



ROYAL COLLEGE OF NURSING, AUSTRALIA

Submission to:

The Treasury's Discussion Paper: Australia's Demographic Challenges.

1. Introduction

Royal College of Nursing, Australia (RCNA) welcomes the opportunity of being involved in the community debate about the impact of Australia's ageing population. RCNA has produced this submission in response to the Treasury's discussion paper – *Australia's Demographic Challenges*. The College has responded to some of the questions outlined in the discussion paper but has also included some of our own concerns about the effect of an ageing population on the health and welfare of our society.

2. Royal College of Nursing, Australia

Royal College of Nursing, Australia (RCNA), Australia's peak national professional nursing organisation, was originally founded in Melbourne in 1949 with the goal of providing post-registration nursing courses to prepare nurses for leadership position within the profession.

These days, the role of RCNA (with its national office located in Canberra), has expanded to include acting as a policy formulation and advisory body dealing with issues relevant to nursing and health generally. Additionally, the College is also viewed as the 'voice' for nurses, and is frequently asked to provide responses to government and non-government on health related issues and documents, and to provide representation on local and national committees.

With a mission 'to benefit the health of the community through promotion and recognition of professional excellence in nursing' the College's objectives are driven by the aim of cultivating and maintaining the highest principles of nursing.

RCNA is the Australian member of the Geneva based, International Council of Nurses (ICN), which comprises of 125 member nations.

3. Australia's Demographic Challenges

The Treasury's discussion paper *Australia's Demographic Challenges* identifies faster economic growth as a key priority in addressing ageing, and suggests that in providing Australian's with a higher income we will be able to meet the costs associated with an ageing population.

The document suggests that increases in labour force participation and productivity can generate faster economic growth. The discussion paper sets out three complementary policy areas in which there is potential to lift labour force participation and productivity:

- improvements in the capacity for work, through better education and health;
- better incentives for work; and
- improved flexibility in the workplace.

The paper draws attention to some of the major issues on which community feedback is being sought. For example is it right that very few working age people on income support are required to look for work? Is it fair to allow those with superannuation assets to retire early, run down their assets, and then rely on taxpayers to fund the major part of their retirement?

The paper has laid down four choices for discussion.

1. We could elect to do nothing now, and raise taxes in the future to cover budget deficits as they occur.
2. An alternative approach would be to cut future government expenditure by around 5 per cent of GDP (the entire amount allocated to health).
3. We could run deficits and hence increase debt.
4. The best approach is to look for ways to increase the size of the economy so that we all have higher incomes and are better able to meet the cost associated with our ageing population.

4. An Ageing Population

What does an ageing population mean to us? As we have already mentioned RCNA's mission is 'to benefit the health of the community through promotion and recognition of professional excellence in nursing'. The College's objectives are driven by the aim of cultivating and maintaining the highest principles of nursing. This means that we have a responsibility to not only the nursing profession but the community at large. Australian nurses topped the table for the '10th consecutive year, considered honest and ethical by 94% of those surveyed' regarding which group of professionals they most trusted (Beaumont, 2004). We are 'according to the public' best placed to work with, educate and listen to our society.

4.1 Australia's ageing population

In the 'past century the proportion of the Australian population over 65 has risen from just over 4 per cent to nearly 12.5 per cent. By 2042 around 24.5 per cent of Australia's population is expected to be aged over 65' (Commonwealth of Australia 2002, 19). At the same time growth in the population of traditional workforce age 16 to 64 is expected to slow to almost zero (Treasury 2004)

The population is ageing due to a peak in birth rate in the post-war period and an increase in the average length of life. There is little evidence that the range of human life span is increasing (Fries et al 1989). The population growth is also declining largely due to a declining fertility rate and increased number of deaths occurring in an ageing population (National Review of Nursing Education 2002). The Australian population is currently 19 million and is estimated to reach between 22.1 and 23.1 million by 2021 (ABS 2000).

Gething (1999) argued that ageism (generalisations about age groups, including negative stereotypes of older individuals) is endemic in the health care sector, and that aged care is viewed as a low status option for those entering health professions such as nursing. These views are not just associated with working in aged care but age itself seems to be a significant barrier to employment. A recent study also underlined the employer's unwillingness to engage older workers, particularly mature women. Employers view older workers as being less able to adapt to new technology, not worth training, not interested in their work and not having the physical strength or mental alertness of their younger colleagues (Nixon 2003). Yet according to the Treasury's report *Australia's Demographic Challenges*, 'research tends to show that the performance of employees declines little with age' (Treasury 2004, 14).

