



Echuca Community for the Aged
LEADERS IN AGED CARE

Echuca Benevolent
Society Inc.
A0024510K

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Incorporating:

Cunningham Downs Village
Wharparilla Lodge.
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22nd June 2010

Robert Fitzgerald
Commissioner
Caring for Older Australians
Productivity Commission
GPO Box 1428
CANBERRA CITY ACT 2601

Dear Sir

Re: **PRODUCTIVITY COMMISSION INQUIRY INTO AGED CARE**

Echuca Benevolent Society Incorporated (Provider ID 3252) operates Wharparilla Lodge (RAC 3048) a 91 bed residential care facility with ageing in place with provision for low care dementia.

Echuca Benevolent Society Incorporated has recently developed a retirement village, Cunningham Downs Village, which incorporates Wharparilla Lodge, Brolga Apartments that provide assisted living and 79 two and three bedroom independent living units. EBS also operates another small village of 32 independent living units that comprise of 21 units for rental housing, covering a need in our community.

Echuca Benevolent Society has been operating in Echuca since 1878 and is in its 132nd year of operation.

A new state of the art 61 bed facility was added to Wharparilla in October 2009 at a cost of \$9 million. Following approaches to the Department of Health and Ageing EBS was advised that no Capital funding was available. The project was funded partly from residents bonds and EBS now has a bank loan of \$2.5 million to be repaid from its business operations.

With a higher percentage of residents entering our facilities who require complex and high care needs there is less opportunity to attract accommodation bonds to assist in building projects.

Accommodation Bonds should be payable by both high and low care residents entering residential care. Currently “no bonds in high care” is unjust being cross subsidisation creating two tiers for residents. Couples, one being high and one being low care, who are entering residential care find the funding difficult to understand when one has to pay a bond and the other an accommodation charge.

Further land has been donated by a generous local and our Board of Management has plans to build assisted living units to cater for the lower category residents who can remain at home with services.

Wharparilla Lodge is an aged care facility that has always met the standards set by the Aged Care Standards and Accreditation Agency but the costs related to improving performance, accountability and reporting frameworks just keep on increasing which then takes away resident care hours to comply with the compliance burden that is placed on our facility.

Our organisation is committed to provide a quality aged care service to our community and surrounding district for many years to come and relies heavily on the support from Government for real funding for the work that is being carried out.

We are under funded for the care provided to special needs groups e.g. Dementia residents, and under funded for the care provided to residents returning from an acute Hospital bed. Funding for residents returning from an acute Hospital should be funded for a short period in line with Transitional Care funding.

The recent 1.7% indexation increase (2010-11 year) for aged care funding is a paltry increase that doesn't even keep up with inflation and the following are just some examples:-

- From 2004 to 2008 we received a 1.75% increase in Conditional Adjusted Payment. There has been no increase in 2008-09 and no increase announced for the 2010-11 year.
- Increases in salaries through our EBA in line with Fair Work Australia \$116,655 versus the 1.7% subsidy increase of \$49,156.
- Local Rate increases 7%

- Water rate increases 15%
- Increases in Power and Gas
- Increases in Food Provisions, medical supplies and contractor services;

yet we are expected to stretch our resources further in order to cover our expenditure.

As there are a number of issues including funding levels, indexation and inequities, this is a great opportunity to see long term, sustainable reform for our industry, so we can continue to provide high quality and flexible services, which meet community needs.

I thank you for the opportunity to place a submission before the enquiry.

Yours sincerely

Stan Barker
Chief Executive Officer