



**DRAFT SUBMISSION TO THE PRODUCTIVITY COMMISSION
INQUIRY INTO CARING FOR OLDER AUSTRALIANS**

DATE

July 2010

Draft Submission on Caring for Older Australians

Opening:

The Local Government Association of NSW and Shires Association of NSW (the Associations) are the peak bodies for NSW Local Government.

Together, the Local Government Association and the Shires Association represent all the 152 NSW general-purpose councils, the special-purpose county councils and the regions of the NSW Aboriginal Land Council. The mission of the Associations is to be credible, professional organisations representing Local Government and facilitating the development of an effective community-based system of Local Government in NSW. In pursuit of this mission, the Associations represent the views of councils to NSW and Australian Governments; provide industrial relations and specialist services to councils and promote Local Government to the community and the media.

The Associations thank the Productivity Commission for the invitation to make a submission to the inquiry into Caring for Older Australians.

As key operators and supporters of Home and Community Care (HACC) services, managers of the local environments enjoyed by older people, and as direct providers of residential aged care in some cases, Local Government (as represented by the Associations) has a vital interest in the role, functions and administration of future arrangements for the care of older Australians.

Executive Summary:

This submission has been developed through consultation with councils in NSW who expressed an interest in contributing to the Associations' submission. The Associations see the inquiry as an opportunity to broaden the way support for older Australians is considered. In the Associations' view, an integral part of care for older Australians is their engagement and participation in the community enabled by supportive social and age friendly physical environments. Within the context of a person's entire life, factors which enhance a person's wellbeing, involvement and participation deserve to be given equal consideration with more direct formal or informal "care" services.

Specifically the Associations have made a series of recommendations, based on consultation with councils, for consideration by the Inquiry. In summary they are:

- Providing a community advisor for each Local Government Area to assist the community with understanding the aged care system and finding appropriate services
- Funding Local Government to provide age-friendly environments
- Maintaining close relationships with Local Government.
- Factoring in the real cost of providing services for populations with varying cultural, socioeconomic and geographic needs
- Providing multiple points of access
- Using LGAs as the basis for planning and building on locally developed strategic plans
- Harmonising age eligibility requirements
- Basing assessment processes on individual well being
- Monitoring actual provision against funding provided
- Funding prevention and health promotion within the aged care system
- Using locally collected evidence of user need
- Rotating focus towards the individual and using technology
- Increasing and subsidies be considered for difficult to staff locations
- Broadening community care options
- Including retirement living in the care continuum
- Including the benefits and cost of providing a supportive community in aged care funding.

Purpose:

This document presents the NSW Local Government and Shires Associations' (the Associations) initial submission on reforms to Australia's aged care system, and is based on a consultation held with a number of councils in NSW (see list at Appendix 3).

The Associations will present the issues facing Local Government in NSW with respect to the existing social, clinical and institutional aspects of aged care in Australia, councils' experience in responding to the needs of particular groups within the community, the regulation and impact of retirement living and the inter departmental social inclusion agenda for older people. Of particular interest to Local Government is the reconfiguration of Home and Community Care (HACC) services as agreed by COAG in April 2010 such that all HACC services for people aged 65 years and over will become the responsibility of the Commonwealth under a new system for the care of older Australians.

Councils in NSW currently play a significant role in both the direct provision of services for older people but also in the support of other providers. As strategic planner, service provider, regulator and manager of the built and natural environments at a local level, councils have a significant impact on the quality of life of older Australians and their participation in the local community.

Of the 152 councils in NSW, 97 were funded in 2007-08 to provide Home and Community Care (HACC) Servicesⁱ. In 2009, the Associations conducted a survey of all councils in NSW (responses were received from 110 councils) on councils' social planning and community services activitiesⁱⁱ. That survey showed that councils in NSW run Meals on Wheels services (45 councils), respite services (29 councils), transport services for older people (38 councils) and HACC centres (70 councils). Councils also employ staff for the development of services for older people (111 FTE across NSW) and the development of policy for services and activities for older people (66 FTE across NSW). Over 70 councils have Access Committees made up of community representatives and 82 councils engaged volunteers from the community to work with council on programs for older people.

This report will examine the current issues associated with the reform of the aged care system in Australia according to the Terms of Reference of the Productivity Commission's Inquiry, as listed below.

