



# **PRODUCTIVITY COMMISSION**

## **CARING FOR OLDER AUSTRALIANS INQUIRY**

*Response: Preparing the residential aged care sector for change - a communication perspective*

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# 1 INTRODUCTION

The *Caring for Older Australians* inquiry identified a number of sound options to simplify and improve Australia's aged care system.

The proposed new funding model has been welcomed by the majority of aged care providers who should soon be operating in a 'fairer' market if the government implements the key recommendations outlined in the report.

Changes steering the system toward more of a 'free market' model promise benefits as competition between aged care providers drives service innovation and choice, leading to an improvement in service delivery over time. However, change always brings uncertainty

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***Giving residents more choice and increasing competition between facilities will have short to medium term negative impacts on providers and communities.***

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Many smaller aged care providers do not have the resources needed to effectively respond to resident, family, staff and community enquiries or market their facilities. They will face financial costs with preparing and adapting to the new system and may find it too hard to compete with the majors, possibly facing closure. Smaller aged care providers are extremely important to the communities in which they operate as they hold invaluable links to community groups, have strong embodied local knowledge and provide specialist services such as dementia care which are sometimes avoided by profit focused companies.

Although an Australian Seniors Gateway Agency and Australian Aged Care Regulation Commission are clearly required, aged care providers are still likely to receive the lion's share of resident, community and family enquiries. Our experience is that many providers, even some of the larger non-profit organisations, do not have well structured and staffed communication functions and, even when they do, often the focus is on fundraising not customer service and community education. Questions will also flow to key community partners such as the Council on the Ageing, a key partner with well established channels through which to reach community members.

If the Commission's recommendations are adopted by the government, it must recognise the need for extra resourcing and training of provider personnel, supported by a targeted public education campaign, during the implementation stages.

This submission aims to highlight the impacts of recommendations put forward by the Productivity Commission from a marketing and communications perspective. We have included recommended resourcing needs to ensure a smooth transition period for aged care providers, government and residents.

## 2 ABOUT ELLIS JONES & AGED CARE

Ellis Jones is an Australian marketing and communications agency with a specialist aged care practice. We have worked, and continue to work, with all levels of government and industry, providing a unique perspective on the diversity of communication functions.

Current and past clients include: Aged Care Standards and Accreditation Agency, City of Melbourne, Doutta Galla Aged Services; Arcare; Benetas; Council on the Ageing (all states and territories); Aged and Community Care Victoria and Peninsula Health

Our health and ageing practice has developed sophisticated facility engagement models, whole-of-sector education marketing programs and media/publicity campaigns. We've completed national and state based research into the emotional and functional drivers of elderly people and carers. We have also helped providers communicate during crises: disease outbreaks, accreditation sanctions and fire.

Perhaps most importantly, we've worked with private and not-for-profit groups, for single facility and multi-facility providers, for the regulators and the health services with which the system is linked. It's given us a high level of insight and therefore confidence in providing the advice contained within this document.

We believe in this sector. We believe in its current success and its potential to be even better, with the right regulatory framework.

## 3 IMPACTS

As stated by the Productivity Commission, the draft recommendations have been developed to promote the independence and wellness of older Australians by building an aged care system driven by consumer choice, and one that is easy to navigate.

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***But the impact of change is never homogenous. It is as varied as the stakeholders it affects. We believe there is significant short to medium term risk – to providers, residents and families, communities and the government - in the changes proposed by the Productivity Commission. These need to be acknowledged and contingencies proposed to support the transition.***

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### 3.1 Impact of competition

Competition will also drive consolidation. It is likely single facility providers will struggle to match the marketing muscle of major groups. This is a concern as many are specialists in key care areas such as dementia. They also have valuable local connections and proud legacies which community members will feel strongly about keeping.

More choice for prospective residents means competition between aged care facilities will increase significantly. Many smaller, independent aged care facilities do not have the necessary resources to effectively market facilities compared with larger aged care organisations that have their own marketing departments. This raises questions as to the viability of the smaller providers – will they be able to adjust to the new competitive environment in time?

By allowing accommodation bonds for all levels of care and removing restrictions on the number of community care packages and bed licences, both small and large providers will be able to better respond to the demands of the community and provide services most needed, in contrast to providing only low care – and, in some cases, extra services to generate capital.

Although this presents opportunities for all providers, how will prospective residents be aware of the services available by smaller providers if they cannot be effectively communicated to those that need them?

Smaller providers also cannot take advantage of economies of scale. If accommodation payments are adjusted to reflect the cost of supply, higher accommodation bonds may have to be charged at smaller providers for the same services offered at larger, neighbouring facilities.

