



Issues Paper – Excerpt

Companion to the WACOSS Pre-Budget Submission

Investing in Outcomes
Making it Count for the People of WA

**Part One – Issues and Funding Pressures in the Community Services Sector
Seniors**



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*Part One – Issues and Funding Pressures in the Community Services Sector
Seniors*

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Background

Australia has an ageing population. Over one-quarter of a million Western Australians, 267,300 or 11.9 per cent of the state's population, were aged 65 years and over in June 2009.¹ This represents a 17 per cent increase in the five years from 2004 to 2009.² 12% of seniors were over 85 years of age. This is a 32.7 per cent increase over 5 years from 2004 to 2009.³

Ageing brings with it greater vulnerability. Seniors rely on healthcare services more than younger age groups. They are also more likely to experience financial hardship as a result of being unable to participate in the workforce. Cost of living pressures also have a significant impact on seniors. Increases in the cost of living place older West Australians in increasing financial stress. Older West Australians are disproportionately affected by the increasing cost of living, such as utility costs, housing and so on.

Preventing social isolation, which so often accompanies growing older, should also be a key priority of government. The expansion of the Men's Sheds network provides a way of addressing the social isolation of men throughout WA.

Issues

Funding for Aged Care Services

The WA State Government needs to prepare for a rapidly ageing population by providing greater funding for Aged Care Services. The current level of funding is inadequate to support the long term sustainability of current services, let alone support the increased number of new services that will be necessary in the future. The current funding the Aged Care Industry receives does not reflect the true cost of providing care.

There is a need for a new indexation methodology for community and residential care services.⁴ Aged care providers spend more than 70 per cent of their funding on wages, which leaves very little to cover operational costs. In WA the aged care sector is dealing with significant increases in utility costs as well as an increase of 4.8 per cent in the minimum wage. However, the industry only received an indexation Commonwealth Own Purpose Outlay (COPO) of 1.7% this year and 1.9% last year. The average annual funding per aged care resident is \$45,000 which equates to just over \$120 per day.⁵

The inadequacy of funding for aged care, and the pressure being put on the aged care service system, is driving an increasing number of older people into the hospital system, as they are not getting access to aged care beds with appropriate levels of care. With the average hospital bed costing \$1200-\$2000 per day, the funding pressures in the aged care sector are creating additional avoidable costs in the health care system.⁶

¹ ABS <http://www.abs.gov.au/Ausstats/abs@.nsf/mf/3201.0>

² Ibid.

³ Ibid.

⁴ Aged & Community Services WA. Productivity Commission Inquiry Into Caring for Older Australians, July 2010, p.1.

⁵ Aged Care Association of WA submission to WACOSS

⁶ Ibid.

The State Government needs to invest in new aged care infrastructure to support an ageing population. With the current level of investment new residential age care services will not be built. The cost of constructing aged care infrastructure in WA far exceeds the national average. The Industry is currently funded at \$109,000 per bed while the average cost of construction in WA is around \$200,000. Providers also do not have access to complete or additional finance. Banks are unwilling to lend money to providers without a strong business plan to enable them to service the loan, which the current funding levels do not support.

Great weight is being placed on the community housing sector growth strategy as a means of increasing access to accommodation options in the aged care sector, but as yet the strategy has not been publicly released and it's not possible to adequately assess the merits of this approach.

The long term viability and capacity of the Aged Care Sector to deliver services and quality care is at risk and demands urgent attention.

WA Senior's Policy

The population growth and demographic shift of an ageing population, and the complexities facing the service needs for people 55 and over. The policy framework for how to support older Western Australians needs to be integrated.

West Australian Government needs to clearly set out its role and responsibilities regarding seniors. While it is clear to people in aged care sector that the Federal Government is responsible for aged care it is unclear how WA fits into the picture. The connection between Federal and State policy requires greater clarity.

Men's Sheds

Social isolation among older people is a serious problem. In 2002 in Australia it was estimated that at least 10% of people aged over 65 are socially isolated and a further 12% were at risk of becoming socially excluded.⁷ Men's sheds provide a good way for older men to meet and socialise.

Men are particularly vulnerable as evidenced by disturbingly high suicide rates in men over the age of 70. The rate of suicide death is as high for older males as it is for younger men. For older men, the rate of suicide increases as age increases. In 2007, the rate of suicide for men 65-74 years was 12.2 per 100 000, for men 75-84 years the rate was 17.6. For men 85 years and over the rate was 22.8 per 100 000.⁸

Men's sheds have emerged in each state of Australia and have been operating some time. The common theme in all Sheds is about men feeling useful and contributing to their communities, learning or sharing their skills, making friends, networking and availing themselves of health information programmes and opportunities.⁹

The number of Men's Sheds in WA has increased substantially from the 20 sheds that were operating at the end of 2009.¹⁰ The Australian Men's Shed Association (AMSA) is the National body for Community based "not for profit" men's sheds. According to AMSA there over 400 Community

⁷ Australasian Centre on Ageing. *Social Isolation and Older People: A Literature Review*. (2002) P.7

⁸ Men's Advisory Network (MAN). Men's Sheds

⁹ Ibid.

¹⁰ MAN. Men's Advisory Network. See

<http://www.man.org.au/WheretogoforAssistance/MensSheds/tabid/94/Default.aspx>

Men's Sheds across Australia representing over 30,000 men.¹¹ WACOSS believes that supporting exiting Men's Sheds as well as the expansion of the Men's Sheds network throughout WA would help to mitigate social isolation among older men in Western Australia.

The inaugural Western Australian Men's Shed Conference was held in Mukinbudin on the 3rd and 4th of September 2009. 180 delegates from communities as distant apart as Esperance to Paraburdoo met to share experiences and find out about Sheds. The Conference established a Steering Committee to form the West Australian Men's Shed Association (WAMSA). The steering committee has commenced the application process for registration as a "not for profit" Incorporated Body.¹²

WAMSA will represent all Community Men's Sheds in Western Australia. It's role will be to:

- Help establish new sheds as communities inquire about them
- Assist in information sharing about best practices.
- Make funding submissions for West Australian Community Men's Sheds.
- Promote health and wellbeing initiatives through the Shed fraternity.
- Promote engagement of sheds in the wider community.
- Establish communication channels and opportunities between "not for profit" Community based men's sheds.

The establishment of new sheds in areas of need will be greatly assisted by WAMSA who could also offer expertise in establishing structures, and processes. For example access master policy insurances and assist with issues such as Incorporation, share best practices of established sheds.

The Victorian government pledged \$2 million dollars over 2 years to build 40 new Men's Sheds in high need areas. The Western Australian government should make an investment similar to that undertaken in Victoria to help increase the number of sheds in operation in WA.

¹¹ AMSA. Australian Men's Shed Association. See <http://www.mensshed.org/page7859/Home.aspx>

¹² AMSA. Australian Men's Shed Association. See http://www.mensshed.org/page8551/News_Latest-News--Events.aspx?newsID=860