

Caring for Older Australians

Productivity Commission Draft Report January 2011

Sydney Multicultural Community Services Response

Thank you for the opportunity to respond to the Productivity Commission's draft report *Caring for Older Australians*

THE ORGANISATION

Sydney Multicultural Community Services Inc. (SMCS) is a specialist multicultural service provider delivering aged care, settlement and emergency relief services in metropolitan New South Wales i.e. in the South Eastern Sydney and Inner West aged care planning regions of Sydney.

Aged care services include delivery of multicultural Community Age Care Packages and a Community Visitor Scheme program funded by the Australian Government Department of Health and Ageing, and ethno-specific and multicultural day care programs for the frail aged, including a dementia-specific day care program for the frail aged from non-English speaking backgrounds in the Eastern suburbs, funded through the NSW Department of Human Services (Ageing, Disability and Home Care).

Sydney MCS is a charitable organisation and employs more than 50 staff.

COMMENTS

The agency's comments on selected recommendations outlined in the draft report are outlined below.

A framework for assessing aged care: Draft Recommendation 4.1

To guide future policy change, the aged care system should aim to:

- *promote independence and wellness of older Australians and their continuing contribution to society*
- *ensure that all older Australians needing care and support have access to person-centred services that can change as their needs change*
- *be consumer directed, allowing older Australians to have choice and control over their lives*
- *treat older Australians receiving care and support with dignity and respect*
- *be easy to navigate – Australians need to know what care and support is available and how to access those services*
- *assist informal carers to perform their caring role*
- *be affordable for those requiring care and for society more generally*
- *provide incentives to ensure the efficient use of resources devoted to caring for older Australians and broadly equitable contributions between generations.*

Comments Draft Recommendation 4.1

Special needs groups

An additional principle is needed to reinforce that aged care and support services are also required to be culturally appropriate e.g. through inclusion of the following principle

- *ensure that all older Australians needing care and support have access to culturally appropriate services*

Affordability for users and for society more general:

The number of Australians requiring aged care is increasing. This is well understood. It is also appreciated that reforms to the aged care system are required to ensure that it is sustainable.

This organisation is however concerned that under the proposed reforms the responsibility for funding a more sustainable aged care system will, albeit with some safeguards in place, be borne mainly by the users of those services i.e. older Australians.

The proposed reforms are premised on an apparent acceptance of the need to increase private contributions to care. Means and assets testing will be introduced as will mechanisms to assess consumers' capacity to pay for aged care services.

For many Australians, including those who immigrated to Australia in the immediate post-war years, this is a policy shift they are ill-prepared for.

- Overall the vast majority of older Australians and those who will become older Australians in the next five to ten years have contributed to the Australian economy believing that the welfare state (through the taxation system) will address their aged care support needs as they become frail. In this context most consider even a small co-contribution to be inappropriate.
- Many of these older Australians, including those from non-English speaking backgrounds have accumulated assets in the form of property, to be better able to support themselves in old age. Most have not had access to superannuation as a means of structuring their finances for old age and do not consider that the Australian age pension can provide adequate income support post-retirement.

It is not uncommon for people from non-English speaking backgrounds to suggest that the Australian age pension should more appropriately be referred to as a benefit as it is not a universal payment that guarantees income once an age threshold is reached and payments are subject to a means and an assets test.

The application of means testing to a broader range of aged care services is unlikely to be well-received.

It also needs to be recognised that many older Australians who arrived in the 1950s and 1960s had limited access to support services post-arrival and also had more limited access to the superannuation schemes available to public sector employees. They were brought to Australia to address labour shortages in low skill areas with little thought given by policy makers to their post-arrival settlement needs. English classes were not for instance provided and mechanisms and processes to facilitate recognition of overseas gained qualifications and skills were not available. Most stayed in low skill jobs in the private sector or became self-employed. Overall they have not had access to the more generous superannuation schemes available to people who commenced employment in the public sector up to the late 1980s. Many of these older Australians consider themselves to be the forgotten generation of immigrants. The adoption of the draft recommendations will impact this generation disproportionately and further exacerbate their concern that they have not been given a 'fair go'.

The impact of the reforms on subsequent generations is also of concern as current superannuation contributions still do not guarantee adequate income support post-retirement for many Australians. The Australian Government should concurrently consider superannuation reforms, including making provision for government contributions to superannuation for all citizens, that will guarantee a pension of 70 – 80 per cent of the last salary of an employed citizen.

