

Chief Executive Officer's Report 2017

This is my twenty-fourth, and final, annual report, as CEO of LHI. Part of the process of stepping-down from my CEO role, has been to sort through the many files and memories that I accumulated over the past twenty-three years. Those years really have 'passed so quickly', and so much has happened, that it is difficult to believe that we have now reached the point of saying farewell. And I do mean 'fare-well'.

In making my decision to leave, admittedly a year or two earlier than I had planned, I did so to facilitate a succession plan, which I believed would be of great benefit to the future of our organisation, our Residents, and our staff. I continue to pray that this will indeed be the outcome of my decision.

Government Funding

Some things never seem to change, and this year, the Federal Government again failed to address the inadequacies of its funding formula for aged care. This year, the government's Fair Work Commission decided that an increase in the national minimum wage rate of 3.3 per cent, should be applied with effect from 1 July 2017. This increase applied to the majority of LHI staff. However, at the same time the government had announced that the Aged Care Funding Instrument (ACFI) subsidy rates, the major source of government funding for assessed Residents in Residential care, would not be increased. In effect, they increased our costs by 3.3% but did not provide any increase in income to cover the cost of that increase.

The Glynde Community Centre Project

In my report last year, I referred to the situation that had led the LHI Board to review the scope and costs of the proposed Glynde Community Centre project. This decision was made to enable the Board to seek further strategic development concepts, as well as further architectural advice, on the possible options.

The outcome of that review was a much-reduced scope of works. The final design has now been adopted by the Board, and the subsequent design work by the architects is nearing completion, with the new building scheduled for completion by Christmas 2018. The reduction in the scope of the original project will however mean that additional car-parking and corporate office space will need to be found elsewhere on the Glynde site.

The reduction of scope for the new Community Centre has also led to a further review of the Glynde Masterplan, recognising the need to identify the alternative locations for the car parking, corporate offices, and other services. The master planning is also nearing completion, as is the Masterplan for the Hope Valley site.

I particularly wish to acknowledge the group of LHI staff, who are members of the project planning team, for all of their extra hard work during the redesign process at both sites this year: Geoff Thiel, Phil Auricht, Jan Law and Michael Vullings.

Hope Valley Kitchen and Coonawarra Upgrades

The full redesign of the Hope Valley Residential care main kitchen was completed during the year, and has proven to be very successful. The new kitchen allows much

Chief Executive Officer's Report 2017

greater flexibility in both the food choices available to Residents, and the production methods used.

During the year we again increased the original scope of the refurbishment work to our Coonawarra 'special care facility' to include further improvements such as a much-enlarged kitchen, visitors room and toilet facilities.

The disruption caused to Residents, families and staff, by both building projects, is already proving worthwhile, with the new additions adding to the care that is provided to the very special group of Residents who call 'The Vines', and Coonawarra, their home.

Two-bed Room Conversions – Hope Valley and Glynde

Similarly, the completion of the conversion of all remaining Residential care facility (RCF) shared rooms, at both sites, during the year has created a much-improved environment for Residents and staff. The increased level of privacy and dignity is greatly appreciated by everyone, especially families, and an added 'bonus' was that we were able to improve our response, and significantly reduce the time required, to address the flu-outbreaks that recently occurred at both Hope Valley and Glynde.

Glynde RCF Refurbishment Programme

During the year, the agreed upgrade of the remaining Glynde RCF 'public areas', including corridors, staff room, offices, and nurse bases, was completed. The transformation has been amazing and ensures that LHI remains a leader in the quality and design of Residential care facilities in South Australia.

The conversion of two-bed rooms to singles, together with refurbishment of the remaining communal areas and staff facilities, at both sites, are all intended to create a nicer environment for Residents, staff, and volunteers, as well as ensuring that in the increasingly competitive world of aged care, LHI is well-presented to all future potential clients and their families.

Village Care Services

As I mentioned in my report last year, the (then) Minister for Ageing and Disability announced that from early in 2017, the process of applying for Home Care 'licences', by organisations such as LHI, would cease, and be replaced by a system that will enable recipients of home care services to choose their own service provider. This means that our village Residents can now nominate LHI as their preferred service provider, regardless of the level of care to which the Resident is entitled. Previously LHI could only provide the lower-levels of Home Care services. This change will greatly benefit our village Residents, and enable LHI to now provide the full-range of Home Care services.

