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### **The Challenges Facing an Ageing Population**

National Seniors Australia (NSA) chief executive Michael O'Neill addressed the National Press Club in Canberra today on the complex and interrelated challenges facing an ageing population.

Mr O'Neill said the response to the ageing population was best characterised "as a doomsday scenario with the nation being overrun by oldies on motor scooters terrorising government revenue through pensions and health costs."

Future models of aged care, staffing shortages, nursing standards, quality of life and the ramifications of ageist attitudes by employers to older workers in relation to the increase in the pension age to 67, were some of the areas Mr O'Neill addressed.

His speech was backed by current research carried out for NSA by Access Economics and surveys from NSA members aged 50 plus across Australia.

Following the address Mr O'Neill took questions from the floor which raised issues including:

- Does the existence of a minority government and the independents offer NSA greater opportunities to push issues around ageing?
- The funding of aged care through taxes or individuals investing in their own aged care through a system similar to superannuation.
- How to address ageism in the workforce in relation to pension age being increased to 67.
- Euthanasia and what does NSA membership think of current debate?
- New government's move that saw the ageing portfolio married to mental health which has the perception of downgrading aged care issues.
- New models to accommodate people as they age and services to be consumer driven not provider driven through government regulations.
- Respite carers issue needs urgent critical attention.
- Aged care is as important as broadband and the environment yet, comparatively, receives little attention from governments.

***Michael O'Neill's National Press Gallery address is attached. Interviews available.***

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Thank you for the opportunity to speak here today

As American journalist Henry Louis Mencken and actor Bette Davis both said:

**“Old age is no place for sissies.”**

Today I want to share some thoughts about ageing and an ageing population; the challenges we face as a nation and as a community in dealing with both.

Last week National Seniors released a major piece of research on the outlook for aged care in this country. I want to reflect further on those findings and the outlook for aged care and broaden my remarks to some other key issues in the context of an ageing nation.

My comments are from the perspective of a membership group with some 270,000 fee paying members across the country aged 50 and over. A group that has operated for thirty four years and is the fourth largest over 50s group in the world.

National Seniors has, with this membership base and a dedicated research and policy arm, a strong capacity to understand the issues of concern to the over 50s.

Firstly, a reminder of a few key points about the changing demographics of the nation. These points set the scene for the kind of challenges and change that lie ahead

- The number of older people (aged 65 to 84) is expected to double between now and 2050, with the number of over 85s expected to quadruple in the same time
- The proportion of working age people is expected to fall with only 2.7 people of working age to support each Australian aged over 65 compared to 5 today and 7.5 in 1970
- Currently more than twenty five per cent of the Australian Government budget is directed to health, aged care and age related pensions. This is expected to increase significantly with the shift in population.

What has society, commentators and indeed Governments said about the change in demographics and what it means? The response is best characterized as a doomsday scenario with the nation being overrun by oldies on motor scooters terrorizing the revenue of Government through pensions and health costs.

National Seniors acknowledges that there will be implications for Government and for society. That is a reality. There will also be positives through opportunities associated with a different demographic. There are upsides in this that should not be ignored.

Our response to this reality will be influenced by a core issue of how we value or otherwise our oldest citizens. What importance do we now, and in the future, wish to attach to the way our elders live. It will be the values that will determine how we respond as a community to the challenges of an ageing population.

We have in recent days had reference to one of the major issues that society will inevitably come to grapple with - euthanasia. This is an issue of greater import to older Australians and the choices they may desire to make. It is an aspect of ageing connected inevitably to issues of care and health and support as we age.

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How are our oldest and most vulnerable Australians included in society? Do we allow them to be socially isolated by putting them in housing on the fringes of cities away from transport and services? Do we resent the expenditure on health and medicines directed at their wellbeing rather than being dedicated to education or the environment or infrastructure? Do we allow age pension reform to become the political football it was in 2008 to ensure people can live with dignity.

It was notable in recent years when the emphasis and mantra of “working families” was endless. There was no effort to join the dots together and recognize that older Australians were the original working families. The older Australians were the ones who worked and lived in a different time without the extravagances of today but who helped create the country and economy we enjoy today.

Older Australians are also an integral part of working families today whether as informal care givers to children and grand children or as providers of deposits for cars and houses for grandchildren.

Without dwelling on statistics note that the cost to the economy of replacing older Australians who provide unpaid assistance to people with a disability, is estimated at \$3.9 billion.

