



Echuca Community for the Aged
LEADERS IN AGED CARE

28th November 2008

**Echuca Benevolent
Society Inc.**
A0024510K

All correspondence to
be addressed to:

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Committee Secretary
Senate Finance and Public Administration Committee
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Sir

Re: SENATE ENQUIRY INTO AGED CARE

Echuca Benevolent Society Incorporated (Provider ID 3252) operates two facilities, Engelbert Lodge (RAC 3048) a 61 bed low care facility with ageing in place and Wharparilla Lodge (RAC 3711) a 30 bed low care facility with provision for low care dementia.

Echuca Benevolent Society Incorporated has recently developed a retirement village, Cunningham Downs Village, which incorporates Wharparilla Lodge, Brolga Apartments that provide assisted living and 79 two and three bedroom independent living units. We also operate another small village of 32 independent living units that comprise of 21 units for rental housing, covering a need in our community.

Echuca Benevolent Society Incorporated has been operating in Echuca since 1878 and is in its 131st year of operation.

In 2007 Echuca Benevolent Society Incorporated was approached by Echuca Regional Health to purchase our Engelbert Lodge facility, which is very close to all of their facilities. Echuca Regional Health had been

Incorporating:

Cunningham Downs Village
Wharparilla Lodge.
Brolga Apartments.
Mount Terrick Road,
Echuca, 3564.
Tel: 03 5480 5000
Fax: 03 5480 9133

Engelbert Lodge.
70 Haverfield Street,
Echuca, 3564.
Tel: 03 5482 3600
Fax: 03 5480 6961

Cloura Village.
9 Francis Street,
Echuca, 3564.
Tel: 03 5480 5000
Fax: 03 5480 9133

formally approached by the University of Melbourne on behalf of a consortium that included Monash University, to establish Medical Education Infrastructure at Echuca Regional Health, including student accommodation and teaching facilities. Echuca Benevolent Society could see the importance of the Medical Education Infrastructure in Echuca and agreed to sell Engelbert Lodge land and building which will provide accommodation, teaching, study, research and food preparation for 40 students including 3rd year medical students, final year medical students, interns and allied health/nursing students. This was approximately 4 to 5 years ahead of our strategic planning but again our Board of Management could see the importance of this project to our community and rural Victoria in general.

On many occasions I sought meetings with the Minister for Ageing, Minister Elliott and also the Minister for Health and Ageing, Minister Roxon, but to no avail. Our Board of Management was bitterly disappointed that Minister Elliott's office would not take an appointment to at least discuss our position, even when they were advised that we would meet in Canberra or anywhere that would be suitable for the Minister. Further correspondence to both Ministers was not answered by their office but by the Department of Health and Ageing.

A new state of the art 61 bed aged care facility is now being added to Wharparilla Lodge at a cost of \$10.3 million. Following our approaches the Department of Health and Ageing have advised that there is no Capital funding available as the project has commenced and is not eligible for any funding through the Aged Care Approvals Round. A long term bank loan has now been approved to assist our organisation in providing this new facility for our current residents and staff and allowing the much important medical training facility to commence in Echuca.

Our organisation is committed to provide an aged care service to our community and surrounding district for many years to come and relies heavily on the support from Government for real funding for the work that is being carried out.

Our nursing staff are paid up to 10% lower than staff in the public sector, which is a huge problem for our organisation to attract and retain appropriate staff and now due to compliance issues they are spending far too much time with the paper trail where they should be providing more time with residents and families providing the quality of care that we have come to expect. With less Nursing Staff available in the rural area there is a greater stress level placed on our nursing staff which leads to burn out and of course increased sick leave. Our food purchases, medical supplies,

water rates and contractor services are ever increasing and yet we are expected to stretch our resources further in order to cover our expenditure.

Suitable indexation which properly recognizes all costs including wages, consumer items, building costs and increased energy and water prices, is required urgently.

Scrapping of the \$10, \$20, and \$30 cap on maximum ACFI subsidy for high care residents should happen immediately allowing suitable payment for the care being carried out, that is required for each resident in our facilities.

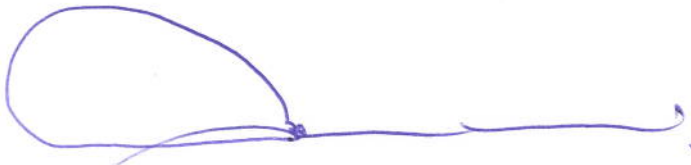
In our case with no Capital funding being available to build a new 61 bed facility there needs to be more funding available on behalf of high care residents, who of course currently do not pay accommodation bonds. With a higher percentage of residents entering our facilities who require complex and high care needs there is less opportunity to attract accommodation bonds to assist in our building project.

Accommodation Bonds should be payable by both high and low care residents entering residential care. Currently "no bonds in high care" is unjust being cross subsidisation creating two tiers for residents. Couples, one being high and one being low care, who are entering residential care find the funding difficult to understand when one has pay a bond and the other an accommodation charge.

As there are a number of issues including funding levels, indexation and inequities, this is a great opportunity to see long term, sustainable reform for our industry, so we can continue to provide high quality and flexible services, which meet community needs.

I thank you for the opportunity to place a submission before the enquiry.

Yours sincerely

A handwritten signature in blue ink, consisting of a large, rounded loop at the top left, followed by a horizontal line that tapers to the right and ends in a small flourish.

Stan Barker
Chief Executive Officer