



APPROPRIATION BILL - HACC FUNDING 26th June 2003

Mrs PENFOLD (Flinders): I am sorry; I did not hear the Acting Speaker call. I was under the impression that I was not the next speaker.

Our communities are ageing, with the baby boomers reaching retirement and people living longer than ever before. Aged care facilities are stretched to the limit. Older people are staying in their homes, both by choice and also, in some cases, by necessity, as there is nowhere for them to go. These people need support to stay in their homes. In my community, they are supported by families, friends, community, volunteers and organisations, assisted in part by Home and Community Care (HACC) funding.

I wish to draw the attention of the house to a letter from Aged and Community Services' Chief Executive Officer, Mr Trevor Goldstone, to the Hon. Mike Rann. This sums up the problems and feelings out in the community that this Labor government is not giving our elderly the attention and funding that they need and deserve. The letter states:

Dear Premier, ALP aged care policy and HACC funding. I seek to share our concern with the recent decision of your government not to fulfil its election undertaking in supporting the elderly, frail and disabled in the South Australian community. Additionally, we are concerned at the implications of this decision in terms of the perception that the ALP has developed a position that seems to undervalue older people in our community and their need to access the support required to maintain their dignity and quality of life. It is our understanding that the HACC funding round includes an offer to states relating to a growth component, which is available if the funding is matched by the state on the relevant proportional basis, a commonwealth contribution of 62 per cent, with a state government contribution of 38 per cent.

Furthermore, it is our understanding that your government has elected not to meet such growth funds. That is, by not allocating \$1.9 million in state funds, a total growth pool of \$5 million of additional HACC funding is lost. This decision will significantly reduce the availability of HACC services to older and disabled South Australians.

From a demographic and population health perspective, it is clear that our community is rapidly ageing. Indeed, compared to the national average of 12.2 per cent, South Australia has over 14 per cent of the age of 65 years. This portion of the community will continue to dramatically increase in the coming years. This leads us to a conclusion that an appropriate and well targeted expansion of HACC services now will be invaluable in meeting the dramatically increasing needs of our

community, both now and in the coming years.

I am sure, however, that we do not need to bring this information to your attention. Indeed, I quote segments of the position provided to the community at large by the ALP prior to the last election, as stated in 'Labor's plan for older South Australians', specifically under the subtitle 'Home and Community Care (HACC)':

The availability of growth funding from the common-wealth will be central to funding the existing unmet need and growing demand for home and community care services for frail older people and younger people with a disability in South Australia. It will be a priority for Labor to ensure that future agreements with the commonwealth address unmet and growing demand. Because South Australia has a higher proportion of older people compared with other states, there is a strong case for funding at above the national average levels.

The service sector in its advocacy role has actively sought and lobbied the continued growth of HACC to the government of the day. The sector also sought clear position statements from all major parties regarding their policy position in key areas for the state election in 2002. Lea Stevens attended an ACS SA&NT election forum at the time and reaffirmed the above policy to the sector and the media.

Prior to the Liberal Party coming to office in the 1990s, HACC funding for South Australia had fallen behind the maximum funding offered by the commonwealth government because the former ALP government had made a decision not to take the opportunity to grow the HACC program by providing matching funding. The subsequent Liberal governments did match HACC funding growth opportunities but, to our disappointment, did not catch up the lost ground suffered in this state because of the previous ALP government period.

Recent media coverage, e.g., Channel 10, Minister Key, in response to issues raised about why the government has not matched the available commonwealth funds for the services to the elderly in the community, identified, in essence, that the government's priorities were for other areas (not the elderly), e.g., 'child protection, homelessness, etc.', and by implication the government does not have a priority for the growing needs and service issues for the elderly.

We acknowledge the needs of these other areas and those who fall within these groups. However, we do not see their needs should be resourced at the expense of the needs of the elderly. This is a bewildering position of the government and contradicts the mandate it was given through the election success based on its policy platform position.

Our calculations indicate that your decision to forgo growth in HACC will equate to approximately 800 elderly South Australians being able to access HACC services over a 12-month period. The indexation of current services will only allow for the current client base to be maintained. No growth in HACC services effectively means that either no new clients will receive services or the current services will need to be more tightly rationed to encompass the predicted additional client growth.

We believe that an additional outcome of this decision is that more elderly people will go to hospital earlier, as they will not receive the support in their own homes that could, indeed, prevent

such presentation to a hospital. The financial impact of this will be far greater than the growth funds you have elected not to apply.

We are also dismayed that an important oral health project for older people in the community and nursing homes has had its funding withdrawn at a time when it has gained enthusiastic support across the community, aged care sector and the dental health sector.

Premier, in commentary post the budget presentation by Treasurer Foley on ABC Radio, there was discussion around the extent of 'padding' in the budget (I think the term used was 'headroom' allocation), clearly implied to mean the level of contingency within the state budget for unexpected needs, etc. I assumed this level was within the hundreds of millions for such contingency issues.

We are concerned about the lack of priority emerging in ALP policy outcomes for the elderly at both state and federal levels. At state level we observed that:

- × For at least the second time in HACC history a South Australian ALP government has not matched the commonwealth HACC growth fund option, causing the level of support of the elderly in this state to fall behind the service level options available in other states.
- × This position signals further opportunity for the federal government to also consider abandoning these growth funds in future years. In this event your government will not be in a position to argue against such an outcome because of its non-matching of funds available this year and its implied rationale of low priority and, therefore, low need.
- × We note the move away from a minister of the ageing in this state and see the subsequent impact in the lack of outcomes for the elderly in this government's policy directions relative to other government program areas.