The Commission is requested to:

1. Systematically examine the social, clinical and institutional aspects of aged care in Australia, building on the substantial base of existing reviews into this sector.
2. Develop regulatory and funding options for residential and community aged care (including services currently delivered under the Home and Community Care program for older people) that:
 - o ensure access (in terms of availability and affordability) to an appropriate standard of aged care for all older people in need, with particular attention given to the means of achieving this in specific needs groups including people living in rural and remote locations, Aboriginal and Torres Strait Islander people, culturally and linguistically diverse communities, and veterans:
 - The Commission is specifically requested to examine how well the mainstream service system is meeting the needs of specific needs groups.
 - o include appropriate planning mechanisms for the provision of aged care services across rural, remote and metropolitan areas and the mix between residential and community care services
 - o support independence, social participation and social inclusion, including examination of policy, services and infrastructure that support older people remaining in their own homes for longer, participating in the community, and which reduce pressure on the aged care system
 - o are based on business models that reflect the forms of care that older people need and want, and that allow providers to generate alternative revenue streams by diversifying their business models into the delivery of other service modalities

- are consistent with reforms occurring in other health services and take into account technical and allocative efficiency issues, recognising that aged care is an integral part of the health system and that changes in the aged care system have the potential to adversely or positively impact upon demand for other care modalities
 - are financially sustainable for Government and individuals with appropriate levels of private contributions, with transparent financing for services, that reflect the cost of care and provide sufficient revenue to meet quality standards, provide an appropriately skilled and adequately remunerated workforce, and earn a return that will attract the investment, including capital investment, needed to meet future demand. This should take into consideration the separate costs associated with residential services, which include but are not limited to the costs of accommodation and direct care, and services delivered in community settings
 - consider the regulatory framework, including options to allow service providers greater flexibility to respond to increasing diversity among older people in terms of their care needs, preferences and financial circumstances, whilst ensuring that care is of an appropriate quality and taking into account the information and market asymmetries that may exist between aged care providers and their frail older clients
 - minimise the complexity of the aged care system for clients, their families and providers and provide appropriate financial protections and quality assurance for consumers
 - allow smooth transitions for consumers between different types and levels of aged care, and between aged, primary, acute, sub-acute, disability services and palliative care services, as need determines.
3. Systematically examine the future workforce requirements of the aged care sector, taking into account factors influencing both the supply of and demand for the aged care workforce, and develop options to ensure that the sector has access to a sufficient and appropriately trained workforce.
4. Recommend a path for transitioning from the current regulatory arrangements to a new system that ensures continuity of care and allows the sector time to adjust.
- In developing the transitional arrangements, the Commission should take into account the Government's medium term fiscal strategy.
5. Examine whether the regulation of retirement specific living options, including out-of-home services, retirement villages such as independent living units and serviced apartments should be aligned more closely with the rest of the aged care sector, and if so, how this should be achieved.
6. Assess the medium and long-term fiscal implications of any change in aged care roles and responsibilities.

We understand feedback is sought on aged care as it fits within the proposed National Health and Hospitals Reforms. The Associations understand that, as an outcome of the National Health and Hospitals Network Agreement, COAG has established the Commonwealth Government as the level of government with full funding, policy, management and delivery responsibility for a national aged care system.

We also understand that the shape of aged care in the future will need to be responsive to the recognised preference of older Australians to receive care in their own homes, in order to maintain their local connections and retain involvement with the community in which they live. Local Government in NSW recognises and supports older people to stay in the community not only through the provision of care services, but also by providing, designing and supporting the development of age friendly social and built environments which encourage the participation of older people.

NSW councils are well aware of the range of financial, social and health needs of the populations they serve. In particular, NSW councils appreciate the difficulties facing communities located in remote or isolated areas in relation to the availability of services and staff, the cost of transport and the impact of isolation on social networks.

Overall, the Associations support a holistic approach to community aged care, which recognizes and responds to local needs and optimizes the capacity of providers to meet these needs. The needs of different geographical communities, such as regional, rural and remote, and the needs of different social communities need to be recognized and providers to those communities, adequately resourced. Importantly, the Associations support a person centred, self directed approach to service provision which optimizes outcomes for clients.

