House of Representatives
Standing Committee on Ageing

Inquiry into long term strategies to address the ageing of the Australian population over the next 40 years.

PUBLIC HEARING – DARWIN, 3 FEBRUARY 2004

Introduction

This submission aims to provide an insight into some of the day to day challenges faced by government and providers in the Northern Territory (NT) and to illustrate why many policy and service delivery models designed to respond to population norms do not meet the needs of people in the Territory.

Demographics

The NT has a younger age structure than the rest of Australia, however:

- The average rate of increase in the aged population is higher: In the 12 months to June 2002 the number of persons aged 65 and over increased by 4.9% compared to 2.2% nationally. This increases the challenge to develop appropriate responses to the changing age and needs profile.
- The aged and disability population are more likely to need assistance: In residential aged care 74% of residents are in the high dependency levels compared to 63% nationally. It is estimated that levels of disability in the Aboriginal population are at least 2.5 times higher than the rest of the population.
- The older population remains a significant driver of health expenditure.

The NT context is markedly different to other jurisdictions (see map attachment A).

- The Territory has the most highly dispersed population of all States and Territories. Our small population (1% of the national population) occupies one-sixth of Australia's land mass.
- Not only does the NT have a high proportion of Aboriginal population (29%), this population is extremely dispersed. There are about 680 discrete Aboriginal communities and 550 of these have a population of less than 50. Of these 316 are 250km or more from the nearest hospital.
- Distance, remoteness, accessibility and lack of infrastructure all drive up the costs of delivering services. Our climate means that a quarter of NT communities have no road access for a month or more each year.
- According to the Commonwealth Grants Commission the service delivery cost in the NT is 250% the national average.

Older people are not homogenous and the NT epitomises this. The NT population profile and the profile of aged care service users reflects considerable diversity, both within the NT population and in comparison to national data (attachment B). Factors worth noting include the gender mix and family structure of the older population, the ethnic mix and socioeconomic and geographical factors.

In the Territory we are attempting to provide services to a client group which has higher support needs, is more culturally and linguistically diverse, has less capacity to share the cost of service delivery through co-payment systems and which is spread over a vast geographical area.

Issues and Opportunities
The NT's distinctiveness brings some challenges.

1. Sustainability of Residential Aged Care Facilities

- Viability of residential aged care facilities is a longstanding issue in the NT and a number of factors are involved.
- All services receive recurrent 'top-up' funding from either DHCS, Aboriginal Hostels Ltd or their auspice body. The NT government is currently subsidising 5 of 12 facilities – a situation that is unheard of in other jurisdictions
- The lack of take-up of high and low residential places is in part due to non-viability of facilities. For example there is currently no residential aged care in the East Arnhem region – a region with a population of 13 947 - because no provider has been willing to set up a facility there.
- There are no for-profit providers in the NT because it is not possible to make a profit.
- This issue is illustrated by the following case studies:

a) Pulka Pulka Kari Nursing Home (PPK), Tennant Creek

- PPK is an 18 bed facility including 2 respite beds. This facility had a deficit of over $250 000 in 2002/03 despite top-up funding from the NT Government of around $60 000.
- This is not due to poor management: The auspicing body Uniting Church Frontier Services has proven credentials, particularly in providing care for Aboriginal people.
- There are a number of factors involved:
  - 15 of the PPK residents are RCS 1 or 2 (older people in the NT are more likely to need assistance and more likely to have co-morbidities);
  - 15 residents are Aboriginal;
  - 100% of residents are concessional and there is no ability to raise accommodation bonds;
  - Many of the workforce problems experienced nationally are more acute in the NT. Difficulties recruiting staff at PPK lead to a need to employ agency staff with an additional cost of approximately $75 000 last financial year.
  - The climatic extremes mean that the facility faces a short cycle of major repairs and maintenance, compared to up to 10-year cycle in other jurisdictions, which depletes capital resources.
  - The viability supplement is inadequate.
- At the human level the compromises in quality of care that the provider ends up feeling forced to make not only clearly impacts on the people living in PPK, but is disheartening for the committed staff who are not able to provide what they feel people deserve.

b) Masonic Homes have recently opened their first facility in Darwin after extensive experience in the industry in South Australia. The attached letter from the CEO of Masonic Homes Inc provides compelling evidence that the viability issues are not just limited to remote areas (Attachment C).

