back should be a very clear indication to industry advocates about the political process here.

Let me assure you that the Government has heard the industry views very clearly, and will be making and announcing decisions in due course that will draw a line under the Hogan report. You can be sure those decisions will be strongly informed by industry views, even if industry does not get everything it wants. In fact, it may even deliver things that some players in the industry do not want, for example, greater competition. So let’s look at the issue of competition.

Competition

Ladies and gentlemen, Perth and Fremantle are renowned for the great range and quality of their restaurants. These excellent places compete for our business. There's nothing wrong with that. In fact, that's *why* there are so many good restaurants around. Each one is looking for ways to improve, or to stand out from the crowd.

You see, the road to improved quality is the path of competition and innovation, with regulation playing a supporting role – but not the major role. Restaurants are regulated to ensure their customers' safety, but they are not red-taped out of business!

Competition doesn't only lead to increased quality. It also leads to diversity, as some businesses specialise to attract customers. This improves choice for consumers.

Government's role in any market is not to guarantee profits. We can't issue a profit promise to all providers, because that merely keeps the inefficient ones in business. The Government's job is to ensure that quality care is accessible and affordable for all those who seek it. If provider representatives want to make their case more cogent and potent, then they need to present the issue from the perspective of residents.

Of course I understand that every provider would like to have 100 per cent occupancy, just as every farmer would like higher prices and ideal weather. It's great for the bottom line. Consumers, of course, might prefer lower prices for their foodstuffs!

I know that there has been a slight decline in nationally averaged occupancy rates in the past few years – from around 96 per cent to 95 per cent. But if I could somehow magically give you all 100 per cent occupancy, I doubt I'd do it. Because it isn't good for consumers. It means no choice, no competition, and growing waiting lists.

It is the Government's intention to facilitate choice, and that means striking the right balance between the needs of providers on one hand and those of consumers on the other.

Occupancy rates are part of this mix. We want a situation where a person looking for an aged care home place won't just have to settle for whatever they can get. It's like the situation where you're forced to eat deep-fried Chiko rolls and chips because that is the only food on offer in the only restaurant in town. Instead, let's encourage diversity and some fresh salads and seafood. Let's have a range of different care options from which older people can choose the one that will best meet their individual needs.

You might argue that, if the Government is so keen on this, why don't we go into the business of constructing and running aged care facilities? The answer is, firstly, because we think that sort of activity is the business of private operators in a free competitive economy; and secondly, because we think you good people, driven either by a charitable mission, or a quest for profits or both, will do a better job than the public sector.

This sort of thinking is behind much of our philosophy as a government. If anyone thinks community facilities are better designed by central committee than by either business or social entrepreneurs, then I suggest a visit to the ruins of former communist Russia.

The crucial point which stems from our preference from the free market is that we expect players to embrace some level of risk.

We certainly don't want any operator to fail: it makes it a bad investment of our funds if there is no continuity to an aged care facility; and, inevitably, it's a political challenge for the Government.

The Government sees its relationship with this industry as one of cooperative planning. We will take a significant lead – with your advice – in framing the market opportunity, but from there, we believe ageing Australians will be best served by the sort of creativity, competition and efficiency which are only available from the private sector and also from within the church and charitable sector.

Providers must compete amongst each other to attract customers on the basis of quality of care, amenity of accommodation, and price.

At the same time, competition between providers will ensure that there is continual innovation in the industry to improve quality and efficiency.

Given the competition, residents will have a real choice, and those with sufficient means would be prepared to meet most or even all of the costs of their care – provided that they get value for money.

Those without sufficient means would receive government subsidies at a level that ensures they are well looked after and do not fall behind, especially in the quality of the care they receive.

At this stage, it's worth mentioning the issue of accommodation bonds. Professor Hogan made quite clear in his report that bonds could enable providers to escape the normal constraints of the marketplace, thereby avoiding some of the benefits that come from competition.

The government is carefully monitoring the increase in bonds that is occurring. The average accommodation bond in low care agreed with a new resident in 2005-06 was \$141,654, compared with \$127,618 in the previous year. That's an increase of 11 per cent in a year – way more than inflation.

Some residents are now paying very large bonds. Are they getting value for money? I hope so, but obviously where supply is capped but price is not, it is difficult to assume that value is the order of the day.

