

# Consultation paper on the Pricing Framework for Australian Residential Aged Care Services 2024-25

National Aboriginal and Torres Strait  
Islander Ageing and Aged Care  
Council Submission  
September 2023



**NATSIAACC**

# National Aboriginal and Torres Strait Islander Ageing and Aged Care Council (NATSIAACC)

## About NATSIAACC

NATSIAACC is the national peak body for Aboriginal and Torres Strait Islander ageing and aged care.

NATSIAACC works to ensure that Aboriginal and Torres Strait Islander older people can access support and care that is culturally safe, trauma aware and healing-informed, and recognises the importance of their personal connections to community and Country.

NATSIAACC is building a membership base of:

- Aboriginal and Torres Strait Islander community-controlled providers of ageing and aged care, and
- non-Indigenous entities with an interest in culturally appropriate ageing and aged care services.

NATSIAACC's founding Directors are all leaders within Aboriginal and Torres Strait Islander ageing and aged care provision. They are all current or former CEOs of established and groundbreaking services within their state.

## Our Vision

All Aboriginal and Torres Strait Islander people are thriving, healthy, strong, with ongoing cultural connections in their older years.

## Our Purpose

NATSIAACC supports Aboriginal and Torres Strait Islander older peoples, their families and communities to identify, engage in, advocate for and lead systemic reform to embed culturally safe practices across the aged care and ageing sector.

## With thanks

This submission has been developed in consultation with NATSIAACC's members, stakeholders and other peak bodies. NATSIAACC thanks its members, stakeholders and other peak bodies for their valuable contributions and time.

## Funding

NATSIAACC is currently funded by the Commonwealth Department of Health and Aged Care (the Department) for establishment and has been in operation for less than a year. In the context of the current aged care reforms and the need for extensive advocacy, input and leadership in the sector, it will be necessary to provide additional funding to support NATSIAACC to provide the input and engagement required to ensure that the reforms deliver much needed support to Aboriginal and Torres Strait Islander older people and Elders.

## Key issues and recommendations

- The Royal Commission into aged Care Quality and Safety (the Royal Commission) recommendations are important in the context of pricing for residential aged care, as they set the expectation for the provision of aged care, which must be priced and funded accordingly.
- Cultural safety is an integral part of the provision of aged care services. NATSIAACC recommends that the Independent Health and Aged Care Pricing Authority (IHACPA) consider the legitimate and unavoidable costs associated with delivering culturally safe care and incorporate this into the recommended price for the provision of residential aged care. This is consistent with Royal Commission recommendation 52, that the Pricing Authority assess and adjust the block funding (see discussion below) on the basis of annual costs incurred while providing culturally safe and high quality aged care services to Aboriginal and Torres Strait Islander people.
- We recommend that the provision of culturally safe care must be fully costed and funded, to support achievement of the priorities in the National Agreement on Closing the Gap, implementation of the Royal Commission recommendations and the Health Plan.
- We recommend that IHACPA considers inclusion of an additional Pricing Principle: *Flexibility*, to support the diverse needs of all people, in all locations, and the seamless movement of people across types of care and between remote and urban locations.
- We note that the Royal Commission recommended consideration of flexibility for Aboriginal Torres Strait Islander providers of aged care services. Any increased administrative costs incurred as part of the new regulatory regime must also be factored into IHACPA's costings to inform residential aged care pricing.
- For future studies, and particularly the Residential Aged Care Costing Study (RACCS), we recommend IHACPA ensures that the study participants include a representative sample of Aboriginal and Torres Strait Islander providers of aged care (community-controlled and mainstream providers). Participants should also include Aboriginal and Torres Strait Islander older people in residential aged care, across urban, regional and remote locations to ensure accuracy and relevance of the study.
- We recommend IHACPA engage NATSIAACC to support the facilitation of roundtables with providers of aged care to Aboriginal and Torres Strait Islander older people (both community-controlled and mainstream providers) to assist IHACPA to understand the needs of the sector to support the development of appropriate aged care pricing for Aboriginal and Torres Strait Islander people.
- We welcome IHACPA's continued work to examine evidence arising from costing studies and continued engagement with stakeholders to identify legitimate and unavoidable costs with types of service. We also welcome IHACPA's continued work to consider quality and safety adjustments. NATSIAACC is well-placed to work with IHACPA to assist with informing its pricing work into the future. We encourage IHACPA to engage with NATSIAACC on a regular basis to assist with this important work.