Marketing is one particular business function that benefits significantly from economies of scale. The cost per bed/facility decreases as, for example, marketing is centralised, productivity increases, buying power for advertising increases, and expert agency support is more accessible.

Again this raises the question whether the smaller, independent aged care facilities will be able to survive a relatively free aged care market.

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***The sector is pro-choice and pro-performance, and we are not advocating for protection of underperforming providers. We are identifying a risk that, in some cases, could have profoundly negative impacts on residents and communities when good providers fail.***

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Ellis Jones works in the Werribee LGA, an area in which major not-for-profit providers, major for-profit, publicly listed providers and small community providers are already competing to maintain occupancy levels. Some of the smaller providers have been in the community for over 30 years and have, so far, adapted effectively to the changes in the sector. These single facility providers have very strong ties to local community groups and healthcare providers, and they are achieving small innovations that greatly improve resident quality life at an individual level.

### 3.2 Impact of choice

With choice comes complexity. It is important to note, should these recommendations be implemented, families will need information and guidance – and they will expect it from providers first, government second. Many providers are not structured and resourced to cope with the expected influx of enquiries and concerns from existing and new residents and their families – particularly not-for-profit organisations.

#### 3.2.1 Prospective residents

The provision of aged care begins emotionally. The decisions made by families are complicated by the emotions they feel, often creating confusion and fear. Management of emotion and expectations is a hallmark of effective service.

We rely upon nurses and carers to manage the transition into aged care. This is just one aspect of their roles and one often unsupported with effective training.

Competency expectations are high in aged care considering the wages available and the base education requirements. Ellis Jones has worked in the area of organisational resilience, adapting models used in finance and legal sectors where pressure is often centred on individuals and employment types. In aged care, nurses and facility managers are expected to undertake a challenging scope of functions. Communication and tactical responsiveness often suffer as attention is focused on clinical and operational roles individuals feel are more important or which they feel more comfortable.

Interpersonal communication and emotional intelligence challenges are compounded by cultural difference due to ethnicity. Ellis Jones has clients for whom coping with cultural diversity among staff and residents is a significant cost and risk to the provision of care.

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***Add to this emotional, complex transaction the questions about choice of services and how the new aged care system works. In many cases, providers and their staff are simply not resourced or prepared.***

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#### 3.2.2 Existing residents

The initial implementation of the new system will, naturally, create questions for existing residents and their family members. The first people they will ask will be the nurse or carer at their aged care provider.

The Productivity Commission's recommendations to introduce an Australian Seniors Gateway Agency (ASGA) in order to make the aged care system easier to navigate and to be more efficient is likely to be welcomed by carers and prospective residents.

However, during the transition period, there will be a surge in enquiries with many family members, carers and prospective residents wondering how these changes will impact them. Most of these questions will be directed to local aged care facilities rather than ASGA.

Handled well, this influx of concerns will support the transition to a new aged care system. Handled badly it will reflect poorly on the provider, the sector, and, ultimately, the government. The media has a track record of imbalanced reporting of aged care: the image of a vulnerable older person under stress is just too good for unit sales. Providers have been historically unprepared for dealing with issues as they play out in local and mainstream media.

Before any of the key changes are implemented by government, providers must be provided with the training and tools to manage the transition.

### 3.3 Impact by initiative

The recommendation to set up the Australian Aged Care Regulation Commission (AACRC) is also a sound initiative. Working with aged care facilities and the Department of Health during accreditation failures, it was observed that the assessment team sent out to assist aged care providers regain full accreditation were not effectively communicating with the facility.

Although complaints will be handled independently from the Department of Health if the AACRC was implemented, communication issues will still present themselves, and it is up to the government to ensure they have resources in place to mitigate these issues.

## 4 FURTHER OPPORTUNITIES

### 4.1 *Fostering innovation*

We'd like to raise the prospect of innovation beyond market driven service differentiation, with specific reference to the role of the regulator.

Ellis Jones was fortunate to work with the Aged Care Standards & Accreditation Agency in 2009 on a national research project to understand the education consumption habits and perceptions of the Agency among aged care providers. The Agency has the dual role of auditor and educator, too often uncomfortable bedfellows when the initial intent of providing standards *and* support was actually very sound. At an individual, team and organisational level, people will perform better when there is a moderate level of positive stress, based on the emotional reward from achieving targets and building relationships. Auditing is important but it should have collaboration at its foundation. This is the subject of the 'next phase' capitalism model – Shared Value – where regulation encourages companies to pursue outcomes that benefit business and communities (*Harvard Business Review, January-February 2011, Edition 89*).

Encouragingly, during the research project we received positive feedback on the potential of the Agency to build on its knowledge sharing role to drive innovation in industry.

