

## Ocean Street Project : Background Information

The Benevolent Society's Ocean Street Project has been developed in the context of the ageing of the population and the need for new models of housing, care and support for older people.

### The demographic challenge of ageing

Like most of the world Australia is in the midst of major demographic change. The number of Australians aged 65 and over is projected to rise from 2.6 million (13%) in 2004 to 4.6 million (18-19%) in 2021 and between 7-13 million (26-28%) in 2051. The population aged 85 and over will double in the next 20 years.

The reasons are decreases in the fertility rate and increased life expectancy.

'Older people' are a very diverse group, encompassing more than one generation and ranging in ages from around 60 to around 100. Most older people live active and independent lives, look after themselves and are not dependent on others for care. The period of active retirement is often referred to as the 'third age' and the period of frailty and dependence on others as the 'fourth age'. On average, older people are more likely to be providers of care to others than recipients of care.

It is only in the 'fourth age' (from approximately 75 or 80 years of age) that frailty and some degree of dependence on others for assistance with daily living become common. Among older people aged 70 years and over, around 20% of people use Government-subsidised care services. Of these, about 8% live in nursing homes and hostels and around 12% receive community care services in their own homes.

The likelihood of needing high level care increases as people get older. For example, at 80 years of age, a woman has a 59% probability of entering a nursing home during her remaining lifetime. For a man aged 80 the figure is 39%.

However, as mentioned older people are also providers of care to spouses and other family members. Nearly 40% of the carers of older people with disabilities are themselves older people.

### Care of older people – what happens now

Australia's system of care of older people is in four main categories:

- *Residential aged care* (nursing homes and hostels) run on a not-for-profit basis by charities and other non-government organisations, or on a commercial basis. Residential care is regulated and subsidised by the

federal government. Most residents pay a partly refundable capital contribution on entry, as well as weekly fees.

Hostels generally provide 'low care' and nursing homes 'high care'. Some facilities provide both so that low care residents can stay where they are when their care needs increase. Low care residents generally need a level of personal care (i.e. help with bathing, dressing, toileting). High care residents need higher levels of help and 24 hour nursing care.

The factors that tend to precipitate a move to residential aged care include living alone, advanced dementia, or inability to eat, dress, bath without assistance, or a combination of these.

- *Community care.* This is long term assistance with activities of daily living. It is provided to people in their own homes by family members (mostly spouses), government agencies, NGOs and private businesses.

Care provided by family and friends is referred to as 'informal' and that provided by service providers is referred to as 'formal'.

Subsidised community care is funded and regulated through several state and federal government programs. The main ones are Home and Community Care Program (HACC), Community Aged Care Packages (CACP) and Extended Aged Care in the Home (EACH). CACPs provide an equivalent level of care to that available in a hostel. EACH packages provide a higher level of care for people who need some nursing care.

- *Short term care.* This is care provided for a period during recovery or rehabilitation after an episode in hospital. It is organised and funded as part of the health system, largely by state governments. The actual care provided may be similar or identical to that provided on a long term basis.
- *Retirement villages.* A small percentage of older people live in retirement villages run by for-profit and not-for-profit organisations. These are complexes of purpose-built housing for older people. Most require a capital payment on entry which is refunded or partly refunded when the person leaves or dies. A few are on a rental basis. Retirement village operators receive no government subsidy and are regulated by state governments under consumer protection legislation. Generally, people move into retirement villages in their 70s and are expected to be able to look after themselves, at least to start with. Later on they may qualify for subsidised community care services, have the option of buying care services from the operator, or they may have to move elsewhere.

Retirement villages often include a nursing home or hostel on the same site. The complex as a whole may still be referred to as a retirement village.

### **Weaknesses in the current system of care**

The care of frail older people has advanced greatly over recent decades following the introduction of the Home and Community Care Program and other community services. Considerable efforts have also been made to

improve standards in residential aged care. However, limitations in the system remain:

- The service system is **fragmented and inefficient**, with overlapping services and gaps. The system is not understood by most people and is difficult to navigate. Each type of service is subject to different eligibility criteria.
- **Demand** for subsidised community care is **greater than supply** and there can be delays in accessing services.
- Residential care is governed by **tight and inflexible guidelines** and regulation. For residential aged care facilities to be financially viable they generally have to be large, housing at least 120 people.
- Residential care is typically **institutional** in feel and does not encourage self reliance. It requires older people to move from familiar surroundings and sources of practical and emotional support in late old age and, moreover, is not what most people want. Residents are often described as no longer living 'in the community'.
- **Funding arrangements** do not encourage providers to maximise older people's independence and self-reliance.
- There is **little preventative** care or early intervention – i.e. low key forms of support that can help people remain self reliant for longer.
- Managing the health and care of older people with complex, multiple and changing needs is difficult and often not done well.
- The **form, security and location of older people's housing** affects their ability to maintain social connections and independence. Older people who rent are a particularly vulnerable group. Unsuitable housing contributes to premature and unnecessary moves to residential aged care.
- As **communities** become **more fragmented**, connections between people decrease and older people are at risk of losing not only their networks of support, but also opportunities to contribute to the community. The contribution of third age older people, in particular, is undervalued and under-used.
- The **supply of informal carers** is under some threat as a result of the greater workforce participation of women, smaller families and greater rates of divorce.
- Major **workforce shortages** are projected in the health and welfare sectors due to lower birth rates, the retirement of the 'baby boomers' and other factors.

- The increasing number of **people with dementia** presents major challenges. Dementia is the second largest cause of disability burden after depression.

### **Social exclusion and disadvantage among older people**

Social exclusion in older age refers to exclusion from social relationships, basic services, cultural and neighbourhood activities, civic activities, financial products and material goods.<sup>1</sup> A complex and interrelated set of factors contribute to the creation of social exclusion and disadvantage among older people.

One major strand of the literature sees vulnerability to social exclusion in older age – and ultimately to a poor quality of life and/or early or degrading death – as an interplay between:

- risk factors such as low financial resources, poor social ties, lack of family networks, poor mental health, poor physical health, poor or insecure housing, low educational background and ageist social norms, and
- events such as bereavement, retirement, declines in health, sudden disability, loss of carer, loss of ability to drive, and
- availability of coping strategies including personal attributes (including confidence, self esteem, literacy), social networks, formal and informal sources of care and support.<sup>2</sup>

Other factors identified in the literature<sup>3</sup> associated with social exclusion in older age include living alone, time spent alone, advanced old age, male gender, renting, carer status, hearing impairment, depression, having no children alive, having no phone and cultural dislocation.<sup>4</sup>

Older people's wellbeing is obviously influenced by advantages and disadvantages accumulated over a lifetime. These shape both their sensitivity to crises and their resilience to them.

### **The search for solutions**

Population ageing raises major opportunities as well as challenges. As the Government's National Strategy for an Ageing Australia has emphasised, population ageing is not 'a crisis' but it does require constructive planning to find solutions that will cater for the greater numbers of older people projected

<sup>1</sup> UK definition. See Office of the Deputy Prime Minister (2006), *A Sure Start to Later Life, Ending Inequalities for Older People*, Social Exclusion Unit, London UK

<sup>2</sup> Shroeder-Butterfill E (2006) Understanding Vulnerabilities in Old Age, *Ageing and Society* 26, 2006, 3-8

<sup>3</sup> For example, Queensland Government (2002-2006), *Cross Government Project to Reduce Social Isolation Among Older People*.

<sup>4</sup> Being from a different cultural and linguistic background to most community members.

over the next 40 years, especially the much greater numbers of frail older people. As potential demands on funding are expected to grow rapidly, governments are also keenly interested in finding more cost effective ways of providing services to this group.

Considerable work has been done in the past few years by government, service providers, academics and consumer organisations to find new directions that would focus more attention on:

- encouraging older people's social participation and valuing their contributions
- creating communities that are more 'age-friendly', and
- developing more and better models of housing and care, particularly those that enable people to age 'in place'

The Benevolent Society's Ocean Street Project proposal has been developed in this context.

### **Further reading**

- [Joseph Rowntree Foundation, UK \(2006\), Housing with care for later life: a literature review and related pages](#)
- [The Dutch Humanitas 'Apartments for Life' model](#)
- [Annette Michaux, The Benevolent Society \(2006\) Older people, housing and inclusive communities: implications for Bondi](#)
- [AHURI \(2004\) Housing futures in an ageing Australia](#)
- [Australian Local Government Associations \(2005\) Age-friendly built environments: opportunities for local government](#)
- [AARP \(2005\) Beyond 50.05 A Report to the Nation on Livable Communities: Creating Environments for Successful Aging](#)

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