



KIAMA MUNICIPAL COUNCIL

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Reference:

MF:CA – B05.001.000

28 April 2011

Inquiry into Caring for Older Australians
Productivity Commission
GPO Box 1428
CANBERRA CITY ACT 2601

Dear Sir/Madam

Submission: Caring for Older Australians

Kiama Municipal Council owns and operates the Blue Haven Aged Care Facility which currently has 52 high care places, 30 low care places and 52 provisional low care licenses.

Kiama Municipal Council is a member of ACSA and fully endorses the recommendations that they have made to the Productivity Commission. Council has undertaken a number of financial modelling exercises to assess the viability of rebuilding and expanding the facility and the issue of accessing accommodation bonds is of paramount importance.

The financial modelling has shown that in terms of funding capital costs it will be necessary for Council to be able to access accommodation bonds from a majority of incoming residents rather than relying on capital borrowings. Council would have serious concerns with any recommendation that results in residents paying periodic payments rather than accommodation bonds.

Council would also have concerns about placing a cap on the level of accommodation bonds particularly if the level was to jeopardise the viability of the rebuild/expansion program. Council would support any recommendation to introduce accommodation bonds to high care as this would mean a consistent approach for residents entering either low or high care.

Any moves taken to reduce unnecessary and duplicative regulations would also be welcomed as over the years there has been a slow but inexorable increase in the number of regulatory compliance issues affecting the industry.

Council would like to thank you for considering this submission and sincerely hopes that the recommendations of the ACSA will be included in the final report.

Yours faithfully

Michael Forsyth
General Manager/CEO

ALL CORRESPONDENCE

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