

CAIRNS LAUNCH 23 SEPTEMBER 2009

CEO'S SPEECH

Ladies and Gentlemen, distinguished guests.

Welcome to a very significant new beginning for the future of aged care services in Cairns. As we prepare to turn the first sod of the new Holy Spirit Bethlehem Home we begin a 5 year \$100m redevelopment of this Westcourt site. This project demonstrates a strong and practical commitment to the future of our mission in Cairns both as a long term employer and as the Catholic Aged Care provider in Cairns.

Holy Spirit Care Services is a relative newcomer to Cairns, but we have a long history of Christian service in the community. Our founding congregation, the Missionary Congregation of the Servants of the Holy Spirit (the Holy Spirit Sisters) was established in Steyl, Holland in the late 1800's by the blessed Arnold Janssen. Today, that congregation has missions in more than 40 countries, with more than 4,000 active missionaries worldwide working with people in need.

The Australian mission was established in 1946 with the opening of Holy Spirit Hospital in Brisbane, followed by the building and opening of Holy Spirit Home Aged care facility in Brisbane in 1962 – a history of almost 50 years in caring for the aged. Today, Holy Spirit Home is well recognized as a premier provider of aged care services in North Brisbane.

As owners of our Cairns facilities, we are proud to continue the work and legacy established by the Diocese of Cairns & the Sisters of Mercy, Cairns in aged care services on this site at Bethlehem Home since 1967. Bethlehem Home was one of the first aged care facilities in Cairns and was built with the assistance of the community through public subscription and volunteer labour. Many Cairns families are proud contributors and many more have been touched by the care and services provided by the Diocese and Sisters of Mercy over the majority of its history and continued by HSCS staff today.

Today is a good opportunity to consider how much aged care services have changed over the years and continue to change. Before Bethlehem Home was built, Aged Care was institutional and facilities were often referred to as Convalescent Homes. They were buildings that resembled hospital wards, with very little privacy and scant respect for the dignity and individuality of residents. Today society and standards demand single room accommodation, more privacy and personal respect for residents.

The new Bethlehem Home, to be built on this site, will have 86 private, air conditioned rooms with personal en suites and will provide individual comfort, privacy and a place to call home for each resident. It will also have community dining and lounge areas for residents and their families and landscaped courtyards and will provide 24 by 7 nursing care and domestic service. We are pleased to announce that the current residents of Bethlehem Home will be the first to move in and enjoy these high standards of comfort and personal care as soon as the facility is complete.

Whilst the accommodation itself has improved significantly, the changes in models of care and service have been of even greater significance. We believe elderly people are a vital component of our community that provides us all with a legacy of the Australian spirit. It is the mission of HSCS to be leaders in the provision of care and services for our elderly Australians. The spirit of Bethlehem Home will be acknowledged through the continuation of the name for the nursing unit, and it will also be a place where we can realize our Mission – ‘To touch and enhance the lives of people through our Christian culture of quality care and service’.

Aged Care is a complex and difficult area to work in. Demand is growing and the Aged Care sector is expanding rapidly with the predicted growth in the ageing population. Over the next 40 years the number of people over the age of 65 is expected to double, and the number over 85 expected to increase four times.

The aged care sector struggles with poor financial returns and therefore limited access to capital to build new facilities to meet that growing demand. Funding of Aged Care is difficult & currently insufficient to meet operational requirements and provide access to capital for rebuilding or renovation of existing facilities. Aged Care facilities generally run at an operating loss and it is difficult to attract development funding.

To put this in perspective, each year the Commonwealth Government announces an indexed increase in Aged Care funding. On 1 July 2009 they announced a 1.9% increase in sector funding, however our costs increased 4.1%. This is a shortfall of 2.2% which for HSCS equates to approximately a \$400,000 hole in our current year’s budget requirements. This unfortunately is not a new trend, shortfalls such as these have been present in the aged care sector for the last 10 years.

As a result of the lack of facilities being built or refurbished, more and more care is being provided to people in their homes and many elderly people are staying at home longer. On face value, this may seem ideal, and it does work well for some, but for many others there is simply no choice. Many elderly people appreciate the familiarity of living in their family home, but many more struggle with social isolation, loneliness, depression, and many forms of age related disabilities including those caused by the varying stages of dementia. The living environment of the Australian suburban home is often not “age friendly” –they are often older homes with increasing maintenance needs, stairs, steps, inappropriately designed bathrooms, increasing incidents of break-ins and social violence - all risks to the safety of an ageing person living at home.

