GOVERNMENT OF WESTERN AUSTRALIA

PEEL Development Commission

CITY OF MANDURAH

ariia Aged Care Research & Industry Innovation Australia

WA Aged Care Training and Workforce Centre of Innovation

BUSINESS CASE

JULY 2024

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This document has been endorsed as follows:		
Endorsed by		
Signed: 		16/8/2024
Name	Reuben Jacob	
Position	Chief Executive Officer - ARIIA	
Approved by		
Signed: 		14/8/2024
Name	Casey Mihovilovich	
Position	Chief Executive Officer – City of Mandurah	
Approved by		
Signed: 		28/8/2024
Name	Adrian Parker	
Position	A/Chief Executive Officer - Peel Development Commission	

CONTACT OFFICER

Name/Title	Email	Phone
Natalie Lees	Natalie.lees@peel.wa.gov.au	0432602984

Abbreviations

Abbreviation	Description
ARIIA	Aged Care Research & Industry Innovation Australia
CALD	Culturally and Linguistically Diverse
CHSP	Commonwealth Home Support Program
CQI	Continuous Quality Improvement
COI	WA Aged Care Training and Workforce Centre of Innovation
COM	City of Mandurah
DSW	Direct Support Worker
ED	Emergency Department
EN	Enrolled Nurse
FMA	Faircloth McNair and Associates
HCP	Home Care Packages
LGBTQI	Lesbian, Gay, Bi-Sexual, Transgender, Queer and Intersex
LOS	Length of Stay
M&E	Measurement and Evaluation Framework
PDC	Peel Development Commission
PP	Per Person
RAC	Residential Aged Care
RTO	Registered Training Organisation
RN	Registered Nurse
TAFE	Technical and Further Education
SIS	State infrastructure strategy - foundations for a stronger tomorrow
STRC	Short Term Restorative Care
VET	Vocational Education & Training (including TAFE & RTOs)

List of Appendices

The appendices are included in a separate volume from the Business Case.

Appendix 1 – Needs Analysis

Appendix 2 – Feasibility Study

Appendix 3 – Cost Benefit Analysis

Appendix 4 – Risk Analysis

Appendix 5 – Financial Analysis Assumptions

Appendix 6 - Consultations

Appendix 7 – Letters of support:

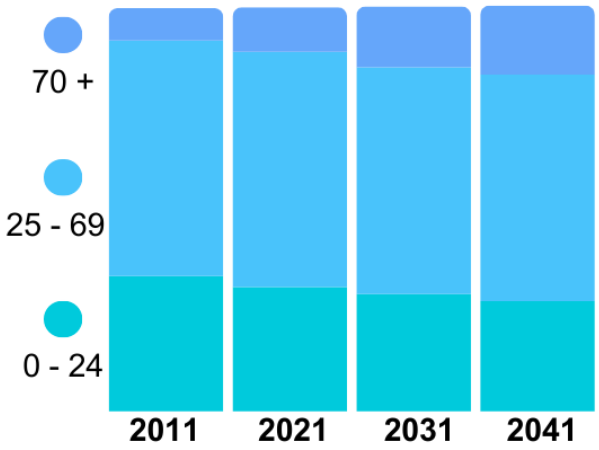
- Amana Living
- ARIIA
- In Casa Aged Care
- Coolibah Care
- Murdoch University
- Quambie Park
- Regional Development Australia – Peel
- Umbrella Multicultural Community Care
- Chorus
- South Metro TAFE

Proposal at a Glance

Problem

- The ageing population is driving unprecedented demand for health services.
- 11,323 aged care beds and 24,836 workers required across WA by 2031.
- Workforce shortages contribute to a lack of growth and investment in aged care facilities.
- Inadequate worker skills limit the level of care provided in the home setting, causing avoidable presentations to Emergency Departments.
- Long-stay patients are a result of a failing aged care sector, costing the State government $2,370 per person/night.

Changing Age Structure



WA Tomorrow population projections

Recommendation

The solution to establish a **WA Aged Care Training and Workforce Centre of Innovation** (COI) is the result of 12 months of consultation with the aged care sector. The solution is supported by a Needs Analysis and Feasibility Study where stakeholders contributed to identifying the problem and collectively designing the solution. The COI is an industry-led initiative which will develop and implement evidence based solutions to address the training and workforce issues currently restraining the sector, with the aim to build a skilled workforce to meet the current and future demand. It is proposed the COI is implemented in Mandurah by Aged Care Research and Industry Innovation Australia (ARIIA) an independent, NFP organisation established in 2021.

Investment Request

$20.8 million over 5 years;

- Establish within existing infrastructure (no capital works)
- Employ 9.5 FTE staff
- $6.5m granting funds to support industry to implement innovative projects

Activities

- Foster **collaboration** between government, industry & education to solve training and workforce problems.
- Best-practice **knowledge sharing** and targeted research projects with partner universities.
- Assist industry to implement **innovative pilot projects** which can be scaled state-wide.
- Industry led **curriculum design & advocacy**.
- **Workforce** attraction and retention strategies.
- **Proactive** and preventable **health strategies**.

Return on Investment

$6.77 billion social and economic benefits over 15 years
Cost Benefit ratio = **3.78**

Support in the employment and related training of 9,016 workers

Reduced pressure on hospitals with reduced ED presentations and long-stay patients

Longer length of stay at home and improved quality of life

An aged care workforce of sufficient size and skill to meet the demand of an ageing population

CONTENTS

1 EXECUTIVE SUMMARY

1.1 Recommended Solution

The ageing population is driving unprecedented demand for health services with the sector already experiencing the pressure of workforce shortages. A recent Needs Analysis (attached Appendix 1) highlighted by 2031 the sector will require 24,836 aged care workers. To address this, it is recommended to establish a Western Australian Aged Care Training and Workforce Centre of Innovation (COI) that leverages and facilitates the coordinated use of the skills, knowledge, creativity, and innovation of the collaborators. The COI will address the training and workforce issues currently restraining the sector, with the aim to build a skilled workforce which will meet the current and future demand for aged care in a timely manner.

Each participating stakeholder, including older people and carers, has valuable knowledge, skills, expertise, creativity and capacity to solve the problem. To bring these different contributions together effectively and ensure meaningful change, a collaborative, well-resourced and a coordinated approach is needed. The COI will serve as an effective vehicle to facilitate this collaboration and coordinated actions and innovation.

This business case supports the request to the WA Government to invest $20.8M over 5 years to establish the WA Aged Care Training and Workforce Centre of Innovation in Mandurah. The COI will leverage existing infrastructure which will allow funds to be directed to start-up costs (office fit-out and equipment), employing 9.5 FTE staff, operational costs (rent, insurance, office expenses etc), and $6.5 million of granting funds. The granting funds will support industry to implement innovative projects.

The case for government intervention is further supported by the Needs Analysis, Feasibility Study and the Cost-Benefit Analysis (Appendices 1, 2 and 3 respectively). The COI activities will focus on translating and embedding national and international best practice, research, and innovation in aged care training, workforce development and service delivery by:

- Facilitate, resource, coordinate and formalise collaborations across industries[1] and the aged care sector[2].
- Provide access to comprehensive best practice research facilitated by ARIIA and other contributing experts to encourage co-designed industry initiatives.
- Manage and resource coordinated initiatives and innovations co-designed by the collaborative partners including consumers and delivered through prototypes that are evaluated and improved prior to scaling up state-wide application.
- Coordinated cross-government collaboration, advocacy, planning and guidance.
- Conduct discrete research and planning/forecasting in collaboration with the partnering industries.

[1] Across Industries: Aged Care University, VET, Recruitment, Technology, Local Government, Peak Bodies (consumer and provider).
[2] Cross-Sector – All aged care services regardless of the setting or specialist focus.

- Design targeted training, micro-credentials, professional development and competency assessments.

The COI will be based in Mandurah to leverage the considerable work and cross-industry collaboration which has already been established. This location offers a distinct advantage for rapid start-up and provides unique opportunities to test and refine solutions and innovations. Mandurah's unique features include a single health campus to measure immediate impact, a mix of rural and urban areas in the surrounding Peel region, a large percentage of residents aged over 65, and higher unemployment.

The leadership of the COI will be provided by the proponent of this Business Case - Aged Care Research and Industry Innovation Australia (ARIIA). ARIIA is an independent, not for profit organisation which was established in 2021 to lead the advancement of the aged care workforce capability by promoting and facilitating innovation and research to improve the quality of aged care.

ARIIA's initiatives include incubators, grants, programs, events, and an online knowledge hub that provides trustworthy information for aged care workers, service providers, older Australians, and their families. The establish of the COI, under ARIIA's management and governance will enable place-based solutions to be developed, implemented and evaluated in Mandurah, in collaboration with industry partners.

1.2 Why it is required

Aged care services are struggling to keep up with the rising demand driven by a rapidly growing population of people aged 85 and older (projected to increase by 179% from 2021 to 2041). A significant factor limiting service growth is the widespread workforce shortage across all occupations. This shortage will worsen as the proportion of working-age individuals in Western Australia decreases over the forecast period.

The skills and training of the workforce are crucial for the capacity of WA aged care providers to support older people, both in the community and residential settings. Inadequate worker training and skills reduce the level of care and support they can provide, and as a result, contribute to unnecessary emergency department visits and hospital admissions. Furthermore, the workforce shortages have contributed to limited growth in aged care services, which impede safe hospital discharges, and are causing an increase in long-stay patients.

The lack of skilled workers also affects the ability to care for older people with complex needs in the community, despite the clear preference of older individuals to remain at home, which benefits their health and well-being. Improving aged care worker skills will enable a longer length of stay in the community, which will significantly reduce the overall workforce demand as staffing ratios are reduced.

The issues driving demand and restraining growth are estimated to continue to increase beyond 2041 (Figure 2 and Figure 2).

Figure 1 Changing Age Structure

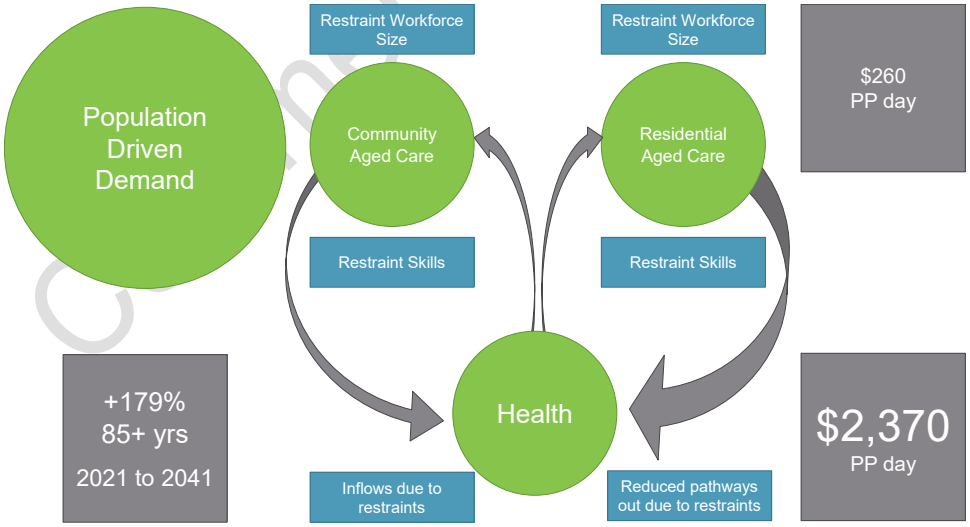
ABS Census 2011 & 2022

2031 projection WA Tomorrow # 11 (2019)

2031, 2041, 2051 ABS medium series (2023) population projections

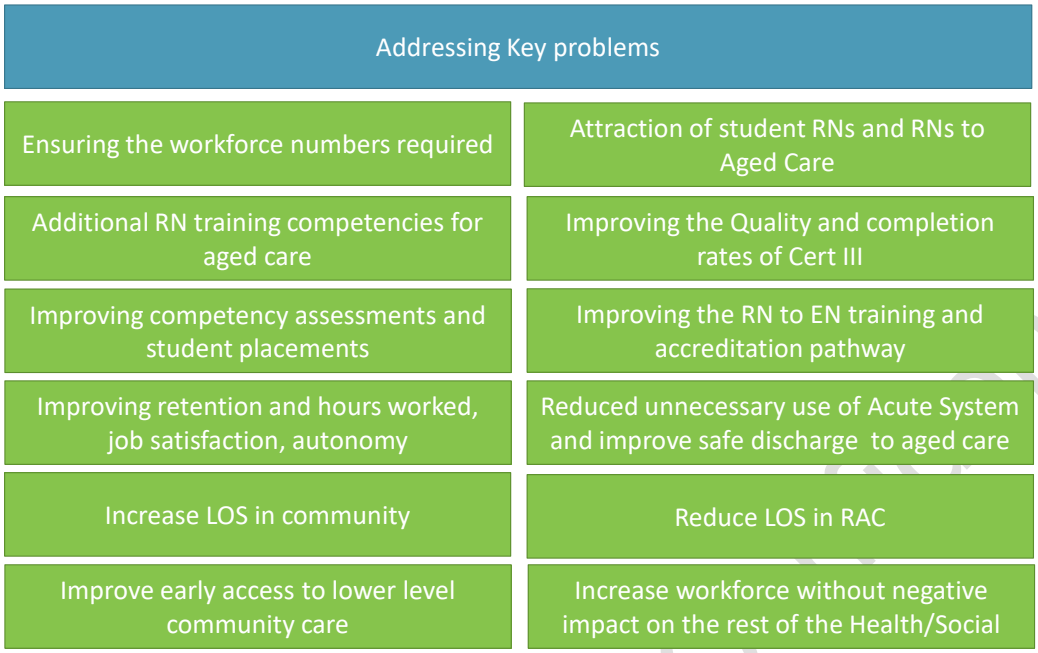
Figure 2 demonstrates how failures in the aged care system contribute to unnecessary strain on the health system. Consultations with the Peel Health Campus reveal that the Campus is significantly affected by the lack of safe and suitable discharge options for older patients who no longer need hospital care. This issue is also highlighted in the WA Auditor General's report 'Management of Long Stay Patients in Public Hospitals 2022/23', which identifies a cost of $2,370 per night in hospital, compared to the average Home Care Package (HCP) cost of $93.00 per night or $260 per night for Residential Aged Care (RAC). The widening gap between service demand and the available workforce could overwhelm the WA Health system without immediate action.

Figure 2: An example of the multifaceted impact of not solving the problem



Stakeholder consultations, literature research and data analysis have supported the identification of key issues to be solved (Figure 3).

Figure 3: Key problems identified by stakeholders



1.3 Implications if not done now;

As seen in Figure 1, the significant growth in the population aged 70 and older, coupled with a reduction in the working age population structure, underscores the urgent need for a solution to support the capacity of aged care services.

The Needs Analysis exposed that 24,836 aged care workers will be required by 2031 in WA to meet demand. The State government is already facing escalating health costs due to an increased demand for services which the workforce is insufficient to meet, and this workforce gap only widens the longer nothing is done to address the issue. Without a coordinated strategy to develop the aged care workforce, the problems currently facing the industry will escalate exponentially.

Additionally, the quality of the aged care workforce and the system's limited capacity are leading to increased and unnecessary use of emergency departments and extended hospital stays, which are significantly more costly than residential aged care.

The evidence of the failing aged care system is already clear in the lack of investment into new residential aged care in WA, and an increase in long-stay hospital patients. Further implications of doing nothing for the State government are:

- Reduced length and quality of life of older Western Australians.
- Increased family carer stress and reduced social and economic participation.
- Increased dependency on government services.
- An overwhelmed and dysfunctional health system.
- A cost shift from the Commonwealth's aged care system to WA government health system.
- Political consequences of these failures.

We assert that the State government's support in funding and advocating for this industry-led, cross-sector initiative is crucial to mitigating the significant and nearly certain risks we face. The effectiveness of this project, coupled with its relatively modest investment, will prevent unnecessary and exceedingly high costs and consequences from being incurred by the WA government and the people of Western Australia.

1.4 The primary benefits to Government of the proposal;

WA based economists Pracsys undertook a cost and benefit analysis (appendix 3) demonstrating that the recommended investment option ($20.8 M) has a present value benefit as detailed Table 1. The Cost Benefit ratio at 7% discount for the recommended option is 3.78.

Table 1: Present Value Benefit Summary Option 2 (over 15 years at 7% discount rate)

Benefits	Option 2 ($)
Reduced pressure on Hospitals	940,424,335
Reduced Informal Care	1,056,131.534
Development of Facilities Sooner	1,101,066,509
Reduced Wait for Aged Care	500,265,505
Increased Quality of Life	3,045,432,054
Increased Skill of Workforce	128,095,593
Total	**6,771,415,529**

Source: Pracsys 2024

The focus of the COI is to ensure a workforce of sufficient size (in the required occupations) and skills that will support longer stays in the community and reduce the unnecessary or avoidable use of the health system. Based on an investment of $20.8 M it is estimated the COI will support in the employment and related training of an additional 9,016 aged care workers (the gap between trend growth and demand) by 2034.

1.5 Key risks to delivery;

A comprehensive risk assessment (COI Risk Management Plan appendix 4) has been undertaken and mitigation and control strategies have been developed in response. The key risk categories identified in the Risk Assessment are detailed in the table.

Table 2: Risk Management Plan Risk Categories

Risk Category	
Governance Failures	Stakeholders Disengage
Proponent Organisation Failures	Cross-Industry Disengagement

Government fail to engage	Funding
Aboriginal Disengagement	Diverse Persons Organisations Disengagement
Lived Experience fail to engage	COI Employment
Project Component Failure	Duplication of research and initiatives
Design and practices are not fit for purpose	Intellectual property
COI outcomes and Impacts are not achieved	Reputation

1.6 Readiness to progress to the next stage of delivery

Comprehensive work in developing cross-industry and cross-sector collaborations to identify problems and solutions has been led by PDC and COM over the past 18 months. This has resulted in the industry partners being ready to participate in the activities and initiatives of the COI supported by expertise and leadership of ARIIA as soon as the investment is provided.

ARIIA is committed to lead the COI on behalf of industry partners and has established governance, policies, and procedures in place which will enable swift establishment in Mandurah. The proposed COI aligns with ARIIA's mission and presents an opportunity to translate its learnings from around the country to Mandurah and the Peel region allowing for a national best practice model to be developed in Mandurah. The COI will leverage existing infrastructure for operations and therefore will not be delayed by construction.

2 PROJECT PURPOSE

2.1 Introduction

The Proposal

This Business Case further supports the research detailed in the Needs Analysis and Feasibility Study (Appendix 1 and 2), to establish a Western Australian Aged Care Training and Workforce Centre of Innovation in Mandurah.

The proposed Centre of Innovation would leverage and facilitate the coordinated use of the skills, knowledge, creativity, and innovation of the industry stakeholders who have helped design it. The COI will have four focus areas: 1) Innovation, 2) Training, 3) Workforce, and 3) Meaningful Ageing. The COI, led by industry, will develop and implement evidence-based solutions to address the training and workforce issues currently restraining the sector, with the aim to build a skilled workforce to meet the current and future demand.

The project has extraordinary support from aged care providers, peak bodies, training organisations and other government bodies who willingly contributed to several consultations, workshops, and reference groups meetings which resulted in the development of this Business Case. The Peel Development Commission and the City of Mandurah have initiated, led, and funded the project, gaining significant knowledge about the problem and potential solutions. They are committed to an ongoing role in the COI, ensuring sustained leadership and funding. Mandurah's location offers a distinct advantage to test and refine solutions and innovations, with its higher proportion of persons over 65 years and single hospital to measure reduced health system pressures.

The WA government's support for the proposal has the opportunity to position Western Australia as a leader in aged care innovation. The relatively modest investment of $20.8 million will prevent unnecessary and exceedingly high costs and consequences being incurred by the WA government and will return $6.77 billion in social and economic benefits and a Benefit Cost Ratio of 3.78 (7% disc. rate).

2.2 Proposal Background

The City of Mandurah (COM) is implementing the Transform Mandurah program - a disruptive program to support economic growth, diversification, and job creation as well as expand educational opportunities and quality of living options for residents.

Deloitte Access Economics was engaged by the COM to undertake economic analysis to support the identification of opportunities to pursue, challenges to address, and the actions that should be undertaken. The Transform Mandurah Economic Opportunities Report identified eight high-level opportunities for Mandurah's future economic development in the medium to long term which included building the capacity of the aged care workforce.

Key factors identified by Deloitte and COM include the following:

> 'Nearly 27 per cent of Australia's population (8.1 million people) are expected to be aged over 60 years by 2040, representing a rise of 46 per cent from 2020 – or 2.6 million more people. Locally, the Mandurah population aged 60 years and older is

forecast to reach 40,279 by 2036, representing 33% of the municipality's total resident population. The aged care (and health) industry is a major employer in many parts of Western Australia and in particular the Peel region, comprising a diverse workforce and making a significant contribution to the local economy. Aged care consumers are diverse in age, cultural background, support structures and often have complex health needs, managing multiple chronic conditions. This complexity is set to increase into the future with people living longer and often entering the in-home or residential care system later in life with increasingly high care needs.'

In response, the Peel Development Commission (PDC) and the COM have investigated the possibility of providing a leading role in building the capacity of the aged care workforce by working directly with industry to develop and implement innovation, future-proofed training and workforce initiatives to address significant forecast shortages of skilled labour in the aged care sector, initially within the region, leading to supporting the sector state-wide.

