

Submission to the Senate Community Affairs Legislation Committee for Inquiry.

Committee Secretary
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600
Australia

19th April 2013

By email to community.affairs.sen@aph.gov.au

In relation to the following bills:

- Aged Care (Bond Security) Amendment Bill 2013
- Aged Care (Bond Security) Levy Amendment Bill 2013
- Aged Care (Living Longer Living Better) Bill 2013
- Australian Aged Care Quality Agency (Transitional Provisions) Bill 2013
- Australian Aged Care Quality Agency Bill 2013

Provider Details:

This submission has been jointly developed by the following organisations – all based in North West Tasmania:

- Tandara Lodge Community Care Inc.
- Emmerton Park Inc.
- Melaleuca Home for the Aged Inc.
- Mt St Vincent Nursing Home & Therapy Centre Inc.

Background:

Tandara Lodge Community Care Inc. (Tandara) - is based in Sheffield and is a provider of residential aged care, community care and a range of other community and allied health services within the Kentish Municipality.

Tandara has operated a residential aged care facility since 1978, community care and allied health services since 2001, and a HACC day centre since 2006.

As a multifaceted organisation we provide a range of health services to the community with the aim of developing a full continuum of care. In addition to being the only aged care facility in the region, we provide allied health services, preventative health services, community health promotion, facilitate other health service providers delivering care into the region, provide community housing and transport and community care packages. The scope of what we do ranges from child and youth health through to palliative care.

Emmerton Park Inc. - is a multifaceted organisation located in Smithton, in the rural Municipality of Circular Head in far north-west Tasmania. We are a community based, not-for-profit organisation who provide a range of aged care services to the community with the aim of developing a full continuum of care. We are the only aged care provider in the region and provide Residential Care, Home-based Care, Day Respite Care and independent living programs. Our residential care facility opened in March 2008 and our passionate staff

provide quality high and low care with a focus on skilled care for residents with special needs. To exemplify the dedication and passion of our people, we have been awarded a Better Practice award in 2012 and have been named Tasmanian Aged Care Organisation in the past 2 two years.

Melaleuca Home for the Aged Inc. (Melaleuca) – is a 42 bed nursing home located in East Devonport which was initially established by members of the local community as a result of the recognition of the need for such a facility to care for those within the local community. Melaleuca continues to be overseen by a community focused volunteer board of management and relies heavily on the contribution made by volunteers.

Mt St Vincent Nursing Home & Therapy Centre Inc. (Mt St Vincent) - has been operating since 1969. Mt St Vincent operates a residential aged care facility of 70 beds including the provision of respite. In addition a Hydrotherapy pool operates for use by the general community, particularly for rehabilitation and disabled groups. This is the only hydrotherapy pool in the region. A small bus is run to provide transport to and from the hydrotherapy centre. Mt St Vincent also has a number of low cost housing units to provide accommodation for aged or low income community members.

Mt St Vincent is a not-for-profit, incorporated association employing 105 staff. Approximately 40 volunteers undertake a range of activities with us. Mt St Vincent is governed by a Board of Management who meets monthly.

We are a well respected member of the local community and often enjoy visits from local schools, entertainers and prominent identities.

Our Philosophy: Our philosophy is that each person has inestimable worth in their own right.

Our Vision: To provide quality holistic care for all residents and clients in a dignified manner.

Mission Statement: Our Home loves supports and protects with dignity and faith those who live and work within.

All of the above organisations share common goals of providing high quality care and support to those within our communities. We all operate in rural and regional areas. Along with most of this State, the regions we operate in are experiencing difficult economic conditions and many of those within our communities are facing financial hardship.

We are all well placed to comment on the proposed legislation which will impact on the care of older Australians and our workforce.

Submission:

We are broadly supportive of the majority of the bills tabled.

- In relation to the New Australian Aged Care Quality Agency – it is unclear how this new agency will perform any functions differently than the existing Aged Care Standards and Accreditation Agency and this appears to be more of a cosmetic change which will have little functional value, for presumably, considerable cost (rebranding etc.).

- In relation to the proposals regarding payment of accommodation costs. The accommodation payment component of the LLLB reform may impact negatively on providers in smaller, remote and rural regions where property values and socio-economic conditions adversely affect property. E.g. industry/factory closures and downturn. Some of the regions in which we operate have about 1 in 6 properties for sale within the area – adversely affecting values and population. Generally people within regional areas do not have the financial backing or resources of those in metropolitan areas, these differences need to be recognised and catered for in any legislation.

The remaining comments are all in relation to the Workforce Compact (Supplement):

- We are of the opinion that the wages of those working in the aged care industry are generally too low. The low wages reflect inadequate funding levels. We support increase wages (particularly for care workers) provided that these wage increases are fully funded.
- The mechanics of how the supplement will actually operate have not been clearly explained. The public announcements regarding this supplement do not appear to reflect the actual position. From the detail available, this supplement appears to be badly designed.
- Funding increase for 2012/2013 was 0% - the rates paid for care subsidies used for the care of the elderly, are those which applied in July 2011. We understand that this funding is now being used to pay for the supplement. In effect funding which was for the care of the elderly is being recycled to fund wage increases.
- A 1% increase in Conditional Adjustment Payment (CAP) is less than and does not cover a 1% increase in wages.
- On costs and other expenses related to the administrative implementation of these measures are not funded and as such will have to be born by providers.
- Non aged care staff (e.g. community care) will also be covered by the supplement. However, they are not funded by way of the CAP, as such the mechanism for funding of their wage increase is not clear.
- The requirement to guarantee a minimum 2.75% wage increase for future years binds providers to a cost which may be well in excess of future funding increases. Historically, previous years funding increases have ranged from 0% to 1.9% which have not matched CPI and are nowhere near sufficient to meet a 2.75% commitment.
- At the conclusion of the supplement period will the CAP revert to its previous levels while wage increases will be “locked in”? Or will the increased supplement continue to be paid?

- The Conditional Adjustment Payment varies each month depending upon occupancy levels and resident care levels whereas wages remain broadly similar throughout the year.
- We do not believe that funding should be conditional on industrial agreements. Effectively this is a form of centralized wage fixing for aged care.

Should you require any further information or clarification of the foregoing please do not hesitate to contact any of those listed below.

Yours sincerely

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