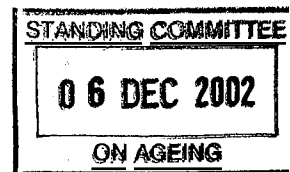




Submission No. 80

THE MYER
FOUNDATION

ACN 004 444 419 ABN 46 100 632 395



30 November 2002

Mr Adam Cunningham
Inquiry Secretary
Standing Committee on Ageing
Parliament House
CANBERRA ACT 2600

Dear Mr Cunningham,

Inquiry into Long-term Strategies to address the Ageing of the Australian Population over next 40 years

The Myer Foundation recently released a report titled – **2020: A Vision for Aged Care in Australia** (enclosed). As you will see, the report summarises the work of nine-month project looking at the future of aged care. It calls for reform of the administration and funding of Australia's aged care system to ensure high quality, flexible and affordable care is in place by the time the 'baby boomers' move into old age beginning in 2020.

Mr Baillieu Myer AC and Sir Arvi Parbo AC are the Patrons of the **2020: A Vision for Aged Care in Australia** project. Lady Southey AM is the President of The Myer Foundation.

The attached submission gives an overview of the findings of the project and details the Five Point Reform Plan. The Myer Foundation believes the philanthropic sector has an important role in advancing the proposed reforms and will be actively involved in a number of ongoing actions, including:

- Convening independent working groups from industry, government, community and the private sector;
- Forming an alliance of philanthropic bodies concerned about the future of aged care;
- Funding some pilot projects that test models of reform; and
- Initiating community consultation across the generations to hear what Australians want for aged care in the future.

Level 44, 55 Collins Street, Melbourne, Victoria 3000, Australia
Telephone 61.3.9207 3040 Facsimile 61.3.9207 3070 Website www.myerfoundation.org.au

MISSION STATEMENT

The Myer Foundation works to build a fair, just, creative, and caring society by supporting initiatives that promote positive change in Australia, and in relation to its regional setting.

The Myer Foundation was established and initially endowed by the late Kenneth Myer and Baillieu Myer, and is now supported by the wider Sidney & Merlyn Myer family.



The report has been sent to all government funded service providers across Australia as one way of encouraging broader discussion about the future of aged care. In addition, the report and associated policy and research papers are available on The Myer Foundation website www.myerfoundation.org.au.

The Myer Foundation strongly supports the work of your inquiry, and would be willing to give evidence in person should your Committee request this.

Yours Sincerely

A handwritten signature in black ink, which appears to be 'Charles Lane'. The signature is fluid and cursive, with a large loop at the beginning.

Dr Charles Lane
Chief Executive Officer



THE MYER FOUNDATION

ACN 004 444 419 ABN 46 100 632 395

Submission to Inquiry into Long-term Strategies to address the Ageing of the Australian Population over next 40 years

Background

This submission specifically addresses issues related to long-term strategies for the care of frailer older Australians. It is recognized that this is just one of many facets that needs to be considered when looking at the consequences of the ageing of our population over the next 40 years.

The Myer Foundation submission is based on the findings of a nine-month project funded by the foundation. The project had 3 components:

- 2020 – a Vision for Aged Care in Australia project work which included commissioning 8 technical papers, holding a 2 day policy seminar attended by aged care experts, and producing a summary Vision document (copies attached).
- A major economic analysis of the costs and funding issues related to aged care in Australia, undertaken by The Allen Consulting Group. This found that by 2020 it will cost an extra \$4.8 billion (60%) per year in today's terms to provide the current level of services (an estimated \$12.1 billion in total aged care costs in today's terms compared with the current \$7.3 billion).
- A HACC study addressing targeting and service fragmentation as it impacts at the local level, was undertaken by The Municipal Association of Victoria. This study identified a range of problems including variation in levels, services and costs depending on whether the client is provided a service through CACPS, Linkages or HACC. The report proposes the consolidation of the existing range of HACC and related programs into a three-tiered community care system for older people and people with disabilities.

All of the above reports can be accessed on The Myer Foundation website www.myerfoundation.org.au

The Vision

The summary report outlines a 2020 Vision, which sees older Australians confident they can access the care and support they need, when they need it.

Aged care services will reflect the fundamental changes in the nature of the Australian population, in which one in four older Australians will be from culturally diverse backgrounds. More Australians will be living in their own homes as they age, supported by dramatically improved community care services and more 'age-friendly' housing.

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There will be more housing options for older people. Modification to building design and advances in new technology will ensure that the physical environment in many buildings accommodates people with disabilities. Cluster housing arrangements, often close to amenities, will enable people to have safe, manageable environments within the general community.

The administration of care will be fundamentally reformed, with clear responsibilities for each tier of government within a national framework. Resources will be distributed equitably across regions, with local flexibility to adjust the mix of community, hospital and residential services. This will be made possible by unprecedented co-operation between government and among providers across the private, charitable and public aged care sectors.

Extensive reforms will have been achieved in community care. This well resourced and vibrant sector will be a cornerstone of Australia's aged care services and will provide a viable, flexible and robust network of care that enables older people to live independently in their own homes as they age. The value and importance of voluntary care for older Australians will be acknowledged and built into the way services are developed.

