

## Union of Australian Women – Darebin Group Submission to the Productivity Commission - Caring for Older Australians

This submission will focus is Autonomy and Competition.

### **AUTONOMY**

Adolescence and old age are the two stages of life characterised by lack of autonomy. Adolescence is characterised by rising autonomy, old age by declining autonomy.

It is instructive to compare the two. We have in the last 50 years honed our skill in understanding the needs of the young and we have broadened our understanding of what constitutes neglect and abuse.

Both the young and the aged are **at risk** from neglect and abuse due largely to their lack of autonomy. We never ask children to sign contracts, due to their lack of autonomy, but we expect old people to do so, despite their imminent decline in autonomy and their ability to “opt out” if the care written into the contract proves to be inadequate or misleading. We understand that **care and vigilance** is crucial with children because they lack the power to break out of cycles of neglect or abuse. The State now takes a watching brief over minors and provide services from infancy to late adolescence, all of which monitor developmental well being and signs of neglect or abuse. In the aged community we tend to see neglect or abuse as episodic. Why? Is it because there is no familial connection with the perpetrators?

The aged present special challenges for our ability to provide services with adequate checks and balances. This is particularly so as we cannot assume that relatives always act in the best interest of their loved ones. While some are astute advocates for their ageing relatives, others find the continued existence of their aged folk a “log jam” in the onflow of the family inheritable assets. This is another aspect of possible exploitation which we must factor into our processes. This, unfortunately may be seen more often as the life-expectancy of the baby-boomers increases and more of their assets are accessed to provide quality care.

The need for a system of checks for neglect and abuse is crucial in the Aged Care sector, It exists now but neglect and abuse still occur. The system is inadequate and nothing is being presented which indicates that the problem can be adequately tackled. Systems in place for monitoring elder abuse in Care establishments **now** are problematic and may become more so as the system expands to meet extended needs.

The victim’s lack of power to walk away or escape is central to discussions on neglect and abuse. It emerges clearly in discussions about women in abusive relationships, the disabled and those in prison. The fear of retribution is ever present and is eerily parallel to the position of the frail aged, who also cannot walk away.

Complaints processes are in place avoiding retribution is still a major issue for the powerless. Ask anyone who has lived within the prison system. The fear of retribution in response to complaints is real and means we must be much more clever in

instigating systems which work despite the resident having limited outside contact and does not implicate **them** as the complainant. The essential cost and health issue in dealing with the frail elderly is their impaired ability to recover from wounds, accidents, falls or any assault on their physical health. Recovery times are longer and inputs to their recovery greater. This too is a major challenge.

Personal power, autonomy and justice are central elements of how we conceive our society. Therefore we must be vigilant and pro-active on behalf of those who **lack** personal power and autonomy. We, as a society, have not yet devised systems which make it safe for the powerless to live a good life in security, which is their right.

## **PRIVATE SERVICE PROVIDERS**

Unbundling the costs of aged care services is, in general terms, a useful proposal. It is easy to see how the separation of capital and service costs can provide more and better choices for older Australians. It will, in general terms, assist in more flexible service delivery but not in making the services more productive.

But the question needs to be asked: why are governments opting out of the provision of aged care accommodation? The tendency of government to encourage private providers into the market and to dominate it in the future is unfortunate to say the least. In an industry with such high labor costs the necessity of a profit margin for private providers must impact on service provisions where it would not in a community /government based system.

The notion that governments ought not to borrow but operate and remain in surplus is a fashion we must live with in the short term. But there is no intrinsic reason why governments ought not to be providers of Aged Care facilities, no intrinsic reason why they ought not to borrow to do so nor any intrinsic reason why private providers could do it better.

Unwillingness to finance and provide facilities needs questioning. Capital intensive facilities built by private providers will be built on borrowed money. Privately financing, publicly financing, there need be no intrinsic difference. Both can work with targeted particular purpose funding. The current fashion for Governments to exist on balanced or surplus budgets, the fashion for NO government borrowing, NO government infrastructure or capital works undertakings . . . . it is a fashion based on the ASSUMPTION that what governments do private industry can do more economically more rapidly and with less corruption.

But if governments borrowed billions in order to build aged care facilities huge criticism might ensue, not because it is an **intrinsically** unwise or unsound proposition but because it does not fit within current economic theory.

In wider arenas evidence for corruption and nepotism has existed in both the private and public activities but the current economic hegemony wax eloquent only with evidence suggesting that private capital intensive works are more streamlined and are so, due to competition. But competition on the other hand needs support from governments. A quick google search will show a number of western governments have enacted legislation to **ensure competition**. While the process may be useful, it is fragile and is continuously subject to moves to subvert or by-pass it. Pro-active thinking is needed

now, to consider possible news ways which might be found to do just that in the aged care sector.

The demographic of the baby-boomers has been clear and extensively researched since the 1970's. Their extended life span is more recently observed but still not new information. Successive governments seem to be unprepared and unwilling to engage with the generation whose taxes built much of the infrastructure we now enjoy. Older Australians justly expected that their government would be a major provider of services and facilities.

The presence of both Superannuation Fund investment in the industry and the participation of Insurance Companies indicates what research may be needed to prevent moves which prevent competition and freedom of choice - to proactively prevent care & accommodation packages being bundled with existing superannuation or insurance packages which could severely diminish the freedom of choice of older Australians buying into aged accommodation.

The market being dominated by a small number of suppliers can adversely affect the purchasers of accommodation and services beyond the 'signature on contract' stage but through their declining autonomy, declining ability to opt out, move to a more suitable location or care package, or even to complain.

The small number suppliers in the market provides, unfortunately, an **incentive** for collusion in the provision of Aged Care because limited supply and the limitations placed on increasing efficiency by increasing their productivity.

### **Quality of life and well being**

Multifactor productivity (growth in output relative to the combined contribution of key inputs, usually labour, capital and intermediate goods and services) is still an inadequate method of measuring what is productivity and what **is** done in the aged care sector which increases or diminishes **quality of life**.

Quality of life and well being need to be expressed as a "productive outcomes" in the aged care system. But we still do not have a commonly accepted **measure** of these two factors which can be expressed as an aspect of PRODUCTIVITY. Therefore industry must still measure costs and productivity in the same terms as if they were producing steel or marketing bananas. A more adequate measure would give the opportunity for incentives to be provided for "quality of life" provisions in the aged care sector

It will be a major challenge to research and have accepted, a quality of life and well being measure. It is sorely needed both for older Australians and for those providing services to them. There is no necessary connection between increased labour or capital inputs and quality of life. Therefore those who can provide a life affirming environment for older Australians are not acknowledged by the community Government or shareholders. This needs to change.

While the proposed moves have considerable research and documentation to back them we must have sufficient humility to acknowledge that this is still a social experiment.

Our society is increasingly losing the commitment and ability to care for their elderly at home. The generation now moving into aged care facilities remember their grandparents being cared for at home. The social memory of this mode of life for the elderly will be lost when this generation is gone. We hope that our affluence and best intentions can provide something better

Allie Dawe  
Secretary,  
Union of Australian Women  
Darebin Group  
Melbourne