Consumer directed care

Choice of provider and care type are important principles that need to be upheld. It needs however to be recognised that older people are characterised by their diversity. The nature and level of support individual consumers require to make informed choices and to give on-going effect to those choices varies considerably.

In the absence of adequate and appropriate support people from non-English speaking backgrounds are for instance less likely to have equitable access to the Consumer Directed Care program. Provision needs to be made in funding models to respond effectively to consumers' varying support needs and to meet the increased administrative requirements associated with self-directed care models.

Paying for Aged Care: Draft Recommendation 1.2

The Australian Government should adopt the following principles to guide the funding of aged care:

- *Accommodation and everyday living expenses should be the responsibility of individuals, with a safety net for those of limited means*
- *Health services should attract a universal subsidy, consistent with Australia's public health care funding policies*
- *Individuals should contribute to the cost of their personal care according to their capacity to pay; but should not be exposed to catastrophic costs of care.*

Comment: Draft Recommendation 1.2

As outlined in response to draft recommendation 4.1 above this organisation does not think it appropriate to merely safeguard individuals from the catastrophic costs of care. Many older people from non-English speaking backgrounds may opt out of care if costs escalate. Further, carers may feel compelled to continue to provide care with minimal support.

Rather, the Australian Government should implement a gradual introduction of the co-contribution requirements so that older people who are or will be 65 years of age in the next ten years are not disproportionately impacted by the changes.

Paying for Aged Care: Draft Recommendation 1.3

The Australian Government should remove regulatory restrictions on the number of community care packages and residential bed licenses over a five year period. It should also remove the distinction between residential high care and low care places.

Comment: Draft Recommendation 1.3

Supported.

Formal community care is the preferred care type for many older people from non-English speaking backgrounds. More places need to be available for people from non-English speaking backgrounds in New South Wales. Moreover CACPs, EACH and EACHD packages needs to be available both for:

- older people from non-English speaking backgrounds in priority regional as well as metropolitan aged care planning regions, and for

- older people from ethnic communities with emerging ageing populations such as Arabic speakers and the Vietnamese.

Paying for Aged Care: Draft Recommendation 1.6

The Australian Government should establish an Australian Pensioners Bond scheme to allow age pensioners to purchase a bond from the Government on the sale of their primary residence.

- *The bond would be exempt from the aged pension asset test and income tests and would be indexed by the consumer price index to maintain its real value. All bonds would be free of entry, exit and management fees.*
- *Age pensioners could flexibly draw upon their bond to fund living expenses and aged care costs.*

Comment: Draft Recommendation 1.6

Supported if in fact the decision to sell the primary residence is a matter of choice. There is a degree of concern that over time and with an escalation of the costs for care older people may feel that selling their home is the only option available to them if they are to access quality care.

Paying for Aged Care: Draft Recommendation 1.9

The Australian Government should:

- *prescribe the scale of care recipients' co-contributions for approved care services which would be applied through the proposed Australian Seniors Gateway Agency (draft recommendation 8.1)*
- *set a comprehensive means test for care recipients' co-contributions for approved care services. This test should apply the aged pension income test and the non-home owner asset test (including any housing assets (including any housing assets, such as the primary residence, accommodation bonds and the proposed Australian Pensioners Bond. The comprehensive aged care means test would apply where the approved care services have a combined value of around \$100 or more on average per week (the 'comprehensive Aged care means test threshold') and all home modification services*
- *adopt for approved care services below the comprehensive aged care means test threshold, a test for determining care recipients' co-contributions for such services which relies simply on pensioner status.*

To facilitate greater consistency in co-contributions across community and residential care, comprehensive aged care means testing to determine care recipient contributions to care costs in both settings should be undertaken through the proposed Australian Seniors Gateway Agency (draft recommendation 8.1) by Centrelink.

Care recipients' co-contributions should be regularly reviewed by the Australian Government based on transparent recommendations from the proposed Australian Aged Care Regulation commission (draft recommendation 12.1)

Comment: Draft Recommendation 1.9

As outlined in response to draft recommendation 4.1 above this organisation does not support an early application of a means and assets test to determine care recipients' co-contributions to aged care services.

