"The moral test of government is how it treats those who are in the dawn of life, the children; those who are in the twilight of life, the aged; and those in the shadows of life, the sick, the needy and the handicapped." Hubert H. Humphrey in his speech at the dedication of the Hubert H. Humphrey building in Washington, DC, on November 4, 1977.

Perth Home Care Services, Inc. (PHCS) is pleased to make a submission to the Productivity Commission's Inquiry into Caring for Older Australians.

A secular community benefit organisation, PHCS and Regional Home Care Services (RHCS) specialise in delivering person centred solutions to support people to live at home with dignity-in the disability, aged care and mental health sectors.

With annual turnover of $36 million, 850 staff and supporting 2,000 people per fortnight across a variety of disability, mental health, ageing and community programs, PHCS is a recognised leader in innovative approaches to consumer directed care and individualised service design and delivery.

PHCS is based in Perth, with offices in Osborne Park and Jandakot. Regional Home Care Services has offices in Toodyay and Geraldton, providing support to people in regional areas. PHCS/RHCS is not affiliated with any national provider group.

PHCS, which has served Western Australia for 40 years, is supported by a robust Board, and a strong, stable management team and staff.

PHCS offers this submission from the perspective of its support to people across three sectors. Our comments reflect our experience in working with the people being supported and within the systems that provide funding .

Numerous surveys and reviews into aged care have been undertaken in the past few years and have identified similar themes of regulatory burdens, insufficient funding to support further infrastructure development and a fragmentation of health and aged care services. Very little real action has been taken to address these identified issues, despite recommendations for major structural reform of the aged care system.

Now, more than ever, steps need to be taken to ensure a well funded, flexible aged care structure which supports our elders in flexible ways.

As highlighted in the issues paper, Caring for Older Australians, this is not a new issue and there are many good documents providing insight and potential direction for the future of aged care in Australia*. Are there findings or recommendations for previous reviews of aged in Australia that remain relevant?* Yes.

In this submission, PHCS highlights some of the principles and practicalities of a well functioning support system for older Australians in the following key areas:

- **The Service Delivery Framework**
- **Funding and Regulatory Arrangements**
- **Role of Government**
- **Workforce Requirements**

The Service Delivery Framework

It is pleasing to note the view of the Productivity Commission stated in the issues paper with regard to the interface between the aged care system and the broader human services framework. People are people. Any system review should look across this broader human services framework. People who need support, whatever their circumstance, should be offered more flexibility and control in mainstream and community resources. Within the service delivery framework, the place of the person needing support should be firmly in the centre of the service. Whatever the type of support a person requires, residential or community based, the principle of the person being a member of the community, connected to where they live with the desire and the ability to participate in reciprocal relationships should be the starting point. Through this lens, a wide array of possibilities of support begins to emerge.

Consumer Directed Support: Better outcomes can often be achieved by more tailored and individualised responses defined and purchased using consumer directed funding. PHCS has direct experience through shared management of consumer directed disability funding. Informal supports can be maintained and innovative and creative solutions found. It is likely that the overall proportion of the aged care target group seeking this option would be small. However it should be an option that is available. PHCS is pleased to have been allocated 42 Consumer Directed Care Packages (CDCL and CDCH) in its submission to the Department of Health and Ageing.

Consumer Directed Care can be imagined along a continuum. It is not an 'all or nothing' proposition. For people and providers willing and able to take on the challenges associated with this model, the positive benefits outweigh the challenges. There will always be people for whom the CDC model is not preferable or desired. Models of funding the provider directly for support as well as funding the person themselves for support should be available. PHCS has been successfully providing support to people receiving individual funding in our Disability services programs for many years. In the last 2 years, PHCS has been supporting some people with individual funding who elect to "share manage" their support. That is, that PHCS works with people who have individual budgets to decide what types of support they would like to pursue and helps people secure those supports, whether they are PHCS supports or natural supports known to the person, to develop an individual plan of support which is unique to each person. We currently have infrastructure in place to support this work including a handbook called "Managing Your Own Supports" for people with individual funding. We also have reporting mechanisms for individuals managing their own budgets (monthly statements) as well as the ability to provide acquittal information to the funder. People who manage their own supports are integrated into our organisational structure and supported by Coordinators who are quite familiar with CDC. Whether a person is frail aged, has a disability or a mental illness, people who have their own budget for support are integrated into the current organisational flow.

