

Phillip ACT 2606

The Commissioner
The Productivity Commission
Level 2
15 Moore Street
Canberra ACT 2600

Dear Commissioner

**RE: PRODUCTIVITY COMMISSION 2011 DRAFT INQUIRY REPORT
'CARING FOR OLDER AUSTRALIANS'**

I am writing on behalf of Soroptimist International Australia Incorporated, a women's service organisation for business and professional women in Australia whose aim and purpose is to improve the welfare of women and girls both in Australia and throughout the world. In Australia there are over 1500 members. Internationally membership numbers are in excess of 90,000 in 125 countries across the globe.

In Australia many of our members have aged parents utilising aged care providers and associated support systems and several of our members actually work in the aged care system.

Because of members' experience with aged care providers and the Health and Aged Care arrangements we were most interested in the draft report 'Caring for Older Australians' generated by the Productivity Commission into the aged care operations.

We wish to make comment on a few of the recommendations.

DRAFT RECOMMENDATION 8.1

'The Australian Government should establish an Australian Seniors Gateway Agency to provide information, assessment, care coordination and carer referral services. The Gateway would deliver services via a regional structure.'

- **A platform within the Gateway would provide information on healthy ageing, social inclusion and participation, age-friendly accommodation, and also information on the availability, quality and costs of care services from approved providers, and how to access those services.**
- **Assessments of the needs of older people would be undertaken for their potential entitlement to approved care services, with the level of assessment resourcing varying according to anticipated need.**
- **An aged care needs assessment instrument would be used to conduct assessments and an individual's entitlement to basic support, personal care and specialised care, and carer support. Assessments of financial capacity to make care co-contributions toward the cost of the services would also be arranged.**

- **Initial care coordination services would be provided, where appropriate, as part of the Gateway. If required, case management would be provided in the community or in residential aged care facilities by an individual's provider of choice.**

The Gateway would be established as a separate agency under the Financial Management and Accountability Act 1997

We have noted the recommendation for a 'one stop shop' for all issues relating to aged care providers and the requirements preparatory to entering aged care facilities and agree this would be very useful.

Members mentioned that they found organising an ACAT assessment for their parents and trying to find out what the potential costs to their parents would be, should one of them move into either hostel accommodation or other nursing home facility quite frustrating particularly when the parents or aged relatives lived in another state. I found I had a similar problem with an elderly relative. Several phone calls were required, many of which were interstate and at peak time as well as a visit to a Centrelink office where the booklet was finally obtained had to be undertaken. Fortunately I am retired but found that the individual agencies either unwilling or unable to assist me in my pursuit of an ACAT assessment or explain the process. Many members still in the work place found the process even more frustrating. The correct assessment team has to be identified and then contacted to arrange an appointment. In my case after obtaining the booklet, it was not until I travelled to Brisbane and was able to find some obliging staff on the other end of a phone call that the ACAT assessment could be finally achieved the next month.

The recommendation that there should be the establishment of an 'Australian Seniors Gateway Agency' to provide information, assessment, care co-ordination and carer referral services is definitely needed and would have been helpful to those of us who do not have any experience of aged care arrangements.

Most elderly Australians have children but there are many older Australians, particularly single women who without family or family support may find a 'one stop' shop very helpful. However should they have reached the frail age stage without acquiring information on the availability of aged care services and facilities available to them, even a 'one stop shop' may not be helpful to them.

Whether a separate agency should be set up under the *Financial Management and Accountability Act 1997* is debatable as the establishment of a separate authority is an expensive option.

DRAFT RECOMMENDATION 6.2

'The Australian Government should adopt the following principles to guide the funding of aged care:

- **Accommodation and everyday living expenses should be the responsibility of individuals, with a safety net for those of limited means'**
- **Health services should attract a universal subsidy, consistent with Australian public health care funding policies**

- **Individuals should contribute to the cost of their personal care according to their capacity to pay, but should not be exposed to catastrophic costs of care.'**

Data shows that the current generation of older people is significantly wealthier than the previous generation. However if this recommendation proceeds many will look to re-structure their assets through the sale of the family home or the transfer of financial investments through gifting them to the next generation, early in their old age. This will be done in order to protect their children's inheritance and the home sale contract will provide for lifetime tenure for the aged person/s to ensure they can continue to live in their former home without the home being treated as an asset. For those that deal with Centrelink this would be done well before any application for a pension or part pension was undertaken. When these aged person/s need to enter either residential aged care or use home based community aged care services they will be found to have no assets to draw from and will not be able to contribute to their accommodation, living expenses or health services and would become what is now termed a 'supported' resident. A whole new and unproductive estate planning industry similar to that which now exists in the UK may develop whereby lawyers assist the older generation to divest themselves of assets in their 60's to ensure they have few or none left should they need to use care services or enter residential aged care in their latter years. Assets would be carefully passed on to the next generation and not available for funding for their care. Should this report's draft recommendations be adopted, current data on the proportion of home owners in the 50-60 years age group may not necessarily reflect the proportion that will be assessed to be 'supported' residents when in the 70-80 years age group, and potentially in need of care.