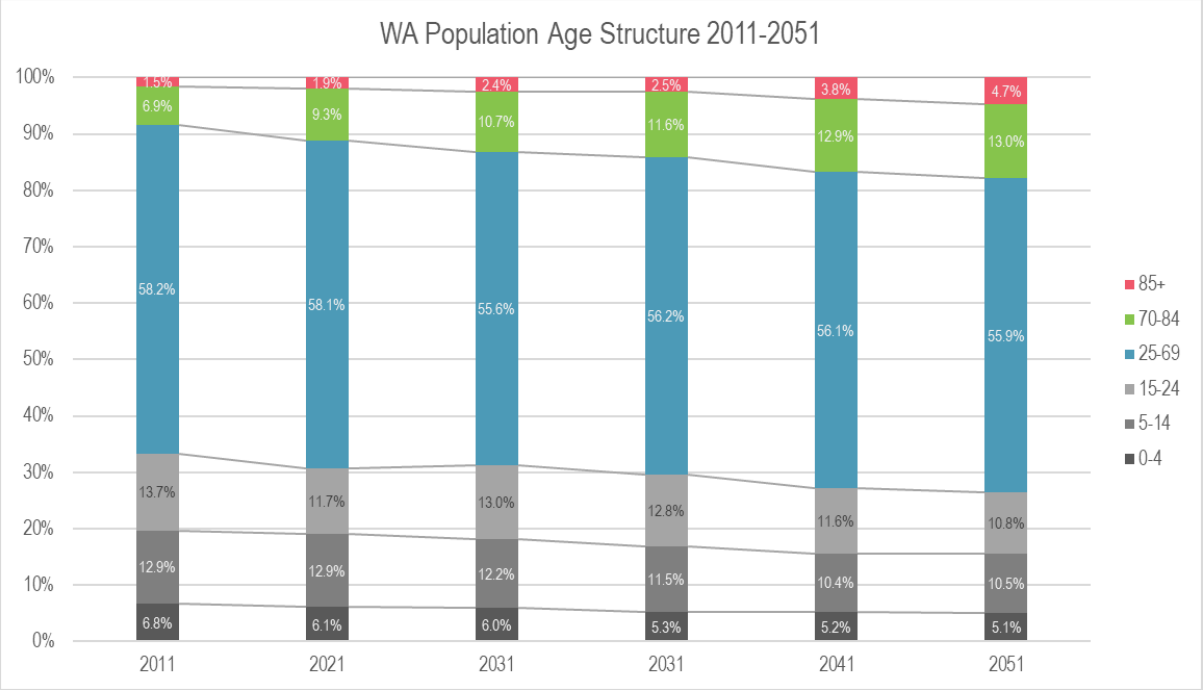
The need for and the feasibility of the Centre of Excellence (later described as the WA Aged Care Training and Workforce Centre of Innovation [COI]) has been established through the independently commissioned studies conducted by Faircloth McNair and Associates (FMA) that included a Cost Benefit Analysis conducted by Pracsys. The key findings from this work include:

- The Population of older people in WA will grow significantly between 2021 to 2031:
    - the 70+ population growth rate is estimated to be 46.8%
    - the 85+ population growth rate is estimated to be 60.4%
- Based on estimated benchmarks in 2031 and trend growth rates there will be a shortfall of 8,419 residential aged care places by 2031 (in 2021 there were 19,049 operational places in WA).
- There will be a need to employ new aged care workers to meet demand and replace retiring workers as follows:
    - RNs 3,579
    - ENs 1,843
    - Direct Support Workers 19,414
    - Total of these three occupations; 24,836
- Current shortages in residential and community aged care places is largely a product of workforce shortages.
- Investment in new residential aged care is restrained by workforce shortages including newly mandated RN to client ratios.
- The health system has unnecessary long stay patients who cannot be safely discharged due to a lack of available aged care places.
- The aged care industry, the VET sector, universities, recruiters and peak bodies are willing to work together in a Centre of Innovation to solve the problem.
- The Cost and Benefit Analysis demonstrates that a WA State Government Investment will return a benefit of $3.79 for every $1.00 invested.

The FMA reports demonstrated the significant and increasing impact of aged care workforce shortages. Their work also identified the challenges relating to lifting the skills of the workforce required to change practices focused supporting longer stays in the community and reduction on unnecessary use the hospital system through improved clinical care practices and skills in community and residential aged care.

In the data figure below FMA demonstrates that the demand for aged care services will continue grow. This will have an impact the WA economy and the demand for an aged care workforce well into the future. The demand requires strong and coherent cross industry and cross government cooperation and collaboration. Other than the NT, WA has the most significant structural change to the aged population over this time period. The most impactful in relation to the demand for aged care is the 85+ population.

Figure 4: WA population age structure 2011 to 2051



ABS Census 2011 & 2022

2031 projection WA Tomorrow # 11 (2019)

2031, 2041, 2051 ABS medium series (2023) population projections

2.3 Project Context

Agency Strategic Plan

This project is focused on multiple cross industry and cross-sector partners who have come together to solve a complex problem. The problem relates to a current and future shortfall in aged care workers and the quality of the workforce (qualifications, job readiness). This complex problem is impacting on the health and wellbeing of older Western Australian's now, and will do so into the future. There are also significant financial, social and political impacts for Government if the problem is not solved.

The three agencies with a leadership role are:

- Aged Care Research and Industry Innovation Australia (ARIIA) as the proponent that will develop and operationalise the Western Australian Aged Care Training and Workforce Centre of Innovation.
- Peel Development Commission as a commissioning agency for research, feasibility and business case and the intended funds holder on behalf of the WA Government.
- City of Mandurah as a commissioning agency for research, feasibility and business case.

The strategic alignment of this project and these three 'agencies' is detailed as:

PDC and COM (Commissioning Agencies) policy settings support the project

Transform Mandurah

COM's Transform Mandurah project seeks to deliver economic growth, diversification, and job creation as well as expand educational opportunities and quality of living options for residents.
Alignment

The COI will meet all of the objectives of Transform Mandurah

The People of Peel

The People of Peel project, Human Capital Roadmap. The project is designed to play a crucial role in understanding and harnessing the human capital within the Peel region.
Alignment

The COI will harness the human capital within the Peel Region.

Aged Care Research and Industry Innovation Australia (ARIIA) (Proponent)

The Project

The project (Needs Analysis and feasibility study) has supported PDC and COM to form a partnership with the Aged Care Research and Industry Innovation Australia (ARIIA). ARIIA is addressing critical sector needs, supporting government and professional commitments, and promoting collaboration and innovation. ARIIA's initiatives include incubators, grants, programs and events. The ARIIA website provides trustworthy information for aged care workers, service providers, older Australians, and their families.

The Commonwealth Government states "ARIIA is an industry-led, independent and not-for-profit organisation funded to increase the aged care workforce's capability and capacity to adopt and embed evidence-based practice across the

aged care sector. It will grow the use of products and technologies that improve aged care service delivery." [3]

ARIIA is a National Organisation funded by the Commonwealth with additional support financial and in-kind support from Flinders University, the SA Government other grants and philanthropy.

Alignment to Commonwealth's Strategy

The Strong recommendation of the Australian Government Department of Health and Aged Care was that the COI should collaborate with ARIIA to avoid duplication and to maximise the impact of the COI in its goal to address the quality of the workforce, significant workforce shortages and the implications of both.

This partnership between the COI and ARIIA therefore aligns the project with Commonwealth's broader workforce development and digital transformation strategies. The Department of Health and Aged Care strategy in funding ARIIA is also a means to facilitate improvement in WA that include:

- The quality of the workforce, to improve care with a significant outcome being the reduction of unnecessary hospitalisation and improved pathways out of hospital to aged care services.
- Increased uptake of technology to support and improve quality of care and create work efficiencies that positively impact the quantum of workers required.
- The translation of research into practice that addresses the quality of care, staff retention, attraction of new workers to the sector, up-skilling of the existing workforce, university and VET training practices and curriculum, workplace placements (community and residential), improving work readiness and improving skilled migration outcomes.

ARIIAs broader National goals and focus will be aided by the work of COI as it develops practices and innovation that is transformational. This may support an appetite for future funding support from the Commonwealth Department of Health and Aged Care.

WA Government Priorities

The project aligns with multiple government priorities that are summarised in the following section.

Sustainable Health Review. (2019) WA Government
The Project

[3] https://www.health.gov.au/our-work/aged-care-research-and-industry-innovation-australia-ariia; accessed 5/4/2024

The Project fully supports recommendation 14. The project provides a particular opportunity for this industry led COI to collaborate with the Department of Health to achieve the goal to transform the approach to caring for older people by implementing models of care to support independence at home and other appropriate settings, in partnership with consumers, providers, primary care and the Commonwealth.

Specific Alignment

The COI creates a practical cross-industry vehicle to achieve the implementation strategies in particular:

- Processes to enhance support for early assessment and access to health and support services for older people in their own home.
- The adoption of flexible approaches to ensuring there are enough residential aged care places to meet population needs.
- Planning and research that enables a better understanding of the implications of the ageing population and a vehicle that facilitates proactive and collective responses.
- Co-designing, trailing, evaluating and scaling up approaches that reduce social isolation and unplanned admissions to hospital (guided by the successful Compassionate Frome Project, UK).
- Collaboration with primary care initiatives that evaluate and spread secondary prevention models of care that maintains physical and cognitive function.

State Seniors Strategy 2023 – 2033 (WA Government)
The Project

The project compliments the strategy and provides the WA Government with an opportunity to further progress the strategy through this industry led innovation and its specific activities. The pillars of the strategy include: Thriving physically, mentally, and spiritually; Safe and friendly communities; Staying connected and engaged; and Having views that are heard.

Specific Alignment

The COI seeks to support and extend the capacity of older people to remain in the community for longer through improving/maintaining functional capacity; maintaining improved mental health and supporting older peoples valued role in family, culture and community. The COI will co-design with older people and their carers the methods used to achieve these outcomes and work with older people and their carers/family to improve and evaluate the outcomes of the COI initiatives. These activities therefore fully align with the strategy and provide the WA Government with a practical industry led response to achieve the goals.

The involvement of PDC and COM supports the WA Governments strategy for Local Government participation and leadership. The testing of the initiatives in

the Peel Region will act as exemplar for the adoption of the successful evidence based approaches across Local Governments state-wide.

Emergency Department (ED) Reforms (WA Government)

The Project

The project will be an enabler of the McGowan Government's ED (emergency department) reforms. The project will develop practical ways to address the prominent root causes of unnecessary use of emergency departments, hospital admissions and long stays of older people. The dimensions of the problem the reforms being addressed are discussed WA Auditor General's **Report into the Management of Long Stay Patients in Public Hospitals**. The project outcomes will directly make use of and align with these essential health reforms.

Specific Alignment

The project includes strategies that support the provision of more safe and suitable discharge pathways therefore addressing unnecessary discharge delays.

WA Dept of Training & Workforce Development Strategy 2023-2028

The Project

The project will deliver the technical and practical practices in training and the activities/practices required to ensure the quantum of workers required. In addition the project addresses the quantum of workers required in a coordinated manner with the other parts of the Health Care and Social Assistance Sector.

Specific Alignment

The project addresses how to ensure effective training and workforce strategies are aligned to emerging skill needs of WA's economy in relation to aged care; while widening access to learning, jobs and future careers. The project will specifically:

- Enable all Western Australians to easily choose and access training that leads to jobs and careers according to their aspirations.
- Lift the participation of First Nations People and under-represented groups in training and employment.
- Grow the supply of skilled workers to sustain our economy and community wellbeing.
- Partner with TAFE to support their delivery of contemporary learning experiences that meet student and employer needs.

State Training Plan 2023-24

The Project

The project has a particular focus on improving the skills of the aged care workforce which will include a range of initiatives such as: micro-credentials, lifting the portion of the Direct Support Workforce who have a qualification (currently less than 70%), improving work readiness of all professions, increasing allied health workforce particularly in restorative care/wellbeing and health maintenance, improving competency assessments and placement options and experiences.

Particular Alignment

The project directly aligns with:

- Priority 1 Advocating for Western Australian industry skills needs in National Skills Reform.
- Priority 4 Building regional workforce skills and capacity.
- The continuing initiatives and skills development strategies related to Social Assistance (the aged care workforce makes up significant part of the Social Assistance workforce) and Allied Health Workforce Strategy.

State Infrastructure Strategy (SIS): Foundations for a stronger tomorrow
The Project

The project aligns with selected elements of the SIS. It should be noted that this project seeks to facilitate the collaboration and immediate action of cross-sector partners to support significant social and economic benefits related to having a functional aged care system. A functional aged system achieved through this project will avoid the current trajectory that will lead to a comprehensive failure of the aged care system in WA, principally due to workforce shortages and the quality of care. The impact of this failure on the WA health system and WA treasury is already evident in the WA Auditor General's **Report into the Management of Long Stay Patients in Public Hospitals** and is also evidenced at the Peel Health Campus. This project, therefore, will reduce the requirement for additional infrastructure and financial resources that will be otherwise necessitated in the health system due current and future the failures of aged care system. The solution to reduce unnecessary reliance and use of the health system by older people is to ensure there is a workforce of sufficient size and quality in aged care.

Specific Alignment
Specific elements of the infrastructure strategy that are addressed through the project include:

SIS: Aboriginal and Torres Strait Islander People
The Project

- Will support the development of an aged care workforce across all required occupations, with the methods for doing so and the curriculum being co-designed with Aboriginal and Torres Strait Islander people - commencing in the Peel region.

Specific Alignment

- Progressively build capacity and capability of Aboriginal businesses by developing and implementing complementary and proactive measures that are Aboriginal-led where possible.
- Embed and support early, inclusive, genuine and culturally appropriate engagement with Traditional Owners and Custodians addressing all stages of the infrastructure lifecycle.

SIS: Regional Development
The Project

- Will anchor the COI activities in the Peel Region to develop, evaluate and improve initiatives with direct benefits for the Peel Health Campus. Successful evidence based initiatives will then be contextualised for scaling across other WA regions.
- Will support ARIIA to establish it's WA presence in Mandurah – Increasing implementation, innovation and research capacity in the region
- Will create an environment that supports residential aged care and related older persons' housing infrastructure development and employment in Peel.

Specific Alignment

The project aligns with goals of Regional Development strategy and embodies the statement "The WA Government, through DPIRD and the nine Regional Development Commissions, will continue to work with local government, state agencies and government trading enterprises to promote a coordinated approach to regional economic and social development, including progressing the development of a Regional Development Portfolio Plan."

SIS: Planning and Coordination
The Project

- Project development draws on cross-sector collaboration and coordination. The planning and coordination will enable the project to be delivered in a manner that maximises use of existing infrastructure. Commercial operation and scale of the sectors that the project engages with will be supported through building capacity of partners to contribute their unique skills and expertise in a coordinated and focused manner.
- In addition, project outcomes and methodology will result in health infrastructure being maximised for the benefit of the whole community through reducing unnecessary hospitalisation of older people and improving discharge pathways and capacity (community and residential).

Alignment

This project aligns with general principles of planning and coordination and addresses the statement “The WA Government has an ambitious economic development and decarbonisation agenda, which will require effective and efficient long-term planning and coordination across government agencies and with private sector proponents.”

SIS: Infrastructure Delivery
The Project

This project proposes a modest investment into cross-sector collaboration, innovation, co-design and broad sector scaling. The result of this approach is that through access to a skilled high quality workforce in the quantities required (across all professions) aged care providers will have increasing confidence to make the infrastructure investments required to deliver the residential aged care places required (at least $3.1b by 2031). This investment will otherwise be restrained.

Alignment

The project will deliver exceptional value for money or ‘best return on investment’ for the WA Government and the WA community by:

- Avoiding cost shifting – Commonwealth aged care system failures will translate to very high cost to the WA Health system (estimated 10 times higher per bed day).
- Avoiding unnecessary new health infrastructure generated by unnecessary entry into acute care by older people (from aged care settings) and a lack of appropriate discharge pathways to aged care settings.

SIS: Housing
The Project

The project will increase the aged care workforce and the quality of that workforce. These improvements will increase aged care provider viability and confidence in relation to planning and investment into older persons’ housing and potentially into key worker/student housing. Consultations demonstrate that providers have engaged in the project with new or renewed confidence to deliver student, key worker and older persons housing in the Peel Region if the project proceeds. State-wide capacity in the aged care system will trigger other housing development initiatives related to older people, key workers and students.

Alignment

The WA housing strategy is built on the recognition that housing infrastructure requires all levels of government, as well as the community, not-for-profit and private sectors, to work together to provide a balanced system that improves affordability and choice. This project will deliver on this strategy.

SIS: Health

The Project

This project addresses the root cause for a significant part of the unnecessary use of EDs and hospital admissions. It also addresses improved discharge pathways. This is particularly important given the current challenges regarding long-stay patients and forecasting that indicates that the ageing population and workforce shortages will further reduce the discharge options over the forecast period to 2031 and beyond without immediate and effective intervention.

Alignment

The project outcomes are aligned in the following key strategies

- Alleviate demand on hospitals and support budget sustainability.
- Increase investment in community-based services (however this will be though maximising Commonwealth aged care funding).
- Prioritise and fund digital technology initiatives identified in the WA – this will support improved telehealth initiatives in community and residential aged care (a focus of the COI).
- Co-invest in health and medical life sciences facilities, subject to business cases – ARIIA research and grant programs are likely to align and support the impact of this priority in relation to older people.

SIS: Education and Training

The Project

The project will not replicate the work of universities, TAFE and the private VET sector but work with the sector with clear goals that include:

- Improving industry work placement experiences and effectiveness.
- Improving competency assessments particularly in community aged care settings.
- Improving curriculum in line with industry requirements to be work ready: for RNs this will mean clinical leadership and team management; for all workers will mean improved dementia care and care related to mental health needs, restorative care and palliative care.
- Increasing the use of virtual technology and simulated aged care settings.
- Exposure to innovation particularly to the use of technology.

The project will undertake continual service mapping, demographic studies and workforce planning to ensure capacity is aligned to need.

Alignment

The project fully aligns to the strategy to plan for and invest in future skills and training.

Commonwealth Government Priorities

The project aligns with Commonwealth Government priorities that are summarised in the following section

National Strategy for the Care and Support Economy

The Project

The project aligns with and is an enabler to the Commonwealth's **National Strategy for the Care and Support Economy** that includes a focus on the aged care workforce. The project will translate increased skills, the translation of research into practice and the application of technology into improved quality outcomes and productivity gains. These quality and productivity gains will also be an enabler of job security, career pathways and improved wages.

Specific Alignment

The Care and Support Economy vision is for a sustainable and productive care and support economy that delivers quality care and support with decent jobs. This means:

- person-centred services that recognise those accessing care and support as individuals and deliver quality outcomes.
- secure, safe jobs with decent wages, conditions and opportunities for career development.
- a care and support economy that has functioning markets, sustainable funding and generates productivity gains.

Commonwealth Workforce Strategy

The Project

The project is an enabler of and directly addresses the practices and skills required to secure the goals of the key Commonwealth aged care workforce strategies.

Specific Alignment

The Commonwealth objectives are to build, train and support the aged care workforce by:

- funding better and fairer wages to align with the complex work required.
- creating opportunities for new workers.
- building the skills of current workers.
- supporting providers to develop workforce management and culture, to prioritise valued, productive and skilled workers

2.4 Definition of Problem/Opportunity

Research and Reporting

PDC and COM have commissioned independent research into the need for a WA Aged Care Training and Workforce Centre of Innovation. The Needs Analysis (attached Appendix 1) identified a comprehensive need for the proposed COI. Based on the outcomes of the Needs Analysis, a Feasibility Study (attached Appendix 2) was commissioned which included a Cost Benefit Analysis. This analysis has been further updated to support the development of this Business Case and to undertake a comparative analysis of three options (Cost Benefit Analysis attached Appendix 3).

Problem to be solved

The ageing population is currently and will continue to drive a demand for aged care and health services. The level of growth in the 85+ population (64% growth 2021 to 2031 in WA) is and will be particularly significant.

There is currently and there will continue to be workforce shortages. There is also a skill gap impacting on the quality of care.

Figure 5: Problems that have to addressed to solve the problem

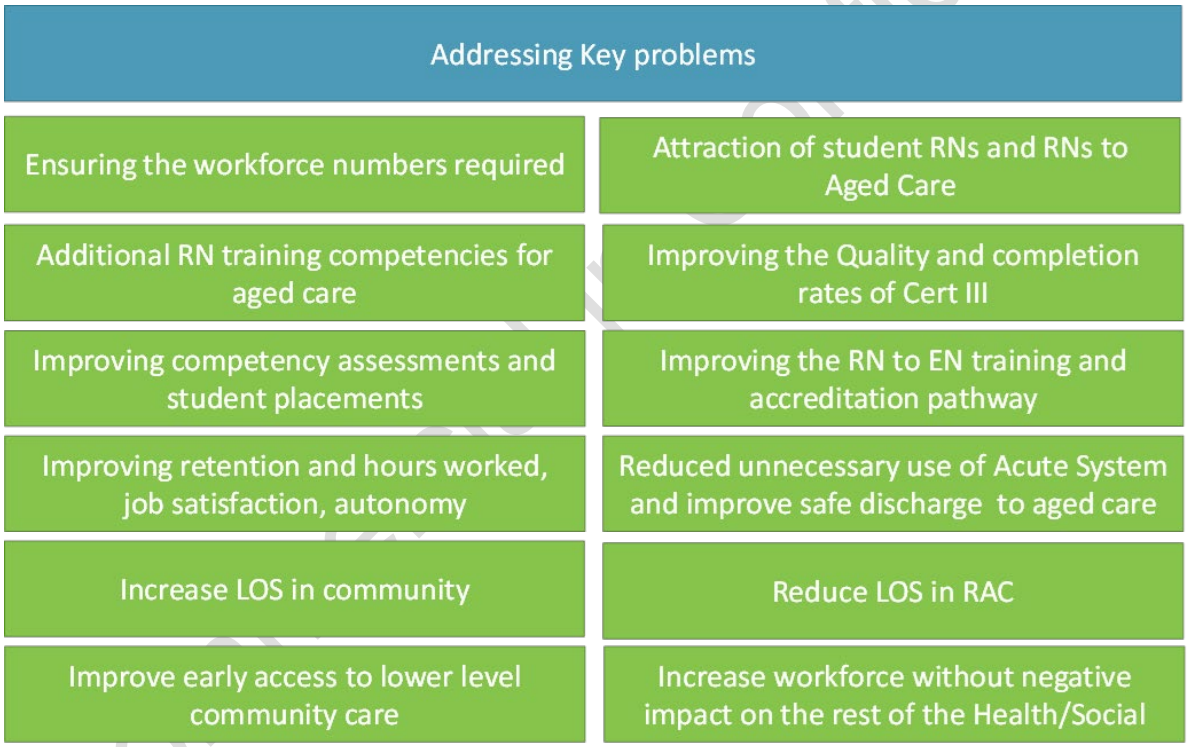
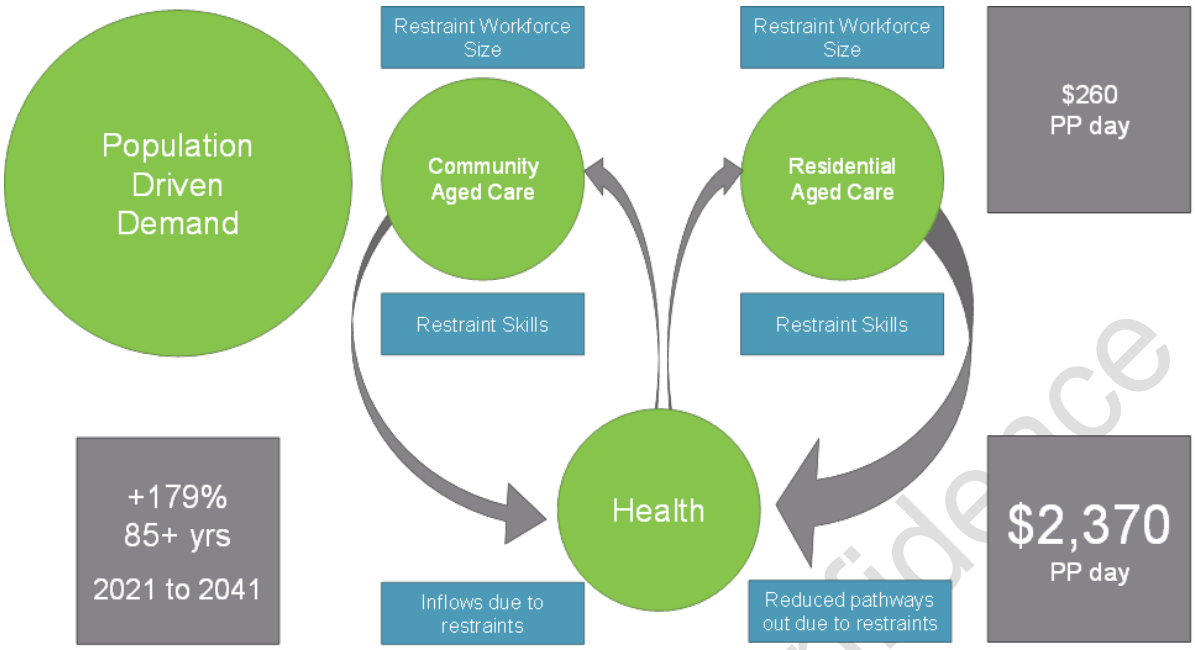


Figure 6: An example of the multifaceted impact of not solving the problem



Case Examples of the Opportunity for COI Impact and Outcomes

These examples are drawn from two de-identified cases. The alternate scenario presented proposes **HOW** the Centre of Innovation may develop interventions that address the complex range of interconnecting factors that require improvements and practice changes to facilitate the outcomes and impacts required.