PHCS has had experience with this model across all regions (North, Southwest, Southeast, East and Wheatbelt) for people who receive funding from the Disability Services Commission (DSC) in Western Australia. Currently, PHCS has 331 clients with funding under various programs from DSC. Each person funded by DSC has an established budget set by DSC which is used to purchase support from the organisation of their choice. When a DSC client chooses PHCS as a provider, the person's funding is transferred to the organisation from DSC. PHCS works with the person to determine what their needs are and how they can best be met with formal and informal services. All support is taken into consideration across all life domains, so it is a support plan with the person at the centre taking control of what support is provided, when, and by whom. The person may elect to hire their own support workers, or use support workers employed by PHCS. The administration fee for this funding

can range between 13%-21% depending on the complexity of the client's needs, how much indirect time (Support Coordination) is necessary and other factors. Clients are responsible to provide acquittals for their supports to PHCS and we provide the client with a statement (currently quarterly) which tells them how much of their budget has been spent and what is left. At the organisational level, PHCS provides information to the funder (DSC) in the form of acquittals.

PHCS is currently piloting a consumer directed funding model for people with mental illness. Using the same principles as our support to people with disability, we are providing funding at a very low level to people with mental illness to give them the opportunity to manage their own supports and develop their own budget based on individual needs.

In terms of research, PHCS has used Mamre Association, Inc. in Queensland as a sounding board in the development of our systems and processes for self directed support. As a result of this relationship, PHCS currently has a handbook for people called "Managing Your Own Support" which goes into detail for people who manage their own funding about the 'nuts and bolts' of doing so, including issues around OSH, taxation, hiring their own support workers, paying their own support workers and the like. This handbook was also developed in consultation with families and as a result, is a reflection of the thinking of people who are actually managing, or who would like to manage, their own supports rather than the organisation prescribing the formula completely.

PHCS is aware of and views with great interest the systems work being done by the Web2Care project lead by Siegfried Drews which is a web based 'toolbox' of a suite of tools used by people (and organisations) managing individual funding and supports. The suite of tools includes Match2Care (a rostering tool), Admin2Care (invoicing and payroll functions) and Account2Care (all financial transactions).

Self directed support innovations are becoming more prevalent internationally as well, and PHCS has been keeping a watching brief on and looking at innovations from outside Australia. An interesting innovation from the UK is the website www.shop4support.com where people can shop for support they need across a range of areas. There is also a "planning my support" feature which allows people to think and plan the support they might need based on their budget and a helpful link to www.supportplanning.org. PHCS understands that people want to be in control of the support that they receive and that providers become frustrated with the limitations of available options.

In order to support people to age in place using a range of alternate service delivery models as well as support people in more traditional ways, the model for planning needs to be changed.

Model for Planning: The methodology of population ratios used for planning is outdated. It was developed on the basis of two residential service types i.e. hostel and nursing home. Over time it has expanded to 4 service types, CACP, EACH, Low Care and High Care but these are still based on residential care. It is recognised that aged care is a continuum from low level community care to high level residential care with many points along the way. Ageing in place is a fundamental principle and is not consistent with the 4 service types named in the ratio model. People move in and out and up and down the continuum. PHCS recommends that a new planning model be developed in conjunction with community care providers based on continuum of care principles.

Fundamental to the service delivery framework is the issue of a poorly integrated system. The view of PHCS is that support to people should be equitable and provide opportunities for choice. Central to that choice and equity is a well integrated system.

Create a more integrated aged care system: Whilst changes made in the past 12 years with regard to a more integrated aged care system are acknowledged, these changes have not transformed the current system into a truly 'integrated' one. The TCP (Transition Care Program) for example is an acute/community interface, but largely focused in the residential area. PHCS' experience working

with Brightwater Care Group (a TCP provider) is that the residential provider experience and the community provider experience are so different that the process of transitioning a person from a TCP to ongoing community support is challenging at best. The acute, or hospital provider experience is different again. Each provider has the best interests of the older person at heart, but is responsible to different funders, multiple standards, regulations and time pressures. An integrated aged care system that works well would mean that a person needing support could move 'in, out and through' acute, aged care residential and aged care community settings without being 'stuck' in one setting. Older people needing support should be able to move 'in, out and through' an aged care system. The current regulatory burden prohibits this movement.