Assessing the family home for the purposes of care would be the thin end of the wedge and the first step in the process of government departments widening the net of the pension and assets test. Other Government departments would see that aged care had now set a precedent to assess the value of the family home for the purpose of obtaining aged care support payments and that they could also widen this to allow any other expended funds i.e. pensions, to also be 'clawed' back from a recipient's assets at the time of the sale of their home or death, whichever occurred first. Middle class Australia would be concerned about the precedent that this report is establishing. In the Australian context any fiscal attack on the family home is almost certainly an election losing strategy for governments of any political persuasion. In Sir Humphrey's words such actions would be greeted with the comment 'that's a very brave decision Minister'!

In reality it seems that those who have paid taxes throughout their working lives and have planned for their retirement, thus saving the government having to pay them the aged pension, will receive a definite penalty for forward planning for retirement and providing for their children's' future financial well being.

DRAFT RECOMMENDATION 11.2

'The proposed Australian Aged Care Regulation Commission (draft recommendation 12.1), when assessing and recommending scheduled care prices, should take into account the need to pay competitive wages to nursing and other care staff delivering aged care service.'

The wage differential between registered nurses working under awards and enterprise agreements in state government health sectors and the aged care sector is more than 44%. To be

effective in influencing more registered nurses to freely shift from the state government health sectors to aged care then the wages paid must be greater than any registered nurses wage that would be paid by any state or territory government. The wage rate must be adjusted regularly to ensure the wage premium is maintained. Consideration should also be given to registered nurses being provided with an attractive initial starting bonus and an annual retention bonus to ensure aged care homes rapidly acquire safe registered nurses and personal carers staffing levels. Safe registered nursing staffing ratios must be mandated, together with personal carers' ratios, and these ratios should not be interchangeable. The ratios need to be developed, implemented, reported on and assessed as part of the regulation of aged care homes through the new regulation authority. The accreditation standards need to assess and publish for public view whether the home complies with this specific outcome on staffing ratios.

Registered nurses conditions of employment must also be reviewed to ensure staff are offered incentives to widen their scope of clinical practice, undertake further study in clinical areas and management. Significant extra funding needs to be provided to universities and colleges to increase the numbers of qualified nurse practitioners in the area of aged care. In reality senior registered nurses in aged care facilities should have similar authority to Nurse Practitioners and need to be acknowledged for their increased responsibility in this specialised workplace, with appropriate remuneration.

Reducing registered nurses span of control must also be addressed by employers and can only be done by employing more registered nurses 'on the floor'. Providing more registered nurses will ensure their greater retention, provide greater and safer supervision of personal care staff, and provide better quality of care for residents. This will result in higher levels of compliance and reduce the risk and cost of increased unannounced and announced support visits from regulatory bodies, including complaints and accreditation bodies. Current staffing profiles in urban and rural settings rely on loyal but aged registered nurses and enrolled nurses and/or registered nurses poached from other less developed countries that are willing to work for the period of time on their 457 visa at much lower rates of pay than government sector nurses. These nurses require significant supervision as their aged care role is frequently much wider than it was in their home country, and includes advanced assessment and analysis skills and the capacity to provide clinical leadership and governance. Other government health sectors attract these registered nurses as soon as their 457 visa contract is due to expire and they are lost to the aged care sector after being provided with a great deal of industry specific training. Providing higher wages than the government sector will go a long way to retaining these registered nurses as well as attracting new younger nurses looking to work in an area that promotes further study in clinical and management areas and provides them at the same time with bonuses and significantly higher paid work than the government sector.

DRAFT RECOMMENDATION 12.1

The proposed Australian Aged Care Regulation Commission in assessing and recommending scheduled care prices, should take into account the costs associated with:

- volunteer administration and regulatory costs
- appropriate training and support for volunteers
- reimbursement of out-of-pocket expenses for those volunteers who are at risk of not participating because of these expenses.

We noted the above recommendation but although we looked through the report we could find no substantive comments on the volunteer workers that many nursing homes rely on for assistance in moving patients to various activities within the Aged Care facility or entertaining them on a regular basis. Without these unpaid volunteers, many of the residents would miss out on socialisation, and there doesn't appear to be any costing of the contribution that these members of the public contribute to the well-being of residents of aged care facilities. Furthermore should volunteering become too expensive for the individual as their pensions decline and general cost of living increases, then the wellbeing of residents will be jeopardised.

