

NewDirection Care Submission to 2025 Progress Report on Implementation of Aged Care Royal Commission Recommendations

NewDirection Care welcomes the opportunity to provide input into the Inspector-General's 2025 progress report on the Australian Government's implementation of the Aged Care Royal Commission recommendations.

In the past 12 months, there has been significant change in the aged care sector, most significantly the delivery and passing of the new *Aged Care Act 2024*.

NewDirection Care supports the efforts of the Inspector-General to evaluate the effectiveness of reform through this submission process and remains at the Inspector-General's disposal to further discuss the contents of this submission.

NewDirection Care is an innovative provider of aged care, with a direct interest in the care economy more broadly. Our approach to care starts with the individual – ensuring they receive the services and support they need, to live the life they want to.

The Royal Commission recommended significant change across a range of components of the sector. As a provider who has approached aged care from a different lens to many more traditional providers, we consider NewDirection Care particularly well placed to offer insight into the way changes are implemented across the sector to modernise Australian aged care.

NewDirection Care considers the primary challenges in reform are three-fold:

- Sustainable delivery of care must meet the needs of the community it serves, as well as the system and the workforce – to do this, providers must be empowered to innovate.
- While we are advancing the approach to individualised care, we are not advancing our approach to recognising the individuality of providers.
- Consultation could better bring consumers and providers along the journey.

Reflections on Progress: Centralising Innovation

The Royal Commission into Aged Care Quality and Safety Final Report clearly identified innovation as a systemic issue that must be addressed to reform the sector and deliver the kind of aged care that Australians deserve. Innovation was mentioned 61 times across 340 pages in the Final Report: Summary & Recommendations.

Despite this, the *Aged Care Act 2024* provides no clear strategy on how innovation will be promoted, supported, or integrated into the system. The Bill – the forum through which transformative recommendations of the Royal Commission are supposed to be driven – mentions innovation only 4 times across 574 pages.

The aged care sector is riding significant waves of change, consultation, and is adapting ways of working to meet an evolving system. These are important changes, but require live change, on multiple fronts, in practice and service delivery.

Providers must be empowered to think and deliver care in an innovative way to ensure that reform is delivering the kind of change envisaged.

NewDirection Care considers that central to this, is an ongoing concentration on the elevation of innovation in aged care. While the opportunity has been missed to cement this in the legislation, it remains possible to seed innovation in practice moving forward. Without it, we risk continuing a cycle of reactive adjustments and missed opportunities that have plagued aged care reform for decades.

Innovation in aged care must strike a delicate balance between risk and safety, and it is essential to build a system where innovation can flourish alongside the highest standards of care. The establishment of an

independent Aged Care Innovation Hub would support this by creating a body focused solely on identifying, validating, and scaling innovative ideas across the sector, relieving the ACQSC of the impossible task of both enforcing safety and driving creative change.

Additionally, a system that fosters innovation must be paired with incentives that motivate providers to embrace novel ideas and solutions. Incentivising moves towards better models of care will expedite the transformation in the sector by making it appealing for providers to embrace change. It will also contribute to the development of modern facilities that better serve Australia's ageing population.

If we want to see lasting change and the creation of a more sustainable and better aged care system, we must ensure that fertile ground exists for new ideas to be safely tested, implemented and evaluated by individual providers. The next step of this is to better enable translation – so that when good outcomes are delivered, there benefit can be shared more broadly across the sector.

The story of the NewDirection Care MICRO TOWN® model story shows why innovation cannot be reduced to iterative efficiency gains or technological upgrades. Our model represents a complete recalibration of aged care, and in look, feel and practice operates very different to traditional aged care models. This change was not the outcome of continuous improvement, it was an innovative idea that completely reinvented what aged care could be.

Innovation is not linear. If flexibility and adaptability is not accommodated, we risk stagnating the system.

The Royal Commissioners called for a paradigm shift in aged care - a fundamental change in approach. Current reform is moving in the right direction, but it needs allow room for fundamentally transformational approaches, not just incremental adjustments.

Individuality of providers

It is indisputable that the Royal Commission exposed the poor state of the system in many areas, and there has been an understandable 'redirection' to put in place safety nets and boundaries, to lift quality of care that was not satisfactory.

While NewDirection Care acknowledges the importance of these standardised boundaries to protect quality care, the implementation has had faults. The aged care sector is vast and complicated, but the current regulatory framework has put in place prescriptive measures that do not accommodate the different ways that care can be provided. For aged care to become truly rights and individuals based, the system must look at quality of life and needs of residents first.

The NewDirection Care MICRO TOWN® model focuses first on individual needs and meets those needs with a large array of service provisions delivered as, when and how residents require. While this includes registered nurse care, it also considers a wide variety of allied health, as well as general home and wellbeing support.

The care minute requirement is important, but it is strict and prescriptive and does not accommodate the fact that a modern aged care system will have 'exceptions to the rule'. Delivering care in a different way doesn't mean delivering care poorly. We need to reach a place of regulation with appropriate flexibility that protects consumers without stymying providers' ability to deliver tailored care and services. In setting this guidance there needs to be a mechanism or sandbox for those organisations who don't fit the mould.

Additionally, the increased data, reporting, and analysis required in this new framework places a significant burden on providers, which, we would argue, does little in the way of improvements in care. There is complexity in the different systems and often challenges with interoperability. This means staff need to know about them, be trained in how to use them, and then integrate them into daily tasks. It is not hard to see how that can become a diversion from delivering care.