Current scenario – Mary
Mary has been receiving a Home Care Package (HCP) for two years, and has experienced stable health and care needs. The direct support staff member providing cleaning services notices that Mary is not her normal self in terms of mood and behaviour. At the next service delivered by the home care package provider (accompanying Mary and supporting her to shop) the worker notices that Mary seems to be suffering from incontinence, (which is not normal for her). On the next service for personal care Mary refuses the service and appears to be confused. Mary's daughter rings the provider and they agree that her declining health requires hospital care. Mary goes to the hospital in a highly confused state; she is dehydrated, unable to walk without assistance and has lost weight. Mary is admitted to hospital as her health requires stabilisation (high temperature, dehydration, oedema) and she is treated for a urinary tract infection. Mary's hospital stay should have been 5 to 6 days treating the infection with antibiotics and stabilising her health (nutrition, hydration medication management). After 6 days in hospital Mary's infection has been addressed and her health stabilised, however her independent functioning has declined. The hospital staff determined that due to the decline she is no longer able to safely remain in community care. Mary stays in hospital for another 10 days waiting for a residential aged care bed. She suffers progressive functional decline in the 10 days confirming that residential aged care is the only safe and appropriate option

COI intervention
Mary's Home Care Package provider is helped by the COI to adopt monitoring technology and practices that make every episode of service an opportunity to monitor Mary's health and care needs. The COI supports the provider to train staff to observe functioning[4] and use the monitoring technology and practices. The COI also supports the provider to implement staff supervision and monitoring practices that improve the consistent and appropriate use of the technology and practices. The COI, through cross industry initiatives, supports an increase in the number of clinical staff trained for community aged care services and the number willing to work in a community care setting. The community aged care provider has been supported to strengthen their clinical care through improved access to trained and job ready clinical care workers. The trained clinical care team members are adept at using information from the monitoring technology and practices. Team members understand Mary's change of mood after a long period of stable health and functioning is a clinically significant indicator. A proactive clinical intervention is undertaken which ensures that Mary's health is immediately stabilised including a visit/or Telehealth appointment with the GP and resultant revision to her care plan. Mary does not go to hospital. Mary does not need residential aged care. She remains living in the community which is her preference, and her wellbeing and health is now more proactively managed. The state has saved $41,600 through the changes in the community aged care provider's practice, increased the number of job ready clinical staff in community aged care, through trained direct care workers and uptake of technology.
COI – Scaling-up for state-wide change
The COI will gather evidence of Mary's outcomes and the conditions under which the outcomes were achieved. The COI will then support the sector to adopt the essential elements identified in the prototype to achieve the outcomes across the whole state. Key elements will include training, increasing the number of workers particularly those who can deliver improved clinical care in community aged care and the adoption of technology.

Current scenario – Charlie
Charlie is living in residential aged care with the increasing impact of Alzheimer's disease. His daughter had noticed that Charlie's underwear was disappearing; nobody on duty seemed to have a clue about the missing underwear. After sewing name labels into two eight packs of underwear the problem persisted. While visiting, Charlier's daughter noticed soiled underpants in the rubbish bin in the bathroom. She brought this to the attention of the RN on duty (a different person than she had dealt with before) who said she would look into it. The daughter never saw that nurse again. Not long

[4] Functioning: primarily Activities of Daily living such as walking, or otherwise getting around the home or outside, feeding (including the hydration and nutrition), dressing and grooming, toileting, bathing, transferring, maintaining social functioning, managing self-managing medications, self-managing finances

after, Charlie had a fall in the aged care facility that resulted in him being sent to hospital.

On presentation to the hospital it was determined that Charlie had an underlying infection, was dehydrated, had a very high temperature and low blood pressure. The hospital treated the condition over an eight day hospital visit, during which his daughter found that the hospital had failed to follow the moist and soft food requirements. In order to manage Charlie's acute confused state and behaviours, which included stealing gifts given to other patients in the ward, the hospital medicated (chemically restrained) Charlie to keep him docile. While the hospital stay resulted in stabilised his medical condition, Charlie's anxiety and confusion escalated. It took several weeks follow8ing his return to the aged care facility for the confusion to abate.

COI intervention

Working with university partners and drawing on the considerable research available through by ARIIA and Dementia Australia, the COI has supported improved education of nurses and development of micro-credential and professional development opportunities for RNs in aged care. In addition, the COI and industry partners have developed improved student placement experiences that focus on best practice dementia care.

The COI's living lab brings together carers, family, providers and aged care workers to identify feedback processes and care environments in dementia care and to design improved practice. The COI grant program funds and supports implementation of new practices, rapid improvements, evaluation and industry wide scaling up of alternate approaches.

COI initiatives result in improvements in the RN capacity to act as clinical lead to direct support staff. This clinical lead role includes supervision and education of the direct support staff, organisational support to ensure staff changes in the dementia care wing are minimised. These practices mean that Charlie's daughter's inputs and concerns are incorporated into Charlie's care plan and monitored.

Improved clinical practices support RN capacity, confidence and skills to educate a regular and stable team of direct care workers; this results in improved early intervention practices. In Charlie's case, this includes staff understanding that missing underwear may be the result of Charlie hiding his incontinence. The improved early intervention practices include involvement of Charlie's daughter, listening to Charlie, care workers observing behaviour and mood, care workers reporting observations, RN clinical review of observations, care team improved proactive management and clinical interventions. Interventions may include changes to assistance with fluid intake and a speech pathology review to aid the management of swallowing.

The COI, in collaboration with Charlie's aged care provider and the Maggie Beer Foundation, have undertaken a project informed production of more interesting and nutritious moist and soft food. As a result, Charlie's protein intake, weight and overall health have improved.

The aged care provider, with support of the COI research activities and cross-government relationships, develops new protocols for managing clinical risks that empower RNs to maximise the benefits of the WA Health Virtual ED.[5]

[5] WA Virtual Emergency Department Initiative - Department of Health

Charlie's five admissions to hospital over an 18 month period are thus avoided due to improved proactive health management, improved clinical care practices, better risk management and control mechanisms, and better dementia care practice.

In Charlie's case, the state saved 18 days of hospital care over 18 months ($46,800 or $31,200pa). Savings are also realised in avoided cost of 10 hospital transfers. Charlie enjoys a better quality of life, his family have been more engaged in his care, the aged care provider is more competent in the delivery of dementia care and related clinical care practices.

COI Scaling-up for State-wide Change

The COI will gather evidence of the outcomes for Charlie, the Aged Care Provider and the local Health campus. The COI will use the evaluation and measurement framework to identify the quantum of benefit and the elements that have to be brought together to develop a strategy to scale up the practices and process to improve state wide adoption.

Key elements of the intervention include:

- RN training in dementia care and clinical leadership (current and graduating).
- Reduced use of agency staff and capacity to retain and train direct care workers.
- Collaborations with research, industry and health.
- Evaluation.
- Lived experience, aged care provider and aged care workers co-design facilitated through the COI living lab.
- Uptake of WA Government's Virtual ED initiative.

Opportunities

Cross-industry cross-sector stakeholders, aided by the research have, identified and or confirmed opportunities to resolve the workforce shortages and the quality of the aged care workforce including the workers job readiness.

Opportunity Example – Shifting the Length of Stay

For example by improving length of stay in the community you can significantly reduce the overall workforce demand (a residential aged care facility requires about 1:1 staffing while HCP will require approximately half that number. Reducing the workforce required to meet demand by 2030 is an important consideration as it estimated that by 2030 there will be insufficient working aged people to undertake the work in the Health and Social Assistance Industry (aged care is sub set of this industry) in WA.

The opportunity identified is a goal to shift length of stay in residential aged care to the community by 4 months. To achieve this goal the COI will need to support design, piloting and evaluation activities prior to large scale industry wide adoption of change. Key elements will include:

- Workforce and provider co-design with technology partners to improve monitoring at each episode of service in the community
- Lived experience and carer co-design with the workforce, providers and technology partners to improve self-monitoring and carer monitoring

Opportunity Example – Shifting the Length of Stay
• System and process design and evaluation to identify how proactive management of health and functioning using improved monitoring can be consistently managed • Training of staff and supervision practices that ensure consistent and high quality monitoring occurs • Improved clinical practices and availability of RNs/ENs and Allied Health within HCP providers to facilitate the quality of proactive interventions • Improved skills and practices to support dementia, palliation/EOL, disability, subacute care, social isolation, mental health, disease specific (eg Parkinson's), restorative care • Evaluation and measuring of how the system and process changes are interfacing with health (primary and secondary) and related process and practice design to reduce unnecessary entry of HCP clients into emergency departments and hospital admissions • Improved nurse and RN preparation for community care in relation to monitoring, proactive health, risks and functioning interventions • The development of evidence based outcomes and impacts support to scale up practices state-wide.

The process used by PDC and COM to identify the opportunity to solve the problem included consultations, workshops, continuing feedback and the development of an industry led steering group to guide the business case development. These processes also validated research and supported the design of a feasible method to address the scale and nature of the problem.

Cross-industry and cross-sector stakeholders include universities, the VET sector (private and TAFE), aged care providers (community and residential), recruiters, peak bodies (Provider and Consumer), COM, PDC and ARIIA. The stakeholders have a shared commitment to form the COI and to address the critical need and avoid the consequences of an aged care system incapable of meeting current and rapidly growing need. The shared commitment and capability of this industry led initiative is a unique opportunity to address this wicked problem. The shared commitment is evident in the work already undertaken which has supported the:

- Confirmation of the Needs Analysis findings.
- Identification of priority actions and the scope of a COI.
- Co-designed model for the COI designed to effectively address the significant challenges and problems being addressed.
- Confirmation of the proposed activities of the COI designed to translate existing research, innovation, leading practice and technology to practice and to translate novel design into practice.
- Confirmed a theory of change and the uses the inventiveness, skills, expertise of cross industry collaboration to solve the problem.

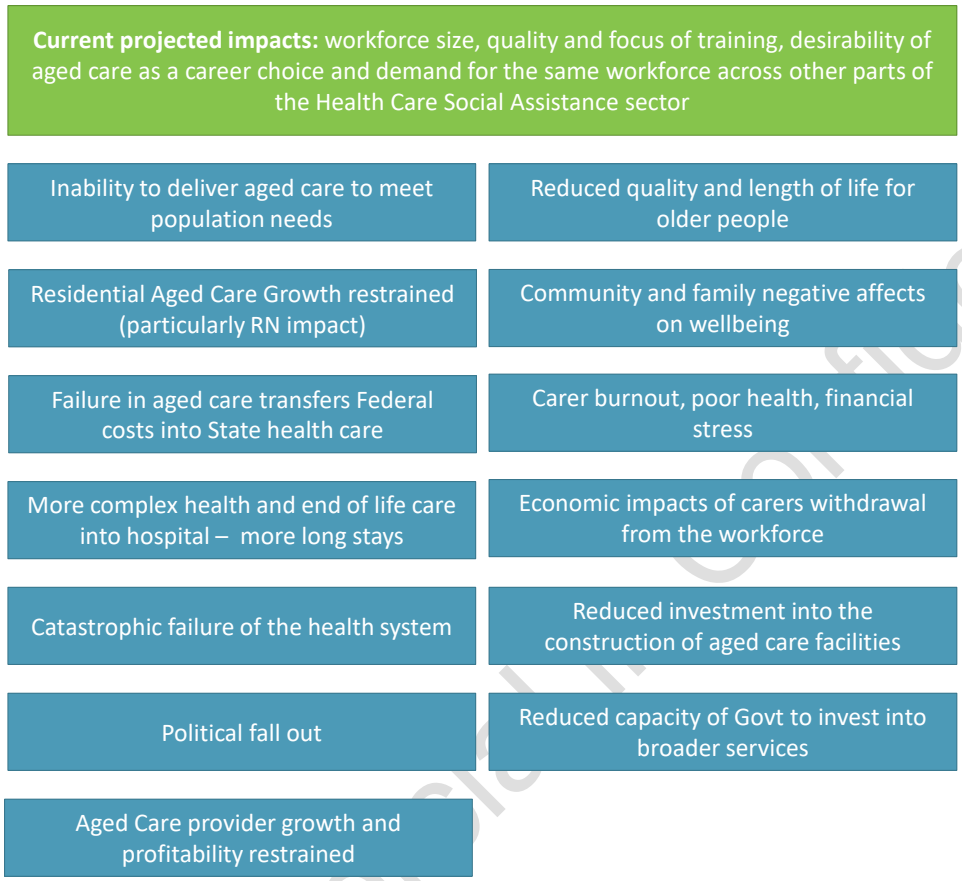
Throughout the studies we have also engaged with the WA Government and the Commonwealth testing our findings, assumptions and suggested solutions.

Substantiating the Need

The Needs Analysis identifies:

- Forecasts and assumptions.
- Current service levels, service gaps and unmet need.
- A factual analysis of nature of the problem.

Figure 7: Current Projected Impacts of ageing population



Calculating Workforce

Population growth

The ageing population characteristics are driving strong demand for aged care services and will continue to drive this demand to 2031 and beyond. The study identifies very high growth of the very old population (85+ years); from 2021 to 2031, +64.8% Peel and 60.4% in WA.

The Commonwealth's Aged Care Planning benchmarks use proportions per 1,000 70+ years population as proxy for demand. Therefore the 70+ population is a key measure for estimating how the Commonwealth will fund the system. The estimates of demand in this study use the 70+ proxy data however the high growth of the 85+ data supports insight into high use of aged care and high use of health services.

Table 3: Population Growth to 2031

Area	Age 55+ by 2031	From 2021 % change	Age 70+ by 2031	From 2021 % change	Age 85+ by 2031	From 2021 % change
Peel catchment	63,610	+25.1%	27,340	+18.9%	5,755	+64.8%

Area	Age 55+ by 2031	From 2021 % change	Age 70+ by 2031	From 2021 % change	Age 85+ by 2031	From 2021 % change
WA	**973,025**	**+31.0%**	**435,440**	**46.8%**	**80,435**	**60.4%**

Source: ABS Census 2021 and WA Tomorrow Population Projections Report 11, Band D[6]

Aged care supply and demand – residential aged care

There is a current undersupply in relation to residential aged care places. The growth in absolute numbers and as a proportion of the population aged 85+ years will continue to drive strong demand for additional places. Regardless of the preference of older people to remain at home as they age, other factors will offset this preference including:

- A reduction of the proportion of unpaid (family) carers.
- Increasing length of life will result in higher proportions of persons living with dementia and the accompanying impact on behaviours/complexity that require management in a residential setting.
- An increased role in residential aged care to provide palliative care (in 2021-22 most exits from permanent residential care were due to death, at 86% of exits).[7]
- With increased length of life there will be more people requiring technical nursing relating to comorbidities including the management of mental health and dementia in the last years of life.

Additional (new) residential aged care places will be required by 2031:

- The Peel region will require an additional 954 places requiring a $323,446,680 capital investment.
- WA will require an additional 11,323 places requiring a $3,838,456,320 capital investment.

Growth in residential aged care services will translate into the demand for a trained and qualified workforce, and will also drive demand for related infrastructure.

Table 4: Residential Aged Care Demand 2031 – New Places

Area	70+ Population 2031	Total Demand 2031	New Places to meet demand 2031
Peel catchment	27,340	1,859	954
WA	**435,440**	**29,610**	**11,323**

Source: Calculated by FMA. See comprehensive notes in the Needs Analysis (attached)

Aged care supply and demand – Home Care Packages (HCP)

The growth of the HCP program is documented in Table 5. HCP provides graduated funding according to assessed need. In the event that the calculated volume of residential aged care

[6] WA Tomorrow population estimates include categories ranging from A (most conservative) to E (highest growth rate). The use of band D is justified in this study section 3.3.3

[7] AIHW GEN Data: People leaving aged care – Reason for Leaving Aged Care, Number of exits by care type and discharge reason 2021-22

places are not constructed, the HCP program may grow at a faster rate than detailed in Table 5.

Table 5: Supply and Demand for HCP 2031

Area	Places	Benchmark places per 1,000 70+	New places required by 2031
Peel catchment	1,695	62	312
WA	**26.997**	**62.0**	**5,985**

Source: Calculated by FMA. See comprehensive notes in the Needs Analysis (attached)

Aged care supply and demand – Commonwealth Home Support Program (CHSP)

The number of CHSP clients by 2031 has been estimated (based on the growth of the 65+ population) as:

- Peel catchment: 5,717; an increase of 20.4% (2021 to 2031).
- WA 85,109 an increase of 24,248; (39.8%) (2021 to 2031).

Note the CHSP program will folded into a new single At Home program at some point no earlier than 2027. The estimates remain relevant as the growth demand will evident in the new program.

Summary of total Aged Care places required

The following summarises the number of new aged care places required (CHSP is expressed as clients).

Table 6: Total New Aged Care Places by 2031

Area	Residential Aged Care Places: 2031	HCP – Places: 2031	CHSP Clients:2031	Total new places /clients 2031
Peel catchment	954	312	970	2236
WA	**11,323**	**5,985**	**24,248**	**41,556**

Source: Calculated by FMA, see comprehensive notes in the Needs Analysis (attached)

Aged Care Workforce

Each of the aged care programs requires a different ratio of workers to participant. In community care (HCP and CHSP) this is based on funding levels related to assessed need; the estimated mix of service levels determines the workforce requirements. In residential aged care, the mandated minutes of care requirements relating to the care workforce is the basis for the calculation.

Table 7: New Aged Care Workers Required In The Catchments by 2031

Area	Occupation	Growth to 2031	Retiring 2021 to 20313	Total new workers by 2031
Peel catchment	RN	190	62	252
	EN	105	24	130
	DSW	786	341	1,128

Area	Occupation	Growth to 2031	Retiring 2021 to 20313	Total new workers by 2031
	Total	1,082	428	1,510
WA	RN	2,789	790	3,579
	EN	1,479	364	1,843
	DSW*	13,530	5,883	19,414
	Total	17,798	7,038	24,836

Source: Calculated by FMA. See comprehensive notes in the Needs Analysis (attached)

*DSW – Direct Support Worker

Allied health workforce

In addition to the workforce comprising of RNs, ENs and DSW there will also be demand for an increased allied health workforce. This is an essential workforce for increased safety and extension of the living in the community through reablement and enablement programs. It is estimated that by 2031 the increase will be as follows:

- Peel catchment: an additional 413 practitioners +94.3% 2021 to 2031.

Note: this workforce requirement is not exclusively for aged care. This is a calculation for all age groups and care needs.

Training the aged care workforce

High current and future demand for training

The only part of the aged care workforce with mandated qualifications is the requirement to have RNs and for providers to ensure that other clinical care is provided by a person with the appropriate qualification to support the clinical need being addressed.

Regarding qualifications, the onus sits with the aged care provider to ensure that the appropriate care is being provided and that the care is provided by people with appropriate qualification and skills. The degree to which this obligation is being met is audited by Aged Care Quality and Safety Commission. There is no clear indication from the Commonwealth Government if this situation will change when the new Aged Care Act is brought into law.

The number of personal care and support workers holding a Certificate III or higher in a relevant direct care field:

- Residential aged care: 66%.
- HCP: 63%.
- CHSP: 71%.

The data suggests that there is a significant growth opportunity in supporting a change in practice and in relation to training the existing care workforce and a very substantial demand for training to support new workers. In addition, in-service training, professional development and training related to achieving higher qualifications all represent opportunities for training in aged care.

The aged care RN workforce will need to increase in WA by 3,579 necessitating a substantial increase in the university places. Given the lead time of at least 4 years to complete a Bachelor

of Nursing, action is required immediately. The other key focus will be to support the current DSW and EN workforce to achieve higher qualifications and credentials.

Investment into building the workforce

The WA and Commonwealth Governments have made significant investment into the VET sector to improve the quality and consistency of training and to attract more applicants and graduates including initiatives such as Fee Free TAFE.

The most costly and significant investment is the 15% increase in wages for the aged care frontline workforce (effective July 2023).

Current training service system

The VET system includes both TAFE and RTOs. There are eight providers with a physical presence in the Peel and the South West. Many hundreds more RTOs provide fully online VET training into Peel and WA; theoretically these providers could be anywhere in Australia.

Consultations and other Research Findings

A summary of consultation findings are included in appendix 6.

2.5 Rationale for Intervention

Summary of Rationale

The ageing population is driving demand for health and aged care services, and there is a current and forecast undersupply of workers to meet demand. Compounding the issue is a lack of communication and coordination between industry and education resulting in graduate students lacking the required workplace skills – not “job ready”.

The state government faces very high costs in the health system that will continue to grow sharply through to 2031 and beyond see Figure 4: WA population age structure 2011 to 2051. The growth of the 85+ population and the change to the WA working age structure is significantly related to aged care services being unable to meet demand into the future. The problem cannot be solved unless the capacity of the aged care service system can be supported to respond to the demand in WA.

Without a coordinated workforce development strategy, the initiatives to attract more workers to aged care system may result in aged care workforce growth occurring at the expense of other sub sectors of Health Care and Social Assistance Industry. Health Care and Social Assistance is the largest single employing industry in WA at 13.6% of the labour market (Aug 2023) compared to the next largest employing industry, mining at 10.0%.[8] Overall workforce demand in WA further underscores the vital requirement of cross-sector and whole of government solutions. By 2031 there are likely to be insufficient working aged people to meet the workforce demands over all industries exacerbated by the high growth of the Health Care and Social Assistance Industry.

[8] Labour Market Data Dashboard Western Australia reports for WA; Job Skills Australia Oct 2023

The COI will use expertise in aged care, implementation, research, innovation, recruitment, technology and training and education to develop the evidenced based solutions to build aged care capacity and capability in a manner that will meet the service demand without cannibalising the broader Health Care and Social Assistance workforce.

The Peel Region will act as the perfect test bed for these solutions and innovations before scaling-up to meet the demand across the whole of WA.