The Australian Government should implement a gradual introduction of the co-contribution requirements so that older people who are or will be 65 years of age in the next ten years (i.e. those born before 1957) are not disproportionately impacted by the changes.

However, if and as a comprehensive aged care means test is applied:

- the means test threshold would need to be reviewed. The recommendation indicates that a *comprehensive aged care means test would apply where the approved care services have a combined value of around \$100 or more on average per week (the 'comprehensive Aged care means test threshold') and all home modification services*

The rationale for the nominated indicative value of services i.e. \$100 is not clear. It does however appear to be very low. The \$100 value would for instance mean that all CACP clients would be subject to the comprehensive aged care means test.

- The means test should be applied by a government agency such as Centrelink.

Paying for Aged Care: Draft Recommendation 1.10

The Australian Government should set a lifetime stop-loss limit comprising the care recipients' co-contributions towards the cost of government-subsidised aged care services (excluding accommodation and everyday living expenses). Once the limit has been reached, no further care recipients' co-contributions would be required for those services.

With a stop-loss limit in place, the Australian Government should exclude aged care costs from the net medical expenses tax offset.

Comment: Draft Recommendation 1.10

It would be valuable to have access to examples providing an indication of the \$ value at which the stop-loss limit would be applied.

Options for broadening the funding base: Draft recommendation 7.1

The Australian Government should establish a government-backed Aged Care Equity Release scheme which would enable individuals to draw down on the equity in their home to contribute to the costs of their aged care and support.

Comment: Draft Recommendation 7.1

While the intent of the recommendation is understood the reality is that for many Australians, including many who migrated to Australia to secure a better future for themselves and their families, this is not a desirable option.

The non-compulsory nature of the measure will need to be clearly communicated to consumers and to all staff administering a 'comprehensive aged care means test'.

Care and support: Draft Recommendations 8.1 and 9.1

The Australian Government should establish an Australian Seniors Gateway Agency to provide information, assessment, care coordination and carer referral services. The Gateway would deliver services via a regional structure.

- *A platform within the Gateway would provide information on healthy ageing, social inclusion and participation, age-friendly accommodation, and also information on the availability, quality and costs of care services from approved providers, and how to access those services.*
- *Assessments of the needs of older people would be undertaken for their potential entitlement to approved care services, with the level of assessment resourcing varying according to anticipated need.*
- *An aged care needs assessment instrument would be used to conduct assessments and an individual's entitlement to basic support, personal care and specialized care and carer support. Assessments of financial capacity to make care co-contributions toward the cost of services would also be arranged.*
- *Initial care coordination services would be provided, where appropriate, as part of the Gateway. If required, case management would be provided in the community or in residential aged care facilities by an individual's provider of choice.*

The Gateway would be established as a separate agency under the Financial Management and Accountability Act 1997.

Comment Draft Recommendations 8.1 and 9.1

People from non-English speaking backgrounds generally experience cultural and linguistic barriers to accessing mainstream services. Related to this is a lack of familiarity with the aged care system in Australia and cultural expectations regarding care of the aged. The availability of interpreters and culturally appropriate diagnostic tools will undoubtedly assist once individuals have accessed the system. These two measures will not however assist older people from non-English speaking backgrounds to access information support services, including the proposed Australian Seniors Gateway Agency.

Multicultural communication strategies are required that include engagement of bilingual multicultural services staff, outreach to diverse communities through a variety of media channels, cross-cultural training and collaboration with Australian Government Department of Health and Ageing funded PICAC and CPP services.

Initiatives that will assist to avoid multiple assessments and eligibility tests are supported. It is important however that these assessments are undertaken by appropriately qualified and experienced staff. Sydney Multicultural Community Services values the skill, experience and commitment to appropriate care found in the personnel of the ACATs it liaises with. In New South Wales these teams are located within Area Health Services. It is not desirable to lose this expertise. Careful consideration needs to be given to the outcomes for clients if arrangements cannot be made for ACATs to operate from the proposed Seniors Gateway Agency.

Care and support: Draft Recommendation 8.2

The Australian Government should replace the current system of discrete care packages with a single integrated, and flexible, system of care provision. This would deliver care services currently provided under Home and Community Care, Commonwealth funded care packages and the care component of residential aged care services.

The Australian Government should approve a range of care services to individuals on an entitlement basis, based on assessed need. Individuals should be given an option to choose an approved provider or providers.

