

Autumn Lodge Armidale
Submission to Rate Exemption Proposals
October 2016

As the largest Residential Aged Care Provider (with 40 Independent Living Units) in the Armidale region of NSW Autumn Lodge cares for 114 people with care needs ranging from high level dementia, palliative and a range of other care needs. Autumn Lodge also provides low cost Independent Living to 40 persons who otherwise would not be able to afford to live independently in the community.

Autumn Lodge provides employment to over 160 people in the region and purchases almost all of its goods and services locally

On the basis of the principles contained in box 6.1, we believe Aged Care Facilities with PBI status should be exempt. They provide a public benefit, just like hospitals. Requiring them to pay rates would result in them reducing their services below a socially optimal level or close down.

Autumn Lodge doesn't just provide a home and care to the frail elderly of the district, it has an immediate impact on the economic status of the region through employment opportunities and purchasing processes.

If this facility were no longer in the region the assumptions we can make are that we would lose this economic stimulus but more importantly we would lose the social benefits such as social capital, eg volunteers, local employment, social isolation or re location of elderly people to areas they are not familiar with and loss of social networks.

For a Not-for-Profit such as Autumn Lodge there is much time and effort involved to ensure for fulfil our registration and on-going monitoring obligations to the ACNC and ATO. If we did not have PBI status and were subject to taxes we would not be able to provide the care, services and employment opportunities which are sorely needed in regional areas.

Church, charitable and PBI status is not irrelevant and should be considered in determining council rates or differentiating between NFP and For Profit services. It is a well understood, transparent and clean definition supported by the community. The removal of exemptions from Church, charitable and NFP accommodation services would be detrimental in so many ways to local communities.

NFPs don't see land as being about economic return. For example, we are currently reviewing the best way to develop land which makes up part of our Facility, to enable us to provide services to people with disabilities and whether it is feasible or not. We are not even looking at the economic value of the land, it is about size, accessibility, usability.

The Local Government charter explicitly requires the council:

- *to provide directly or on behalf of other levels of government, after due consultation, adequate, equitable and appropriate services and facilities for the community and to ensure that those services and facilities are managed efficiently and effectively ...*
- *to exercise its functions in a manner that is consistent with and promotes social justice principles of equity, access, participation and rights*

Therefore we believe it is appropriate for local government to make a small contribution to the support people living in the area, particularly given that the aged care sector is often one of the largest employers and a significant purchaser in the area.

Councils have a role to support vulnerable people living in the local government area.

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Many council submissions used 'aged care facility' interchangeably with a retirement village. They are vastly different services, and both are much lower users of council services than the other form of charitable accommodation services – social and community housing.

Aged Care Facilities, like hospitals provide a public benefit to the community. For example, if for any reason Autumn Lodge could no longer afford to run, many of our residents would end up in hospital as there would be nowhere else they could be looked after.

Not for Profit Retirement Living services should be rate exempt. They are not operated as a commercial enterprise, they are part of the wider scope of charitable services for the local community.

Autumn Lodge Retirement Village or Independent Living Units consists of 40 units and was developed and has grown to meet the needs of the local community. We are not-for-profit, and definitely not an 'over 55's living' village.

- Most of our residents would be in residential care or homeless if our Village didn't exist.
- The only source of income for most residents (85%) is the pension or a government allowance.
- Under NSW State legislation, there are limits around setting annual budgets with residents and the application of operating costs to the weekly fees they pay.
- We (as do most other NFP Village Operators) discount the prices or do not pass on all operating costs in order to make the accommodation affordable to low income people.
- Our Village residents have full access to the facility living, dining and activities of the Residential Care Services.
- Our village (as do most others) provide an affordable accommodation choice to allow older people to downsize, which frees up needed housing for others in the LGA.
- In keeping with charitable purposes, surpluses are reinvested into community services or used to subsidise older people who cannot otherwise afford entry to the village.
- Villages are a local economic stimulus, employing people and generating local economic activity.
- If council rates are imposed they will need to be passed on to the people living in the village.
- There needs to be a different consideration for those villages catering to people from socio-economic disadvantage.

Other Issues

The proposed cut of the pensioner rebate is not supported. Most people on a pension are living near or below the poverty line and many report that they are making choices between buying food or filling a prescription and/or going without heating in winter or fans in summer.

Pensioners who have managed to save and sacrifice immediate gratification throughout their lives in order to ultimately own their own homes are often asset rich but have very limited disposable income, and no way to increase that income. They can't find the funds to pay the full rate without considerable hardship. As reported at the IPART hearing, they do not take the option of encumbering their estate. The values of their generation will not support that action and the culture of the generation is to 'go without' even if that makes them unwell. Removing this small subsidy will be a significant burden on the pensioners and will have a disproportionate impact on their quality of life.