

## **SENATE INQUIRY INTO AGED CARE ACT BILLS (Living Longer, Living Better)**

Submission deadline 22 April 2013

### **SUBMISSION ON BEHALF OF:**

Abbeyfield House Inc., Mortlake VIC  
Cobden District Health Services Inc, Cobden VIC  
Edgarley Home Inc, Casterton VIC  
Eventide Lutheran Homes, Hamilton VIC  
Sunnyside House Inc, Camperdown VIC  
Sunnyside Lutheran Retirement Village, Horsham VIC

In considering the Living Longer Living Better reform package, any changes to the Act, any discussions and consultations, should focus on the best interest of service provision. Without strong viable service provision, there is no quality service. New policies in aged care should reference the viability of servicing the change as many great ideas become undeliverable when policy is explored at the service provider level.

As service providers, we are often the people most closely associated with the consumers interests and needs and the organisation best placed to satisfy and meet those consumers' needs.

Our main concern is that the Bills contain little detail they are simply broad 'framework' documents and that the operation of this legislation will largely be directed through the principles . These principles have yet to be released. Government is looking to pass legislation without seeing the principles (i.e., details). The true impact of this legislation to the industry is not known. **This legislation cannot pass parliament without all related details being known.**

Examples of areas where the lack of detail and the detail that is provided in the legislation will have significant impacts to the future viability of rural communities is as follows:

#### **Changes to accommodation payments**

- Due to size of facilities in rural communities, building infrastructure does not lend to flexibility for future residents' financial capacity thus the accommodation payment levels is unsustainable. If you put a price on a room and the next resident may not be financially compatible for the vacant room. Needs of residents are most important and getting them into care. In the rural sector and smaller communities, this is not a sustainable policy.
- Plight of rural based economies impacts on property evaluations (dictated by climate and dollar how we can operate).
- There are inconsistent property values in the rural sector at large.

#### **Bond Retentions**

- Cannot see the correlation between the loss of income from retentions and bond interest with any income streams proposed.
- Loss of income. Refer to Changes to accommodation payments as this is unworkable for rural thus require retentions.

#### **Workforce Compact**

The government lacks any long term commitment to funding the wages compact (not viable). With the proposed changes to future income streams, industry especially rural facilities, cannot commit to the unfunded consequence of the workforce compact.

### **Specified Care and Services**

No detail provided as yet on the cost involved; therefore, no clarity on the ramification of this aspect of the bills.

Aged care facilities in rural towns play an important part in the economic environment of the town. They are generally one of the town's largest employers, purchase goods and services from the town's suppliers and pump a significant level of wages and salaries into the town. It is imperative their survival is maintained. It is one thing to close down due to poor performance or to a dwindling population. It is another set of issues if they are forced to close because of government policy decisions or governments not wishing to deal with a number of small operators.

We ask you to seriously look at these changes and apply some simple social and moral rules before committing to supporting these changes

- Is it fair to all?
- Will it benefit those it is intended to help ie the resident?
- Will it lead to the long term viability of all aged care facilities?

We are sure you do not wish to see people who have made a significant contribution to Australia and who are now at their most vulnerable, disadvantaged because of their postcode. Current and future aged care residents deserve better.

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