An integrated network of services that meets the changing needs of individuals will have replaced the existing funding divisions and classifications that separate residential from community care, and high from low-level care. Accessible respite care will be a key feature of aged care services and will complement an expanded community care network, prolonging the ability of older Australians to care for themselves in their own homes and delaying permanent entry to high-level residential care wherever possible. Acute hospital and community-based services will work closely together and a range of post-discharge services will ensure safe transition from hospital to home.

Funding reform for aged care services will have been achieved, with additional revenue streams financing a robust and integrated range of aged care services. Financial reform within a framework of social equity will provide clear provisions for quality services for older Australians without adequate financial resources. Access to care will be determined by assessed need and level of dependency, not by ability to pay or service availability.

There will be more investment in education in aged care, which will be seen as an attractive field in which to work as part of a committed, enthusiastic and well-trained workforce. The 2020 Vision for Aged Care will be achieved through targeted research, policy coordination, political goodwill and sector development that will ensure the viability, effectiveness and continuous improvement of Australia's aged care system beyond 2020.

The Five Point Reform Plan

- Substantially reforming and expanding **community based care**, so older Australians can live in their own homes as long as possible as they age;
- Developing a **new funding model** that will deliver the significantly increased resources needed over the next 20 years;
- Streamlining the **administration** of care. Responsibility for policy development, planning and provision of Australia's aged care and health services to be clarified and aligned across all levels of government, under a national policy framework;
- Innovative, accessible **housing** arrangements and community infrastructure need to be developed so older Australians can live in their own homes and communities as they age; and
- Developing an aged care **industry plan**.



1. Community Care

This is a key feature of the reform package, which argues that Australia will need expanded, robust and effective community care to help the vast majority of older people who need care and want to receive it in their own home. The reforms needed include:

- Increasing funding to the community care sector to ensure older people needing support get access to a range of services that meet their changing needs;
- Establishing a national program integrating the full range of required community care services;
- Ensuring equity of access to similar services based on assessed need across all regions of Australia;
- Expanding and improving the efficiency of community based care by supporting the development of comprehensive care providers;
- Recognising the key role of hospitals in a care system designed to support frail older people in the community;
- Supporting the key role of informal carers in community care.

2. Housing

Innovative, accessible housing arrangements and community infrastructure need to be developed so older Australians can live in their own homes and communities as they age. This can be achieved by:

- Ensuring that a significant percentage of new housing is built to meet the Australian standard for adaptable housing by 2020
- Establishing national guidelines and standards for 'aids and appliance' and 'home modification/home maintenance' programs that are funded as part of a comprehensive community care scheme
- Developing a range of new community housing options for frail older people
- Using effective urban design to create more age and disability friendly local environments.

3. Administration

Responsibilities for policy development, planning and provision of Australia's aged care and health services need to be clarified and redistributed across the levels of government, under a national policy framework. This can be achieved by:

- Ensuring the Commonwealth Government, in conjunction with the States, sets and benchmarks national standards, performance measures and provides appropriate levels of funding;
- Commonwealth and state governments agreeing on an administrative framework that aligns responsibilities across all aged care and health services;
- Implementing strategies to streamline the administration of care over the short to medium term, including better coordination and regional pooling of funding;
- In the longer term, working towards the Commonwealth being responsible for national policy development with the states having direct administrative responsibility for health and aged care programs.



4. Funding

A funding model needs to be developed that will deliver the significantly greater resources needed over the next 20 years to increase and broaden the range of available services and improve service standards. This can be achieved by:

- Separating funding for the accommodation, hotel (or living) and care components of aged care services;
- Increasing public resources to fund high-quality base care services;
- Identifying new short and long-term sources of funding for aged care services which could include:
 - Mechanisms to enable people to access resources within their own home – such as "reverse mortgage" products – so they can contribute to accommodation costs if they are not being cared for at home;
 - A form of pre-funding, such as individual based compulsory savings schemes or a universal social insurance scheme, to provide additional funds to underpin the "care" component of services.

5. Industry Plan

Successfully providing excellent aged care depends on a vibrant, strong and efficient industry. This can be achieved by:

- Developing an aged care industry plan that shapes:
 - Appropriate roles for public and private, for profit and not-for-profit providers
 - The range of service types delivered by any one provider and the linkages to acute and other services
 - The concentration or amalgamation needed to achieve economies of scale and efficiencies in operation
 - The expanded role of the community care sector in the scope of the plan
 - Integration across the community, residential and hospital sector
- Ensuring that there are enough, well remunerated and qualified workers to deliver future aged care, through workforce planning, education and training
- Developing a national aged care research agenda
- Developing and harnessing new technologies

Conclusions

The summary report of the 2020 – a vision for Aged Care project, argues that the whole community needs to engage in the discussion about the future of aged care if we are to achieve a fair, just and caring society that values and supports older Australians.

The report is not prescriptive, rather, as can be seen from the above summary, proposes a range of options that need to be discussed and debated. Some options proposed are not new, others will prove controversial. The important issue is that the scale of change needed is recognized now, and that the community together with the aged care industry and governments, start to address these matters quickly.



The Myer Foundation believes the philanthropic sector has a critical role in advancing the proposed reforms, and will be actively involved in a number of ongoing actions. These include:

- Convening independent working groups from industry, government, community and the private sector;
- Forming an alliance of philanthropic bodies concerned about the future of aged care;
- Funding some pilot projects that test models of reform; and
- Initiating community consultation across the generations to hear what Australians want for aged care in the future.