Talking points

In a regular section, AAA puts an important issue under the spotlight, examines the background and considers the implications.

The issue: Aged care’s move in the departmental shake-up.

Making sense of changes in Canberra

By Darragh O’Keefe

IN A MOVE THAT surprised many, the newly elected Coalition Government in November 2013 announced that aged care would be moving from the Department of Health and Ageing to the Department of Social Services. There was no suggestion before the election of such a move, and reaction has been mixed. Some say it signals the government’s intention for aged care to learn from disability and foster a consumer-centred model; others worry about the possible loss of connections with other parts of the health system and what the changes will mean for the timetable for aged care reforms.

THE BACKGROUND

The splitting of aged care from the Department of Health represents the end of a 15-year departmental arrangement. The Department of Health and Ageing was created in 1998 under the Howard government and was later renamed the Department of Health and Ageing (DoHA) in November 2001. On 16 September 2013, the government announced that the Department of Health would be renamed the Department of Health and Aged Care.

THE REASONING

By early December the government was still yet to fully articulate its reasons for the move. Senator Mitch Fifield, the Assistant Minister for Social Services, pointed to the synergies between aged care and disabilities.

“With responsibility for disabilities and ageing under the one minister, the role of carers and people with disability will fall within the one portfolio,” he said in a statement on 18 September. With the lack of a clear rationale, many in the sector have been left to speculate.

A former senior public servant describes it to AAA as a Westminster approach where governments group similar areas of expenditure from which they are not expecting an economic return.

“You put a cost centre together for all those things you’re doing around people that you have no choice in; they’re just a cost claim. You group them so you can be very clear about the expenditure and you can put a rope around it,” he says.

Health, on the other hand, can generate revenue as well as cost - think private health insurance, the former public servant says. “If I’m being an economic rationalist, I can understand the purity of having health by itself.”

For Paul Sadler, CEO of Presbyterian Aged Care NSW and ACT, the logic seems to be that DSS was to draw together functions of government that “broadly speaking, are linked in around human service delivery.”

Sadler also points out that the government made the connection with the National Disability Insurance Scheme (NDIS) and the fact there could be synergies between it and aged care.

According to Ilana Halliday, the chief executive of Ageing and Community Services NSW (ACS), the sector is “somewhat perplexed at this move”, as there were some “obvious synergies between health and ageing that make the connection between them as a department very sensible.”

Halliday says there was a growing focus on the connections between aged care and the broader health sector. “We were very keen on where that was going. Having aged care now move into DSS without an adequate explanation as to why that was needed has perplexed us,” she says.

Glenn Rees, on the other hand, says he could “certainly see the logic for it.” Rees, the CEO of Alzheimer’s Australia, might have been one of the few who was not surprised by the move, given he had publicly suggested it. “We had put on the record a view that there was a good case for better coordinating the reform of disabilities and aged care,” he says.

LINKS TO DISABILITY

Sadler believes there could be an upshot for aged care if it can benefit from the links with disability services and the reforms that sector is currently undertaking. He says that while disability services are going through a revolution, aged care is merely undergoing an evolution.

However, he says it remains to be seen whether, in the new department, the lessons learned by disability services, and indeed in other areas of social service delivery, mean that aged care is approached in a different fashion.

LINKS TO HEALTH

Conversely, there are concerns about the possible negative impact of taking aged care out of the health department.

Offering an insider’s view, the former senior public servant says: “When you are inside the one department, people have a sense of goodwill and the ability to break down barriers and make things happen. Because you are all reporting to the same senior bureaucrats and the same minister – who you want to make look good.

“It’s very hard to get interdepartmental things to happen; they require formal MOUs and more than goodwill, because you’re now in a different funding bucket and different line of accountability.”

TRANSITION

Another common talking point among stakeholders and observers has been the smoothness of the transition – or lack thereof.

“The transition in Canberra does not appear to be going as smoothly as I have seen in the past,” says the former senior public servant.

Sadler says that, on top of the machinery of government changes, there is also the current Commission of Audit, “so they are looking at every opportunity to save and obviously labour costs are a large part of it.”

Echoing this point, Carrie Haley, researcher and aged care policy expert, says that while the creation of the new DSS represents a “wonderful opportunity for the government to develop and implement a whole of the approach to ageing, given the current focus on expenditure containment, it is unlikely to occur which is a missed opportunity for the federal government and for older people in Australia.”

Rees says that as far as the transition goes, his organisation had not pressed ministers for meetings or answers as they recognised there was an important period of decision making and machinery of government changes that would take time. “I think we’ve been prepared to be patient up to this point,” he says.

IMPACT ON REFORM PROCESS

That patience has run thin, however. Rees says the government needs to start providing some clarity. “We’d like to be positioned in the New Year with greater certainty around what the relationships will be between social services and health,” he says.

Sadler says while “things would have gone on hold to some extent anyway following a change of government”, there is no doubt the departmental changes added to the delay. He says most people expect arrangements to largely be settled by early 2014. Nonetheless, there is a prevailing concern about whether the sector will be ready for 1 July 2014.

The government has announced a few high-level decisions since it took office, the sector is still waiting on the detailed guidelines to implement these changes, Sadler says.

Halliday echoes this. “There are things we needed in hand in order for the 1 July 2014 deadline to work. We expected the Pricing Commissioner to have been announced and ready for submissions before now. We expected the guidelines around accommodation payments to be out now. We needed the costing of the short stay cap to be known, or at least to have it underway.”

“It’s not a matter of them social services and health being ready by March, because our systems need to be geared up. We need to do massive system enhancements so that on 1 July we can turn on the new systems, the new prices. In the absence of the guidelines and processes, the 1 July deadline is starting to get problematic.”

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WHERE FROM HERE

The DSS now needs to do some detailed planning and implement a proper project management approach, Halliday says. “From January, they need to outline what the tasks are for them, and how long they will take to implement, and what kind of consultations with the sector they need to do to make sure we get them right.”

The department now needs to rethink its timeline, she adds.

For Rees, the key concern is working out the machinery of government changes in a way that continues the current focus on cost and implementation across two mega portfolios.

“An even more crucial statement than was given at Senate estimates hearing said the government was no longer responsible for dementia, for example: “he says. “We need the government to resolve these issues quickly now.”

Rees had a good idea to see a body such as the Ministerial Dementia Advisory Group continue, as it advises both the ministers for health and social services and provides a complete health and aged care strategy for dementia.

Ministers by nature trust particular people and particular organisations and they need to put in place some advisory groups that could think across departments and advise them in a holistic way.”

He points to Alzheimer’s Australia’s strategic vision for the next three years, which it will release later this year. “Our view is that consumer organisations like ours, and the aged care sector will need to be more active in articulating its vision across health and aged care,” he says.