Submission to the Productivity Commission Caring for Older Australians

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Thank you for providing us with the opportunity to submit our views on the Issue Paper *Caring for Older Australians.* The following submission is based around a number of lines of evidence including, but not limited to:

- a focus group and individual interviews aimed at examining community perceptions of ageing issues in a rural town and a rural village in Central West New South Wales (NSW; Gullifer, J., & Shaw, R., in preparation)
- interviews with aged cared service providers in a regional centre in Central West NSW (Shaw, R., Greig, J., Bone, Z., & Morrison, M. (accepted). Mapping the Funding and Communication Practices of Aged Care Services in a Regional Australian Community. *Rural Society), and*
- a report developed for two regional councils, the Department of Disability, Ageing and Home Care, and aged and community care stakeholders in Central West NSW (Sappey, J., Bone, Z., & Duncan, R. (2008) *Pilot Project: mapping the aged care industry and ageing issues in the Bathurst-Blayney-Wattle Flat regional community.* Institute of Land, Water and Society, Charles Sturt University).

Rather than addressing the sections of the Issue Paper directly we will provide a discussion of the views of aged care workers and older adults who have participated in the research we have conducted. We believe that the voices of older adults and aged care workers in rural, regional and remote communities are not being heard and this is having a negative impact on the lives of people who choose to age in these communities. There are very clear links between the aged care system and the health system, particularly in rural, regional and remote areas and particularly for older adults who tend to have increased need to access the health system. We would argue that a 'one size fits all' aged care system is not appropriate as older adults living in rural, regional and remote areas would continue to be systemically disadvantaged by virtue of their location.

Introduction

There is no doubt that Australia's population, along with that of many other industrialised countries, is ageing. Predictions are that the proportion of older adults over the age of 65 years will increase from 13 % of the total Australian population to 26% by 2051 (Australian Bureau of Statistics [ABS], 2008). Age profiles, however, vary from state to state with Tasmania recording the highest median age (39.4) and the Northern Territory the lowest (31.1). Moreover, rural, regional and remote areas tend to have older age profiles than their urban counterparts. As an example, in the Central West region of NSW there was a 23% increase in the number of people over the age of 60 years between the 1996 and 2006 census (ABS, 2008). The percentage of those over the age of 65 years in this area is expected to increase to 27.7% of the total population by 2036 (NSW Department of Planning, 2008).

Rural, regional and remote areas face issues related to aged and health care that are distinct from those faced by urban areas, for example:
- transportation issues which impact both older adults and service providers
- increased costs for goods and services, if indeed they are available
- lack of affordable housing (particularly for those older adults required by government policy to move in from outlying communities to their regional centre for services, at great disadvantage in terms of the relative real estate values),

- reductions in available aged and health care services
- very tight regional labour markets which leads to difficulties attracting and retaining qualified aged and health care workers
- lower economic status and the marginalisation and exclusion that this brings

These issues are confounded by the current system of aged care in Australia that has a complex, multi-level funding structure. Many aged care services and programs are funded by State, Commonwealth and local governments, as well as by commercial and not-for profit community organisations and charities. The system has a 'top down' vertical structure. This vertical structure discourages horizontal communication between the different service providers which in turn results in a fragmented system of aged care provision (Fine, 1995).

We outline below the problems with the current aged care system, from the viewpoint of, first the service providers and then the older adults who have participated in our research. We will then offer potential solutions for the major issues facing Central West NSW.

Aged Care Services Providers' Views

1. Funding

Aged care service providers in Central West NSW report frustration with the current structure of the funding system in aged care (Sappey, et al., 2008; Shaw et al., accepted). Most services are provided by commercial or not-for-profit organisations which are often funded by user-pays business models (to varying degrees) and topped up by funding from different levels of government. The amount of direct government service provision is minimal. Each source of funding has its own reporting system and procedures. In most cases the reporting systems are not complementary and they are extremely complex. Excessive time is required to navigate the maze of complicated reporting procedures and to undertake the training required to understand the procedures. This places increased pressure on aged care workers in rural, regional and remote areas who often need to work increased hours to compensate for staff shortages. The added burden of these complex reporting procedures can only detract from the process of service provision.

Service providers also voice concerns about the lack of coordination of aged care services in Central West NSW (Sappey et al., 2008; Shaw et al., accepted). Lack of coordination can be partly linked to the funding structure of the system which not only discourages horizontal communication between service providers, but also leads to poor planning and the shifting of responsibility for problems from one level of government to another (Kendig & Duckett, 2001). Research by Shaw et al. found that while some service providers in the Central West Region of NSW do have communication links with other service providers, there are large sections in which horizontal communication is not a priority. A major concern with the lack of communication between service providers is that it suggests that the system does not work as a 'whole' but rather it works as a system of separate entities. Older adults, therefore, have to navigate their way through a disjointed maze to access the range of services available to them. In other words, there does not seem to be a single aged care system that an older adult can enter in order to access the different services they may require.

