

Message

From: Catherine Cavallaro [REDACTED]
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To: ACRC Capital Financing [/o=CWLTHAG/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=d7bb58cad7ed4f15ac8b99b4a72281f7-ACRC Capital Fin]
Subject: Call for submissions on capital financing arrangements for residential aged care

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Good Afternoon,

My name is Catherine and I am the Social Worker for [REDACTED] Hospital, in Far North Queensland.

I am not sure this information I will provide is completely relevant to the current inquiries into whether the current capital financing arrangements in Australia are appropriate and sufficient for the future requirements of residential aged care, however I wanted to share some of my experiences of late as the Social Worker at a small rural hospital around refundable accommodation deposits.

[REDACTED] is a small rural town between Cairns and Townsville. Over the years we have experienced 2 major Cyclone systems, Cyclone Larry in 2006 and Cyclone Yasi in 2011 which caused major damage to properties and agricultural. [REDACTED] has also been impacted by the Panama disease tropical race 4 (Panama TR4), a serious disease of bananas from 2015 to present. All these events have contributed to rises in insurances, loss of employment, and impacted greatly on the real-estate market.

I have worked with a number of clients over the years and assisted them in transitioning to permanent residential care, however since the major changes to capital financing for residential aged care in 2014, around the refundable accommodation deposits, I have seen a number of situation due to costs involved, where many families are forced to keep their elderly parents at home with minimal home support services (due to long waiting periods for Home care packages) or are forced to leave them in Acute hospital settings for longer than normal.

My local Nursing Home currently advertises their Refundable Accommodation Deposits for a large room at \$450,000.00 and a small room at \$375,000.00. The Centrelink assets assessment might assess that based on their assets, a client can pay this, however many of these elderly clients I have worked with may be rich in assets, but low in income (Farm owners etc). It may be suggested that some of these assets can be sold in order to pay the refundable accommodation deposit, however this is extremely difficult in areas such as Tully where some real estate has been on the market for 6 years plus. This then in turn increased the daily accommodation payment if a deposit can not be made, and this then proves difficult on a single pension/low income earner.

There is already huge emotional stress involved for families when facing to accept their loved one needs residential care, yet some are forced to sell their parents homes/properties, which hold sentimental value, at a much lower value than what it is valued at just to pay the refundable accommodation deposit.

I do understand the reasons behind the refundable accommodation deposits, however it may be more appropriate that the area the client lives in is also taken into consideration, in respects to being able to sell a property. Or ideally, there needs to be a system that supports the aged care industry more effectively and those entering into residential homes only pay the daily fee. I am not sure what to suggest in order the removal of refundable accommodation deposits however. In situations where the client has the income at their disposal, then it's not a problem. Unfortunately in

mostly all of my experiences with working with clients they have not had the accommodation deposit in cash to pay outright. I am concerned by the increasing number of clients I am dealing with that simply can not place their elderly parent in appropriate residential care simply because they do not have the means to fund the accommodation deposit.

Thank you.

Regards,
Catherine Cavallaro
Social Worker



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