



**Office of the Interim First Nations Aged Care Commissioner:
Submission on New Aged Care Act Rules consultation – Release 2a – Funding
related to Support at Home**

December 2024

- We noted several sections of the Rules that had yet to be drafted and figures that were still subject to changes. We strongly recommend consultation on the development of those sections and figures.
 - We particularly note specific and targeted consultation with Aboriginal and Torres Strait Islander stakeholders is vital to determine the figures for sections 194A, 194B, 204, 205C, 212A, 212B and 221 so they accurately reflect the true cost of providing culturally safe care.
- We are engaging in ongoing discussions with the Department of Health and Aged Care regarding our feedback on the current release of the New Aged Care Act Rules and will continue to provide feedback on future releases.

Specific Feedback

Section 314C Amounts to be disregarded

- We understand the Department has previously received internal legal advice regarding how Stolen Generations redress payments received under the following schemes are treated as income and assets in the Act:
 - Territories Stolen Generations Redress Scheme (Territories Redress Scheme);
 - New South Wales Stolen Generations Reparations Scheme and Funeral Assistance Fund (NSW Reparations Scheme); and
 - Victorian Stolen Generations Reparations Package (Victorian Reparations Package).
- We were advised that payments under these schemes are not considered income for the purposes of calculating income support payments under the *Social Security Act 1991* (Social Security Act) and *Veterans' Entitlements Act 1986* (Veterans' Act). By extension, this means that the redress payments are also not considered income for the purposes of means testing under the Act.
- However, the payments are an assessable asset under the Social Security Act and Veteran's Act, and therefore taken into account for asset determination in means testing under the Act.
- How is it possible for redress payments from the *National Redress Scheme for Institutional Child Sexual Abuse* to not be considered an asset for the purposes of means testing? We recommend reconsidering whether redress payments from the above Stolen Generations redress schemes could also be considered in this way. This could ensure redress payments are protected from being considered in asset testing, thus preventing older Aboriginal and Torres Strait Islander people from being unfairly disadvantaged when they are assessed for aged care.



Subsections 213 and 222 Rural and remote supplement

- The rural and remote supplement for assistive technology (section 213) and home modifications (section 222) needs comprehensive modelling and targeted consultation to determine the most representative supplement.
- As it is currently written in the Rules, the amount of rural and remote supplement is 50% of the tier amount for individuals who reside in MM6 and MM7 locations, but we understand this is still an approximation.
- Throughout the Interim Commissioner's consultations, she saw firsthand how the thin market setting is a significant barrier to service delivery for aged care. As you would be aware, thin markets are particularly evident in remote and very remote geographical locations. In thin market settings, where service provision is costly due to geographical challenges, issues of inadequate funding are exacerbated.
- Providers who deliver services for older Aboriginal and Torres Strait Islander people across geographic locations expressed concerns that the Modified Monash Model (MMM) is a flawed application in determining need and cost for aged care services. The Interim Commissioner heard several examples of rigid MMM classification attributed to locations based on resident population and distance to towns and cities, which do not account for nuance or local circumstances.
- The matter of the inadequacy of funding to meet actual costs was raised at several consultations and in multiple submissions. It was most commonly raised in the context of the Government not understanding the true costs of delivering culturally safe, trauma-aware and healing informed aged care services.
- We understand Independent Health and Aged Care Pricing Authority is seeking to better understand the true costs of providing culturally safe aged care. It is important that this looks at context specific aged care services and does not conflate cultural safety and remoteness, as many older Aboriginal and Torres Strait Islander people live in urban and regional locations and on the east coast.
 - ○ The Office of the Interim First Nations Aged Care Commissioner has made several submissions to IHACPA consultation rounds to provide context and recommendations regarding the true cost of culturally safe care.