26 April 2013

Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

Dear Committee Secretary

Thank you for granting an extension to the Prime Minister's Council on Homelessness for its submission to the Aged Care (Living Longer Living Better) Bill 2013 inquiry.

The Prime Minister's Council on Homelessness (PMCH) welcomes the opportunity to make a submission to the Senate Standing Committee on Community Affairs about the Aged Care (Living Longer Living Better) Bill 2013. (LLLB)

Prime Minister's Council on Homelessness

The Prime Minister's Council on Homelessness was announced by the former Prime Minister, the Hon Kevin Rudd MP, along with the former Minister for Housing, the Hon Tanya Plibersek MP, in August 2009. The Council was established to ensures the accountability of the reform agenda of the White Paper on Homelessness, *The Road Home*, by providing an independent overview of the implementation of White Paper goals and targets for 2013 and 2020, and providing advice to government on the progress, risks and emerging issues in homelessness. As part of this process, the PMCH has examined the issues regarding homelessness amongst frail elderly people. Changes to the funding and subsidy arrangements to Aged Care services have been of particular interest, as well as some key elements of the service system. The White Paper on Homelessness made specific recommendations around frail aged homeless people including:

- An amendment to the Aged care Act 1997 to recognise older people who are homeless as a "special needs group"
- The allocation of aged care places and capital for at least one new specialist facility for ageing people who are homeless in an area of need for four years (2009 – 2012)
- An expansion of the Assistance with Care and Housing for the Aged (ACHA)

PMCH has welcomed the Aged Care reform package as a key opportunity to influence the design of the future aged care service system to facilitate greater assistance to homeless people and those at risk of

homelessness. It is hoped that improvements could greatly assist in the prevention of homelessness in the future.

As part of its deliberations PMCH has been fortunate to have regular meetings with the Hon. Mark Butler, Minister for Mental Health and Ageing as well as regular attendance from senior aged care officials representing the Department of Health and Ageing (DOHA). A PMCH specific forum was held in October 2012, attended by almost all of the homeless specific aged care providers in Australia resulting in an informal alliance of homeless aged care providers. In addition a representative from PMCH, Ms Netty Horton, has been appointed to the Aged Care Funding Instrument (ACFI) Monitoring Group, and finally a forum was convened by the Social Inclusion Unit of the Department of Prime Minister and Cabinet in February 2013 to examine the issues of homelessness and older people with a particular focus on older women. These forums have been invaluable in both providing information to and from PMCH about the issues of homelessness amongst older Australians.

Homelessness amongst older Australians

The Australian Bureau of Statistics released a report, "Census of Population and Housing: Estimating Homelessness Australia" based on an Analysis of the 2011 census data in November 2012. The report shows that on the 2011 census night, 14,851 people aged 55 or over were counted as being homeless. This represented 14% of the total number of people who were homeless on census night which the ABS report estimates as being 105,237 people. In numerical terms this represents an increase in the actual aged homeless population of 2390 people in comparison with the 2006 census data, although the proportion of aged people within the homeless population has remained constant at 14%. This is due to the growth in numbers of the general population and a commensurate growth in the homeless population. Of note is the rapid growth in the number of homeless people over 55 living in "other crowded dwellings" which increased by 1,339 people or approximately 49% in comparison to the 2006 census data.

Homeless Aged Care Services

Across Australia there are very few aged care facilities specialising in providing residential facilities to homeless people. Facilities providing residential services, where more than 50% of residents are homeless, are entitled to claim a viability supplement (see below for further discussion about this measure) to compensate for the additional costs that may be incurred. There are currently (as of March 2013) only 16 of these facilities in Australia providing approximately 700 beds, PMCH has a concern about a homeless person's access to residential facilities, given a total population of almost 15,000 people at any one time. Of further concern is the lack of geographical spread of these limited facilities. Of the 16 facilities 10 are in Melbourne, and 5 of these are part of a single specialist agency. 2 facilities are in Western Australia, 1 in Adelaide with 3 in Sydney. This indicates that homeless people in

Queensland, Tasmania, ACT and the Northern Territory have no access to these facilities, and for those in regional and rural areas there are very few options. In the interests of preventing homelessness from occurring where people are at risk, and also in ending homelessness for those who have been part of the homeless population, it is essential for measures to be implemented to expand the current capacity.

