

# **Shire of Campaspe**

**Submission to the Productivity Commission  
Study into the Economic Implications of an  
Ageing Population**

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## **Introduction**

The Shire of Campaspe is situated in Victoria and borders the Murray River. It was formed in 1994 under local government amalgamations and combined the City of Echuca, Town of Kyabram, Shire of Rochester, Shire of Deakin and the Shire of Waranga. The origin of the Shire's Aged and Disability Service is prior to this amalgamation. Each of the five former municipalities that make up Campaspe provided a range of Home and Community Care Services that varied in size and mix. The core funding for these services was the Home and Community Care (HACC) program and this remains the case to the present time.

Councils Aged Care Services has multiple purposes including supporting people to live at home independently for as long as possible and reducing the demand on hospital and aged residential services. Due predominately to the rising number of aged people living at home resources are constrained, leading to debates about who the service is for, the outcomes it is trying to achieve, what services should be provided and in what quantities and who should get priority when demand exceeds resources.

The Aged Care Services unit of Council is part of a wider, complex health and community service system. The service has responded over time to a wide range of demands from consumers, funders and policy makers. Council has gradually moved the balance of its service commitment from a service providing largely home delivered meals and home care, to a suite of related services including the provision of increasing amounts of personal care, respite, allied health and services which substitute for residential care.

Planning and policy approaches taken over the coming years will have a significant impact on the capacity of services to meet the needs of the expanding ageing population. The impact of the ageing population now is only a minor indicator of the expansion imminent between 2020 and 2050 and particularly post 2050. There is significant debate about the capacity and relevance of the current system to meet demand now and in the future. We can make projections and speculate about the type and volume of need and demand for services but we need to do this recognising that demographic and burden of disease projections will need to be monitored to take account of significant variables. These may include changes in planning, medical science, technology, preventative health strategies and lifestyle choices. We cannot fully appreciate the impact these factors will have over this period.

The Productivities Investigation into the cost of Aged Care comes at a critical time for Council as it develops considered policy about its role in the Primary Care Service System and the conditions under which it will supply services. Policies such as 'ageing in place' and 'early discharge' from hospital have

changed the client profile and increased the risks of running in home services. Costs have shifted, and continue to shift, from Acute and Disability Programs to the Home and Community Care Program and people are relying on in home services for more complex and specialised needs.

## **Positive Ageing**

Much of the current Commonwealth and State policy promotes 'successful' or 'positive' ageing and seeks to enhance the capacity of the ageing individual to maintain a healthy, active and independent lifestyle, as well as seeking to promote a more positive view of older people in our society. This approach forms part of a broader direction within health policies towards health promotion and prevention. In Australia, the National Strategy for an Ageing Australia (October 2002) identifies 'the need for positive individual and community attitudes to ageing', emphasises the importance of 'healthy ageing' and 'the need for age-friendly infrastructure'. (National Strategy for an Ageing Australia, p.1).

There are significant benefits from healthier lifestyle changes for older people. Regular exercise has been shown to have a range of health benefits. There is evidence that older adults who follow an active lifestyle have daily functioning equivalent to less active people aged 15 years younger.

Through the Municipal Public Health Plan and roles in integrated planning and community infrastructure development, local government can influence health and lifestyle outcomes for local communities. The social model of health and well being is promoted by many Councils and other providers, recognising the need for integrated agency and service system efforts to achieve improved outcomes and manage future demand for services.

Local government operationalises National and State policies and programs and makes significant contributions to planning, service delivery and funding community infrastructure and services. Such work is limited by the resources available to Local Government. If Local Government is to increase its expertise, influence and implementation of projects aimed at encouraging healthy lifestyles then recognition through funding of these projects by State and Federal governments must increase.

## **In Home Care**

Over the coming decades, the percentage of older people will increase significantly as will the numbers. In addition the numbers of very old will also increase significantly. Changing community attitudes and perceptions of the Home and Community Care Program from the outdated view of the service being little more than house keeping remains a challenge. The maintenance of strict eligibility for entry into the service and a continued strong push to inform the

community that the focus of the services is health, safety, security and the avoidance of premature admission to residential care are essential elements in ensuring the service continues its high standards.

With the increase in the number in the over 70 age group, there will be a potential increase in the demand for Home and Community Care Services. In addition, the increasing numbers of very old will potentially further increase demand as this group will have a greater percentage of disabilities. While the actual demand will depend on such factors as the relative health of the older people, their local support networks etc, there is clearly potential for a significant increase in demand for in home services.

The capacity of Council to deliver services as demand increases will directly relate to the amount contributed and its willingness to subsidise services, where the Program Unit Costs or “subsidies” do not provide a full cost recovery. “Local Government has been relatively ineffective in its negotiations with the State and Commonwealth about support for fundamental management systems, training and a fair price for HACC services. One example is the Meals on Wheels Program where Council subsidises the preparation and delivery of meals receiving a \$1.20 subsidy as payment per meal.” (HACC Demand Management Project, 2003)

A MAV review of State Government Program cost shifting found a progressive gap between the Department of Human Services HACC unit costs and Council delivery costs. In 2000-2001 these were estimated between 15% and 41%. (State Government Cost Shifting, 2001). If adjustments to the formulae that the Department of Human Services uses to fund Home and Community Care Programs are not made then more and more of Council’s contribution will be used to subsidise each hour of service delivered, resulting in less hours being provided overall.