- We recommend that IHACPA consider if and how AN-ACC funding currently supports the provision of culturally safe care and appropriately caters for the diverse needs of older Aboriginal and Torres Strait Islander people.
- NATSIAACC recommends that future reviews of AN-ACC classes acknowledge that Aboriginal and Torres Strait Islander people have higher co-morbidities and chronic diseases than the broader Australian population, and there are increased costs associated with providing this care. In residential aged care, over 50% of Aboriginal and Torres Strait Islander people live with dementia, closely followed by other depression and mood disorders.<sup>1</sup>
- We note IHACPA's intention to undertake an assessment to determine if and how the National Aboriginal and Torres Strait Islander Flexible Aged Care Program (NATSIFACP) should be funded through the AN-ACC or a modified version of it.<sup>2</sup> As the peak body for Aboriginal and Torres Strait Islander aged care, NATSIAACC is a key stakeholder and representative on this issue.
- We recommend a pricing model designed *by* Aboriginal and Torres Strait Islander people *for* Aboriginal and Torres Strait Islander people. We encourage IHACPA to engage early with NATSIAACC to assist with co-designing the consultation processes to inform the future of NATSIFACP or any alternatives. NATSIAACC would be pleased to assist in a range of ways – including participating on expert advisory panels, consultative committees, and supporting the co-design and facilitation of stakeholder engagement on this critical issue.

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<sup>1</sup> Australian Institute of Health and Welfare, [Aboriginal and Torres Strait Islander people using aged care - AIHW Gen \(gen-agedcaredata.gov.au\)](https://www.aihw.gov.au/reports/indigenous-australians/aboriginal-and-torres-strait-islander-people-using-aged-care).

<sup>2</sup> Independent Health and Aged Care Pricing Authority (2023) *Consultation Paper on the Pricing Framework for Australian Residential aged Care Services 2024-25*, p27.

## Introduction

NATSIAACC welcomes the opportunity to make a submission to the Independent Health and Aged Care Pricing Authority (IHACPA) on the *Consultation Paper on the Pricing Framework for Australian Residential Aged Care Services 2024-25* (the Consultation Paper).

The current aged care reforms form part of a broader context. The application of this broader context is important to properly understand the impact of the aged care reforms and associated pricing on Aboriginal and Torres Strait Islander older people and their providers of aged care services.

The Royal Commission into Aged Care Quality and Safety (the Royal Commission) stated that:

*We are also concerned that Aboriginal and Torres Strait Islander people do not access aged care at a rate commensurate with their level of need. A combination of factors creates barriers to Aboriginal and Torres Strait Islander people's access to the aged care system. These arise from social and economic disadvantage, a lack of culturally safe care, and the ongoing impacts of colonisation and prolonged discrimination. Access issues are further compounded by Aboriginal and Torres Strait Islander people's additional vulnerability arising from higher rates of disability, comorbidities, homelessness and dementia. To feel secure and obtain culturally safe services, many Aboriginal and Torres Strait Islander people prefer to receive services from Aboriginal and Torres Strait Islander people and from Aboriginal and Torres Strait Islander organisations. However, there are currently not enough Aboriginal and Torres Strait Islander people, and other people with high levels of cultural competency, employed across the aged care system.*<sup>3</sup>

The Royal Commission made recommendations for Aboriginal and Torres Strait Islander people to address these issues.