The Associations will deal with the aspects of the current aged care system that are currently working well, and those where reform is required. This submission will also cover the social and institutional aspects of aged care, consider funding options for a new aged care system which ensures equity of access, supports independence and reflects the needs of older people. In addition, this submission will discuss planning mechanisms and regulatory frameworks to ensure ease of use and smooth transitions for users of aged care over their lifetimes. Specific issues relating to the regulation of retirement living and alignment with the aged care system will also be considered.

Each of the Terms of Reference for the Inquiry will be addressed separately in the discussion below.

Term of Reference 1: The social, clinical and institutional aspects of aged care in Australia

In response to this term of reference, the Associations will address some social and institutional aspects of the aged care system in Australia. Local Government applies the principles of social justice: equity access, participation and rights, to the services it provides. The application of social justice principles should enable the community to choose the type of the care they receive and when and where they receive it.

In terms of social aspects, NSW councils are often the "first port of call" for community members seeking help with information about aged care services available in the local community. In their role as information providers, councils have become aware of the long waiting lists for Aged Care Assessment (ACAT), and confusion among consumers about how to navigate a complex system of providers. Many councils train Customer Staff to familiarise themselves with the local ageing and disability service directory. Councils report that Customer Service staff often feel frustrated that many aged care services are at full capacity.

Councils have suggested that there is a need for locally based community advisors to assist with the navigation of the aged care system. In the Northern beaches area of Sydney, there is a funded position covering Manly, Warringah and Pittwater LGAs auspiced by Community Care Northern Beaches. Similarly, a "Health and Wellbeing Coordinator" has been funded by NSW Ageing, Disability and Home Care, based in some local neighbourhood centres. This has been effective in meeting the needs of substantially large numbers of seniors and ageing carers needing the centre's services and support groups.

Recommendation 1: That the Australian Government provide a community advisor for each Local Government Area to assist the community with understanding the aged care system and finding appropriate services

Within one LGA, there may be a number of aged care providers. The tendering system which currently operates for both State and Commonwealth funded services can create unnecessary competition between providers and duplication at the local level, resulting in services which are too small to be sustainable. Councils often come under pressure from Not-for-profit HACC providers to provide office accommodation at no or reduced rents. This is an institutional burden which needs to be considered within the system of aged care funding and is sometimes masked by the "siloing" of funding and services between both the NSW and Commonwealth departments responsible.

Councils have faced silos in cases of squalor where mental health assessment teams, public health social work teams and ACATs all need to be consulted separately for referrals for case management

and assessment. Limited staff resources and inflexible OH&S systems often exacerbate the problem. For example joint visits by both Council's regulation officers and a mental health team representative would often benefit the resident - however mental health teams will not conduct home visits and will only assess in their offices.

Councils which offer HACC services have suggested that long term case management of individuals based on a person centred and consumer funded model is more effective than a regionally based funding by service type. However, high level home based care does not appear to be adequately funded in most regions in terms of meeting demand.

In NSW, councils have developed a cooperative working relationship with NSW Ageing, Disability and Home Care. The Associations would seek to develop a similar close working relationship with the Commonwealth to ensure local needs are effectively met.

Recommendation 2: Any new aged care system must be based on close relationships with Local Government.

Term of Reference 2: Regulatory and funding options for residential and community aged care (including services currently delivered under the Home and Community Care program for older people) that:

- **Ensure access**

Councils in NSW provide services to support the needs of Aboriginal and Torres Strait Islander people and culturally and linguistically diverse communities. Councils often "fill in the gaps" where services are not available from other providers in a local area. Council do this by providing services and supports which complement direct aged "care", such as social support and neighbour aid type services which are flexible and respond to particular community needs. In rural and remote areas, councils are often the only provider of aged care services, mainly through HACC, although some councils in remote areas of NSW also run residential aged care services. In rural and remote areas, the cost of providing transport for older people in these areas adds significantly to the overall cost and therefore availability of these services for these communities. Councils in rural and remote areas often find they are topping up the cost of providing services for older people.

Other community factors will also impact on the cost of providing services for older people, such as cultural and economic background. Regions with ageing populations consisting of higher percentages of people from culturally and linguistically diverse backgrounds face additional costs for translation, interpreting, and recruiting, training and retaining highly skilled bilingual-speaking workers. To address this need, Bankstown City Council in Sydney's south west, played a leading role in the SWS Workforce Initiatives Project, an innovative, collaborative project that promotes the visibility of and the benefits of working in the aged care sector.

