



## National Policy Council Meeting

**Canberra 9-10 November 2010**

The National Policy Council meeting was very productive and set our policy agenda for the next 12 months. Reports from the National Policy Office and all eight State and Territory COTAs clearly demonstrated the breadth of the issues we work on, covering amongst others aged care, health, the environment, retirement incomes, energy use and costs and a range of positive ageing issues.

Aged care and mature aged employment continue to be two of our key national policy issues and the federal Ministers responsible for those two areas attended our meeting.

### Aged Care

Mark Butler, the Minister for Mental Health and Ageing, reiterated the Government's commitment to aged care and mental health reforms. The government is looking for substantial reforms that will ensure good quality services well into the future.

NPC members raised concerns about ongoing funding for dementia, the future directions for HACC when it becomes a Commonwealth responsibility, the need for more

mental health services for older people and the need for a sustained set of initiatives to promote healthy ageing.

The Minister gave a commitment to ongoing dialogue with COTA as the reform agenda unfolds.

### Mature Age Employment

Kate Ellis, Minister for Employment Participation acknowledged that age discrimination in the workplace is a significant issue. The establishment of a full time Age Discrimination Commissioner was the first step towards addressing this. It is obvious that Australia needs to tap into the skills and expertise of older people to have a full and productive workforce and the Government's decision to provide funding for extra work on training shows it is serious about specific training activities for older people.

NPC members raised concerns about ensuring regional areas did not miss out on any initiatives; the cost of training at TAFE is a barrier to acquiring new skills and there is a need for more flexible working arrangements for people who are carers of older people.

### Other key issues

Other key issues discussed at the meeting included:

- strengthening our position on ensuring there are good end-of-life and palliative care services, clarifying our decision not to have a position on legalising voluntary euthanasia and promoting discussion on these issues within the broader community;
- strengthening our links with organisations working on behalf of lesbian, gay, bisexual, transgender and intersex older people and to promote their particular needs in all of the work we do;
- developing strategies to better engage older people, particularly those living in rural and remote areas. The theme of the National Policy Forum for 2011 will be ageing in regional, rural and remote Australia; and
- identifying the key issues for the 2011 federal Budget (see Policy Update below).

**The minutes are available at [www.cotaaustralia.org.au](http://www.cotaaustralia.org.au)**

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## Policy Spotlight

### Health

On 13 February 2011 the Council of Australian Governments signed off on a new Heads of Agreement for National Health Reform to replace the April 2010 COAG Agreement.

#### Key features

The new Agreement retained some of the building blocks of the previous Agreements, including local governance arrangements through local hospital networks and 'Medicare Locals' and the move towards an activity based funding model.

The major shifts are in the funding arrangements and the division of responsibility between the Commonwealth and States and Territories

The key features are outlined below.

- The Commonwealth to fund 50 per cent of growth funding for efficient hospitals by 2017, guaranteeing additional funding of \$16.4 billion between 2014-15 and 2019-2020. This will be in addition to the base funding it already provides.
- All hospital funding will go into a single national pool from 1 July 2012. This will be administered by an independent national body
- Funding for hospitals will be a mixture of activity based payments and block funding for services deemed to be better funded that way.
- The prices for activity based funding will be determined by the Independent Hospital Pricing Authority.
- There will be National Access targets for emergency waiting times and elective surgery to improve access with additional payments to help hospitals meet the targets.

- Local Hospital Networks (LHNs) will be established as separate legal entities under State legislation to manage the public hospitals. They will have a LHN Service Agreement with the State and the Commonwealth will not be part of those agreements.
- Medicare Locals will be responsible for coordinating and better integrating primary health care services on a regional basis. They will work with State-funded health and community services on a regional basis.
- More Medicare Locals will be established in the first 12 months than originally planned.
- Flagging of reforms in aged care, mental health and dental health

#### COTA Comment

COTA welcomes a truly national agreement which includes all the States and Territories and the commitment to improving health outcomes into the future.

We also welcome the long term commitment for the Commonwealth to provide 50 per cent of the future growth in hospital costs as this will help to ensure hospital services are available when they are needed.