Mention of constraints on supply raises the issue of planning. I am no advocate of centralised planning, but in order to control fiscal risk and at the same time ensure that access to residential aged care is equitable and timely, the Government invests considerable effort in planning. Places are allocated to regions that have a clearly identified need for them because of their demographic situation. They are also allocated to providers who have indicated that they are keen to bring places into operation as soon as possible.

I understand, however, that it sometimes takes considerable time to bring these 'in principle' places to fruition. The causes are complex but mainly centre around availability of land and capital, and obtaining approvals for planning and development. I am concerned about this, and we are monitoring the situation closely. I'm pleased, however, that it is not – for the most part – the providers who are creating the problem by dragging the chain. Bed-readiness,

however, will continue to be an important factor for the department when it comes to issuing approvals for new places, and I am certainly open to looking at ways in which we could 'toughen up' our administrative approach to this, based on current law.

As to what we can do to speed things up, the obvious point is cooperation with state and local levels of government. I recently signed a tripartite agreement with the Tasmanian state government and the Local Government Association of Tasmania.

The agreement provides a commitment to explore opportunities at a local-government level to promote age-friendly communities, and to consider any unnecessary burdens to development that may arise through planning and development regulations. It also provides a basis for the exchange of data between governments to ensure increased levels of cooperation.

I would like to commend the Tasmanian state government and the local government association for their foresight and their willingness to consider creative solutions.

We'll be seeing how this goes, but I believe that a cross-jurisdictional model like this, offering greater cooperation between all levels of government, is the way of the future, and will help Australia maintain its world-class care and services for an ageing population. I urge state and local government colleagues in the rest of the country to consider this model or something similar, to help improve the planning and approvals processes. I'm sure you'll all agree that that is something we need.

I should also say here that I have been working with representatives from the private sector and others with an interest in the built environment to highlight the links between urban planning and the health and wellbeing of older Australians. This culminated in the national speakers series, which took as its theme *A Community for All Ages, Building the Future*.

One of the key themes arising from this series was the need for private and public sectors to work together to promote the development of age-friendly environments. The Australian Government has already committed funds to continue this work and I have recently announced a national series of seminars and workshops for architects and the construction industry to promote the needs of older Australians.

Community care and the future

Ladies and gentlemen, communities are the bedrock of Australia and essential to the philosophy of this Government. We want people to exist in a community and to express and resolve their preferences within that structure.

As you know, care given in the community means more choices for families and the people for whom they care. It keeps them in the heart of the community.

All the available research shows that, where possible, older people prefer to continue living close to their families and friends, and the shops, clubs or churches that they know.

Staying at home is the number one choice for most Australians, as they age – and Australian Government-supported community care services help make this possible for many families.

Every person remaining in the community is another person potentially contributing to that community. Those who age at home can often still be part of the social fabric – visiting neighbours, making items for the school fete, sharing knowledge with grandchildren.

That's why we have invested so much in community care places. Since 1995, we have increased community places from just under 5000 to 38,750 today. That's nearly an eightfold increase.

Community care will remain a very strong focus in the future development of government policy. In fact, I would go so far as to suggest, using the title of a recent report by the NOUS Group for the Victorian Community Care Coalition, that community care is in the process of 'moving to centre stage' in terms of how we as a nation plan for and deliver aged care services.

That is why I have recently sought and won Cabinet approval for an additional \$30 million for the HACC agreement to reward those states and territories that move quickly to implement the improvements set out in *The Way Forward*. That is also why I have commissioned a review of Commonwealth-funded community care programs, to examine how, as that sector of the industry continues to expand, we can ensure the issues of quality, access, choice, user fees and subsidy levels are addressed in a coordinated manner.

Workforce

Of course, the expanded supply of places, either in residential or community settings, requires that there be an adequate and trained workforce to ensure quality care is delivered. When it comes to workforce issues, there are many factors to consider.

While the *Aged Care Act* does not prescribe staffing ratios or skills mix, it does legislate in terms of a provider's responsibility to have an adequate number of appropriately skilled staff to ensure care recipient needs are met.

Australia has a closely regulated aged care sector, but when it comes to staffing we try to be as flexible as possible in order to allow providers to tailor services in accordance with the needs of residents and with the overall philosophy and objectives of the service.

The Australian Government does not set wages for staff in the aged care sector – this is primarily a matter for negotiation between employees and employers.

State and territory responsibilities for some aspects of industrial relations has meant that there is fragmentation in some areas – for example, in the area of nursing registration, which is governed by different nursing boards across the country.