Progressive CEOs of large and smaller aged care providers pointed to the ability of the regulator to identify best practice across industry and share that knowledge in diverse ways. From hosting forums to the development of programs or technologies, the government can play a lead role in continuing improvement.

Technology should be utilised, ensuring those organisations that cannot afford to send staff to conferences and workshops, receive regular email communication with useful information and have the potential to listen to speakers online. The TED (ted.com) model is a without doubt the future of low cost, high impact education and needs to be considered by the regulator.

### 4.2 *Sector resilience and leveraging the power of social media*

At the 2010 Tri-State Conference in Mt Gambier, Rhod Ellis-Jones and Erica Edmands presented new model for building the resilience of aged care providers. It was based on knowledge gained in the finance and legal sectors where pressure is often focused on a particular role in the business, and usually a role critical to the effective (and safe) functioning of the organisation.

Called the Workforce Resilience Model, in aged care we showed how facility nurses, particularly facility managers, are expected to know and do much more than their training allows. Even those who have the training struggle to balance the many functions they are required to fulfil: nursing, people management, budgeting, customer service, conflict resolution, crisis and emergency management, etc. Getting the balance right is a result of understanding each individual's limitations, the knowledge and skill gaps of teams, the required investment in rating and personal development, and the technology required to build efficiencies and create visibility over operations for head office staff. The presentation is available here: [http://www.ellis-jones.com.au/wp-content/uploads/2010/06/ellis\\_jones-tristate-resilience\\_workplace\\_performance.pdf](http://www.ellis-jones.com.au/wp-content/uploads/2010/06/ellis_jones-tristate-resilience_workplace_performance.pdf)

One of the simple things the sector can do from a resilience and communication perspective is help people at pressure points in organisations talk to one another to:

- Get real time advice on a situation with which they are dealing.
- Foster the transmission of best practice across industry.
- Gain confidence they are not alone in the issues they are facing.

In many cases such discussions will not reduce the competitive position of providers but, rather, reduce staff turnover and, consequently, costs associated with backfilling roles and workcover compensation claims, and risk to employees, residents, the organisation and its stakeholders.

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***The most cost effective way to support cross-facility (within a business) or cross-sector communication is via the use of social media enabled technology such as i-Pads and i-Phones. The conversations can be tracked providing data for business improvement initiatives and broader sector research.***

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## 5 SOLUTIONS

### 5.1 Information kits and web based education materials

We recommend the production of information, tailored to diverse communities by considering language, education and access to digital channels. Information should include:

- Research to understand what information residents, families, providers and key community stakeholders are most likely to request and need.
- Visually compelling, easy-to-read information kits which feature info-graphics that transcend cultural and language barriers.
- Comparison sheets on what services are offered at what recommended price levels.
- Web-based video and Q&A forms to help families navigate what services best meet their needs.

### 5.2 Transition assistance

We strongly recommend the development of a training program and transition assistance package for single facilities and/or smaller providers. The assistance will prepare providers for expected queries from residents, families and the media. It will help them to identify risk and manage communication.

The program should be provided by an independent organisation with experience in advising aged care providers on communication risk and customer service.

### 5.3 Social network development

We expect a traditional communication campaign to be launched should any major reforms be adopted. At the outset and after the campaign executed, we recommend the consideration of social media and how it can be used to link people across industry building sector resilience and reducing the onus on the government to intervene.

### 5.4 Program pilots

The government should consider piloting reforms, facilitating the efficient collation of feedback and data from providers and changes are implemented. Again, social media and web based tools are the best option for achieving this. Collaboration should be at the foundation of policy change and the government must invest resources in development of a collaborative framework for engaging the sector.

In our experience, targeting a well defined audience segment using social media and interactive web experiences affords an organisation, such as government, the opportunity to:

- Gather data for use in program development/improvement.
- Monitor and mitigate implementation risks.
- Demonstrate a commitment to meaningful engagement with the sector, there by setting a foundation for collaboration into the future.
- Pose solutions for feedback before implementation.
- Gain answers to questions that may never have been asked if a survey-based approach was taken.

### 5.5 Gateway Agency and Regulation Commission

The ASGA will be an important destination to which providers can refer residents and families. Sufficient human resourcing is vital if the ASGA and AACRC are to cope with an influx of enquires as changes are implemented. A failure to handle enquires effectively and efficiently will cause confusion and frustration with future and current residents, family members and aged care employees.

Core tools will include

- Interactive web portal.
- Information hotline.
- e-newsletter (segmented by interest group) to keep people informed as reforms are undertaken and policies/programs are refined in response to feedback from the sector.