2. The separation between services for the aged, people with disability and chronic disease is not meaningful in the NT and impacts on sustainability of services.

- These areas have many shared goals and fundamental issues – such as the need to find accommodation and care options for high needs clients that meet efficiency objectives while upholding values and principles.
- Economies of scale and infrastructure issues frequently make it necessary to integrate services, particularly in rural and remote areas.
- There are a limited number of organisations with capacity to manage service provision and the NT frequently relies on services with capacity to provide a mix of services.
- But a holistic approach to service provision is complicated by program boundaries.
- A significant proportion of aged care service users are Aboriginal people aged over 50 years who exhibit the morbidities usually prevalent in the aged population but are not 'old'. This raises questions as to the appropriateness of using aged care facilities to provide chronic disease care services to people in their fifties.
- There is a multiplicity of small services in the NT providing a service to the aged and people with disability through a combination of HACC and CACP funding - but HACC and CACP planning and funding rounds are not coordinated and the programs have separate accountability mechanisms.
- There are many stark examples of accumulation of risks over the life course and the need for a lifespan approach to healthy ageing. For example, it has been estimated that at any one time between 360 to 500 young people are involved in petrol sniffing in Central Australia. Chronic sniffers are 25-40% of the total number at any one time. The resulting burden on carers and the impact on future levels of dependency is considerable.
- There is a need for greater flexibility and greater acknowledgment that programs can't be 'one size fits all'. Particularly in remote Aboriginal communities, some of the existing approaches seem to be undermining rather than building capacity.

3. While the balance of care towards home-based care has changed dramatically, the nature of the system has barely altered.

- The trend away from institutional care is marked in the NT. The distribution of aged care places in the NT is different to the rest of Australia with a much higher proportion of Community Aged Care Packages (CACPs) – 56% - and fewer low care places. This is largely due to expanded allocation of CACPs to Aboriginal people in remote areas.
- Given the clear desire common among Aboriginal communities to access services in their own country, the increase in community based care is welcome.
- However there are a number of questions that can usefully be considered: Will CACPs continue to successfully substitute for low care places? What are the cost diseconomies in delivering community based care to clients with complex needs?

- The values and cost-based pressure toward increasing home-based service delivery is not always accompanied by a recognition that the process of cost reduction involves a proportion of costs being shifted to the informal care sector. There needs to be a corresponding increase in support systems for the informal network including respite, training and monitoring.
- Nationally Commonwealth expenditure on National Respite for Carers has increased 400% since 95/96 while CACP expenditure has increased 645%. In aged care facilities only a couple of beds are set aside in each facility that can be used for respite – this hasn't increased in the NT despite the increase in community based care. Anecdotally, all our providers report that respite demand exceeds supply.
- Although some directions will be informed by the Community Care Review and the Review of Pricing Arrangements in Residential Aged Care, it is anticipated that some NT issues may not fit within the national frameworks, particularly those at the interfaces with other programs.
- We know that many of the more vulnerable older people are in part vulnerable because of their housing status and that insecure housing disproportionately affects certain groups such as those of low socioeconomic status, Aboriginal people and some non-English speaking background communities. Even though housing security is essential for sustained delivery of community services, community based aged care has limited intersection with housing.
- While the acute/aged care interface is important, the interface between aged and disability and primary care is perhaps more relevant in the NT context. There is the knowledge that people living in rural and remote regions and Aboriginal people are more likely to need care and support for preventable conditions. Access to adequate primary care for complex conditions also becomes more important when the majority of aged care is provided in the community.

Conclusion

We agree that the changing demographics and the ageing of the population will require innovative policy and service delivery solutions. But these need to be responsive to the whole population, not just the majority. A common description of "tomorrow's senior" is someone with higher education levels, more varied work experiences and improved economic circumstances, fewer children and so on. In the NT tomorrow's senior will not look like this. The development of strategies for an ageing Australia needs to recognise the diversity that already characterises the older population and the extent to which this itself is changing.