With a system that focuses compliance and regulation on fault, rather strengths and benefits, issues within industry are often compounded. An emphasis on safety is of course important, but it should not be singular. Too narrow a focus does not improve systems.

A rights-based system must be fundamentally based on individual need, interest and care. For some individuals, that means a percentage of care delivered by a registered nurse – in line with their care requirements. For others it means care delivered by a dietician, a nurse and a physiotherapist. For others it may be a mental health professional before anything else. Too prescriptive an approach risks the creation of a tick-box mentality from providers, which will not deliver the improvement in care we need.

Consultation in reform

It is important that industry is actively and comprehensively involved in consultation processes to flesh out the detail of the Aged Care Act implementation. This is critical to ensure reform actually works to achieve its ambitions, rather than deliver a range of measures that appear well founded but are not feasible in practice and only serve to make the current situation worse.

In our interactions with individuals and families, there has been very limited awareness of the consultation processes that have been underway in recent years. Levels of awareness appear to be driven far more by providers informing residents and families. Their priority – quite reasonably - is on what care and support they are receiving. Their engagement also seems to rely far more on complaints and issues they are facing, rather than asking 'how their needs are being met' or 'what great care looks like for them'.

We acknowledge the challenge the government faces in balancing the need to consult widely with the need to enact change. The systems and interactions are complex. There is no silver bullet but what we would like to see is a shift to more collaboration through consultation and implementation, rather than seeing the two as distinct or separate parts of the process.

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Background on NewDirection Care

NewDirection Care (NDC) is pioneering the future of aged care, one where individuals are supported to enjoy a normal life within a community that truly feels like home. Providing people the independence they want; with the support they need.

As normal a life as possible® in a community Where the Freedom of home follows you®

NDC has reinvented aged care, transforming it to truly support the individual. No matter what your diagnosis or support needs are, this is a place where everyone is empowered to live in a real home, in a real community with complete freedom to continue living the life they know and love. This is unlike anything else in the entire world – a proudly Australian innovation!

The MICRO TOWN® Difference

NewDirection Care Bellmere is a small-scale, self-contained community designed to cater to the specific needs of people living with various support needs. The MICRO TOWN® includes 17 'small-houses', each of which can accommodate up to seven residents (7 bedrooms with an ensuite).

Each home includes its own kitchen, dining area, lounge, and outdoor space. The households are designed to be familiar and comfortable, with decor and furnishings that reflect the interests and preferences of the residents. Careful selection is considered when admitting new residents into the community, with potential

residents completing a Lifestyle Values Survey, to facilitate resident house placement, aiming to place 'like with like', fostering relationships and a sense of community.

Integrating Care and Design Models

NDC's approach to living is centered around creating a sense of community and connection among residents, staff, families and visitors. To do this, the MICRO TOWN® also offers a range of daily activities and programs that are designed to promote social interaction, cognitive stimulation, and physical activity. This includes a town centre, which contains a corner store, neighborhood café, craft room, hairdresser, barber, movie theatre, music room and a Wellness Centre with a fully equipped gym, spa, massage room, consult rooms and dental studio. These services are intentionally made accessible to the broader community who blend into daily life when visiting the MICRO TOWN®, increasing opportunities for planned and incidental interaction for both residential aged care residents, members of the broader community, and other service users.

The Workforce

The NDC multi-disciplinary team includes a unique role – the House Companion™ Support Worker, who works within the home with all residents to ensure that the house runs smoothly. This is supplemented by Registered Nurses and House Companion™ Liaison Nurses (Enrolled Nurse) who are further supported by comprehensive medical and allied health professionals including on-staff Physiotherapists, Occupational therapists, therapy support staff and contracted GP's, Dietitians, Podiatrists, Audiologists and others.

Freedom of choice is fundamental to the MICRO TOWN® model, residents have the autonomy to shape their daily routines, living with the independence and dignity they deserve but with the confidence of knowing that necessary support systems are in place to support everyone. Empowering residents to be as self-sufficient as one might be in a community anywhere in Australia but with the underlying mechanisms of support needed.

Outcomes Achieved



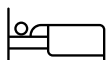
Occupancy of 96% exceeds industry means for profitability, and has lower average wage costs for direct care services.



An **average per resident of 224 direct care minutes**, including from House Companion™ Support Worker, Registered Nurses, House Companion™ Liaison Nurses (Enrolled Nurse), Physio/OT and other allied health support care. This is against the current average of 199 direct care minutes across Australia (Dec 2023)



Direct care efficiency premium of 19.6% compared to the industry standard



An **average stay of over 39 months** means NDC residents live in the MICRO TOWN® on average for over 75% more time than all residents across Australia.



20% of residents experience improvement in function within 8-12 weeks of moving in, while **90% of residents at least maintain** their functional mobility status during the same period. This is a vast improvement over the more common experience of residents moving into residential aged care who typically experience a rapid decline in their functional ability from their date of admission and within 2 years their functional capacity has reduced by 56% on average.



The NDC model contributes to a greater quality of life and happier residents. In traditional aged care settings it is estimated that 50% of residents have diagnosed depression. Bellmere has a 36% lower incidence/demonstration, despite having a significantly higher proportion of residents at risk



It is a long recognised preference for older people to die at home. This outcome is only delivered to 22% of Australians receiving palliative care nationally, while **98% of Bellmere residents** are able to die at home, surrounded by loved ones, other residents and members of staff who know them.