Premier, I seek a response to two specific matters:

- (a) That you revisit your government's seeming lack of priority on the needs of the elderly and that you seek to use the contingency amounts in the state budget to provide the relatively small amounts (approximately \$1.9 million) needed to match the commonwealth HACC funding on offer and, in doing so, deliver the election promise that you offered the community in June 2002.
- (b) That you review what culture change has occurred within your government at all its levels and seek some answers as to why the needs of the elderly have become a low priority for the ALP subsequent to its election. What has been allowed to cause an outcome where the needs of the elderly are not considered to be of social significance sufficient to warrant a priority for 'inclusion' within government policy outcomes?

The reality of HACC services is that it provides an opportunity for a large number of elderly and disabled South Australians to receive the basic level of in-home care that assists the maintenance of independence, dignity and choice.

Yours sincerely, Trevor Goldstone, Chief Executive Officer.

The Labor government will lose the federal funding now and into the future. It will be redistributed to other states whose elderly are no more deserving than ours, and I ask the minister and the Premier to take note of the letters they are receiving and to take action to ensure that HACC funding is not \$3.1 million down every year hence because of the low priority of our aged population.

I go from one end of the aged spectrum to the other. I wish also to draw the attention of the house to a looming medical indemnity insurance situation that is unbelievable and was also not addressed in the recent budget. It is summed up in today's Port Lincoln *Times* article by Natasha Ewendt entitled 'Born in Adelaide...' which, while it refers to Port Lincoln, applies equally to the availability of obstetrics services across the whole of the remote Eyre Peninsula. Miss Ewendt writes:

There may not be the pitter and patter of tiny feet in the Port Lincoln hospital maternity ward for much longer if changes are not made to the new medical indemnity insurance options. Port Lincoln doctors say they may stop delivering babies because the new insurance options received this week will leave them uninsured and personally at risk for up to 14 years after treating a child. Doctors have been given until July 16 to choose their insurance cover, but some may give up obstetrics because indemnity insurance options do not offer more than 10 years of cover for private patients. GPs face action for damage caused to children up until that child turns 18 plus seven years, which means they need a minimum insurance option of 24 years, including pregnancy. Adults can file a claim seven years after treatment. Under the proposed new insurance options, if a claim is made more than 10 years after treatment the doctor will be uninsured and have to pay the damages—which could be up to \$20 million.

Eyre Peninsula doctors received their list of insurance options from the Medical Defence Association of South Australia yesterday, just three working days before the previous insurance deadline, telling them that they have until July 16 to choose their cover provided they fill out an extension form before June 30. But according to Tumby Bay doctor Graham Fleming, while doctors are covered indefinitely for public hospital outpatients, private cover is only offered for 10 years. This would make it impossible for doctors to practise obstetrics. 'At this stage I don't think I'll be continuing with obstetrics,' he said. 'Doctors are expected to take the risk and they won't. That leaves them with the option of leaving town if they want to keep practising obstetrics—possibly the state. Other states have this sorted out. It's just South Australia that could suffer because of this.'

If local doctors give up obstetrics, pregnant women will have to travel to Adelaide for treatment at teaching hospitals, Dr Fleming said. Teaching hospital doctors were covered indefinitely, unlike private doctors. . . The federal government had to change its law to extend private cover to at least 25 years. . . This was unlikely to happen before July 16, so many doctors across the state would give up obstetrics for the year and hope the law was changed before next year so obstetric practice could resume.

Port Lincoln Health Services medical services director Richard Watts said he had not yet received his list of options and had to read them before he decided whether he would practise obstetrics. He said it was not likely doctors would take the risk, as they could be up for millions of dollars if a

case was presented for someone treated over 10 years ago. 'You can't cover yourself for \$20 million' Dr Watts said. Port Lincoln doctor Christine Lucas said she had not read her options, and did not know if she would continue obstetrics, but many local doctors were reviewing their obstetric practice. 'Most of us are considering whether or not we should go on with it', she said. 'If I had to give it up I will be disappointed, because I really enjoy it and I've done it for a while.'

Dr Fleming said he hoped the extension would give him enough time to choose his insurance and have it approved. Dr Fleming and Dr Watts said next year the federal government must provide doctors with their options much earlier. 'They do this every year—its ridiculous,'... 'It's pretty appalling,'... In the meantime the state and federal governments had to solve the 10-year cover problem, known as the 'tail' to allow doctors to practice obstetrics.

Local doctors are discussing their options in a Rural Doctors' Association teleconference today. I call on the Minister for Health to help find a solution for Eyre Peninsula, an area the size of Tasmania which will soon be a baby-free zone. In my view, that will be a disaster.

Already, Ceduna—a remote town with a population of more than 3 000 people and the baby capital of Eyre Peninsula—has had years without a full obstetrics service. This situation has put huge pressure on the people living in the area and has put lives at risk, despite the wonderful service provided by the doctors and nurses who have been forced to work under these conditions. The cost in money and emotional capital, as families are separated sometimes for months while mothers travel to Adelaide or other accredited hospitals to give birth, is incalculable. If we are to keep our young people in the country regions, this situation must be reversed as quickly as possible.