

SISTERS OF ST. JOSEPH AGED CARE SERVICES (QLD)

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**The Senate Finance and Public Administration Committee
“Enquiry into Aged and Community Care”
Parliament House
Canberra
ACT 2600**

Dear Senators,

The Sisters of St. Joseph Aged Care Services (Qld) has been providing aged care nursing home and hostel accommodation in the Federal Electorate of Lilley since 1976. The facilities operated by the Sisters of St. Joseph Aged Care Services (Qld) are a 30 bed high nursing care home (Penola Nursing Home) and a 20 bed aged care residence (St. Joseph’s Hostel).

Since 1976 Penola Nursing Home and St. Joseph’s Hostel have cared for over 650 residents. Annually Penola Nursing Home provides high nursing care for 35 – 40 residents and St. Joseph’s Hostel cares for 20 – 25 residents.

The facilities are owned and operated by the Congregation of the Sisters of St. Joseph. They were established by the Congregation to enact the Vision of their foundress Mary MacKillop and to respond to the needs of the elderly and most disadvantaged in our community.

The operation of these facilities is Not for Profit and a Charity. The Sisters of St. Joseph Aged Care Services (Qld) operates as a company under the code of the National Companies and Securities Commission and there is a Board of Directors.

The facilities provide excellent, accredited service but are struggling to do so within current Federal Government policy and financial settings.

The owners of the Sisters of St. Joseph Aged Care Services (Qld), the Directors of the Board and management of the facilities are facing critical challenges for continuing our operation.

Crucially, we do not have the financial resources so we can continue to provide quality nursing care. Over recent years the level of Government funding has failed to keep pace with ever increasing costs of wages, supplies and essential services costs. Added to this financial burden is the huge, although necessary, increase in Aged Care Accreditation Standards. The implementation of these legislated standards and ongoing costs of implementation have not been matched by sufficiently increased Government funding.

Some recent policy commitments of the Kevin Rudd Government announced for aged care are welcome. In particular, the commitment which affects Penola Nursing Home and St. Joseph's Hostel is:

The Government's investment over five years to encourage registered and enrolled nurses who have been out of the health workforce for more than 12 months to work in the aged care sector is welcomed.

At this very point in time we cannot find suitably skilled nursing staff to fill vacancies. Federal Government Accreditation will be withdrawn if Standard Staff Levels are not maintained. Nurses in the aged care category of the health care industry are on the lowest award paid. Skilled staff is going into hospital and emergency employment which receive higher award payments. Our reliance on Agency Staff to fill daily and nightly nursing complements has both our facilities operating at financially unsustainable levels. We cannot afford to match public sector wage levels for registered or enrolled nurses. The Federal Government's funding model has not addressed this issue. It is recognized that the Federal Government does not specify wages and conditions for staff in aged care. However, funding must enable us to meet the realities of wages in the industry.

We are locked into a highly regulated framework of accreditation standards and government controlled income. Governments have not compensated or given subsidies to pay for the greatly increased administration costs of meeting accreditation standards. There are workplace safety and health checks, food preparation audits, clinical care audits and very frequent investigations to assess compliance with aged care accreditation standards. The necessity of these regulations and inspections by the various government agencies is understood and welcomed to maintain best practice. In many instances these government agencies impose substantial fees for their audits. Yet the Federal Government funding model does not acknowledge the costs of meeting standards.

You should also be aware that Sisters of St. Joseph Aged Care Services (Qld) does not generally have access to Accommodation Bonds for its low care facility - St. Joseph's Hostel. We are a charity and we give priority of access to those most in need and most disadvantaged in our community – these aged residents generally do not have capital for Accommodation Bonds. Hence, the revenue stream derived from Bonds and the cross subsidy possible for high care capital expenditure and maintenance are not available. We would support the introduction of Accommodation Bonds for high care residential facilities.

We are also becoming alarmed at the mounting evidence that the introduction of the Aged Care Funding Instrument will provide less funding subsidy than that which was received for the Resident Classification Scale. So far, all we have heard from the Minister for Ageing, Mrs Justine Elliot, is her intention to introduce even more administrative guidelines for aged care facilities which, by their very implementation, will further increase our costs. No mention is made of realistic and sustainable Government funding.

The Directors of the Sisters of St. Joseph Aged Care Services (Qld) have now entered a period of whether our governance will allow the continued operation of a company which will inevitably run at a loss and may become insolvent.

The decision whether our company continues to operate will be up to the Federal Government. If the Federal Government does not fund high nursing care aged facilities in a sustainable way, then as a consequence, it must be their decision that our company should withdraw from providing its service and facilities. Clearly such a decision to cease our aged care facilities in North Brisbane will only be as a result of the Federal Government's decision not to fund aged care facilities in a sustainable way.

The owners and directors of the Sisters of St. Joseph Aged Care Services (Qld) are available to have discussion with you on these critical matters.

Yours sincerely,



**Mr R. P. Caesar
(Chair)**