



6 August 2004

The Secretary
Senate Community Affairs References Committee
Suite S1 59
Parliament House
CANBERRA ACT 2600

Email: community.affairs.sen@aph.gov.au

Dear Secretary

**Submission to Senate Community Affairs References Committee
Inquiry into Aged Care**

The Australian Council of Social Service (ACOSS) welcomes this Inquiry into Aged Care and the opportunity it affords us to provide comment on some critical issues in this important area of social policy. As the peak council of the community services and welfare sector and the national voice for the needs of people affected by poverty and disadvantage, we are particularly concerned about access to care for older people living on low incomes and those who are disadvantaged in other ways.

(a) the adequacy of current proposals, including those in the 2004 Budget, in overcoming aged care workforce shortages and training;

The serious workforce issues confronting the aged care sector, including staff shortages and lack of adequate training, are well documented¹. The first-ever survey of the whole residential aged care workforce was commissioned by a national Aged Care Workforce Committee comprised of industry, employee and academic representatives. The final report of the survey was released in February 2004 and found that the residential aged care sector employs 116,000 direct-care workers, of whom 12% have not had sufficient access to education and training opportunities, and 25% were born overseas and may need assistance with improving their language skills. A similar pattern is likely in the growing area of community-based aged care.

Although the 2004 Federal Budget contained a number of positive initiatives to address workforce issues, the problems are so significant that the Budget measures can only be described as a welcome start. They are worth \$101.4 million over four years and include funding for vocational education and training places, medication management training, and Workplace English Language and Literacy training. The funds will also increase undergraduate nursing places by over 1000 by the year 2008.

The size of the workforce problem warrants a significantly greater investment, not just now, but over the next few decades. The Final Report of the Hogan Review estimates that the demand for staff in the aged care industry will:

- *more than double* over the next 20 years; and will
- *increase fivefold* by 2040².

¹ See for example Hogan, WP. *Review of Pricing Arrangements in Residential Aged Care. Final Report*. Commonwealth of Australia 2004; Chapter 11: The Aged Care Workforce. La Trobe University, Recruitment and Retention of Nurses in Residential Aged Care - Final Report

² Hogan, WP. *Review of Pricing Arrangements in Residential Aged Care. Final Report*. Commonwealth of Australia 2004, Figure 7.6 p136.

This increase will occur in an industry which is already suffering major staff shortages due to other factors including:

- the global nursing shortage;
- the generally low wages and poor working conditions in the aged care sector;
- the ageing of the existing aged care workforce;
- differences between the states and territories in the regulations governing training and employment; and
- the poor public image of aged care³.

Another critical workforce issue is the shortage of dentists and allied health professionals including podiatrists, speech pathologists and occupational therapists. Shortages in these professions generally mean that older people in residential care have even greater difficulty than the general population in accessing these much-needed services⁴.

The Federal Government has demonstrated its awareness of the importance of the workforce issues confronting aged care through both the establishment of the National Aged Care Workforce Strategy (which has produced some very useful reports on the issue) and through its Budget initiatives earlier this year.

However, these actions are only first steps. Australia needs a comprehensive strategy and action plan, accompanied by significant investment, if we are to meet the major challenges ahead in recruiting, training and retaining a high quality workforce for the coming decades.

Further, the workforce issues confronting the community care sector are just as challenging as those confronting the residential aged care sector. Given the greater growth in community care services for older people in recent years (compared to residential care), and the fact that this trend will continue, community care workforce issues warrant at least as much attention.

Recommendation 1:

ACOSS recommends the development of a National Aged and Community Care Workforce Strategy and Action Plan, accompanied by adequate investment.

(b) Aged Care Standards and Accreditation Agency

ACOSS does not wish to comment on this Term of Reference in detail at this time. However, as a general point, program frameworks, funding arrangements and regulatory mechanisms in the area of aged care, need to continue to be developed in ways that ensure quality of care for older people, who can be particularly vulnerable, especially those with limited means or capacity to represent their own interests effectively.

(c) the appropriateness of young people with disabilities being accommodated in residential aged care facilities and the extent to which residents with special needs, such as dementia, mental illness or specific conditions are met under current funding arrangements;

³ Ibid. pp222-223

⁴ For more information see the NSW Aged Care Alliance Federal Election 2004 Issues Kit available at www.ncoss.org.au.

