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19.11.08

The Secretary,
Senate Finance and Public Administration Committee,
PO Box 6100
Parliament House
Canberra ACT 2600

To the Secretary,

Re: Senate inquiry into residential and community aged care in Australia.

Thank you for the opportunity to put forward this submission on behalf of our organization.

Darlingford Upper Goulburn Nursing Home (DUGNH) is a stand alone publicly funded not for profit incorporated association. The facility has, for a number of years, struggled to maintain a positive financial position, its accreditation status, and a staffing profile that is compliant with past and current Nursing Enterprise Bargaining Agreements and required Nurse patient ratios.

In 2004/05 DUGNH expanded from 30 beds to 50 in an effort to enhance viability. However, despite this and despite seizing every funding and efficiency opportunity available to it, DUGNH will, in the near future, struggle to meet its operational commitments.

The organization's most recent independent auditor's report includes an emphasis of matter concerning DUGNH's continuation as a going concern. This view was reiterated by a KPMG audit which describes DUGNH as operating very efficiently, but that without a major reduction in staffing costs particularly, will soon become non viable.

The organizations staffing costs at present represent 87% of non negotiable expenditure. Reducing staff numbers or replacing registered Nurses with cheaper Personal Care Assistants are not available contingencies as both options leave the Home in breach of industrial relations legislation.

The Dept. of Human Services does supplement DUGNH's income to assist with the costs of the imposed EBA. However, our funding agreement with DHS for 2008-09 is for approximately \$600,000.00, and this amount constitutes only 0.2% of our salaries and wages budget.

Apart from salaries and wages, DUGNH faces high food and transport costs because of its remoteness, gas supplies are at a premium as Eildon is not supplied with natural gas, and with fluctuations in oil prices the travel component of service contracts has risen exponentially.

The other major financial and human resource burden for the organization is standards compliance. As previously stated, DUGNH has in the past struggled with the maintenance of its accreditation status. The burden of meeting regulatory and nursing award requirements makes matching subsidies with actual costs of delivering care extraordinarily difficult.

The overall impact of inadequate funding is that DUGNH (like many aged care facilities) finds itself forced into a position of installing a selective admission process. If two potential residents have similar acuity but different financial circumstances, preference will be given to the person who provides the highest income for the organization. This further disadvantages many who (as community members of one of the lowest socioeconomic community areas in the state) already suffer considerably.

Sincerely,

Elizabeth Sinclair

CEO/Director of Nursing