It is important to recognise that not all councils are able to 'fill the gaps' in services and that funding bodies should not have such an expectation of Local Government. Without appropriate funding, councils may not want to increase their role as a 'direct service provider', or indeed be in a position where they are required to do so.

Recommendation 3: That the real cost of providing services for varying populations, including for older people from culturally and linguistically diverse backgrounds, older Aboriginal/Torres Strait Islander peoples, older people of low socioeconomic status and older people in rural and remote areas, is factored into funding mechanisms.

As noted under Term of Reference 1 above, councils are often consulted for information about the availability of aged care services in the local area. Under the National Health and Hospital reforms, the Associations are concerned that the proposed network of "one-stop shops" for people needing access to aged care is fully integrated with the Local Hospital Network and primary health care

network from the outset. This will ensure the smooth transition of older people from hospital to the appropriate level community or residential aged care if required. For some seniors, particularly the socially isolated, GPs may be their only contact and councils have found, through Social Planning consultations and Carers and Consumers fora, that there is a growing demand for GPs to refer to community care services. These one-stop shops should also be supported by other access points which are suited to the specific communication systems of different groups within the community. An integrated client management system is a necessary complement to a system of one-stop shops.

Recommendation 4: Ensure multiple points of access through councils, GPs, community agencies, shopping centres, churches and Carelink. One stop shops should be visible "shopfronts" but also reached through a variety of media (including web based applications) and supported by an electronic case based client management system.

- **Include appropriate planning mechanisms**

Under the current HACC Local Planning Area planning arrangements, councils have the opportunity to contribute information about specific local needs, but there is no process to ensure that all the Local Government Areas (LGAs) in a region receive services at the delivery stage. This can result in uneven and inequitable distribution of services both within and across planning regions.

The Associations suggest that LGAs are the most appropriate administrative boundary to use for planning services. As all LGAs have a council, there is already in existence an administration system which has expert knowledge about local needs that can also assist the Commonwealth with the equitable allocation of resources across the LGA based on that knowledge. Councils in NSW are currently embarking on an Integrated Planning and Reporting process which requires councils to develop long term community strategic plans which incorporate planning for services provided by both State and Commonwealth governments. The information in these plans will be of great value to the Commonwealth government in planning the distribution of aged care services in the future.

In addition, Local Government plays a strategic role in both planning for and providing services and matching services with clients at the local level. Therefore, the Associations seek Local Government involvement in the development of planning approaches for the provision of the spectrum of community care to residential aged care which are driven by local demand and not limited by supply. The allocation of places for Community Aged Care Packages (CACPs), Extended Aged Care at Home (EACH) packages and the allocation of funding for HACC services need to be seen as elements of a wider community care system which encourages and supports older people to be independent and remain in their own homes.

Recommendation 5: That the future planning of aged care services be based on LGAs and informed by local Community Strategic Plans and Local Government advice.

Currently eligibility requirements for aged care services and HACC services are inconsistent. Most notably, people aged 65 years and over are eligible for HACC services, but those aged 70 years and over are eligible for Commonwealth funded aged care services. There is also a need to clarify age eligibility requirements for Aboriginal and Torres Strait Islander Peoples, people suffering trauma and for People with a Disability. Eligibility for other health services may also have different age requirements and funding based on age boundaries could restrict smooth transition from one service to another. Councils have also expressed concern that the split of HACC services between the Commonwealth and the State may result in some people missing out on services, for example, older people who do not have a carer. Also, it is not clear how people who acquire early onset dementia will fit in a system that has a minimum age limit of 65 years. The Associations suggests that there needs to be some flexibility in the new system to cater for these situations.

Recommendation 6: That age eligibility requirements between State and Commonwealth funded systems be harmonised and that clear guidelines be established for people with special needs as they age.

- **Support independence, social participation and social inclusion**

Local Government recognises the choice of older people to remain in their own homes. To support this choice, universal housing design which allows “ageing-in-place” is a major factor, along with the design of “age-friendly environments”. The Humanitas “Apartments for Life” modelⁱⁱⁱ of the Netherlands has been a successful approach to enabling people to age-in-place.

