

Caring for Older Australians – Productivity Commission Draft Report



Submission by the Northern Sydney Regional Organisation of Councils (NSROC)

21 March 2011

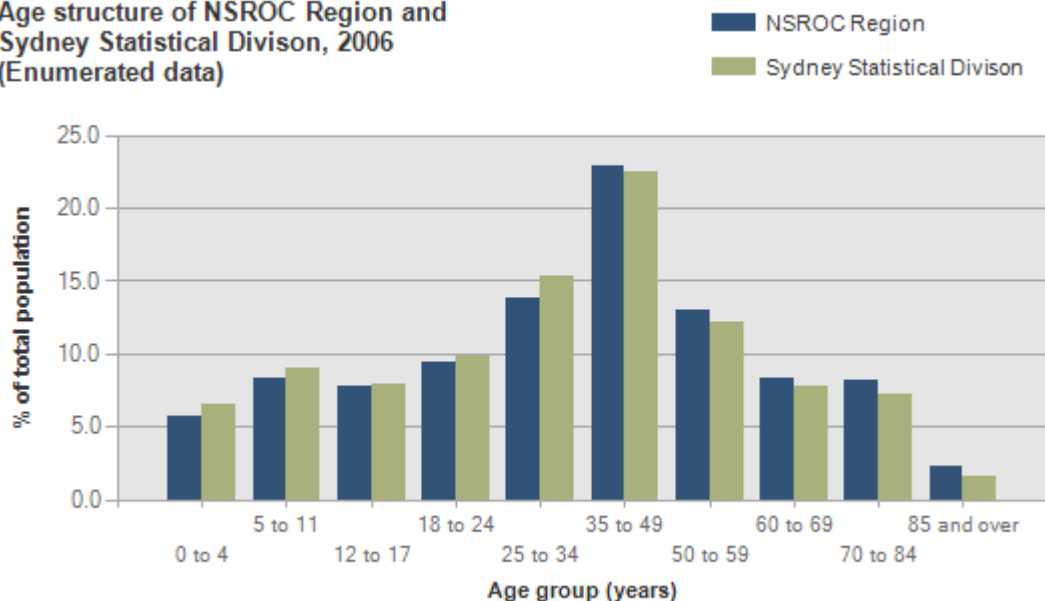
BACKGROUND

The Northern Sydney Regional Organisation of Councils (NSROC) is comprised of seven councils (Hunter's Hill, North Sydney, Willoughby, Ku-ring-gai, Ryde, Hornsby and Lane Cove) in the northern part of Sydney which have voluntarily come together to address regional issues, work co-operatively for the benefit of the region, and advocate on agreed regional positions and priorities. All of these councils work closely with their communities to ensure that planning for growth within the region is sustainable and recognises the social, economic and environmental needs of the community.

Ageing in the NSROC region

The NSROC region has a significantly aging population. According to the 2006 census 18.8% of NSROC residents were aged 60 years and over, compared with 16.7% respectively for Sydney Statistical Division. This has immediate consequences on council activities such as local area planning and infrastructure provision suitable for aged communities as well as demands for aged related services.

Age structure of NSROC Region and
Sydney Statistical Division, 2006
(Enumerated data)



Source: Australian Bureau of Statistics, 2006 Census of Population and Housing (Enumerated)

Shortages of aged places and packages have already been identified across the NSROC region based on the current populations and ageing profiles.

Figure 1: 2016 Commonwealth Recommended Targets compared to 2009 Actual places

Target Places and Packages for 2016 populations	Hornsby/ KMC	North Shore/ Ryde*
High care	1,522	1,576
Low care	1,522	1,576
Total Residential	3,045	3,151
CACP packages	727	752
EACH & EACHD	138	143
Total Community	865	895
2009 actual to 2016 target	HK	NSR
High care	96	88
Low care	102	-302
Total Residential	197	-213
CACP packages	-311	-410
EACH & EACHD	-24	-74
Total Community	-335	-484

*Note this figure includes Mosman LGA as AHS regions do not strictly overlay the NSROC region.

While councils are not providers of these aged places and packages, there is general concern within our communities about these shortages. Moreover the impacts of ongoing shortages in these aged places are potential pressures on ancillary support services that Council's fund and manage.