Aged Care Funding Instrument

The Aged Care Funding instrument (ACFI) was introduced as the mechanism for replacing the previous Resident Classification Scale in 2008. There has been much debate and discussion between the Government and homeless agencies about the apparent provision of funds to services providing residential aged care to homeless people. Essentially, it is argues that homeless people tend to have limited or no family or other community support, many being marginalised and all having very few financial resources. This results in care facilities filling the roles that are carried out by families and others in mainstream services. A homeless person will generally require the services of a paid carer to assist to a medical appointment or external service. Clothing, toiletries and other necessities, traditionally provided by families, also need to be purchased or provided by the agencies. Homeless people may come into a facility with a mental illness, drug or alcohol issues, a history of violence, or a range of other issues requiring careful management by facility staff. The introduction of the ACFI resulted in a down grading of the behavioural domain, the area in which homeless people are likely to register at a higher level in requiring care, and this in turn has impacted on the claiming ability of these services.

In recognition of the additional costs of caring for older homeless people, the Government introduced a viability supplement payable to aged care agencies where more than 50 % of residents are regarded as homeless. Whilst this supplement was welcomed by facilities and organisations, they continue to report a reduction in their overall income levels, and have failed to reach a growth in subsidy level in comparison with other mainstream aged care providers.

Most evidently, DOHA figures provided to the ACFI monitoring group, most recently in March 2013 indicate that the average daily subsidy, when collated on a national basis, is approximately $135.00 per day per resident. The data relating to homeless providers of residential aged care indicate that the average daily subsidy is approximately $99.00 per day. In addition, the viability supplement is provided at an average of $14.55 per resident, which still leaves homeless residents being subsidised approximately $20.00 per day less per resident than mainstream services. This combined with the absence of bonds or an ability to make increased contributions to services makes it financially difficult for homeless aged care providers to remain viable, and of course less attractive for other organisations to pursue a homeless client group.

Home Care

It is important to note that to date most of the focus on homeless aged care services has been concerned with the provision of residential aged care. However, the current providers of community care raise similar concerns about additional costs of providing services to homeless people requiring aged care services within the community. The marginalised nature of homelessness and the likely lack of contact with family and community, the greater requirements to manage behaviour contribute to additional costs and difficulties in providing care within the community. It is important to consider these issues in the context of the move towards Home Care as part of the reform package directions.

Aged Care Gateway

Whilst it is noted that the Aged Care Gateways do not form part of the legislation, it will be important to ensure that access to the Aged Care System will reflect the reach and impact of the legislation. PMCH welcomes the opportunity to engage in the design and development of the Gateways to ensure that homeless people enjoy equal access to the new arrangements as others in the population. Particular issues to consider will be the absence of family support to assist in negotiation of pathways and access, as well as a potential lack of access to IT and web based programmes.

The experience of homeless providers in interactions with the current access points to the system, the Aged Care Assessment Teams, indicates that comprehensive education about homelessness is required. As an example, it is generally difficult to get ACAT teams to recognise the premature ageing conditions evident in the homeless population, and ACAT's often refuse to provide assessments to people under 65 years old. PMCH would like to recommend mechanisms to prevent this discrimination from continuing under the new Aged Care Gateways arrangements.

Consumer Directed Care

The experience of other service systems indicate that consumer directed care (CDC) funds are most effective where the client has a strong and trusteed support network such as family or other trusted sources from the community, who can assist, discuss and where necessary advocate and negotiate pathways via the client directed care systems. Whilst very positive about the ability of clients to make clear choices about aged care services, it needs to be recognised that for some homeless people, and in the absence of a support network, other advocacy and support mechanisms will be required.

Rural Regional and Other Special Needs Building Fund

A very positive provision of the White paper and implemented by Government has been the provision of a capital grant each year to enable a specialist homeless aged care facility to be developed. PMCH strongly supports the continuation of this grant and understands that it is intended to be maintained via the Rural Regional and Other Special Needs Building Fund. The absence of bonds, and other capital

grants will make this provision very important and hopefully can address the geographical and rural and regional needs for homeless facilities. As part of this, the development of these facilities should be monitored to ensure that they are developed and continuing to provide for homeless people. One measure would be the assumed eligibility and claims for the homeless viability supplement.

In summary, PMCH believes that the provision of specialist homeless services from within the mainstream aged care system will be important in continuing to address homelessness in the future. The PMCH welcomes the reform package and many of the provisions of the Living Longer Living Better Legislation as an opportunity to reduce the numbers of homeless people in Australia.

Should you wish to progress any matters with the Council, please do not hesitate to contact the secretariat

Yours sincerely

Netty Horton
Council Member
Prime Minister's Council on Homelessness