

TRANSITION ISSUES ISSUES PAPER

The terms of reference to the Productivity Commission specifically ask the Commonwealth to identify paths for moving to a new system. The need to maintain continuity of care, and to allow adequate time for the sector to adjust are mentioned explicitly, as is the need to account for the Australian Government's medium-term fiscal strategy.

The identification and development of transition paths should take into account:

- The magnitude of proposed reforms and the extent to which they require adjustment in the sector
- The desirability of including arrangements to facilitate adjustment, such as 'grandfathering', phasing and risk mitigating mechanisms as part of any transition pathway.
- The sequencing and timing of changes to existing regulatory and funding settings.
- The extent to which a reform cuts across jurisdictions and/or programs, and therefore requires 'buy in' from a range of key players.
- The implications of the Australian Government's medium term fiscal strategy for any reform package.
- The consistency of reforms with related development in other sectors, such as health care, disability and housing.

Questions:

- What lessons should the Commission draw from previous reforms of aged care systems (Australia and overseas) to minimize adjustment costs faced by older Australians and their carers, providers, aged care workers and governments moving to a new system?
- What would be the desirable timing and sequencing of transitional arrangements. Including any changes to existing regulatory and funding settings and on alternative or additional mechanisms that may be required to facilitate a smooth adoption of a new aged care system?