GENERAL COMMENTS

NSROC welcomes the examination of caring for older Australians by the Productivity Commission. However the issues associated with local government's role in ageing and care and in the planning of aged facilities are not extensively covered in the draft report.

The Commission's terms of reference (2.3) included the development of regulatory and funding options for residential and community care that.... *"support independence, social participation and social inclusion, including policy, services and infrastructure that support older people remaining in their own homes, participating in the community which reduce pressure on the aged care system."*

Councils are a key provider and coordinator in this sphere assisting aged residents to maintain their independence and providing facilities and activities that enhance social participation and inclusion. NSROC believes the Commission's report does not reflect a full understanding of these activities. The Commission's recommendations do not address local government's capacity to enhance healthy ageing and ameliorate the future pressures on the aged care system.

This submission focuses on two main issues:

- local government support for aged services, social participation and aged friendly environments; and
- land planning arrangements to cope with future demand for ageing in the region including provision of land for local facilities.

ISSUES

Aged services supported by local government

Local government has assumed a critical role in health promotion and care for aged people within their communities. Whilst not primary care providers, Councils have evolved as direct care providers and a contact point for people with secondary care issues and general health/independence related issues. Residents also call on Councils as their representatives and advocates, to communicate and lobby on their behalf for aged and health related services that are provided by other levels of government.

NSROC councils have community services units that target aged issues, often employing officers to develop specific programs such as Fall Prevention Education and Healthy Ageing. Councils also provide direct health support services such as Meals on Wheels and community transport services. Councils also fund many other services indirectly through grant programs. It is estimated that NSROC member councils spend over **\$10 million**¹ each year on community related services some of which is directed to aged related community services (including co-funding of HACC services). Councils also are the front line in design and development of aged friendly communities and are often the consent (or co-consent) authorities for the planning of many aged facilities and their surrounds.

Councils provide direct and indirect aged support services and third party funding for aged services. The financial and organisational systems for delivery of this support vary across NSROC LGAs, for example:

- **Lane Cove Council,**

Lane Cove Council, which has approximately 5,500 residents over 60 years old (2006 Census), provides annual direct funding to **Lane Cove Community Aid (LCCA)** of around \$200,000 per annum. LCCA provides a mixture of support services including community nursing, gardening, transport, linen, and shopping assistance with a volunteer base of 300. LCCA auspices certain HACC services and also services funded through NSW Health and Veterans Affairs. Council also employs a full time Community Development Officer - Aged and Disability Services Officer at a cost of \$100,000 FTE. This officer is involved in aged and disability services agency liaison as well as education, grant applications, referral and local advocacy for individual residents. Direct programs of funding of around \$15,000 each year is used for program activities such as: social isolation training for volunteers, Seniors Seminars, Senior Week coordination, and other ad hoc events and information services.

- **Willoughby City Council**

Willoughby City Council, which has approximately 10,600 residents over 60 years old (2006 Census), operates a direct aged community care service called **Willoughby Community Aid (WCA)**. This services provides HACC auspiced services such as linen, community function activities, counselling/support, information and advocacy services. Further WCA services include: odd jobs service, outing and shopping, community buses and legal advice and tax help services. Overall the cost to council of Willoughby Community Aid is around \$125,000 per annum (not including in-kind provisions). Council also has a HACC auspiced Aged and Disability Services Coordinator (\$76,000 cost to Council) and provides direct funding of around \$32,000 for projects such as Seniors Week, Access Awards, seminars etc.

Constant Companion is a HACC auspiced 24hour monitoring service for the northern Sydney region which receives in kind provisions from Council). Around \$45,000 is provided by Council to

¹ This excludes aged friendly public infrastructure and works.

Willoughby Meals on Wheels which is a HACC auspiced. Additional services that Councils provide in kind support for include:

- **LNS Multicultural Aged Day Care** (\$3606 cost to Council, not including in-kind) HACC auspiced one day a week aged day care;
- HACC auspiced Lower North Shore Volunteer Service (nil cost to Council, not including in-kind).

Willoughby City Council is also involved in direct facility provision including :

- **Dougherty Apartments Retirement Village and Care Facility.** This facility was created in partnership with Uniting Care-Ageing and Housing NSW, Council provides an aged care facility with a capacity of 13 low care dementia and 53 low care beds and 84 residential self care units; and
- **Willoughby House** A purpose building Dementia Day Care Centre. Council contributed the site (\$2million) and HACC funding was \$1.65M. The rent is subsidised by Council for the operation of a Dementia Day Care and a Long Day Care for Working Carers service.

