

Helping Hand Aged Care: Pre-Budget Submission 2022-23

28 January 2022

Executive Summary

This federal 2022-23 pre-budget submission seeks support to permit Helping Hand Aged Care (Helping Hand) to renovate the Whyalla located **Copperhouse Court** and **Yeltana Nursing Home** residential aged care facilities to bring both homes up to acceptable modern standards. The submission also seeks support for building additional wings with 14 modern standard beds at the Yeltana Nursing Home to address the demand created by the necessary closure of Annie Lockwood Court. This will ensure that suitable aged care accommodation remains in Whyalla and remains financially sustainable. **The funding ask is \$18M over three years** with work expected to commence early 2022-23.

In 2021, in light of the risk to residents and all those in the Whyalla community reliant upon continuation of residential care services, *Helping Hand Aged Care* entered into a Management Agreement with *Kindred Living in Whyalla*, (the former operator). The management agreement was fostered and supported by the Australian Government. The two residential care facilities currently house some 110 residents.

Helping Hand has since worked with the board of Kindred Living to ensure continuity of aged care services in the Whyalla region with the intention of integrating services in to Helping Hand within twelve months.

During the integration period it has become clear that the substandard accommodation at both homes must be urgently modernised if integration is to deliver meaningful improvements for residents. Helping Hand is also confident that upgrading the facilities will assist to address the other challenges of a thin market such as aged care in the Whyalla region - specifically around attracting and retaining staffing, quality, compliance, standards etc.

Supporting Aged Care in Whyalla: Proposal

The supply of aged care services in Whyalla has been challenging for many years. In 2021 the Commonwealth Government intervened to secure ongoing care for aged care residents in two homes. Both facilities represent an outmoded and older model of care but are currently the only available option for members of the community apart from leaving Whyalla. The standard and number of beds is inadequate to meet the current demand let alone emerging demand.

Helping Hand Aged Care entered into a Management Agreement with Kindred Living in Whyalla, (the former operator) in November 2021 to ensure the provision of safe and high standard care to the older members of the Whyalla community and surrounding region. The agreement was supported by the Federal Department of Health with some \$2.2M in operational funding to Kindred Living. Helping Hand has in the intervening period commenced the process to complete integration, but the current state of the **Copperhouse Court** and **Yeltana Nursing Homes** is

challenging the viable ongoing provision of acceptable standards of care. The facilities have previously been under invested in and allowed to run down.

Proposed Renovations and Updates to residential aged care facilities

Helping Hand commissioned a high-level planning project for both sites in 2021 to better understand needs and priorities. The following proposal is based upon that advice.



Yeltana Nursing Home (25 Newton Street, Whyalla) is an older style institutional style facility with 58 beds, many in shared rooms with communal bathrooms. To approach a modern standard of care, the conversion of double to single rooms with ensuite facilities is required. Estimated total cost is some \$9M. Details are set out below (see Table 2).

The proposal includes providing 14 additional rooms with private ensuites at a modern standard in new wings at Yeltana Nursing Home at a cost of \$3.3M. This will assist with unmet demand and address the impact of closing Annie Lockwood Court (see Table 1).

Table 1: Total Beds & Capacity for Whyalla

	Previous	Now	Future
Yeltana Nursing Home	58	58	72
Copper House Court	52	52	52
Annie Lockwood Court - closed in Nov 2021	52	0	0
	162	110	124

Copperhouse Court



Copperhouse Court (43A Flinders Avenue, Whyalla) needs to be renovated to an acceptable modern standard with upgrades required to 30 bathrooms. Estimated total cost is \$3.5M. Details are set out below (see Table 2).

To renovate both **Copperhouse Court** and **Yeltana Nursing Home** residential aged care facilities to acceptable modern standards, plus build additional wings with 14 modern standard beds at the Yeltana Nursing Home as outlined above, will require \$18M over three years with work expected to commence early 2022-23. Helping Hand is confident that upgrading both facilities will assist to address the other challenges of providing aged care in a thin market such as the Whyalla region - specifically around attracting and retaining staff, improving quality, meeting compliance, maintaining standards, meeting infection control requirements etc.

Budget to Upgrade Whyalla Aged Care Facility

Table 2: Kindred Living - Refurbishment & Build Costs

Yeltana Nursing Home	
Convert Double Rooms to singles; remove communal bathrooms and build ensuites for every room	\$8,840,000
Add two additional wings with 14 additional beds to increase capacity to 72 (transfer licences from ALC)	\$3,260,000
Compliances – building and electrical	\$493,000
Copper House Court	
Refurbish 22 bedrooms/bathrooms	\$3,064,000
Compliances	\$455,000
Sub-total	\$16,112,000
Indexation/Increases in past 6m (10%)	\$1,611,200
Rounding	\$276,800
Total	\$18,000,000

Helping Hand at present does not have the financial resources or reserves to undertake the necessary property upgrades and is instead focused on providing acceptable ongoing care to the residents. A substantially higher than average number of residents in the two facilities in Whyalla rely upon concessional/supported fees. The supported ratio at Yeltana Nursing Home is 82% and Copper House Court is 67%. Both rates are well above average and illustrates how unlikely it is that Helping Hand will be able to raise the necessary capital out of Refundable Accommodation Deposits (RADs) to fund a refurbishment or update of accommodation.

