

21 March 2011

Productivity Commission
Via email agedcare@pc.gov.au

Dear Sir

Re: PC Draft Report - Caring for Older Australians

Masonic Homes Limited (MHL) made a submission to the subject enquiry, our submission being recorded as #124, and we would now like to submit our response to the recommendations made in the draft report.

To recount MHL is a not-for-profit, Public Benevolent Institution that provides housing and care services for Senior Australians resident in SA and the NT. It is submitted that MHL has a range of features that make its operations of special interest/relevance to this inquiry, principal amongst these being that MHL;

- a. operates a range of residential and community-based aged care services, included an Extra Service Status residential aged care facility and National Respite for Carer Services;
- b. operates in more than one state or territory, and has aspirations to expand its spread to achieve a truly national business; and
- c. has adopted a service-integrated housing approach to retirement living that serves to support ageing-in-place within a adaptable designed, aged community.

Further detail on MHL is available at www.masonichomes.com.au.

MHL commends the Commissioners on the comprehensiveness of the review and the incisiveness of its findings. MHL considers that the Commissioners have identified all of the crucial issues impacting on the caring for older Australians and have made recommendations that address all relevant subject areas and are implementable - they can not afford to be ignored, nor even delayed in their implementation.

We are pleased to note that the recommendations made by the PC address all those made by MHL in its submission to the inquiry. The only exception appears to be the failure to recommend an immediate increase in the provision of community-based aged care packages. MHL remains firmly of the view that the unlocking of the limits placed on the availability of community-based aged care should be immediately introduced.

Before commenting further on the individual recommendations made, it is submitted that the following are the key wider issues that must be adopted to ensure the successfully effecting of the changes that the Productivity Commission is seeking to have achieved;

- a. Due to the interrelatedness of many of the individual recommendations, they must be implemented as a whole and can not be adopted on a cherry-picking basis;
- b. The success of the recommendations rest on the establishment and retention of a independent Australian Aged Care Regulation Commission which has clear separation from the influence of political and bureaucratic pressures; and

- c. The operation of the Australian Seniors Gateway Agency must operate to retain consumer choice and not be allowed to dictate to the consumer which provider they must use nor to whom a provider must deliver services.

I would now like to turn to the individual recommendation. MHL has reviewed each of the recommendations and provided comments in the attached schedule. It can be seen that in the main that MHL fully supports most recommendations, conditionally supports six recommendations and partially supports three others.

We are also extremely pleased to note that the Commission has submitted significant details on a recommended approach to the implementation of its recommendations. The approach recommended appears reasonable and we trust it will be employed by government to “fast track” the implementation of the changes recommended. It should not be missed that for Senior Australians time is of the essence and this must be acknowledged in the timetable for implementation - and is one of the key drivers in our recommendation to implement the uncapping of community-based aged care immediately.

The principal deficiency we identify in the report - and one that wasn't really addressed thru the Terms of Reference - is the whole issue of seniors housing and accommodating an ageing population. It remains MHL's position that the most critical challenge for the Australian community is to ensure we are all appropriately housed - and this needs to extend beyond just the layout of the built form. We need to address the whole functioning of the community including matters such as transport. I trust this will be next on the government's agenda for the PC's to consider.

Finally, I trust these comments are of assistance in progressing the finalising of the recommendation of the PC's review and I would welcome the opportunity for MHL to participate in the forthcoming public forum to be held in Adelaide or Darwin.

Yours sincerely,

Douglas D. Strain
Chief Executive Officer

MASONIC HOMES LIMITED
COMMENTS ON THE RECOMMENDATIONS MADE IN THE
PRODUCTIVITY COMMISSION'S REPORT - "CARING FOR OLDER AUSTRALIANS"

Rec #	MHL Comments	
A framework for assessing aged care		
4.1	FULLY SUPPORTED	
Paying for aged care		
6.1	FULLY SUPPORTED	
6.2	FULLY SUPPORTED	The establishment of the base level standards of care & accommodation against which any threshold can be set will be key to effecting this recommendation. It is submitted that it can be assumed that the consumer will want a higher standard of service than that which the government will be able/willing to fund.
6.3	SUPPORTED IN PART	<p>The 5 year rollout for changes to bed licensing arrangements is FULLY SUPPORTED as the timing of establishing operating beds is protracted anyway due to the planning & building process and the sudden value reduction that would result from a lifting of the cap could be expected to have serious short-term solvency impacts on a range of residential aged care services.</p> <p>MHL SUPPORTS the removal of the regulatory restrictions on the number of community-based aged care packages. However, the imposing of a 5 year delay in the lifting of the restriction NOT SUPPORTED. Community-based aged care can be readily established and the lifting of the cap does not present any risk to the operators - indeed quite the opposite! Further, the position stated recently by the National Health & Hospitals Reform Commission supports a greatly expanded role for community-based health care and we contend that community-based aged care services are a key element of this. Therefore, whilst supporting the lifting of the cap we contend this should occur immediately and not be subject to any delay.</p> <p>The removal of the distinction between Residential high care and low care is FULLY SUPPORTED.</p>
6.4	FULLY SUPPORTED	
6.5	CONDITIONAL SUPPORT	The condition upon which support is given is that there is no long term obligation on a provider to provide accommodation to supported residents and that any such obligation would only exist for the five year term of transition.
6.6	FULLY SUPPORTED	
6.7	SUPPORTED IN PART	<p>The contribution for the approved basic standard of residential care accommodation for supported residents reflecting the average cost of providing such accommodation being based on a two-bedroom with shared bathroom is NOT SUPPORTED. Government has been actively promoting the provision of services on a single-bedroom with ensuite bathroom basis and clinical good practice promotes a like provision. To now have government support a lesser standard is perverse and considered not in the best interest of any party.</p> <p>The contribution for the approved basic standard of residential care accommodation for supported residents reflecting the average cost of providing such accommodation being based on a regional basis where there are significant regional cost variations is SUPPORTED.</p>
6.8	FULLY SUPPORTED	
6.9	FULLY SUPPORTED	
6.10	FULLY SUPPORTED	