4.2 Changing nursing worker profile

Two areas that are having an impact on our nursing workforce profile are the ageing workforce and the shift towards working shorter hours. The proportion of workers aged over 45 increased by 17 per cent between 1987 and 2001 and the under 35 decreased from 30 percent to 54 per cent in the same time period (National Review of Nursing Education 2002, 51). The increase in workers aged 45–54 will continue to have an impact on nursing shortages, as the younger workers are not there to replace them when they retire. When the average nurse retires at 55, the Government changes to superannuation will make it easier for individuals to carry on working past 55, but improvements in flexible working conditions will have to improve further. A study by Shah and Burke (2001) outlined that the proportion of people over 45 working as aged or disability persons' carers has dramatically increased from 19 per cent in 1987 to 45 percent in 2001. The Senate Community Affairs References Committee inquiry into nursing (2002) stated that:

‘Nursing is a great profession established over 150 years ago now providing the largest group of employees in the health care sector. Yet nursing in Australia is still significantly overlooked in health policy development and in work force calculations. The shortages of nursing staff, especially in hospitals and aged care that has been threatening for years, have now reached crisis point’ (Senate 2002, xiii)

An ageing nursing workforce is not an isolated problem to Australia. Figures for England show that in 1996, 40 per cent of NHS nurses, midwives and health visitors were under 35. By 1999 the proportion under 35 had dropped to 33 per cent (and, in Scotland it was 21 per cent in 1998). At the same time the proportion over 45, that is, within ten years of retirement, has increased from 27 to 29 per cent (RCN 2000).

4.3 Immigrant population

Immigration seems to be a key factor in the demographics of Australia and yet it was hardly mentioned in the Treasury's paper. One in four Australians were born overseas and 27 per cent of those born in Australia have at least one overseas born parent.

The immigrant population is usually younger and in better health with a lower dependency ratio. Over three quarters of the permanent arrivals to Australia in 1999 were between 15 and

64 years of age (AIHW 2001, 28). Immigrants have a better health than Australian born residents on several measures, including lower death rates, hospitalisation rates and various lifestyle related risk factors (National Review of Nursing Education 2002, 34)

The UK has been, since the mid-1980s, increasing their migration into the UK, reversing the post-war trend. This culminated at 133,000 in 1998 – more than double the 1997 figure – as inflows continued to rise and emigration fell. In the longer term, the UK population is expected to peak at around 65 million in 2036 before falling, when deaths begin to outnumber births and net gains are achieved from international migration (RCN 2000, 9).

5. RCNA Response

5.1 Economic Growth

The College recognises that an increase in economic growth can benefit Australia and agrees with the three complementary policy areas to lift labour force participation and productivity:

- improvements in the capacity for work, through better education and health;
- better incentives for work; and
- improved flexibility in the workplace.

In fact, these are essential if the nursing work force is to survive to provide health and welfare to our ageing population. However, there needs to be a more holistic approach to deal with all areas of social infrastructure that will be affected by our ageing population and changes in workforce.

5.2 Resource Challenge

Ageing is a resource challenge because high levels of chronic illness and levels of disability accompany this process. In planning to meet the implications of the ageing population, policy makers will need a sophisticated understanding of the likely demands on resources due to requirements of care. This is especially so as aged care nursing was singled out as a sector of the nursing workforce that was in crisis (Senate 2002, xv). A key question will be how to best invest resources in order to compress illness and extend 'active life' (Fries 1980).

5.3 Health Prevention

We need to consider the extent to which prevention takes a part in everyday health (for example falls prevention, described later in this paper). Effective health promotion programs will be essential using a multi intervention approach that integrates activities across all sectors including health, welfare, education, housing, transport, sports, employers and other community groups. Engaging these sectors is important to promote an informed, sensitive and appropriate response to age related issues in a range of arenas and services. The messages will need to be clear and will need resources to 'redirect individuals to adopt healthy lifestyles that support their own well being' (Treasury 2004).

The need for more education of primary health care providers and community education programs, which start in schools, will need to be available to focus on educating people generally in understanding and sensitivity of the things that have an impact on an ageing Australia.

5.4 Rural and Remote Australia

People living in rural and remote areas of Australia are already 'significantly disadvantaged in relation to access to health services and health care', something which exacerbates their exposure to major risk factors and is reflected in their poor health status (Australian Health Care Summit 2003). Australia's rural and remote population has poorer health than their metropolitan counterparts, with respect to several health outcomes. 'They have higher mortality rates and consequently lower life expectancy and they experience higher hospitalisation for some causes of illness (AIHW 1998). This group will need special consideration when assessing the needs of an ageing population.