As Helping Hand is taking on significant operational liabilities as part of the integration, it will not be investing this level of capital into the facilities.

Background on Residential Aged Care Need in Whyalla

Whyalla presents several challenges to the provision of residential aged care including remoteness, a thin market and an ageing population.

The nearest competing aged care facilities are at least an hour or more in travel time away in Port Augusta and Port Lincoln. This would be less than acceptable option for families seeking to both support and retain social links with parents and relatives in aged care.

Last year Whyalla was placed in the ACAR Category 1 zone (highest priority) and the map below shows requirements in all special need group areas and the lack of options in the region.

Graphic 1: 2020 ACAR – Residential Care Places Map



Australian Government Department Health, 2020 ACAR Rounds

<https://www.health.gov.au/resources/apps-and-tools/2020-acar-residential-care-places-map>

There is also significant unmet local demand for aged care support with a waiting list of 300 for home care packages and 55 people on Helping Hands' waiting list for residential aged care due to their high-level service needs. The unmet demand has been exacerbated by the decision of Kindred Living to close the totally unacceptable Annie Lockwood Court facility with its 50 beds in late 2021.

When Annie Lockwood Court closed, the residents were either relocated to Yeltana which is now 98% occupied or had to move to another provider in another town outside Whyalla or back into the community. This absorption of residents also means that many in the community needing residential care are unable to access care as demand is far outweighing supply. There are currently nine residents located out of town currently waiting to come back into the community.

Demand can only be expected to increase. At least 12 per cent of the Whyalla population of 22,000 are now aged over 70, with a significant percentage of over 65-year-olds also requiring assistance with self-care, mobility and communication – creating a significant and growing need for enhanced aged care. The population is older than overall Australian population and the 50-54 cohort represents the largest age cohort in the community.

Graphic 2: Whyalla v Australia – aged-sex pyramid, 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, selected years between 1991-2016 (Enumerated data). Compiled and presented in profile.id by .id (informed decisions).



(Source: RDA Eyre Peninsula Region <https://profile.id.com.au/rda-eyre-peninsula/age-sex-pyramid?WebID=190&BMID=50>)

Helping Hand has calculated the appropriate number of residential aged care beds for the Whyalla region is 168 – well more than current numbers. This was calculated assuming the population size of Whyalla (Census 2016) (whilst excluding surrounding regions that could use Whyalla as their closest source of care) and the Australian Institute of Health and Welfare snapshot¹ by the OECD 2020 data on percentage of people 80+ in residential care of 18.9%. Younger people coming into care were excluded.

Before the necessary closure of the Annie Lockwood facility the number of beds (despite being substandard) was 162. Adding the proposed additional 14 beds will close the gap, but it will still be below the calculated need. Homecare services, repurposing of parts of Annie Lockwood and longer term investment into assisted retirement living will help fill the void, consistent with the recommendations of the recent Aged Care Royal Commission.

The history of the provision of aged care services in Whyalla, especially residential aged care reveals all the challenges of trying to operate in an ongoing acceptable, safe, and financially viable way in a remote thin market - specifically around attracting and retaining staff, improving quality, meeting compliance, maintaining standards, etc. The lack of choice for residents also removes competitive pressure on providers who are typically small without access to capital to continually invest in their facilities and services.

¹ <https://www.aihw.gov.au/reports/australias-welfare/aged-care>

These challenges are significant additional imposts compared to operating in the major metropolitan areas. The Government must recognise the need to provide additional assistance to aged care service providers, if these challenges are to be addressed and older Australians living in rural and remote are to receive the same level of care and support, as is their right, as their peers living elsewhere.

About Helping Hand

In regional South Australia, Helping Hand already provides home care services across the Lower North, Barossa Valley, Mid North, Yorke Peninsula and Eyre Peninsula – coordinated through community offices located in Clare, Jamestown, Port Pirie and Port Lincoln. Helping Hand also has residential care homes (200 beds) in Clare, Port Pirie and Jamestown.

Established in 1953 and part of the UnitingCare Australia network, Helping Hand is a not-for-profit organisation, supporting 7,000 older people and employing 1,900 staff across South Australia.

We value independence, choice, freedom and quality of care. We enable our clients, carers and their families to live their lives to the full. We make people feel at home, in our residential homes, in their own home and in their workplace.

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