Regrettably, as mentioned in my previous report, the government confirmed that, despite earlier announcements, they intend to continue to control the actual number of Home Care Packages through a rationing-system (only providing a package if there is a 'vacancy' on the government register). Therefore, LHI had decided to extend our current 'LHI Extras' specially 'tailored' user-pays services system, to cover any needs

Chief Executive Officer's Report 2017

that may occur, while Residents are waiting for their Home Care application to be approved and processed by the government.

One of the great advantages of being a member of our LHI village community, is to be able to enjoy the support of our care staff in assisting Residents with the complicated and onerous system that the government has introduced, and to provide temporary or permanent ongoing LHI care support services. I encourage Residents to share any care concerns they may have with the village care staff, as I also do with any financial worries, which can be shared with our General Manager Finance, David Phillips.

LCA Committee for Ministry with the Ageing (CMA)

As reported last year, LHI has become a significant voice on aged care issues, within LCA church circles. Board member, Colleen Fitzpatrick, together with Geoff Thiel and I, continue to attend the LCA Committee for Ministry with the Ageing (formerly the Board of Lutheran Aged Care) meetings during the year. Bishop Henderson and Peter Schirmer, from LCA, have again taken several opportunities to update the CMA members on the strategic directions of the church, particularly in relation to church policy on aged care.

National Aged Care Alliance

As mentioned last year, it has become increasingly important, particularly at a national level, that the concerns and needs of older people are heard, by government and 'the associated bureaucracy'.

Through my representation of the CMA, I, together with my former colleague, Adrian Morgan from LCC Queensland, have taken every opportunity to raise such matters at the National Aged Care Alliance meetings.

Geoff Thiel has also attended two of this year's NACA meetings, and has found the meetings insightful. Hopefully Geoff will be able to continue to attend future NACA meetings.

LCA Governance Review

The LCA Aged Care and Community Services Governance review, is a project of the Lutheran Church of Australia, to enhance mission, governance and leadership in aged and community services within LCA.

During the year the consultant facilitators, appointed by LCA, were invited to review LHI's governance processes. The review of LHI, and the majority of other Lutheran aged and community services organisations, was followed by an 'Options for Our Future Workshop', which was held in Brisbane in August, and was attended by Geoff Thiel and Colleen Fitzpatrick representing LHI. The gathering was considered a great success, and blessed with the attendance of the host LCA Bishop, John Henderson; the local Queensland Bishop Paul Smith, and 2nd Assistant Bishop Andrew Ruddell from South Australia.

The next stage of the review process will be a two-day national 'Discerning Our Future Conference', which will be held on the 13th and 14th October, in Adelaide, to review the recommendations and provide final advice to the consultant facilitators about the

Chief Executive Officer's Report 2017

best way for the Lutheran Church to improve governance arrangements in relation to all aged and community services associated with the LCA.

Lutheran Retirement Villages Alliance and Lutheran Aged Care Residential Network

Throughout the year, LHI has again continued to actively support other Lutheran aged care organisations. Most members of these organisations do not have access to the levels of expertise and experience that we have at LHI; therefore, we willingly share our knowledge and resources with them. Phil Auricht, LHI's General Manager Assets, has continued in the role of Chairperson of the Lutheran Retirement Village Alliance, and is also a member of the SA District's Aged Care Council, as is Megan Britt, General Manager Residents Services Hope Valley.

David Philips, General Manager Finance, and I, continue to represent LHI on the South Australian Lutheran Aged Care Residential Network group.

Financial Accounts as at 30th June 2017

During 2016/17 there were 84 admissions to our Residential Care Facilities (compared to 67 in 2015/16), with half of the admissions being from our LHI 'villages'. The average ILU occupancy of these 42 'village' admissions was again 12 years, the same occupancy period as 2015/16.

As already reported, indexation of Government Subsidies in 2016/17 was again inadequate, and was further impacted by changes to the aged care funding instrument on the 1st January 2017, which also reduced the government subsidies to those Residents who had the highest levels of need.

Strong demand continues for our ILUs, with 36 ILUs re-licensed during the year, 23 were at Hope Valley. (The total for 2015/16 was 32, with 22 at Hope Valley).

The 'LHI Extras' programme, which includes a range of services available to our ILU Residents on a 'fee for service basis', continues to grow. Provision of meals and assistance with meal preparation, cleaning, transport, escort to appointments and shopping, are just some of the services that a growing number of Residents are taking advantage of. The introduction of the Income Testing arrangements for Home Care Packages has also led more Residents to consider the LHI Extras services as a preferred alternative.

