



## **Lutheran Homes Group formed in SA**

15 February 2022

South Australia's two largest Lutheran aged care providers are to merge, creating a new entity in the aged care sector providing retirement living and care services for more than 1,100 residents and employing some 680 staff.

LHI Retirement Services, which operates facilities at Glynde and Hope Valley, and Fullarton Lutheran Homes, will operate together as Lutheran Homes Group with an estimated starting date of the second quarter of this year.

Final approval for the merger, which has been discussed for more than 12 months, has been given at a meeting of Fullarton Lutheran Homes Members. The Boards of both homes had already given approval, and the merger has the backing of the Lutheran Church of Australia.

Together, LHI and FLH have more than 150 years' experience in caring for people in retirement living and residential care, as well as providing community support services.

The not-for-profit aged care sector is under increasing pressure nationally, so forming the new group with a new structure will enable a sustainable continuation of Lutheran aged care in South Australia.

LHI Chair Mel Blondell says there are many powerful reasons for the consolidation.

"Aged care providers are under a lot of pressure, as last year's Royal Commission into Aged Care Quality and Safety final report clearly demonstrated. In the current funding environment, organisations require scale to remain financially sustainable, and to allow them to continue delivering quality services that older Australians deserve. It made sense for LHI and FLH to come together", she said.

"The consolidation addresses a number of trends threatening the sustainability of aged care providers.

"These include the needs of residents; family and community expectations; difficulty in recruiting staff; rising costs and diminishing income; and increased Government regulation and requirements.

"LHI and FLH share the same values and the same commitment to high-quality, Christian care.

"Consolidating under a single Board and CEO will help us maintain and further improve the levels of care we are able to provide.

“Further down the track there will be an opportunity for other smaller, regional South Australian Lutheran aged care facilities and retirement living providers to join us. This growth is outside the scope of either LHI or FLH as they currently exist”.

Mel’s counterpart at FLH, Andrew Cannon, is equally enthusiastic.

“Lutheran Homes Group will be in a stronger position to provide care and support services for residents – that’s always our number one objective”, he said.

“The new, larger entity will be able to employ specialists to help us manage increasingly complex Government regulations and requirements. This will remove a burden from other staff who will be able to devote more of their time to their primary objective – caring for the most vulnerable people in our community.

“It’s becoming increasingly difficult to recruit caring and dedicated staff and the new entity will be better placed to attract and retain suitable, well-qualified staff; providing them with fulfilling careers and development opportunities”.

LHG will have the size and scale needed to ensure the highest standards of care and expanded services.

These will include retirement living, expanded home care packages, respite, residential care, access to healthcare services and ancillary lifestyle services – a total package outside the scope of either facility at present.

Importantly, all this will take place on a solid base of Lutheran identity and values, mission and chaplaincy support.

LHG will be a leading care and service provider, financially sustainable and with a certain future in uncertain times.

**Authorised by:**

Mel Blondell, LHI Chair

Andrew Cannon, FLH Chair