We welcome the more streamlined approach to distributing the funding through the establishment of a national funding pool and particularly the establishment of an independent body to distribute these funds. This will lead to enhanced transparency about where the funding is going. What is not clear is the relationship between this body and the Independent Hospital Pricing Authority and this will need to be worked through.

The move to activity based funding has the potential to drive some

efficiency in the system. One of the strengths of the new agreement is that it explicitly recognises some hospitals and activities do not fit comfortably within such a model and they will continue to be block funded. This is particularly important for smaller rural hospitals that could not provide the range of services their community needs if they had to rely on activity based funding alone.

The setting of National Access targets for two of the most publicised areas of hospital work, emergency waiting times and elective surgery, is also a step towards greater transparency and improved quality.

We are concerned that the Commonwealth commitment to 100 per cent funding for primary health care appears to have been watered down to the Commonwealth taking the "lead role in delivering primary health care" (COAG Communiqué Attachment A para 2).

COTA, along with others, has long argued for a single fund for primary health care. However, we acknowledge that one of the emerging problems with the previous agreement was that some of the States and Territory community health and other primary health care resources were not included in the primary health care pool which undermined the capacity of the Medicare Locals to deliver an integrated primary health care system. The commitment to have state-wide planning for primary health care and a systems wide policy should help to overcome that problem.

COTA Australia put in a submission on the role and responsibilities of Medicare Locals. We argued that it is imperative that they be more than rebadged Divisions of General Practice. There is a growing unease amongst groups looking for real

reform in primary health care that the Divisions are going to be too influential in the formation of the new structures and that the inclusion of consumers is not going to be strong.

The new arrangements mean that the scope and role of Medicare Locals will need to be revised. This is an excellent opportunity to ensure greater consumer involvement in the governance of Medicare Locals and to ensure they are truly representative of all primary health care providers and the wider community,

We are concerned that WA and Victoria have yet to agree to the changes in the Home and Community Care program that others agreed to in 2010. We note that in this Heads of Agreement they have both now agreed to work with the Commonwealth to look at possible changes in this area. COTA has long advocated for a truly national community care program and sees HACC as a vital part of such a move.

We note the Heads of Agreement talks about reforming dental health (para 61) but does not provide any details of what those reforms might look like or even set out a timetable for their discussion. This is a serious shortcoming in the national health reform agenda as COTA and others have consistently pointed out.

It is disappointing not to see something more specific about mental health reform given that there has been an increased interest in this recently. However we do note that key mental health advocates believe the separate process on mental health reform is now proceeding well. We look forward to the outcome in the coming Federal Budget

It is clear that there is still a long way to go on finalising the detail of the agreement before implementation can commence.

COTA will continue to monitor the reforms and will participate as and when there is opportunity to do so.

## POLICY UPDATES

### COTA Budget Submission 2011

Every year the Treasurer calls for submissions from interested organisations outlining their ideas and priorities for the Federal Budget. COTA Australia uses this opportunity to advocate for improved services and opportunities for older Australians. Our recommendations are all based on the policy work we do throughout the year and incorporate suggestions and ideas that come through our policy development processes. As mentioned in the National Policy Council update, it sets the priorities based on advice from all the COTAs.

In its submission to the 2011 Budget, COTA put forward 15 recommendations for action across seven key areas: ageism, aged care, employment, essential services, health, housing and retirement incomes. Given the current fiscal situation, the desire of the Government to return the Budget to surplus and the need to provide additional funding for the recent natural disasters, we recommended a mix of measures that require additional funding this year and longer term reforms that will require different investment patterns in the future.

#### **Some of the key recommendations include:**

- a national broad based public education campaign to reduce deeply instilled ageist attitudes in the community;
- reform of community aged care programs to allow providers to better meet the needs of their clients;

- an integrated Mature Age Employment Strategy that provides incentives for employers to adapt to an ageing workforce along with a package of income support, skills and training measures to ensure older people can acquire the skills that are required to fully participate in the labour force;
- the removal of age limits for workers' compensation and superannuation contributions;
- a national approach to concessions including more adequate indexation so their value is preserved;
- establishing a national dental and oral health scheme;
- increased funding for mental health with services for older people receiving a fair share of that funding;
- increased funding for the Dementia Initiative;
- a comprehensive National Older People's Housing Strategy to address the need for an increase in affordability and supply of appropriate housing for older people; and
- a change to indexation arrangements for the Age Pension to better preserve its real value.

