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## **Inquiry into Caring for Older Australians Boandik Lodge Incorporated Productivity Submission**

Aged Care Providers are very proud of the high quality care and services that are provided to older Australians. However there are many challenges facing the industry that will make this more difficult to achieve in the future. There are many issues that need to be addressed.

### **Community Care**

Significant reform of the Community Care Programs is required. There are too many different programs which make it very confusing for the clients, prospective clients and their families. There is a pilot program for Common Access Points but this has not progressed and action is needed now to make it easier for people to access and understand community services. Some improvements that could be considered to community services are:-

1. Common access points or some form of information service that is accessible to all prospective clients. Older people want to speak to people that understand the region they live in so services need to be locally based.
2. Reduce the number of different programs that are providing the same level of care.
3. The care that is provided to be based on the needs of the client and not the type of package that they have been allocated. This would allow a person to receive seamless services and not have to move from one type of program or service to another. This would also reduce duplication of paperwork.
4. The indexation of subsidies needs to reflect the costs of providing care. Indexation should be linked to the consumer price index.
5. Clients should have the ability to choose the type of services that they purchase through a consumer directed care model. This needs to be a flexible implementation as it will not suit all clients.
6. The restrictions on use of funding need to be reviewed regularly to reflect the current needs of the Australian Community. For example a number of emerging communities, particularly through humanitarian migration, age at a faster rate than the Australian community and therefore require services at a younger age.
7. The preference for the majority of people is to continue to live in their own homes and receive care in this environment. There needs to be continued expansion of the community programs to allow this to occur. There also needs to be a community education program and some responsibility placed on Local Government to ensure that homes are constructed to allow people to age in place.

### **Residential Care**

As a residential aged care provider we have noticed significant change in the care needs of residents. People are choosing to stay at home and receive assistance through community care services and therefore have higher care needs when they are admitted to residential care. We are also finding that a significant number of the people being admitted to high care have a

diagnosis that requires palliative care. The provision of quality services to residents would be improved by:-

1. Indexation of subsidies reflecting the cost of providing services. Wage costs are 80% of our total expenditure and have been increasing at approximately 4% per annum. It is obvious that indexation of 1.7% per annum means that there will be significant deficits experienced in aged care operations.
2. The changing care needs of residents needs to be reflected in the subsidies that are provided. The increased number of new residents requiring palliative care services and the high incidence of dementia needs to be reflected in the funding instrument.
3. As the number of people entering residential care with high care needs grows we need a review of the capital funding arrangements for high care. The reduction in the number of low care residents accessing residential services will mean a reduction in accommodation bonds and therefore a reduction in capital raising abilities for providers. How are we going to meet the growing demand for aged care services if providers do not have the capital to construct new facilities.
4. The Government has been providing the majority of the funding for aged care services for a long period and it is expected in the community that this will continue to occur. With the increase in the number of people requiring aged care services and the reduction in the workforce this may not be possible. There needs to be an education/media campaign to change the thinking of the community towards a greater contribution to the cost of care from the care recipient.
5. Develop alliances with acute care facilities to allow provision of acute care within the residential facility. This would reduce hospital admissions for aged people, reduce the trauma associated with such admissions and ensure care by staff with specific aged care training.

### **Regulation**

The changes in regulations are usually designed to provide a safer environment for residents and clients. However it is the cost associated with the increased regulation that is a burden to aged care providers. This does not seem to be a consideration for the Government and has led to the cost of providing care increasing significantly over the past 5 years. The indexation of subsidies does not allow for the increased costs associated with changes to regulations.

### **Workforce**

The key issue for the workforce is that remuneration for aged care staff is significantly lower than the Public Sector. Salary levels could be increased but it would have to be funded by a reduction in the number of staff. Given the constant comments from staff regarding insufficient staffing levels this is not an option. Suggested improvements are:-

1. An indexation method that reflects the costs of providing care so that wages can be adjusted to acute sector levels.
2. Workforce development programs that can be accessed by people that have the correct attitude for aged care but may not be currently employed in the sector. Gaining appropriate qualifications to work in the industry may be restrictive to some people and funded training packages are not available to them.
3. Continue to review the scope of practice for nursing and care staff to ensure that rural and remote providers are able to develop staffing structures that suit the skills of the workforce. Imposing expectations on staffing levels is not possible if there are no skilled staff to fill the positions, there has to be flexibility that can be used in these situations. It shouldn't however be seen as a means of reducing staffing costs.
4. To reduce the regulation on the industry and therefore the documentation associated with that regulation. This would lead to a more productive workforce.

**Transition Arrangements**

Aged Care Providers have the reputation for adjusting to change quickly and effectively implementing new programs and legislative changes. The key to making any change effective is for the Government to have everything in place prior to implementing the change and to have allowed sufficient time for this to occur.

Gillian McGinty  
Chief Executive Officer  
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