From the perspective of Local Government, “ageing-in-place” goes beyond the provision of formal or community based care. The ability of older people to lead active independent lives, to participate fully in the community and to be part of a local support mechanism also depends on the physical and social infrastructure of the community. This is where councils play a significant role. By providing accessible commercial and recreational environments, establishing neighbourhood support networks, community transport, providing social activities and opportunities for physical activity, councils contribute to healthy ageing and preventing older people from unnecessary hospitalisations or from entering formal aged care.

The benefits to individual and community wellbeing of living in a community which facilitates involvement of older people, through age friendly design, social support frameworks and accessible community infrastructure need to be considered as part of the whole cost of the aged care system. An important part of this is the design and retrofit of footpaths and public areas which minimise the risk of falls. Staff training to improve awareness of age-friendly environment design should also be considered.

A report to the Prime Minister’s Science, Engineering and Innovation Council argued that: Consideration of the built environment is essential to the achievement of the vision of increased healthy life expectancy. The built environment has a powerful impact on mobility, independence, autonomy and quality of life in old age and can also facilitate or impede the quest for a healthy lifestyle at all ages^{iv}.

Recommendation 7: That Local Government receive funding under the aged care system for the provision of “informal” support for healthy ageing and the building of age-friendly environments.

- **Are based on business models that reflect needs**

The care that older people need and want will vary along the spectrum of care and along the length of a person’s life (or across a person’s life). Early intervention in the form of simple domestic assistance or social support can help sustain an older person’s independence. People may need intensive care at certain points of their lives but only low level care for the major part. The identification of a person’s “needs and wants” should consider the whole life of that person, both inside and outside the home.

Recommendation 8: An assessment process should consider how a person participates in the community and general well being.

Some NSW councils run a brokerage model of providing services to clients, as they find that they can better manage the provision of services at peak times. Successful individualised services can best be provided by allowing service providers to flexibly bundle services to suit individual needs. The Community Options model using case management and joint care planning for complex care needs is considered to be an effective approach.

Councils are often made aware of services closing, or gaps in service delivery in the local area, although councils may not always be aware if an actual provision took place or whether the quality of service provided met the funding criteria. For example some Neighbour Aid services are providing day care groups and shopping/transport, instead of the individual or small group (2-3 people) social support and companion visiting they are funded for, leaving social support to be provided by council or other providers.

Some councils have suggested that reporting systems need to ensure that services received by clients correspond with services that have been funded. This does not need to result in more onerous reporting or more stringent accountability mechanisms, rather it requires a change in reporting to guarantee that services that are funded are actually delivered on the ground.

Recommendation 9: That if a provider is funded to provide a service, that there is a mechanism in place which checks that it has been provided

- **Are consistent with reforms in other health services and take into account efficiency issues**

Effective community based care that enables older people to live at home relies on access to allied health services as well as clear relationships and information sharing between aged care and hospitals and other health services. Discharge planners at hospitals and practice nurses need good relationships with community based services, including those provided by councils.

Beyond the medical model, however, councils consider the provision of aged care within a broad view of person centred care which includes preventative health measures, social engagement and the promotion of healthy ageing and active living. Local residential aged care facilities also often have good connections with council run services, such as the library. The benefits of a preventative approach need to be realistically costed and factored into the development of an aged care system.

Recommendation 10: That funding be provided for prevention and health promotion within the aged care system

- **Are financially sustainable**

One of the key considerations for Local Government is that any changes to the aged care funding system not result in a reduction of per capita funding on an individual basis and that differential costs of provision in rural areas be factored in. At the 2008 conference, the Local Government Association resolved that the Associations seek the guarantee of the Australian and NSW Governments:

- that the effects of any redistribution of the funding and program responsibilities for ageing and disability programs be carefully considered in conjunction with major service providers including Local Government;
- that any changes result in improvements to the provision of services and supports for older people, people with disabilities and carers in NSW;
- that any new funding conditions for ageing programs maintain strong in-home and in community outcomes alongside residential and institutional outcomes; and
- that any redistribution of the funding and program responsibilities for the delivery of ageing and disability programs and services not result in any reduction in per capita expenditure and that funding distribution methods take into account of regional and local needs and cost factors.

As part of the process of developing long term integrated Community Strategic Plans for LGAs, councils must engage with the community to identify what it needs. The results of the engagement process are often a comprehensive understanding of local needs from housing to transport to health and aged care. This information could provide the Commonwealth with a strong evidenced base on which to provide funding. In this way, funding can be based on need rather than service type and outcomes can be measured in terms of the client rather than by service inputs. Local information on the cost of service provision, especially in terms of transport costs, can also complement the funding system.