In the context of the current political situation the treatment of aged care in rural and regional Australia should be a consideration. A strong and healthy local community thrives on local interest and the richness of diverse age groups. Providing for aged care locally should be as important a goal as the provision of broadband services, maintaining schools and public transport and so forth.

We need to decide as a community how much we value our elderly. If one considers the importance which some European and Asian cultures attach to their elders, it begs the question of where our oldest Australians are on our scale of importance.

Indigenous Australians place a great import on the wisdom and knowledge of their elders - the keepers of the culture of the first inhabitants of this land.

How well does Australian society respect its oldest citizens?

Do we have regard to making our towns and cities, our infrastructure age friendly? Or if we provide services, and they are not suitable to older people, regard it as their problem not societies.

Against this background I want to look initially at the issue of aged care and the importance attached to it.

It is a challenge at the present time but it will become of increasing significance as population projections become the progressive reality over the decades ahead. And as I said earlier, it will inevitably impact on the greater social issue of choice about life.

Some facts on aged care - it is too often assumed to be about aged care homes and putting folk there for the last few years of their lives.

There is no single model for aged care. It is a system that has a range of options along a journey. Care needs will change along the journey.

It is a mix of care at home, people on their own or with a partner, sometimes with family members (usually a daughter), as well as in aged care homes (please - not facilities – who wants live in a facility).

It is high and low care. It is also changing with peoples' expectations whether for themselves or for the family and will change even further as the influence of the baby boomers grows.

It is provided by spouses, by sons and daughters, by family and friends who are informal care providers. Folk who give and give and who we too easily take for granted.

Care whether at a person's home or in an aged care home is also delivered by a mix of community, charitable, church and not-for-profit groups.

Over eighty five per cent of people will age in their own home, often with help from Home and Community Care programs. The preference for ageing in one's own home is about a familiar environment, local neighborhood, friends nearby, and the long term GP and dentist.

National Seniors undertook polling of members and non members earlier this year to test the water on the key issues for over 50s. Seventy four per cent of respondents rated aged care as extremely important and fourteen per cent said aged care issues would influence how they voted. Aged care was the second most important issue after health in the survey.

During the last election National Seniors conducted candidate forums in 13 marginal seats. Aged care was inevitably one of the issues people raised. Too often it was about navigating through the complexities of the system, the availability of beds, respite or inconsistent delivery of HACC services.

The message, from a consumer perspective, is the need to ensure that care and associated activity is about quality of life. Any focus on quality of care has been subsumed by the issue of service delivery as defined by those who provide the services and unfortunately by the funding providers and regulators – Government. It is essential that a balance is recovered and that quality of life is the core focus in delivery of care.

One of the characteristics of the current system is inadequate recognition of the consumer and their interests. Too often it is about the provider and the Government determining direction with lip service to consumers. This is unfortunately a characteristic of the health system generally. And I acknowledge that consumer bodies like NSA need to do more in this regard.

Sustainability is essential and the provider sector is confronted by a difficult challenge to deliver quality care in the framework of a financial model that is broken.

National Seniors engaged Access Economics, the leading economic consulting group, to undertake research into aspects of aged care and in particular to explore alternate models for funding. We did so to encourage debate and in the language of today seek 'a new paradigm'.

Access came back with three key messages:

1. The current aged care system is not working well, with quality of care declining over the past decade. As demand is growing, their view is that tinkering with the system is not a solution.
2. Significant investment in aged care is needed, particularly for new homes and in developing a skilled workforce to deliver aged care. Importantly the current system is not sustainable without higher taxes being levied – not an attractive policy option for anyone.
3. New ways of financing aged care are essential. A survey of more than three thousand two hundred seniors found that many people would be prepared to pay for high quality aged care, while wanting a safety net for those who cannot afford to pay.

There are other messages that give some flavour to these recommendations:

- Changes in the nature of society – family size, more single person households, different attitude of younger generations to care delivery – will collectively limit provision of family (informal) care
- Nursing staff are paid up to \$300 per week less in aged care. It is little wonder attracting staff remains a major challenge
- Capital investment is not proceeding, in part because of caps on what residents are allowed to pay, together with caps on government subsidies
- The changing nature of chronic age related diseases is also important, especially the growth in the number of people with dementia. (Timely that this is Dementia awareness week)
- The challenge ahead with an increasingly culturally and linguistically diverse consumer base for aged care. In short many people from a non English speaking background, who suffer from dementia, will lose the ability to speak English and revert to their first language. This places an additional strain on the delivery of services.