Rationale: Problem Statement

Critical facts and assumptions that support the development of this rationale are documented in the Needs Analysis, Feasibility Study and the Cost Benefit Analysis (appendix 1.2 & 3). Key elements include:

- The aged care workforce shortages will become more severe as the demand for aged care services increases.
- This growth in aged care service demand will be particularly driven by a 64.8% growth in the 85+ population in the Peel Region and 60.4% in WA as a whole (2021 to 2031).
- The significance in the growth of the 85+ population is due to this age group being aligned with entry into Home Care Packages (WA average age of entry was 82.3 for community aged care and 85 years for residential aged in 2021-22).
- The implication of this high growth, driven by population demand, is that aged services will need to grow, at least, at the same rate as the 85+ year population increase.
- The workforce shortages are currently restraining the delivery of aged care services (demand is exceeding supply) – new aged care workers required to replace retiring workers and meet demand exceeds 24,000 by 2031 across all occupations (DSWs, ENs, RNs and allied health).
- The workforce shortages have been exacerbated by the recently introduced Commonwealth requirement of minimum client/RN hours in RACs.
- Workforce shortages in aged care and also in construction are significant factors restraining the development of new RACs.
- RAC investment will need to be $3.8 b in WA prior to 2031 to ensure there are sufficient RAC places. This investment is highly unlikely to be met based on current trends, lead times for RAC developments and workforce issues.
- The quality of the aged care workforce and the restrained capacity of the aged care service system increases the unnecessary use of ED and long-stay patients in acute settings.

- The quality of the aged care workforce and the restrained capacity of aged care service system, particularly in RACs, reduces the capacity to discharge older patients to suitable care environments. The Peel Health Campus' current incapacity to discharge long-stay older patients to suitable care environments exemplifies these dynamics. The example in the Peel Health Campus is an also an exemplar of the concerns and issues raised in the WA Auditor General's Report into the Management of Long Stay Patients in Public Hospitals[9] which resulted in $95m of expenditure that could have been avoided (May 2021 to June 2022).
- Without appropriate discharge pathways (beyond temporary measures such as respite and post-acute/rehab care) the situation in WA will worsen with the cost being borne by the state government rather than being borne by the Commonwealth-funded aged care system.
- The care cost per night in RACs (December 2023) was $260[10] as compared to the cost in an acute setting reported by the Auditor General to be $2,375 - a differential of $2,115 per night per person. The differential highlights the imperative to solve the problem of unnecessary use of acute services and lack of discharge pathways. This problem can ultimately only be addressed by having a functional aged care system which is dependent on a workforce of sufficient size (across all occupations) and improvements in the quality of the workforce.
- The overall employment demand (all industries) in WA will exceed the working age population and participation rate at a lower estimate of 14,624 and a higher estimate of 38,741 persons. These estimates underscore the pivotal role of the State Government in supporting and participating the cross sector and whole of Government responses required to avoid the consequences of not being able to meet demand.
- Siloed single sector or department responses have not and will not solve the problem as the solution lies in cross-sector/cross-industry collaboration and leadership/ownership of the problem. Cross-industry and cross-government collaboration is essential to avoid any single part of government or industry from obfuscating its critical responsibility and thus undermining the critical work that is required.

State Involvement

It could be argued that Commonwealth Government's responsibility for the aged care system requires them to address the workforce shortages and the quality of the workforce. However the consequence of them not doing so in a timely or effective manner creates penalties for the people of WA, the health system and the state government. Industry insights and consultation with the Commonwealth suggest that they do not have solutions that effectively address the 'hows' of the aged care workforce quality and quantum issues. In particular:

[9] Report 9: Management of Long Stay Patients in Public Hospitals; OAG 2022/23

[10] https://www.health.gov.au/our-work/AN-ACC/funding-higher-wages-in-residential-aged-care#:~:text=The%20funding%20uplift%20increased%20the%20average%20AN-ACC%20funding,July%202023%20through%20the%2024%2F7%20registered%20nurse%20supplement. Accessed 8/4/2024

- Identify the technical skills and practices required by providers and their staff to support longer stays in community care.
- How to support consistent and broad adoption of these practices and skill development including in Aboriginal and Torres Strait Islander settings and rural and remote locations.
- How to more effectively monitor and manage complex and unstable health in community settings thus reducing entry into acute settings and improving discharge pathways back into the community.
- How to improve RN clinical leadership and team leadership in residential aged care with implications such as improved palliative care, improved dementia care, improved restorative care practices, reduced staff turnover and job dissatisfaction, reduced unnecessary use of the acute sector.
- How to support the appropriate translation and uptake of technology into practice.
- How to ensure the quantum of workforce is available without cannibalising the rest of Health Care and Social Assistance Industry.

The evidence of the failing aged care system is already apparent in the lack of investment in residential aged care in WA, the pressures on the health system due to unnecessary entry of older people into acute care and insufficient discharge options, workforce shortages restraining growth in aged care and leading to bed closures.

The implications of doing nothing for the state government are:

- Reduced length and quality of life of older Western Australians.
- Family carer stress and implications for carers social and economic participation and increased dependency on government services.
- An overwhelmed and dysfunctional health system.
- A cost shift from the Commonwealth, lower cost aged care system, to the very high costs in the WA health system.
- The political consequences of these failures.

It is argued that the state government's role in funding and advocating for the establishment of this industry led, cross-sector initiative is pivotal to mitigating this very high, almost certain set of risks. The effectiveness of this project and the relatively small investment will ensure unnecessary and extremely high costs and consequences are not borne by the WA government and the people of Western Australia.

Other bodies such as the Peel Development Commission, the City of Mandurah, aged care providers, ARIIA, local universities, TAFE, private VET providers, recruiters, researchers, sector experts, technology partners and peak bodies are all ready to play their part in this project. Stakeholders will make financial, in-kind, IP, infrastructure, time and expertise contributions to the COI. However, without state government funding the modest request in this proposal the cost of coordinating, co-designing trialling and evaluating the initiatives and new practices required to solve the problem cannot be met.

It is anticipated that the state government's leadership and support for the project will prompt a more fruitful partnership with the Commonwealth across multiple government departments. This will be vital in fully responding to this significant issue now and beyond the proposed 5-

year funding period. The benefits derived through the WA exemplar will support national adoption of the solutions and should encourage Commonwealth Government funding for the COI.

2.6 Timing Considerations

Forecasts demonstrating the need for urgent action

The Needs Analysis and Feasibility Study have estimated demand based on the available WA Tomorrow data forecasts through to 2031. The Cost Benefit Analysis (part of the Feasibility Study) however provides a 15 year investment and benefit analysis with assumptions being supported by the 2023 ABS release of population estimates to 2071. These studies set the scene demonstrating how the problem will be solved and consequences of not solving the problem (exponentially growth of the problem and its impact without interventions). In particular the 85 plus age group is a very strong indicator of demand (see Figure 4).

Forecast for the shortfall in places and the workforce without the COI have been developed using industry growth rates in WA for the 10 year period (2011 to 2021). Further analysis of the push pull factors that are currently influencing or restraining the workforce and the aged care places (RAC, HCP and CHSP[11]) has been applied to the forecasts to estimate growth of places and workforce with the COI (the gap) by 2031 and 2041.

The COI's three shortlisted options will address the 2031 gap of 9,016 aged care workers and 27,857 places (RAC and HCP and clients CHSP) at different rates. The timeframe for achieving theses outcomes in the short listed options and doing nothing are as follows

- Option 1 will address the 2031 gap by 2033 and the 2041 gap will be fully addressed by 2041
- Option 2 will address the 2031 gap by 2034 and the 2041 gap will be addressed by 2043
- Option 3 will address the 2031 gap by 2038 and the 2041 gap will be addressed by 2046
- Do Nothing will not address the gap which will continue to widen, with a shortfall across RAC, HCP and CHSP of 9,016 aged care workers and 27,019 places by 2031. This gap will exponentially expand by 2041, with a forecast workforce shortage of 29,846 aged care workers and and a gap of 87,277 places/clients,based on a continuation of industry trend growth estimates.

The implications for delaying the problem

The implications for delaying the problem are:

[11] CHSP is the largest aged care program with funding averaging approximately $5,200 per clients per annum. The needs study identifies that CHSP will have an estimated growth of 24,248 clients 2021 to 2031

- Each month and year of inaction will only increase the cost, social and political pressures due to impacts on older people, aged care providers, family carers, local communities and the health system.
- Each month and year of inaction will further negatively impact on Provider investment into residential aged care infrastructure which is already is lagging behind.
- The penalties of not lifting the quality of the aged care workforce and ensuring the quantity required across all occupations will translate to significant avoidable expenditure for the WA government that will exponentially grow without intervention.
- The industry partners that are now ready and prepared to back this proposal with their IP, energy, expertise, finance and other in-kind support will be disillusioned by any delay potentially weakening the opportunity to maximise their collective impact.

Timeframes required to achieve outcomes and impacts

The time required to go from start up to prove a new practice is achieving outcomes and scaling up to solve a state-wide problem will differ depending on the COI element. The discussion in this section explains why the problem must be solved now rather than later and underscores the impact of inaction.

The funding is sought in 2025 for a minimum of 5 years until 2030:

> Developing solutions to support safe longer living in the community requires design, evaluation and scaling. The goal of the project is to support an average increased length of stay in community care of four months and a corresponding reduction in residential care length of stay. This shift will lower the aged care workforce required in residential aged care by about 6,000 people. Developing the skills, practices and evidence required in the Peel region will take about 2 years. Scaling up over the whole of WA will take another 3 years. This will mean that even with a 'relatively' rapid response the full impact will not be achieved until beyond 2030 as detailed in Table 8: Variation between Development Options - Timeframe. It should be noted that while the 2031 gap is met the drivers of demand will continue to increase beyond that date. Therefore a 15 year investment strategy is warranted.

Table 8: Variation between Development Options - Timeframe

Item	Option 1	Option 2	Option 3
Year the 2031 Gap is addressed	2032/33	2033/34	2037/38
Cost of Operation	$25M	$20.8M	$12.7M

> Increasing the number of RNs and allied health in aged care will require new recruitment and attraction activities. This will include activities that commence prior to students entering the university courses. Increased exposure to aged care in the curriculum, simulated learning, placement in each year of training and post graduate studies and improved placement experiences in community and RACs will also be essential to securing more aged care nurses and allied health practitioners. These initiatives will require a 5 to 7 year timeframe to achieve the outcomes sought through the project.

Activities to meet immediate and medium term demand for RNs will be required this will include support for more ENs to complete RN qualifications using consistent and fair practices. This initiative could support an up-lift in the RN workforce within 18 months.

Improved processes to enable aged care providers and recruitment agencies to recruit skilled overseas aged care workers and ensure that consistent, transparent and fair approaches are applied to recognition of prior learning and the processes required to receive Australian registration. Similarly that migration requirements for these workers is clear, efficient and managed in a timely manner. It is likely to take at least 2 years to solve these issues in a satisfactory manner.

Attracting and retraining workers from industries whose workforce is retracting over forecast period is strategy that will require new activities, and new practices to ensure the effectiveness and appropriate targeting achieves the outcomes sought. This may take up to 2.5 years.

As detailed funding of the COI now will facilitate and empower:

- Actions to be taken by multiple stakeholder partners.
- Increase the expertise, breadth of solutions being tested, improved, supported and scaled up and will significantly increase the in-kind contributions of stakeholders.
- Dissemination of knowledge, evidence, innovation and solutions across industries.
- Adoption of cross-industry solutions ensuring congruent solutions and priorities.
- Support a progressive reduction in the negative implications for the WA government and people of WA.

3 INVESTMENT PROPOSAL

3.1 Business Case Objectives

COI Objective

The overarching objective of the COI is to address the identified workforce supply and training issues. The nature, scope and priorities of COI-backed responses will be determined and led by industry stakeholders.

Figure 8 captures specific COI objectives that have emerged through research activities, including stakeholder consultation and engagement.

Figure 8: COI Objectives

Granting Program

All of the objectives will be in part aided by the granting program that enables multiple discrete projects to be delivered that design, test improve and evaluate individual initiatives/projects. This strategy uses the expertise and leadership of industry therefore accelerating the pace and scale of improvement and innovation.

Activities to achieve Objectives

1. Secure a workforce made up of all required occupations by 2033 and continue the momentum to at least 2041 to respond to unabated demand. This will be achieved through:

    a. improved processes in university training that enable students to have greater exposure to aged care in course work (including a greater emphasis relating to dementia, older persons mental health, palliative and restorative care) and improved placement experiences in community and residential settings.

b. Micro credentials that support ongoing professional development of RNs and ENs eg dementia, older persons mental health, palliative and restorative care in residential and community care.

c. Retain industry expertise by supporting improved EN to RN pathways.

d. Improve the knowledge, processes and training practices for the Australian recognition of overseas trained aged care workers.

e. Improving the RN management/team leadership training in university/post graduate and micro credentialing to support this function in residential aged care (a current gap resulting in poor retention of both DSW, RNs and ENs).

f. Expose graduating VET and university students to innovation, research and technology including exemplars of new or alternate model of care and workforce design (eg buurtzorg model).

g. Pastoral support of students undertaking VET training to support higher completion rates and guidance to secure placements.

2. Increasing the length of stay in the community resulting in reduction in residential aged care;

    a. Improved monitoring including the use of technology.

    b. Improved proactive interventions.

    c. Improved clinical oversight.

    d. Capacity for carers and older people to provide feedback that informs better care.

    e. Improved processes for competency assessment.

    f. Increasing the qualification of the direct support workforce including micro credentialing.

3. Reducing hospital usage and increasing safe and appropriate discharge pathways to aged care:

    a. A collaboration between the COI and health will support the design of solutions, monitoring, evaluation and system change.

    b. The design and solutions will be aided by the activities outlined in points 1 and 2.

    c. Collaborating with universities and aged care providers to create improvements to the preparation of nurses to enact a clinical leadership role in residential aged care thus reducing risk averse behaviours that lead to unnecessary hospitalisation (in acute settings peer and senior nurses aid the development of clinical leadership that in RACs will be commonly required for all RNs).

d. Improvements in the models of care available in RACs including mental health, dementia, restorative and palliative care.

4. Increase Aged Care Industry investment in Residential Aged Care to meet demand through:
    a. Having a long-term and effective solution to securing the aged care workforce and lifting the skills/quality.
    b. Improved evidence, processes and opportunities to translate innovation, and technology to practice.
    c. Cross Sector/Industry engagement supporting confidence in the commercial benefits of the innovation and technology.
5. Ensure that COI initiatives do not result in the cannibalising of other parts of the Health Care and Social Assistance Industry through:
    a. Up-to-date workforce planning, forecasting and research.
    b. An alignment of training, skills, work readiness, quality and safety in training design, work placement and recruitment.
    c. WA Government support to facilitate cross department and cross Government collaborations to develop solutions that may include:
        i. Improved processes to recruit workers as other industry sectors restructure.
        ii. Improve skilled migration policies.
        iii. Improve policies and practices recognising prior learning.
    d. Industry and Government collaboration and co-design.
6. Ensure that workforce training is producing graduates who are job ready, increase the quality and quantity of positive student placements, competency assessments, and also improve completion rates of VET aged care courses:
    a. Activities defined in point 1 – 5.
    b. Develop/co-design virtual community care environments (including 3D technology) that improve the capacity to assess VET competencies to ensure work readiness and standardisation of the qualification.
7. Increase the hours worked, retention rates, proportion of DSW with a qualification:
    a. Co-design with the workforce of alternate models of service delivery.
    b. Removal of barriers or dynamics that result in low morale, poor job satisfaction, early retirement and also the identification and lessening of the impact of the stratification of the workforce.
    c. Improved use of technology to reduce workplace injuries.
    d. Co-design supports and develop solutions that recognise the social circumstances that negatively impact on a portion of the DSW workforce reducing their capacity to complete a qualification, maintain or increase hours

of work, maintain stable housing and therefore their relationship with their employer.

8. Achieve effective targeted migration strategies through:
    a. Expertise, knowledge, capacity and resources necessary to work within the Commonwealth Government migration policies and regulations.
    b. Capacity to collaboratively support the development of future policies and practices that aid the development of an effective aged care workforce strategy including elements such as:
        i. Recognition of prior learning.
        ii. Workforce planning (numbers and locations) and skills gaps.
        iii. Provider sponsorship.
    c. Designing pre qualifications with the VET sector in the country of origin
9. Positive Economic Benefits for Peel and WA:
    a. Ensuring the demand for aged care services is met.
    b. Positive and fulfilling work in the aged care sector.
    c. Creation of employment.
    d. Reduction of the unnecessary use of emergency departments and long stay patients.

Business Case Objective

The business case objective is to secure funding for a minimum of five years to develop and operate the essential or core functions of the COI as a pilot. This will enable the COI to have dedicated staff and related administrative support to:

- Coordinate and support a representative governance body for the COI.
- Coordinate and manage the collaboration and involvement of the stakeholders across aged care, training (university and VET), recruitment, health and potentially immigration.
- Dedicated government relationship including 6 monthly inter-agency engagement meetings facilitated by PDC.
- Evaluate, measure and report on the outcomes and impacts of the COI activities particularly how these activities are addressing the quality gains required and developing a workforce across all occupations required to meet demand.
- Co-design with stakeholders, service users and aged care workers for innovative solutions (including the adoption of technology) required to achieve the outcomes and impacts; this will include staffing and operating a living lab and prototyping solutions to be applied in the Peel Region prior to state-wide adoption.
- Advocate for the changes required in policy and practice to ensure the required outcomes and impacts are achieved.
- Offer and manage small research grants directly connected to improving outcomes and impacts of the COI.

- Secure additional funding for the work of the COI through; social enterprise, grant writing, and philanthropic funders.
- Generate support from the industry partners through co-contributions when the partner is a grant recipient, funding support from the industry partners and in-kind contribution

3.2 Benefits to be Delivered

Overview of Benefits

Pracsys are a WA based economists who have developed a comparative cost benefit analysis (appendix 3) that has been used to demonstrate benefits to be delivered. The three options deliver the benefits assuming the COI will increase the number of places and workforce compared to the base case, while reducing the demand for residential aged care places by increasing the length of stay in the community.

The three options all include a granting program that enables multiple projects to be delivered that; design, test, improve, and evaluate individual initiatives/projects. The impact of the granting program is the pace at which the benefits can be realised.

Options – Investment and description

Option 1 $25.0M investment – targeted at maximum acceleration of industry sector development with high levels of staffing and grant funding.

Option 2 $20.8M investment – highly accelerated program high levels of staffing and a slightly moderated grant pool of grant funding.

Option 3 $12.7M investment – accelerated development of the sector compared to the base case with limited staffing and grants compared to the other two options.

Social and Economic Benefit

The social and economic of the three options are presented in Table 9 at a 7% discount rate over 15 years detailing that for:

- Option 1 a benefit of $7.8 B
- Option 2 a benefit of $6.8 B
- Option 3 a benefit of $4.5 B

Table 9: Present Value Benefit Summary (over 15 years at 7% discount)

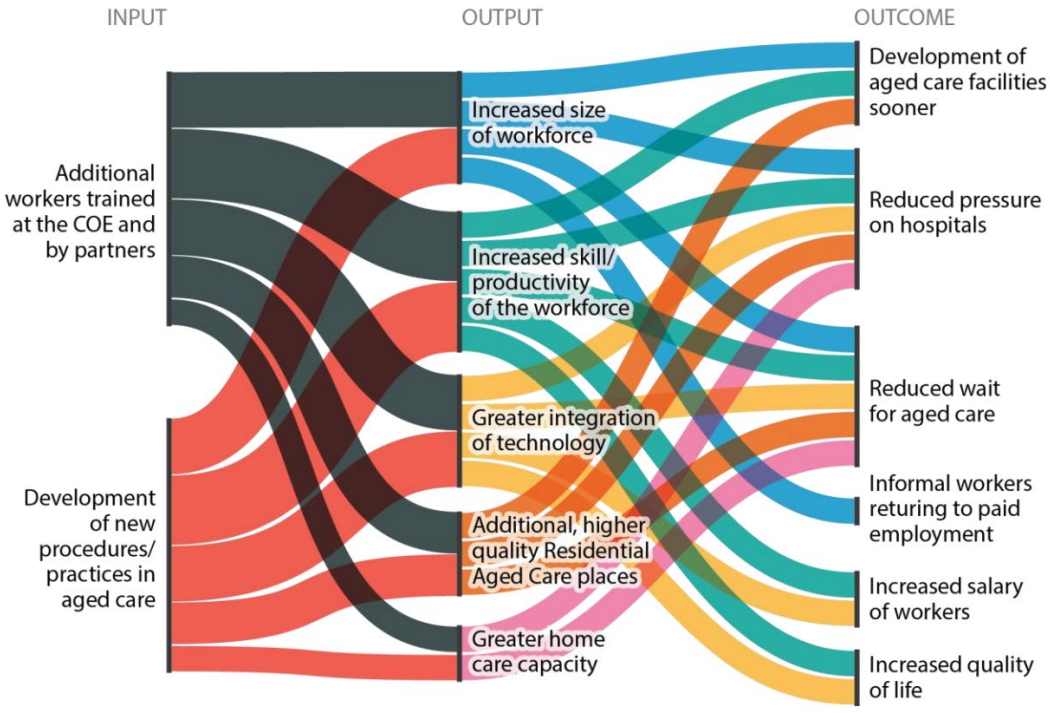
Benefits	Option 1 ($)	Option 2 ($)	Option 3 ($)
Reduced Pressure on Hospitals	1,119,552,780	940,424,335	550,819,968
Reduced Informal Care	1,257,299,445	1,056,131,534	649,137,873
Development of Facilities Sooner	1,310,793,463	1,101,066,509	644,910,384
Reduced Wait for Aged Care	548,584,914	500,265,505	315,801,515
Increased Quality of Life	3,480,493,776	3,045,432,054	2,214,859,676
Increased Skill of Workforce	128,095,593	128,095,593	128,095,593
Total	**7,844,819,970**	**6,771,415,529**	**4,503,625,008**

Source: Pracsys 2024

Impact Pathways

The impact pathways diagram demonstrates the complex and intersecting relationship between inputs, output, and outcomes achieved; how benefits are delivered.

Figure 9: COI Impact Pathway

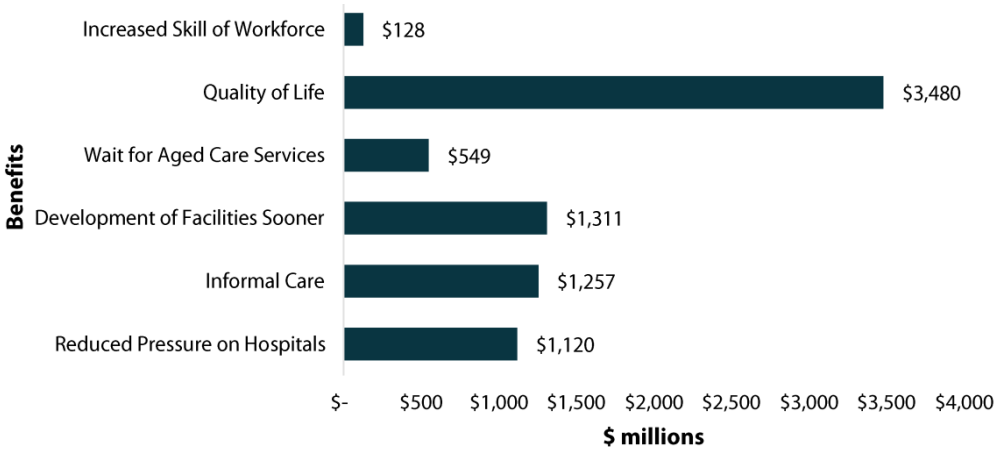


Source: Pracsys 2024

Option 1

The following Figure 10 demonstrates the present value of benefits over a 15 year period at a 7% discount rate. Table 10 demonstrates three discount rates to determine the benefit cost ration. The Cost Benefit Analysis (appendix 3) provides details of the justification and assumptions for the option. For analysis and selection of the preferred option only the 7% discount rate is used providing a higher level of certainty in regard to the estimated benefits.

