

SUBMISSION NO. 46

AUTHORISED: 30-05-05



**House of Representatives Standing Committee on
Health and Ageing**

Inquiry into Health Funding

Submission - City of Mandurah

May 2005

Chair of Committee
House of Representatives Standing Committee
on Health and Ageing
Parliament House
CANBERRA ACT 2600

The City of Mandurah appreciates the opportunity to provide a submission to the Inquiry into Health Funding. The City's submission relates primarily to the following term of reference, with a particular focus on ageing:

- a) Examining the roles and responsibilities of the different levels of government (including local government) for health and related services.**

The City's role in the provision of health and ageing services has traditionally been minimal, with no involvement in residential care or Home and Community Care (HACC). However, the City does provide and fund a Senior Citizens' Centre, including a shuttle bus service, and is increasingly becoming involved with the provision of recreation and leisure, education and learning, and health and wellbeing services for its residents. The future provision of advisory/information services for residents is also being considered by Council.

As one of the fastest growing local government areas in Western Australia, and indeed Australia - Mandurah's average annual growth rate over the 10-year period to 2004 was 5.3% (and in 2004 was 7.8%), compared with the Western Australian and Australian averages of 1.5% and 1.2% respectively - Mandurah is increasingly becoming a favourite destination for retirees. As of June 2003, the City has a median age 40.6, compared with the State and National average of 35.6; and 18.3% of its population is currently aged 65 and over, compared with 13% of the Australian population and 11.4% of Western Australians.

Between 1999 and 2003, the fastest growing age bracket in Mandurah was the 55-59 category, which grew by approximately 45%. In contrast, the slowest growing age group was the 25-29 category, which during the same period grew by only 3%.

One of the consequences of being an attractive destination for the retiree sector is that the provision of 'lifestyle' and ageing services, such as retirement villages, is largely undertaken on a commercial basis by the private sector. Mandurah currently has some 18 retirement villages/aged care homes, with the majority of these run by private enterprise. Similarly, HACC services in Mandurah are provided by a number of charitable organisations, funded by the Australian Government and administered by the WA Government.

Cost-shifting onto local government is an area of increasing concern for the City, and for local governments across the nation. In October 2003, the House of Representatives Standing Committee on Economics, Finance and Public Administration release of *Rates and Taxes: a Fair Share for Responsible Local Government*. The Fair Share report explored the issues of cost shifting, duplication of services, and governance arrangements between the three levels of government. The Government's response to the Fair Share report will be keenly awaited by local government. It will be recalled that currently, cost and responsibility-shifting is estimated to add \$0.5 billion to \$1 billion annually to local governments' budgets across Australia.

An issue of particular relevance to the City is the ever-increasing propensity of State Governments to reduce local governments' revenue-raising ability, without providing adequate compensation. In late 2004, the Western Australian Government's announced its decision to provide a 50% rates discount to lease-for-life retirement village pensioners from July 2005. The introduction of this rebate will provide all eligible pensioners of lease-for-life villages with the same benefit that is currently afforded both strata title pensioners and household pensioners.

This is a significant discount that will benefit a large number of pensioners, and although local governments will be able to reclaim rates revenue foregone under the new discount, a large administrative burden will nonetheless be borne by councils. The retention of a viable rates base, and rates revenue, is fundamental to the ongoing viability of local government.

With a rapidly increasing population comes the need to provide additional health and ageing services; however, the City of Mandurah does not consider this a responsibility of local government. Mandurah is currently defined as both an 'Area of Unmet Need' by the WA Government, and a 'District of Workforce Shortage' by the Commonwealth. As of June 2003, Mandurah had one general practitioner per approximately 1430 residents. Ongoing State and Federal Government support is therefore vital for the provision of effective health services to cater for Mandurah's inexorable growth.

The City is currently committed to a 10-year capital works program, in areas such as roads and bridges, sporting and recreation facilities, Central Business District revitalisation, foreshore redevelopment, and provision of new community halls and library facilities. These projects alone have left the City with a budget shortfall of approximately \$95 million over this period. Any consideration of assuming a significant role in the provision of health and ageing services for the Mandurah community would require a major shift away from Council's – and our community's - current funding priorities.

Also of concern to the City of Mandurah is the current tendency by both State and Federal government health departments to incorporate Mandurah into the 'South West Metropolitan Health Region'. The South West Metropolitan Region encompasses the local government areas of Cockburn, East Fremantle, Fremantle, Kwinana, Mandurah, Melville, Murray, Rockingham and Waroona; a combined area of some 3436 square kilometres.

An example of the inequity that this system creates is the provision of 'Carelink' services. Current services are provided for the entire South West Metropolitan Region from the Carelink provider's Melville office via a 1800 toll-free number. Whilst in theory the service would appear effective and value-for-money, the reality of the situation is that many older Mandurah residents are either unaware or unwilling to use this service, preferring traditional face-to-face contact with their information provider.

Nonetheless, the City acknowledges the Australian Government's recent community care reform initiative, *A New Strategy for Community Care – the Way Forward*, designed to streamline and improve the provision of aged care services. Council is further aware that a new round of Carelink tenders was called earlier this year, with new contracts due to commence in July.

The City has followed with interest the *Australian Local Government Population Ageing Action Plan 2004-2008*, jointly launched in August 2004 by the Australian Government and the Australian Local Government Association, with funding provided under the *National Strategy for an Ageing Australia*. The Plan is the result of a partnership between ALGA and the Australian Department of Health and Ageing to engage local government in a planned and coordinated national approach to population ageing issues. Included in the Action Plan was an online *Planning for an Ageing Community Awareness and Action Survey*, designed specifically for local government. The City was one of 232 local governments that participated in the survey.

Results of the survey, released in April, indicated that 'Health and Wellbeing' was one of the key emerging seniors' services to be provided by councils. Significantly, the survey indicated that the most severe impact on local government service delivery is predicted to be in the provision of 'Home and Community Care', 'Residential Aged Care', and 'Health Services', as well as 'Transport Services'. In its release of the survey results, ALGA made the following recommendations:

- Replacement of the current Financial Assistance Grants system with a new system that provides local governments with genuine growth funding based on a fair share of national taxation revenue
- The establishment of a formalised intergovernmental agreement on government service provision
- The establishment of a *Local Government Ageing in Place* pilot program, based on a competitive application process
- Development of targeted ageing initiatives to assist local government plan for particular impacts of an ageing population, such as local built environments and health promotion

Council is supportive of the Western Australian Local Government Association's recent submission to the WA Government, which called for the Government to allocate \$1.35 million for a comprehensive planning process which would – as part of the WA Government's *Active Ageing Strategy* - assess the implications of population ageing on local government. It is understood that the State Government will outline its response to the submission during the upcoming State Budget.

The City is also engaged in a 'whole-of-region' ageing study currently being undertaken by the Peel Community Development Group. The primary goal of the study is to; identify emerging challenges and opportunities resulting from the ageing population trend; assess the effectiveness of current aged care services in the Peel Region; and to develop action plans to address current and future ageing issues at both a local government and regional level. The Peel Region encompasses five Western Australian local government areas, including Mandurah. It is anticipated that the final report will be delivered at the end of 2005.

In summary, the City of Mandurah acknowledges that its role in areas such as recreation and leisure, education and learning, information provision and general wellbeing is likely to increase as the general population continues to age. Nonetheless, Council firmly opposes any actions by other levels of government that lead to a further 'cost-shift' onto local government, particularly in the provision of health and aged care.