National Seniors asked Access, as part of their report, to consider alternate funding models. This was against a clear background that reliance on taxation alone would not sustain the industry going forward. It was also against a background of aged care bonds, for various reasons, not having attracted community or political support.

Access proposed some alternates for consideration

1. Long term care insurance – insure against the risk of requiring high cost aged care services. We insure for many things already - why not aged care? In place in Europe and USA in various forms
2. Healthy Age Savings Accounts (HASA)- not unlike superannuation, essentially putting money aside to help fund aged care. Yes -Treasury it would surely involve some form of taxation incentives. Have worked elsewhere in South Africa and USA.

3. Reverse mortgages – borrowing against equity of house. The jury is still out on the application of reverse mortgages but perhaps an approach for some people in some circumstances
4. Vouchers - consumers get to make the choice about what they want. Payments would be means tested and the competition and consumer elements are a plus but the limit is they do not deliver additional funds.

It is unlikely that any single one of these would be suitable and there may well be other options out there. Survey work undertaken by National Seniors confirmed a willingness by people to consider funding their aged care and a fair bit of interest in models such as Healthy Ageing Savings Accounts and Long Term Care Insurance.

A debate across the community on the policy aspects is essential if we are to lay the foundation for the provision of aged care in the future.

Beyond the Access paper there have been other issues that contribute to the debate. Consider the impact of regulation and indeed over regulation on the sector.

In terms of greater consideration of quality of life issues Dr Stephen Judd from Hammond Care has revealed the challenges of food safety regulations and in particular the delicious prospect of being served a seventeen minute poached egg - a regulatory nightmare to start the day.

Further on quality of life, the regulated nature of residential aged care generally, with early to rise, early to be fed, early to bed approach, will inevitably raise the hackles of those who want to approach 'receipt of care' as a service, that they will pay for and as such determine its nature.

Alternate models such as the Eden alternative of creating a caring community or the Apartments for Life model that the Benevolent Society is developing based on the experience in Holland are part of the answer not only to care but also to the way we deal with older citizens more generally.

The message from consumers that the system is unwieldy and complex to navigate has been a continuing theme. There is already significant stress for family and informal carers at the time support is sought for an older person, so ensuring the experience is managed and delivered in a seamless manner is essential.

Finally and importantly in terms of aged care what is needed most is leadership by the Parliament. It is a fundamental issue for the whole community and one that looms large for the future. We are harvesting now the results of a decade of inaction and failure of leadership.

It was surprising and disappointing that the Prime Minister chose to reduce Ageing portfolio, after a decade as a stand-alone portfolio, into Mental Health and Ageing.

Whilst I am positive about new Minister Mark Butler, it does, on most interpretations send a disappointing message about the importance attached to aged care. And I hasten to add, this does not diminish the significance of mental health as an issue. The Productivity Commission report that will be delivered in early 2011 will be the test for the current Parliament. It is an issue that requires leadership and a bipartisan response that ensures a consistent course for the future that consumers and industry can be confident of.

I want to reflect a little now on several broader issues involving ageing -these are reflections how we value our elderly and what it says about the kind of society we are, and will be.

Consider the use of language we use when talking about the elderly. Not very long ago politicians used the term "bedblocker" to describe the role of older people as a major contributor to a failing health system (nothing to do with political and systemic failure). In a broader sense we have the propensity to reflect negatively on the driving habits of seniors whether behind the wheel of a car or riding a scooter along the path.

Language is an important indicator. It is also one of the symptoms of ageism and how we treat older Australians.

Estimates of elder abuse (whether physical, financial, psychological) grow as older Australians are taken advantage of by rogue sales people, rip off merchants or unfortunately, sometimes their own family

There is institutional age discrimination in place with the current Government for example choosing to maintain age limits on aspects of superannuation. By contrast the Opposition, to their credit, agreed to eliminate the age barrier completely. No bipartisanship here.

This may only apply to tens of thousands of people, but it reveals a willingness to treat people differently because of their age.

If it is alright for Government to institutionalize different treatment/eligibility because of a date on the calendar, we should not be surprised that others adopt a similar approach and take advantage of older Australians.

Consider the treatment of mature and older people in pursuit of employment. There is already a trend for people to choose to work beyond the pension age. The proposed increase in the pension eligible age to sixty seven will focus further attention on the employment prospects of older people.

And that is not an attractive position. At the present time a person in their 50s (not 60s mind you) who becomes unemployed will remain unemployed three times longer than someone of a younger age. Over the last six months the average period of unemployment for those aged 55+ was sixty two weeks compared to twenty weeks for the younger cohort.

