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PARLIAMENTARY DEBATES



THE SENATE
MATTERS OF PUBLIC INTEREST

Aged Care

SPEECH

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Speaker Polley, Sen Helen

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Senator POLLEY (Tasmania) (1.29 pm)—I rise to speak on a matter of public importance and draw attention to the report on aged care that was recently tabled in this place. On 29 April 2009 the Senate Standing Committee on Finance and Public Administration handed down its report into residential and community aged care in Australia. The report was the culmination of a comprehensive Senate inquiry that worked to draw evidence from across the aged-care sector over a six-month period.

Aged care is undoubtedly a hotly debated issue in the community at this time, and is becoming more so. Approximately nine per cent of the Australian population, or two million people, are aged 70 or over. As we are all no doubt aware, the proportion of older Australians will rise exponentially over the next few decades. Inevitably the rise in the number of older Australians will lead to an increased demand for community care and residential care. At present, four in 10 older Australians are currently utilising some form of aged-care service, with this mostly being care provided in their own home. The high degree of government subsidisation of the aged-care sector will ultimately lead to higher government involvement in aged care as the number of people utilising these services, and therefore the subsidies, increases. The needs of aged-care consumers are also becoming more complex. Increased life expectancy, chronic illness, growing expectations of standards of care and amenities, and social diversity all intermingle to create new demands and challenges to which the sector must be able to respond appropriately.

The terms of reference for the inquiry into residential and community aged care in Australia centred around six key areas associated with funding, planning, allocation, capital and equity. They included: (1) whether current funding levels are sufficient to meet the expected quality service provision outcomes; (2) how appropriate the current indexation formula is in recognising the actual cost of pricing aged-care services to meet the expected level and quality of such services; (3) measures that can be taken to address regional variations in the cost of service delivery and the construction of aged-care facilities; (4) whether there is an inequity in user payments between different groups of aged-care consumers and, if so, how the inequity can be addressed; (5) whether the current planning ratio between community care, high-care and

low-care places is appropriate; and (6) the impact of current and future residential places allocation and funding on the number and provision of community care places.

During the course of the inquiry, 125 submissions were received from members of the public and from stakeholders, including aged-care providers, nursing staff, community care services, health professional bodies, carers, unions and government departments both state and federal. The one consistent element in the submissions was the sheer effort, thought, care and determination that went into the preparation of each and every one of them. This is clearly an issue that is deeply important to representatives across the sector and to everyday Australians, and they each embraced the opportunity to participate in the inquiry process and contribute their own indelible knowledge and understanding. Hearings were held over six days in Perth, Melbourne, Canberra, Brisbane and Launceston and heard further information from 119 witnesses from across all stakeholder groups. The inquiry process was followed closely by the media and generated considerable debate amongst the community about the state of Australia's aged-care sector.

There were a number of recurring issues in the submissions received by the committee. These included: changing community expectations, such as the provision of single ensuite bathrooms in nursing homes; the current indexation formula used for funding by the Commonwealth government; differences in funding levels for low-care and high-care residents and people receiving in-home care; increased capital costs for building or redeveloping aged-care facilities, and the likely return on the investment; the fact that many people are staying in their homes longer and, when they do eventually move into residential aged care complexes, have more complex, high-care needs; industry-wide shortages of appropriately trained nursing staff, especially in aged care; pay parity between nursing staff in the aged-care sector and other health sectors; the costs for aged-care providers in meeting regulations and compliance measures; overlaps and gaps between federal government, state government and community services for the aged; the provision of aged care in rural and remote areas, including higher transport costs and shortages of healthcare professionals such as doctors and physiotherapists; and the different needs

and requirements of people from different backgrounds such as Indigenous Australians, the financially disadvantaged, ex-service men and women, and those with cognitive impairments such as dementia.

There is a group of Australians whom the Rudd Labor government has put on the political agenda—homeless Australians. They are a group that must be considered in the long-term planning of aged care. We also have to take into consideration the nature and make-up of the multicultural Australia that we have today. Older Australians from non-English-speaking backgrounds also have to be taken into consideration when planning for the future needs and services provided in the aged-care sector.

The issue of salary and training for aged-care nursing staff was particularly stark during the course of the inquiry. Staffing levels have reached critically low levels, compounded by the fact that remuneration sits at consistently less than that of nurses in other sections of health care. As Mr David Kelly of the Liquor, Hospitality and Miscellaneous Union pointed out during the hearing in Perth, a Perth zookeeper is paid significantly more than a fully qualified aged-care nurse despite the demand for nursing staff and the skill level they are required to have.

Equally stark is the situation faced by many older Australians who have to navigate through a convoluted and often confusing process in order to access community aged-care services. Aged care assessment teams appeared to have wildly different levels of efficiency around the country, with some teams overwhelmed by demand and others better able to meet demand. The work of ACATs was also hindered by the ever-changing nature of community care, including the number of programs, eligibility criteria and service providers. It was obvious that a large information gap remains in community care that needs to be bridged.

The result of the enormous effort from all who contributed to the inquiry is a comprehensive report that will substantively address many of the issues raised during the inquiry process. In all, 31 recommendations were handed down that will help shape government policy on residential and community aged care into the future. The major recommendations include: that an all-encompassing review of the Aged Care Act 1997 take place with consideration of current and future challenges, including but not limited to the indexation formula, staffing requirements and the planning ratio for community, high-care and low-care places; the establishment of a National Aged Care Forum coordinated by the Department of Health and Ageing to consider on an ongoing basis current and future challenges faced by the aged-care sector; that the

National Aged Care Forum establish a taskforce in partnership with stakeholders, including industry and consumers, to implement the determinations of the national forum; that the department and the taskforce look at how to make compliance more cost effective, especially for smaller providers; and that the government expand community aged-care funding and services to meet the growing demand and expected quality service provision outcomes. The report also requested that the government continue the conditional adjustment payments at their current level during the course of the review, a request that was adopted by the government in last night's budget announcement. This brings spending on aged care to \$44 billion over the next four years. I congratulate the minister, the Treasurer and the Rudd Labor government.

These recommendations offer a step towards addressing the many and varied issues and concerns raised during the course of the inquiry into residential and aged care in Australia. After many long years of neglect and piecemeal approaches to aged-care funding and planning by the previous Howard government, the Rudd Labor government are taking reform and improvement very seriously. No other government in this nation's history has spent more on aged care and we will only seek to improve the sector further.

At a later date, I will speak about the unique impact of aged care and the challenges that we face in my home state of Tasmania. I would like to sincerely thank all those who contributed to the inquiry. Their efforts made the process an honest and holistic one. I would also like to thank the secretariat for all their hard work, given the time limits they have faced in finalising the report. I look forward to the government being able to implement further recommendations from our report. I urge all senators and members of the community to read this report. I believe it is a major step forward. It is also a welcome step by the industry in having their voices heard—recognition at long last of the failure of the previous Howard government to address concerns which they have been lobbying about since 1997 and to adopt many of the measures contained in the Hogan report.

The ACTING DEPUTY PRESIDENT (Senator Crossin)—Before I call the next speaker, I need to remind senators, as a result of that contribution, that the provision under standing order 194 relates to the anticipation of discussion of any subject which appears on the *Notice Paper*. I put that on the record to clarify that contribution.