



Bankstown City Aged Care Limited

An Aged Care Charity

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Submission To:

PRODUCTIVITY COMMISSION INTO THE AUSTRALIAN GAMBLING INDUSTRY

Bankstown City Aged Care Limited is a Public Benevolent Institution created in 1972 to service the frail and aged living in Bankstown local Government area. This is an area of approximately 160,000 citizens, it has a lower income level than the Australian average, higher aged percentage of the total population than the Australian average and more than 50% of the population have one parent overseas born or speak a language other than English at home.

Our Company is unique in that as far as we are aware we are the only aged care charity in Australia whose membership comprises the State Government (in the form of our local hospitals, Bankstown and Lidcombe), local Government (Bankstown City Council), two of the largest registered clubs in Australia (Bankstown Sports and Revesby Workers), Bankstown Trotting Recreational Club, five of the six RSLs in the LGA (Bankstown, Bass Hill, Chester Hill/Carramar, Panania Diggers and Revesby Heights Ex-Servicemen's Memorial Club), the three Lions Club in Bankstown (Bankstown, Greenacre and Yagoona) and the only Rotary Club in Bankstown (Bankstown Rotary). These 14 separate organisations all came together in 1972 and created our organisation whose mission is to look after the aged and the frail. They have remained members of the organisation ever since.

The Company since 1972 has grown to be worth \$66m, it employs over 250 people, the majority of whom are from non English speaking backgrounds, we look after 600 clients, 350 in residential care (comprising low care, high care and dementia specific care), 200 clients at home (CACPs- Community Aged Care Packages and Veterans Home Care) and 50 clients on a daily basis through our dementia day care centre.

Initially, like most other aged care providers, we received capital subsidies from the Commonwealth Government to build our first four residential facilities which housed

approximately 200 clients. This was over the period 1974 to 1990. The total commitment by the Commonwealth in the form of capital subsidies was less than \$2.5m. This represented approximately 50% of the cost of building these four facilities. The balance of the funding came from donations from our 14 member organisations who donated a similar amount to the Government.

From 1987 to 1996 we received some capital grants but these were for specific purposes like upgrading fire safety and the like.

From 1996 to the present we have received no capital grants from the Government and that has been the period of our most extensive building works where we have spent over \$25m.

Since 1972 we have received approximately \$20m in capital subsidies/grants from the Commonwealth or donations from our member organisation or the general community. The Commonwealth has given us approximately \$2.5m in capital grants and around \$9m in capital subsidies, a total of around \$11.5m. Over the same period the registered clubs have donated more than \$4.5m, the local Council almost \$2.5m and the general community and the service clubs approximately \$1.5m.

This has enabled us to build a state of the art 150 bed residential facility called Gillawarna Village at Georges Hall. That facility has 50 beds for high care clients, 50 beds for dementia specific clients and 50 beds for low care clients. In addition we built a purpose built dementia day care centre (with no Government funding – entirely sponsored by the registered clubs and the local community at a cost of \$1m), a day care building for our home based clients who are isolated and who come together twice a week for social interaction, the centre also has a library both video and written, computers to surf the net, games, hot meals provided as well as the normal bingo, sing-a-longs etc. The centre has been a model which other providers have copied and the Commonwealth Quality Reporting Auditors have asked to use as a best practice for other home based providers. Again that building was built with no Government funding and via donations from the registered clubs and the community. It cost \$500,000 to build.

We are currently building a new 3 storey, 60 bed unit and refurbishing 46 of the original beds built between 1974 and 1990 at Revesby. This will give us another state of the art 106 bed unit which we believe will be the best aged care facility in the local Government area. It is has also been part funded by the registered clubs, the service clubs and borrowings from the bank. There have been no direct Commonwealth Government capital grants. This project, including the purchase of the land, will cost around \$17m. It is stage one of a massive three stage development on the site. Eventually the site will accommodate up to 200 clients on a residential or home based services model.

As can be seen our organisation has been for more than 30 years providing quality aged care services to the people of Bankstown. Aged care quality is measured by the Australian Aged Care Standards Accreditation Agency and they have a system of measuring performance against 44 outcomes. We have a score of 44 out of 44 for all four of our residential services and have done so for the last two Accreditation Rounds. In other words, we have the maximum possible rating we can get from the Commonwealth Government.

Similarly, we have the highest rating we can get for our home based services program and our day care program. All of these indicate that we are providing a high quality service to the frail and aged.

That basically explains the history of the organisation, our membership and our achievements. Each of the 14 member organisations are entitled to two representatives, called members, and these members attend an annual general meeting which elects an 8 person Board and that Board of Directors meet monthly and plan the operations of our company. None of the representatives or the directors receive any payment for their services. The Company operates on a five year strategic planning cycle, it is registered with ASIC and operates on a Carver Model of Board Governance.

