

## **Senate Select Committee Opening Statements**

**Senators,**

**I represent Presbyterian Care Tasmania and our organization has prepared two submissions for this Inquiry – the detailed Presbyterian Care National Network submission, a Tasmania submission and I will provide three further supportive documents for today's hearing namely;**

- A Senate Briefing Note containing potential solutions;**
- A one page summation of a Deloitte Review of our options for our southern development, and**
- A one page summary of our end of February 2009 Nursing Homes financial performance.**

**Senators, Aged Care is beyond crisis and in total meltdown.**

**The funding base and annual indexation provided by previous government and this government is wrong, it is immoral and worst of all actively discriminates against the elderly in our community. It breaches the basic principles that underpin our Nation's Disability Discrimination Act – to treat all Australians fairly.**

**Why should aged and community care only receive this year indexed increase funding of 2% when the Australian Government and the States on 29 November 2008, agreed to fund health and disability services for the next five years at rates varying from 6% to 7.3%. These figures represent real and appropriate cost increases for our services the same as it does for our community disability services. This is inequitable - is Government's past and present saying indirectly that our elderly deserve less?**

**When ACFI our new funding instrument was launched in March 2008, this valuable assessment tool was corrupted by tying the hands of the designer – the clear message from Government and openly stated in presentations was there is only the same pot of money. and ACFI is a more refined tool that divides the same funding differently the result of which is less money for low care and more for other levels of care. What really has happened though is that the previous RCS system had 7 pay points or classifications and now we have 64 pay points. Blind Freddy would be able to see that it is easier to have residents for funding purposes slot into 7 slots than get a tick in the**

**box for 64 boxes. The end result has proved to be less funding for the services we provide for our residents.**

**At the end of this financial year we will post a record of \$850,000. This is unacceptable and not sustainable. We have taken up a ZRIL \$7m loan to build 48 new beds at our Hobart Home based on Commonwealth recommendations that expansion of the existing Home to 85 beds would enable this site to operate profitably and repay debt. Wrong. We now potentially are faced with depriving this community of these very much needed beds or proceeding to build with the knowledge as confirmed by Deloitte, that we will operate this medium to large facility at a loss. Why would we do this I ask?**

**In addition, we have 44 bed approvals in the North which we will formally and very publically give back to Government at the end of this year for without significant Capital Grants if we were to build all we would do is accelerate the pace in which we exit this business and close our doors.**

**The funding crisis is that serious. As the Public Officer of our organization my duty and legal responsibility to our Directors and to our Owners is to prevent insolvent trading. I assure you that our business will close before our cash position is compromised. Unless this urgent crisis is addressed we will be in the foreseeable future causing major unemployment problems for our valued staff. The impact on our elderly residents, our community clients, their families and the community if we are not around is disastrous and will result in our State hospitals becoming the aged care facilities of the future.**

**The options today for me are untenable and that is to cut my staffing levels by 15 – 20% and deliver sub standard care. Our brand name and all that we stand for would soon become tarnished and Government would be faced with dealing with multiple resident and family complaints. Our elderly as major contributors to the society that we each enjoy deserve better and I personally will not condone such action or consider compromising our standards of care.**

**Senators, I would be most pleased to answer any questions that the Committee may have or provide additional supportive evidence.**

**Robin Philps  
Chief Executive Officer  
Presbyterian Care Tasmania Incorporated**

**27 March 2009**