Consider also the impact of unemployment at this time in life. This is a time when people are likely to be providing for their retirement – the kids off their hands, mortgage probably paid off and they focus on maximizing retirement savings. The financial legacy of extended unemployment will carry forward into their later years

It is also very damaging to a mature aged person's self esteem which is already under pressure because of their age. A trend to shuffle people onto disability pensions in lieu of unemployment benefits has also masked the significance of the issue.

It is notable that the issue of workplace participation by older Australians, aged 50 plus, is not new. We have performed poorly in this space for a decade or more. Inaction by Government has not helped. One wonders what outcry there would be if the younger cohorts were unemployed for a similar length of time.

The other issue of great significance for older Australians is the health system. For many, they have little faith that the system can provide the health services they need.

What kind of services? Certainly those based around the assumption that aged care is part of the broader health system and an integration of services that ensures efficiency for patient and use of scarce health resources. Access to aged care, to sub acute care for recovery post hospital, to the provision of respite services for carers are all part of ensuring the system is seamless and age friendly.

During development of its health priorities in the lead up to the last election, National Seniors consulted with geriatricians and clinicians. Their message was very strong - it was about the provision of respite services to carers. They experienced the reality of carer burn out and could not emphasise enough the need for investment in respite as part of progressing the aged care and health systems for the future.

Preventative health measures are often thought of in the context of young people, but they apply to all ages with an increased emphasis on application to older Australians. This is important and a responsibility that seniors need to assume, individually and collectively.

So what can older Australians do about these issues? Is there the capacity and the willingness to press for change?

On the issue of discrimination consider that there has yet to be a successful prosecution for age discrimination. There have been ad hoc programs about the contribution of older Australians.

For many years there has been dedicated sex and race discrimination commissioners - but no age discrimination commissioner. The Sex Commissioner has assumed this role (and been very good) but the question remains why treat age discrimination any differently? Is ageism a lesser issue than sexism or racism?

The Government did commit to change this during the last election. Disappointingly there was no bipartisanship on this.

Is there likely to be a substantial increase in the demand for change in how we treat our older citizens or how we accept discrimination being institutionalized and similar?

There is no indication yet of a major push for seniors rights. Globally there is discussion of an enhanced charter for the rights of older people.

Race and sex discrimination were legitimate and significant issues of great import during earlier decades especially in the 60s and 70s. Reform processes were initiated then and continue to this day.

There has been greater activism among older Australians in recent times. The campaign to increase the pension was one that attracted widespread community support with polling indicating that voters of all ages were supportive of an increase in aged pensions.

You will all recall the impact of questions to Government leaders about their capacity to live on the single age pension.

Certainly the Government was surprised and displeased about the response to their failure to reform pensions in 2008.

A continuance of the passion and militancy we saw with the pension issue and its attachment to aspects of the rights of the aged may well provide a stimulus for further change.

Issues like unacceptable unemployment rates for older workers, failure to deliver health and aged care services and age related difficulties to accessing commercial services (insurance for example) may provide further momentum in this regard.

A coalescing of militant dissatisfied 'over 50s' has much potential. At this last election forty three per cent of voters were aged over 50. In some seats that figure was over fifty per cent. Those proportions will only grow in the decades ahead.

Pollsters will report that the 'seniors vote' is rock solid one way or the other. There is little movement. I suspect that has traditionally been the case but I also think we have a different kind of senior coming through and that there are different and unique circumstances emerging that may well provide for a shift in the way seniors deal with their votes.

Note that the baby boomers are in their 60s now. They are confronted by health and aged care issues whether for themselves now or in the future or currently for their parents. They have historically been a generation of change and demanding about their expectations.

The so called sandwich generation, that has young children as well as older parents with care needs, represents a further joker in the pack.

This potential coalescing of interests may be part of the future and see parental leave and education linking more fully to health and aged care.

The Treasurer earlier this year, when launching the Inter Generational report in January, spoke in equal terms of the long term significance of climate change and an ageing population. Whilst we have had, and continue to have, much debate about climate change in a strategic sense, population ageing has attracted small sweeteners.

If I could finish with one message.

Ageing is a reality for all of us, regardless of botox and miracle cures. It is a reality for the nation as well. The challenge is to recognize that the way we approach it in a policy sense will impact greatly on the kind of society we create for generations to come.

Create one that respects, values and includes older citizens and we are more likely to deal with the challenges of an ageing society in an effective way that harnesses the skills, knowledge and contribution that all Australians can make to the nation, regardless of their age.