## **Housing, Urban Design and Planning**

Housing is an important issue for older people and people with disabilities, not just in the narrow sense of appropriate accommodation, but in the broader sense of housing that is part of the community and neighbourhood network that supports people to remain active community members.

There is a strong desire for people to remain in their own homes and / or communities, as they grow older. This is important for any understanding of options for housing and support for older people. Traditionally, Australians place a great value on home ownership and so the concept of “home” is seen to have great meaning for the current generation of older people, with it encapsulating their sense of self, independence and sanctuary. Older Australians have

particularly high rates of home ownership with over three quarters of people aged 60 and over owning their own homes. ( Hon. Bronwyn Bishop, MP, Minister for Aged Care, (1999) The National Strategy For An Ageing Australia: Background Paper, Commonwealth of Australia, Canberra)

Residential Care is usually an option of last resort. The creation of retirement villages is not a new concept but it is a housing option that many older people now consider. This may be as a result of concerns about the personal safety and physical security of older people. It is important to ensure urban planning and crime prevention initiatives support older people's actual and perceived personal safety and physical security. There is a complex relationship between the actual extent of criminal victimisation of older people (which is low when broadly compared with other age groups) and older people's fears and worries about crime, which is recorded as disproportionately high.

Sensitive urban planning and design that looks at physical infrastructure such as footpaths, the location of bus stops and shopping centres can improve the quality of life of those with a disability and the elderly living in the community.

The recent pressure to enhance integrated planning through linking the Municipal Health Plan, the Municipal Strategic Statement, the Community Health Plan and the Community Safety Plan will deliver positive community outcomes over the long term. However, it is important to realize that many local governments particularly in rural areas lack the resources (financial and human) to achieve this integration and/or to develop these strategies successfully.

## **Residential Care**

The Shire of Campaspe has eight Residential Aged Care Facilities and a further facility in Moama that can be accessed. There is a current waiting list of over 150 within Campaspe for low care places and a waiting list of over 20 for high care places (formerly nursing home places). Waiting lists are a spurious definition of need as the individual can be registered at many facilities. It does however show that there is substantial unmet need and that with a rapidly rising population of older people this demand will continue to increase.

The 2005/06 Commonwealth budget indicated that an extra \$58 million over three years will be injected into the residential aged care system to address the increasing concerns regarding the industry viability. In April 2004 Campaspe Shire Council wrote a letter to the Minister for Health and Ageing raising local providers concerns about the increasing costs of providing aged care and the shortfall in Commonwealth funding. The Industry peak body, the Victorian Association of Health and Extended Care also ran a campaign leading up to the budget to further highlight funding shortfalls.

The availability of Residential Aged Care Facilities has a direct effect on Council provided in home services. Lack of permanent and respite beds results in increased demand on Council services to maintain people in their own home.

## **Work Force Issues**

Sustainable workforce costs and quality are essential to the capacity of to deliver Home and Community Care services to older people.

Information provided through the recently completed Demand Management Project identified that the vast majority (over 90%) of the HACC workforce work part-time and are female. The majority of direct services staff are in the 40-49 age group. The average age in Campaspe for Home and Community Care workers is 46. The lack of male workers is also of concern.

The industry offers mostly part time work and it is therefore difficult for men or women to see the industry as a long-term career. Managing a part time workforce also generates higher costs in transactions through routine personnel management functions such as payroll, training and performance management and adds to complexities in rostering and leave arrangements. However a degree of flexibility and client choice is also offered due to the greater number of employees. In the 2002/03 financial year the Aged and Disability unit turned over 13% of its work force. Many of these people were our most highly qualified and moved into positions with more secure and regular hours of work (mostly the residential care industry). In the long term it is essential that industry is promoted as a viable career with good conditions of employment, clear career paths, opportunity for improvement and a variety of full and part time positions

The comparatively low wages of workers in Home and Community Care industry has been identified by the Department of Human Services as an issue in its review of Recruitment and Retention in Home Care. It should be noted that the duties and responsibilities associated with the positions have increased significantly in recent years.

Recruitment and selection strategies will play an important part in developing the skilled work force that is necessary to implement the health promotion and care monitoring roles that are now being required of our carers. However due to the growth in this industry and the lack of younger people entering the industry there is a net short fall of qualified staff. Retaining staff that have been trained is of great importance as the costs of training increase and the shortage of qualified staff is predicted to continue for the foreseeable future.

The constant growth in community care combined with government policies that encourage early discharge from hospital has seen a swing towards the provision of higher levels of care. To minimize the risk to Council it is now a requirement that all staff who perform personal care or respite have a minimum Certificate 3

in Aged or Disability Care. This minimum standard is in part due to the more complex care duties that Home and Community Care Workers are expected to deal with. The HACC Demand Management Strategy has identified the progressive shift to providing complex levels of care for highly dependant clients as a key risk to Councils in the future if left to go unchecked.

