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21/8 AUG 2007
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Submission No.	146
Date Received	

Dr Nicholas Horne
Legal & Constitutional Affairs Committee
House of Representatives
Parliament House
Canberra ACT 2600

Dear Dr Horne,

The financial abuse of older people by the Government

I refer to your public inquiry into older people and the law.

I looked after my mother at her home as long as possible. It has been a dispiriting journey since her only option became a nursing home. While my mother is in, what is considered, one of the better run nursing homes it is very sad to see her assets being eaten up to pay for basic care. It is everyone's worst nightmare to end up in a nursing home, but to lose all your assets in the process is beyond cruel.

When you are forced to start looking into nursing homes the literature refers to an income tested fee. It is all very vague and no one can tell you how much a person would have to pay until the person concerned enters the nursing home and actually completes the form. The literature should be amended to state very clearly that if the person has any assets and that person is in a nursing home for any length of time he or she will lose most of their assets.

The way the income tested fee is calculated, money that is withheld in tax, which the resident never sees, is deemed to be earning 5%, the medicare levy is deemed to be earning 5%, all my mother's superannuation which goes towards the cost of her accommodation fees is deemed to be earning 5%. People in this position are in effect being taxed on their tax. If the private sector operated such a system it would be shut down by law enforcement authorities.

The government talks about the user pays principle. However residents in nursing homes are there for medical reasons. They need specialised care. People like my mother have paid taxes all their adult life. They should be able to recoup some of those taxes for their medical needs when they require nursing home care, instead of having their assets pillaged by the Government.

My mother is a child of the depression and as a consequence lived a frugal life. She wanted to leave something to her children but most of her assets will over time go to the government. She currently pays approx \$110 a day just in accommodation fees and we

have been informed this will go up again shortly. As I visit my mother in her nursing home 6 days a week I get to talk to other daughters and relatives. It is bad enough worrying about the well being of our loved ones without the burden of sleepless nights caused by the financial aspects. Residents on pensions are forced to sell their homes after 2 years and then lose their pensions. One daughter who is an only child, will be forced to sell her mother's home, where she has lived all her life, in 18 months time and will then be homeless. She is the sole beneficiary of her mother's will but the home is their only asset. The daughter had to stop working at 49 and has only a very small superannuation payment and no savings. The worry associated with her financial situation is making her sick.

I have learnt a bitter lesson through my mother's situation. If I have the terrible misfortune to have to go into a nursing home I am not going to be penalised twice. I am going to use up my assets before hand.

If your committee is really concerned about the financial abuse of older people you will need to identify the government as the main abuser and seek to rectify the situation.

Yours sincerely,

Carol O'Connor

29/7/07