Aged and Disability Program
NT Department of Health and Community Services

Sources:

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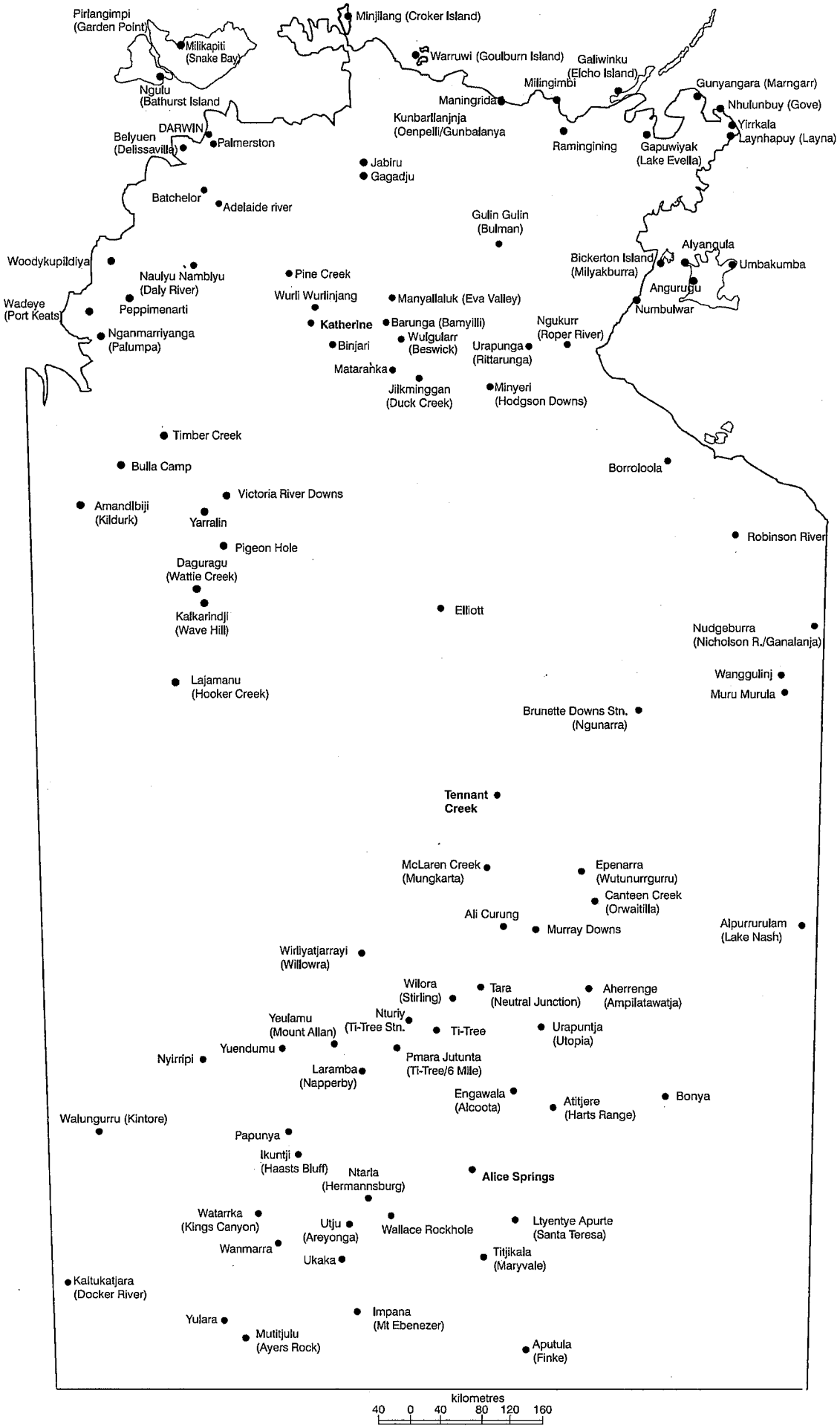
DEPARTMENT OF HEALTH AND COMMUNITY SERVICES OUTLETS IN THE NORTHERN TERRITORY



NT AGED CARE SERVICE USERS PROFILE

	Indicator	Australia (%)	NT (%)
Gender	ACAT assessments- males	36	47
	HACC consumers - male	33	41
Living arrangements/ family structure	People assessed by ACAT who are single, separated or divorced	12	27
Ethnic background	Proportion of population that is Indigenous	2	29
	ACAT assessments – Indigenous people	-	50
	HACC consumers:		
	NESB	12	45
	Indigenous	2	48
Geographical distribution	Population living in rural and remote areas	14	26
Socioeconomic status	Concessional residents in residential aged care	48	74