Different state industrial awards also have an impact on the type of work different types of staff are required to undertake, their pay scales and conditions of work, and therefore the overall attractiveness of this type of work. In short, providers are required to negotiate a huge range of obstacles in recruiting, training and retaining their staff.

Added to these complications is the issue of 'the skills shortage'. We all know that finding and keeping staff is difficult – and this is exacerbated in certain areas, and for different types of staff.

The 2004 Census and Survey of Residential Aged Care in 2003-04 provided the most comprehensive data available. Resulting data showed that 116,000 direct-care workers were employed in Australia's residential aged care facilities comprising:

67,000 were personal care workers;
25,000 were registered nurses; and
15,000 were enrolled nurses.

Two useful indicators for the state of the labour market in aged care facilities are, however, the extent of vacancies and the use of agency staff. In 2003, the National Institute of Labour Studies (NILS) at Flinders University compiled some useful data on these two indicators in preparation for its 2004 report on the census and survey of the residential aged care workforce.

In relation to geographic location, metropolitan facilities are distinctive in tending to have higher vacancy levels, higher turnover, greater use of agency staff and less qualified PCs than regional and rural areas. However, non-metropolitan facilities still have similar difficulty to their metropolitan counterparts in recruiting RNs.

The data also suggests that NSW facilities face more difficulty recruiting RNs and substitute with more PCs compared to most other states. However, SA and WA facilities are distinctive in their heavy use of agency staff, with WA having notably low levels of fulltime permanent employment and higher turnover amongst RNs. NILS suggest that this may be an indicator of chronic recruitment difficulties.

The data also shows that high-care facilities face more difficulty in recruiting. Vacancy levels are about three times as high for RNs and ENs in high-care facilities than in low-care facilities, and use of agency staff is also high. In addition, for-profit facilities have fewer staff per bed, higher vacancies (particularly amongst RNs), more use of agency staff and somewhat higher turnover than other facilities. NILS remarks that while this is undoubtedly due to for-profits being almost all high-care facilities, there is also the fact that, in order to maximise profits, they seek to minimise labour costs without compromising care.

The staffing mix in facilities also varies considerably by State which NILS remarks is likely to result not only from different labour market conditions, but also from differences in state industrial awards that cover direct care workers and/or differences in the tasks that particular categories of workers are permitted to undertake.

For example, the much lower use of ENs in NSW compared to Victoria is a product of a NSW focus on developing PCs as a distinctive workforce to replace ENs, including an early move to allow PCs to dispense medication. The establishment by July 2008 of a single national registration scheme for health professionals – including nursing – will go along way to improving workforce flexibility and mobility across Australia.

In short, there are strong indications that some variations in staffing 'regimes' are due to varying labour market conditions, particularly between metropolitan and non-metropolitan areas, between states, and for different types of staff.

There is also the view currently being advanced by some labour-market economists that, with respect to nurses at least, there is no skills shortage, but in fact a labour shortage which results in existing nurses not working in clinical settings.

There are a number of reasons to explain this labour shortage, among them the misconception that aged care nursing is more menial and requires less clinical expertise than other types of nurses.

We also know that the supply of opportunities to improve the skills of the existing workforce is not meeting the demand – for example, under the recent round of the Better Skills for Better Care Program, over \$23 million of funds have been sought, but only around \$12 million was available.

But I am not telling you something you don't already know. The question is, what are we going to do about it?

There are of course a number of initiatives in place – around \$229 million worth since 2002.

We conducted a survey of the residential aged care workforce in 2004, and we will be doing it again next year, this time including community aged care workers.

The findings of next year's survey will guide future policy directions, as it did in 2004. I know that the issue of consistency across the country in terms of working conditions, industrial awards, and regulation is of great concern, in particular, the impact that this has on the issue of nurse registration.

That is why the Productivity Commission recommended in July 2006 that the Australian Health Ministers' Conference, or AHMC, establish a single national registration board for health professionals.

The Productivity Commission also recommended that AHMC ensure that broader institutional health workforce frameworks provide for the particular workforce requirements of special needs groups – and one of these groups was people requiring aged care.

AHMC has agreed to progress these recommendations, which I think is a very good indication of the seriousness with which this issue is taken. A National Professional Registration Scheme for Health Practitioners is expected to be established by July 2008.

This will involve a single cross-profession national registration board that will assume ongoing administration for a consolidated national health practitioner registration scheme. Establishment costs for the scheme will be jointly funded by the Commonwealth and the states and territories.