The Australian Government would set the scheduled price of each service.

To support these revised arrangements, Australian governments should fund an expanded system of aged care consumer advocacy services.

Comment: Draft Recommendation 8.2

For older people from non-English speaking backgrounds to benefit from this reform the expanded system of aged care consumer advocacy services would need to operate within a multicultural service framework that addresses the following matters:

- Human resources including the employment and training of staff with the cultural and linguistic understanding and skills to deliver quality services to older people from diverse cultural and linguistic backgrounds.
- Planning activity informed by data on access, participation and outcomes for people from non-English speaking backgrounds.
- Consultative mechanisms and processes that facilitate participation in planning and decision making processes by consumers from non-English speaking backgrounds.
- Effective inter-cultural communication to ensure that consumers and their representatives understand the breadth and scope of available services and are able to make informed choices about the services to be provided.

Catering for diversity – caring for special needs groups : Draft Recommendation 9.1

The proposed Australian Seniors Gateway Agency (draft recommendation 8.1) should cater for diversity by:

- *ensuring all older people have access to information and assessment services*
- *providing interpreter services to convey information to older people and their carers, to enable them to make informed choices*
- *ensuring that diagnostic tools are culturally appropriate for the assessment of care needs.*

Comment: Draft Recommendation 9.1

Addressed in response to draft recommendations 8.1 and 8.2 above

Catering for diversity – caring for special needs groups : Draft Recommendation 9.2

The proposed Australian Aged Care Regulation Commission (draft recommendation 12.1), in transparently recommending the scheduled set of prices for care services, should take into account costs associated with catering for diversity, including:

- *providing ongoing and comprehensive interpreter services (either within facilities or through telephone translators) for clients from non-English speaking backgrounds*
- *ensuring staff can undertake professional development activities which increase their cultural awareness.*

Comment: Draft Recommendation 9.2

It is acknowledged that use of professional interpreters and translators needs to be adequately provided for in funding allocations and factored into service budgets. Interpreting and translation should not however be seen in isolation of a broader multicultural service strategy that incorporates other critical elements such as planning for engagement of bilingual staff. It is also essential that providers research the availability of existing multilingual products and consider working

collaboratively with other providers in developing materials for translation. This will optimize use of existing resources and minimize duplication of effort.

Sound performance and financial management processes require that the skill development needs of staff are identified during performance reviews and that budgets provide for staff to attend relevant training. PICAC funded services are able to assist providers in identifying and responding to staff training needs related to provision of culturally appropriate care. While there are costs associated with release of staff to attend training the rationale for an additional funding allocation to cater for cultural diversity is not clear. If additional funds are allocated to cater for such expenditure providers should be required to report on the number of staff who participate in cultural awareness training and funds expended on this activity.

Delivering care to the aged – workforce issues : Draft Recommendation 11.1

The proposed Australian Seniors Gateway (draft recommendation 8.1), when assessing the care needs of older people, should also assess the capacity of informal carers to provide ongoing support. Where appropriate, this may lead to approving entitlements to services and/or assisted referral for:

- *carer education and training*
- *planned and emergency respite*
- *carer counseling and peer group support*
- *advocacy services.*

Carer Support Centres should be developed from the existing National Carelink and Respite Centres to provide a broad range of carer support services.

Comment: Draft Recommendation 11.1

Supported. Planning processes need to ensure equitable outcomes for carers from non-English speaking backgrounds.

Delivering care to the aged – workforce issues : Draft Recommendation 11.2

The proposed Australian Aged Care Regulation Commission (draft recommendation 12.1), when assessing and recommending scheduled care prices, should take into account the need to pay competitive wages to nursing and other care staff delivering aged care services.

Comment: Draft Recommendation 11.2

Supported. It should be noted however that increased costs for salaries associated with the attainment of higher level qualifications by care staff are not necessarily associated with productivity gains by care recipients. In fact care recipients are more frequently commenting on what they describe as a reduced/inability to provide a required service associated with the need for the funded service to adhere to OH&S requirements.

Delivering care to the aged – workforce issues : Draft Recommendation 11.3

The Australian Government should promote skill development through an expansion of courses to provide aged care workers at all levels with the skills they need, including:

- *advanced clinical courses for nurses to become nurse practitioners*
- *management courses for health and care workers entering management roles.*

Comment: Draft Recommendation 11.3

Supported.