There is also a wider framework that is interconnected with the aged care sector. The National Agreement on Closing the Gap<sup>4</sup> (the National Agreement) contains the following Priority Reforms:

- Strengthening and establishing formal partnerships and shared decision-making.
- Building the Aboriginal and Torres Strait Islander community-controlled sector.
- Transforming government organisations so they work better for Aboriginal and Torres Strait Islander people.
- Improving and sharing access to data and information to enable Aboriginal and Torres Strait Islander communities to make informed decisions.

As these Priority Reforms are implemented, we anticipate that there will be a commensurate improvement for older Aboriginal and Torres Strait Islander people in aged care.

The [National Aboriginal and Torres Strait Islander Health Plan 2021–2031](#) (the Health Plan) forms part of this. The Health Plan is also consistent with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP),<sup>5</sup> these rights include:

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<sup>3</sup> Royal Commission into Aged Care Quality and Safety, Final Report: Care, Dignity and Respect, p67.

<sup>4</sup> <https://www.closingthegap.gov.au/national-agreement/national-agreement-closing-the-gap/1-preamble>, accessed 27 July 2023.

<sup>5</sup> <https://declaration.humanrights.gov.au>.

- the right to practice culture
- the right to self-determination
- the right to make decisions on matters that affect lives and communities.<sup>6</sup>

The Health Plan also provides that Aboriginal and Torres Strait Islander people have a right to culturally safe and responsive health care, free of racism and inequity<sup>7</sup>. A significant part of this is ensuring that the aged care system is appropriately funded to provide culturally safe and high quality aged care services and support to Aboriginal and Torres Strait Islander older people, irrespective of their geographical location or financial circumstances.

The United Nations (UN) General Assembly declared 2021–2030 the UN Decade of Healthy Ageing.<sup>8</sup> This seeks to reduce health inequities and improve the lives of older people, their families and communities through collective action in four areas:

- changing how we think, feel and act towards age and ageism
- developing communities in ways that foster the abilities of older people
- delivering person-centred integrated care and primary health services responsive to older people, and
- providing older people who need it with access to quality long-term care.<sup>9</sup>

The funding of the aged care system needs to acknowledge the diversity of older people and their health and wellbeing needs. Funding and pricing for the aged care system must include elements that are important to people of Aboriginal and Torres Strait Islander cultures, such as identity, kinship, Country or Island Home, totems, lore and spirituality.

Evidence shows survivors of the Stolen Generations<sup>10</sup> are largely over 50 years of age<sup>11</sup>, and therefore, now eligible for aged care services. While Aboriginal and Torres Strait Islander people do not have the same level of health and life expectancy as other Australians,<sup>12</sup> people affected by the Stolen Generations are likely to have even poorer health and socioeconomic outcomes.<sup>13</sup> These issues must be addressed urgently.

To address the gaps and disadvantage, we must increase the numbers of Aboriginal and Torres Strait Islander people receiving culturally safe support and care in their older years. The future funding and sustainability of the aged care system must support this goal and align with the broader context of the National Agreement and the Health Plan, and also be consistent with the recommendations of the Royal Commission.

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<sup>6</sup> Department of Health, [National Aboriginal and Torres Strait Islander Health Plan 2021–2031](#), p2.

<sup>7</sup> Department of Health, [National Aboriginal and Torres Strait Islander Health Plan 2021–2031](#), p17.

<sup>8</sup> World Health Organisation, [Ageing and health \(who.int\)](#).

<sup>9</sup> World Health Organisation, [Ageing and health \(who.int\)](#).

<sup>10</sup> Australian Institute of Health & Welfare, [Aboriginal and Torres Strait Islander Stolen Generations aged 50 and over: updated analyses for 2018–19, Summary, aihw.gov.au](#).

<sup>11</sup> Australian Institute of Health & Welfare, [Aboriginal and Torres Strait Islander Stolen Generations aged 50 and over: updated analyses for 2018–19, Summary, aihw.gov.au](#).

