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

Dear Secretary

**Submission to the Australian Senate Inquiry into Residential and Community Aged Care in Australia**

Uniting Church Homes (UCH) is part of the Australia wide UnitingCare network and one of the largest providers of residential and community services in Western Australia. As well as operating services throughout metropolitan Perth, we are also present in four country regional centres.

UCH welcomes this enquiry as we have a deep concern about the state of the aged care sector and its ability to respond to the rapidly growing needs of the community.

UCH sees the ministerial portfolio of Ageing as complex and multifaceted and requiring an ability to harness government action across a range of disciplines. For this reason, the portfolio should be occupied by a senior minister who holds a place in Cabinet. This status will provide the leadership opportunity to deal with the many issues that have been outstanding for more than a decade.

**Current Key Concerns**

- Planning processes and planning ratios have become moribund and do not reflect the unmet service needs of some communities while oversupplying other communities.
- The Home and Community Care Program stands outside mainstream aged care planning, policy and fees setting frameworks and can undermine the intent of other more appropriate service options for older people.
- Indexation formulas for recurrent government subsidies do not reflect the rapidly increasing costs of providers (particularly in the boom States) thereby creating an unsustainable sector.
- The cost of construction (particularly in the boom States) has far outstripped the capital returns that are achievable within the parameters set by government.

- Recurrent funding shortfalls and high construction costs have brought the residential aged care sector to a standstill.
- There is a shortage of people to work in aged care and the boom States have experienced significant workforce shortages for the last 4 years. This problem will escalate due to the high age profile of the existing aged care workforce and a contraction in the number of workers due to demographic change.
- A resource hungry regulatory framework continues to grow without ever being tested to demonstrate the end benefit to users. The opportunity costs are many but often reflect in the alienation of capable, skilled people who leave aged care never to return.

### **Immediate Responses**

- Unpack and separate the cost of care from accommodation.
- Government recurrent funding formulas need to reflect the actual cost of providing a quality care service. As a minimum, the CAP subsidy is to be retained for residential care and applied to community programmes until this is resolved.
- Use financial instruments that will enable older people to contribute to the accommodation component of their care.
- Link the subsidy payments for concessional residents to the average bed cost.
- Temporary and permanent migration programs need to be maintained, particularly in the boom States to supply sufficient workers to meet the needs of an ageing community.
- Dramatically reduce the regulatory burden on the sector in a way that protects the interests of consumers whilst recognising the scarce resources available to deliver services.

### **Longer Term Responses**

- Recognise that demography defines our destiny as a nation and its implications are important enough to be part of this country's national policy agenda.
- Create a senior portfolio ministerial position for Ageing to provide appropriate leadership and a strong voice in Cabinet.
- The service system needs to be redesigned with the aspirations and expectations of older people and their families at the core. The building blocks would include:
  - urban planning and design that builds supportive communities;
  - housing design that enables people to age in place;
  - preventative, rehabilitative and supportive programs that enable people to remain independent for as long as possible;
  - comprehensive, integrated community care that supports people in their home settings up to very high levels of care; and
  - a residential care sector that responds to needs not otherwise met (palliative, wandering dementia, unstable medical conditions etc).

- This approach has significant implication for Service Providers.
  - They would need to rethink the centrality of housing and housing design in meeting the needs of older people.
  - The community sector would be front and centre as the main response to support and care and would urgently need to develop its capacity as a consequence.
  - The residential sector's future is all about high care.
  - Much of the infrastructure currently available is unattractive to baby boomers.

Please note that UCH has also contributed to the UnitingCare Australia submission to this Inquiry and the Review of the Conditional Adjustment Payment through BlueCare as the lead agency.

Yours sincerely,



Vaughan Harding  
Chief Executive