

A Fair Australia
Health & Aged Care
Background Paper
ACTU Congress 2003

Quick Fact:

Bulk-billing has enabled Australians to access doctors knowing that they have already paid through the taxation system. Bulk-billing for medical services has dramatically reduced from 80% in 1996 to 69% in 2003.

CONGRESS 2000

1. Medicare was a focus of the Health policy at Congress 2000. Through the Health policy Congress resolved to:
 - support greater and more equitable funding for public hospitals and other health services;
 - encourage debate about the continuation and expansion of Medicare;
 - support the extension of bulk-billing by doctors;
 - oppose the imposition of fees and charges for publicly funded health services;
 - support private health insurance only as an optional 'add-on' to Medicare; and
 - oppose initiatives which shift the public responsibility of health funding.

2. The policy also addressed issues surrounding the health workforce by:
 - opposing further privatisation or contracting out of public health services;
 - calling for adequate numbers of permanent employees in the public health system;
 - supporting the principle of pay and conditions parity for health workers in the public and private sectors; and
 - calling on affiliates to seek:
 - proper rostering,
 - reasonable hours,
 - proper treatment of casual workers,
 - improved training, and
 - improved occupational health and safety standards.
3. Aged care was addressed by a declaration that the union movement:
 - promote the highest standard benchmark for quality care;
 - support the linking of funding, staffing and skill mixes to the health care needs of residents and clients;
 - support a proper complaints mechanism linked to the accreditation system;
 - seek increased funding for the aged care sector, together with greater transparency and accountability of those public funds;
 - campaign for improved occupational health and safety for workers in the aged care sector; and
 - campaign for pay and conditions parity between workers in aged care and other health workers.

DEVELOPMENTS SINCE CONGRESS 2000

4. The Federal Government has stepped up its assault on Medicare since Congress 2000. This has led to the formation of the National Medicare Alliance in which health unions and the ACTU have participated.
5. On 2 May 2003 the ACTU convened the Medicare Summit to seek to progress the public debate around Medicare and promote the campaign

to defend Medicare. Leaders of health, union, welfare, church, and political groups met at the ACTU to oppose the Howard Government's planned Medicare changes. The meeting included the Federal Opposition Leader Simon Crean, the Australian Democrats leader Senator Andrew Bartlett and Greens Senator Kerry Nettle. Representatives of the Australian Council of Social Services, the Doctors' Reform Society, the Rural Health Alliance, Catholic and Anglican church groups and health unions were also present at the meeting.

6. The last three years have also seen many unions campaign around issues of work intensification in particular workloads, staffing levels and reasonable hours of work. This has occurred in the context of the hours debate which has been fuelled by the *Working Hours Case*.
7. The aged care sector has continued to grow and remains a vital area in which unions must organise.

ISSUES FOR POLICY AT CONGRESS 2003

8. The level and quality of health and aged care services available to a community is an indicator of the development of a society. An advanced and developed society is in a position to provide quality care to all within its community.
9. By most health measures, (with the exception of the poor level of health services provided to indigenous Australians), Australia enjoys an enviable reputation. Australia has an efficient system of health provision that provides world's best services to most Australians. Medicare is at the heart of this success.

Medicare

10. Medicare was introduced by the Federal Government in 1984 as a universal system for the financing of:
 - public hospitals,
 - the provision of subsidised pharmaceuticals within the Pharmaceutical Benefits Scheme,
 - services provided by private doctors, and
 - some additional health costs.

11. Medicare is a foundation stone of the social wage deal reached between the ACTU and the Federal Government, originally through the Accord process in 1983. The union movement accepted significant and ongoing wage restraint in return for a universal health benefits scheme which ensured all Australians had access to medical and hospital care when they needed it regardless of income.
12. Unlike private health insurance arrangements, Medicare is funded through a progressive taxation system - the more you earn, the more you pay. Medicare is an efficient and equitable system for the collection and payment of health monies.

Decline in bulk-billing

13. Bulk-billing has enabled Australians to access doctors knowing that they have already paid through the taxation system. Bulk-billing for medical services has dramatically reduced from 80% in 1996 to 69% in 2003.
14. The Howard Government's push to encourage private health insurance is inefficient and has clearly failed. In the 12 months to May 2003 health costs rose 7.2%, faster than any other CPI group. Rising health costs put working people under financial pressure. Increased co-payments when visiting a GP and increased private health insurance payments will result in increased wage claims. This cycle undermines the basic principle of universal access to Medicare.
15. The Federal Government does not support Medicare as a universal system of health care with access to all. The Federal Government's Medicare 'reform' package is designed to dismantle Medicare as a universal health benefits scheme.

