

SENATE FINANCE AND PUBLIC ADMINISTRATION COMMITTEE

INQUIRY INTO RESIDENTIAL AND COMMUNITY AGED CARE IN AUSTRALIA

SUBMISSION OF THE NORTHERN TERRITORY DEPARTMENT OF HEALTH AND FAMILIES

The Northern Territory Department of Health and Families' submission will address terms of reference in relation to sufficiency of the current funding levels (Terms of reference (a)), and measures that can be taken to address regional variations in the cost of services (Terms of Reference (c)).

Whilst the Northern Territory (NT) has issues to put to the Committee to consider in relation to all the Terms of Reference of the inquiry, this submission will focus on the two above mentioned Terms, as they uniquely impact on the Northern Territory particularly.

The population of the NT is currently estimated at just over 200,000 while covering one sixth of the Australian landmass. The Territory has the highest proportion (30%) of Indigenous people of any jurisdiction in Australia.

The NT also has the largest population of people living in remote or extremely remote settings. This includes 70% of Indigenous people who live in remote communities, many of which lack road access for at least part of the year. There are currently 680 remote communities spread across the Northern Territory. The highly dispersed nature of the NT population substantially increases the cost of service delivery in the Territory. This is compounded by the lack of major urban centres upon which economies of scale can be built for the human services as a whole.

Poor infrastructure and lack of local skilled workforce in remote NT communities makes it difficult to deliver appropriate residential and community care services to these communities. Also, travel and transport costs, workforce recruitment and retention and high freight costs are all major cost drivers in remote service provision.

Unlike other States such as Western Australia and Queensland, which have significant remote populations, the NT does not have a major metropolitan centre such as Perth and Brisbane.

The NT has the highest rates of concessional, assisted or supported residents of residential aged care services than any jurisdiction. The proportion of new residents classified as concessional, assisted or supported residents, 2008/08 was 64% in the NT, compared to 33.4% nationally and 26.7% in Australian Capital Territory (ACT)¹.

These concessional, assisted or supported residents have no capacity and are exempt from accommodation bonds and charges and hence, NT providers have

¹ DoHA (unpublished).

minimum capacity in raising additional revenue by charging accommodation charges and bonds to their residents. This again impacts on NT residential aged care providers where a large proportion of people seeking residential aged care services are pensioners.

None of the above factors (Indigenous, remoteness and high assisted supported residents) are currently taken into consideration into the Australian Government's daily subsidies and supplement payment rates for residents of residential aged care services. However, the NT acknowledges the Australian Government provides a small viability supplement to remote residential aged care providers. These supplements are considered by the aged care sector as too low and it is uniformly applied across Australia irrespective of local cost of living or how remote is a remote locality.

The aged care sector considers facilities less than 50 places are not economically viable, however most regional facilities in the Northern Territory are less than 50 places.

Whilst on paper the NT appears to be well catered for in regard to residential and community aged care services, this is noticeably distorted by the relatively high number of Community Aged Care Packages (CACP). There are currently 11 Indigenous specific Flexible Aged Care Services in the NT, however these predominantly provide CACP services which attract lower Australian Government subsidies (\$34.75 per day per place) compared to up to \$138.11 per place per day for residential aged care place.

There are no higher end residential or community care services (Residential, Extended Aged Care At Home (EACH) and EACH Dementia) in any of the Indigenous remote communities in the Northern territory. This is largely due to considerations of service viability of small population areas and that none of the current providers has adequate infra structure or skilled enough staff that would meet the requirements under the *Aged Care Act*.

An unintended consequence of the current policy of no high level placements in remote community is that if you reside in a remote community and are assessed as requiring the highest level of residential aged care (RCL1), the most that you can be provided in your community is CACP subsidy rates. Alternatively, you have to relocate to a regional centre to access higher level services. Frail elderly Indigenous people often choose for cultural and spiritual reasons to remain in their communities and as consequence, receive less support than they would if they were living a regional centre. We understand this may change as part of the recent announcements made by the Australian Government in relation to Indigenous Aged Care, in specific locations and for specific services. The ability to provide EACH and EACH Dementia services at least in larger communities is critical.

For NT residents to have equitable access to Australian Government funds for residential aged care services, a number of factors must be included either in daily subsidies and supplements rates or in the viability supplement payments. Consideration should be given to subsidy loadings on Indigenous factor, remoteness and assisted or supported residents and viability factors.

There are and there will be some very small communities in the Territory for which a free standing and traditional residential and community care or disability services or a health care are not viable or sustainable. In these locations there needs to be some innovation and flexibility whereby the Australian and Northern Territory to collaboratively work together to develop an integrated service approach to better meet community needs in a holistic manner rather than fragmented manner.