GENERAL COMMENTS

Mandatory staffing ratios. Page 365 of the report – Para 6, states *'Given the variable nature of aged care clients' needs and the accreditation requirements to provide quality care, there does not seem to be a need to introduce mandatory staffing requirements. If staffing levels are considered to be inadequate, then the accreditation process (supported by the complaints process) should be the mechanism by which such inadequacies are rectified'.*

The accreditation standards are written loosely and do not provide the public with sufficient prescription with regard to what is an adequate and safe staffing level for both registered nurses and personal carers in aged care homes. There is continuing reluctance to report issues about perceived inadequate staffing to the management of a home or through the formal complaints mechanisms, not only for fear of retribution for the resident and complainant but also because residents' representatives invariably have no other choice but to use residential care. There is often no other suitable aged care home to use in the region.

Aged care quality assessors interview residents and their representatives at site audits and at support contacts and the greater number of comments made to them by representatives relate to the need for more staffing in general 'on the floor'. Comments are made specifically about the high levels of agency staff use, and not being able to find a registered nurse who knows their resident's needs. Comments often are made about weekend and night staff being 'very thin on the ground'. One representative visited their relative at 4.30pm Sunday afternoon in a dementia specific home and 'found eight of the ten residents in the wing tucked into bed'. The one personal carer on the wing advised that 'they were told to put them to bed early due to reduced staffing'. Whilst no standard or outcome was breached and the dementia residents appeared content to have been put back to bed, best practice in the provision of a stimulating environment for these residents was not upheld, and this was due to non-mandated and inadequate staffing levels. Mandatory staffing levels would provide opportunities for not only the home to comply with, but also the public to use, as a measure for their own satisfaction that adequate numbers of registered nurses and personal carers are on duty and able to care for the residents. Other members have pointed out that this 'early bedding' of residents was not just an issue with dementia residents but is a regular feature of aged care facilities, where residents are regularly put to bed at 4pm and then fed at 5pm while in bed.

With no required mandatory staffing levels homes may creatively provide registered nurse coverage across a number of geographically remote homes, all under the same corporate structure. This is done to minimise costly registered nurse staffing requirements particularly after 5pm on a weeknight and over the weekends and uses the interpretation of 'registered nurse supervision'. In these situations care staff must make an assessment and a clinical decision as to

whether to call the registered nurse who may be living quite a long way away. When issues arise care staff, including the often high levels of agency staff, are often reluctant to call the registered nurse for fear that this may be seen to be a reflection on their ability to effectively 'manage situations that arise on their watch'. Residents' representatives interviewed at accreditation and support visits on site, discuss their concerns about this loose interpretation of registered nurse coverage and raise fears that there is insufficient professional care for their relative/resident because of the home's lack of a 24 hour on site registered nurse. For example, one resident (a Soroptimist member's mother) was left in pain with an injured arm after being found on the floor and did not have any pain assessment or management till the registered nurse came on duty at 9am the next day when she was sent to hospital and diagnosed with a fractured arm. This situation arose because the on duty personal care staff did not have a registered nurse's assessment skills and did not ring the off-site registered nurse who would have had to be called back on-site after already completing a full 8-hour day at work. Creative registered nurse coverage such as the above does not imbue consumers or residents' advocates with confidence that their relative/resident will be safely cared for in all situations.

The need for mandatory on site staffing levels is further highlighted because of the structural environment of new aged care facilities that invariably include single rooms with en-suites that provide the home with a very large footprint. Inadequate staffing leads to infrequent rounds that do not provide the public with confidence that their relative/resident would be found if they had a fall, particularly at night, with the larger floor areas and lower staffing levels. Relying on frail or dementing residents to use technology effectively or to press their buzzers calling for help is quite unrealistic and an act of futility. Only more carers and registered nurses on site and 'on the floor' will address this pressing issue for vulnerable residents in aged care homes throughout Australia and their advocates.

Final comment

On a more philosophical point, is it a just society where those that have worked hardest during their lives and saved money and not spent their savings frivolously, on reaching the time of their life when they need some form of home based community or residential care should have their savings stripped away by the government, whereas those that have no savings and no assets except the pension receive similar and/or equal care? The small number of wealthy families in our society will not be contributing and traditionally have not contributed to bonds or care, as all their assets are well bound up in clever and legal trust structures well before they need care or financial support. These families have ensured their estates will benefit their families not an aged care provider or the government. We hypothesise that the number of people reaching old age with no assets will grow exponentially as middle class Australians copy the ways of the wealthy and divest themselves of their family home and assets well before reaching the age that they may need to use the services of either community or residential aged care providers.

We hope that the issues we have raised are acknowledged in the final report.

Catherine Evans
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