

## **Submission to Productivity Commission Aged Care Study**

This proposal is a personal submission to the study team, based on my own experience with family members who have needed support, and a reading of the study report summary listed on your web site.

I would like to congratulate the team on their very thorough and comprehensive study report on the topic. My contribution is confined to three areas of the report in which I have an interest. These are:

- Funding sources
- Support to Aged Care facilities
- Exercise regimes associated with Ageing

### **Funding Sources**

The report has a significant number of references to the costs which will be incurred in the future to support an ageing population. It includes a mixture of both self funding options and Government taxing and funding. The report identifies the increasing costs of providing this service as our population ages, stating a figure of approximately 1.5% of GDP by the Year 2050. This is large impost on the population when taken into account with all the other expenditures we will have as the population grows.

I believe there is a large source of funds which should be available for this task in the form of Superannuation. It is my understanding that the combined compulsory and voluntary contributions in Australia amount to about \$50 – 60bn/a. The Government introduced compulsory Super to cater for Australians in their old age, and the significant amount of funding it has generated, has seen the development large Companies managing these funds on behalf of the work force. I believe these Companies have a Community Service Obligation to invest a small fraction of the amount into the Aged Care sector. It must be expected that this investment may not give the returns obtained from other investments but it will give a return, and I see it producing the following advantages:

- The need would be met by a small % of one percent (possibly as low as 0.1 %) of total Super funds per annum, but could be provided from a source contributed to by all working Australians.
- A continuous source of funds should see an improvement in the total service to the Aged Care sector with new entrants into the market and a correction to some of the funding issues which are highlighted in the report.
- The Government and individuals would not be required to find more money, we are just using funds which were introduced to assist an ageing population when they have retired.
- Commercial oversight by investment companies could result in better Aged Care outcomes on the basis of value for money considerations.

I envisage a process by which an assessment is made of the need for funding Aged Care, and legislation is enacted which obliges the Super Industry to make available funds to the Industry on an annual basis to meet the need. These funds should cover both infrastructure and employment costs, but should involve some Industry oversight to ensure the funds are not misused.

In this way, the service can be funded without additional impost on either retirees or the Government.

### **Support to Aged Care Facilities**

This observation is made on the basis of visiting family and friends in Aged Care facilities.

In a large number of cases people in these facilities seek attention for many reasons which could be provided by untrained people. Unfortunately, the task falls to very busy highly trained staff who get run off their feet trying to meet every one's needs, and then leads to the issue of nurse to patient ratio's.

I believe a scheme could be considered whereby aged care facilities be allowed to engaged local student help, in return for a waiving of future HECS fees associated with University study, which would allow them to carry out tasks such as reading, talking to patients and taking them for short walks. This would release fully trained staff to concentrate on the important medical tasks only they can deliver.

I suggest this to the Dept of Health about 10 years ago when I observed these issues fist hand, but nothing came of it. An added advantage of such a scheme is that some students taking part in the program may see aged care as a vocation they may wish to pursue.

### **Exercise regimes associated with Ageing**

I am 71 years of age and have been very fortunate not to have been seriously ill or broken a bone, to date. This is not the case with many of my friends and former work colleagues who have had significant health issues, many of them associated in later life with falls.

I attend a one hour weekly program at the ANU run by Kit Laughlin Associates which is called Posture and Flexibility for over 40's. A portion of the Course is spent doing balancing exercises. I believe that a Govt funded program to introduce balancing exercises nationwide could result in older people living independently for longer by reducing the number of medical conditions caused by serious injuries due to falling.

I believe it is worthy of consideration as the Menzies School of Medicine recently released figures identifying the extremely large medical bill involved in the rehabilitation costs for older people as a result of falling accident.

Yours Faithfully

Don McDonough.

25 Jan 2011