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Thank you for the opportunity to make a written response to the proposed new aged care legislation reform.

To establish my own credentials in making this submission:

I have been a senior executive in the aged care and retirement village sectors for 2 decades. For the past 12 years, following my personal experiences with my parents, I have followed a journey to reimagine seniors living. This journey saw me at odds with the aged care organisations I worked for which led me to resign 6 years ago to establish Grandton Limited. I set up Grandton Limited as a Public Benevolent Institution with the purpose to facilitate the development of retirement accommodation using my “Grandton Model” that reimagines seniors living, and a mission to use surplus net income from this activity to support disadvantaged seniors with rental accommodation.

In developing the “Grandton Model” I recognised that the baby boomers want to live in their own homes and avoid the move to the institutionalised nursing home, to remain connected to society and be in charge of their lives with their choices of how best to care for themselves to enable the quality of life they seek.

I also recognised the need for the Federal Government to amend the way the Aged Care sector is financed. To that end, I have a belief that bed licences, where the funds were paid to the Provider, leads to inefficiencies and poor service delivery outcomes. I believe the RAD concept is flawed as it allows huge wealth to be incubated for inheritance while the taxpayers remain encumbered to the massive increases in care funding needed for the baby boomer cohort. It leaves the Federal Government exposed as the guarantor for this mountain of RAD debt owed by Providers who are not making the required provisioning to repay this debt, rather replying on the concept that incoming RAD’s will pay the outgoing RAD’s, and debt is never repaid. (the definition of a Ponzi scheme).

I believed that the bed licences must cease, funding to be passed to the care recipient to exercise their consumer choice direction as to how best these funds can be used to meet their own personalised needs and that the RAD must be drawn down to co-fund the care costs and not merely be held in incubation to pass to the care recipients beneficiaries in their will.

I believed in the Home Care Model, but this has several inherent flaws. 30-40c is burned in mileage getting care staff around locations in the suburbs and with complex rostering administration costs. Carer time is chewed up in travel rather than delivering services. Our society often is structured where aged persons become isolated in their homes in the suburbs leading to mental and physical decline. Seniors get to a point where the Home Care is not able to meet their care touch point needs and their only option other than paying for more care services themselves, is to move to the nursing home.

The “Grandton Model” enables seniors to own their own adaptable accommodation within a vibrant retirement community setting, and though a comprehensive menu of personal and clinical services have the ability to remain in their own home to the end of days. The “Grandton Model” facilitates aged care Provider to

be on site which enables the cost-effective delivery of services as they move from Home Care to higher care and the prompt delivery of touch point required to maintain a resident in the village in their own apartment home. The net bottom line income for the Provider is improved. The Care outcomes for the resident are enhanced. The “Grandton Model” requires the apartment building built to a Class 9C, with apartments being adaptable that facilitates this whole concept to function.

Grandton Applecross is the first “Grandton” development comprising 80 apartments in a retirement village, a private care suite, allied health facilities, etc. This development is due for completion in April / May 2024. It is unique and can disrupt the retirement village and aged care sectors.

You can expect many submissions from this sector attempting to water down and perhaps even deflect the proposed legislation. I believe time is upon the country, with the tsunami of baby boomers entering the aged care space, not to hesitate, to take bold action to break the moribund nature of how things have been done in this sector. Failure to do so sadly will give seniors and the Federal Government more of the same which, as is clear, has not delivered the desired outcomes for either.

You can expect an outcry from the Retirement Village Providers who will try to stop the legislative change because for decades they have developed the same old business strategies to move residents from the RV to nursing homes, to churn residents to earn more fee income. Having residents stay in the RV for longer is not in the lease for life income model that most RV Operators have. Its important residents move for the RV operator’s cash flow.

Even residential aged care providers had begun moving to the RV business focus to get out from the regulation within the Aged Care Act.

The proposed changes to the legislation as it applies to retirement villages potentially disrupts their business strategies to avoid this regulation. However, if RV Providers deliver suitable accommodation to cope with the higher care needs, the pressure on building nursing homes is relieved.

What I would like to see with this overhaul to the legislation is:

- **Cessation of bed licences.**
- **Care recipients to be the recipients of the funding not the Providers.**
- **Consumer directed care requirements for residential aged care. The care recipients must have the ability to choose when, where and how care services are provided.**
- **The ability of care recipients to receive the higher levels of care delivered into their homes inclusive of the retirement village facility.**
 - **I believe the Class 9C standard should apply to retirement village settings as it does with the nursing home. (The safety of infirm residents is best secured in such a built form).**
- **Co-Contribution by care recipients for their care costs deducted from the RAD balance. (Safety net rules to apply).**
- **Home Care Level 5**

With hope that this next reform legislative process brings positive paradigm shift outcomes.



John Frame
Chairman



