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19 March 2009

Regulatory Burdens Review
Productivity Commission
GPO Box 1428
CANBERRA CITY ACT 2601

Dear Sir/Madam

**Re: Productivity Commission Review: Regulatory Burdens
Business Social and Economic Infrastructure Services**

I submit to the Productivity Commission the following concerns in regards to aged care regulations and funding.

1 Resources:

The aged care industry is under-resourced on an operational basis for residential aged care facilities. For a number of years now, the government has continued to increase the COPO, which funds the staffing and care side of aged care facilities, at a very minimal inflation rate of 2% to 2.3% at the greatest point. When inflation and costs are increasing greater than 3%, sometimes 5% - as was the case in 2008 - this funding formula by the government seriously miscalculates what funds are required to competently run an aged care facility from 2008 and beyond.

The government controls this income for our operational needs completely - there is no chance of the facility being able to ask for extra funds from residents. This means we are tied to the amount that the government will allow us to have, which is seriously inadequate.

The new ACFI assessment tool in our residential aged care facility that it is not funded adequately to meet the needs of the care of the people within aged care low care general and dementia, high care general and high care dementia. The resident is the one who is missing out on the care levels and this funding system needs to be seriously addressed before issues start to arise from within the industry. How can you have an accreditation system set up by the government to monitor standards when the same government doesn't fund the system adequately to address care needs? They are setting up a system to fail.

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RECEIVED TIME 19. MAR. 14:45

PRINT TIME 19. MAR. 14:47

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Regulation is seen as a huge burden in the sector as managers and staff of these facilities are "just struggling" with the resources for day-to-day activities to provide quality of care for their resident clients.

2 Reaction To Regulation:

The industry is seeing an increased number of new regulations occurring as a result of the government's reaction to events from a single operator - the entire industry has been burdened with resource-intensive red tape. For aged care we saw mandatory police checks on staff, volunteers, contractors and two new mandatory reporting mechanisms for elder abuse (including unsubstantiated), wandering residents, infection outbreaks, (constituting two residents only), etc.

We need a friend in the government. It is very difficult when some inaccuracy is discovered which needs correction. The organisation is willing to improve itself, but we need support from the Minister and the government on this matter. The main aim is to continue to give quality of care to the resident and look out for their outcomes - not to have a tug-of-war between industry and government.

3 Over-Reaction Of Government To Events:

The Department of Health & Ageing calls on the Australian Aged Care Standards & Accreditation Agency in any potential adverse event (again even if unsubstantiated). The resident aged care operators have to deal with both parties (including reports and inspections) concerned about having to justify their actions.

A recent example was in regards to an alleged abuse case whereby a gentleman had expressed a concern regarding his wife and had put it in the terms that she looked as though she had been sexually assaulted. As it turned out, this was not the case, and a week later the gentleman said that he had only made a comment regarding what it looked like, not what actually had happened.

The fine point of the matter is that the Department came up to investigate, but they were not interested in the outcome for the lady - they were more interested in the procedure that was put in place to deal with the issue. They were really more concerned about whether or not the incident had been notified within 24 hours. The people undertaking the review were very pleasant and nice; however, my concern is that shouldn't the outcome be for the resident - not the procedure? I thought this was why the abuse regulation was put in place. I was certainly mistaken.

This in itself is an insult to aged care providers by thinking that they cannot look after abuse issues within their own facilities. For many years, I have been in charge of aged care facilities and have sacked staff for yelling at residents and stealing. Why do we have to take a huge bat to something when only a small stick can fix it?

The above actual incident involved the CEO, Director of Care and Deputy Director of Care, and took about two days to interview staff, etc; being interviewed by Police and the Department of Health & Ageing staff; plus the involvement of outside doctors to carry out investigations on the residents, to find that everything was all clear and that

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the lady did not have any sexual advances made to her. It would be helpful if regulation was dropped and managers were allowed to manage the aged care facilities while the government looked after government issues.

4 Funding:

I am concerned with regard to capital funding. Both concessional funding amounts and accommodation charge amounts are not enough to allow for capital development to be undertaken. Both these amount are inadequate to meet capital needs and both amounts should be at least doubled, being closer to \$55 per day concessional coming from the government, regardless of whether 40% concessional level is met. Bonds should also be introduced for high care

5 Adverse Media:

It is quite obvious that the minister is not working on the side of the aged care industry or the resident when it comes to the media. As soon as there is some concern regarding a non-compliance within an aged care facility, or whether there has been a health incident, the minister is quick to get into the news to let everybody know about what's happening and how she is addressing the issue. We don't need the minister trying to get "brownie points" with aged care people. The minister appears to be trying to undermine the aged care industry and sees it as her duty to expose the poor operators. The truth may be that some of the operators were simply missing paperwork to back up information the Accreditation & Standards Agency needed. Maybe this is because they are working 10-12 hour days just to keep their facility operating. The minister should be more concerned that the place is funded so that we can staff it adequately and people can live normal lives and not increase stress levels – that is what the lack of funding is doing at the moment – causing stress levels among staff in the aged care industry.

There is far too much regulation and not nearly enough resources to meet the regulations imposed upon the industry, together with the concern that the minister is waiting to find fault as soon as a problem appears.

Yours sincerely

P M Carter
Chief Executive Officer