

**Submission made in response to the
Productivity Commission Report into
Inquiry Into Aged Care
Made by Ukrainian Elderly People's Home
Delahey, Victoria**

March 2011

Response to Draft Report:

The response to the draft report is in two parts. The first is regard to the comments made on special needs groups and in particular people from a NESB/CALD group. The second is in regard to the general tenure of the report and its implications for Ukrainian Elderly Peoples Home and the industry.

Comments on NESB/CALD section of the Report:

The recommendation on special needs groups (9.1) fundamentally ignores the large number of culturally specific groups around Australia. The report is suggesting that culturally appropriate care can be provided through language skills only which ignore the many cultural traditions and beliefs that surround appropriate cultural care. This part of the report needs to be revisited in detail. Suggesting that all mainstream providers need to do is to have an interpreter is in complete ignorance of cultural issues.

- i. For example, it would be similar to taking a “stereotypical” Australian and not provide any cultural surroundings or support (such as no access to football, cricket, not respecting ANZAC or Australia Day), and then justifying that cultural care is being provided because they were spoken to in English. While this may sound extreme it is what the report is suggesting we do with the many different cultural groups around Australia.

In our initial submission we made the following suggestions for improvements in the area of providing appropriate care for multicultural groups:

1. That the Aged Care system recognises the importance of providing culturally specific care, and to this extent, provides appropriate support to small and medium sized organisations in order to offer people from a cultural specific background the level of care appropriate to their needs, such as, but not limited to:
 - i. Training in critical areas such as infection control, food safety, fire safety, etc;
 - ii. Registers of culturally specific health professionals;
 - iii. Providing resources for culturally specific events in order to maintain the elderly with their connectedness to their communities, traditions and heritage.
2. The Aged Care system provides the resources to maintain small to medium size organisations with staff that are appropriately trained for the purposes of providing the environment for the elderly from a culturally specific background and are paid a rate that is commensurate to their position in providing this care.
3. That the government partners with community based organisations that represent the various culturally specific groups in order to provide the infrastructure and support to meet the needs of these communities and ensure the elderly have access to services that cater for their cultural background.

The report in no way addresses these issues and sidelines the multicultural debate about what is appropriate care to “having an interpreter”.

Therefore, funding for the above needs to be recognised in the care component of the payment recommended in the report and reflected in the practices of aged care providers accordingly.

Comments on General Tenure of the Report:

The report is high on concepts and low on detail as to how these proposals would work in the “real world”. To this end, the report fails to provide a migration path from the current to the new proposed system, with many measures likely to take a considerable period of time. Our major question here is- How will elderly people from an ethno specific background access services with NO clear pathway or information?

The concept of an “open market” in terms of no licences, but merely a market for care, as it best suits the client, would seem to ignore some of the fundamental issues surrounding aged care. These being:

- The nature of the client and their ability to seek out the best possible care for them in an “open market”.
- The likely introduction (as the result of lowering the barriers to market entry) of providers unable to perform their operations on a consistent basis and who will enter and leave the market on a short term basis.
- The use of the “open market” will provide an environment for market failure (such as ABC Learning in childcare), and the report does not indicate what measures would be taken when market failure occurs (as failure is a product of an “open market”).
- The “open market” will produce a strong demand for services, but the supply of funds will still be controlled by the Government and therefore supply and demand are likely to mismatch on a regular basis.
- The “open market” is also likely to drive down prices for the co-contribution payment made by the client, as providers compete for “market share”. This will lead to poorer quality outcomes for care and less wages and/or staff for care than is currently available.
- In an “open market” situation the marginalised will miss out on services or be maintained with sub-standard care.

The report may give an indication that more money may be available for services, be they care or accommodation services, but it is unclear as to how the Government will control its fiscal risk, including:

- The number of recipients who will be eligible for care services, compared to the funds available for such services. The only clear way that the Government might mitigate its risk of very high expenditure is to control assessment through the “Gateway” process. Therefore, there is likely to be a large number of people waiting to be assessed, but for whom there is no money for services. These people will not receive any care until funds becomes available. In this case the funding shortfall, which currently exists, is likely to be shifted from the care provider to the client in waiting as services not available.
- The other outcome of this is the possibility that a provider may be servicing around 100 to 200 clients, but as a result of deaths these numbers are reduced to say around 80 to 150 clients, but they will be unable to take on any further clients as the “overall pool” is “full” from a Government funding perspective. This will place the business of the provider in jeopardy and is something which the provider will have no control over. This level of business uncertainty will provide a mechanism for “market failures”.
- There is no clear indication in the report that Government will provide any further funds for existing services, or for the future. The only suggestion of an increase will be from the client, with the current client (and the likely clients over the next 5 to 10 years) base unable to afford any increase in costs as most are on an aged pension.

Finally, the increase in regulatory bodies would appear to be an ancillary measure rather than a restructure. It is unclear what the role of government departments will be in relation to the new bodies and there may be some issues about who may be responsible for different parts of the system, in particular with regard to overall funding from the Government.

Therefore, rather than an “open market” system, aged care requires a system which will allow access to services by clients and a sustainable method of providing those services. This can be achieved by retaining the current licensing system and providing an “open market” with the licenses to be utilised across all spectrums of care as the clients needs variety from time to time. This is the “flexibility” that is required in the system to allow proper access to care and sustain a care system which is there to provide quality care to elderly Australians.

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