A comparison

16. The United States health system shows clearly that a health system that only provides care to those who can afford it, is unfair, inefficient and results in poorer national health.
17. Australia spends approximately 8.3% of GDP on health care and 6% on the public sector. This compares to the United States which spends 13% on health care and 5.8% on the public sector. Yet unlike Australia, the United States has over 40 million people without any form of cover and restricted services to millions more.
18. Despite spending considerably more on health cover there is a dramatic discrepancy in the level of health cover available. Australia has 30% more acute beds available than in the United States, Australia's infant

mortality rate is a remarkable 36.5% lower than that in the United States and life expectancy is in excess of 2 years higher in Australia than in the United States.

19. Australians, unlike United States citizens, do not have the constant concern that they will fall ill and not have sufficient resources to care for themselves or their family. This is the corner stone of the universal access Medicare system that is overwhelmingly supported by the Australian public.

Health workers

20. Unions must continue to campaign for the improvement in conditions for the health workforce.
21. Staffing levels and workloads are the biggest industrial issues for health workers. This in turn raises the issue of appropriate public funding for those services which government continues to provide.
22. Parity in the pay and conditions for health workers in both the public and private sectors remains an issue as does the ongoing privatisation and contracting out of public health services.

Aged care sector

23. With an ageing population Australia faces significant challenges in the provision of quality aged care services. Further resources to ensure adequate staffing and capital are required to ensure this challenge is met.
24. It is also essential that unions continue to provide an organising focus on this sector given that it is one of the best opportunities for union growth in the entire economy.
25. The delivery of quality aged care services requires informed consumers; a person-centred approach to care; adequately qualified and prepared staff; and input from a range of qualified and competent professionals and care workers.
26. The demand for a range of quality services for older Australians will increase because of the rising numbers of older people in our population. While the overall population will increase by 30% by 2030, the population of people aged 80 or more will increase by over 200%. Among this population will be greatly increased numbers of people with dementia.

27. The likelihood of being admitted to a residential aged care facility doubles with each five year increase in age, reaching 35% in people over 85. Other predictors of admission are overwhelmingly health-related, rather than social. Of the 134,000 Australians diagnosed with dementia in 1996, about 50% were housed in residential care. The prevalence of cognitive impairment is 54% in low level care (formerly called hostels) and 90% in high level care (nursing homes).
28. The care being provided in low level facilities is becoming progressively more like the care provided in the former nursing homes as a result of the 'ageing in place' policy introduced with the Aged Care Act 1997. In 1990 only 54% of hostel residents required assistance with personal care, whereas 80% of residents required such assistance by 1997. This trend is now exacerbated by a rapid increase in the age and dependency of people needing care, resulting in much greater numbers of residents requiring a high level of care.
29. While about 20% of Australia's population over the age of seventy use community aged care services, Australian Bureau of Statistics data highlight the fact that 25% of people aged 65 years and over reported needs that were not fully met, especially respite care, personal care, transport, housework, meals, and home maintenance.
30. The demographic changes that are underway and which are predicted to accelerate from 2011 are already applying pressure to the system. For example, waiting times for high care entry have increased from an average of 29 days in 1998 to 55 days in 2000. The shortages of places particularly affects people who require special consideration, for example those suffering from specific health conditions such as dementia; people from different cultural and linguistic backgrounds; and older indigenous Australians.
31. There has been a real decline in aged care funding at a time of rising demand for aged care services, and a lack of transparency in the Government's funding of residential aged care services, because there is no benchmark.
32. While the Government has increased the overall funding levels for residential aged care by \$1.7 billion since 1996, this has been consumed by increased numbers of people receiving care; by increasing levels of dependence and thus care needs; and by the costs of compliance, including accreditation and certification.
33. In its 1999 report on aged care funding, Nursing Home Subsidies, the Productivity Commission recommended that these issues be addressed through the development of a benchmark of care. This would define exactly what is to be provided, look at the variable mix of staffing and

other inputs needed to provide such care, and link funding to this benchmark.

34. The increased responsibility and accountability for providing quality care in an environment of multi-layered regulation with diminishing resources leads to intense demands and pressures on all workers in the sector. While those who work in aged care are highly committed, they find workloads, lack of wage parity with their public hospital counterparts, and their inability to achieve positive outcomes for those in their care, negatively affecting their own willingness to continue employment in the sector as well as the recruitment of potential future staff. This has led to a critical shortage of skilled staff that impacts on the delivery of quality aged care services.
35. There needs to be a national strategic approach to the education and training of medical, nursing, allied health and other care staff, which is crucial for high standards of health care.
36. Australian aged care policy needs to be planned and put into action now to meet the demand for quality services which this demographic change is already generating.