



**PARADISE LAKES NURSING CENTRE
& PARADISE LAKES HOSTEL**

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**TO: PRODUCTIVITY COMMISSION
P O BOX 80
BELCONNEN ACT 2616**

15 SEPTEMBER 1998

THIS BRIEF SUBMISSION IS TO SUGGEST THAT A WAGE BASED DETERMINATION IN DECIDING WHETHER OR NOT TO COALESCE. WOULD NOT LEAD TO EQUITY.

IT IS FURTHER SUGGESTED THAT THE COALESCENCE APPROACH ANNOUNCED PREVIOUSLY, THAT IS TO MOVE TOWARDS A UNIFORM NATIONAL RATE ALTHOUGH IMPERFECT, IS MOVING CLOSER TO EQUITY.

WHAT IS INEQUITABLE ABOUT THE PREVIOUSLY ANNOUNCED PROGRAM, IS THE TIME SCALE FOR COMPLETION (SEVEN YEARS). WITH THE EARLY YEARS OF ADJUSTMENT BEING AT INEXPLICABLY LOW RATES.

EQUITY TRAVELS FAR BEYOND WAGE RATES AND THE DISCUSSION PAPER SHOWS AN AWARENESS OF SOME OF THE ISSUES.

IT IS JUST AS CLEAR THAT THE FRAME OF REFERENCE, AND THE TIME ALLOWED, MAY EXCLUDE THE ELUSIVE SEARCH FOR PERFECTION.

IT IS APPARENT THAT UNDER THE PRESENT SUBSIDY RATES, THOSE STATES FACING DOWNWARD COALESCENCE WILL OPPOSE IT, AND THOSE FACING UPWARD MOVEMENTS WILL APPLAUD IT. IN FACT IT WOULD NOT BE SURPRISING TO FIND THAT PRESSURES FROM THOSE STATES/ORGANISATIONS, WHO WERE FACING A DOWNWARD MOVEMENT, MAY HAVE PROMPTED THIS INQUIRY.

NEVERTHELESS, A MOVE TOWARDS EQUITY AT THIS TIME BY PROCEEDING WITH THE PLANNED COALESCENCE, WILL ASSIST TO PARTLY REDRESS THE OBVIOUS PRESENT IMBALANCE.

Aged Care Services: Nursing Homes, Hostels, Community Care


THERE IS ALREADY SOME IMBALANCE, BECAUSE THE COSTS OF NURSING HOMES AND HOSTELS ARE FAR MORE THAN WAGES, EVEN THOUGH WAGES CAN ACCOUNT FOR 75% OF ALL RUNNING EXPENSES. COST DIFFERENTIALS EXIST BETWEEN PROFIT AND NOT FOR PROFIT BUSINESSES, FAVOURING THE LATTER BECAUSE OF EXEMPTION FROM INCOME TAX AND MOST STATE TAXES. ANY COALESCENCE SCHEME LIKE THE ONE ALREADY ANNOUNCED WILL OF COURSE LEAVE THE OTHER MATTERS UNTOUCHED.

IT IS ALL TOO OBVIOUS THAT THOSE COMPLAINING ABOUT A DOWNWARD ADJUSTMENT WOULD CITE FALLING NURSING LEVELS AS A CONSEQUENCE BUT THIS NEED NOT BE SO. IT IS JUST AS LIKELY THAT THE 'EXCESS'. SUBSIDY PAID TO SOME HAS MASKED POOR NURSING PRACTICES AND WORKED AGAINST EFFICIENT MANAGEMENT.

THOSE SEEKING AN INCREASE UNDER COALESCENCE WILL BE ABLE TO ASSERT THAT THEY HAVE BEEN UNDERPAID IN THE PAST, AND COALESCENCE PAID RAPIDLY WOULD PARTLY COMPENSATE THEM FOR THAT.

IN THE LONG RUN IT WOULD BE PREFERABLE TO ALLOW DEREGULATION AND THEN HAVE MARKET FORCES DETERMINE SUCH CRITICAL ISSUES AS WAGES AND FEES.

YOURS FAITHFULLY

A handwritten signature in cursive script, appearing to read 'S. Kuppe', written in dark ink.

MS SANDRA KUPPE - DIRECTOR