Submission to the Australian Government Aged Care Financing Authority

November 2015

Table of contents

Opening:

Local Government NSW (LGNSW) is the peak body for councils in NSW. It represents all the 152 NSW general-purpose councils, the special-purpose county councils and the NSW Aboriginal Land Council.

In essence LGNSW is the 'sword and shield' of the NSW Local Government sector. LGNSW is a credible, professional organisation representing NSW councils and facilitating the development of an effective community-based system of Local Government in NSW. LGNSW represents the views of councils to NSW and Australian Governments; provides industrial relations and specialist services to councils; and promotes NSW councils to the community.

Purpose:

LGNSW welcomes the opportunity to respond to the Aged Care Financing Authority's (ACFA) Call for Submissions on *Issues affecting the financial performance of rural and remote providers, across residential, home and flexible care.*

LGNSW notes that ACFA's May 2015 report on *Factors Influencing the Financial Performance of Residential Aged Care Providers* observed that better performing providers were more likely to be based in "city" locations than "regional", including rural or remote locations. That report also noted that government 'regional' providers have substantially higher operating expenses than other 'regional' providers.

In NSW, seventeen councils are funded providers of residential, home and flexible care in rural and remote locations. LGNSW understands that a number of these councils have been directly contacted by ACFA for input into the review. Our response will focus on issues of concern raised by some NSW councils which are aged care providers.

Summary of key issues:

Isolation and distance

One NSW coastal council advised that distance/isolation is a major issue, whether as the distance to the home of the client, requiring significant travel to deliver basic home care services, or the distance the client needs to travel to attend specialist or other services.

One Northern inland NSW council advises, for example, that they have consumers living past Liston in the Tenterfield Shire, that depending on weather conditions, are inaccessible without a 4WD and at other times need to be accessed through Stanthorpe QLD, their nearest sizable town. The properties are near the QLD border and the location has an Accessibility Remoteness Index of Australia (ARIA) score of 2.64 – "Accessible", yet the reality of accessing the property is not reflected in this score, due to the problems of actually getting there, the issues they face in wet weather and having to access through Stanthorpe. The proximity to Stanthorpe impacts in the ARIA. This in turn impacts on the Viability Supplement.

Viability Supplement

Many locations in Northern NSW have ARIA Scores in the "Moderately Accessible" range, such as Yetman (Inverell LGA) - ARIA Score 4.57, Gwydir LGA (e.g. Warialda - ARIA Score 4.4), North Star ARIA Score 4.72 and Tenterfield LGA ARIA Score 3.55. The council states

that the Viability Supplement of $5.15 per day is largely ineffective in making any real difference to the challenges of the long distances involved. There is an impact on client service and choice which is often further impacted by black soil roads that can be impassable in the wet or are often cut off by flood waters and can only be accessed by 4WD vehicles.

Population density
Lower population densities means that clients are often located over a large area, often not near other clients, reducing the opportunity to spread transport costs over a number of clients.

Transport
Transport is a major component of the cost of any care plan and often means clients have to accept a lower level of service under a Home Care Package (HCP), to factor in the transport cost within the HCP budget. One NSW coastal council estimates that approximately 10-15% of the HCP budget goes towards transport costs.

That council also stated that every effort is made to minimise the travel costs and to share costs where possible, but to ensure that the client receives a sufficient level of service often requires part of the transport cost to be absorbed by the service provider.

Limited public transport options in the region also exacerbate this issue.

Cross border issues
The northern NSW council identified issues where clients access health services in other LGAs or States – for example at Jennings, which is on the QLD border joining Wallangarra, clients access services in Stanthorpe rather than Tenterfield and specialist medical services are more readily available in Toowoomba or Brisbane, both in QLD. Clients in Yetman access Community Health services including allied health in either Goondiwindi or Texas rather than Inverell (Yetman sits in the Inverell LGA). This presents problems when clients are in hospital in another state. Of course this is complicated annually with the time variance due to Daylight Saving.

Technology issues
There is poor or no mobile phone service in many of the places serviced for most of the journey in rural NSW. The council have had to purchase the RockSTAR remote worker safety system and devices to have satellite coverage to minimise risk for staff travelling long distances to these places. Ipads and Laptops do not work and this adds to the burden when working in these areas.

Workforce
The northern NSW council added that many of the villages previously named e.g. Yetman and North Star are very small and there is no staff available in the surrounding areas, which adds to the cost of service provision. This is also a problem providing staff for the Aboriginal communities of Tingha and Jubullum.

If councils do manage to employ staff in smaller towns, face to face team meetings are not always possible. Medicals, Functional Assessments and partial orientation are usually done in Glen Innes which adds to cost and length of time in recruiting.

There is also a need to ensure workforce training opportunities are available to build capacity within communities at a local level. The LGNSW Board also wishes to emphasise the importance of retaining trained nurses where possible, and the need for increased Federal funding, in particular in remote areas.

Client expectations
There is an expectation by clients in remote locations that they should not have to pay extra to receive services, creating pressure on the service provider to absorb transport costs.

Conclusion:

LGNSW appreciates the opportunity to provide input to the the Aged Care Financing Authority's Call for Submissions on *Issues affecting the financial performance of rural and remote providers, across residential, home and flexible care*.

As outlined above, issues relating to travel distance, travel time and physical access greatly impact on the cost of service delivery for the NSW councils that contributed to this submission. It is suggested that the ARIA and Viability Supplement need to reflect the actual cost in travel time rather than just the geographic distance. Like many providers in rural and remote areas, councils also face issues with engaging staff for remote areas.

We understand that many of these issues may be covered in more detail by ACFAs direct contact with individual councils.