<sup>12</sup> Australian Institute of Health and Welfare, [Deaths in Australia, Life expectancy, aihw.gov.au](#).

<sup>13</sup> Australian Institute of Health & Welfare, [Aboriginal and Torres Strait Islander Stolen Generations aged 50 and over: updated analyses for 2018–19, Summary, aihw.gov.au](#).

An approach that supports Aboriginal and Torres Strait Islander people to receive culturally respectful and safe, high quality, trauma-informed, needs-based and flexible aged care services regardless of where they live is consistent with the Royal Commission recommendations. This level of care must be priced and funded within the aged care system.

## Royal Commission Recommendations

The Royal Commission recommendations 47 to 53 inclusive, with respect to Aboriginal and Torres Strait Islander people, include:

- an Aboriginal and Torres Strait Islander pathway in the new aged care system
- the provision of culturally respectful and safe, high quality, trauma-informed, needs-based and flexible aged care services
- cultural safety training for Government aged care staff and providers who promote their services to Aboriginal and Torres Strait Islander people
- prioritising Aboriginal and Torres Strait Islander organisations as aged care providers
- block funding providers under an aged care pathway on a three-to seven-year rolling assessment basis, with recommendations for the Pricing Authority with respect to the costs of providing culturally safe care.

These recommendations are important in the context of pricing for residential aged care, as they set the expectation for the provision of aged care, which must be priced and funded accordingly.

## Cultural Safety

The Australian aged care system has failed Aboriginal and Torres Strait Islander Elders, senior and older people by not having the cultural knowledge and capability to deliver holistic care that is centred on the person, family and Community.

Culturally safe care for Aboriginal and Torres Strait Islander people means care that takes account of the whole person, their individual needs and their connection to culture, traditional lands and Community.<sup>14</sup>

Cultural safety is about:

- maintaining cultural identity
- culturally informed service delivery
- culturally competent workforce
- culturally supportive environments and
- partnerships and collaboration within the aged care service system.<sup>15</sup>

Cultural safety must be informed *by* Aboriginal and Torres Strait Islander people *for* Aboriginal and Torres Strait Islander people. It is trauma aware and healing informed, and can vary, depending on location, Community and people.

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<sup>14</sup> Parrella A, Pearson O, Davy C, Barrie H, Mott K, Morey K, D'Angelo S, Sambo R, Aitken R, Franks C, Canuto K, Brown A, Braunack-Mayer A. Understanding culturally safe aged care from the perspectives of older Aboriginal Australians in rural and remote communities. *Health Promot J Austr.* 2022 Jul;33(3):566-575. doi: 10.1002/hpja.541. Epub 2021 Sep 24. PMID: 34529305.

<sup>15</sup> Parrella A, Pearson O, Davy C, Barrie H, Mott K, Morey K, D'Angelo S, Sambo R, Aitken R, Franks C, Canuto K, Brown A, Braunack-Mayer A. Understanding culturally safe aged care from the perspectives of older Aboriginal Australians in rural and remote communities. *Health Promot J Austr.* 2022 Jul;33(3):566-575. doi: 10.1002/hpja.541. Epub 2021 Sep 24. PMID: 34529305.

The importance of cultural safety cannot be underestimated. It is an end-to-end requirement across the entire aged care system. Provision of cultural safety is consistent with the Royal Commission recommendations, the Health Plan, the National Agreement and UNDRIP.

Relevantly, the Health Plan identifies access to person, family and community-centred care as a priority to improving the health system for Aboriginal and Torres Strait Islander people:

**Objective 3.2.**

***Improve cultural safety in workplaces across health, mental health, disability and aged care systems***

*Cultural safety values, behaviours and standards must be embedded within the workplace culture of all health care, mental health, disability and aged care systems and services, encompassing doctors, nurses, midwives, allied health professionals, administrators and other key clinical and non-clinical staff...*