Younger People with Disabilities

Across Australia, there are now 6,500 people with disabilities under the age of 65 living in aged care facilities or acute hospitals, which equates to between four and five per cent of places. Of these approximately 1,500 are under 50 years of age⁵. Many have multiple sclerosis, acquired brain injury and other neurological conditions and are living there because it is the only place that can provide the physical care they require. The number of younger people living in nursing homes has almost doubled over the last decade and is likely to increase further in line with the predicted 12% increase by 2006 in the number of people aged 15 – 64 with ongoing needs for assistance⁶.

The inappropriateness of these living and care arrangements has been recognised for many years but little progress has been made on developing, or perhaps more importantly, on *funding*, alternative arrangements. The Final Report of the Hogan *Review of Pricing arrangements in Residential Aged Care* (the Review) notes that the limitations for younger people with disabilities include the “inappropriate setting; social isolation; and inability to attend to special care needs.”⁷

The Review goes on to cite evidence from the Victorian Younger People in Nursing Homes Consortium that demonstrates that younger people with disabilities living in aged care facilities also miss out on significant amounts of funding compared to those receiving funding support under Victorian Disability Services. The Review goes on to argue that the arrangements are not only inappropriate for the younger people themselves, but also for providers, whose resources are being stretched, and for the Federal Government, which is paying approximately \$270 million per year to accommodate younger people in places meant for older people. The Review comments that, at a minimum, “an audit of younger disabled people living in aged care facilities is required” and that the “results of that exercise would lay the foundation for the development of the most appropriate service framework for this client group.”⁸ However, the suggested audit was not listed in the Review’s short, medium or long-term recommendations.

Significant work on these issues, including public awareness raising, has been undertaken over the last few years by the National Alliance for Young People in Nursing Homes. ACOSS supports their call to the Australian Government to take immediate steps to promote and protect the human rights of young people with high care needs and to ensure that they have access to the resources required to live in appropriate accommodation with adequate care and support, and to lead active and fulfilling lives within the community of their choice⁹.

In addition to the audit suggested by the Hogan Review, ACOSS recommends that a *Younger People in Nursing Homes Strategy* be developed in partnership with state and territory governments. Not only must alternative, more appropriate accommodation and support options be found for those younger people currently living in aged care facilities, but alternatives must also be found and funded for those at risk of entering aged care facilities in the future.

⁵ Estimates are based on data from the Commonwealth Department of Health and Ageing provided to the Younger People in Nursing Homes Project. See www.ypinh.org.au

⁶ Australian Institute of Health and Welfare *Disability Data Briefing* Number 22 September 2002 AIHW: Canberra p10.

⁷ Hogan, WP. *Review of Pricing Arrangements in Residential Aged Care. Final Report.* Commonwealth of Australia 2004. Chapter 13.2.

⁸ Ibid.

⁹ For more information see the website of the Younger People in Nursing Homes Alliance at www.ypinh.org.au

Recommendation 2:

- (i) **The Australian Government, in partnership with state and territory governments, should fund a Ministerial Advisory Committee for five years to develop and implement a Younger People in Nursing Homes Strategy. The Committee would bring together representatives of consumers, of Commonwealth and state/territory governments, and of the disability, aged and community care sectors.**
- (ii) **The Australian Government, in partnership with state and territory governments, should make a commitment that everyone under the age of 65 years currently residing in an aged care facility, will be offered suitable alternative accommodation in the community within the next five years. Provision should also be made for high need accommodation support in the community for people with disabilities who would otherwise enter residential aged care in this period so that no 'backfilling' of residential aged care places occurs. The Australian Government should provide funds for 50% of the cost (both recurrent and capital) on the basis that their contribution would be matched by the state and territory governments, who would administer the initiative along with other accommodation services provided under the Commonwealth/state territory Disability Agreement.**

Meeting Residents' Special Needs

There is both anecdotal and other evidence which indicates that, in many cases, current funding arrangements are inadequate to meet the needs of residents with special needs. The Final Report of the Hogan Review into Pricing Arrangements for Residential Aged Care investigated claims that residential care funding was not sufficient to meet the special needs of residents such as those with dementia, and concluded that such claims have merit¹⁰. The Government has also recognised this issue by announcing that a dementia funding supplement will be introduced in 2006.

However, the scope of the "dementia epidemic" is such that such a supplement is not an adequate response. Alzheimer's Australia estimates that the numbers of Australians with dementia will *triple* over the next 35 years, from 170,000 to 500,000 people¹¹. Access Economics predict that total direct and indirect expenditure on dementia will rise from 0.91% of GDP in 2002 to 3.3% of GDP in 2051¹².

ACOSS supports Alzheimer's Australia's call for Dementia to be made a National Health Priority and for significant investment in community awareness, research and services.