- **Ku-ring-gai Council**

Ku-ring-gai Council, which has approximately 22,200 residents over 60 years old (2006 Census), provides funding to community organisations through the Financial Assistance Program at around \$120,000 per annum as well as providing rental rebates to many community groups totalling \$93,000. Council employs a full time Community Development Officer and auspices the Volunteer Referral Co-ordinator, which is a funded position through ADHC. The cost to council for these positions is over \$130,000. Council also allocates funding of \$20,000 for community programs such as Seniors Festival, Volunteer Expos etc run through the CDO and VRC. Council has provided land and allocated funds through the S94 program to co-fund a purpose built facility for the Ku-ring-gai Community Workshop "The Shed". This organisation has over 200 members and is a very valuable resource for the community. Council is responsible for the management of Meals on Wheels in partnership with KOPWA Inc. and the CDO is on a number of Management committees in the community. Council owns and manages many community facilities including seniors centres, Home and Community Care facilities, Neighbourhood Centres. Council also operates services such as House Bound Library and Library buses.

- **North Sydney Council**

North Sydney Council, which has approximately 10,000 residents over 60 years old (2006 Census), provides annual funding of \$311,000 to the Crows Nest Centre to support HACC Services. The Crows Nest Centre offers a range of supports including Meals on Wheels and daily lunch in the dining room, home support services such as assistance with shopping, linen services, volunteer support, financial counseling and recreational and leisure activities. Council also employs full time a Community Development Officer - Aged and Disability to undertake Community Development Plans in the Aged and Disability Services area at around \$100,000 FTE co-funded by from the Department Of Human Services, Aging Disability and Home Care for \$24,000. The officer is involved in needs assessment, planning and implementation of Age and Disability programs, liaison with existing services and obtaining funding to establish new services in the LGA area. There is a measure of work on Squalor cases and elderly people experiencing social isolation. There is direct operational funding of \$14000 which is used on a case by case basis for squalor, social isolation issues, and Seniors Week. A further activity is the funding of Community Transport Service of around \$130,000 each year.

- **City of Ryde Council**

City of Ryde, which has approximately 18,000 residents over 60 years old (2006 Census), provides annual direct funding to three community aid organisations of \$80,000 per annum.

These organisations provide a mixture of support services including transport, community aid, information on local services/activities; voluntary and ethnic welfare services, volunteer interpreters, social groups, linen, and shopping assistance with a volunteer base of about 450. They are funded for varied HACC service provision and receive other funding.

Council employs a full time Access and Equity Coordinator at a cost of approximately \$100,000 FTE. This position is partially funded through HACC as an Aged and Disability Officer. The officer is involved in aged and disability services including supervision of the HACC funded Ryde Hunters Hill Home Modification and Maintenance and RHH Volunteer Referral Services. Direct program Council funding of around \$25,000pa is used for activities such as: the Seniors Wellness Project, social inclusion activities, local HACC sector coordination, facilitation of City of Ryde Access Advisory Committee, Seniors Celebration coordination, Over 55 Expo and other ad hoc events and information services and providing strategic advice to Council.

- **Hornsby Shire Council,**

Hornsby Shire Council, which services approximately 27,000 residents over 60 years old (2006 Census), employing a team of 12 Community Development Officers at a cost of \$700,000 who address Aged and Disability issues as part of the community development service plan. This includes information provision and referral pathways, agency liaison, early intervention and health promotion, grant seeking and local advocacy for individual residents. The team links directly with other HACC services such as Meals on Wheels and Hornsby Ku-ring-gai community transport.

Direct Hornsby Shire Council programs include:

- \$30,000 for activities that address social isolation such as social groups, seminars, seniors week festivals (that offer over 80 activities), help a neighbour campaigns etc.
- \$375,000 for Hornsby/Ku-ring-gai Home Modification and Maintenance service that provides services to approx 1000 clients each year. The service receives referrals for a variety of complex jobs and simple jobs such as hand rails.

- **Hunters Hill**

Hunters Hill Council services approximately 3,200 residents over 60 years old (2006 Census). Council employs an Aged and Disability Coordinator part time (0.4 FTE). The Coordinator is responsible for referral and advocacy for individual residents. Additionally they are responsible for the publication of information regarding local seniors services and supports, coordinating events such as Seniors Week and coordinating health promotion activities for seniors.

