

Executive Officer
Demographic Change Advisory Council
GPO Box 147
Hobart 7001

Thursday, 26 April 2007

Dear Madame/Sir:

Response to Demographic Change in Tasmania: Challenges and Opportunities, Discussion Paper, March 2007

The Tasmanian Council of Social Service (TasCOSS) welcomes this opportunity to comment on the Demographic Change Advisory Council Discussion Paper, *Demographic Change in Tasmania: Challenges and Opportunities*.

TasCOSS is the peak industry council for the Tasmanian non-government community services industry. TasCOSS' membership comprises organisations and individuals engaged in the provision of services to low-income, disadvantaged and vulnerable Tasmanians.

Social policy opportunities arising from population ageing:

As a member of the Demographic Change Advisory Council, TasCOSS strongly supports the work of the Council, which we believe provides a critical opportunity for Tasmania to focus on and address structural barriers that prevent Tasmanians from participating in the economy and broader community. We believe that the paper provides a good summary of the social policy issues, and concentrate this response on some overall points.

It is our view that the barriers that prevent older Tasmanians from actively participating in the economy are in many respects the same barriers that prevent other Tasmanians from actively contributing to the prosperity of our community. For older and younger Tasmanians poorly designed and limited access to public transport, housing, and basic health services (dental, general practice, etc); inflexible employment practices and cultures; and low education levels that limit the nature and type of work that people can obtain all shape disadvantage and exclusion. They also all underpin the public policy concerns documented by the demographic change paper.

The other common issue between existing disadvantage and demographic change is the need for short-term fiscal and political priorities to be replaced by long-term investment strategies that improve health outcomes, * increase school retention rates and post-secondary qualification levels, deliver appropriate and affordable housing, and contribute to the long-term economic and fiscal health of the state.

* For example, responding to demographic change could assist in leveraging a more appropriate allocation of resources between acute and primary health services. Recent budgetary allocations within the Tasmanian Department of Health and Human Services demonstrate the disparity between services types. The Acute Services Group, comprising the state's three major hospitals and the ambulance service, was allocated \$639.4 million in 2006-07, an increase of 10.1% on the previous year. In contrast, the Community Health Services Group which includes mental, oral, population and primary health services, received \$396.9 million, up by 6.8% from the previous year. It should be noted that Tasmania's rural hospitals are funded within the Community Health Services Group and account for almost 60% of that budget.

Thus, the most compelling opportunity and important issue that demographic change highlights is the need for government, business, and the community to focus on making Tasmania inclusive, fair and just for all its citizens. Demographic change is an opportunity for Tasmania to debate and determine the future direction of the state for the next fifty years – it is a debate that we at TasCOSS welcome and support, and ultimately hope will ensure that the benefits of an ageing population are maximised.

In having this debate, TasCOSS does want to urge caution against two overall currents that underpin the demographic change discussion paper. Firstly, there is a danger that any discussion and possible strategies to address demographic change homogenise older Tasmanians. The assets, skills, capacities, health, needs and choices of older Tasmanians cannot be neatly codified. Of particular concern for TasCOSS is that the specific needs of low-income and disadvantaged older Tasmanians do not become lost within the general analysis and response.

Secondly, and related, the degree to which the discussion paper presents demographic change as a cost-burden, which could result in individuals having to pay more for services (such as health), highlights a danger that certain public policy responses could increase inequities and compound disadvantage. For us, this would be the worst outcome, as it would mean that service quality and health was based on the ability of people to pay rather than on need. TasCOSS believes that the government, community and business need to recognise that there are essential services that the state will have to continue to deliver in an accessible and affordable manner so that low-income older Tasmanians are not penalised.

The paper notes that the fiscal pressure resulting from demographic change *‘is expected to occur at the same time that average household income and wealth are likely to be increasing. However, at the same time, governments will be reluctant to simply increase taxes as this makes the tax regime less competitive, and therefore less attractive, for business investment and for potential migrants (page vi).’*

TasCOSS believes that the state government has a range of fiscal options open to it to respond to demographic change, and we believe that all need to be considered.

Skills shortages, lifelong learning and overcoming barriers to employment:

The skills shortages challenge only reinforces the need for government, business and the community sector to focus on how they increase participation by those who are not currently in the workforce – single-parents, people with a disability, parents caring for children, older males, younger workers, and the almost 10,000 long-term unemployed Tasmanians. A key issue for the Demographic Change Advisory Council should be to identify programmes and support services that encourage and enable people to enter and stay in the workforce.

If Tasmania does want to be a leader in responding to demographic change it will need to become a leader in promoting life-long learning and training. The key to Tasmania’s future will be the skills and capacities of its citizens, and this will require government to increase funding for continuous skills development. Indeed, if we look at areas where there are skills shortages – i.e. dentists and some allied health workers – these are areas in which the state does not have the capacity to train its own workforce.

A final concern that we would like to raise is in relation to the notion that *'government will be under pressure to ensure that the welfare safety net does not create disincentives for people to enter, or remain in, the workforce'* (page 6). Governments of all persuasions need to recognise their responsibility to provide an appropriate welfare safety net that increases people's ability to engage in training and participate in their community. It is essential that government recognises that low-incomes and social disadvantage (poor housing, poor access to health care, dental care, and access to public transport) actually create major barriers to employment. A central issue for the Council should therefore be identifying responses to demographic change that increase incentives within the welfare safety system. That is the opportunity.

The community services industry:

We would like to emphasise that demographic change is most likely going to increase the difficulty that community service organisations have in recruiting and retaining staff, particularly given that the sector is comparatively poorly paid. This highlights the fact that in any attempt to address demographic change the government will have to reform funding models for community organisations to more realistically provide for the full cost of services. Unless the viability and sustainability of community organisations are strengthened there will be an increase in public pressure on government to step in and deliver services.

TasCOSS therefore believes that the Council must undertake more analysis on the impact of demographic change on the community services industry. TasCOSS estimates that the community services industry includes up to 400 organisations. There is little precise data on the Tasmanian industry, but TasCOSS' conservative estimates reveal important indicative data about the extent and depth of the community services industry in Tasmania. The industry:

- employs over approximately 5000 Tasmanians in paid full-time positions;
- employs at least 2600 volunteers in governance positions alone, and more in a range of other roles; and
- combined State, Commonwealth and private investment in the industry is in the range of \$300m to \$800m.

Based on these estimates it is clear the community services industry is comparable in size to many other industries. For example, the Tasmanian information, communication and technology (ICT) industry employs approximately 2,800 full time equivalent employees, while the financial and business services industry employs approximately 5,300 people and contributes approximately \$150 million in wages and a further \$9 million in payroll tax to the Tasmanian economy.

How demographic change affects the community services industry will be a crucial question in designing and implementing program responses in the future, and needs to be considered now.

Other opportunities:

Finally, we would like to put forward the following as additional opportunities that we as a community should seek to maximise:

- The likelihood of greater inter-generational contact, including possibilities for significant mentoring programmes.

- The advantage of a more mature and experienced community with a deeper skills and knowledge base.
- The importance of having flexible employment conditions that enable Tasmanians to stay in employment.
- The importance of seeing older Tasmanians as active citizens with choice.
- The importance of having income support systems in place that are appropriate to support those without superannuation or other assets.

We hope that our comments are useful, and we look forward to seeing the report on possible strategies when it is released.

Yours sincerely

Mat Rowell
Chief Executive Officer