The value of registered clubs to our organisation cannot be over estimated. Without their financial support and the support of their Directors (who are normally the members nominated by their organisations to stand for election to our Board) we would not function. Ever since we started the Government has never funded our building program at an amount sufficient for us to build a quality building fabric. It has always been seen by the Government that it was making a contribution and not providing the full cost.

Since 1996 this has been even more pronounced where the replacement of capital grants with capital subsidies means we do not get the money upfront but have to borrow from the banks and then pay the money back from our capital subsidies that come in a monthly basis. This has added interest as a cost we never previously had. This has probably cost us close to \$800,000 in additional costs since 1996.

The difference between building an aged care facility which is very basic, looks and operates like a hospital with wards, shared rooms, shared ensuites, minimal social and interactive areas which is what we would build if we had only the Commonwealth Government as our source of funds for building works and what we do build is down to the registered clubs.

In 2001 the local Council ceased providing capital money or capital grants to us because of their other commitments. Over the same period the registered clubs increased their grants to make up for the shortfall. This has enable us to build single rooms, one client to an ensuite, maximum social and interactive areas, extensive gardens, auditoriums etc which all go to providing a home like environment, with clients in their latter years being allowed privacy and dignity and not having to live with strangers in a shared ward.

The difference is building a 2.5 star facility and a 5 star facility. We would welcome any visit by the Commission to any of our facilities to give a practical visual demonstration of what it means to receive donations from our registered clubs.

Having the expertise of the Directors of the clubs as Directors of our organisation has been invaluable over the last 36 years. Those Directors have provided experience, knowledge, business acumen and are able to commit their organisations to building works in ways that would not be possible if we did not have this close relationship.

Another feature of the relationship is the extra mile the registered clubs have gone for us and the general community of Bankstown. I know that some clubs have given in some years up to 5% of their poker machine earnings to us and other charities. In the case of the larger clubs this has included national charities like the Flying Doctor Service, The Red Cross, Cancer Research, MS to name just a few. I know that the bulk of donations received for equipment at Bankstown Hospital came from the registered clubs. The myriad of sporting association who provide equipment, resources and funding to young athletes right up to Olympic athletes has been enormous in this area from the clubs. Witness the running of the 2000 Olympic Velodrome by Bankstown Sports.

Revesby Workers Club in addition to their poker machine donations have the Bill Bullard Foundation which nominates a different charity each year as its annual fundraising goal and rarely raises less than \$50,000 per charity per annum.

I know that the registered clubs in our area assist the homeless, the disenfranchised (through the Father Chris Riley Foundation), the disabled and many, many more charities and services dedicated to helping those less fortunate than ourselves.

Our 36 year history with our registered clubs has been one of close harmony, mutual interest and producing an end result that has been of great benefit to the local community. Many clients who would have been in hospital for lengthy periods have been able to be placed in aged care accommodation because we have built these four aged care facilities. Many clients who would have been institutionalised have been able to stay at home because of the home based services, day care programs both general and dementia specific. We have been able to build and run these facilities because of the generosity of the registered clubs.

Finally, I would ask the Commission to consider what would happen if the registered clubs did not have these funds to donate or did not donate those funds. Our social fabric as a community would be considerably reduced. Our amenities, sporting facilities, services to the frail, the aged, the disabled, the homeless, the sick and all those other worthwhile social organisations would have diminished ability to help the most vulnerable in our community. I have no confidence that the State Government or any level of Government would make up the shortfall.

Prior to my employment in my current position (from 1992) I worked for 25 years in Welfare Services for the State Government, the last five as a member of the Senior Executive Service. The last 10 years of my work in Government were very disheartening where I witnessed poor planning, continual fruitless and non beneficial changes in direction and structure, reduction in real services to the clients and tremendous decreases in staff morale. We were constantly asked to do more with less in the mantra of reform. The end result is the impoverished and appalling child protection, welfare and community services offered today to the people of NSW.

I contrast that to the last sixteen years of building quality services, working co-operatively with the local community, going forward and making our community a better place with better services to our most vulnerable citizens. I go home each night proud of what we are trying to achieve. The registered clubs in our local community benefit from gambling, so do the hotels. The clubs return the profits from that gambling to the members in the form of amenities and to the general community in the form of grants to provide worthwhile services. We have written to every hotel in our LGA and have never received one cent from any of them for any community service. That is the difference. Both forms benefit from gambling, one form, the registered clubs, seek to do some greater good with the proceeds.

Again I stress that our organisation is quite happy to give verbal evidence to the Commission, to have the Commission inspect our facilities so they can see first hand what affect the donations that have been made to us by the registered clubs have had on our building fabric and the quality of the services we provide.

Terry Madden
CEO