THE RURAL CITY OF MURRAY BRIDGE

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Inquiry into Caring for Older Australians
Productivity Commission
GPO Box 1428 Canberra City ACT 2601

Dear Commissioners 28th of July 2010

I am writing on behalf of the Murray Mallee Ageing Taskforce (MMAT) in relation to the Productivity Commission Inquiry into Caring for Older Australians.

The MMAT is a collaborative network of organizations that provide services to older people and younger people with disabilities in the Murray Mallee and includes residential care providers, community care providers, district hospitals, health services, consumer groups and local government. It encompasses providers in the local government areas of Murray Bridge, Mid Murray, the Coorong, Southern Mallee and Karoonda East Murray and is auspiced by the Rural City of Murray Bridge. The MMAT is the key forum in the Murray Mallee for regional strategic planning, service reform and service development.
The Murray Mallee is a region of about 23,000 squares kilometres approximately one hour's drive east of Adelaide from the lower end of the River Murray to the Victorian border.

The MMAT is pleased that the Productivity Commission is conducting this inquiry and although this submission is brief we thought it was important to identify some of the issues that are of concern to aged care service providers in the Murray Mallee and ensure that rural issues are considered by the Commission.

We have identified 4 main issues that we would like to raise with the commission these are the adequacy of funding for community packages in regional & rural areas, flexibility & equity around planning for aged care places, cost differential HACC versus CACP and transport.

Adequacy of funding for community packages in regional & rural areas.
The funding for community packages & residential care is not based on the actual cost of providing services at the required quality of care and does not take into account the additional costs of providing services to people in rural and remote locations and aboriginal clients. Service providers in the Murray Mallee experience

- Difficulty in recruiting staff outside of the major regional centres within a reasonable distance of the care recipient.
- Additional costs associated with staff/contractor travel
- Additional costs associated with training and supporting staff in rural and remote areas
- Additional travel time associated with the location such as dirt roads and ferries.

Although the principal cost associated with distance are travel costs (reimbursement of travel expenses) time is also a factor and providers will negotiate arrangements with workers which include additional travel time adding to the cost of the package. Providers are also concerned about the quality of care and the importance of matching client needs to the workers skills and this sometimes results in matching workers that have further distances to travel. This is particularly the case for EACH & EACH D packages where a registered nurse is required. Research into the workforce undertaken by the Murray Mallee Ageing Taskforce in 2004 found the higher the skill of the worker the further service providers had to go to recruit staff. Registered nurses for instance typically were recruited from outside of the region. The nature of funding for community packages is such that any additional costs for travel or to accommodate people with special needs (such as aboriginal people) are distributed across the total packages.

In 2007 the commonwealth government extended the Viability Supplement in Rural and Remote Areas to community aged care providing some recognition of the higher costs associated with attracting and retaining staff and other resource implications faced in providing community care services in rural and remote areas. The supplement is based on the location of the care recipient which in turn is determined by the Accessibility / Remoteness Index of Australia (ARIA). The ARIA measures remoteness in terms of access along the road network from 11,340 populated localities to four categories of service centres. Localities that are most remote have least access to service centres. There are 4 categories of service centres determined by the population of the centre. Population size is seen as a proxy for service availability and remoteness is a characteristic of geography rather than population.
Well populated centres such as Berri or Renmark will attract the supplement (at the lower level) but small distant locations such as Geranium (about an hours drive along the Mallee Highway from Murray Bridge) does not attract a supplement because of its relative proximity to larger centres of Murray Bridge and Adelaide.

In the Murray Mallee, a region that spans about 23,000 square kilometres only locations on the fringe of the region can attract the supplement and only at the basic level (about $3 a day). One service provider in the Murray Mallee that services the whole Murray Mallee region can only attract the supplement at the basic level for 5 of their 85 clients on community aged care packages. The supplement both in terms of its applicability and level is inadequate to support clients in distant or isolated locations.

At the same time clients are initially presenting to community and residential aged care providers at higher & more complex levels of need which is reflected in the level of services required and faster turnover. The purchasing power of community packages as well as residential care places is also declining because of inadequate indexing. Indexation is based on a COPO (Commonwealth Own Purpose Outlays) when the most significant cost input into aged care is wages which have been increasing at more than double the rate of COPO.

The number of people requiring community packages in distance locations is likely in increase in the future. At the 2006 census there were significant number of people aged 80 and over living outside the major townships in the Murray Mallee (see Table 1 below) with significant proportions & real numbers of people living outside the major centres.

Table 1

Proportion (%) of people aged 60 years & over living outside of the major townships of the Murray Mallee* (raw numbers in brackets).

