

MURCHISON COMMUNITY CARE INC.

A00343341Y

*Consisting of: D . P. Jones Nursing Home & Neighborhood House
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Committee Secretary
Senate Finance and Public Administration Committee
Department of the Senate
PO Box 6100
Parliament House
Canberra
ACT 2600

SENATE ENQUIRY INTO AGED CARE

I make this submission on behalf of Murchison Community Care Inc. a community owned organization that own and operate D P Jones Nursing Home a 40 bed residential facility – 30 high and 10 low care residents – in a rural community.

Although we are small by industry standards we have been able to operate successfully since establishment in 1982 as a 30 bed high care facility. With Federal Government assistance of \$800,000, 10 low care beds were added in 2002 for \$2.58 million, only needing to borrow \$390,000 which we are still servicing.

The expectations of people entering residential care are changing and will continue to do so as the 'baby boomers' enter the service. We have 5 double rooms which are becoming harder and harder to fill. The Board as part of its strategic planning has prepared concept plans to enable all single rooms with ensuite at estimated cost \$2.3 million is not viable to proceed with this in the current climate with Federal Government funds in the form of Zero interest loans (interest CPI) and supposedly capital moneys under the current funding regime needed to maintain viability. This is best highlighted by the following figures for our 2007/08 financial year.

Operating Income (all sources)	\$2,225,385
Operating expenditure	\$2,621,920
Non operating income (accommodation charge, Concessional residents , transitional support	\$162,585
Interest on investments (including Bonds)	\$117,918
Other income (donations, fund raising)	\$25,467
	<u>\$2,531,355</u>
Loss	<u>(\$90,565)</u>

This illustrates that all the non operating income which is generated is being"used" to prop up the shortfall in operating income. We should have \$305,970 available to carry out capital works but it is just not there.

This is because the indexation figures used by the Government for many years have not kept pace with the real increase in costs, especially wages. Although staff has received 4% wage increases per year for the past 6 years, which are above COPO yet the salary levels in Aged Care are still 10% below the public sector with its subsequent pressures to recruit and maintain staff. With the shortage of qualified nurses across all sectors this is bordering on critical for the future care of residents whose needs are increasing.

We are finding more and more staff are reporting in sick on a regular basis; which increases the pressure on other staff having to work extra shifts to cover; which we attribute to the increased work load for an ageing workforce with more dependent residents and demands to meet the ever changing regulatory compliance. Staff are 'burning out' and unless this is addressed by making more funds available to attract and employ additional staff we will be able to meet our duty of care commitments.

The ACFI funding system will not "fix" the problems because:

- By the time it is fully implemented inflation will have "soaked up" most of the increase.
- Unless low care residents have a large bond they will find it very difficult to find accommodation (ACAT already are experiencing this problem)
- Occupation levels will be difficult to maintain because of the above.
- ACAT assessments have no correlation with ACFI funding e.g. resident with high ACAT assessment for residential care, receiving EACH packages; on admission to our facility was not eligible for any funding under ACFI

Aged Care is like a ticking time bomb and the time is running out to find a cure.
HELP?

Bruce Brisbane
Chief Executive Officer

