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November 27, 1998

Productivity Commission
PO Box 80
Belconnen ACT 2616

Dear Sirs,

Re: Nursing Home Subsidies Position Paper

We thank you for the opportunity to respond to the above Position Paper. Geriaction's national response is as follows.

Geriaction Inc is a national organisation formed in 1967 and has developed into an effective special interest group promoting the interests of the aged and those caring for them. General membership is open to all carers, professional and informal, however comprises a majority of gerontological nurses. The diverse membership allows it to put forward fully representative views based on consultation and collaboration.

Geriaction consults and networks through its membership at State Branch level and through its National Council. It liaises frequently with government and other professional organisations and interest groups. Geriaction's established profile is demonstrated by its significant involvement in many policy issues related to residential aged care and aged care in general. Activities have included participation in previous aged care reform strategies.

Geriaction is greatly concerned about the future of aged care in Australia. The organisation has a long history of raising and responding to issues in aged care which is clearly demonstrated recently by its active involvement in submissions and inquiries into the current aged care reforms. Geriaction will continue to represent all carers, professional and informal, to facilitate quality services for all Australians.

Geriaction's main objective is the provision of safe and appropriately skilled care for residents in all aged care facilities. Geriaction promotes safe practice for nurses and all workers contributing to care.

The Commission proposes that funding for uniform quality care be set by Accreditation and Certification requirements. It is Geriaction's view that funding should be determined by the relative care needs of the residents. A funding tool that is directly linked to care needs should ensure sufficient funds are available to engage the appropriate numbers of suitably qualified staff and capital infrastructure to facilitate the delivery of an optimal standard of care. Accreditation and the introduction of quality management systems also depend largely on the availability of a stable, experienced and qualified workforce. The accreditation and certification process will assess, however, whether the funds made available are utilised appropriately to deliver the optimal standard of care.

Geriaction supports the Commission's belief that until the accreditation has been in operation for a period of time, it will not be possible to assume that the current levels of funding are adequate for the delivery of optimal care.

Geriaction is of the view that there is an assumption that the current levels of funding are sufficient to provide an optimal level of care. However, this organisation refutes this assumption and believes there are insufficient funds to provide safe practices and therefore safe care.

There is clear evidence that there are increasing levels of dependency in both high and low care facilities requiring a need for more complex care. Feedback obtained from our membership indicates that current staffing levels do not meet the care required by the increased dependency of residents and in contrast many report decreases in staffing levels and skills mix since the introduction of the aged care reforms.

The nonacquittal of expenditure of nursing salaries against subsidies is a possible contributing factor to this reported situation and, while the organisation recognises that the accreditation process may address staffing levels and skill mix in the future, Geriaction is concerned about the delivery of safe care in the interim period. Assurance is required that the accreditation process will not only identify deficiencies in staff level, skill mix, and the need of proper equipment, but will develop the means of rectifying these deficiencies.

The funding allocated by any funding model must reflect the real needs of residents. It must be taken into account that residents in aged care facilities have highly complex care needs and that there are many external phenomena which potentially exacerbate these complexities.

Four issues can be identified which direct any discussion about care needs and therefore necessarily predominate in funding decisions. Those issues are multisystems disorders; high levels of early hospital discharge; high levels of acuity and associated care needs; responses to relocation to and within aged care facilities.

There is every evidence that high care residential facilities equate with acute medical and psychiatric units but are staffed at 50% of the equivalent units in the acute public and psychiatric hospitals.

Geriaction is gravely concerned about this situation and believes that nursing care delivered by qualified nurses must always be available to residents. The organisation is also concerned at the Commission's statements regarding the possible productivity gains associated with changes to staffing levels and staffing mix. Geriaction is strongly of the view that the aged care sector is not an appropriate area for deregulation of nursing. Any rise in overall dependency of the residents will require a high level of qualification which attracts a higher salary.

The funding tool currently in use is not well defined and fails to assess the relative care needs of residents. As this organisation has stated previously in a number of fora, a new quality controlled costing study needs to be conducted involving:

- timing studies
- tracking of consumables
- tracking of special use equipment
- assessment of carer, skill level requirement
- escalation of the cost of special purpose infrastructure

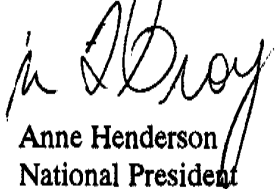
Geriaction considers that coalescence should not proceed and that alternative structures be explored. These structures need to address the unique differences between states and territories and rural, remote and metropolitan facilities, taking account of varying regulations and largely uncontrollable capital costs.

Any strategies which actively encourage the demise of smaller facilities, particularly in metropolitan areas of capital and regional cities, will contradict the philosophy of care espoused by government which is to allow 'ageing in place'. Ageing in place in its broadest concept is about ageing in one's own community. Land costs would prohibit the building of large purpose built facilities in all but peripheral areas - thus removing residents and potential residents from their communities in many instances. This in essence is marginalisation of older members of Australian society.

Once again, we thank you for the opportunity to respond to this Position Paper.

Yours faithfully,

Geriaction

A handwritten signature in black ink, appearing to read 'Anne Henderson', written over the printed name.

Anne Henderson
National President