

Submission re Draft Report

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## Caring for Older Australians – Productivity Commission Draft Report

### *Preamble.*

I would like to make comment on the draft report. I have read the report from cover to cover and that much of it does not appear to stand up for the rights of the 'proposed inmates' and seems to be more aimed at what the Providers want at the expense of the incoming vulnerable elderly. Much of it does not cover my field at present although at my age 76 could be just around the corner. My situation will not allow me to purchase a \$ 300,000 bed.

The thing that comes out glaring is that the elderly are again to be exploited and transfer their wealth to the so-called conglomerates that will become the providers. That is from many of the people against all odds, who have built up their assets, paid their taxes, now have to pay for their aged care by taking out either a reverse mortgage or sell their house to enter the aged care facility.

The report further states that the industry is over regulated; this comment could only come from the providers, who in turn would further like to exploit this vulnerable group (the elderly). Providers only want 'spot checks' on their institutions. The recent Central Coast debacle should rule this out. An independent body not an industry related organization should always carry out accreditation. Aged Care accepts a lot of government funds and expects no checks. I do not think the taxpayer or the general populace would be happy about releasing moneys to a private conglomerate to bolster their own bottom line. The providers further want the family home as well to obtain an aged care bed.

In my current situation that I am in unfolds below. I have seen, experienced the exploitation of residents by the unscrupulous, who state they care for their residents. The only care that they show is how best they can turn over the 'product' to swell their coffers. Unfortunately their (providers) modelling has come off the rails as many of the 'products' are living much longer than they expected. This is one that is currently affecting our current industry.

### **Contents Section 10 page 301 et seq. Age-Friendly Housing and Retirement Villages.**

This is an area that I have much experience as I have resided in a Retirement Village for 11 years and **know the pitfalls and vagaries that this area/industry can excel at.**

I will keep my remarks and comments on and to the keypoints to this specific area (Retirement Villages)

#### *Keypoints 1 & 2*

*Age-Friendly Housing and Neighbourhoods.....etc.*

*Universal design Standards.....etc.*

Both these facets have an important bearing on all aspects and effects on health and quality of life. Retirement Village living is an attempted throwback to the earlier years in the 20<sup>th</sup> century, where you knew your neighbour, you came to their assistance, if they needed help and the converse applied to you. However many changes have now affected us in that we have to have security to protect us from hooliganism, vandalism, graffiti, stress (unsecure) etc. not only in our housing, but also on the street. Many residents do not indulge in nightlife because of the abovementioned situations. Usually they close their doors at 4.00pm and do not reopen them until 8-9.00am the next morning. Similar circumstances would apply to those who live in their own homes, bars on their windows, substantial door locks etc. Many have moved out of their area and find that obtaining a new doctor, dentist, chiropractor or other medical and assistance services (example Home Care, Meals on Wheels) can be quite daunting, whereas those that elect to stay in their own

home or same area still retain the foregoing benefits and therefore have no need to seek the new services.

Standardisation of housing can be good and can be bad. Many of the newer Retirement Villages have adopted the wider Halls, Doors, Bathrooms etc., whereas to adopt this in a standard home, could affect the sale price of that property, as well the renovations could be a nightmare.

#### *Keypoint 3*

#### *Most States and Territories.....etc.*

It is generally conceived that countrywide standardisation is a good thing, because if you know that 'A' occurs in NSW then it will also occur in the other States and Territories. I do not agree with this deliberation on the basis that a national body as opposed to the current state ones would transfer all power to Canberra in that it would make it easier for the 'big end of town' (operators/developers) in a number of ways. Examples: - they only need to lobby one area of Government for the okay in the planning field to meet their (operator/developers) needs. They will only have to understand one Act in lieu of all the various State Acts. They will have stereotyped services for each village, whether they (residents of Retirement villages) want them or not or whether they (services) are applicable to that village or not. They will add to the burden of the 'inmates' despite the so-called 'economies of scale' that we hear so much about, but never seem to deliver anything good for residents other than to increase their charges and costs. They will also have far flung 'empires' and the added costs of these will surely filter down to the residents in Retirement Villages.

You will not be able to get a direct answer from the local manager, because it will have to be forwarded to Head Office for decision on a problem or an item, which in turn will cause delays in the answering and this is what the operators want. They work on the theory that the longer the delay then the residents will give up and the problem will go away. Residents '**Rights**' will be further eroded as we again head towards the Mediaeval Ages (Lord of the Manor and Serfs). There will also be a greater transfer of wealth and assets to the 'big conglomerates' by the residents or their executors as well as a myriad of other items etc.

