WINTRINGHAM

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Thursday, 10 October 2002

Mr Adam Cunningham
Senior Parliamentary Office
Standing Committee on Ageing
Parliament House CANBERRA
ACT 2600

Dear Mr Cunningham,

Please find enclosed a Submission from Wintringham following on from a site visit from members of the Standing Committee on Ageing to Wintringham facilities.

Should you have any concerns please don't hesitate to contact myself on 9376 1122.

Yours faithfully,

N. Salmon.

Natalie Salmon
Executive Assistant

Wintringham appreciates the invitation to expand on comments made to members of the Standing Committee on Ageing during a visit to some our facilities on 12" July, 2002.

1. Wintringham

Wintringham is a not-for-profit welfare company established in 1989 that works with elderly men and women, many of whom are homeless or at risk of becoming homeless.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON AGEING

SUBMISSION

Established largely as a result of the inability of the elderly homeless to gain access to government funded aged care services and facilities, support was obtained from the then Aged Care Minister, Peter Staples, to build a new welfare organisation that would attempt to work directly with the aged homeless.

Since that time, Wintringham has grown rapidly to the stage where it now provides care and support to about 600 elderly people every night in a range of aged care facilities, housing and community care programs.

While the focus of our work remains with the elderly homeless, Wintringham also provides a range of aged care services to the people who are not homeless. The experience of working with the most disadvantaged aged people in our community as well as the more `mainstream' aged community, places Wintringham in a unique position to make comment on the aged care and housing sectors.

Further information about Winningham can be found on our website
www.wintringham.org.au

2. Impact of the Aged Care Reforms

At the time of the formation of Wintringham, the Commonwealth provided capital funding to the aged care sector through the Equitable Funding Program

While recognising that many aged people could make a capital contribution towards their aged care through an Ingoing Fee, the Commonwealth through the Equitable Funding Program, provided a capital contribution to new building costs based on the percentage of financially disadvantaged residents that the provider would offer services to.

Wintringham used this funding formula to assist with the construction of three aged persons hostels, two of which had 100% financially disadvantaged residents, and the third 60%

The introduction of the Aged Care Reforms in 1997, discontinued Commonwealth capital funding except for a very small and highly targeted capital program. The introduction of the reforms have had a devastating effect upon Wintringham's ability to build new services for the elderly poor.

The effect is so serious, that despite winning a number of local and international awards, including the United Nations World Habitat Award. for our Port Melbourne hostel, and despite a long and growing waiting list, Wintringham is unable to build new aged care facilities.

Wintringham understands that the intention of the Aged Care Reforms was not to disadvantage the aged homeless, but it needs to be made very clear to the Committee, that the unintended consequences of the Reforms has achieved just that.

The Committee needs to give serious consideration as to how organisations like Wintringham are going to provide services to financially disadvantaged aged Australians over the coming years. As demonstrated to members of the Committee during the site visit, Wintringham has been able to create a financially viable model of service delivery to some of the poorest and most disadvantaged people in our community. Moreover that model could easily be replicated for other client groups both in Victoria and interstate.

3. Suggested changes

The elderly homeless remain one of the most disadvantaged and powerless groups in Australian society. At a time of life when most people would be enjoying their retirement, elderly homeless men and women live outside mainstream society making do with inadequate food, clothing and housing. Issues such as premature ageing and a wide variety of mental and physical health issues, only serve to exacerbate the limited opportunities they have to gain appropriate aged care services.

Wintringham believes that the primary government policy response to the existence of elderly homeless people must come through the Commonwealth aged care system, while at the same ime, acknowledging that there needs to be a more vigorous linkage between this service system and that of the provision of safe and affordable housing.

The Commonwealth aged care system has as its rationale, the provision of appropriate aged care services to the Australian community. Unlike the SAAP system, it has not been designed around the needs of homeless people. The following paper is intended therefore to offer advice from Wintringham to make the aged care system more responsive to a small but disadvantaged subsection of the aged community.

Capital funding of aged care residential facilities

The Commonwealth Government embarked in 1997, upon an ambitious and far reaching reorganisation of the aged cue industry. While the intention of these changes has been to encourage a more accountable and professional industry, there have been a number of unintended consequences of these reforms for the elderly homeless.

Wintringham recommends a number of adjustments to these reforms which it believes will improve the access of elderly homeless men and women to the aged cue system.

With the exception of a small residual amount that is to be primarily targeted at rural and remote services, the Commonwealth's capital funding program has been abandoned.