I have recently written to Minister Abbott to request that the aged care workforce be included at the highest possible level of the AHMC structure – the Health Workforce Principal Committee. It is my sincere hope that this will support and encourage greater cooperation between the Commonwealth and the states/territories in addressing an issue that is of concern to both levels of government. I am finalising my thoughts in relation to an additional dimension to this federalist approach, put to me by some eminent members of our industry, and I hope to be able to share more about that with you in the new year.

The combination of our growing number of aged persons, labour shortages, and the 'image problem' of aged care necessitates these issues to be progressed as a matter of urgency, and I am committed to doing so.

Information and the future

Ladies and gentlemen, it's been said that we live in the age of information. The Department of Health and Ageing is running a project examining the effectiveness of clinical IT in aged care. In addition to research activities, a number of case studies have been produced which detail the experiences across various aged care settings where IT has been implemented.

I think IT could make a big difference in the future, as the baby boomers age. They will be the first people to reach old age whilst already computer-literate and internet-savvy. They will use these tools in much the same way as our current generation of old people use the telephone (which was as bewildering a novelty to senior citizens living in the 1920s as computers are to many elderly today). I would like to see easily accessible real-time information for older Australians, or their relatives and carers, about what care options are available and how to get what they want. The idea is that the older person or their carer would look and book online.

And we're talking about getting meaningful information here – not just comments on the food and décor. Information that details the relative performance of services in providing care, including customer satisfaction, rates of hospitalisation, how well people's functional independence is maintained, and so on.

And all of this would be available in real time, online and perhaps in other ways too. People should be able to make real comparisons between different establishments.

In the future that I'm envisioning, you'd find online 'ready reckoners' to tell people what various options would cost. They'd put in information about their circumstances and requirements, and get a reasonable idea of what fees and charges they'd face, and how these are calculated.

IT can also be used clinically, of course. This doesn't just mean in medical settings, but also to monitor people who are at home. Regular 'remote' monitoring – for example of blood pressure or a heart arrhythmia – may be offered by providers to clients at home, allowing those people to remain, with confidence, where they are most comfortable.

Providers have choice.

I've spoken a lot about choices for residents. But providers will have choices too, although they will need to be suitably flexible to take full advantage of them.

There may well be an increased demand for intermittent residential care. Providers may be moving into this market. As well, hospitals may be contracting out their sub-acute care to appropriate providers.

The facilities of providers can be used in a variety of different ways. The fact that there may be vacancies in an institution is less of a problem if the available facilities are being used in other ways – for day respite, for example.

Conclusion

Ladies and gentlemen, let me conclude by suggesting that what I have tried to offer you this morning is both a report card on what we have achieved together over the last year, as well as an outline of the challenges that lie ahead for us, with some suggestions about how those challenges might be addressed.

We have faced and handled a major challenge to the industry's reputation in terms of safety and security, and we have worked cooperatively to put in place measures to restore public confidence.

We have discussed and agreed on a more realistic approach to the introduction of the new Aged Care Funding Instrument, including analysis of the industry-wide financial implications.

We have implemented improved prudential arrangements to protect the bonds paid by many residents, which in many cases represent their life-savings.

We have embarked on a process to ensure the integrity of the Aged Care Approvals Round.

We have met many times together to discuss the future funding arrangements for the industry, and those messages have been fed into the Government's decision-making process.

We have established the fact that the future of the industry is going to involve greater competition and choice, with an even greater role for community care.

Most importantly, I think we have cemented a sound working relationship and understanding between the Government and the industry.

This has set us up very well to work together to meet the challenges ahead.

Finally, whether you share my political views or not, or whether you appreciate my style as a Minister or not, let me tell you that I am enormously impressed by your dedication to this area of national life, and I'd like to thank you for the work you do for our most vulnerable citizens, those to whom we owe so much.

We are now at what I would call the "pointy-end" of the decision-making process. In the 10 months I have been Minister for Ageing, I have enjoyed immensely the privilege of getting to know the industry and its people. I enjoy being able to talk directly to you about your vision and your aspirations.

I have heard your pleas for decisive and responsive government policy and I believe that, on all of the fronts outlined in this speech, we are very close to common understanding and policy decisions which will go a long way to securing a progressive and high quality future for Australia's aged care industry.

I know that you regard this, your 25th annual congress, to have been a great success. In this context I greatly value the opportunity provided to me to share with you the Government's vision and plans for the future of Australia's aged care industry.

I wish you all a pleasant and safe journey home after these last few days.

ENDS