



The voice of aged care

2 September 2019

Proposed Christmas Eve Part-Day Public Holiday Consultation

Office of Industrial Relations

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Brisbane QLD 4001

Sent via email: publichol@oir.qld.gov.au

To Whom It May Concern

Consultation on Proposed Christmas Eve Part-Day Public Holiday 2019

Leading Age Services Australia (LASA) is the national association for all providers of age services across residential care, home care and retirement living/seniors housing. Our purpose is to enable high performing, respected and sustainable age services that support older Australians to age well by providing care, support and accommodation with quality, safety and compassion - always.

We are dedicated to meeting the needs of our Members by providing:

- a strong and influential voice, leading with authority on issues of importance; and
- access to valuable and value-adding information, advice, services and support.

LASA's membership base is made up of organisations providing care, support and services to older Australians. Our Members include not-for-profit, faith-based, private and government operated organisations providing age services across residential aged care, home care and retirement living. 10 per cent of our Members are government providers, 57 per cent are not-for-profit and 33 per cent are for-profit providers. Our diverse membership base provides LASA with the ability to speak with credibility and authority on issues of importance to older Australians and the age services industry.

Do you think a part-day public holiday of Christmas Eve (24 December) from 6pm to 12 midnight in Queensland is desirable?

No. It is the view of LASA and our membership that a part-day holiday on Christmas Eve will not be of benefit to the private aged care industry and therefore it is not desirable.

In Queensland private residential aged care facilities and some services funded under the Home Care program (such as cottage-based overnight respite) provide care and services to their consumers 24 hours a day, 7 days a week.

Providers already plan and budget for staff coverage over public holidays, including the Christmas Holidays. These providers will not have budgeted for any additional holiday pay entitlements in this financial year.

LASA recognises the social impacts of the proposal to gazette Christmas Eve as a part-day public holiday in so far that some staff (who choose to celebrate Christmas) do sacrifice time with families and friends to work on Christmas Eve. LASA also further presents that the aged care workforce is diverse and therefore in many instances, given that not all staff celebrate Christmas, rosters are able to be coordinated after consideration is given to the social and religious commitments of staff at this time of year. Given the diversity of the workforce, similar considerations are afforded when developing rosters throughout the year for other cultural days and celebrations, most of which do not attract public holiday entitlements for staff.

Aged Care is funded through the Australian Government and we are concerned that this proposed part-day holiday is being considered at a time when the residential care sector is experiencing increasing financial strain. Both the Aged Care Financing Authority and StewartBrown (as outlined below) have undertaken analysis of the financial performance of residential care services, indicating increasing financial strain with near 50 per cent of these services operating at a loss and this proportion increases to over 60 per cent of residential care services in regional and rural communities. There is also recognised financial strain in the Home Care sector.

Financial pressures

Recently, the Government's own adviser, the Aged Care Financing Authority (ACFA), reported that 44% of residential care providers and 30% of home care providers were operating at a loss (on an EBITDA basis) in 2017-18 and warned that this trend is continuing.

ACFA figures also show that that average Net Profit Before Tax (NPBT) more than halved to well below 5 per cent for both service types in 2017/18.

The leading survey of the industry from accounting firm StewartBrown¹ and a recent survey of 170 LASA Members² shows that these pressures continue to worsen in 2018-19 and 2019-20.

The financial pressure on services is particularly severe in rural and regional areas, with Stewart Brown showing that 67% of residential care facilities in outer regional, remote and very remote locations are in deficit.

These dire financial circumstances are fundamentally the result of cost growth (largely driven by Government controlled awards and regulations) consistently exceeding income growth (largely controlled by Government decisions about subsidies). The gazetting of a part-day public holiday on Christmas Eve would further contribute to the financial pressures currently being incurred by aged care providers, which could result in a reduced number of services being made available to consumer at this critical time of year.

¹ StewartBrown (2019) Aged care financial performance survey, sector report nine months ended March 2019.
<http://www.stewartbrown.com.au/news-articles/26-aged-care/181-march-2019-aged-care-sector-financial-performance-survey>

² LASA (2019) Aged Care Financial Risk Survey – July 2019. Forthcoming.

What do you see would be the key benefits of a part-day holiday on Christmas Eve.

We do not have a view that there would be benefits for the aged care industry.

What costs do you see would be the costs involved in a part-day public holiday?

Given the 24/7 nature of the aged care industry and the requirement to roster staff to work at all hours of the day thereby meaning that there is no ability of aged providers to cease offering services at any time during the day, there would be significant additional costs imposed on aged care providers in already difficult financial times. There is limited abilities for an aged care provider to pass these added costs to consumers, meaning that a provider would like incur the added costs directly.

The aged care industry has a fluid and responsive workforce. Providers consult regularly in relation to their staff's preference for leave and flexible working hours. Most aged care providers would have a workforce with many staff from a non-English speaking background. These staff may not identify the Christmas holidays as significant to them and may choose to work over this period.

There is a risk that providers will need to pay these staff for the part-day holiday, even though they were willing to work this shift without additional pay. Having read the Consultation Regulatory Impact Statement, these types of situations do not appear to have been considered when developing the proposal to gazette Christmas Eve as a part-day public holiday.

There is also a risk to the impact on service delivery if providers are required to pay for an additional part-day holiday, in addition to their burgeoning wage bill as outlined below.

Impact on service delivery

Surveys suggest about 9 in 10 older Australians are happy with the quality of their aged care services, or at least believe their services are well run.³

But 4 in 5 providers believe current financial pressures constrain their ability to deliver the care their clients expect.⁴ Effects include reducing choice in areas such as meals, limiting the mix of staff that can be employed, and creating staff turnover and burnout.

Many providers believe it is likely or very likely that if conditions do not improve in the next 12 months they will need to close services (15%) or reduce direct service or other staff (41%-55%) or investment (62%).

LASA is concerned that should the proposal to gazette Christmas Eve as a part-day public holiday be adopted, further difficulties could be experienced by providers to provide services to consumers in a manner that aligns with their expectations and requirements.

³ Australian Aged Care Quality Agency (2018) Consumer Experience Report trends data. <https://www.agedcarequality.gov.au/sites/default/files/media/AACQAConsumerExperienceReportTrends.pdf>; Productivity Commission (2019) Report on Government Services referencing the 2015 ABS Survey of Disability, Ageing and Carers. <https://www.pc.gov.au/research/ongoing/report-on-government-services/2019/community-services/aged-care-services>

⁴ LASA (2019) Aged Care Financial Risk Survey – July 2019. Forthcoming.

Thank you for the opportunity to respond on behalf of the aged care employers and if you have any further information please contact me on E: chrise@lasa.asn.au or (07) 3725 5555.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Chris Edith', with a stylized flourish at the end.

Chris Edith
Queensland State Manager
Leading Age Services Australia