In addition to these activities, NSROC Councils provide financial support associated with facilities such as Seniors Centres, subsidised accommodation or rental grants for service providers, and volunteer and carer support programs. Council officers often provide unpriced assistance in governance and administration through membership of /or representation on affiliated aged services providers.

Councils also provide general services that assist aged social participation through community development programs (eg direct grants to Mens Sheds or Art Societies) and management of services and facilities that are popular with aged residents such as library lectures and bowling clubs.

In effect local government is delivering both output services (HACC auspiced) and non-output services in preventative health, social inclusion, advisory, information and referral services.

The development of these services is a result of long term cost shifting from State and Federal government. As observed by IPART² (NSW Independent Pricing and Regulatory Tribunal) over the past 30-35 years, local government expenditure has shifted towards increased investment in human services driven by community demand. In some cases this investment has occurred as a result of local government agreeing to provide a service on behalf of another sphere of government but funding is subsequently cut or reduced and local government is unable to withdraw because of community expectations. In other instances, local government has reacted to a withdrawal or insufficient funding of a service by another sphere of government and has stepped into the vacuum to fill the community demand. Unfortunately at the same time that councils have engaged in greater human services provision, the capacity to support these activities is increasingly under strain. The financial sustainability of local government is increasingly restricted limiting the expansion of these services.

Irrespective of the origins and the appropriateness of local government activity in aged services, the current reality is that councils are extremely well connected with their communities and have built an expertise in service provision. *(For an example of the extent of Council's expertise, awareness and understanding of the local aged community's needs see Attachment 1 – Lane Cove Seniors Social Plan 2010-2014.)*

NSROC's view is that the Productivity Commission should consider the complexities of local government engagement with aged services more comprehensively as part of their final report into Caring for the Aged.

Recommendation 1

NSROC recommends the Productivity Commission examine and map the contribution of local government to the current aged care system and provide recommendations on the future management of aged care recognising that:

- Councils are the principal provider/co-ordinator of healthy ageing and social participation services that reduce pressure on the aged care system;
- Councils have detailed local knowledge of their aged residents living in the community needs and are a key access point into services within the aged care system;
- dedicated Council staff are part of the formal community aged care workforce; and
- Councils are providers, direct managers and funders of many aged support services as a consequence of historic cost shifting from State and Federal Governments.

The Australian Seniors Gateway and local entry points

The Draft Report proposes an Australian Seniors Gateway to be developed by Centrelink. Feedback from clients to NSROC Council officers is that the existing Carelink Service does not have sufficient local knowledge and staff training needs improvement. Concerns have been raised that the Australian Seniors Gateway, as a single entry point, will also suffer the same problems if these matters remain unrecognised.

There were several submissions that went to the Commission requesting and outlining the importance of developing local entry points into the aged care system. One option is that those local entry points

² Revenue Framework for Local Government, IPART Report, December 2009
<http://www.ipart.nsw.gov.au/investigations.asp?industry=5§or=15>

be located in local government organisations. Local knowledge regarding community groups and services that are not funded by Government may only be known by local people, in most cases they operate from local government venues or local churches. If we are to deal effectively with social isolation knowledge of these groups and services is essential. NSROC's view is that the "no wrong door" policy for accessing healthy ageing /preventative services has a place alongside a more structured Gateway system. However, as noted previously, further provision of aged support by local government is not financially sustainable without appropriate investment and articulated responsibilities.

Recommendation 2

NSROC Councils recommend that the division of regional services proposed by the Productivity Commission have some level of congruence to local government areas (or groups of local government areas) given the accessibility felt by residents and councils' knowledge of their aged populations needs.

Funding of healthy ageing, preventative health and social inclusion functions

As the Commission has recognised, healthy ageing activities will contribute to suppressing the future demand for residential aged care and in turn reduce costs on future Federal budgets. However the report does not examine funding mechanisms to "front end" and enhance these preventative services. If healthy ageing support is where most savings are to be gained for the aged care system then investment must be provided.

While councils undertake many of these wellbeing roles, councils have limited capacity to maintain these services, despite growing demand. Existing budget constraints (including rate caps in NSW) and major investments for essential infrastructure and environmental (waste and energy) management, mean that many councils may not be able to even maintain existing funding to ageing and preventative activities.