5.5 Principles of Equity, Equality, Access and Participation

Royal College of Nursing, Australia states its principles of equity, equality, access and participation to be:

- *equity* means overcoming fairness in the distribution of resources;
- *equality* means having the same effective legal, political, and industrial rights;
- *access* means maximising equality of access to essential goods and services;
- *participation* means expanding opportunities for people to take part in decision making about matters that affect their lives;

- *social policy* is understood to mean: ‘...concerned with formulating and implementing strategies to bring about change that will beneficially affect the welfare of society.’ (RCNA 1999)

Numerous studies have already been carried out assessing the impact that the changing demography in Australia will have on the health of our nation. Treasury might wish to explore some of these from nursing literature, such as, the National Review of Nursing Education 2002 *Our Duty of Care*, designed strategies and recommendations; the Senate Community Affairs Reference Committee inquiry into nursing 2002 *The patient profession: time for action*, made over 80 recommendations; and *The Nursing Workforce – 2010* (Karmel & Li 2002) analysed the main factors and trends that impact on the supply of and demands for, nurses. This latter document works through a number of scenarios that indicate a disjunction between the likely supply and demand of nurses and outlines a number of factors:

- Increase demand for nurses as a result of the ageing of the population and an increase in the extent of part time work
- Exit rates from nursing make it difficult for the workforce to grow, even with an increase in the number of nursing graduates
- The ageing of the nursing workforce that will lead to higher aggregate exit rates (Karmel & Li 2002).

5.6 National Investment in Health

The health care of Australia is a national issue and thus there should be no disconnection between the Commonwealth and States and Territories. ‘Nurses are key players in the health community and aged care sectors, and we believe that governments must adequately invest in both their education and work’ (National Review of Nursing Education 2002, 7). An effective and efficient health care service is essential because this is an area of enormous public investment. ‘The cost of health care is rising, the population is ageing, consumer expectation of the demands on the health system are increasing, and the potential to intervene through new technologies is expanding’ (National Review of Nursing Education 2002, 7).

5.7 Poverty of Older People

The Australian Senate Community Affairs Reference Committee (2004) produced a report on poverty and financial hardship: ‘*A hand up not a hand out: renewing the fight against poverty.*’ This Report states that in 2000 almost one in eight Australians or 2.4 million people

lived in poverty (Senate 2004). The report pointed to the persistence of poverty despite a decade of economic growth, and noted that 'strong economic growth over the past decade has not produced comparably strong social outcomes for many different groups within Australia (Harding et al 2001).

A number of factors contribute to an increased risk of poverty for older people. For those 50-64 years of age, the factors include: unemployed and underemployment; dependent family members; and inadequate income support. For the 65 plus age group, factors relate to inadequate retirement income; increasing housing costs; ill health and disability (Senate, 15:339).

The Senate Report argued that another factor contributing to poverty for older Australians:

...is the changing nature of families. Increasingly older people have responsibilities caring for children, partners and older parents, and this affects their ability to participate in the workforce. A large proportion of older Australians have not had the means to establish an adequate income for their retirement. They may have been in low paying jobs, been unemployed for periods of time, experienced underemployment or had family responsibilities which precluded employment or full-time employment. These people have not had the same opportunity to save for retirement and are more likely to be reliant on allowances in the short term and pensions and benefits later in life' (Senate, 15:345)

Some of those in chronic poverty may have to 'live on the streets or have poor accommodation, not being able to purchase necessary food and medication, or having to leave a family home because of the inability to afford rates and maintenance expenses'. This is especially so if the older Australian has not had the chance to purchase a home and they then can become dependant on government income support; they often face high costs through ill health and special needs (Senate, 15:351).

RCNA has recently produced its own discussion paper *Poverty Profile of Australia* (RCNA 2004) and notes that the Treasury might consider this in line with Senate Inquiry 2004 report on poverty and financial hardship - *A hand up, not a hand out: Renewing the fight against poverty*, which outlines many of the areas that will be affected by an ageing Australia and makes many sound recommendations.

5.8 Aged Care

It is interesting to note that the groups of Australian society who will be crucial to our survival in economic growth as the population ages are the very groups that Australian society tries to ignore. If we are to encourage people to work longer (especially in the health service) we will need to change the Australian's perception of immigrants, refugees and older people. We will need to consider some of the work carried out by many national and international studies in nursing exploring these issues. For example Nay & Closs in 1999 looked at problems in recruiting and retaining sufficient qualified nurses in aged care. They reported that four major themes were prominent: image of aged care; personal issues of staff; education/skills issues; work practices and conditions. Their recommendations for tackling these issues are based in aged care nursing, which will after all, be crucial in the next 40 years, and they include:

- Public campaigns to combat ageism within the general and professional health care community.
- Drives to recruit more men into aged care nursing, reducing the extent to which aged care is viewed as supplementary work for mothers.
- Collaborative educational programs that provide positive practice experiences.
- Positive recognition of aged care nursing in undergraduate programs.
- Scholarships and financial recognition of educational qualifications.
- Role differentiation and clear practice models for qualified and unqualified staff.
- New roles for gerontic nurse practitioners and gerontic nurse specialists.
- Research and development of new documentation models.
- Provision of evidence and support to employers that registered nurses are valuable/necessary to their organisation.
- Attractive remuneration packages, balanced with benchmarking best practice.
- Modern management practices, providing opportunities for excellence, research, education, autonomy and job satisfaction.
- Strategies to promote the creation of a supportive work environment in aged care.
- Collaboration between aged care homes and education providers to develop management training programs.
- Encouragement for nurses to undertake advanced studies, and recognition of these achievements.
- Strategies to move towards wage parity across sectors.

- Establishment of guidelines for optimal skills mix (Nay & Closs 1999).

5.9 Falls Prevention for Older Australians

RCNA is carrying out an Australian Government Department of Health and Ageing project to develop a national curriculum for Nurses in General Practice on Falls Prevention under the National Strategy for an Ageing Australia. The aim of the Strategy is to improve the health of older Australians. The National Falls Prevention for Older People Initiative (1999–2003), is part of the Enhanced Primary Care Package (EPC). In 1998 over a 1,000 people died as a result of a fall and almost 50,000 others were hospitalised for injuries from a fall (National Falls Prevention 2000). Falls are the leading cause of injury-related hospitalisation in persons aged 65, and they also account for 40% of injury-related deaths of those over 85 and one percent of total deaths in this age group. The important factor is that evidence indicates that falls among older people can be prevented by interventions targeting multiple risks (Falls Prevention Research Group 2003).

The Falls Prevention Research Group based at the Prince of Wales' Medical Research Institute state that:

‘in terms of morbidity and mortality, the most serious of these fall-related injuries is fracture of the hip. Elderly people recover slowly from hip fractures and are vulnerable to post-operative and bed rest complications. In many cases, hip fractures result in death and of those who survive, many never regain complete mobility. Another consequence of falling is the "long lie" - remaining on the ground or floor for more than an hour after a fall. The long lie is a marker of weakness, illness and social isolation and is associated with high mortality rates among the elderly. Time spent on the floor is associated with fear of falling, muscle damage, pneumonia, pressure sores, dehydration and hypothermia. Falls can also result in restriction of activity and fear of falling, reduced quality of life and independence

Finally, falls can also lead to disability, decreased mobility which often results in increased dependency on others and hence an increased probability of being admitted to an institution. Falls are commonly cited as a contributing reason for an older person requiring admission to a nursing home’ (Falls Prevention Research Group 2003).

This project is typical of the sort of work nurses are involved in and the value of the nursing profession. The anticipated outcome of this project would be to increase falls awareness and reduce the stigma associated with falls for people of 65 years and over. This in turn would increase falls prevention programs and reduce the long term economic drain on the health

service. More importantly it would increase the quality of life and independence of the Older Australian. The College believes this is an important step towards educating an ageing population.

6. Conclusion

Royal College of Nursing, Australia would like to congratulate the Treasury in opening the debate about an ageing population in Australia. The challenge to the Australian Government is how to involve the whole community in the debate and produce a holistic approach to an ageing population. Nurses are the largest component of the health workforce and are best placed to identify strategies for making a difference to the impact of these changes in our society. However, to ensure there is a nursing work force in 40 years time a major rethink and valuing of the profession will have to occur now. Several major inquiries into nursing have occurred over the last few years (National Review of Nursing Education 2002 & Senate Inquiry 2002) as well as the Senate (2004) inquiry into poverty. The recommendations from these major pieces of work need to be carried out with resources attached, to have an impact to improve the working conditions and equity of every day Australians, before the real impact of an ageing population can take hold.

It is also important to remember that Australia is part of a global community. 'Health is global public good' (National Review of Nursing Education 2002, 32). The health, education, social and environmental policies of other countries, along with the international labour market, all have an impact on our ability to meet the Demographic Challenges of Australia. RCNA suggests that the Treasury set up a dynamic task force to explore all the issues that will affect our society not just the monetary, taxation and employment ones but the social infrastructure as well. Society will have changed again in 40 years; people should be able to work in more flexible patterns such as from home, via the internet (or what ever system is faster), regardless of their age or disability. RCNA would welcome the opportunity to provide an appropriate expert nurse for such a taskforce.

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