Housing and Ageing

Issues around housing must be considered as part of an integrated aged care system. Alternatives to retirement villages should be considered in the housing spectrum as people age. One of the alternatives implemented by PHCS is Homeshare.

Homeshare matches Householders who are looking for companionship and some practical support, with people of integrity who are able to provide this assistance and contribute to household expenses in return for free accommodation. The Householder provides a bedroom and shared living space. In exchange, the Homesharer provides approximately 10 hours per week of practical assistance such as cooking, cleaning, shopping and gardening, as well as the added security of having someone else living in the home. Homeshare is a great idea for people who are frail aged or have a disability and people of integrity who are looking to share a home.

Homeshare is underpinned by the belief that older people have a right to remain in their own home should they wish to do so; living with as much autonomy and independence as they wish and that the aged care service system should include services that assist them to do achieve this.

Homeshare, as a service model that involves the provision of accommodation in exchange for assistance and companionship, is founded on the belief that reciprocity and mutual benefit can form the basis of an effective service that maintains the older person's dignity, autonomy and independence, and that offers mature adults' opportunities for the development of intergenerational relationships and understanding.

The primary objectives of Homeshare are to:

- Reduce social isolation, loneliness and loss of independence for frail aged people by assisting them to remain in their own home
- Provide low cost housing for mature, reliable individuals who are interested in sharing a home with someone who needs some assistance.
- Delay entry into residential care

Housing affordability is a major issue in Western Australia, particularly as the WA economy returns to a cycle with employment in the resources sector on the rise.

Social isolation for people who are ageing leads to depression and ill health. As the population ages, this will become more of an issue.

Homeshare benefits both people who encounter housing affordability issues and people who are frail aged.

Other agencies around Australia are interested in implementing a Homeshare model. Homeshare models are supported in Australia by the Homeshare Australia Alliance (HAA) which was developed following the Homeshare Roundtable 2006 which was co-convened by Wesley Homeshare.

All HAA participants benefit from having access to the Wesley Homeshare Planning and Operational manual and promotional material.

Internationally, the Homeshare model is supported by Homeshare International, a web-based entity based in London; and the U.S. National Shared Housing Association. The First World Homeshare Congress was held in Paris in 2009.

Other initiatives which should be supported in the area of housing include increasing flexibility in residential zoning requirements to allow for granny flats or other structures on a family's property to allow for multigenerational living.

Measuring and Recording Outcomes

In a service design where the person being supported is the starting point, certainly the measure by which the service is meeting the needs of the person should be measured by outcomes. For example, we should be measuring the degree to which the support being provided is assisting a person to be more connected to their community, enhancing their well being and encouraging independence both functionally and socially. At the moment, there is recording and reporting of *output*s (i.e. hours of service provided, snapshot of service types, dollars spent etc.) The key issue is what is the experience of the older person and their family? There is no methodology for this outcome to be monitored and this information is not currently part of the process of deciding which agencies should continue to be funded or receive growth funding. Currently, a person could be receiving hours of service without the dollars being spent really achieving the goals of either the agency or the person themselves. PHCS recommends that outcome measures be developed and the information used for policy development, planning and funding allocation.

Funding and Regulatory Requirements

Much has been said and will continue to be said about the funding mechanisms for the provision of aged care. Without adequate funding, many providers will be unable to continue to operate. In the face of statistics regarding the ageing of which we are all familiar, this is unacceptable.

- **Improve the financial viability of aged care providers**. WA is experiencing inflationary pressures above most of the nation. Data from the Australian Bureau of Statistics indicates that the Consumer Price Index (CPI) in Perth rose more steeply than the weighted CPI for the other capital cities in the March quarter of 2010, with an overall increase of 3.4% over the year compared to the national CPI of 2.9%. The current model used by the Department of Health and Ageing to calculate indexation increases for care subsidies (the Commonwealth Own Purpose Outlays tool - COPO) has failed to keep pace with the increased costs of operating residential and community aged care services as demonstrated in the recent 1.7% increase in care subsidies in 2010, when compared to the 3.4% per annum CPI increase in Perth.