Councils already distribute funding to service providers through community grants, Community Development Support Expenditure Scheme (CDSE - Clubs NSW) and facility subsidies processes. A similar approach could be considered for aged care funding where councils could be consulted about local needs and could make recommendations with regard to distribution of available funding to meet

different needs in their local communities. If appropriately funded, councils could also assist with the allocation of funding by LGA.

Within this framework, a scale of user pay contributions can be developed using a means tested approach. An education process for clients and providers is crucial to the success of such an approach, so that all participants in the system are clear on what is an entitlement and what is an elective service. The same funding/payment system could also be used for other health services.

Recommendation 11: That funding for community based aged care services use locally collected evidence of user need, costs of provision and ability to pay. Councils could provide advice for local distribution of funding

- **Consider the regulatory framework**

Comments regarding the regulatory framework have been covered under Business models above.

- **Minimise complexity**

Councils plan for a community as a whole and therefore recognise that the complexity of the aged care system is often magnified for the consumer by the ‘siloeing’ of services by administrative departments. Streamlining of application processes so that clients need only complete a single application for all health and aged care services and providing multiple access points are crucial to minimising complexity.

“Healthy at Home” is an effective model of integrated care for older people showing the first signs of functional decline, so that clients receive care at home rather than in hospital. It is operating in NSW in the St George, Hornsby and Queanbeyan areas. Patients and carers receive supports for both short and long term needs. GPs have access to support and fast track diagnosis and clinical management of their patients. Agencies work together in order to avoid multiple assessments and deliver better coordination of services. Service providers build on the capacity of existing service models

By adopting a holistic, cross portfolio approach which has community health and wellbeing, rather than administrative process as the focus, the spectrum of care needs along the life cycle continuum can be provided for so that people can access the right type of care at the right time. Technology will be important to support the simplification of the system. The personally controlled electronic health record system should incorporate all aged care related services.

Recommendation 12: That complexity be minimised by rotating focus towards the individual and using technology to maintain health and care needs information.

Term of Reference 3: Workforce requirements

Councils, particularly in rural and remote areas experience first hand the difficulties in finding and retaining qualified health and care staff. One council reported:

“Ironically, it’s the workforce’s passion which attracts them and lures them to the sector but also eventually causes burn-out. Managers have been reporting at Council consultations that they often need to be creative to stretch out funding. RACF nurses are paid less than hospital nurses. Workers are working longer hours and some are doubling up as case workers. And yet it still is a predominantly female-dominated workforce. Ultimately, family lives are affected.”

Local Government supports calls for increased Australian Government funding to enable providers to improve remuneration and skill development for workers in aged care. This in turn should improve the ability of the sector to compete for staff resources. Increased funding for salaries and improved conditions will lift the status of the entire aged care sector and help address workforce shortages. In

addition, the cost of housing and travel to work in metropolitan areas needs to be acknowledged as a significant factor in hiring and retaining care staff.

Recommendation 13: That the aged care workforce be developed to be stronger and more highly skilled, that salaries for aged care staff be increased and that travel and housing subsidies be considered for difficult to staff locations.

Councils also recognise that there is a need for capacity building of council staff, not just in direct aged care service provision but in creating healthy age friendly communities.

Term of Reference 4: Transitioning

The Associations' policy statement says that Local Government recognises that older people have a right to quality facilities, services and programs that enable them to remain living in their own homes and active in their communities.

Local Government

- identifies, provides or facilitates the provision of facilities and services which meet the needs of older residents to maximise quality of life and well being
- assists older residents to remain in their local community by facilitating appropriate infrastructure and facilities, adequate support services and housing options

In order to achieve the goal of ensuring that a greater proportion of the older population living in their own homes, the Associations suggest a gradual realignment of funding from residential care to community care to allow community care sector to develop diverse and responsive services, and to ensure the safety of frail older people in community settings.

The need for transport is of primary importance to the independence of older people, particularly as they lose their licence and their mobility decreases. Access to well funded, flexible community transport options for medical and social appointments would support independence and continued community participation.

Recommendation 14: That community care options be broadened and deepened to respond more fully to care for older people in their own homes.