Council's Aged Care Services is well suited to provide low to medium level personal care. Any shift towards caring for more dependant clients would increase the risk of exposing the organization to liable action or require significant and costly staff qualification and supervision standards.

## **Aboriginal and CALD Needs**

The Victorian ATSI Communities HACC Needs Analysis Project was conducted between September 2002 and May 2003. The study found several factors affecting demand for Council HACC services including the availability of services managed directly by Indigenous people. The Njernda Aboriginal Cooperative has a small HACC Service that provides for the local community however this service is often stretched beyond its ability to meet the demand for service. Njernda is based in Echuca and has difficulty reaching the other major ATSI community within our municipality in Kyabram.

"The HACC Program works on the principle that the generally lower health status of Kooris combined at all ages results in a higher likelihood of need to access HACC services" (HACC Information Resource Kit 2002 page 9. DHS, Loddon Mallee). According to the Needs Analysis Project, there will be a continual increase in the number and percentage of ATSI people entering the HACC target group and requiring HACC services. ATSI clients need HACC services at a younger age and are more likely to require higher levels of service than the non-ATSI population.

The Victorian Multicultural Commissions *Analysis of Local Government Responses to Cultural Diversity in Victoria*, provides a comprehensive set of ethnicity data tables based on the 2001 ABS Census for 78 of Victoria's Local Government Areas (LGAs). The data tables are extracted from '*The People of Victoria: Statistics from the 2001 Census*', jointly published by the Commonwealth of Australia, Department of Immigration, Multicultural and Indigenous Affairs (DIMIA) and the Victorian Office of Multicultural Affairs (VOMA), 2003. The Shire of Campaspe is ranked in the "very low" section of the Population Diversity Table with a score of 23% (of the total population) of people who were born in a non English speaking country.

The majority of these people are of Italian background and reside in the Kyabram area. It is generally recognised that people from culturally and linguistically diverse backgrounds may experience particular difficulties in gaining access to

services. The Shire of Campaspe Aged and Disability Services Unit has developed a plan using the HACC cultural planning tool. The tool identifies issues relating to access, client need, staff training, employment & retention of culturally appropriate staff, culturally sensitive planning and information provision.

The production of specialist information and the delivery of specialist services to small sections of the community is difficult and costly in rural areas. Recruitment of staff, privacy concerns, distances travelled between clients and retention of these staff add extra costs to running a quality service that meets national accreditation standards for older people.

## **Isolation**

Unlike their Metropolitan counterparts, Rural and Regional senior citizens have extremely limited access to modes of public transport. Public transport that addresses access issues (eg. Low floor buses with complementary kerbing at bus stops and/or Tactile Ground Surface Indicators providing directional cues for blind/vision impaired commuters) is the isolated exception rather than the rule. Either the total absence of public transport or extremely limited service routes when combined with either the lack of footpaths or discontinuous paths of travel, are just obvious examples that render travel by taxi as sometimes the only viable option for many people with disability who are ineligible or unable to hold a Victorian driver's license.

Further, people in rural and regional areas often need to travel greater distances than their Metropolitan counterparts in order to access services and facilities. Issues of affordability with regard to access to social, recreational, sporting, educational and vocational pursuits have always been high on the agenda for rural and regional people. Current transport costs require individuals to budget and prioritise their daily living activities and for many this does not extend beyond essential activities such as shopping and medical appointments

Recent decisions by State Government including the reduction in the amount of benefits available under the Disability Taxi scheme and the abolition of the reduced charges made on vehicle registration for pensioners has only exacerbated issues of isolation for older people.

Suggestions to coordinate the use of school buses, vehicles that are not being used full time by government owned/funded services etc to address transport issues in rural areas are of little benefit unless "Coordination" funding exists. Such activities are both time consuming and ongoing. A recent State Government pilot program that facilitates the coordination of these vehicles and looks at improving transport using the current available resources is an excellent move. These programs need further funding to expand.



## **Conclusion**

Local Government is well placed to deliver a range of community and in home services to support older people. In Victoria, local government makes a significant contribution towards these services however the predicted rapid and increasing rate of ageing in the community can not be met through the revenue raising avenues that municipalities have access to. While local government is a willing participant in the delivery of services to older people it cannot continue to play a part in their funding.

There are also a range of rural specific issues that continue to affect the delivery of services to older people both now and in the future. Issues such as isolation due to the lack of suitable public transport options, the recruitment and retention of direct care workers and professionally qualified staff will grow as the numbers of older people increase.

The ability for local governments to partner with other primary care and acute care facilities to jointly plan health related activities and sensitive urban design is greatly effected by the amount of resources available to the individual municipality. The availability of suitably qualified personal and the financial resources necessary to perform these activities grow in difficulty in rural and regional areas.

Suitable strategic planning will be required to ensure that councils are adequately equipped to meet the needs of older members of the community now and into the future.