  The resultant impacts of the failure of the indexation formula to adequately fund service provision is evident by minimal development in residential aged care in WA, and a reduction in care provided by community packages. In the Aged Care Approvals Round (ACAR) announced in 2009, of the 1208 residential places available, providers only took up 519 (43%), the second year in a row that residential places in WA were undersubscribed.

In community care the service purchasing capacity of a Community Aged Care Package (CACP) has diminished considerably since 1995. Between 1995/96 and 2005/06 the value of the package increased by 27%, despite the overall increase in ordinary time earnings of full time working adults increasing by 64%, which is more than double the increase in the CACP subsidy. Wage costs represent 72% of total costs of operational expenses for aged care[1]. In community care a higher proportion of its operating costs are associated with labour, and the current indexation formula (COPO) does not adequately reflect the increases in wages.

The Conditional Adjustment Payment (CAP) was introduced to provide medium term financial assistance; however, this payment applied only to residential care providers and not to community care services. For community care providers the only way the costs can be drawn down to match the income is to reduce the amount of services provided to individuals. Community care providers who were previously providing 7 or more hours of support each week are reducing their services to only 5 hours or less a week as they can no longer absorb increasing operational expenditure. At PHCS, a CACP is provided at 4 hours a week.

Alternatives for Aged Care Funding

Up until this point of time, care of the aged has been considered the responsibility of the government to its citizens. In order to provide a quality level of support to it's most vulnerable, the government needs to consider looking at alternative funding streams in order to meet the demand as well as some changes to the way in which assets are treated when determining eligibility. Some of these alternatives may include:

- Wide availability, understanding and education regarding reverse mortgage type of arrangements so people can access income from their largest asset.
- Inclusion of the family home in the asset test for long term care benefits
- Development of long term aged care support products available through the private health insurance or superannuation structure. These types of products have been available for some years in the US, particularly for residential care. If people could pay a minimal amount as part of their ancillary insurance cover, for example, the cost of support ultimately could be spread over years and the income generated from the premiums invested.

Role of Government

WA is in a unique position in terms of the regulation of HACC in particular with regard to health reform. WA HACC is going down the path where eligibility for HACC will be determined by the Carelink and Assessments will be completed by nominated Assessment agencies. Ongoing service and support may be provided by either an Assessment agency or an agency that is not contracted to provide assessment. Whether HACC is administered at the State or Commonwealth level, it should be considered as part of the overall framework of support available to older Australians. Support may be considered along a continuum of 'support bands' or packages which start at a very low level and increase as the person's needs increase. Eligibility may be determined by the Carelink for example and the initial assessment completed by either the ACAT (for higher level support) or the organisation receiving the referral (for what is now HACC level support). As a person's need increases and they need to move to the next 'band', the person could be independently assessed by the ACAT for a higher level of support package. We see these bands of support to be more than the number and type of packages which exist currently and have gaps.

Regardless of entry points into aged care support, and the assessments following, the emphasis into the future should be on education of people about the range of support that is available and an easy way to access that information.

Workforce Requirements

Recently the population projections for Australia have been revised upwards in a new Intergenerational Report (Treasury 2010) which projects that Australia's population will grow by 65 per cent to reach 35.9 million by 2050. The increase is anticipated to be driven by a greater number of women of childbearing age, higher fertility rates, and increased net overseas migration. At that time the proportion of the population aged 65 and over is projected to rise to 22 per cent (7.9 million) while the proportion aged 85 and over is projected to rise to five per cent (1.8 million) This increase is against a background of reduction in the number of working age people, with only 2.7 people of working age to support each Australian aged 65 years and over by 2050, compared to five working-aged people per aged person today and 7.5 in 1970.[1]

For people to live at home with dignity, workforce is everything. Machines can't do this work and relationships are paramount. There are quantum and quality challenges. The quantum challenges are well documented. In our experience the challenges related to the quality of the workforce are equally important. To date too much emphasis has been placed on accredited training programs that emphasise knowledge and skills. We think values and attitudes are more important. We recommend that Commonwealth funding for workforce initiatives should also include options for staff development around attitudes and values and implementation of a person centred approach. Formal accreditation should not be mandatory.