Figure 10: Present Value of Benefits @ 7% discount rate (Option 1)



Source: Pracsys 2024

Table 10: Cost – Benefit Analysis (Option 1)

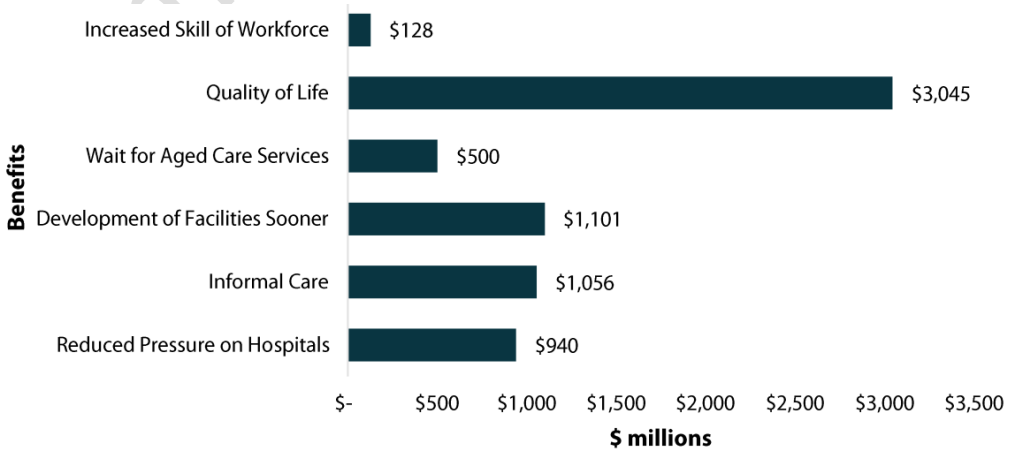
Discount Rate	3%	7%	10%
Total Present Value Benefits	11,722,310,672	7,844,819,970	5,948,368,987
Total Present Value Costs	2,871,447,278	2,075,538,173	1,667,143,183
Net Present Value	8,850,863,394	5,769,281,797	4,281,225,804
Benefit Cost Ratio	**4.082**	**3.780**	**3.568**

Source: Pracsys 2024

Option 2

The following Figure 11 demonstrates the present value of benefits over a 15 year period at a 7% discount rate. Table 11 demonstrates three discount rates to determine the benefit cost ration. The Cost Benefit Analysis (appendix 3) provides details of the justification and assumptions for the option. For analysis and selection of the preferred option only the 7% discount rate is used providing a higher level of certainty in regard to the estimated benefits.

Figure 11: Present Value of Benefits @ 7% discount rate (Option 2)



Source: Pracsys 2024

Table 11: Cost – Benefit Analysis (Option 2)

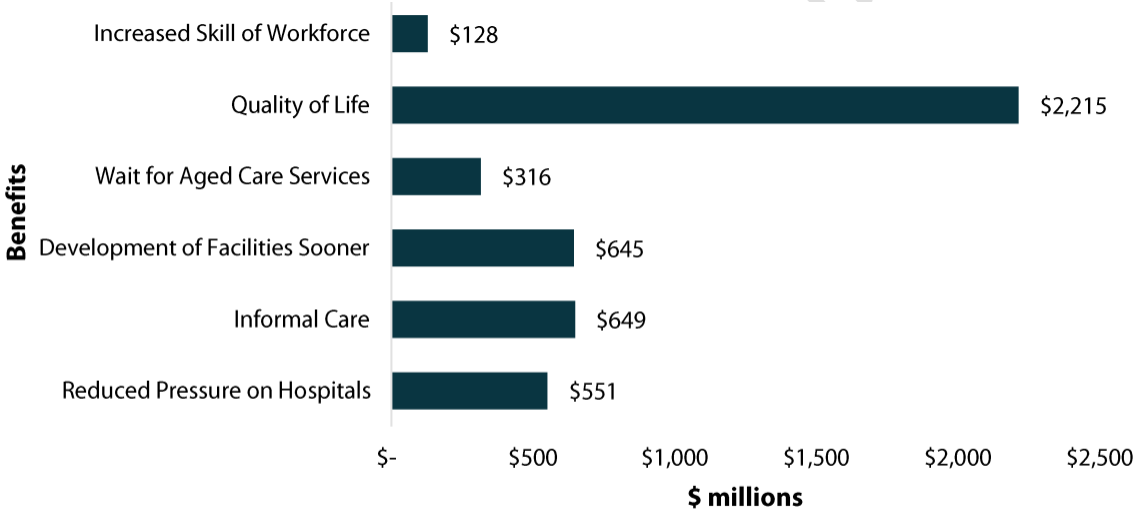
Discount Rate	3%	7%	10%
Total Present Value Benefits	10,122,614,700	6,771,415,529	5,132,902,637
Total Present Value Costs	2,467,738,211	1,789,034,967	1,440,215,954
Net Present Value	7,654,876,489	4,982,380,562	3,692,686,682
Benefit Cost Ratio	**4.102**	**3.785**	**3.564**

Source: Pracsys 2024

Option 3

The following Figure 12 demonstrates the present value of benefits over a 15 year period at a 7% discount rate. Table 12 demonstrates three discount rates to determine the benefit cost ration. The Cost Benefit Analysis (appendix 3) provides details of the justification and assumptions for the option. For analysis and selection of the preferred option only the 7% discount rate is used providing a higher level of certainty in regard to the estimated benefits.

Figure 12: Present Value of Benefits @ 7% discount rate (Option 3)



Source: Pracsys 2024

Table 12: Cost – Benefit Analysis (Option 3)

Discount Rate	3%	7%	10%
Total Present Value Benefits	6,735,304,674	4,503,625,008	3,413,220,416
Total Present Value Costs	1,773,786,028	1,270,496,740	1,015,912,944
Net Present Value	4,961,518,646	3,233,128,268	2,397,307,471
Benefit Cost Ratio	**3.797**	**3.545**	**3.360**

Source: Pracsys 2024

Benefits directly delivered by this investment include:

- 9,016 new aged care jobs created by the activities of the COI by 2034.

- A capacity to meet the demand of the workforce by reducing the net numbers by 3,000 through increasing the length of stay in community care by 4 months (halving the required workers) and by reducing the length of stay in residential aged care by the corresponding number.
- A reduction on unnecessary long-stays, use of emergency departments and admissions into the health system.
- An investment of an additional $2.2 billion into aged care infrastructure by 2041 (with a 7% discount rate applied this has been factored into the cost benefit analysis at $1.1 B).

Dis-benefits

A do nothing option will have the following dis-benefits:

- Workforce shortage estimated to be 9,016 across the required professions by 2031 without the COI progressively supporting the resolution of this shortage.
- Aged care places and clients supported through CHSP will be 27,019 below the demand for services based on the population.
- ~~A~~ residential aged care investment shortfall of at least $2.2 billion by 2041.
- Continuation of aged care long-stay with a cost per person of at least $2,375 per night funded by the WA Government as compared to $260 in a RAC funded by the Commonwealth. Pracsys have very conservatively claimed an annual benefit of $68.2 M.
- Employment benefits will not be realised.
- The social impacts will not be achieved.

3.3 Stakeholders

Proponent of the Business Case

The proponent of this Business Case is ARIIA on behalf of all industry stakeholders. PDC proposes to act as funds holder on behalf of the WA Government. PDC will manage and monitor the COI conduct, outcomes and impacts through a Financial Assistance Agreement (FAA).

About ARIIA

ARIIA's commitment and remit is to be an industry-led, independent and not-for-profit organisation funded to increase the Australian aged care workforce's capability and capacity to adopt and embed evidence-based practice across the Australian aged care sector. It will grow the use of products and technologies that improve aged care service delivery confirming its interests and position in relation to the problem and capacity to further enhance and develop additional essential collaborations.

A distinct and important aspect of the future collaborations facilitated by ARIIA is in relation to technology partners. These partners will support the translation of technologies to support COI outcomes and impacts as well as work to develop novel solutions.

ARIIA will:

- Develop and operate the COI providing the leadership and expertise necessary to ensure that the COI outcomes and impacts are achieved.

- Ensure that the measurement and evaluation framework transparently and robustly reports outcomes and impacts.
- Ensure that cross-sector and cross-industry collaboration is utilised to recruit, maximise and coordinate the skills, expertise, inventiveness, existing networks, existing programs and services (to test new practice and solutions), in-kind resources/contributions, use their influence (advocacy), utilise their existing research/evidence aiding its translation into practice, and coordinate the broad adoption of leading practice of stakeholders.

COM and PDC: Commissioning Organisations

COM and PDC are the commissioning organisations and will maintain a permanent role in the COI governance group (Steering Committee). COM and PDC commissioned and funded Needs Analysis and the Feasibility Study (including Cost Benefit Analysis) and this business case. PDC will maintain an ongoing governance role (managing the FAA) in relation to the KPIs, milestone and release of funding based satisfactory achievement of the KPIs. PDC will also convene 6 monthly Government Interagency meetings in relation to the COI.

Other Key Stakeholders

Other stakeholders will, together with PDC, COM and ARIIA will collaborate and provide in-kind and/or financial contributions are detailed in Table 13. The nature of engagement with these stakeholders is provided; response to the proposed concept was universally positive, with an enthusiastic response to invitations to participate on the Business Case Reference Group.

Of note, stakeholders consistently identified challenges in relation to workforce that include the following sample:

- The closure of available beds due workforce shortages (particularly RNs).
- Reluctance to plan for future residential aged care facilities/ expansions.
- Reduced capacity to grow due to workforce shortages.
- Continuing pressure relating to minimum RN/client ratios.
- Lack of work readiness of DSW in community aged care and RNs in RAC.
- Aged care's poor image in relation to attracting RNs in particular.
- Cert III graduates are highly inconsistent in their competencies (quote – *"the training starts when we employ them").*

Table 13: Stakeholder Map

Category	Stakeholder	Role/Contribution	Engagement^			
			C	W	SV	R G
Aged care provider	Amana Living	Partner – Potential developer in Peel	•	•		•
Aged care provider	Bedingfield Park	Partner		•		

Category	Stakeholder	Role/Contribution	Engagement^			
			C	W	SV	R G
Aged care provider	Bindjareb Aged Care	Partner – First Nations aged care provider	•	•		•
Aged care provider	Brightwater Care Group	Partner	•	•		
Aged care provider	Chorus	Partner – Innovation in workforce development	•	•		•
Aged care provider	Coolibah Care – Mandurah	Partner – Residential and community care delivering innovation in training in partnership with VET	•	•		•
Aged care provider	InCasa Aged Care	Partner – Innovative collaborator in the unique community development workforce model in Pingelly Wheatbelt	•	•		
Aged care provider	Peel Community Care	Partner	•	•		
Aged care provider	Quambie Park	Partner		•		
Aged care provider	Umbrella Multicultural Community Care	Partner – Multicultural and LGBQTI+ expertise	•	•		
Peak body	ACCPA	Partner – advocacy & networking support	•	•		•
Peak body	COTA	Partner – advocacy & networking support	•			
University	Edith Cowan University	Partner	•	•		
University	Flinders University	Owners of ARIIA	•	•		•
University	Murdoch University	Partner – access to virtual/simulated training resources	•	•	•	
University	Wollongong University	Gerontological Nursing Competencies (GNC) initiatives/research	•			
VET	Amana Living Training Institute	Partner – innovator in industry-led approach to workforce development (inc recruitment) for Amana and other aged care providers	•	•		
VET	Community Skills WA	Partner	•	•		
VET	NM TAFE	Partner	•			
VET	Skill Strategies	Partner	•	•	•	•
VET	SM TAFE	Partner	•	•	•	•
Other	IPS Management Consultant	Partner – Subject matter experts		•		
Other	Residential Care Line	Partner - Subject matter experts	•	•		

^ Engagement types: C – consultation/s, W – workshop/s, SV – site visit, RG – reference group representation

Partner Stakeholders - Governance

Representative of the stakeholders will form the Steering Committee (governance) of the COI with COM, PDC and ARIIA holding permanent positions on this Governance Group. PDC will chair the group.

Government Bodies

Government departments and agencies will potentially have different stakeholder relationships; however they are critical to outcomes of the COI. Government agencies/departments engaged in the development of the model include:

- WA Department of Health at multiple levels from the Peel Health campus through to the department bureaucrats.
- WA Department of Training and Workforce Development.
- WA Department of Primary Industry and Regional Development, noting that via PDC, the Department is a key partner of this initiative and ongoing contributor to collaboration and in particular in providing vital cross-Government coordination.
- Commonwealth Department of Health and Aged Care, at both state and federal levels. Potentially the Commonwealth may seek to increase support and cooperation through its funding of ARIIA.

3.4 Interdependencies

Interdependencies

The response in 'Table 14: Interdependencies' details key interdependencies critical to benefit delivery and strategies required for management. The table of stakeholders (Table 13) also includes the role of other organisations and people (not described as partner stakeholders) necessary to ensure successful, outcomes, impacts and benefit realisation.

Table 14: Interdependencies

Interdependencies	Function	Key Management Strategies
Partner Stakeholders	Cross-Industry and cross-sector collaboration	Governance structure
		Staff Roles to support Governance and stakeholder engagement
		Contributions from partner stakeholders (in-kind, time, financial, IP and creativity)
	Prioritising and monitoring COI activities	COI activities and related staffing
		Measurement and evaluation framework, CQI and reporting.
	Aboriginal and/or Torres Strait Islander people	COI resources to support engagement and co-designed solutions working with Aboriginal Organisations, Communities, Elders and people.

Interdependencies	Function	Key Management Strategies
	Diverse Communities	COI resources to support engagement and co-designed solutions working with CALD and LGBTQI organisations and people.
ARIIA (Partner Stakeholder)	Lead Agency/Operator of the COI	The FAA will be monitored and managed by PDC (who will also chair the Steering Committee). PDC will undertake a formal review with ARIIA twice per annum. It is also intended that the PDC project manager will be provided ongoing and regular informal updates every fortnight.
		ARIIA will develop and use a M&E framework to report on KPIs.
		ARIIA will report KPIs to the Steering Committee (four times per annum) and to PDC (twice per annum).
		ARIIA will employ staff, including an experienced manager who will implement the priorities and strategic activities of the COI.
		ARIIA will call for grant applications, use independent assessment processes and monitor grant outcomes to facilitate innovation and the translation of evidence and technology to practice.
		ARIIA will operate the COI as a dedicated cost centre of it broader operations.
	Commonwealth Department of Health and Aged Care primary contact	Will support the COI to access all levels of the Commonwealth Government necessary to support the successful achievement of the COI outcomes and impacts.
	Broad National and International Aged Care workforce and training and research and innovation	ARIIA will benefit the partner stakeholders and the work of the COI with enhanced access to leading practice, research, technology developments. This will ensure rapid adoption of improvements and avoid duplicating research and/or translation projects.
COM & PDC (partner stakeholders)	Commissioning agencies	COM and PDC have invested significantly in developing in a Needs Analysis, Feasibility Study and development of this Business Case.
	Risk Management	COM and PDC will maintain a key role in managing risk through the FAA management strategy and permanent roles on the Steering Committee
Government and Philanthropy	Funding	Dedicated COI human resources to support engagement, reporting and problem solving
		Professional, comprehensive and transparent funding applications
		COI human resources to obtain required funding
Government	Policy	Dedicated COI human resources to engage with Government to shape, reshape policy to ensure that COI impacts and incomes are achieved
Lived Experience and Family Carers	Co-design/ test	Dedicated human resources and activities of the COI support older people and family carers to participate in co-design and improvement of solutions including adoption/development of technology

Interdependencies	Function	Key Management Strategies
Experts	Advice	COI staff and stakeholder partners access to Industry experts to provide expert guidance and insights
Technology Partners	Access to the technologies that can provide solution focused on COI outcomes and impacts	Partner Stakeholders (including ARIIA and Universities) will provide the knowledge and networked relationships necessary to attract technology partners to participate in the COI activities and innovations
	Translation of technology to practice	The living lab methodology and discrete COI grants will aid technology partners to test and develop applications of technology while engaging with partner stakeholders, older people, family carers and aged care workers
…/Technology Partners	Development of novel solutions	The living lab methodology and discrete COI grants will aid technology partners to develop, test, improve and solutions while engaging with partner stakeholders, older people, family carers and aged care workers
Aged Care Workers/ Students	Co-design/ test/improve/ feedback/ invent	The living lab methodology and ongoing consultations will aid the COI to work with Aged Care Workers/Students to co-design, test, improve and invent solutions

4 STRATEGIC OPTIONS IDENTIFICATION AND ANALYSIS

4.1 Long List of Options

Interventions

Government intervention is to provide sufficient finance over 5 years and a partnership with the COI; the funding and partnership will facilitate COI activities during this set-up, development and early operational phases. The proponents have identified that there is justification and requirement for the COI to extend well beyond the initial 5 years of funding sought in this business case. The activities are designed to address the problem of the quantum and quality of the aged care workforce to meet current and future needs of Peel and WA.

Development of Options from the Interventions

All interventions have been developed utilising a Centre of Innovation mode (or a Centre of Excellence). This mode is a vehicle used nationally and internationally to resolve problems that require new solutions and responses where expertise is required and innovation and new solutions are essential. This mode has been found to be effective in resolving complex problems and facilitating permanent positive change particularly where multiple stakeholders are required to act together to deliver the solution.

The use of cross-industry and cross-sector collaboration has been deployed in all options as it has been found to be an effective mechanism to bring together the cross sector/cross industry partners to develop solutions and actions that require the expertise, capacity, creativity and coordination of disparate players who collectively are able solve the problem.

Long-list Options

The long-list options are differentiated by the scope. The scope options for the COI located in Mandurah and supporting impacts and outcomes WA wide as follows:

- Scope Option 1 focuses on training and workforce with significant granting funds
- Scope Option 2 focuses on training and workforce with reduced granting funds
- Scope Option 3 focuses on training and workforce with minimal granting funds
- Scope Option 4 focuses on training and workforce with minimal no granting funds
- Scope Option 5 focuses on training with significant granting funds
- Scope Option 6 focuses on training with reduced granting funds
- Scope Option 7 focuses on training with no granting funds
- Scope Option 8 focuses on workforce with significant granting funds
- Scope Option 9 focuses on workforce with reduced granting funds
- Scope Option 10 focuses on workforce with no granting funds

Each of the options has a varying capacity to respond to the level of need and return the optimal return on investment.

Table 15: Long List Options

Option	Description	Option focus / differential	Option focus / differential	Option focus / differential
Training & Workforce	**Options 1 to 3**	Option 1 – Significant Granting	Option 2 – Reduced Granting	Option 3 – Minimum Granting
	Investment over 5 years	$25.0M	$20.8M	$12.7M
	Short listing options Investment Benefit	Achieves the quantum and quality KPIs in the shortest timeframe, fully meeting the 2031demand by 2033 and ensuring if there is a continuation of structural changes that the 2041 demand can be met by 2041.	Achieves the quantum and quality KPIs in the shortest timeframe, fully meeting the 2031demand by 2034 and ensuring if there is a continuation of structural changes that the 2041 demand can be largely met by 2043. Reduces Govt Investment	Achieves the quantum and quality KPIs in the shortest timeframe, fully meeting 2031demand by 2038 and ensuring if there is a continuation of structural changes that the 2041 demand can be partially met by 2047. Reduces Govt Investment
	Short listing options Assessment	Maximises the opportunity to reduce negative Health impacts within the minimum timeframe possible Addresses market shortfalls in the quantum of workers and places Addresses quality of skills Fully achieves and sustains results beyond 2041 Lowest Risk	Significantly reduces the negative Health impacts within a manageable timeframe Addresses market shortfalls in the quantum of workers and places Addresses quality of skills Largely meets and sustains results beyond 2041 Low Risk	Reduces the negative Health impacts within a longer timeframe with penalties to WA Addresses market shortfalls in the quantum of workers and places Addresses quality of skills Partially meets and sustains results beyond 2041 Medium Risk
Training & Workforce	**Options 4**	Option 4 – No granting		
	Investment over 5 years	$10.6M		
	Short listing options Investment Benefit	Achieves the quantum and quality KPIs fully meeting 2031demand by 2040 and ensuring if there is a continuation of structural changes that the 2041 demand can be partially met by 2047. Reduces Govt Investment		
	Short listing options Assessment	Partially reduces the negative Health impacts while not keeping up with the project growth until beyond 2047 Addresses market shortfalls in the quantum of workers and places		

Option	Description	Option focus / differential	Option focus / differential	Option focus / differential
		Addresses quality of skills May not keep up with the high growing demand beyond 2031 Significantly hampers the capacity to support focussed innovation, maintain co-design integrity and translation of research to practice. This will particularly impact technology and new partners' involvement. High Risk		
Training	**Options 5 to 7**	$17M – Maximum Granting	$14.4M – Reduced Granting	$8.6M – The lowest level of Granting
Workforce	**Options 8 to 10**	$17M – Maximum Granting	$14.4M – Reduced Granting	$8.6M – The lowest level of Granting
Benefit applies to either a Training or a Workforce COI Option	Short listing options Investment Benefit	Reduces Govt Investment	Reduces Govt Investment	Reduces Govt Investment
Assessment *applies to either a Training or a Workforce COI Option*	Short listing options Investment Assessment	There are substantial synergist benefits achieved when addressing the quality and quantum of aged care workers in tandem that would not be realised in this option. The lack of these benefits and effects undermines the capacity of the COI to address the industry led design and identified issues. Very High Risk	There are substantial synergist benefits achieved when addressing the quality and quantum of aged care workers in tandem that would not be realised in this option. The lack of these benefits and effects undermines the capacity of the COI to address the industry led design and identified issues. This risk reduced levels of collaboration. Very High Risk	There are substantial synergist benefits achieved when addressing the quality and quantum of aged care workers in tandem that would not be realised in this option. The lack of these benefits and effects undermines the capacity of the COI to address the industry led design and identified issues. This risk reduced levels of collaboration and hampers the pace of change. It also reduces the capacity to propagate innovation Very High Risk

4.2 Shortlisting of Options

Forming the Short List Options

Qualitative and quantitative shortlisting criteria used to evaluate and short list options. The short list options were first filtered by giving consideration to the:

1. Level of buy-in into the option by the stakeholders.
2. Investment and Employment benefit.
3. Capacity to support stakeholders commercial/operational effectiveness.
4. Degree to which option can support the activities calculated to achieve the goal of securing the quality and quantity of workforce required.
5. Risk to the WA Government of continued failure in the aged care sector focused on:
    a. WA family carer wellbeing and older persons' wellbeing and length of life.
    b. Lack of investment by aged care providers in infrastructure and related employment.
    c. Unnecessary admissions of older people into hospitals.
    d. Unnecessary length of stay of older people in hospitals.

Based on these filters the following options have been excluded from the short list:

- Scope Option 4 focuses on training and workforce with minimal no granting funds.
- Scope Option 5 focuses on training with significant granting funds.
- Scope Option 6 focuses on training with reduced granting funds.
- Scope Option 7 focuses on training with no granting funds.
- Scope Option 8 focuses on workforce with significant granting funds.
- Scope Option 9 focuses on workforce with reduced granting funds.
- Scope Option 10 focuses on workforce with no granting funds.