#### *Keypoint 4*

#### *Building Standards.....etc.*

Yes standardisation of the Building Standards for all types of housing could be effected through the Standard Australia e.g. Plumbing Code of Australia. Establishment of multi storey buildings should be resisted, because with the event of power failure, lift failure, fire or other disasters it would be difficult to evacuate the elderly from the upper storeys. My own Village is an example of this, where in the two storey blocks there is only two exits the front and the back door, also the blocks are joined by a wooden floor. The entry and exits are all right for the downstairs units, but the upstairs do not have the benefit of the downstairs ones in that should say the 'fire' be in the front of the unit their only choice is the back door that leads to a verandah without any access to stairs that leads to the ground floor. Thus necessitating the elderly to jump the 3-4 metres to the ground or try and lower themselves by some other means. Yes you will say that the towers have fire escapes or exit stairs, however this may be so but would depend upon where the fire is and if the elderly resident can move from floor to floor to get to such escape hatches in the event of any of these disasters.

One prime example was the multi storey Retirement Village tower built at Labrador, Southport Qld that did not sell and finished up in the hands of the liquidators, because it was unable to attract people to it. I believe the foregoing is one of the reasons that it failed as a retirement village.

#### *Keypoint 5*

#### *Development of Aged-Care Friendly Communities.....etc.*

Yes a return to the 1920's, 30's, 40's and 50's would be ideal where neighbours helped neighbours and people knew who lived next door. I covered this aspect in Keypoint 1 & 2 above, but as a

national approach to a 'best practice' many people would be suspicious and cynical about such an approach as being paternalistic, 'big brother', adult to schoolchild etc.

*Keypoint 6*

*Stamp Duty and Asset Test.....etc.*

The draft report seems to explain this transfer of wealth from the poor, moderately rich to the rich that seems to be the norm these days. This is just a ploy to feed the greed and avariciousness of the major proponents as well as a 'cop out' for the Government.

*Keypoint 7*

*Older Australian who Rent.....etc.*

The statement here is true and all governments need to play a major role. These vulnerable elderly people (no matter how true this is it is starting to become a hackneyed phrase) along with their counterparts in retirement villages have little opportunity of getting in to '**better care**', because as I have mentioned earlier they are being 'robbed blind', ripped off by landlords, big conglomerates etc. Most of the elderly are not 'fly by nights' but are treated shabbily by all sectors of the community and in particular government. So what chance do they have of reaching this so-called better higher care?

*Keypoint 8*

*Legislation at State & Territory Level.....etc.*

Inhibiting investment in Retirement Villages there would be a number of examples here that would be appropriate. You can get them from the Internet and they not only apply to this country, but worldwide or wherever there are retirement villages. There is little or no investment in a retirement village by a person coming in as a resident. The only people who make money from retirement villages are the big proponents (conglomerates and so-called not for profit organisations) plus their shareholders. The Commission has looked at it only from one side that is as mentioned the 'big proponents'. The Government lacks desire to enter this 'minefield' other than to throw money at it and hopes that it will go away. The developer and operators build these complexes and then have problems to sell their product, because of the glut and this in turn makes it difficult for retirement village residents to sell their so-called investment. I explain this further in the next paragraph.

Let's get one thing straight a licence/lease to own a unit/villa is a 'furphy'. 'Own' is the operative word in both cases in the former we do not own anything despite having so-called legislative cover. Generally a resident provides under the licence an 'interest free loan'. With little or no capital gain the only bright side here is that the licence holder is supposed to get their original contribution less the agreed (contract) ingoing fee deducted within six months after handing the keys of the unit over to the operator. This is despite at the time of entering the village they have put the whole of their funds from the sale of their family home plus extra to bring the dwelling up to scratch. The latter leaseholders are at a slightly better system with their lease being registered on the title, although the disposal of their dwelling could take years to sell. However they suffer from the fact that they have to pay deferred management fees and continuing fees up until the unit/villa is sold and only may get a percentage of the capital gain. It is not an **investment** from a resident's point of view as the whole matter is subject to the fiscal vagaries of the owners of the village.

Residents continue to grow the 'asset' to the benefit of the owner at no cost to the latter not for him or herself, this occurs despite the fact that there is supposed to be transparency or accountability by the owners to the residents this rarely happens and regrettably the majority of residents allow this practice to continue without asking appropriate explanations.