**The full Budget submission is available at [www.cotaaustralia.org.au](http://www.cotaaustralia.org.au).**

## Aged Care

The Productivity Commission released its Draft Report of the Caring for Older Australians Inquiry. COTA Policy Alert No. 4 in January 2011 provides more detail on our reaction to that report and can be found at [www.cotaaustralia.org.au](http://www.cotaaustralia.org.au).

We are currently consulting across the COTAs to develop our submission in response to the draft

recommendations and will appear at the public hearings.

In addition the Department of Health and Ageing has released two discussion papers for comment. The first is the proposed revised prudential arrangements for accommodation bonds in residential care which looks at providing greater security for residents' bonds. The second sets out a framework for managing complaints in aged care that would allow the Complaints Investigation Scheme to use a broader range of approaches to ensure complaints are resolved satisfactorily.

COTA will be putting in responses to both discussion papers as these are critical issues for consumers of aged care services.

## Housing

COTA continues to work on housing issues, looking at both the affordability and appropriateness of housing for older people.

The Independent Living Unit (ILU) survey funded by FaHCSIA is nearing completion. This survey collected information on ILUs around Australia and should provide useful data on where they are, who operates them and how many are still operational. It is hoped that this will provide a useful base to then look in more detail about who lives in ILUs, how they connect with other supports and services and their potential for expansion.

The Federal Government announced as part of its flood recovery spending cuts a cut in funding for the National Rental Affordability Scheme (NRAS) of \$264 million which cut around 15,000 houses from NRAS.

NRAS is seen as a crucial part of the Government's overall strategy to improve housing affordability and reduce homelessness. This is why many organisations came

out strongly in opposition to the proposed cuts.

COTA and, Aged and Community Services Australia, working together as the Older Persons Affordable Housing Alliance, wrote to the Government asking it to reconsider this decision and defer rather than cut spending on the 15,000 houses. We are very pleased the government has agreed to this, although we are concerned the deferral not be for too long.

## Essential Services

The price of energy and people's capacity to pay has been attracting more attention recently.

COTA continues to be active in the Australian Energy Regulator (AER) stakeholder forums around its proposed new retail functions. We have been particularly interested in the hardships programs the energy retailers will be obliged to offer and have commented on the performance indicators for those programs as well as the guidelines for AER approval of the schemes.

COTA NSW has undertaken case studies on older people's use of energy which show older people's response to the increasing cost of energy is to cut their demand rather than not pay their bills. This means they are not going to get picked up by hardship programs and there needs to be a different policy response to their plight.

All COTAs are pursuing better energy concessions for older people in their jurisdiction as one policy response to this problem and COTA Australia is asking for a national approach that ensures concessions are indexed.

## SUBMISSIONS

COTA Australia has been active in highlighting older people's issues in response to a number of inquiries

and other policy development processes as listed below.

- **Senate Inquiry into Sex and Aged Discrimination Legislation Amendment.** COTA argues in favour of the creation of a dedicated Aged Discrimination Commissioner in line with our election platform. This Inquiry is due to report by 22 March 2011.
- **Draft National Framework for Advanced Care Planning** COTA supported the move towards harmonisation of legislation, policy and practice around advanced care directives.
- **Response to Discussion Paper on Governance and Functions of Medicare Locals.**
- **Federal Budget 2011-** discussed above

**All COTA Australia Submissions can be found at [www.cotaaustralia.org.au](http://www.cotaaustralia.org.au)**

## COMING UP/TO WATCH

**AAG NSW Rural Conference,**  
Across the divide: lesson on care from urban and rural communities, 31 March – 1 April, Cessnock

**National HACC Conference,**  
Integration and Innovation into the Future, 5-7 April, Brisbane

**Federal Budget,**  
Tuesday 11 May

**COTA National Policy Forum,**  
Ageing in Regional, Rural and Remote Australia, 17 May, Canberra.

**Productivity Commission Inquiry into Caring for Older Australians, Final Report 30 June.**

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