Short List Best Options

Criteria used to form the short list options

The short list options more fully or more effectively respond to the short list options filter. To ascertain the best option, short listed options have been scored based on the degree to which they facilitate the activities required to secure the quantum and quality of the aged care workforce required by WA by 2031.

The activities are designed to address the problem of the quantum and quality of the aged care workforce required to meet current and future needs of Peel and WA. The activities are:

1. The coordinated work and commitment of cross industry partners (aged care providers, universities, VET sector, recruiters, health, peak bodies, technology, researchers, local government, development commissions).
2. The coordinated use of the expertise, experience and capacity of stakeholders including Aboriginal people and providers, older people and their carers including diverse communities/persons.
3. The use of cross-industry and cross-sector collaboration which is built on a shared recognition by stakeholders that the solutions and new approaches required to address

the problem require the combined creativity, expertise, energy, experience and capacity.

4. A proponent organisation with the expertise and capacity to drive the actions, prioritise the key activities, advocate for system change where required, capacity to ensure that all stakeholders are supported to continue to contribute their expertise, experience and capacity over at least a seven year period.

5. Development and application of mechanisms to:

    a. Increase the safe length of stay in the community through quality solutions and the application of research and technology into practice (average four months reducing the demand residential aged care resulting in a requirement for an additional 6,000 aged care workers in WA).

    b. Increase work readiness of VET and university graduates through curriculum change, improved placement experiences and options, application of virtual technology, improved and standardised approaches to competency assessments particularly for community aged care VET students.

    c. Increase/improve workforce planning aligned to population and service mix demand, recruitment, student completion rates, recruiting and pre-qualifying overseas immigrating students.

    d. Increase the participation of older people and their carers in the design and use of technologies and other interventions that translate research into practices focused on improved quality of care, safety, and the most efficient use of human resources.

    e. Reduce the unnecessary use of emergency departments. Admissions into acute hospitals by older persons being supported in aged care.

    f. Reduce the incidence of unnecessary hospital long-stays through improved safe options in the community (quality of the workforce and improved clinical practices) and the quantum of residential aged care places.

6. The mechanisms will be conceived and facilitated through co-design, prototyping, evaluation, improvements utilising the Peel Region that then supports the rapid adoption of effective evidence based approaches across WA.

Table 16: Shortlist Options Scoring Matrix

Activities		Option 1	Option 2	Option 3
#	**Short description of theme to addressed**	**Score**	**Score**	**Score**
1	Cross industry	100%	95%	70%
2	Stakeholder expertise maximised	100%	95%	70%
3	Involving additional technology and stakeholder collaborators	100%	85%	70%

4	Multiple semi-autonomous projects enabled by COI grants and led by industry partners maximising skills, expertise and participation.	100%	85%	20%
5	Strong Leadership through ARIIA and Governance model	100%	100%	100%
6 (a)	Increased LOS in community	100%	95%	68%
6 (b)	Increased work readiness	100%	85%	58%
6 (c)	Workforce planning	100%	100%	100%
6 (d)	Co-design	100%	100%	100%
6 (e)	Unnecessary hospital admissions	100%	95%	58%
6 (f)	Unnecessary hospital LOS	100%	95%	58%
6 (g)	Skilled Migration	100%	100%	58%
7 (a)	WA wide scaling up	100%	100%	85%
7 (b)	Adopting technology	100%	100%	58%
8	Pace of change	100%	90%	60%
9	Cost Benefit	180%	200%	160%
10	Assessment of funding certainty	50%	100%	90%
	Total unweighted score	**95.6%**	**95.8%**	**70.7%**

Note *pre qualifying aged care workers recruited from overseas

The shortlist options demonstrate that by a very small margin that Option 2 should be the recommended option.

5 SHORTLISTED OPTIONS EVALUATION

5.1 Shortlisted Options Summary

Scope

The scope for all three options is to develop and operate an industry led WA Aged Care Training and Workforce Centre of Innovation located in Mandurah.

The COI will act as a vehicle of collaboration and co-design that bring together the intersecting skills, expertise and interests of multiple industries and industry sectors to collectively and in a coordinated manner address the significant problem relating quantum of aged care workers required in WA to meet current and future demand and the quality of the workforce required to address the care recipient needs and deliver and to deliver effective aged care services.

The options are differentiated by the total amount of investment principally impacted by the amount of granting funds available to support multiple industry led and delivered projects. The different levels of grant funding will impact the pace of change that can be affected. The pace of change in-turn, impacts on the unnecessary costs being borne by the WA Government and the associated risks. These options and the impacts are described in detail in the comparative Cost Benefit Analysis (Appendix 3).

Cost

The short list options are each consistent with the design of the COI however they are differentiated by variations in the grant funding and the workforce required to deliver the programs over 5 years:

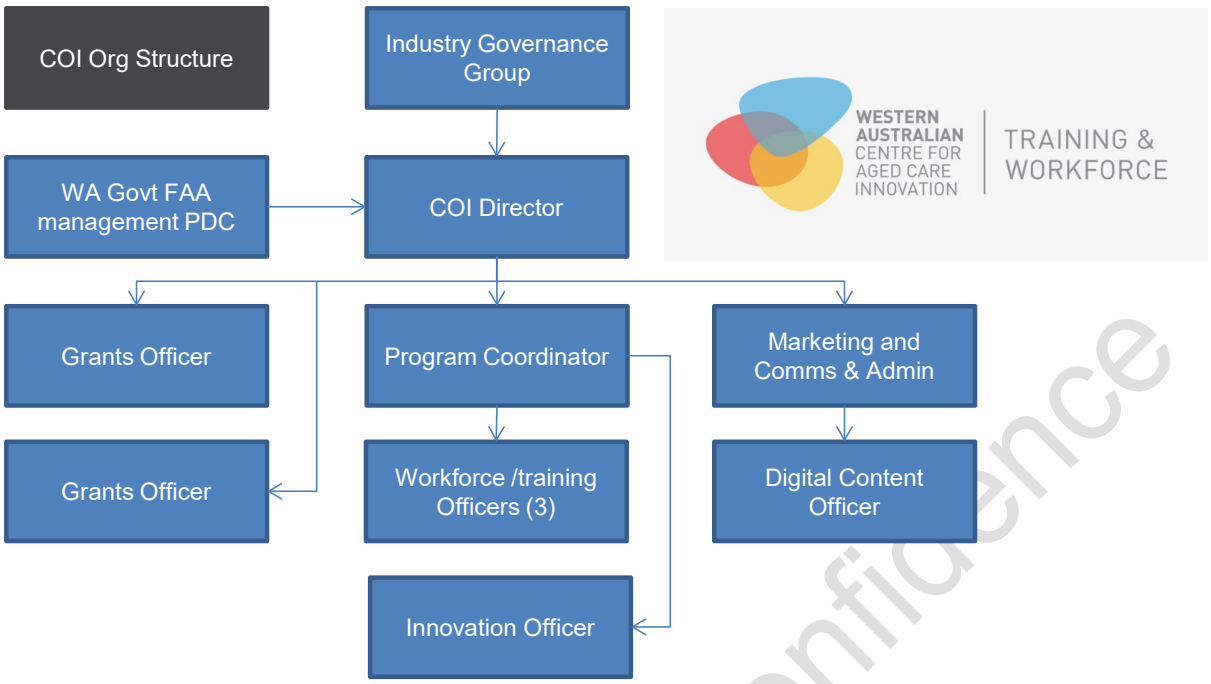
- Option 1 – WA Aged Care Training and Workforce Centre of Innovation has a total investment of $25.0M with a $10.1M grant program.
- Option 2 – WA Aged Care Training and Workforce Centre of Innovation has a total investment of $20.8M with a $6.5M grant program.
- Option 3 – WA Aged Care Training and Workforce Centre of Innovation has a total investment of $12.7M with a $2.1M grant program.

Investment Funds

The investment will pay for COI including; start-up costs, salaries, non-salary operational costs, governance costs and funds for the granting program (discussed below).

The salary costs include the direct employment costs and a contribution for the cover the inputs of ARIIAs leadership, aged care experts, corporate services, oversight and advocacy. The COI direct employment roles, and relationship to Governance are detailed in Figure 13. The following Figure is reflective of the number of positions for Option 1 and 2 however in Option 3 the number of FTE positions are reduced to reflect the management of a smaller grant program and an overall reduction in the investment.

Figure 13: COI Organisational Structure



Granting Program

Purpose

All of the short list options include a grant program. The purpose of the grant program is to:

- Enable multiple discrete projects to be delivered, designed, tested, improved and evaluated concurrently.
- Decentralise leadership of innovative projects led by industry.
- Accelerate the pace and scale of improvement and innovation that can be delivered through the COI.

Applicants for Grants and Granting

Proponent organisations or consortium will make submissions for the grants that will be assessed against the merits of the proposal and the degree to which it supports the COI outcomes and impacts with a particular focus on testing the ideas within the Peel Region before scaling up.

Grants assessments will be conducted by independent panels.

Grant proponents will (in most cases) be expected to make a co-funding contribution to the grant of around 15%.

Expertise

The granting program will be managed and delivered by ARIIA, who are developing and managing the COI on behalf of the cross-industry collaborators. ARIIA has specific expertise in managing grant program from 2022 to 2024, ARIIA provided 62 grants with a maximum of $160,000 (ex GST) offered for each project each along with mandatory co-contributions. These projects supported translational research projects. A sample of the grant activities include:

- Interventions to support retention of female workers aged 50+ in the aged care workforce.
- Implementing technology-supported home-based care for older Australian's.
- Community Connect; combatting social isolation through meaningful video connections.
- Kutjukata ngurra nyaku ntjakula – 'One Last Look'.
- Emergency-Department-Initiated Palliative Care: Transferred from Residential Aged Care; wrong time and place or exactly what is needed?.

Evaluation

All grants will be evaluated using a project logic. The evaluations will support the development of a comprehensive and interrelated evidence base to support scaling up innovation and practice change. The evidence base will be the result of outcomes from:

- Industry partner initiatives and evaluations
- COI operations and activities
- Grants outcomes
- ARIIA and other partner's access to and dissemination of national and international evidence including outcomes from ARIIAs National Granting program
- The COI Measurement and evaluation framework

COI Activities

The three options are designed to deliver the broad activities as illustrated in Figure 14.

Figure 14: COI Conceptual Design of COI Collaboration

A critical and foundational activity is the ongoing and central role of the cross-industry and cross-sector partnerships that will be maintained and supported through:

- Dedicated support and relationship management from the COI team members.
- An industry governance group.
- The participation of the interested and successful partners in the grants.
- The contributions made to other innovation and initiatives of the COI through multiple industry reference group.
- Sites for trials of innovation.
- Symposiums.
- Ongoing communication strategies (formalised in a communication plan).

The recognition of the cross-industry and cross-sector partners is that the 'wicked problem' can only be addressed by each of the partners bringing their unique insights, expertise, capacity, creativity to the 'table'. Further to this the cross industry partners understand that without dedicated coordination, leadership and project management that ARIIA in its operation of the COI will provide that the solution may never achieve the intended impacts and outcomes.

The range of activities are summarised in Figure 15. These activities are generated and facilitated by the co-design and shared work of the collaborating partners.

The industry partners provide governance and set priorities for the COI staff and management.

The COI staff and management provide resourcing to the projects and coordinate the in-kind contributions of the partners involved in particular projects/activities. An important aspect of the COI's work is to ensure that all projects/activities are professionally project managed and that they have ongoing measurements and evaluation to ensure that the project/activities are achieving the intended outcomes and impacts.

COI staff and management will also utilise the broader cross industry (including research and academic expertise) and cross government collaborations and channels to aid the specific activities/projects that are being undertaken and led by industry partners and or the COI.

Figure 15: COI Activities

Program and delivery schedule

Completed activities:

(1) Needs Analysis - The attached Needs Analysis report (appendix 1) was completed in October 2023.

(2) Feasibility Study - The feasibility of the project is detailed in appendix 2 dated March 2024. A key element of the Feasibility Study is the participation of cross-industry stakeholders in co-design of the model, and the willingness and commitment of cross industry stakeholders to the development of the COI.

(3) Cost Benefit Analysis - prepared by WA-based economists Pracsys (appendix 3).

(4) Comprehensive Business Case – prepared by PDC and COM with input from industry including ARIIA July 2024

(5) Stakeholder – Partnership Actions Completed.

   a. Identification and agreement to support ARIIA to enact the leadership role of the COI and act as proponent: March to May 2024.

   b. Formation of stakeholder reference group to support the development of this business case: February to July 2024.

Stakeholder – Partnership Actions to be completed

(1) Development of a Governance Group including form of partnership, Terms of Reference, Communication Plan, Project Management process: when funding is confirmed – February 2025.

(2) Development of a forum for ongoing design, cooperation, coordination and activism: after funding is announced, estimated February to June 2025.

(3) Invite stakeholder partners to make a commitment to financial, in-kind and/or IP contributions: after funding is announced, estimated July – August 2025.

(4) Development and implementation of a measurement and evaluation framework: after funding is announced, estimated July – August 2025.

(5) Commence recruitment processes of staff: after funding is announced, estimated February to August 2025.

(6) Commence COI operations: estimated July 1st 2025 with funding secured via this investment, through to 2030.

Risks associated with COI outcomes and impacts

The primary risk in any delays regarding funding and the capacity to commence COI operations are the potential for workforce shortages to continue and deepen as the service demand rises rapidly (due to the demographic drivers of the 85+ population).

If COI funding is inadequate, the scope of activities would have to be curtailed reducing the capacity of the COI to achieve the outcomes and impacts. This will reduce the opportunity for government to maximise the benefits and social impacts identified in the Cost Benefit Analysis.

5.2 Social and Environmental Impact Analysis

5.2.1 Social Impacts

Social Impacts

Social impacts include:

- Improved capacity to support safe ageing in the community in line with the choice of the majority of older people. Ageing in the community has health, wellbeing and social benefits for the older person, their families and their community.
- Meaningful ageing including the development of a community screening initiatives with the evidence from National and International literature demonstrating; reduced depression, increased cognition, reduced anxiety, reduced loneliness. Increased wellbeing and resilience. Meaningful ageing also demonstrates positive effects for those who are living with dementia and Increased health / reduced risk factors. This activity will favour use of lower aged care service participation to staff ratios and reduced burden on primary and tertiary health.
- Improved capacity to proactively manage complex and unstable health of older people in both community and residential aged care avoiding unnecessary hospital admissions with the resultant increased length of life and reduction in the instances of permanent functional decline associated with long hospital stays for older populations.[12,13]
- Improved capacity to support ageing in the community with benefits for rural and remote locations including for Aboriginal and/or Torres Strait Islander older people thus enabling their right to “reside at home for as long as possible”.[14]
- Depression, poor mental health and suicide are aspects of ageing that are not consistently addressed in community aged care and residential settings. The COI will elevate the quality of training and capacity of the aged care workforce in a manner that enables the adoption of practices that reduce the associated impacts.
- An improved experience of ageing will be facilitated by improvements to training curricula, the increased adoption of micro-credentialing in professional development programs, and improvements to student placements and assessments. This will facilitate better ageing including the following foci:

[12] Reid N, Gamage T, Duckett SJ & Gray LC (2023). Hospital utilisation in Australia, 1993–2020, with a focus on use by people over 75 years of age: a review of AIHW data. Medical Journal of Australia, V219:3. doi: 10.5694/mja2.52026
This paper reports that in 2020, for people aged 75 years or more, this cohort’s hospital stay after admission was a median stay of 7.1 days.

[13] Van Vliet M, Huisman M & Deeg DJH (2017). Decreasing Hospital Length of Stay: Effects on Daily Functioning in Older Adults. Journal of the American Geriatrics Society, V65:6. doi.org/10.1111/jgs.14767
This paper states finds that “Hospitalisation often results in a decline in functioning for older adults due to interactions of aging, disease, and hospital factors. Hospital length of stay (HLOS) has been shown to predict functional decline for older adults, with longer HLOS associated with a greater likelihood of decline.”

[14] United Nations General Assembly (1991). United Nations Principles for Older Persons. https://www.ohchr.org/en/instruments-mechanisms/instruments/united-nations-principles-older-persons

- Management of behaviours associated with dementia and poor mental health.
- Delivery of services within an enablement framework, with consistent use of restorative practices.
- Improvements to palliative care practice and delivery.

Service System Impacts

Improved proactive management of older people's health and wellbeing will be beneficial for primary and tertiary health services.

5.2.2 Environmental Impacts

The COI will use existing infrastructure and leverage partner organisation's infrastructure therefore the project has limited environmental impacts.

When established, the COI will develop an Environmental Plan that will be implemented by ARIIA and monitored by the COI Steering Committee.

All grant recipients will provide the COI with a copy of their Environmental Plan.

5.3 Economic Analysis

The Cost and Benefit

The costs and benefit analysis was commissioned to calculate the costs and benefits of establishing the COI. The COI provides a comparative analysis for each of three short listed options.

The comparative Cost Benefit Analysis (appendix 3) addresses the three options demonstrating alternate benefits and costs based at the investment and the rate of change that can be affected by the activities of the COI. This analysis only counts the benefits associated with the influence and impact of the COI.

The three options support an alternate rate in which the gap between current growth trends and required supply can be closed. The attached Risk Analysis (appendix 4) finds that a significant reduction of the granting funds compromises both the outcomes and impacts of the COI, this is not recommended. The three short list options have therefore been considered as they will increase the range and number of projects that could be commissioned. This in-turn supports the translation of research and technology to practice and/or supports the development of novel/innovative approaches to solve the problem that the COI addresses. These activities result facilitated in each of the short list options will ensure the quantum of workers required and ensuring the skills required to reduce the reliance on residential aged care and to reduce use of the health system; albeit at different rates.

Quantified costs and benefits

Pracsys cost benefit analysis (appendix 3) reports:

> The benefit-cost ratio was calculated based on the ratio of present value benefits to present value costs for impact of three development options for the COI. The analysis

revealed that Option 1 delivers the highest net present value. Option 3 provides a significant level of value for money but does not capitalise on the maximum investment potential given the opportunity to increase costs and proportionally increase benefits. Option 2 provides the highest value for money with a BCR of 3.785, indicating that for every dollar invested there is approximately $3.79 of benefits generated for the State. Given the relatively linear relationship between benefits and costs it is recommended that either Option 2 or Option 1 be considered for funding.

The level of service provided to aged care recipients and other hospital users will deteriorate significantly in the base case and may lead to the failure of the health system. The results demonstrate the significance of the COI in contributing to a properly function aged care sector that can provide for the needs of Ageing Western Australians without straining other health care services.

Developing the cost and benefit analysis (method)

The analysis conducted by WA based Economist Pracsys drew on the following sources of information and analysis:

- The needs analysis (Appendix 1).
- The co-designed COI model developed to respond the identified needs and implications if the needs are not addressed (Appendix 2 Feasibility Study).
- The relationship between failures in the aged care system and the WA's health system. This relationship is supported in the literature including the Auditor General's report.
- Employment trends including; aged care workforce census, the relationship between aged care service types and employment (including occupation mix), the growth and characteristics of the Health Care and Social Assistance Sector (Trend growth and projections), the growth/change of other Industry sectors in WA and the working age population estimates.
- Calculations of the gap being addressed by the COI by 2031 using an analysis of 10 year growth trends of the aged care workforce and aged care services (2011 to 2021). Forecasting of growth without the COI intervention applying historic growth rates and an analysis of contemporary factors to determine the likely rates of growth without the COI from 2021 to 2031. This analysis also benefits from some (limited) contemporary data (2021 to 2023).
- The analysis of the gap by 2031 also supported longer term projections using the 2023 ABS population estimates (2071) and the application of the trend growth analysis. This supported estimates of the population driven demand and the related workforce beyond 2041.
- Calculations of the impact attributable to the COI were developed through an analysis of the gap and the rate at which each option is estimated to resolve the gap
- Infrastructure investment based on present value development costs for RACs.
- Social impacts.
- Community impact.

Economic Assumptions

Pracsys report (appendix 3) that the following economic assumptions and limitations apply to the model:

- Results of the model represent the gross impacts in the absence of capacity restraints.
- National Input-Output table (appendix 3) approximates the actual patterns of linkages between industries in the regional economy.
- Analysis assumes that the industry structure of the economy is fixed. Considering the scale of the operating costs of the project, it is likely that this assumption stays true.
- Estimates employment impact based on the average output per Full Time Equivalent (FTE) employee. It is likely a significant component of the impact will result in an increase in the number of hours worked by existing employees with some additional employment created.

Critical Assumption

The economic analysis (appendix 3) comprehensively addresses the critical assumptions. An overview of the assumptions includes:

- Base Case – industry growth will not meet demand resulting in undersupply.
- Alternate Scenario to be tested – the COI supports transformative change leading to employment and investment.
- Cost and Timeframe – operations commence in 2025 – benefits are demonstrated from 2025/26 to 2040/41.
- Additional Costs and Benefits – are calculated for only what would not have occurred without the COI.
- Discount Rate and Present Value – Benefits are discounted to obtain present value (discount rate 7%). A 15 year timeframe was set for this analysis; after 30 years the present values costs and benefits become very minor.
- Aged Care Capacity – Population projections and benchmarks were used to estimate the workforce by 2031 for each option. The FMA Needs Analysis (appendix 1) documents the rational used in relation to benchmarks and population projections. Additional analysis is detailed the cost benefit options discussion in this section.
- Workforce and Skill Development include benefits delivered through collective skills, expertise, creativity, contributions and advocacy of cross-sector and cross-industry partners and assumes that theses partners will consistently contribute over the period required to solve the problem. The critical assumptions relating to impact workforce shortages and skill development include:
    - There is currently a gap in the skill level and quantum of aged care workforce.
    - The gap will force people to leave community care too soon without sufficient capacity to support them in RAC.
    - This results in understaffed RAC facilities and a high number of hospital admissions.
    - The gap in workforce quantum is expected to grow, exacerbated by a gap in skills, resulting in a failure of the health care system.

- The COI addresses the skills gap and workforce numbers through its cross-industry and cross-sector activities coordinated, project managed and resourced through the COI.

- Increased employment and the delivery of additional training, retraining and professional development including fees related to International students

Quantified and monetised costs and benefits (short-list Options)

Table 17 details the present value benefit over 15 years at a 7% discount rate for each of the three short list options. Each of the options deliver significant benefits with Options 1 and 2 having substantially increased benefits compared to option 3.

Table 17: Present Value Benefit Summary

Benefits	Option 1 ($)	Option 2 ($)	Option 3 ($)
Reduced Pressure on Hospitals	1,119,552,780	940,424,335	550,819,968
Reduced Informal Care	1,257,299,445	1,056,131,534	649,137,873
Development of Facilities Sooner	1,310,793,463	1,101,066,509	644,910,384
Reduced Wait for Aged Care	548,584,914	500,265,505	315,801,515
Increased Quality of Life	3,480,493,776	3,045,432,054	2,214,859,676
Increased Skill of Workforce	128,095,593	128,095,593	128,095,593
Total	**7,844,819,970**	**6,771,415,529**	**4,503,625,008**

Source: Pracsys 2024

Table 18 details the costs and related investment requirement for the three short-listed options. The costs associated with Option 1 and 2 are differentiated by the amount of grant money available. Option 3 includes a reduction in costs (salary and operational) and a much smaller grant program than options 1 and 2. The costs are detailed at present value over 5 years. The cost estimates include a consistent start-up cost estimate.