Term of Reference 5: Retirement specific living options

In NSW, controls for retirement living come under the State Environmental Planning Policy, SEPP (Housing for Seniors and People with a Disability) or the *Retirement Villages Act 1999*. The SEPP also includes requirements for the provision of services to serviced self-care housing, including transport services⁵. Conditions of consent restrict occupation of seniors housing to seniors or people who have a disability. The purpose of these measures is to make it clear to potential owners that occupants of the approved development are restricted to seniors or people who have a disability, people who live in the same household as seniors or people who have a disability, and staff employed to assist in the administration of and provision of services to clients in housing provided under the development consent.

Councils have found that it can be difficult to monitor both the ongoing provision of transport services to housing covered by this legislation. Moreover, councils have limited power to monitor the use or on-sale of this housing by people who do not meet the eligibility criteria for the housing.

Because the community sees retirement villages as "secure" places to live, there is an expectation that there is some level of care, supervision or services which is more than would be experienced had the older person remained at home. Councils acknowledge that while people in retirement living are currently able to access home based community care, there is no formal requirement for owners/managers of retirement villages to provide that care themselves. Residents of retirement living need to be fully informed that there is currently no "entitlement" to care accompanying their residency in a retirement village. Alternatively, retirement living, seniors' housing, independent

living units or serviced apartments could be considered to be part of the continuum of care from the home to hospital. If retirement village operators are to provide care, they would need to be subject to the same accountability and regulatory systems as other providers.

Regulation of the design of retirement living to use universal design principles for ageing-in-place, and to locate villages in accessible locations (or to provide community transport) would assist people to remain living there rather than moving to residential aged care.

Recommendation 15: That the design of retirement living options be regulated to follow universal design principles and meet local accessibility criteria. That retirement living be considered part of the care continuum and be regulated like other care providers

Within the review of retirement living as part of a broader aged care system, the tax framework for not-for-profit operators may need to be considered. At the 2007 conference, the Shires Association sought an amendment to the Commonwealth Taxation provisions to permit retirement village facilities owned and operated by local councils to be deemed as charitable organisations, particularly for the purposes of Fringe Benefits Tax provisions for staff working at those facilities.

Term of Reference 6: Fiscal implications

The Associations suggest that the medium and long term implications of any change to the aged care system should look inclusively at the whole environment in which an older person lives.

Local Government manages its limited resources to provide for the needs of all members of the population. As the population ages, there will be increasing demand to provide services and infrastructure for older people. The cost of these has been estimated in a recent study by the University of Western Sydney, which found that "substantial Local Government resources will be required for local infrastructure, facilities, services and programs that meet the ongoing needs of older people, including their 'ageing in place' support requirements. Furthermore, these increased costs will be accompanied by further decreases in revenue, and significant differences across LGAs in the degree and nature of this economic impact"^{vi}.

It is important to note that while these costs can be related to an ageing population, the benefits of providing many community facilities and accessible environments go across all age groups in the community and provide an ongoing benefit which will positively impact in a reduced or delayed demand for high level aged care services. The Associations suggests that these activities should be seen as part of the spectrum of "aged care" and funded accordingly. Local governments are not seeking to become the responsible government level to provide 'supportive communities' programs, however they are in a position to advise the Commonwealth on local needs.

Recommendation 16: That the fiscal implications of any new aged care system include the broad community benefits of active living and participating in the community. That the cost of providing a supportive community be recognised and funded on local needs as advised by Local Government.

Conclusion & Recommendations

The Associations thank the Productivity Commission for the opportunity to provide input to the Inquiry into Caring for Older Australians. The review is an opportunity to change the way "care" for older Australians is considered. In the Associations' view, an integral part of care for older Australians is their engagement and participation in the community enabled by supportive social and age friendly physical environments. Within the entire context of a person's life and wellbeing, factors which enhance a person's involvement and participation deserve to be considered equally with more direct formal or informal "care" services.