Recommendation 3

NSROC Councils recommend that the full financial contributions by local government into preventative ageing services be made transparent and the Productivity Commission give consideration to mechanisms for direct funding by Federal Government to sustain this investment.

Workforce issues

The Commissions report notes the concerns about workforce attraction and retention in the aged care industry. NSROC, as an ageing region, has a growing demand for aged care workers. However Councils are also aware that as a higher economically advantaged area, housing affordability for aged care workers is an impediment to the workforce supply in the region.

Recommendation 4

NSROC recommends that as part of the Productivity Commission's workforce recommendations consideration be given to the affordable housing options for aged care workers in particular areas.

Land supply and lead times in development of aged facilities

The Draft Report articulates two main principles about location of care: “ageing in place” and “ageing in region”³. These principles have direct impacts on size and location of aged facilities which need to be recognised by local government in land planning.

Ageing in place, as defined by the Commission, refers to providing a single admission to a facility which provides a holistic service from low care to high care. Ageing in place facilities will require a minimum configuration and design for regulatory requirements and financial viability. This, in turn, generates certain floorspace and land size/ foot print requirements. Innovative facility models such as Apartments for Life (Benevolent Society complex in Waverley NSW), require appropriately zoned sites capable of the various configurations to provide the mix of aged care units, publically accessible retail, open space and specialist care.

Ageing in region relates to transitioning into an aged care facility that is provided within the region. This principle recognises the benefits to and desire of aged persons to remain within their local community or regional area. Ageing in region implies a minimum distribution of aged facilities matched to needs and concentrations of aged persons within a LGA or broader regional area. This is reflected to some extent in the current bed licensing regime and planning ratios for a region.

NSROC’s concern is that the **timely supply** of sites suitable for these facilities to enable ageing in place and ageing in region will not necessarily be generated through market forces and may be inhibited by certain land planning arrangements.

The property market is not fluid and developers may not be able to access contiguous or consolidated land parcels for aged care purposes at particular times to match demand. The NSROC region has a high concentration of aged people who are anticipated to require care. However the region also has high land values and suitable land parcels required for aged facilities do not frequently come onto the market.

In the NSROC region aged facility development takes on average between 3-5 years from inception to operation **after** a suitable site has been purchased. For example in Willoughby City Council:

- the Watermark Seniors Living Development in Castle Cove, lot size of 10,000m² took 3 years to progress from DA Lodgement to Occupation Certificate Stage (Oct 2006- Sep 2009); and
- the St Peters Green Aged Care and Independent Living Units in Lane Cove, lot size 7,000m², took 3 years to progress from DA Lodgement to Occupation Certificate Stage (May 2007- Jun 2010).

In addition the land planning system in NSW has recently been amended so that future zoning of non-standard lands, such as a school or parks, are default zoned to adjacent use. This means properties that may be potentially suitable for aged facilities are often default zoned to high value land. This high acquisition cost of land becomes an additional entry barrier for developers seeking to provide aged care accommodation on top of a market with little turnover and limited suitable sites.

³ NSROC has noted there are different understandings from those outside the aged care sector about the meaning of “ageing in place”. For clarity NSROC suggests that the Commission provide additional definitions to include “ageing in region” ie the notion of moving to a facility provided within the resident’s existing locality or region; and also “ageing at home” ie remaining within the resident’s original home.

These factors will cause lags in aged accommodation supply which will in turn have “push back” effect on the demand for community and home care as residents are delayed in accessing a suitable local facility.

These concerns are separate to the relevant development controls which apply for aged facilities. In NSW, the Department of Planning provides the Aged Care SEPP which sets out building design, amenity and location requirements for a facility. However these SEPP requirements only apply after a developer has obtained a suitable site.

The overall concern is that the lead times in the creation of aged facilities will not match with demand and urgency of care requirements for individuals, particularly in regions with high urban densities.

Recommendation 5

NSROC recommends that the Productivity Commission incorporate an analysis of the land planning arrangements in each state and the capacity through planning instruments to provide for the timely supply of regional aged care accommodation (private or public). The Productivity Commission should also examine the mechanisms that might be needed in circumstances where there is high demand for aged facilities but land planning and/or market constraints limit suitable land supply.

For further information or discussion on the issues raised in this submission please contact Carolynne James, Executive Director, NSROC

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