The risk analysis (appendix 4) mitigation and control actions supports PDC's role in governance through an FAA, KPI management and cross-government coordination. The costs associated with these activities are detailed PDC Governance cost line.

Table 18: Comparative cost analysis

Cost	Option 1 ($)	Option 2 ($)	Option 3 ($)
Startup	388,000	388,000	388,000
Staff	9,675,066	9,675,066	6,961,664
Operation	3,703,592	3,703,592	2,664,908
Grants	10,541,179	6,500,000	2,100,188
PDC Governance	692,163	585,240	585,240
Total	**25,000,000**	**20,851,898**	**12,700,000**

Source: Pracsys 2024, Faircloth McNair & Associates 2024

Table 19 details a comparison of the costs and benefits of each of the three short listed options. The highest benefit cost ratio is for Option 2; however all three options have strong benefit cost ratios. Option 2 represents the best value for money for the WA Government.

Table 19: Comparative Cost and Benefit Analysis

Discount Rate	3%	7%	10%
Total Present Value Benefits	6,735,304,674	4,503,625,008	3,413,220,416
Total Present Value Costs	1,773,786,028	1,270,496,740	1,015,912,944
Net Present Value	4,961,518,646	3,233,128,268	2,397,307,471
Benefit Cost Ratio	**3.797**	**3.545**	**3.360**

Source: Pracsys 2024

5.4 Financial Analysis

Capital costs

There are no capital costs in this project

Forecasting and planning

The project financial planning and forecasting is based on:

- Identification of the critical activities of the COI.
- Identification of tasks, roles and positions required to deliver the activities including variations related to each of the Options.
- Development of role description and remuneration models for staff based on responsibilities and related expertise and/or qualifications and reports/reporting relationships.
- In-kind contributions, time and infrastructure of the stakeholder partners and other industry contributors related to varying activities in each of the Options.
- Reasonable costs associated with the administration and management of the COI including line items such as lease costs for an office with related meeting rooms, communication technology, travel, professional services. The non-salary costs are reduced in line with each Option.
- Granting funds to support projects that create innovation and/or translate research and technology to practice focused on achieving the outcomes and impacts of the COI.
- Start-up costs are consistent across all three Options.

Recurrent Costs and Revenue

An analysis of the three shortlist options is detailed in the tables below.

Table 20: Option 1 Costs

Option 1	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Total
Start up	$388,000	$-	$-	$-	$-	$388,000
Staffing	$1,231,264	$1,959,062	$2,057,015	$2,159,866	$2,267,859	$9,675,066

Operating Costs	$623,000	$634,500	$800,375	$792,594	$853,123	$3,703,592
Granting Funds	$843,294	$2,810,981	$2,810,981	$2,810,981	$1,264,942	$10,541,179
PDC Governance	$125,264	$131,527	$138,104	$145,009	$152,259	$692,163
Total Costs	**$3,210,822**	**$5,536,070**	**$5,806,475**	**$5,908,450**	**$4,538,183**	**25,000,000**

Table 21: Option 1 Income

Option1	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Total
WA Govt Investment	$3,210,822	$5,536,070.	$5,806,474	$5,908,450	$4,538,183	$25,000,000
Partner Contributions	$50,000	$100,000	$105,000	$160,250	$228,263	$643,513
Enterprise	$-	$-	$50,000	$90,000	$140,000	$280,000
Income	**$3,260,822**	**$5,636,070**	**$5,961,475**	**$6,158,699**	**$4,906,446**	**$25,923,513**

Table 22: Option 2 Costs

Option 2	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Total
Start up	$388,000	$-	$-	$-	$-	$388,000
Staffing	$1,231,264	$1,959,062	$2,057,015	$2,159,866	$2,267,859	$9,675,066
Operating Costs	$623,000	$634,500	$800,375	$792,594	$853,123	$3,703,592
Granting Funds	$506,460	$1,650,404	$1,681,587	$1,735,589	$925,958	$6,500,000
PDC Governance	$114,104	$109,309	$114,775	$120,513	$126,539	$585,240
Total Costs	**$2,862,828**	**$4,353,276**	**$4,653,752**	**$4,808,563**	**$4,173,480**	**$20,851,898**

Table 23: Option 2 Income

Option 2	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Total
WA Govt Investment	$2,862,828	$4,353,276	$4,653,752	$4,808,563	$4,173,480	$20,851,898
Partner Contributions	$50,000	$100,000	$105,000	$160,250	$228,263	$643,513
Enterprise	$0	$0	$50,000	$90,000	$140,000	$280,000
Income	**$2,912,828**	**$4,453,276**	**$4,808,752**	**$5,058,813**	**$4,541,742**	**$21,775,411**

Table 24: Option 3 Costs

Option 3	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Total
Start up	$388,000	$-	$-	$-	$-	$388,000
Staffing	$956,555	$1,393,256	$1,462,919	$1,536,065	$1,612,868	$6,961,664
Operating Costs	$448,278	$456,552	$575,907	$570,308	$613,862	$2,664,908

Granting Funds	$168,015	$560,050	$560,050	$560,050	$252,023	$2,100,188
PDC Governance	$114,104	$109,309	$114,775	$120,513	$126,539	$585,240
Total Costs	**$2,074,952**	**$2,519,167**	**$2,713,651**	**$2,786,936**	**$2,605,292**	**$12,700,000**

Table 25: Option 3 Income

Option 3	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Total
WA Govt Investment	$2,074,952	$2,519,167	$2,713,651	$2,786,936	$2,605,292	$12,700,000
Partner Contributions	$50,000	$100,000	$105,000	$160,250	$228,263	$643,513
Enterprise	$-	$-	$-	$50,000	$100,000	$150,000
Income	$2,124,952	$2,619,167	$2,818,651	$2,997,186	$2,933,555	$13,493,513

Discount Cash Flow Analysis

The COI will generate modest cash inflows as a result of this proposed investment. The COI's financial benefit to Government is described in the Option comparison in the Cost Benefit Analysis. The Cash inflows are generated by two activities:

- Partner Stakeholder financial contributions.
- Enterprise activities developed through the delivery of goods and services overtime.

The discount cash flow rate for each option is:

Option 1 Investment $25 M, DCF $807K (3.2%)

Option 2 Investment $20.8 M, DCF $806K (3.9%)

Option 3 Investment $12.7 M, DCF $583K (5.4%)

Additional finances generated as a result of the investment

The COI will add additional finances generated through the investment. The granting program will seek a co-contribution of a minimum of 15% in the tender rounds. This co-contribution will not create an inflow of cash to the COI. This contribution will benefit each project funded through the COI. The additional financial activity associated with each option:

Option 1: Granting funds $10,541,179, additional co-contribution @ 15% = $1,581,177

Option 2: Granting funds $6,500,000 additional co-contribution @ 15% = $975,000

Option 3: Granting funds $2,000,188 additional co-contribution @ 15% = $300,028

Additional In-kind contributions generated as a result of the investment

In the assumptions detailed in appendix 5, the three options generate the following in-kind investments over 5 years that have been converted to a dollar value for each option:

Option 1: $5,762,304

Option 2: $5,122,841

Option 3: $3,984,824

Alternate Discount Cash Flow Analysis

An alternate discount cash flow analysis has been developed using the cash inflows, the financial value of in-kind contributions and the co-contribution to grant projects. The result of this analysis for each option is:

Option 1 Investment $25 M, DCF $4.9M (19.7%)

Option 2 Investment $20.8 M, DCF $4.4M (20.9%)

Option 3 Investment $12.7 M, DCF $3.4M (27.0%)

This analysis highlights the considerable direct and indirect investment of the cross-industry and cross sector partners. The COI is dependent on Government investment however the penalties to Government if the investment does not occur far exceeds the investment (as detailed in the cost and benefit analysis).

5.5 Time Planning and Program Analysis

Milestones (on notification of funding)

Year 1

Year one milestones include:

- Convene Stakeholder Meeting to elect representatives to Steering Group.
- Form and convene Steering Group.
- Establish FAA – PDC (on behalf of WA govt) and ARIIA.
- Complete start up activities (office, equipment, IT, professional services, administrative systems, financial management systems, CQI etc)
- Recruit staff.
- Develop and implement Communications Plan.
- COI priorities are set for COI projects based on time sensitivity, interdependencies, industry capacity to drive response, utilisation of broader research/innovation, the collaboration of Government Departments
- COI operations commence including: co-design, reference groups, living lab, consultations.
- COI grant program is developed and advertised with grants focused on priority activities enhancing the translation of evidence to practice and the use and uptake of technology to practice.
- COI grants awarded.
- COI Measurement, Evaluation and Reporting (M&E) framework is developed and implemented.
- COI M&E is utilised in governance, project management and in FAA biannual reviews.

- Stakeholder relationships/engagement are maintained (managed through Communications Plan and dedicated COI human resources) with activities including contributions to co-design, expert involvement through reference groups, symposiums, engagement and financial and in-kind contributions.

Year 2

Year 2 milestones include a continuation of the COI stakeholder engagement, COI activities including grants, governance activities. In addition in year 2:

- Enterprise activities will be developed and operationalised.

.**Year 3**

Year 3 milestones include a continuation of the COI stakeholder engagement, COI activities including grants, governance activities and developing/operationalising enterprise activities.

Year 4

Year 4 milestones include a continuation of the COI stakeholder engagement, COI activities, governance activities and developing/operationalising enterprise activities.

- A completion of grant rounds in the latter part of year 4.
- Commence business case development for funding from 2030 to 2035.

Year 5

Year 5 milestones include the continuation of the COI stakeholder engagement, COI activities, governance activities and developing/operationalising enterprise activities.

- Complete and report on all grant projects.
- Complete the business case for a continuation of funding.

Staging

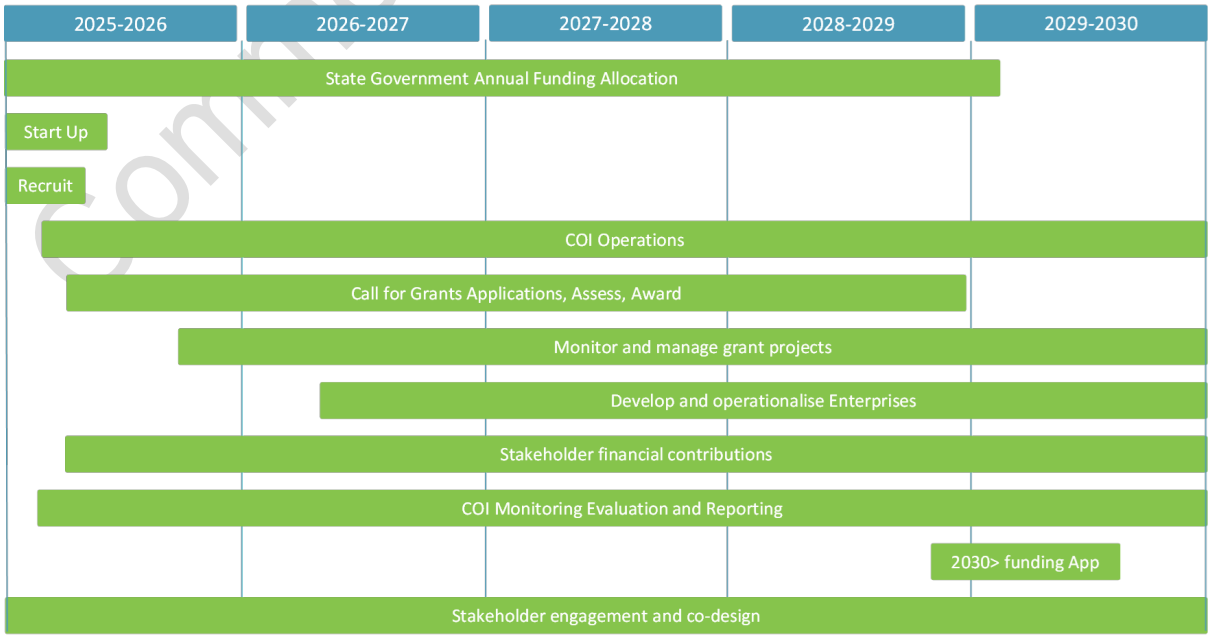
The following staging relates to Options 1, 2 and 3:

- The COI will receive annual grant allocation from the WA state government based on the financial plan on July 1 in 2025, 2026, 2027, 2028, and 2029; funds will be held by PDC and released to ARIIA in accordance with FAA and the bi annual reviews.
- PDC will acquit and report on the project to government on an annual basis.
- Start-up money will be released to ARIIA and with the first year's operational funds on commencement.
- Every 6 months under the FAA agreement, PDC will review/assess with ARIIA financial performance and other KPIs and release a 6 month allocation of funding in advance based on the assessment. The last advance payment will occur in July 2029, based on successful achievement of milestones and COI outcomes funding being exhausted by June 30 2030.
- The M&E framework will be developed as soon as practicable after funding has been secured. The framework and related processes will be essential in the support of risk management, performance management and CQI. Regular formal reporting will commence with reports to the Steering Committee every 12 weeks.

- Existing and ongoing stakeholder engagement will continue throughout the project. The intensity of the engagement and breadth of activities will be ramped up with grant funding as detailed throughout this business case.
- Stakeholder financial contributions will begin within four months of commencing operations in line with the administration and financial management processes and systems put in place as part of the start up activities.
- Enterprise opportunities and related planning will commence mid-way through year 2 and commence in accord with the plans in year 3 onwards.
- The grant program (including priorities, eligibility, assessment criteria, assessment processes, grant project management processes, reporting, form of contract and other administrative arrangements, and proposed funding per grant type) will be developed (building on ARIIA, COM and PDC's existing expertise) within four months of start-up.
- The call for grants will be operationalised within six months of start-up.
- The first tranche of grants will be awarded within 10 months of start-up.
- New grant rounds will commence at the beginning of each financial year.
- Grants rounds will be completed by the end of year 4; those awarded in year 5 will be completed by the end of the year. It is anticipated earlier grant rounds will include some multi-year projects. Based on this strategy, the year 5 grants round will be a more modest commitment than years 2 to 4.
- Grant payments will be made to successful applicants by the COI on a staged basis based on their successful completion of the contracted milestones in years 1 to 5.
- The COI will develop a comprehensive independent evaluation report, a cost benefit analysis and business case in support of a continuation of funding for a further 5 years. This activity will commence in the latter part of year 4 and be completed 6 months prior to the funding for the COI ceasing. Stakeholder participant contributions will fund this activity.

Options 1, 2 & 3 Timelines

Figure 16: Options 1, 2 & 3 Timelines/Milestones



5.6 Risk Evaluation

Response Structure

This response highlights only option-specific risk factors. Those risks that are common to all three options in risk assessment are detailed in the response to '6.2 Risk Management' Appendix 4. Therefore this response only highlights those elements of differing risks within each option.

Risk differentiation

Stakeholders disengage

Risk theme – Stakeholders disengage. The differentials in the risk assessments are:

- Option 1 risk assessment (risk score 16) has the following mitigation/control strategy: Stakeholders are encouraged and supported to apply for grant funding to co-design innovation, and deliver practice changes that can be scaled up for system change/broad industry adoption. The maximum grant funding supports this strategy. The grant program initiative recognises and values stakeholder's costs and their challenges in relation to bringing about the reforms required. Option 1 not only includes higher grant funding but estimates of highest level of co-contributions (time, funds, human capital, IP, infrastructure)
- Option 2 risk assessment (risk score 16) has the following mitigation/control strategy: Stakeholders are encouraged and supported to apply for grant funding to co-design innovation, and deliver practice changes that can be scaled up for system change/broad industry adoption. The reduced grant funding supports this strategy however the quantum of projects will be reduced. The overall risk assessment remains the same. The grant program initiative recognises and values stakeholder's costs and their challenges in relation to bringing about the reforms required. Option 2 not only includes high grant funding but estimates of high levels of co-contributions (time, funds, human capital, IP, infrastructure).
- Option 3 risk assessment (risk score 20) following mitigation/control strategy: Stakeholders being encouraged and supported to apply for grant funding to co-design innovation, and deliver practice changes that can be scaled up for system change/broad Industry adoption. The modest level of grant funding increases the risk assessment to a score of 20. This increased risk assessment is justified due to reduced support provided to stakeholder partners and increases the potential for lower engagement and participation. Option 3 not only includes lower grant funding but estimates of lower levels of co-contributions (time, funds, human capital, IP, infrastructure).

Project component failures

This risk theme relates to project component failures with a focus on the assessment that 'project components do not achieve the projected outcomes'. The differentials in the risk assessments are:

- Option 1 risk assessment is detailed in appendix 4 with an assessed risk score of 10. The assessment considers that grant funds will increase the number and quality of projects supported by partner stakeholders and other stakeholders/contributors such as subject matter experts, evaluation experts and technology providers. The grant funds will guarantee the available time and focus, skills and expertise in evaluation, project management, and rapid improvement processes to ensure COI outcomes and impacts are achieved. It is essential that the COI initiatives are able to bring about large scale practice change (beyond a halo effect[15]) and therefore stakeholders buy-in (ownership) of the projects supported with robust development of evidence will aid this approach. This will be facilitated by the proposed grants.
- Option 2 risk assessment increases the assessment score due to a reduction in the capacity to robustly design, test, improve, evaluate and scale up the breadth initiatives and innovation required to solve the problem. The assessed risk score lifts to 12.
- Option 3 risk assessment increases the assessed score due to a reduction in the capacity to robustly design, test, improve, evaluate and scale up the breadth initiatives and innovation required to solve the problem. The assessed risk score lifts to 16.

COI Outcomes and Impacts

- Option 1 risk assessment is on the basis that option 1 is adequately funded to enable the projects and activities of the COI to achieve the outcomes and impacts as detailed in this proposal. Key risk management includes COI human resources, the capacity and the work of partner stakeholders and other industry/sector experts and the capacity and disciplined management afforded by the proposed COI granting program. A critical element of the assessment is to ensure that COI projects are focused on achieving the translation of research and technology to replicable practice to achieve the COI outcomes and impacts. Option 1 closes the estimated 2031 gap in aged care workers and places at the fastest rate (2032/33). The mitigation and control strategies will manage this elevated risk, resulting in a score of 15.
- Option 2 risk assessment increases the assessed score due to a reduction in granting funds. Option 2 closes the estimated 2031 gap in aged care workers and places at a rapid rate (2033/34). The assessed risk score lifts to 20.
- Option 3 risk assessment increases the assessed score due to a reduction in granting funds. Option 3 closes the estimated 2031 gap in aged care workers and places at a rapid rate (2037). The challenge associated with this rate of change is the unabated growth in demand. In effect, it estimated, that even with good outcomes the sector will be still playing catch-up until 2045/46. The assessed risk score lifts to 25.

[15] The halo effect occurs when our overall positive impression of a initiative, design, innovation is based on a single characteristic. If our first impression is positive, the subsequent judgments we make will be coloured by this first impression. The Berkeley Well-Being Institute https://www.berkeleywellbeing.com/halo-effect.html

5.7 Recommended Solution

The recommended solution is Option 2; WA Aged Care Training and Workforce Centre of Innovation with the inclusion of grant making at $6.5M with a total investment of $20.8 M over 5 years.

Option 2 provides the highest value for money with a BCR of 3.785, indicating that for every dollar invested there is approximately $3.79 of benefits generated for the State.

Pracsys state in the economic analysis (appendix 3 Cost and Benefit Analysis), 'that given the relatively linear relationship between benefits and costs it is recommended that either Option 2 or Option 1 be considered for funding'.

Option 2 has been recommended over option 1 on the basis that it closes the 2031 gap in places and the workforce within a year of Option 1. Option 3 is not recommended as it is estimated that it will not close the 2031 gap in places and workforce until 2037 (this has penalties for the WA Government that could have otherwise been avoided with additional investment.

In summary Option 2 represents better value for money with a BCR of 3.785, achieves the changes sought in acceptable timeframe and can be delivered within a appropriate controls and mitigation strategies.

6 IMPLEMENTATION ANALYSIS

6.1 Procurement Strategy

Procurement Options

In developing the recommended solution, the key consideration made by COM, PDC and the partner stakeholders was the benefit of having the expertise and capacity of ARIIA to develop and lead the COI. In addition, the Commonwealth and the WA Health Department considered that ARIIA's involvement is an enormous boost to the credibility and capacity of the COI. An additional consideration is the importance of not replicating research, initiatives or activities that are achieving the outcomes and impacts sought by the COI. ARIIA participation further enables the COI to have exceptional access to knowledge of research, evaluation evidence, emerging practice, policy and innovation. ARIIA's resources, knowledge and expertise will significantly aid the COI to focus on translating evidence and technology to practice.

The procurement strategy has the following primary foci:

- PDC will hold the funds on behalf of the WA state government.
- ARIIA will be the proponent organisation receiving the funds to develop and deliver the COI on behalf of the partner stakeholders.
- The multiple ways in which the COI supports the business activities of the industry with significant local activity in the Peel Region (where focused trials and research will be conducted). Examples include:
    - Example: The COI will support its industry partners such as TAFE and RTOs to deliver improved high quality certificate graduates who are work ready. The work of the COI may include increased understanding of the holistic welfare support that may be required to support students complete their qualifications.
    - Example: Aged care providers will be supported by the COI to connect high quality student placement experiences with improved recruitment and retention of VET students and university under-graduates.
- COI granting funds will be provided to WA-based providers (as lead agency) as a first and weighted selection criteria.
- The COI's purchases of goods and services. Key elements include:
    - Preference to purchase local (Peel Region) or WA.
    - Purchases of a portion of services from Supply Nation registered Indigenous businesses; this will be articulated in the procurement policy.

6.2 Risk Management

The risk analysis which includes a management strategy is detailed in appendix 4.

