

22 April 2013

Committee Secretary

Senate Standing Committee on Community Affairs

PO Box 6100

Parliament House

CANBERRA ACT 2600

Dear Committee Secretary

**Senate Community Affairs Inquiry into the “ Living Longer Living Better Bills”**

I am making this personal submission seeking the Committee’s consideration of a number of concerns I have with the Bills and the policies underpinning them. I was very pleased to have made a personal submission to the Productivity Commission’s Inquiry into aged care as I had seen the inadequacies of our current system having cared for 3 of my loved ones through home care and residential care in both New South Wales and the ACT. I was horrified at the lack of care they received due mainly to an overworked and underpaid workforce. The Productivity Commission’s findings created some hope that things would improve and indeed the Government’s announcements on policies continued that hope. However, in the end product, I have concerns that there are some real problems.

- My major concern is that the reforms will not address the need to have sufficient well trained carers to meet the huge demands the growth in aged people will make on the sector. Not only will there be a huge growth in the aged population but initiatives, such as the NDIS, will also make extra demands for care workers. Currently workers in care are generally paid such low wages in such a demanding job that there is a big turnover in staff. While there has been an increase in training provided for aged care workers, the benefits of this training are frequently wasted through a big turnover in staff. The workforce supplement, while in theory providing better conditions for workers , will only be of benefit in those organizations which can meet the additional costs required under the Workforce compact in training and other on costs. As the full supplement goes to the worker, the provider is not reimbursed for their expenditure in other costs relating to the Compact. It is also noted that the Supplement is actually not additional funding but taken from elsewhere in the aged care budget, thereby reducing other services. The supplement should be additional funding and not taken from the aged care

budget. Many providers will not sign up for the Supplement If it is not financially viable to do so ie they do not get funded for the on costs.

- The loss of the retention for the accommodation bond means that aged care providers have less certainty over cash flows for rebuilding or building new facilities. The retention amount enabled providers to have some certainty in terms of the funding they could use for facility development. I expect this loss will especially impact on smaller providers and there will be a reduction in expenditure on facilities. I fail to understand who this change in policy benefits. Certainly not the person in care, as the deposit is not refunded until after they leave the care facility.
- The Gateway, while not directly detailed in the legislation, is a major concern in that there is no provision for face to face contact. All contact will be via telephone or on the internet. Anyone who has received Centerlink support knows the value of being able to meet face to face and discuss issues. This need is even more so for aged people and their carers who will be faced with an appallingly complex system of charging and options for home care. All this is at a very stressful time in their lives. If Centerlink consumers can have face to face meetings then so should aged people with often reduced capacity to understand complex issues.
- I strongly support the need to review the reforms in 4 years time, particularly given the speed with which they are being introduced. It is unfortunate that there was insufficient time for many of the reforms to be trialed and evaluated especially the funding models and the charging for on costs. There certainly needs to be some system for baseline on costs to prevent cross subsidies. It is admirable that there will be increased transparency with overheads charged and itemized in consumer accounts in home care, however I expect some consumers will be reluctant to pay them.
- It is good that the Government has not proceeded with the private insurance option for accommodation deposits. It is listed as an item for consideration under the review of the reforms, however, I believe it should be not considered at all as private insurance is not as certain as Government insurance and it is just an attempt at risk reduction by Government instead of protecting the older person's money.
- The speed with which these wide reaching reforms are being introduced means that providers are having real difficulties in finding details to change their systems and train and recruit suitable staff. It would be preferable to pilot and fully evaluate the impact of new services such as the Gateway and some services such as Consumer Directed Care. Consumer Directed Care, while admirable in intent, will have higher overheads and the actual proportion of the package used for service will be less as providers struggle to meet the broad service demands of consumers and as they compete with other providers.
- There should be something in the legislation which says it is the right of every aged person to access aged care. Currently there are insufficient packages and also delays in assessments where time is critical. I have observed people who have had to wait so long for home care assessment and package that they have deteriorated and are forced to go into home care. Such lack of

access is not in keeping with their human rights and may be of interest to the Aged Care Human Rights Commissioner.

- I believe if we set staff consumer ratios in child care, it is essential to do that in aged care. I know people say the needs of aged people are too diverse to do that, however, a minimum ratio can be set. I have witnessed totally inadequate staff numbers in a dementia ward in a facility which won building awards. It looked nice but there were totally inadequate staff numbers. Dementia patients were not being fed, only 1 person on duty working in a client's room while the common rooms were unattended. We had to telephone for assistance to leave the facility as no one could be found to let us out. I had to assist people as no one was around to do so. These are just a few examples of how some providers gave priority to building and profits and not to staffing.
- The complexities of the charging/ funding models for residential care are a nightmare for the consumers and I expect the providers. While I agree that people who can should pay and support the broadening of the asset and income tests, I think the models have been dreamt up by people who want a career in financial advice for aged care. No one could easily understand this system let alone the aged person. This will cause much stress and uncertainty. The calculation methodology of charges will create uncertainty for providers and consumers. Make it simple. The impacts of these calculation methods need to be included in the review.

I do applaud the Government for trying to make major reforms, however, I think there are many times where the policy may be good but the strategies for implementation are not. These reforms at times make the system more complex and do not provide a good footing to deliver the huge increase in services which will be required now and into the future.

Yours sincerely

Georgina Pinkas

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