The construction of new facilities and the purchase of land will now need to be financed through a combination of low care resident Accommodation Bonds and the introduction of a $13.45 a day high cue supplement. For those residents who lack the resources to pay an Accommodation Bond, a Concessional Supplement of $13.20 per day has been introduced.

This policy shift clearly disadvantages those few providers who are working with the elderly homeless who by definition, can make little or no contribution to the capital costs of their care. This is in spite of the introduction of a Concessional Supplement that is paid to providers of care to financially disadvantaged elderly residents who cannot pay an Accommodation Bond.

RECOMMENDATION 1: *Capital funding* to *be available* to facilities *which undertake to provide in excess of 90% of places to Concessional residents.*

In order to quarantine the effects of reintroducing a capital subsidy, it is recommended that in order to become eligible for funding, a provider must agree to reserve in excess of 90% of places in the new facility, for Concessional residents.

RECOMMENDATION 2: *The Transitional Supplement to be immediately abolished and that those residents eligible for the Transitional Supplement now become eligible for the Concessional Supplement.*

The Concessional Supplement of $13.20 a day is intended to apply to all residents who are admitted to a Commonwealth funded aged cue facility after October .1997. For those financially disadvantaged residents who were living at the residential facility prior to this date, a Transitional Supplement of $4.95 a day was introduced.

The expectation of the Department was that Transitional residents would die or be transferred from the facility within a short period of time and as most facilities had very low numbers of Transitional residents, it was presumed that the dollar difference between the Transitional and Concessional supplement would have a negligible financial impact on providers.

This has not proved to be the case for those few providers who work with the elderly homeless and for whom all of their residents would have been Transitional at the time of the introduction of the reforms. Those providers can only start to accessthe Concessional supplement when a Transitional resident leaves the hostel and is replaced by a new resident.

The financial impact has therefore been substantial with those organisations who choose to work with the elderly homeless having to face severe financial penalties. Wintringham in Melbourne for example, has demonstrated that some four years after the introduction of ther reforms, approximately 50% of its residents are still Transitional. The disparity between the Transitional and Concessional supplement has cost their organisation in excess of $850,000.

As both Supplements are intended to assist with capital funding, the removal of the Transitional Supplement and its replacement with the existing concessional Supplement will go some way towards assisting those providers who wish to build new facilities for the elderly homeless.

RECOMMENDATION 3: *The current two tier Concessional Supplement be replaced with a three tier system that more adequately addresses the cost issues associated with providing care to the homeless aged.*

A further anomaly in the Reforms is the existence of a two tier Concessional Supplement which funds those providers $7.70 a day if they have less than 40% Concessional residents, and $13.20 a day if they have more than 40%.

While the introduction of this two tier was intended to act as an incentive to mainstream providers to provide services to homeless or financially disadvantaged residents, it serverely impacts upon those organisations whose clients are exclusively financially disadvantaged, and show therefore have no opportunity to cross subsidise with income and fees from wealthier clients.

Wintringham therefore recommends the introduction of a third tier of $20.00 a day for those providers who reserve in excess of 90% of places for homeless or concessional residents. In order to make the change cost neutral, it is recommended that the second tier rate be lowered by an amount needed to fund the expenditure on what would be a relatively lown umber of third tier grants.

- **Planning Ratios**

RECOMMENDATION 4: *Homelessness to be made a "Special Needs Group" under the National Aged Care Strategy*

The planning and policy development that underpins the national Aged Care Strategy necessarily contains a number of assumptions about the composition of the likely users of aged care services. While these assumptions have proved useful for developing a profile of the mainstream aged care service system, the Government has recognised that certain sub-groups within the aged population profile, such as the aged indigenous, deserve special consideration and attention.

This has been achieved by creating a Special Needs category which ensures that targeted funds and services are directed to specific groups.. More recently, the Department of Veterans' Affairs together with service organisations, have been successful in having aged serviceman and women included as a Special Needs Group.

As the aged care industry has demonstrated an historical resistance to the provision of services to the elderly homeless, it is clear that unless Homelessness is made a Special Needs Group, the development of appropriate services for elderly homeless men and women will remain a low priority.

RECOMMENDATION 5: *National Aged Care Planning ratios to be adjusted to allow for homeless men and women who are younger than national averages*

Planning ratios that the Department uses for determining the range, location and number of future residential and community aged care services are based on demographics for people aged 70 years and above.