There is also a level of uncertainty among service providers in terms of the amount of funding they will receive each year and the timing of that funding. Funding of a particular

service is often not guaranteed past a single financial year which makes it difficult for providers to plan more than one year in advance, and at odds with funding agencies encouraging providers to adopt a strategic outlook. These factors, in turn, can affect the delivery of services and can lead to an overlap in the provision of services. Service providers report that they are not always aware of the services that are being provided by other service providers and they are concerned that they may be providing the same services. Duplication is a major issue given that funding is so limited.

Another area of concern for service providers is the need to compete with other service providers for limited resources. Competition for limited funding discourages 'horizontal' communication because other services are often seen as 'the competition', leading to further fragmentation. This problem is exacerbated when capital-city based commercial providers directly compete with community based not-for-profit organisations as they vie for government contracts in regional areas.

We would argue that the current system of funding cannot, and should not, continue. This system is a "major barrier to efficient and effective service delivery" (Sappey et al., 2001, p. 4) in the Central West Region of NSW and possibly most rural, regional and remote areas.

2. Transport

A major issue for the delivery of aged and health care services in the Central West Region of NSW (and undoubtedly most rural, regional and remote areas) is transport. The region lacks a co-ordinated transport service that people need to enable access to, and delivery of, services within the region and within urban areas (in this case from Sydney). The number of services available in the area has decreased over time therefore older adults have to travel to larger regional centres or to urban areas to access services, particularly medical services. This is a major issue for small rural villages that often do not even have a practicing general practitioner (GP) and therefore need to travel to the nearest regional centre. Alternatively service providers need to provide outreach services to the communities. Either way this leads to increased costs related to aged and health care services in these areas which, in turn, leads to issues of equity between rural, regional and remote areas and their urban counterparts (Sappey et al., 2008). There are also issues of equity between rural, regional and remote areas in that community transport, when available, is usually located in larger regional areas rather than in small rural villages. A more integrated transport system that links the regional centres, small rural villages and Sydney is vital as the population in these areas continues to age.

3. Accommodation

Regional centres within the Central West NSW face an in-migration of older adults from urban centres, partly because of the lifestyle, but also because of the comparatively low costs of accommodation in the region compared to the eastern seaboard. Houses in urban areas attract higher market values than houses in regional, rural and remote areas. Older adults from urban areas can sell their homes, buy in regional, rural and remote areas and still have money to spare. Commercial developers are taking advantage of this by proposing the development of retirement villages consisting of more up-market, and therefore, more expensive housing (Sappey et al., 2008). While this is seen to be a good thing for rural, regional and remote areas in terms of the availability of accommodation, it is likely that older adults who have lived all their lives in these areas will be disadvantaged because they will not be able to afford such accommodation. This may be the result of the different real estate

values between urban and rural, regional and remote areas or possibly because of the differences in socio-economic status between older adults in these areas compared to those in urban areas. Service providers in the region expressed strong concern about older adults living in these areas being disadvantaged, arguing that there is a clear need for low cost accommodation in the area.

4. Labour force and volunteering

As has been previously mentioned, rural, regional and remote areas face specific issues in relation to attracting and retaining qualified age and health care workers. A major concern of many aged care workers in the Central West Region of NSW is that they often need to work longer hours to compensate for a shortage of staff. Not only is there a need to compete for limited funding but also for qualified staff in what is a tight labour market. Rural, regional and remote areas rely heavily on volunteers to cover the shortfall, however, rather than increasing with an ageing population, volunteer pools may actually be decreasing as a consequence of the different expectations of 'baby boomers' (Sappey et al., 2008) or the fact that many younger adults are not volunteering (Gullifer & Shaw, in preparation).

Community Perceptions

Recent research aimed at examining community perceptions of ageing issues has revealed a number of issues faced by rural, regional and remote communities (Gullifer & Shaw, in preparation). Older adults have a number of concerns about services available for older people in their communities. The main concerns are discussed below with relevant quotes from participants where relevant. Many of these concerns are not related to aged care facilities or services per se, but to health services and access to those services. There are similarities in the concerns of service providers discussed above and the older adults who have participated in our research.