Altering or stripping the powers from the respective State Governments etc. is only another way of further adding subjugation to the retirement village resident. Therefore having a national regulatory and legislative system will only help one class of people and would not alleviate the chaos that exists in the industry at present. I could add further to this, but at this juncture do not propose to.

## Contents Section 11 page 345 et seq. Delivering Care to the Aged – Workforce issues.

I would like to make the following observations on the key points that you have raised in the Draft Report.

I have numbered the dot key points you made so that you will note the reference that I refer to: -

### *Keypoint 1 Aged Care Services are Delivered.....etc.*

I do not dispute the commissions remarks, however I would like to comment on the way it is delivered particularly in respect to the nursing home side. Here I speak from personal experience involving my wife's elderly aunt in Hillmont Nursing Home, Thornleigh, Sydney that subsequently lost its licence and accreditation. My wife and I noticed bruises on her body when we visited on a regular weekly basis. Also the Aunt complained of falls etc and spent some time in Hornsby hospital with a broken kneecap. Shortly after her demise the whole matter blew up regarding 'Hillmont' with Channel 7 doing an expose on the nursing home that subsequently led to the situation described above. You probably know that a nursing home on the Central Coast NSW is currently under investigation for unusual practices (as reported in the Sunday Telegraph 6 March 2010).

### *Keypoint 2 Aged Care Services are Labour Intensive.....etc.*

Indicated that there appear to be a considerable gap in the employment side of the industry particularly in ensuring the quality and safe care of the elderly can be delivered. How will this shortfall be achieved and delivered? When there are insufficient qualified nursing staff in the short term. Where are these people going to come from? How can the prospective inmates and their families be assured that they will receive proper care and attention? Surely this will not occur in the short term. This area will cause enough concern to all prospective persons not only the elderly but their children as well.

### *Keypoint 3 Informal Carers provide.....etc.*

This has always been the case in Australia. The large families are gone and the members of the nuclear families, who these days are too busy trying to keep themselves afloat without having to worry about their elderly parents as well. The assistance as you indicate has got to come from government support, information, education, training etc. However this has a cost and that means either (a) reduced spending in other areas of the economy. (b) Increase taxation by way of a straight rise. (c) Increase population to cover that shortfall. (d) Increase migration in this specific field (however this could become a vicious cycle). (e) Increase field staff by a reduction in administration staff etc.

Whatever the solution or methods used there will always be some sort of a backlash and Government will be left in a 'cleft stick' situation.

### *Keypoints 4 & 5 Demand for Aged Care Workers.....etc*

Here the same set of circumstances will exist as those that have arisen in the preceding Keypoint. Availability and attraction (both keypoints cover this section), but the main problems still stem from the achievability of getting a satisfactory and sufficient effective work force to look after the elderly. Most of the younger generation want to start at the 'top' of the pile instead of the 'bottom'. One cannot blame them as it is the way matters have evolved over the last 30 – 40years. The decrease of the nuclear family, lack of discipline, general breakdown of society, need for the material things (e.g. McMansions etc.) are just a few that come to mind.

### *Keypoint 6 Development of Regionally based Teams.....etc.*

We still have not learnt that this concept **does not work**. We have seen its demise and delay in delivery in many different forms of industry e.g. Banks, Police Force, Area Health Services, to name a few. It all stems from the belief that it leads to 'economies of scale', when in effect it only

leads to the creation of more administration positions and **this means fewer troops in the field** lessening the value of the so-called support service.

*Keypoint 7*

*Volunteers Play a relatively Small, but Important Role.....etc.*

The keypoint covers this well provided that it is an idyllic world that we live in. However this is not the case – talk to the many seniors organizations such as Probus, View Clubs, Older Women's Network, Pensioners' Association and many other similar Clubs, social and sporting etc. all are struggling to attract volunteers from their membership to fill the positions to run the organisations. 'Baby Boomers' do not at this juncture wish to join these organisations. Rationalisation etc maybe the way to go, but as long there are two people you will never fully attain agreement. Also much more thought will need to be given to this area before a satisfactory solution evolves.

*Finally* all I can say is that I am glad that I am in the twilight hours, because I can foresee many problems ahead in the Aged Care industry, not only for the Government, the elderly or the younger generation that this **burden** will fall on. I sincerely believe that throwing money at the 'big end of town' will not achieve the desired results as they will only be in it for what they can get out of it and **that will not be the care of the elderly.**

**Robert Harvie**