**Objective 9.1**

*Deliver flexible, culturally safe, place-based and person-centred health care across allied health, community health and primary care settings Governments and healthcare services must work with communities, including through ACCHS [Aboriginal Community Controlled Health Services], to better understand how the design and delivery of services can best meet needs across urban, regional, rural and remote locations. This will help build cultural safety and better enable the health system to identify priorities, understand local cultural contexts and language requirements, and involve Aboriginal and Torres Strait Islander people in determining their own health priorities and care pathways...<sup>16</sup>*

As noted in the Health Plan, cultural safety is about how care is provided. Given Aboriginal and Torres Strait Islander cultures are diverse, what cultural safety means may differ depending on the person, location and community. This means cultural safety needs to be self-determined at the local level by Aboriginal and Torres Strait Islander individuals, families and Communities.<sup>17</sup> This also means that there is no 'one-size fits all' approach.

For further information on the provision of culturally safe care, we suggest IHACPA consider the *Good Spirit Good Life*<sup>18</sup> assessment and quality of life tool and its broader application in the context of assisting to inform how cultural safety could be incorporated into the aged care pricing framework.

NATSIAACC recommends that IHACPA consider the legitimate and unavoidable costs associated with delivering culturally safe care and incorporate this into the recommended price for the provision of residential aged care. This is consistent with Royal Commission recommendation 52.<sup>19</sup>

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<sup>16</sup> Department of Health, [National Aboriginal and Torres Strait Islander Health Plan 2021–2031](#), p64.

<sup>17</sup> Department of Health, [National Aboriginal and Torres Strait Islander Health Plan 2021–2031](#), p61.

<sup>18</sup> University of Western Australia, <https://www.iawr.com.au/gsgl>.

<sup>19</sup> Recommendation 52: Funding cycle 1. The Australian Government should block fund providers under the Aboriginal and Torres Strait Islander aged care pathway (see Recommendation 47) on a three-to seven-year rolling assessment basis. 2. The Pricing Authority should: a. set the funding of the Aboriginal and Torres Strait Islander aged care pathway following advice from the Aboriginal and Torres Strait Islander Commissioner, and b. annually assess and adjust the block funding on the basis of the actual costs incurred while providing



## Residential Aged Care Pricing Principles

### Consistency of terminology

The reference to 'quality care' must be consistent with definitions across the aged care reforms. Of particular note are the consultations relating to the new model for regulating aged care, the new Aged Care Act and the Aged Care Taskforce's Draft Aged Care Funding Principles. As part of the above consultations, there is a broader sector discussion about the importance of 'quality care' versus 'high quality care'. We encourage IHACPA to liaise with relevant areas of the Department of Health and Aged Care to ensure consistency of terminology, and meaning of those terms, across the aged care sector.

We are of the view that quality care must respect a person's human rights and meet the health and wellbeing needs of older people. Quality care must include culturally safe care that is individualised to meet the needs of the person, their family and Community. This includes medical and personal needs, hygiene, dental, allied health, nutrition, mental health, palliative care, social supports and engagement and opportunity for engaging in meaningful activities, irrespective of cognitive and physical abilities. This care must be considered in the development of the aged care pricing framework.

### Fairness

We support the Principle relating to 'Fairness' and the inclusion of payments being 'equitable'. We also support that payments must promote the provision of appropriate care to residents with differing needs, and recognise legitimate and unavoidable cost variations associated with care. For Aboriginal and Torres Strait Islander people, and those from diverse backgrounds, pricing for care costs must include culturally appropriate and safe care.

Fairness in a funding context is about providing people with the care that they need to maintain optimum health and wellbeing. Fairness includes flexibility for immediate adjustment in the case of injury or rapid decline in health, such as in the case of palliative care needs. This also includes flexibility to take into account the cost of meeting the higher health needs of people with chronic diseases and a higher burden of disease.<sup>20</sup>

A fair system supports diverse and vulnerable groups, including those with disabilities, living in poverty and those who have suffered trauma. Fairness is a system that is equitable and meets the needs of our most vulnerable people. It is a system in which culturally safe care to support healing, reablement, optimal health and wellbeing is fully costed and funded.