1. Transport

Older adults voice their concerns about the lack of adequate transport, or older-adult-friendly transport needed to access services not offered in rural towns. For rural villages this becomes even more of an issue particularly for older adults who no longer have a driving licence or have lost a partner who they had previously relied on to drive them to access services. Related to this is the lack of public transport available for older adults to access services that are available in their own communities. Older adults report the need to rely on the goodwill of neighbours or other members of the community. Added to this, because older adults have to travel (e.g. to Sydney) to access specialist services, this necessitates staying overnight (sometimes even longer). Consequently, the financial burden of accessing essential services is increased, as well as the emotional burden and inconvenience.

Transport is a major issue in many rural, regional and remote areas and older adults reported feeling isolated because of the lack of appropriate transport in the area. Transport in rural, regional and remote areas is a vital issue that is not adequately being addressed by State or Commonwealth governments. It seems that it is easier to put the issue in the 'too hard basket' rather than try to develop adequate policy. The following comments from our research clearly articulate the isolation experienced:

> *And our transport too, that's another thing. Unless you can drive, we've got no trains anymore, no, oh, we can get a bus to [place], but apart from that we haven't got really any....So, that's another thing, we seem to be isolated that way.*

> *...but for us to get any services we have to travel to [place] or [place]and sometimes that's very hard for people who haven't got any family and have to rely on public transport.*

One participant who discussed the reasons why they moved to the area after retirement stated:

> *I suppose one thing we didn't look at because we both sort of drive was the public transport thing which is sadly, sadly, sadly lacking.*

> *...there's no public transport here*

These views are support by the older adults who participated in the Sappey et al. (2008) study who see the lack of an integrated transport system as a major concern in terms of accessing services. Older adults in this region are left to rely on the goodwill of family, friends or members of their community to help them access the services (or even to go to the shops to buy groceries) that are taken for granted by those living in urban areas.

2. Services

All of the older adults who have participated in our research expressed disgust and disappointment with the decline of health services in their communities over the years. They see the decline as a result of poor management, locally or at State and Commonwealth levels of government, or as a result of the lack of adequate funding. Older adults feel that they are being neglected by politicians. They consider the state of services in their communities as an "insult". There is an impression that there is a clear divide between services available for people who live on one side of the Blue Mountains (the Sydney side) and those who live on the other (in this case Central West NSW). There is a belief that politicians tend to focus more strongly on those who live on the Sydney side as indicated in the following comments:

> *... the biggest thing, and certainly in the ageing process...the politicians use the third world standards, well I'd say rural Australia is about fifth grade because we are totally neglected, we are not even considered. The politicians, our representation is, it may be proportional on numbers, in actual effect, it is not proportional at all.*

> *We get, medical situation as people have alluded to, is absolute, it's an insult, it's not a handicap, it's an insult and it's paid by politicians of every colour and I think that is dreadfully sad.*

Older adults have seen the services in their community continue to diminish and decline over time. Hospitals that once had a number of floors fully operational are now operating one floor only.

> *...the decline in services...see I can remember...when we had the new hospital built, we had three floors!*

> *We had wards for children, men, women, and now we are down to one level.*

Many small rural towns and rural villages do not even have a practising GP. Older adults in these areas report having to travel to see a doctor, which not only adds to the costs, but becomes a major issue when the older person can no longer drive themselves and there is no access to a functional transport system.

Older adults noted that the medical services in their community used to be locally managed by community boards but are now managed by larger area health services run by State and Commonwealth governments who do not appear to be sensitive to the issues being faced by these communities. This seems to be a common concern of older adults in rural, regional and remote communities; they feel that their voice is not being heard or that it is not important. There is a strong sense of the need to give communities back control of health services.

Another concern for older people in this area is that they are not always aware of the services that are available to them. A number of older residents expressed concern about not knowing what is available or how to contact various services. After a couple of failed attempts at contacting relevant services older residents report giving up. As a consequence they may be missing out on vital services. Moreover, older adults report a reluctance to ask for help. Independence is stated as being extremely important, so the idea of having to ask for help leads to thoughts of loss of that independence as indicated in the comments below:

> *...You know, the whole notion of independence and needing help, knowing that, and that's a big thing in itself is actually admitting that you need help, especially for people who are independent...*

> *...So there's that whole value around being independent and having some autonomy but at the same time expecting the community to have enough respect to help you more in finding those things...*

Older adults suggested that it may be preferable for service providers to contact older adults and let them know what services are available for them and how they can access those services.

