

9 February 2009

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

Dear Sir/Madam

Nation Building and Jobs Plan

Following recent internal discussions and prompted by the interest shown when discussing this matter with several other parties, Aged and Community Services SA&NT (ACS) formally submits a proposal for consideration. The proposal is intended to 'value add' to the environmental initiative aimed at insulating private residencies.

ACS considers that while the proposal already has merit, being similar in its intent to initiatives which provide assistance for solar energy generation and water conservation, it is our view that the significance of the initiative could be greatly enhanced if a broader environmental scope, encompassing water conservation and alternate energy development were also considered.

ACS would urge the Senate committee to give consideration to 'quarantining' a sum of funds from the existing allocation specifically targeted to aged care facilities nationwide which enabled them to submit specific proposals. It is envisaged that this would cover both retro fitting of existing premises and facilities that are either under construction or well advanced in the planning.

An initiative of this nature will not only have a significant environmental impact but will also assist aged care providers with operational costs. Aged care facilities have very high power and water usage. In fact depending on the size of the solar power installation on site it may even be possible for some providers to sell power back into the grid!

The short timeframe for the inquiry has made it impossible to provide detailed evidence of the environmental and operational impact that such an initiative would provide if supported. Further additional information can be furnished if required. As preliminary evidence of the potential environmental impact, the following information is presented.

- New facility– 140 residents (beds) – 700,000 tonnes of carbon
- Old facility - 150 residents (beds) - 900,000 tonnes of carbon

Both facilities are owned and managed by the same not for profit provider who is a member of ACS. The new facility is less than 18 months old.

Aged care facilities vary significantly in size. A few have very small numbers of residents, some larger ones 200 or more residents. Thus it is very difficult to provide a clear indication of the funding allocation that might be required to aid a program as outlined. There are nearly 3000 individual facilities nationwide. ACS estimates that allocations of between \$25,000 to \$500,000 could be required to cover the needs of individual facilities depending on size and existing environmental infrastructure.

In promoting this idea ACS is not intending that all aged care facilities nationwide would be covered. Rather we would hope that consideration could be given to instigating a realistic size ‘pilot’ program that enabled interested parties to seek funding and the outcomes to be measured. ACS suggests that an allocation of \$100m would be an appropriate level of funding to enable the objectives to be achieved.

In addition to the government allocation ACS suggests that individual providers should provide a co-contribution. The provider cash contribution could be 25% (maximum) of the total funds sought. It is hoped that some flexibility could be built into the system to allow smaller providers (particularly in rural areas) who typically have less discretionary funds some flexibility in this regard. It is our view that the initiative would run as a grants program administered through the federal Department of Environment, Water, Heritage and the Arts.

As an alternative to this idea, although less beneficial from an environmental and operational perspective, the Senate committee could also consider expanding the proposed insulation initiative to ensure that it encompasses aged care facilities independent living units etc. Although in both cases the facilities are not privately owned they are ‘home’ for many older people and should be considered in this context. Currently as you are aware the package focuses solely on residential homes (owner occupied or tenanted). ACS would strongly encourage the Senate committee to reconsider the current eligibility criteria ensuring that the older people in our community are not disadvantaged but what is hoped was an unintended consequence of an important policy initiative.

Yours sincerely

Alan Graham
Chief Executive Officer