### Flexibility

NATSIAACC members consistently advise that greater flexibility is required in the aged care system. This includes flexibility to support older people receiving aged care services when they move from rural, regional or remote locations to urban locations, or live transient lifestyles. Aged care packages, payments and supports do not interconnect well, especially if they are location-based according to the Modified Monash Model. A person's aged care needs and the costs associated with delivering culturally safe care do not necessarily change when they move locations.

Flexibility is also important in the context of meeting a person's individual needs. No one person is the same, and it is necessary to invest time to understand a person's needs, so that they can receive

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<sup>20</sup> Australian Institute of Health & Welfare, [Older Australians, Older Aboriginal and Torres Strait Islander people - Australian Institute of Health and Welfare, aihw.gov.au](https://www.aihw.gov.au/older-people).

safe, individualised care that is appropriate for their health and wellbeing. The pricing of the aged care system must include appropriate flexibility in recognition of older people's personal preferences.

We recommend that IHACPA considers inclusion of an additional Pricing Principle: *Flexibility*, to support the diverse needs of all people, in all locations, and the seamless movement of people across types of care and between remote and urban locations.

### Process Principles

We welcome the Process Principles for administrative efficiency and transparency.

Our members have noted the extensive burden and high cost of complying with funding arrangements and reporting. We have received input that processes are often ineffective and inefficient, with providers carrying an unreasonable administrative burden. We welcome processes that reduce duplication and support streamlined processes with reduced red tape for provider compliance. A transparent funding process should also make it easy for both providers *and* older people to understand.

We note that the Royal Commission recommended consideration of flexibility for Aboriginal Torres Strait Islander providers of aged care services.<sup>21</sup> Any increased administrative costs incurred as part of the new regulatory regime, must also be factored into IHACPA's costings to inform residential aged care pricing.

### System Design Principles

We welcome the inclusion of System Design Principles. We note that our members have advised that innovation in dementia care and palliative care is much needed, in all locations across Australia. The system must support innovation in the provision of culturally safe care, and have this built into its foundations.

### Comprehensive care

Our members have noted that importance of aged care providing comprehensive care. Comprehensive care is holistic, person-centred and ensures optimum health and wellbeing across the care continuum. In our view, IHACPA should consider the many wellbeing impacts of providing comprehensive and universal care, and how the pricing framework and design principles can positively give effect to lasting change in the aged care sector, and benefit the health and wellbeing of older people.

## Engagement with Aboriginal and Torres Strait Islander older people and providers of aged care

It is not clear from the Residential Aged Care Costing Pilot Study Report<sup>22</sup> to what extent Aboriginal and Torres Strait Islander people and providers were included and participated in the study. This includes both Aboriginal and Torres Strait Islander-controlled aged care providers, mainstream (non-Indigenous) providers delivering aged care to Aboriginal and Torres Strait Islander people, or older Aboriginal and Torres Strait Islander people participating in the study.

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<sup>21</sup> Royal Commission Recommendations 50 and 53.

<sup>22</sup> Independent Health and Aged Care Pricing Authority and PWC, (2022) *Residential Aged Care Costing Pilot Study Report*.

For future studies, and particularly the Residential Aged Care Costing Study (RACCS), we recommend IHACPA ensures that the study participants include a representative sample of Aboriginal and Torres Strait Islander providers of aged care (community-controlled and mainstream providers), as well as Aboriginal and Torres Strait Islander older people in residential aged care, across urban, regional and remote locations to ensure accuracy and relevance of the study. While we acknowledge the need for privacy and confidentiality associated with such research, information regarding the extent of consultation with Aboriginal and Torres Strait Islander providers and people should be identified and explained within the RACCS report.