6.3 Governance Arrangements and Stakeholder Engagement

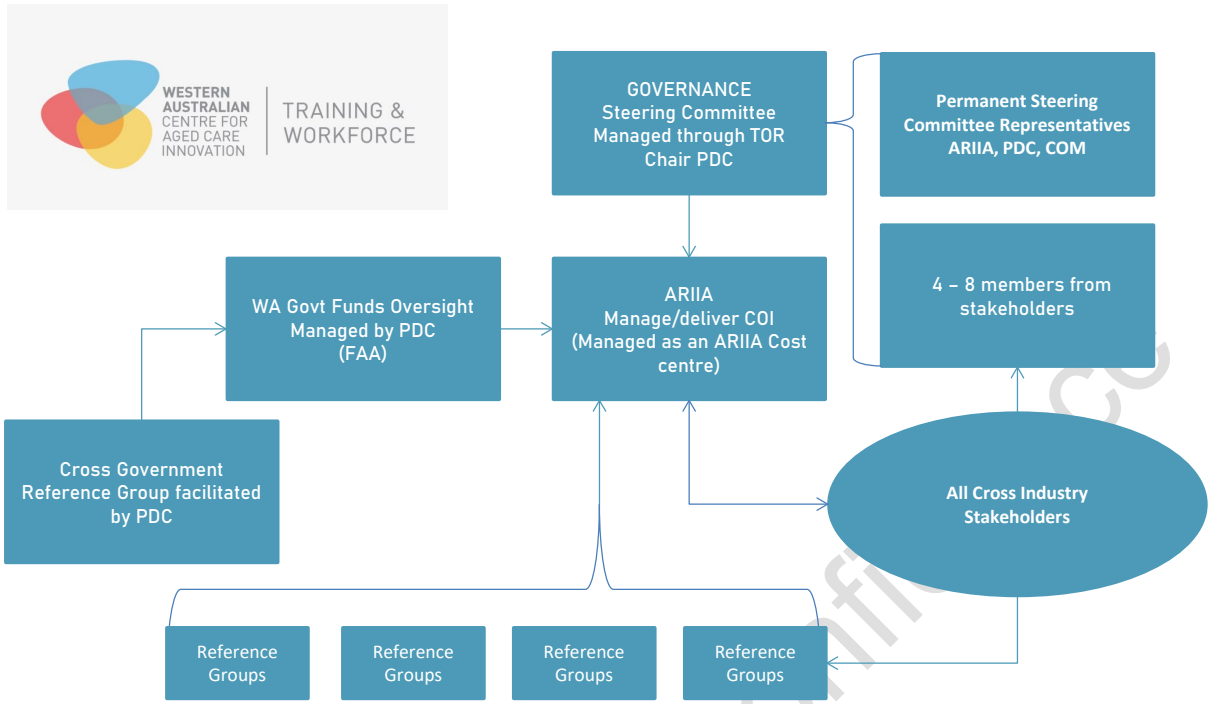
Current governance

The current Governance Arrangements have been developed as the project has been developed.

- Stage 1 (February 2023): In response to a recommendation from Deloitte (adopted by Mandurah City Council) that an aged care Centre of Innovation should be developed, COM and PDC established a project team reporting to the PDC Board and Council. Funding through 'Transform Mandurah' was approved to undertake a robust and comprehensive evidence of the need for a WA Aged Care Training and Workforce Centre of Innovation.
- Stage 2 (August 2023): PDC and COM commissioned Faircloth McNair and Associates (FMA) to undertake a Needs Analysis which confirmed and quantified the need.
- Stage 3 (Oct 2023): PDC and COM commissioned FMA to undertake a Feasibility Study, including a Cost Benefit Analysis conducted by Pracsys. The Feasibility Study findings were accepted by the PDC and COM.
- Stage 4 (February 2024): Following acceptance of the Feasibility Study, COM and PDC commissioned preparation of this Business Case and establishment of an industry-led Reference Group to contribute to the development of the Business Case. The Reference Group have supported a process that has resulted in ARIIA taking on the proponent role.
- Stage 5 (July 2024 onwards): The Reference Group will work with all of the stakeholders to establish a governance group (Steering Committee) for the COI and to establish a forum and communication protocols for all stakeholders to ensure that their creativity, expertise and energy is maximised.

The proposed operating governance and organisational arrangements are detailed in Figure 17: Governance and Operating Model.

Figure 17: Governance and Operating Model



Organisational Structure Rationale/Development

The COI will be led by ARIIA on behalf of the industry stakeholders. ARIIA will use a dedicated cost centre within their current corporate entity. WA Government funds will be provided to ARIIA and managed through the FAA to be administered by the Peel Development Commission on behalf of the WA Government.

The alternate solution was to develop a new legal entity that would be owned jointly by the industry stakeholders. This approach failed to identify the necessary leadership of a backbone organisation willing and with capacity to be the proponent organisation. In addition, this approach did not carry the multiple benefits relating to the benefits of supporting ARIIA as the proponent organisation.

6.4 Stakeholder Engagement

Key Stakeholders and Project Dependencies

Table 26: Key Stakeholders and Dependencies

Key Stakeholder Groups	Project Dependency
WA Government	Cross Department co-operation Funder Advice Collaboration stakeholder for planning and policy development
Commonwealth Government	Cross-Department co-operation, communication Funder of ARIIA's Australian wide initiatives Advice

Key Stakeholder Groups	Project Dependency
	Collaboration stakeholder for planning and policy development
PDC	Funds holder on behalf of the WA Government
	Chair of the Steering Committee for the COI (after funding)
PDC COM	Commissioning Agencies for the Needs Analysis, Feasibility Study and associated cost benefit study and the Business Case
	Permanent position on the COI Steering Committee
	Stakeholders and in-kind contributors
ARIIA	Develop, implement and operate the COI on behalf of the stakeholders
	Provide access to the broader work and outcomes of ARIIA's initiatives, innovation, research and leading practice (nationally and internationally)
	Provide increased access to the Commonwealth Government and particular the Department of Health and Aged Care at Ministerial level and at the most senior levels of the bureaucracy.
	Measure, evaluate, improve and report on all COI initiatives
	Ensure that the broader industry across WA benefits from the evidence based innovation and design to achieve state-wide outcomes and impacts initially tested in the Peel Region
Cross Industry Partners	Provide creativity, expertise, experience and energy to collectively co-design, new solutions, innovate and practice that achieves COI outcomes and impacts
	Trailing, improving and scaling up innovation with an emphasis on translating evidence and technology to practice. This work will be focused on ensuring the required quantum of aged care workers and that those workers possess the skills and qualifications required.
	Participate with the COI in Reference Groups
	Electing representatives to participate in the Governance of the COI
	Benefiting from the work of the COI in relation to their business models and service offerings
	Along with broader the broader industry in WA apply for, co-contribute to and deliver projects funded through COI grants
	Provide financial, IP, infrastructure and other in-kind support to the COI focused on solving the problems identified
	Provide advice and support through co-design processes ensuring an Aboriginal aged care workforce is developed
	Provide advice and support through co-design processes ensuring that the aged care workforce can deliver services that are culturally appropriate and safe
	Provide advice and support through co-design processes ensuring that the aged care workforce can deliver services that are safe and appropriate for LGBTQI people
Family Carers and Older People	Participate in Co-design to develop solutions and responses including the uptake of technology focused on worker skills and the number of workers required. This will include the activities and methods that will support older people to remain safely in community care for longer
Aged Care Workers	Participate in Co-design to develop solutions and responses including the uptake of technology focused on supporting the workforce to achieve quality

Key Stakeholder Groups	Project Dependency
	of care outcomes, to increase job satisfaction, increase skills and to increase the retention rates.

Stakeholders Engagement to Date

Stakeholders were engaged in:

- The development of the Needs Analysis through telephone/virtual interviews, face-to-face meetings, email communiques, a survey and distribution of a summary report of the Needs Analysis.
- The development of the Feasibility Study through a co-design workshop, a model development workshop, face-to-face consultations and telephone/virtual consultations, email communiques, and distribution of a summary report of the Feasibility Study and Cost Benefit Analysis.
- Through participation in a stakeholder reference group to support Business Case development, as well as telephone/virtual interviews and face-to-face meetings, and email communiques.

In each project phase, FMA developed and implemented a communication plan jointly implemented by the project management group (PDC and COM) and FMA.

During the project phases communication with relevant government departments and Ministers and/or advisors have been conducted through virtual meetings and face-to-face meetings (including with the Department of Health and Aged Care in Canberra).

As the Project Matures

As the project matures, stakeholder engagement, communication and participation will continue to be central to the COI operating model. Key mechanisms include:

- A dedicated government relationship strategy supported by COI human resources and PDC.
- A governance model that involves the stakeholders.
- Participation of cross–industry and cross-sector stakeholders in symposiums, trials, co-design, reference groups, the living lab, email communiques and dissemination of reports.
- Co-contributions and funded trials/research.
- Financial and in-kind contributions.
- Participation of family carers, older people and aged care workers in co-design, feedback and ongoing consultation.

6.5 Project Timeline

Milestones/Deliverables (on funding notification)

Year 1

Year one milestones include:

- Convene Stakeholder Meeting to elect representatives to Steering Group.
- Form and convene Steering Group.
- Establish FAA – PDC (on behalf of WA govt) and ARIIA.
- Complete start up activities (office, equipment, IT, professional services, administrative systems, financial management systems, CQI etc)
- Recruit staff.
- Develop and implement Communications Plan.
- COI priorities are set for COI projects that embrace critical subjects, including but not limited to:
    - Improving current workforce quality/skills.
- Enhancing student placement options and experiences.
- Developing processes, skills and practices required to support longer stays in the community.
- Developing practices and models to support reduction of entries into hospitals and improved discharge pathways.
- Improving EN⇨RN transition pathways.
- Developing processes to support improved recruitment, utilisation and retention outcomes.
- Developing alternate models of recruitment and operations that utilise community development strategies/methodologies.
- Improving processes and practices for gaining recognition of overseas qualifications and the processes and methods for undertaking further assessments/study to gain Australian qualifications/registrations.
- Improving processes and practices to support individual providers to maximise their options to recruit overseas workers.
- Developing overseas recruitment strategies
    - Developing a collaborative workforce development strategy working with all stakeholders and government departments involved in workforce planning for the Health Care and Social Assistance Industry Sector.
- COI operations commence including: co-design, reference groups, living lab, consultations.
- COI grant program is developed and advertised with grants focused on priority activities enhancing the translation of evidence to practice and the use and uptake of technology to practice.

- COI grants awarded.
- COI Measurement, Evaluation and (M&E) Reporting framework is developed and implemented.
- COI M&E is utilised in governance, project management and in FAA biannual reviews.
- Stakeholder relationships/engagement are maintained (managed through Communications Plan and dedicated COI human resources) with activities including contributions to co-design, expert involvement through reference groups, symposiums, engagement and financial and in-kind contributions.

Year 2

Year 2 milestones include a continuation of the COI stakeholder engagement, COI activities including grants, governance activities. In addition in year 2:

- Enterprise activities will be developed and operationalised.

Year 3

Year 3 milestones include a continuation of the COI stakeholder engagement, COI activities including grants, governance activities and developing/operationalising enterprise activities.

Year 4

Year 4 milestones include a continuation of the COI stakeholder engagement, COI activities, governance activities and developing/operationalising enterprise activities.

- A completion of grant rounds in the latter part of year 4.
- Commence business case development for funding from 2030 to 2035.

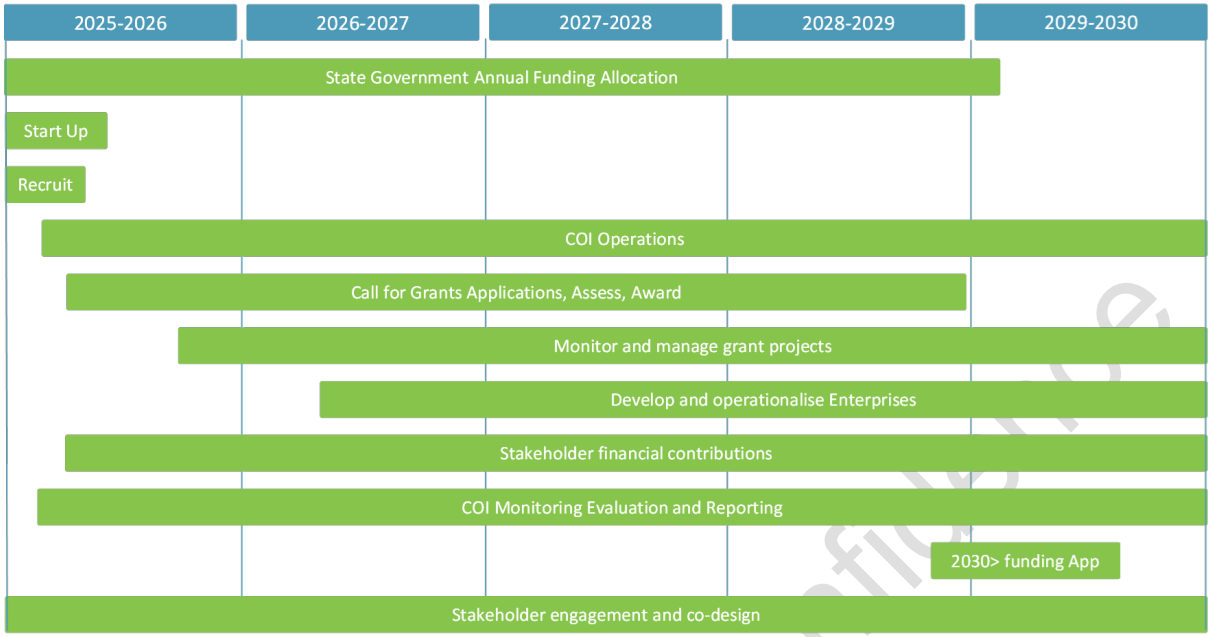
Year 5

Year 5 milestones include the continuation of the COI stakeholder engagement, COI activities, governance activities and developing/operationalising enterprise activities.

- Complete and report on all grant projects.
- Complete the business case for a continuation of funding.

Timeframe

Figure 18: Preferred Model Timeframe



6.6 Benefits Management

Benefits Management

The COI benefits management approach can be described as a focus on closing the gap between current growth trajectory and under supply in the number of aged care places available to meet the population driven demand through increasing the size and skills of the aged care workforce. The benefits management focus and process is embedded across all of the steps and responses in this business case.

A benefits management approach in the implementation and operation of the COI will continue to as central approach to ensure that there is a focus on outcomes and impacts. PDC will use this approach in contract management setting KPIs that ensure funding is tied to the achievement of the required outcomes and impacts. The industry led governance group will also maintain this focus to ensure these critical outcomes and impacts are achieved. This cross-industry and cross-sector Governance Group will provide the energy, creativity, expertise and leadership that co-opts the required industry expertise and coordinating actions that overcome barriers and solve problems that would otherwise diminish or impede the achievement of the outcomes and impacts.

The base in Mandurah provides the COI with a geographic and service system focus that will aid the identification of 'program effect' as innovation, and evidence translation are designed, measured, improved and evaluated. The evaluation expertise of our industry partners will support insights into cause and effect and also the casual relationships between multiple and intersecting influences. The evaluation outcomes will enable the benefits realised in trials to be scaled up into state-wide embedded practices. Industry wide take-up will also be aided by evidence gathered through exemplars in Peel and the immediate environs rural, regional and urban settings.

Each of the outcomes and impact statements will include specific measures that will be reported through the measurement and evaluation framework. This framework will be developed as the first priority action when funding is announced. The University Partners and ARIIA's experience in the development and reporting of robust and valid measures will support the COI to maintain focus and realise the benefits described in this business case.

All activities and expenditures of the COI and the related granting program will be assessed against how the activity, expenditure, staff role and grant activity focuses on the COI outcomes and impacts

An ongoing and central element of COI benefits management approach will be comprehensive stakeholder engagement processes exemplified in appendix 1, 2 and 6 and ongoing engagement through an industry led reference group, living lab, project reference groups, stakeholder symposiums and joint stakeholder led initiatives

Connecting Benefits, Solution and Problem

The high-level program logic (Figure 19) connects the investment benefits to the recommended solution that addresses the problem identified in the business case.

Figure 19: High level program logic

WHY	WHO	INTERVENTION	OUTCOMES	IMPACTS

The aged care workforce skills are inadequate to meet the current and future aged care service needs.
 	
Aged Care is not seen as an attractive career choice for RNs and Allied Health.
 	
Graduating students are not work ready.
 	
The quantum including the occupation mix of the aged care workers is inadequate to meet current and future needs.
 	
The Health system has older people unnecessarily entering acute care and they are often staying unnecessarily due to a lack of appropriate discharge pathways
	A collaboration of cross sector partners that include:
	• Universities
	• RTOs
	• Recruiters
	• Aged Care Providers (Community and Residential)
	• Peak Bodies (including carer & service user representatives)
	• Technology
	• Subject matter experts
	• Government:
	  • Local
	  • Development Commissions
	  • State (multiple departments including Health)
	  • Commonwealth (multiple departments including Health)
		Collective Impact to focus the skills and expertise of cross sector partners to lead, direct and contribute to:
		• co-designing
		• training
		• measuring & evaluating
		• improving
		• scaling-up
		innovations and solutions that resolve the identified problems.
		
		Translating research into practice will be a key foci.
		
		The collective will advocate and support policy development.
		
		Migration including improved recognition of prior learning processes and screening for suitability
			Aged Care will attract graduating students across all required occupations.
			
			Student placements and curriculum will ensure graduates are work ready.
			
			A longer length of stay in community with associated reduction in RACs and a reduction in the quantum of workers required.
			
			Reduced unnecessary hospital admissions and reduced length of stay of older people.
			
			Improved EN to RN pathway.
			
			Sufficient number of aged care workers across all occupations.
			
			Adoption of technology and innovation.
			
			Improved access to skilled migrant workers.
				The quality and length of life of older Western Australians will be improved including Aboriginal and Torres Strait Islander people.
				
				The carers and families of older Western Australians will have improved wellbeing and economic outcomes.
				
				The State Government will ensure a functional Health system (avoid failure of the system) with resultant economic social impacts.
				
				The Commonwealth will be able to support National roll out of innovation and the translation of research to practice to support sustainability.
				
				The Aged Care workforce will have improved impact and satisfaction from their labour.

Impact on the Agency

The three agencies (groups of agencies) addressed in this response are:

PDC

The achievement of the outcomes and impacts of the COI are consistent with PDC economic development remit and the particular strategy articulated in the people of Peel. The COI will improve PDCs output, outcomes and impacts (performance). PDCs role in the COI will be:

- To manage the FAA with ARIIA (proponent organisation) and with funding tied to the related milestones and KPIs

- To commission and access independent expertise from time to time to aid in the assessment of ARIIAs technical aged care related reporting
- To chair the COI industry led Governance Group
- To provide administrative support for 6 monthly reviews and to support PDCs Chair role
- To convene and coordinate inter-government reference group

PDCs manage a risk to resources through dedicated funding as part of the investment to support these activities. The activities are consistent with the risk management plan that requires robust benefit management governance.

COM

The achievement of the outcomes and impacts of the COI are consistent with Transform Mandurah. The COI will deliver considerable economic and social benefits to the City of Mandurah and will aid the City to positively manage the community wide impacts of an ageing population. COM will also benefit from strengthening of the industry partners commercial/business operations. The COI will improve COMs output, outcomes and impacts (performance). COMs role in the COI will be as:

- Permanent members of the Industry Governance Group
- An in-kind contributor
- Facilitator and contributor to design

ARIIA

ARIIA will establish and manage the COI on behalf of the industry partners of which they are one. The role of ARIIA as the proponent is consistent with its remit as a National Organisation and work to improve. The ARIIA brings considerable subject matter expertise and knowledge to bare on the problem and also the processes required to support industry to adopt evidence based solutions.

ARIIA is an industry-led, independent and not-for-profit organisation funded to increase the aged care workforce's capability and capacity to adopt and embed evidence-based practice across the aged care sector. It will grow the use of products and technologies that improve aged care service delivery.

The COI will improve ARIIAs output, outcomes and impacts (performance).

ARIIA role in COI will be:

- Proponent Organisation who will manage a dedicated Mandurah based and staffed cost centre benefiting from ARIIAs corporate services, senior leadership expertise and significant aged care resources.
- Permanent member of the industry led governance group
- Contributor through advocacy, collaboration with the Commonwealth Department of Health and Aged Care, access to National and International research and leading practice including the application of technology.

Partner Stakeholders

The partner stakeholders including people with a lived experience, carers, aged care workers and organisations that represent aged care, training, research, technology, recruitment, migration and peak bodies (industry and consumer). The stakeholder will continue to be expanded as the COI is operationalised. Partner stakeholders through collaborations, in-kind contributions and coordinated activities and resourcing to support coordination and collaborations will be involved in the COI in multiple ways that include:

- Representatives voted onto the Governance Group
- Participation in subject matter/project reference group
- Co-design
- Grant recipients
- Participants in multiple COI activities
- Symposium participants
- In-kind contributors

The COI will improve partner's outputs, outcomes and impacts (performance).

6.7 Next Steps

Uncertainty to be Resolved

The key uncertainties to be resolved include:

- Identification of suitable offices in Mandurah.
- The development of a cross-Government committee to work with PDC to aid the work of the COI.
- The specific activities of the proposed enterprise activities. These activities will be co-designed with partner stakeholders and will address an identified service gap or lack of capacity in the sector. The timeframe for commencing these activities will be subject to successfully achieving other milestones of the COI in year 1 and year 2.
- The capacity and willingness of Partner Stakeholders to make the financial contributions.
- The level of collaboration and future financial contributions of the Commonwealth Department of Health and Aged Care. This will be aided by the cross-Government committee and ARIIA's funding and collaborative working relationship with the Commonwealth Department of Health and Aged Care.

7 RECOMMENDATION

Recommendation

That the WA Government invests $20.8 M over 5 years into the development and operation of an industry led WA Aged Care Training and Workforce Centre of Innovation.

Attestation – The Importance and readiness of the Proposal

The proponent (ARIIA), the Commissioning agencies (PDC and COM) and the industry partners represented in the reference group for the business case development (PDC, COM, ARIIA, Chorus, Amana Living, South Metro TAFE, Murdoch University, Coolibah Care, Skilled Strategies Solutions, Aged & Community Care Providers Association, South West Aboriginal Medical Services. attest to the importance of the proposal to develop and operate a WA Aged Care Training and Workforce Centre of Innovation (letters of support appendix 7). All stakeholders are ready to participate in the development of the COI and the delivery of the COI activities.

The importance of the proposal is identified in benefits and dis-benefits detailed within the business case, summarised as:

- The positive economic benefits generated through increased training services and increased employment.
- The positive economic benefits generated through additional residential aged care development.
- The positive social benefits related to the health, wellbeing and length of life of older Western Australian's.
- The avoidance of the dis-benefits related to increased numbers of older people being admitted to hospital, staying unnecessarily in hospital and using emergency departments when alternate arrangements would have been more appropriate.
- The avoidance of the dis-benefits of political impacts related to a dysfunctional aged care system and a dysfunctional health system.

Pracsys Cost and Benefit for Option 2 demonstrates a cost benefit of 3.785 and benefits of $6,771,415,529 over 15 years at a 7% discount rate.

This proposal supports the importance of the WA Government supporting the proposal with a $20.8M investment over 5 years from July 1st 2025 to June 30th 2030.

This is not an infrastructure project

As this is not an infrastructure project the following elements have not been addressed in our response:

- land is secured, presenting no encumbrances to starting work
- scope for all aspects of high importance to the agency are specified (in an Appendix)
- cost and time have been estimated, including contingencies (for non-residential construction, this must be validated by the Department of Finance)

- major approvals are not required or have been obtained

8 APPENDICES

Requirement: Attach any appendices as a separate volume.	✓

List of Appendices

Appendix 1 – Needs Analysis

Appendix 2 – Feasibility Study

Appendix 3 – Cost Benefit Analysis

Appendix 4 – Risk Analysis

Appendix 5 – Financial Analysis Assumptions

Appendix 6 - Consultations

Appendix 7 – Letters of support:

Amana Living

ARIIA

In Casa Aged Care

Coolibah Care

Murdoch University

Quambie Park

Regional Development Australia – Peel

Umbrella Multicultural Community Care

Chorus

South Metro TAFE