	Murray Bridge %	Mid Murray %	Coorong %	Southern Mallee %	Karoonda %
60-64 years	*21% (219)*	*71% (450)*	*56% (222)*	*45% (58)*	*67% (40)*
65-69 years	*18% (154)*	*69% (375)*	*49% (147)*	*36%(32)*	*60% (30)*
70-74 years	*13% (91)*	*63% (211)*	*50% (100)*	*32%(24)*	*47% (27)*
75-79 years	*10% (58)*	*58% (155)*	*40% (70)*	*27%(16)*	*33% (15)*
80-84 years	*5% (23)*	*52% (84)*	*27% (31)*	*20%(12)*	*19% (6)*
85 years and over	*4% (12)*	*14% (48)*	*18% (14)*	*38%(23)*	*0*
65 years & over	*12% (338)*	*61%(873)*	*42%(362)*	*30%(353)*	*38%(78)*

* The major townships include urban centres or localities of Murray Bridge, Mannum, Tailem Bend, Meningie, Karoonda, Lameroo & Pinnaroo.

Further, the funding for community packages does not take into account the additional costs associated with providing aboriginal packages. There is a different cultural context and expectations working with aboriginal clients. This includes intergenerational households, unpredictable lifestyles, more complex health issues, independence, expectations of service providers and the expectation that packages will cover a wider range of service responses encompassing a client's personal need. This adds up to a need for a greater degree of flexibility and time in delivering packages. One provider in the Murray

Mallee with aboriginal packages estimates that aboriginal packages require about 70% more coordination time than mainstream packages. Again community providers are less likely to receive a client contribution from aboriginal clients as they are not required to pay for HACC services. The additional costs of the aboriginal packages are absorbed by the mainstream packages.
Aboriginal packages also provide challenges around the mobility of clients. Under the guidelines, clients can be absent from a package for 28 days however many aboriginal clients move between aboriginal communities spanning across the state. Clients risk losing packages which are not attached to them as they move.

Flexibility & equity around planning for aged care places
Residential and community packages are allocated across regions according to benchmarks set by the commonwealth government. The benchmarks apportion residential and community packages against the population of people aged 70 and over in the planning region. It is planned that by 2010/2011 there will be 25 community packages per 1,000 people 70 years and over and 88 residential care places.

In the Murray Mallee there is evidence of significantly higher demand for community care packages than for residential care places. The demand for community packages can be inferred through the commonwealth benchmarks for community & residential places and waiting lists[1]. Research into demand for residential care in Murray Bridge and the Murray Mallee in 2009 found that the demand for residential aged care was significantly below the benchmark. In November 2009 there were less than 20 people on waiting lists for the 2 residential care facilities in Murray Bridge and only about 30 in the whole Murray Mallee region. The benchmark applied to Murray Bridge conservatively overestimated the demand by about 30 places.

The research also indicated that residential care facilities were experiencing increasing turnovers (reflecting the higher levels of need on entry) and facilities in the region that offered ageing in place had significant difficulties filling low care vacancies. The proportion of new admissions to total permanent care for ageing in place facilities was similar to the high care facilities in the region reflecting the higher needs of clients entering for both high & low care. This suggested that people were delaying entry into aged care facilities later and were subsequently presenting at entry with higher levels of need.

In contrast to residential care the demand for community packages in Murray Bridge was significantly higher than the commonwealth benchmark. The waiting list for community packages for people who were eligible and approved for a

[1] Residential Care waiting lists are not always a good indicator of demand for a service as the waiting lists might include some double counting. However the community package waiting lists are accurate and up to date (as of the date above). The data provided here comes from a common waiting list maintained by ACAT and the 3 community package service providers in the region.

package in the Murray Mallee Aged Care Assessment Team region as of the 31st of July 2009 was 76, 87% of these clients on the waiting list lived in Murray Bridge. The actual supply of community packages in Murray Bridge was above the benchmark by 15 packages which means that the benchmark underestimates demand by 66 places. Waiting lists for community packages was not the only indicator of demand. Community consultations in Murray Bridge and the broader Murray Mallee have consistently affirmed that people would prefer to remain in their family homes as they age.

Despite this the indicative allocation of residential and community places in the Murray Mallee heavily favours residential places. The indicative places for the Hills Mallee Southern Region (which incorporates the Murray Mallee) 2009 to 2012 allocated 140 residential places and only 40 community places (after advocacy additional community places were allocated). The ratio favours residential care 3.5 to 1which is roughly the national benchmark ratio. It should be noted that residential care facilities have a significant lead time from approval to delivery of places and therefore planning needs to consider the medium and long term demand for residential places. However the MMAT would like to see greater flexibility in the allocation of residential and community places to reflect the actual demand for service in the community.