## Costs that must be included in the pricing framework

The pricing framework must also consider the following:

- To provide culturally safe care, there can be higher administrative costs as well as higher costs for staffing and training, particularly in the context of the current workforce shortages.
- Providing innovative care, including support for communication in language and with place-based approaches is costly.
- Pricing needs to include the cost of on-the-job training and associated back-filling when staff are absent to undertake training.
- Aboriginal and Torres Strait Islander people require the opportunity to attend and participate in cultural activities and practices, including, but not limited to supporting travel to Community, Country or Island Home if required.
- Support for broader connection to Community and family, and other significant people.
- Access to the natural environment, and connection to land, earth and fresh air.
- Provision of meaningful and respectful activities for all people, irrespective of cognitive or physical abilities.
- Aboriginal and Torres Strait Islander people must have the opportunity to choose if they would like to die/finish up/pass on Country or Island Home wherever possible. There are transport and medical costs associated with this, and these costs need to be factored into the pricing framework.
- The costs of palliative care and end-of-life care provided on Country, Island Home or in Community, this may include the need for carers to travel, transport costs and the costs of medical and wellbeing care for the older person, as well their carers, family and Community.
- There is an extremely high cost associated with building and maintaining infrastructure as well as exorbitant freight costs in remote locations. With the cost of living increasing, this also impacts the cost of food and consumables in all residential aged care services.
- The pricing framework should include care provided by Aboriginal Health Workers and Practitioners.<sup>23</sup> These health professionals can provide much-needed culturally safe health and aged care.

We recommend IHACPA engage NATSIAACC to support the facilitation of roundtables with providers of aged care to Aboriginal and Torres Strait Islander older people (both community-controlled and mainstream providers) to assist IHACPA to understand the needs of the sector to support the development of appropriate aged care pricing for Aboriginal and Torres Strait Islander people and providers.

We welcome IHACPA's continued work to examine evidence arising from costing studies and continued engagement with stakeholders to identify legitimate and unavoidable costs with types of

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<sup>23</sup> See: <https://www.naatsihwp.org.au/what-atsi-health-workers-and-health-practitioners-do>.

service.<sup>24</sup> We also welcome IHACPA's continued work to consider quality and safety adjustments.<sup>25</sup> NATSIAACC is well-placed to work with IHACPA to assist with informing its pricing work into the future. We encourage IHACPA to engage with NATSIAACC on a regular basis to assist with this important work.

## Australian National- Aged Care Classification (AN-ACC)

We note IHACPA's reference to AN-ACC aiming to group residents in a manner that is both relevant to care and resource homogenous.<sup>26</sup> We recommend that IHACPA consider if and how AN-ACC funding currently supports the provision of culturally safe care and appropriately caters for the diverse needs of older Aboriginal and Torres Strait Islander people.

We recommend that culturally safe care must be fully costed and funded, to support achievement of the priorities in the National Agreement, implementation of the Royal Commission recommendations and the Health Plan.

NATSIAACC recommends that future reviews of AN-ACC classes acknowledge that Aboriginal and Torres Strait Islander people have higher co-morbidities and chronic diseases than the broader Australian population, and there are increased costs associated with providing this care. In residential aged care, over 50% of Aboriginal and Torres Strait Islander people live with dementia, closely followed by other depression and mood disorders, then arthritis.<sup>27</sup>

## National Aboriginal and Torres Strait Islander Flexible Aged Care Program

We note that NATSIFACP is a crucial part of the current aged care funding model. While limited in number, for those who receive care under NATSIFACP, it largely supports meeting the needs of older Aboriginal and Torres Strait Islander people in a flexible way. In fact, there is broad support for the expansion of NATSIFACP. The support NATSIFACP can provide to old people to connect with Country, Island Home and Community is crucial, and must not be lost if NATSIFACP is to be funded through AN-ACC.

There is significant concern among members regarding the potential transition of NATSIFACP into the AN-ACC model, and the ongoing existence of NATSIFACP itself. NATSIAACC is concerned that altering or ceasing NATSIFACP would reduce the availability of flexible, culturally safe care for older Aboriginal and Torres Strait Islander people. We are also concerned that this is inconsistent with the Royal Commission recommendations 47, 48, 52 and 53 for the provision of an Aboriginal and Torres Strait Islander pathway, block funding providers, as well as increasing the availability of culturally safe care.