Another concerning issue with regard to workforce in aged care is remuneration. Under a new industry award that came into effect in July 2010, personal carers and aged care workers are paid a minimum hourly rate of $15.92, which is less than an unqualified entry level zookeeper at Perth Zoo who receives $19.90 per hour. This reflects the values inherent in the current funding model. Remuneration of staff to support older people living in either community or residential settings needs to be more competitive and present as a viable career option. This is particularly true in Western Australia during 'boom times' of resource activity where people leave lower paid work for higher paid work associated with the resource industry. Labour shortages have resulted from the inability of the sector to pay competitive wages and hence a failure to attract workers in sufficient number.

All this has happened over a period of escalating regulatory oversight and introduction of quality systems without any attendant increase in funding. People we support are the losers in this, as the only measure that can be used by service providers to make ends meet is to reduce the number of hours of actual service provided per person.

Related to workforce issues are the issues of informal carers of people who are ageing. For Australia, the carer ratio is projected to decline from 2.5 potential carers per person aged 80 years or older in June 2004 to less than 1.0 in June 2044.[2] As with workforce, the quantum of decline in available carers is a concern in and of itself, however, consideration must be given to the type of support available to people who are carers and whether that support is flexible to individual needs.

[1] *SMART TECHNOLOGY FOR HEALTHY LONGEVITY:*
Report of a Study by the Australian Academy of Technological Sciences and Engineering, May 2010

[2] Trends in Aged Care Services: some implications, Productivity Commission Research Paper September 2008.

Additionally, support for carers needs to be accessible and well known. This is part of an integrated aged care system.

Respite or 'time off' options for carers should be person centred and designed with the carer at the centre of the support. There is no 'one size fits all' approach that is good for respite. Again, individual funding allocations should be considered to allow for flexibility and maximum respite effect. PHCS has had success with our Time off and Planning (TOP) model for older carers of people with disability and carers of people with mental illness. Our TOP program has been independently evaluated and we know this model is good for people and provides value for money.

Technology in Aged Care

A discussion about support to people who wish to age in place would not be complete in this time without addressing briefly the place of technology. The issue of technology for community aged care has two components; the ability of organisations to access and pay for technologies which increase efficiencies and provide transparency to funders and people they support and technologies which enable people to remain at home longer than they otherwise would have been able.

Given the breakdown of the funding dollar in the not-for profit sector, it is difficult to make capital expenditure investment in technology. There is a significant gap between available technologies in other sectors and the community sector. Often, organisations develop elaborate 'work arounds' within their IT infrastructure to deal with increased reporting requirements across multiple funders and deal with the issue of staff and people they support gaining access to the information they require or desire. These issues come with resource requirements; IT specialists or web experts who need to be part of the organisational structure. PHCS recommends that the need for increasing IT infrastructure and resource within the aged care sector be acknowledged and funded either as a part of existing funding opportunities for service provision or outside in a separate process.

Technologies which enable people to remain at home longer are becoming less a fiction and more a reality. Ageing-in-place supported by smart technologies offers the potential for substantial savings in residential aged care and in reduced admissions to hospitals, by providing early alerts to changing health patterns and by minimising falls and other accidents in the home. Many of these technologies for elderly-friendly housing depend on information and communication technologies to address social communications, personal health monitoring, telehealth, shopping and education. While these can be installed in existing homes, future dwellings will need to be custom designed to incorporate such systems and to cater for the lifelong needs of people.[3]

Conclusion

This submission acknowledges that supporting older people now and into the future is a complex issue. That being said, time is of the essence in creating a flexible, responsive system that will improve the lives and recognise the value of our elders in Australia. We appreciate the opportunity to make comment and look forward to the Productivity Commissions report and recommendations on future directions.

[3] *SMART TECHNOLOGY FOR HEALTHY LONGEVITY:*
Report of a Study by the Australian Academy of Technological Sciences and Engineering, May 2010