A number of international and local studies have demonstrated that the elderly homeless age prematurely as a direct result of the life style they have endured. The Commonwealth Department fo Aged Care has recognised this by allowing service providers who are working with the eldery homeless to accept referrals from homeless people aged 50 years and above.

The same argument has been used successfully by the Koori aged care services, who similarly have clients who prematurely age.

In spite of this agreement, the official planning policy continues to use statistical information for the aged community that is based on 70 plus years. Wintringham believes that as a consequence, there is a small but significant group of people who are not adequeately being planned for.

4. Linkage between Housing and Aged Care

Far and way the most important issue facing the elderly poor, is the availability of safe and affordable housing. Without a vialbe low-cost housing sector, many people on low incomes drift into th world of homelessness. For the elderly poor, the visit it usually a permanent one.

The elderly homeless are, by definition, in their remaining years of life and are not in need of the type of supports that for example, the young homeless may require. The priorities of the elderly are different and frequently revolve around very practical issues relating to security of tenure and safety from violence. Not only should the aged homeless be treated with dignity and respect, but importantly they should be. able to expect and receive services which help maintain their independence and individuality: the same services which by and large, most elderly Australians expect as a unquestionable right.

While the actual number of elderly people who are physically homeless may be low relative to the much larger number of aged people who are living in marginal housing conditions, the fact remains that there are large and worrying numbers of aged people who are at risk of becoming homeless.

The cost of providing subsidised housing and support is a fraction of the cost of institutionalised care, which. even in residential aged care, can run into hundreds of dollars a day. It is clear that the longer a person can be maintained in quality housing, the more likely they will maintain their health and delay the need for higher levels of care.

It is now commonly accepted that the experience of homelessness prematurely ages people. If people have been on the streets for long periods, they can age as much as 20 years - a staggering figure for someone living in such a wealthy country as Australia.. Yet we see on a daily basis, how that rapid ageing process can be stabilised and in- some cases almost normalised, through the provision of safe and wane housing with access to appropriate services.

RECOMMENDATION 6: *Additional funds to* be *allocated to the CSHA for older persons' housing.*

Prior to the 1997 Reforms, the Commonwealth provided Level 8 funding to financially disadvantaged elderly men and women who had low personal care needs which enabled providers to offer a low cost housing service to people who were largely independent.

In abolishing Level 8 funding, the Reforms recognised that the delivery of what was essentially a housing service, was an inappropriate use of aged care resources. However, the consequences of this removal and a general increase in the level of frailty of consumers of aged care services, is that a valued housing resource for low income elderly people has been lost.

Wintringham therefore recommends that an allocated tied amount of capital resources be added to the Commonwealth State Housing Agreement for the provision of older persons housing services.

5. Other Issues

- **Potential impact of illicit drugs**

When considering issues that should be considered when developing strategies to address the ageing of the Australian population over the next 40 years, some attention should also be given to the relatively small percentage of current illicit drug users who survive and who will eventually require access to aged care services.

Overseas experience, particularly in the USA, demonstrates that this is beginning to become a significant problem that shows no sign of being addressed through normal aged care service programs.

Australian aged care providers who have historically shown a great reluctance to provide for 'elderly impoverished people who have alcohol related dementias, will undoubtedly be even more reluctant to provide services to elderly people who have drug dependencies, particularly if they are also infected with AIDS.

Some aged care and housing providers, including Wintringham, are already experiencing isolated incidences of drug dependence amongst small numbers of their elderly clients. This experience would indicate that aged care planners will need to move quickly to begin to devise and fund appropriate services.

- **High care complex needs**

There is a significant gap in current service models of care for elderly homeless people who have high and complex care needs. The intensive level of care and one-on-one support that these people require, are unable to be funded within existing SAAP or Aged Care funding guidelines.

The premature ageing of homeless people invariably means that people with high and complex needs are too young to qualify for State managed psycho-geriatric services. Their extreme behaviour makes many of these people unable to sustain any form of self managed tenancy, but with no appropriate SAAP or aged care service available, the options for these people are extremely limited.

Models of care for this client group have been developed, and could be implemented with support from the Commonwealth Aged Care Department, perhaps in accord with SAAP.

RECOMMENDATION 7: *Consideration be given to the resourcing of a pilot residential aged care facility which would provide for elderly homeless clients who have high and complex needs.*

Bryan Lipmann, AM

Chief Executive Officer
Wintringham
10th October, 2002