This is why HSCS decided this project would encompass much more than the rebuilding of Bethlehem Home. We wanted to offer the elderly choice - an attractive alternative to remaining in the home environment. Our objective for the new Holy Spirit Westcourt facility, of which the new Bethlehem home will be part, is to create a community supported by a continuous model of aged care and services. This is possible because, unlike the funding of aged health care facilities like Bethlehem Home, building independent retirement living units is self funding as the proceeds from unit transactions offsets the development costs.

Thus, in addition to the Bethlehem Home nursing care unit, we will also offer choices for independent and assisted to living in units of 2 or 3 bedrooms that have been purpose built and designed to be “age friendly”, secure and comfortable. This choice of a complete spectrum of aged care will not only provide options for the resident, but will also relieve the burden on families who are often faced with difficult care decisions for Mum or Dad at times of crisis and great family stress. Our continuous model of care provides assurance and security that should assistance be required as residents grow older or as their health declines, the level of care and domestic services will be provided on site. They can occupy their independent units for as long as is practically possible and, should more permanent complex care be required, Bethlehem Home, provides that care. Residents whose needs change will therefore receive priority for available beds and will remain part of the community, with close and convenient access to their spouse and close friends.

Holy Spirit Westcourt will form a community incorporating the current Coral Sea Gardens Retirement Village (101 independent villas), the new 86 bed Bethlehem Home (highly dependent Age Care services), plus 142 new apartment style independent units and state of the art community facilities including a chapel, café, function rooms, pool, gym and indoor and outdoor resident and family areas. It will be built in stages over the next 5 years. The first stage is the rebuilding of Bethlehem Home with an expected completion date of December 2010. At that time, current residents will be moved across to the new home and the old home will be demolished and the site cleared to make room for stages 2 & 3, which will be built simultaneously. Stage 2 is a community centre and chapel and stage 3 is the first block of 38 2 and 3 bedroom apartments with an expected completion date of early 2012.

This is a major project, and – if I could use a very current phrase – it will provide an important Economic Stimulus Package for North Queensland’s battling construction industry with a flow on of prosperity for the region. The committed budget in excess of \$100 million for this project over the next 5 years is an investment that will help to create jobs and support local families.

How will we finance the budget shortfall we require to make good the rebuilding of Bethlehem Home? HSCS are fortunate in that we receive support from so many people in the form of financial donations, volunteer work and service excellence from our staff and suppliers. To rebuild Bethlehem Home, our congregation, the Holy Spirit Sisters, have provided a substantial amount of the funding as part of their commitment to Catholic care in Cairns. However, we still require funding for much of the equipment, furniture and fittings. Today I am pleased to announce that a number of members of the Cairns community are joining with the Holy Spirit Sisters in raising those additional funds. Of the campaign target of \$500,000, the Sisters of Mercy, Cairns and the RC Diocese of Cairns have pledged over half the target and wish to challenge the Cairns Community to match that by raising \$250,000 before the completion of the project in December 2010. During the development of Bethlehem Home, we will be appealing to the community for support through a number of events to raise those monies. We ask for your support of those activities, or, if you prefer, you may like to simply make a one off personal donation. Either way, if you would like to support the campaign, donations can be made on line at our website www.holyspirit.com.au or please speak to either Ailsa Brown or myself over morning tea and we can provide you with an information sheet.

Today marks the first step in the development of the Holy Spirit Westcourt community and the offering of choice to the elderly citizens of Cairns. Today, the former mayor of Cairns, Mr Ron Davis, will perform the traditional “turning of the sod” ceremony. Ron has committed many years of his life to the Cairns community. He has always represented and supported his community with passion and dedication. We

are privileged to say he continues to do so today, as an active and valuable Director of Holy Spirit Care Services.

Information brochures are available today on the development or on our website at www.holyspirit.com.au. If you wish to receive regular updates on progress, then please leave your name and contact details at the desk by the marquee entrance.

In conclusion, Ladies and Gentlemen, honoured guests, HSCS is serious about its long term Aged Care mission and commitment to the Cairns community – as a developer, as an employer, as a supporter of local businesses and as a catholic provider of Aged Care services. As mentioned, our mission statement is “to touch and enhance the lives of people through our Christian Culture of quality Care and Service”. We have been building our mission in Cairns for nearly 3 years and now wish to cement that presence and the continuation of Catholic Aged Care services established by the Diocese and Sisters of Mercy, Cairns. We will do this by rebuilding Bethlehem Home and incorporating this nursing centre into the Holy Spirit Westcourt community. We believe this will maintain the legacy, and this innovative, modern aged care and retirement community will serve the citizens of Cairns, well into the future.

Ladies and Gentlemen, we are proud to bring you Holy Spirit Westcourt – your Home and Community.

Kevin Mercer
Chief Executive Officer
23 September 2009