Volunteers

Throughout the year our volunteers again provided a wonderful service to our Residents, especially to those in the Residential Care Facilities, whose lives are so enhanced through the contact with these special people on a daily basis.

In addition to the many hours that volunteers donate to our RCFs, are the many more hours given by the volunteers who, every day, undertake the many roles and tasks within our LHI villages. All of these people make a huge difference to the quality of their fellow Residents' lives. We thank all of our volunteers for their generosity and Christian service.

Chief Executive Officer's Report 2017

Our Chaplains

During the year, it was with sadness but gratitude, that we farewelled Pastor Keith McNicol. Pastor Keith and his family had become important and much-loved members of our community and will be greatly missed.

Again, we acknowledge and offer grateful thanks for the very significant service of our Pastors and Chaplains; Pastor Gallasch, Pastor McNicol, Pastor Gerhardy and Chaplain Ziersch. We also again give thanks to God for the many retired Pastors residing in our villages, who continue to provide their support to the LHI Pastors and Residents, and also add so much to the unique spiritual environment at LHI.

Concluding Thanks

Our Resident committees continue to be a most significant blessing to LHI and I always admire the enthusiasm and interest displayed at their monthly meetings. I offer my sincere thanks to the two Chairpersons, Maxine Gilbert at Hope Valley and Betty Mattiske at Glynde, and all of their respective committee members, for their ongoing commitment, support and advice. I believe an important part of maintaining an open and honest relationship between our village Residents and LHI management has been our monthly committee meetings, and the honest wish of everyone who attends to make life the best it can possibly be in our communities.

During the year our Glynde Ladies Auxiliary of the Lutheran Women of South Australia has again given outstanding service to LHI, organising several fundraising events to support the Glynde Residential Care Facility. To their President, Marina Fielke, and her committee members, we again offer sincere thanks for your support.

Our village communities continue to raise funds and provide voluntary services to their communities. The efforts of the Coffee Shop, Village Disposals, Recycled Treasures, Corner Shop, Recycling Sheds, Card Shops, Craft groups, Market Days, and many more, continue to highlight the difference between ours and other village communities. To everyone involved in their many and varied roles, please accept my heartfelt thanks.

To our General Management Team, Phil Auricht (GM Assets), John Boland (GM Hospitality), Megan Britt (GM Resident Services Hope Valley), Julie LeCornu (GM People and Culture), David Phillips (GM Finance), Yasmine Ruysen (GM Resident Services Glynde), and of course our newest addition, Geoff Thiel (Chief Operating Officer), I again offer my personal thanks for your loyalty, support, wisdom and enthusiasm in all that we have tried to achieve during the past twenty-three (and a half) years.

To our amazing staff, in every department, continually challenged by ever reducing funding and increasing workloads, I can only offer my love and thanks for all that you do to make this organisation so special. Thank you, and may God continue to bless you and yours in all that you do. You are all very special people.

Our Board

As a Board, you are charged with a great responsibility - the future of our organisation, the future of our Residents and their families, the future of our staff, and also their

Chief Executive Officer's Report 2017

families, and of course the many, many, people that will need LHI in the future. In all, several thousands of people.

The Board is charged with this responsibility by the Residents, who have entrusted us with their future care, and often their life-savings, in the belief that this, their organisation, will continue to be an organisation that is different from other aged care organisations in that it does care about and for them.

The role of the Board is to ensure that the organisation is governed wisely. To achieve this goal the Board must be in close-contact, and understand the needs and aspirations of the Residents and work closely and take counsel with the senior staff. The Board must continue and build on the Christian and compassionate work that has been undertaken over the past 60 years. 'We stand on the shoulders of those who have gone before us', and we must continue to strive to add to that inheritance.

Finally, sometimes a small number of people have questioned my motivation for what I have strived to achieve at LHI, not just this past year, but over the past twenty-three years. To that very small number of people I can only again say that I am comfortable that God knows the truth and ultimately it is to him that we are all accountable. I have always tried to do what is in the best interests of the majority of Residents here at LHI.

A small card was printed and provided to all staff when I first joined the organisation. It read:

"As one person, I cannot change the world ... But I can change one person's world."

I trust that I have been true to this statement and that it will long remain the focus of everyone who serves at LHI.

May He continue to bless all of you, and all that we do at Lutheran Homes, in His name.

Thank you all for your friendship and support throughout my twenty-three years as your CEO at LHI.

Tim Gray
September 2017