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# AGED CARE ORGANISATIONS' ASSOCIATION

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(SA & NT) Incorporated

30 November 1998

Mr Mike Woods  
Commissioner  
Productivity Commission  
PO Box 80  
BELCONNEN ACT 2616

Dear Commissioner,

The Aged Care Organisations' Association (SA & NT) Incorporated (ACOA) welcomes the opportunity to respond to the Commission's Position Paper on Nursing Home (high care) Subsidies.

In providing this relatively brief response, ACOA would indicate that it has been party to, and supports, the comprehensive response submitted by Aged Care Australia.

ACOA therefore wishes, by way of emphasis, to offer specific comment in relation to the following key aspects of the Position Paper;

1. ACOA notes, and welcomes, the Commission's acknowledgement that the range of variation in input costs is significantly less than the present degree of variation in subsidy rates;
2. ACOA notes, and supports, the Commission's view that early relief should be provided to South Australian and Queensland providers and endorses ACA's view that the COPO-related under-funding of \$128 million be favourably identified as the preferred funding source. If this avenue of connection of the existing-significantly distorted-funding regime is not achievable, ACOA recommends that the Commission's report should urge an immediate and tangible response by Government to the present situation.
3. The recommended funding mechanism should, as the Position Paper argues, be predicated on nationally consistent care outcomes.
4. The recommended funding mechanism requires transparency, objectivity, contestability and regular review. The experience of the past 10 years amply demonstrates the inequitable outcomes of a system lacking these characteristics.

Representing non-profit organisations

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5. ACOA does not support the Commission's view relating to a differentiation in wages between the acute and aged care sectors. Wage parity between the sectors needs to be strengthened, to ensure that the aged care sector can improve its ability to attract and retain qualified staff.
6. The Commission's position in relation to the treatment of Payroll Tax differences between jurisdictions is noted; ACOA would argue that the same approach should be adopted in relation to all State-controlled differentials (other than staffing levels), with particular regard to Workers Compensation levies.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ian Hardy', with a stylized, cursive script.

Ian Hardy  
**CHAIRMAN**