In the design and funding of training adequate provision should also be made to address, where required, the English language and literacy support needs of staff from non-English speaking backgrounds attending training.

In developing curricula the role that care workers play also needs to be given greater consideration. Care workers can contribute invaluable information about behaviours and changes to a care recipients' health status. Involving care workers e.g. in appropriate case conferencing situations can assist clinicians and other health professionals when they are undertaking assessments.

Delivering care to the aged – workforce issues : Draft Recommendation 11.4

The Australian Government, in conjunction with universities and providers, should fund the expansion of 'teaching aged care services' to promote the sector among medical, nursing and allied health students.

Comment: Draft Recommendation 11.4
Supported.

Regulation – the future direction: Draft recommendation 12.3

The Council of Australian Governments should agree to publish the results of quality assessments using the Community Care Common Standards, consistent with the current publication of quality of care assessments of residential aged care.

Comment: Draft Recommendation 12.3
Supported

Regulation – the future direction: Draft recommendation 12.6

The Australian Government should introduce a streamlined reporting mechanism for all aged care service providers (across both community and residential aged care) based on the model used to develop Standard Business Reporting (SBR).

The Australian Aged Care Regulation Commission (AARC) should explore the case for embracing technological advances in receiving and transmitting information from and to providers in line with SBR. This could be facilitated by imposing a requirement that all providers submit key reports electronically to AARC)

Comment: Draft Recommendation 12.6
Supported

Aged care policy research and evaluation: Draft recommendation 13.1

To encourage transparency and independence in aged care policy research and evaluation, the proposed Australian Aged Care Regulation Commission (draft recommendation 12.1), should perform the role of a national 'clearing house' for aged care data. This will involve:

- *being the central repository for aged care data and coordinating its collection from various agencies and departments*
- *making these data sets publicly available in a timely manner for research, evaluation and analysis, subject to conditions that manage confidentiality risks and other concerns about potential data misuse.*

To maximise the usefulness of aged care data sets, reform in the collection and reporting of data should be implemented through:

- *adopting common definitions, measures and collection protocols*
- *linking databases and investing in de-identification of new data sets*
- *developing where practicable, outcomes based data standards as a better measure of service effectiveness.*

Research findings on aged care and trial and pilot program evaluations, including those undertaken by the Department of Health and Ageing, should be made public and released in a timely manner.

Comment: Draft Recommendation 13.1

Supported

These measures will greatly facilitate service planning. Disaggregated data (care type) in relation to people from non-English speaking backgrounds needs to be available:

- at the aged care planning region level
- by country of birth
- language other than English spoken at home
- religion

To allow for greater consistency Australian standard classifications (languages/countries) should be used.

It is also timely to review terminology in use in the aged care sector with reference to people from non-English speaking backgrounds.

This organisation endorses the Productivity Commission's comments in relation to 'cultural and linguistic diversity'. Cultural diversity encompasses many groups, including those from non-English speaking backgrounds. For instance, in addition to the gay and lesbian community/ies 'cultural diversity' also encompasses the deaf community.

Sydney Multicultural Community Services would welcome the opportunity to contribute to the debate about a satisfactory alternative to CALD. In the interim this organisation favours use of the terms

Ethnic minority community/communities

People from non-English speaking backgrounds

Reform implementation: Draft recommendation 14.1

In implementing the reform, the Australian Government should:

- *announce a timetable for changes and how they are expected to affect the sector*
- *consult with providers, consumers, carers and government agencies on issues expected to arise from the implementation of the new system*
- *embed feedback processes and enable fine-tuning of the new system*
- *grandfather current users of care services, including those in residential aged care facilities, and relevant financial arrangements of some of the providers of aged care services*
- *sequence reforms carefully to facilitate adjustment to the new system*

- *establish an Aged Care Implementation Taskforce to oversee the implementation of the reforms and to liaise with stakeholders.*

Comment: Draft Recommendation 14.1

The reforms recommended in draft recommendations 4.1, 1.2 and 1.9, as outlined above, in this organisation's response to these draft recommendations should be implemented at a much slower pace to ensure individuals who are or will be 65 years of age in the next ten years are not disadvantaged.

The proposed *Aged Care Implementation Taskforce* should be appropriately constituted to ensure the needs and interests of older people from non-English speaking backgrounds are effectively represented.