



LHI Retirement Services (LHI) is a Christian, South Australian, benevolent, aged care provider associated with the Lutheran Church of Australia. We care for over 1,000 older South Australians and were established in 1957. We have significant waiting lists for all of our care services.

LHI congratulates the Commission on the work it has undertaken, your understanding of the aged care issues and the significant recommendations you have made.

We wish to make the following comments and suggestions about the report:

- **Spirituality** – Spiritual care, at the end of life, becomes the most significant area of care for older people. The report mentions the importance of spiritual care but does not refer to the need for this care to be recognised within any future aged care funding instrument. The costs associated with providing pastoral and chaplaincy services, be they associated with Christian or other areas of spirituality, in any religion or value based belief, is most important.
- **CACP & EACH in Retirement villages** – The report refers to the current availability of care packages under a special retirement village allocation initiative. This has not been LHI's experience despite several years of making applications under the ACAR process. As recently as this month, at an ACAR feedback session with the Department of Health, following another unsuccessful application for CACPs, the Department officers present at the meeting denied any knowledge of any programme of specific allocations to retirement villages. LHI is in the unagreeable position of having to invite other aged care providers to deliver services to our clients, simply because we cannot obtain sufficient packages under ACAR to meet current needs. This is inefficient, makes it difficult to guarantee quality outcomes, and is distressing to our clients who would prefer to have familiar LHI staff to deliver their care services. The ability of approved providers to provide services to meet market demands requires prompt action.
- **Carers who are no longer able to be in the work force** – We draw the Commission's attention to the effect of family members or friends who, through necessity, have to become full-time carers for an older person. From personal experiences, we draw your attention to the now common situation whereby the carer has to give up their paid work position. This causes the carer (from being a tax payer and contributing to government revenue) to become a recipient of social security (a cost to government revenue). This factor is often forgotten or ignored when calculating the true costs of residential aged care.

- **Aged Care Day Care (ACDC)**– Related to the previous point, the dilemma of carers wishing but unable to remain in full or part-time employment, can be avoided if Aged Care Day Care services were to be available as an additional level of aged care service. The ACDC would be available as five-day-a-week, full-time, facilities that are able to care for clients during their carer’s normal working hours. The carer(s) would maintain full-time employment (adding to their quality of life). The service would be similar to existing childcare services, staffed by trained aged care staff, and could be partially funded by the client/family. This service could significantly reduce the instances of depression, while increasing the sense of self worth amongst carers.
- **Rural centres of excellence** – The future of rural communities is of great concern to all Australians. We believe provision should be made to develop Rural Aged Care Centres of Excellence. These centres could be developed on a regional basis and include a retirement village and aged care facility. The great advantage would be in the economy of care delivery, while maintaining client’s lifetime connection with their families and local communities. The centre would only be located in one central regional town and families and friends would still be within manageable travelling distances.
- **Re-Assessment under ACNAI** (Aged Care Needs Assessment Instrument) – given current incorrect assessments under the present ACAT system, we are concerned that sufficient and qualified resources will be readily available to undertake the initial as well as ongoing re-assessments of those requiring urgent assistance. The promptness and accuracy of re-assessments will also be critical in maintaining appropriate care levels for existing clients, both community and residential, given their often rapidly changing needs.
- **Gateway process** – It will be most important that urgent access to the Gateway process is available to clients and families. The need for access often arises from crisis situations. The need for ‘supporting advocates’, who can be readily available to assist clients with cognitive impairment or for those without family or friends, will be very important throughout the full Gateway process.
- **Bond retentions** – We believe that, where bonds are payable, it will be important to retain the current concept of bond retentions. Where bond retentions are not payable by FDA clients it will be equally important that the true value of the bond retentions is reflected in the equivalent government subsidy.

- **Price setting and publication of accommodation costs and charges** – we support the proposed system and believe that with the charge reflecting the true replacement cost of each type and level of accommodation it will encourage choice and competition. This recommendation is congruent with the current practise in retirement villages. The price setting and publication process, together with the previous observation on bond retentions, will ensure that the current practise of maximising accommodation bonds to cross-subsidise lack of income in other areas, will no longer be justifiable.
- **Not for profit status (P118/119)** – We believe that there are distinct and measurable differences between ‘For Profit’ and ‘Not for Profit’ organisations. The provision of spiritual care, the size of resident rooms and facilities together with the extent of additional personal care services, are just a few examples of these differences. Clients often choose ‘Not for Profit’ organisations because they feel reassured that the values and mission of such organisations are more transparent. We do not therefore support the proposal to remove the distinction between the two provider groups and recommend that benefits such as ‘salary sacrifice’ are maintained.
 - **Day Therapy Centres** – For some years the provision of funding for ‘Day Therapy Centres’ has been under review by government. Within the aged care industry this ‘threat’ has been perceived as reflecting a negative perception of DTCs by government. The availability of Day Therapy services will be even more important under the aged care model proposed by the Commission. Support for ongoing and enhanced funding for DTCs must be confirmed within the final report to encourage rehabilitative services for older persons.
- **Remove ACAR process** – the current Aged Care Approval Round process should be removed as soon as possible and earlier than currently proposed in the report. The current ACAR system is resource and time consuming, it lacks transparency as well as natural justice.
- **Superannuation** – The Commission makes reference to superannuation as a source of funding for aged care, but does not believe that this would be a practical funding solution, given the history of superannuation in Australia. We would suggest that the common expectation of retirees that they can ‘cash-in’ super at the time of retirement from permanent work and take a ‘lump-sum’ option, which is then spent as soon as possible to maximise government pension entitlements, is senseless. While we understand the political unwillingness to change the current system completely we would suggest that:
 - a) the current lump-sum withdrawal system be stopped at some specific date for future pensions (as with the retirement age), and
 - b) that any future employer pension contribution % increase (or part of) be placed into a Community Aged Care Fund.

We again confirm our support for the majority of the recommendations made by the Commission and confirm our willingness to attend the Adelaide public consultations should additional information on, or clarification of, the above comments be required.

For and on behalf of
LHI Retirement Services

T. B. Gray

Chief Executive Officer