Planning must also be cognizant of equity issues in the way places are allocated and the economics of competition in regional areas. Within the Murray Mallee there are parts of the region where people cannot access HACC services due to staffing or costs associated with location (e.g. parts of the Mid Murray District Council) and where community packages are the only available option. In other parts of the region, where there are Multi Purpose Services there is good access to HACC flexible packages which are comparable to CACP's in level of service. There is also little opportunity for ageing in place in residential care in the Murray Mallee outside Murray Bridge & Mannum. Pinnaroo and Tailem Bend do not have low care facilities and while Lameroo has a low care facility it does not allow ageing in place due to physical infrastructure and staffing issues. The distribution of older people across and within the Murray Mallee raises the issue of equity in accessing services. In centres like Tailem Bend people do not have the option of residential low care or ageing place through a transition of community packages from CACP to EACH. Community packages do provide a flexible way to provide services where people live that meet their needs while remaining flexible in where they can be delivered.

The Murray Mallee has 3 community package providers. The existence of 3 providers does allow for a degree of choice for consumers although again this depends on where the client is located. Only one provider has CACP's in the Coorong, Southern Mallee and Karoonda while only one provider provides EACH in these regions. There is therefore not a choice or an opportunity for continuity of care. Only one provider has EACH in Murray Bridge. Competition in regional areas can lead to providers working with client numbers that are economically marginal. One provider in the Murray Mallee has 2 EACH packages The MMAT

embraces the principle of competition where it enhances client choice however it must be recognized that in regional areas there is an optimal number of providers that can provide choice while remaining viable.

Cost differential HACC versus CACP

We appreciate that "The Way Forward" is seeking to address the HACC/Community Package interface including the cost differential. As you aware even considering the availability of waivers, community packages are generally more expensive for consumers and in many cases offer a very similar level of service. The MMAT is concerned about the number of people who are eligible for community packages but refuse the service when offered. The Murray Mallee Aged Care Assessment Team region has a common waiting list that can provide accurate data on clients waiting for community packages. In the 13 months from the 1st of July 2008 to the 31st of July 2009 there were 194 people who were approved for a community package in the region. Of these 194, 36 or 19% refused a service when offered. Currently there are 28 people who are approved for and continue to be eligible for a service but who have refused when offered. There are currently 79 people waiting for a community package in the Murray Mallee ACAT region.

It is appreciated that people refuse a service for a variety of reasons but cost remains a significant reason. It is also true that in some cases clients get a comparable HACC service in comparison to a community package. Although HACC is a low level service a small number of HACC clients remain on HACC programs as their needs increase and although HACC services often limit the level of service to clients approved for community packages many do not accept the opportunity of transitioning to a more comprehensive package when offered. This often leaves HACC providers providing high levels of care for people who could receive a community package.

Transport

Historically public transport in South Australia has been seen as a responsibility of the state Public Transport Division rather than aged care. Nevertheless transport is a major barrier to access to services that older people use or require (& that HACC often fund) such as health services, shopping, social support and recreation. This includes important preventative primary health services. In South Australia the state Office for the Ageing (OFTA) manages the HACC program. OFTA now places greater emphasis on transport and have funded personal transport services in the region and are in the process of taking responsibility for community transport networks previously the responsibility of the Public Transport Division. With the changing responsibilities through the Health Reform it is important that transport remains a priority with planners and funders.

Not surprisingly the major issue that consumers of HACC and aged care services raise in the Murray Mallee is transport. Transport issues are complex and variable and depend on the individual, where they live and whether they have access to personal transport. The range of issues that have come up in

consumer and community consultations in the region for those that require some form of public transport options include:

- No ad hoc public or subsidised transport for non essential purposes outside of Murray Bridge (e.g. visiting a friend).
- Accessibility of regional centres and the city of Adelaide is limited or non existent
- The physical access of public transport. Not all buses are accessible and transport for people in wheelchairs via clinic cars or the cars is not always possible as there are health & safety concerns about transfers and lifting wheelchairs.
- The availability and limitation of volunteers. Many services rely on volunteers for transport and recruitment of volunteers is in decline and many volunteers are limited in what they can do (e.g. will not travel to Adelaide).
- Transport that coordinates with medical appointment times. Current community transport options in the region that are used for medical appointments are either locked in to tight timeframes that are difficult for hospitals to accommodate or require long journeys for people on the end of the route.

Transport is the major service type for the HACC funded Tumake Yande aboriginal elders program.

Transport will continue to be a major issue for people into the future because of increasing access to community based services people are more likely to stay at home. Further the anticipated relative decline in informal carers also impacts on the personal transport options and there is good reason to believe that even when older people have family or informal carers the expectations are that service providers, when involved, should provide transport. A survey of community package recipients in the Murray Mallee by a local provider found that even when clients had family carers the expectation was that the service provider would provide transport. The survey also confirmed a decline of family carers.

Transport also factors into service provision as a direct cost which either increases the costs to service providers or limits the access to the service in more remote or distant locations.

In conclusion the MMAT is please that the Productivity Commission is undertaking this inquiry and indicate our willingness to provide any further information that you might require.

Please contact me if you have any queries.

Thank you for your consideration.

Yours sincerely

Gary Sawyer

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Murray Mallee Ageing Taskforce