Local Government & Shires Associations of NSW

References:

i. NSW Department of Ageing, Disability and Home Care	<u>Annual Report 2007-08, Funds granted to NGOs</u>
ii. Local Government and Shires Associations	<u>Social Policy and Community Services Survey, 2009</u>
iii. The Benevolent Society	<u>http://www.bensoc.org.au/director/whatwedo/olderpeople/oceanstsite/humanitasfoundation.cfm</u>
iv. Prime Minister's Science, Engineering and Innovation Council	<u>Promoting Healthy Ageing in Australia, June 2003</u>
v. NSW Department of Planning	<u>State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004, amended September 2007</u>
vi. Elizabeth O'Brien and Peter Phibbs, Urban Research Centre, University of Western Sydney	<u>Local Government And Ageing, Draft Report to NSW Ageing, Disability and Home Care, May 2010</u>

APPENDIX 1: Extracts from Associations' Policy Statements

The Associations' policy statement for older people states that:

Local Government recognises that older people have a right to quality facilities, services and programs that enable them to remain living in their own homes and active in their communities.

Local Government

- identifies, provides or facilitates the provision of facilities and services which meet the needs of older residents to maximise quality of life and well being
- assists older residents to remain in their local community by facilitating appropriate infrastructure and facilities, adequate support services and housing options
- recognises the importance of including older people in council's planning and other activities relating to infrastructure
- provides or facilitates the provision within the local community of services and programs relevant for all older people, regardless of their health status, gender, marital status, sexuality, language, culture, race, religion, disability or status.
- recognises and supports Seniors' Week as an important vehicle to recognise the valuable contribution older people make to their community through respect, inclusion and being sensitive to the needs of older people.
- recognises the important role Seniors' Centres play in local communities.
- supports initiatives which encourage government, non - government and private sector employers to develop more flexible work practices and attitudes that are supportive of the continued participation of mature workers in paid employment.

Local Government seeks:

- Commonwealth and State Government adequately resource residential, community care programs (such as Home and Community Care) and healthy ageing programs to meet the real and growing level of need amongst older people and their carers.
- Commonwealth and State Governments provide funding to Local Government to up - grade Seniors' Centres so that they are physically accessible to all residents and to provide for recruitment and employment of staff at Seniors' Centres.

APPENDIX 2: Recent Conference Resolutions

2008 LGA conference and 2009 Shires conference

Potential changes to aged services with central governments

That the Association seek the guarantee of the Australian and NSW Governments

- that the effects of any redistribution of the funding and program responsibilities for ageing and disability programs be carefully considered in conjunction with major service providers including Local Government;
- that any changes result in improvements to the provision of services and supports for older people, people with disabilities and carers in NSW;
- that any new funding conditions for ageing programs maintain strong in-home and in community outcomes alongside residential and institutional outcomes; and
- that any redistribution of the funding and program responsibilities for the delivery of ageing and disability programs and services not result in any reduction in per capita expenditure and that funding distribution methods take into account of regional and local needs and cost factors.

2008 Shires Conference

That the Shires Association of NSW call on both the Commonwealth and State Governments to initiate a merger of all State Health and Aged Care systems under the sole auspices of the Commonwealth Government by 2014.

2007 LGA conference

That the Association seek, through the NSW Ageing 2030 Summit and discussions with the NSW Premier and Minister for Ageing, a formal State/Local Government dialogue on our respective roles in responding to population ageing, with the aim of agreeing on a small number of major issues of mutual concern drawn from the Association's *Ageing and place* for inclusion in the State Plan in the coming year.

The following issues are recommended for priority consideration:

- Identifying those Local Government areas where population ageing will impact the earliest and developing local place-based responses across both spheres of government;
- Collaboratively negotiating a State response to the national Disability Standards for Accessible Public Transport to the extent they are affected by population ageing;
- Responding to the need for both more and possibly qualitatively different Community Care Services;
- Collaboratively negotiating a national regulatory regime on slip resistance to prevent domestic slip and fall injuries;
- The provision and location of aged housing; and
- The need for accessible public transport.

2007 Shires conference

16 - Lachlan and E & D Division *Commonwealth Taxation & Aged Care Facilities

That the Shires Association seeks an amendment to the Commonwealth Taxation provisions to permit retirement village facilities owned and operated by local councils to be deemed as charitable organisations, particularly for the purposes of FBT provisions for staff working at those facilities.

APPENDIX 3: Councils contributing to the submission:

Bankstown City Council
Canterbury City Council
City of Sydney
Kogarah Municipal Council
Ku-ring-gai Council
Marrickville Council
Penrith City Council
Rockdale City Council
Shellharbour City Council
Sutherland Shire Council
Warringah Council
Willoughby City Council