We have received member input expressing concerns that transitioning from NATSIFACP to AN-ACC is likely to result in decreased funding for providers to deliver quality, culturally safe aged care services. This causes significant concern as it would place additional strain on a stretched aged care system,

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<sup>24</sup> Independent Health and Aged Care Pricing Authority (2023) *Consultation Paper on the Pricing Framework for Australian Residential aged Care Services 2024-25*, p23.

<sup>25</sup> Independent Health and Aged Care Pricing Authority (2023) *Consultation Paper on the Pricing Framework for Australian Residential aged Care Services 2024-25*, p24.

<sup>26</sup> Independent Health and Aged Care Pricing Authority (2023) *Consultation Paper on the Pricing Framework for Australian Residential aged Care Services 2024-25*, p13.

<sup>27</sup> Australian Institute of Health and Welfare, [Aboriginal and Torres Strait Islander people using aged care - AIHW Gen \(gen-agedcaredata.gov.au\)](https://www.aihw.gov.au/aboriginal-and-torres-strait-islander-people-using-aged-care).

not to mention provider viability. This would also be inconsistent with the Royal Commission recommendation 50 to prioritise Aboriginal and Torres Strait Islander providers of aged care.

Our members have advised that irrespective of the mechanism for funding NATSIFACP or similar, Aboriginal and Torres Strait Islander people require pricing that supports and acknowledges the following:

- Flexibility
- Culturally safe care (see discussion above)
- Place-based approaches
- Connection to Community, Country and Island Home, and associated transport costs
- Care must be provided at a grassroots level, and acknowledge varied lifestyle patterns and preferences, including the transient and mobile lifestyles, and the impact on occupancy rates
- Care must be supportive of the varied needs of all people, including the specific care needs of people from the Stolen Generations<sup>28</sup>
- Delivery of quality aged care in the context of significant workforce shortages, and the increased costs associated with this
- High cost of infrastructure and maintenance, food and consumables, freight costs (particularly for remote locations)
- Transport costs for older people to travel to attend medical and other appointments as well as social and cultural engagements.

Our members have also discussed the need for ongoing flexible block funding for providers. Aged care pricing should also consider longer-term capacity building and organisational capability and development impacts. Royal Commission recommendations 52 and 53 recognised the importance of block funding and flexibility to support Aboriginal and Torres Strait Islander aged care providers and older people.<sup>29</sup> It would be inconsistent with the Royal Commission recommendations to reduce flexibility and opportunities for longer-term provider funding for Aboriginal and Torres Strait Islander aged care.

We note IHACPA's intention to undertake an assessment to determine if and how NATSIFACP should be funded through the AN-ACC or a modified version of it.<sup>30</sup> As the peak body for Aboriginal and Torres Strait Islander aged care, NATSIAACC is a key stakeholder and representative on this issue.

We recommend a pricing model designed *by* Aboriginal and Torres Strait Islander people *for* Aboriginal and Torres Strait Islander people. We encourage IHACPA to engage early with NATSIAACC to assist with co-designing the consultation process to inform the future of NATSIFACP or any alternatives. NATSIAACC would be pleased to assist in a range of ways – including participating on expert advisory panels, consultative committees, and supporting the co-design and facilitation of stakeholder engagement on this critical issue.

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<sup>28</sup> Australian Institute of Aboriginal and Torres Strait Islander Studies, The Stolen Generations, <https://aiatsis.gov.au/explore/stolen-generations>.

<sup>29</sup> Aged Care Royal Commission Final Report: Part 3, Recommendations, p244.

<sup>30</sup> Independent Health and Aged Care Pricing Authority (2023) *Consultation Paper on the Pricing Framework for Australian Residential aged Care Services 2024-25*, p27.