3. Labour force and volunteering
While older adults praise the efforts of aged and health care workers in their region they also express concern about staff shortages, time spent doing paperwork which detracts from service provision and the lack of new volunteers:

> *I don't think it's the person I think it's just the system is and the nursing, there isn't any nursing as such...*

> *...it got to the stage you have to spend more time on your books writing than you did on your patient.*

> *...our lifestyle is so busy and there's no younger people coming to take our places as volunteers. I mean, it doesn't matter what organisation you look at now, we've got no younger people...*

Discussion and Recommendations

In this section we make recommendations for the Commission in relation to the concerns addressed in this submission. We by no means suggest that these are the only means of addressing the range of issues faced by aged care workers and older adults in rural, regional and remote areas of Australia. We also do not suggest that these recommendations will 'magically solve' the issues faced by these communities. We do believe, however, that the recommendations will help overcome some of these issues and lessen the impact they have for aged care workers and older adults living in the Central West Region of NSW.

1. Funding and services

A 'one size fits all' approach to aged care is not appropriate for Australia as it does not consider the specific needs of individual communities. We would argue that the current Commonwealth Government proposal that it takes control of the aged care system is sound in principle. However, we do not think it goes far enough. We propose an aged care system in which the Commonwealth takes control of funding and the guidelines, but where decisions about the implementation of guidelines would occur at a local level, not at a State/Territory level.

This combined 'top down' / community-based approach would help overcome the issues of fragmentation and lack of horizontal communication that currently exists. We would envisage that this approach would help improve co-ordination, decrease duplication, minimise the 'competitiveness' of seeking funding and prevent current issues of 'buck passing' between States/Territories and the Commonwealth (Kendig & Duckett, 2001). We also believe that such an approach would be better able to meet the needs of individual communities.

There also is a need to develop a system that clearly communicates the range of services that are available for older adults and how they can access them. Some form of service directory is needed here. This could be the responsibility of local governments so that the directory could be tailored to each community. Furthermore, there is a need to increase, rather than decrease, aged and health care services in rural, regional and remote areas – all areas should, as a bare minimum safety net, have access to a GP.

2. Transport

An integrated transport system that links rural, regional and remote areas and Sydney is urgently needed in this area. The system needs to be an older-adult-friendly system. Older adults often have difficulty using buses because of the height of access points, therefore, the preference is for a rail system.

Individual communities also need to consider the needs of older adults in accessing services (retail as well as aged and health care) within the community, ensuring that there is public or community transport available.

3. Accommodation

Low cost independent living accommodation is urgently needed in the Central West NSW region, not only for current residents who cannot afford the high-priced accommodation being developed for those moving to the region from urban areas, but also for those older adults who currently reside in rural villages that do not offer aged care services.

There is a clear need to recognise that older adults are not a homogenous group. There is diversity in terms of needs and economic circumstances. Development of accommodation for this group needs to cater for this diversity.

4. Labour force and volunteering

The current system of funding also poses problems for access to fully trained staff in Central West NSW because it encourages competition between service providers, not only in terms of funding, but also for the limited pool of trained workers. A regional pool of trained workers is needed in this, and in other rural, regional and remote areas. This would require developing programs that attract aged care workers to the area as well as increasing the amount of training that can be undertaken within the area. Partnerships with TAFE need to be developed to meet the escalating needs of the industry for skilled and semi-skilled personal care workers. There also needs to be recognition that labour market strategies are linked to the overall funding provisions of service providers in that there is a need for continuity of funding to ensure continuity of employment. Given the increasing demand for personal care attendants in what is already a tight labour market, there needs to be a re-evaluation of the conditions of employment, remuneration and career paths for this type of work, with a move away from casualisation to the development of a permanent workforce with skills to match. Governments also need to look at ways to minimise the inequities faced by aged care workers in rural, regional and remote areas, for example, the need to work longer hours to compensate for staff shortages. If there is a need for these people to continue to work longer hours then they must be adequately compensated in terms of income and appropriate leave.

Development of programs aimed at school-aged children (primary and secondary) that highlight the need for volunteering and the benefits of volunteering is needed. Middle-aged residents also need to be encouraged to volunteer more often. Local councils should be more proactive in advertising the need for volunteers in specific communities.

Conclusion

In this paper we have outlined some of the concerns expressed by aged care workers and older adults from rural and regional areas of Central West NSW. These concerns mainly revolve around, funding, transport, housing and accommodation, services, the labour force and volunteering. These are the views of the people who live and work in this area. Different communities are likely to face different issues in relation to aged and health care. It is important that we continue to talk to aged care workers and older adults from different rural, regional and remote areas so that we can better understand their needs. This is the only way we can ensure that the needs of these communities are being addressed and the current inequities they face are eliminated. We must design an aged and health care system that is capable of targeting specific communities. The current 'one size fits all' model is not appropriate nor is it moral.

References

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