6.11	CONDITIONAL SUPPORT	The condition upon which support is given is that the Australian Aged Care Regulation Commission <u>IS TRULY INDEPENDENT</u> from government and its supporting administration.
Options for broadening the funding base		
7.1	FULLY SUPPORTED	
Care and support		
8.1	CONDITIONAL SUPPORT	The condition upon which support is given is that the Australian Seniors Gateway Agency DOES NOT assume a “dictatorial” role and that both the provider & client retains the right to exercise choice. Further, to effect this, the Australian Seniors Gateway Agency must be subordinate to the Australian Aged Care Regulation Commission.
8.2	FULLY SUPPORTED	
8.3	FULLY SUPPORTED	
8.4	FULLY SUPPORTED	
8.5	FULLY SUPPORTED	This recommendation should be expanded to promote the use of multidisciplinary health care teams supporting those residing in residential aged care facilities but the whole community, regardless of their living circumstance.
Catering for diversity – caring for special needs groups		
9.1	FULLY SUPPORTED	
9.2	FULLY SUPPORTED	
9.3	FULLY SUPPORTED	
Age-friendly housing and retirement villages		
10.1	FULLY SUPPORTED	
10.2	CONDITIONAL SUPPORT	The condition upon which support is given is that the Australian Government develop building design <u>guidelines</u> and not progress to a standard. It is strongly felt that the effecting of a standard would impose unnecessary cost without commensurate benefit accruing to a user as accessibility needs are often more subject to user choice than would normally accrue to a standard.
10.3	FULLY SUPPORTED	This recommendation should be expanded beyond just sufficient supply of housing by seeking the Council of Australian Governments develop a strategic policy framework for ensuring that the <u>whole living environment</u> can most cost effectively meet the demands of an ageing population.
10.4	SUPPORTED IN PART	Whilst supporting that at this time the regulation of retirement villages and other retirement specific living options remaining the responsibility of state and territory governments. However, to avoid the costs and inefficiency involved with national operators - which are a growing & inevitable trend - needing to administer varying state & territory legislation, it is NOT SUPPORTED that this should remain so and action should be taken to see in time there being national regulation. Further, the principal focus of the current state & territory regulation of retirement villages and other retirement specific living options is consumer protection rather than ensuring living options are provided for the changing aged demographic. It is felt that national legislation would better assist with providing for this need. It is FULLY SUPPORTED that the regulation of retirement villages and other retirement specific living options should not be aligned with the regulation of aged care
10.5	FULLY SUPPORTED	

Delivering care to the aged – workforce issues		
11.1	FULLY SUPPORTED	
11.2	FULLY SUPPORTED	
11.3	FULLY SUPPORTED	
11.4	FULLY SUPPORTED	
11.5	FULLY SUPPORTED	
Regulation – the future direction		
12.1	FULLY SUPPORTED	
12.2	FULLY SUPPORTED	
12.3	CONDITIONAL SUPPORT	The condition upon which support is given is that the format and content of the results published are <u>accurate, reliable and relevant</u> .
12.4	CONDITIONAL SUPPORT	The condition upon which support is given is the need to assess the details of the enforcement tools proposed once these are more clearly defined.
12.5	FULLY SUPPORTED	
12.6	FULLY SUPPORTED	
12.7	FULLY SUPPORTED	
12.8	FULLY SUPPORTED	
12.9	FULLY SUPPORTED	
Aged care policy research and evaluation		
13.1	FULLY SUPPORTED	
Reform implementation		
14.1	SUPPORTED IN PART	<p>Whilst supporting this recommendation in the main, it is not supported that current users of care services be “grandfathered”.</p> <p>The reason for this is that already aged care operators must manage three resident cohorts that have been granted grandfather-status in account of previous regulatory changes, these being residents who entered care;</p> <ul style="list-style-type: none"> • Prior to 1 Oct 97; • Between 1 Oct 97 and 30 Jun 04; and • Between 1 Jul 04 and 19 Mar 08. <p>It is therefore recommended that transitional arrangements be effected but this not be extended to provide any “grandfathering” arrangement.</p>

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