Recommendation 3

The Federal Government should make dementia a National Health Priority. Further, they should invest additional funding as follows:

- **\$10 million in a community awareness campaign;**
- **\$50 million per annum on cause, prevention and care;**
- **\$50 million in services including early diagnosis, information and support, community care and residential care services.**

¹⁰ Hogan, WP. Review of Pricing Arrangements in Residential Aged Care. Final Report. Commonwealth of Australia 2004. Chapter 9, pp176-180

¹¹ Alzheimer's Australia *Dementia Manifesto* 2004 - 2007 p1

¹² Quoted in Hogan, WP. Final Report p176.

(d) the adequacy of Home and Community Care programs in meeting the current and projected needs of the elderly;

Australia's system of community care is the envy of many countries and its growth and development over the last two decades is a major achievement. The Federal Department of Health and Ageing alone spent over \$1.3 billion on 17 community care programs in 2003-04¹³. The Home and Community Care (HACC) Program is by far the largest source of funding for community care, with combined Federal, state and territory government expenditure in 2003-04 estimated at \$1.2 billion. In 2002-03 HACC services provided 11 million meals and 28 million hours of services¹⁴. Over 450,000 *older* people (65+) received a HACC service of some sort.

Community Care programs have grown markedly as a percentage of aged care spending over the last two decades, in line with the desire of older people to remain in their own homes as long as possible. Twenty years ago, they were worth less than 10% of the aged care budget. Today, all the programs which make up community care are worth almost 30%.¹⁵

Despite this impressive record, Australia's community care programs are unable to meet current, let alone future demand for services from either older people, younger people with disabilities or their carers. Demand has increased steadily over the last few decades and will continue to increase in line with the ageing of Australia's population. By 2019, there will be an increase of almost 50% in the number of people across all age groups who rely on community care services compared to 2002¹⁶. The numbers of *older people* likely to need assistance was projected to rise approximately 160% between 2001 and 2031. At the same time as the demand for care increases so rapidly, the availability of informal carers is predicted to grow at a much slower rate, of just 57%¹⁷.

The growth in demand for community care is not the only issue confronting Australia's community care system. There is also broad agreement across governments, consumers, carers and services that reform is needed if we are to make the most of available resources. The plethora of existing programs means that consumers, providers and carers often face great complexity when they try to access the system. In addition to duplication, the real concern is with service gaps within and between programs and sectors.

Just this week, the Commonwealth released its long-awaited blueprint for future community care delivery: *A New Strategy for Community Care – The Way Forward*. This presents a significant opportunity to develop a comprehensive framework for the integrated planning and delivery of community care which responds effectively and fairly to consumer needs.

Recommendation 4:

ACOSS urges the Federal Government to progress the Blueprint for community care outlined in *A New Strategy for Community Care – The Way Forward*. As

¹³ Australian Government, Department of Health and Ageing *A New Strategy for Community Care – The Way Forward* p17.

¹⁴ Ibid. p19

¹⁵ Dr Anna Howe, Speaking at the Community Care Summit in Canberra on 4 August 2004 at Old Parliament House.

¹⁶ Commonwealth Department of Health and Ageing "A New Strategy for Community Care Consultation Paper" March 2003 p8.

¹⁷ NATSEM, University of Canberra. Who's Going to Care? Informal care and an ageing population. June 2004. p36.

acknowledged in the document, this should be done in partnership with providers, consumers, carers and all spheres of government. Given expected increases in demand, the Federal Government should also significantly increase its investment in community care, with an initial injection of 20%.

(e) the effectiveness of current arrangements for the transition of the elderly from acute hospital settings to aged care settings or back to the community.

It is well known that length-of-stay in hospital has been decreasing markedly over recent years. For older people, early discharge back into the community or to residential care can be very difficult unless there is adequate follow-up and access to significant formal and informal support including short and long-term residential and/ or community care.

Planning for discharge should be coordinated across a range of medical, allied health and community care professions and involve the older person, their families and carers. Evidence to date is that this rarely occurs in ways that provide security and comfort to the older person, seamless service provision and optimal health and emotional outcomes.

ACOSS is aware of a pilot in NSW which aims to improve this situation. Under the pilot, specific funding is provided so that hospital discharge planners can work with community care providers to develop a six-week package of care for the person who has been discharged. Results to date have been very successful and ACOSS urges the Federal Government to support such initiatives more widely.

Thank you again for the opportunity to participate in this Inquiry into Aged Care. If you would like to discuss this submission further, please contact Cathy Moore, Community Services and Health Policy Officer on 9310 4844.

Yours sincerely

Andrew McCallum
President