



**BUPA CARE SERVICES AT LISTON HEIGHTS CARE HOME
DOCUMENT FOR EMPLOYEES
PROPOSED WORKPLACE INTERNAL CHANGE**

CONSULTATION FEEDBACK DOCUMENT

As you know, the time period for providing feedback in relation to the proposal to move to a four on four off roster is now closed.

Given the extensive feedback received, we have decided not to proceed with the change as proposed.

In particular, we received a large number of representations from staff concerned about their ability to make ends meet on the potentially reduced earnings that the proposed roster would guarantee.

We also received some feedback that made it clear that not all staff really understood why we were proposing that change and why we favoured the implementation of a four on four off roster.

In particular, we were given a copy of the document that was circulated by one member of staff that gives an inaccurate impression of the organisation.

This document will seek to address some of these issues and bring greater clarity and accuracy to the issues. We will also propose a further way forward.

Feedback received and management responses

Care Home viability:

As indicated in the last document, staffing levels at Liston Heights are higher than the Bupa Care Services benchmarks for other similar sized care homes and also those recommended in the "Indicators for Safe Aged Care for Consumers". In fact, Liston Heights ranks in the bottom 6 care homes in terms of efficient staffing ratios in Bupa.

Whilst we are a company limited by liabilities and therefore do not have shareholders, we are a 'for profit' company. In order to continue to operate in New Zealand, we are required to make a reasonable return on our investment by our parent company. Where this is not the case, the company will seek to disinvest its operations and this has indeed been the case in Gisborne, where we have been forced to close our Care Home as it was no longer financially viable. Our preference is to continue to operate in the Taupo region, particularly given that we are considered by the local DHB as an operator of choice, thanks to the excellent care provided to our residents.

Nevertheless, occupancy levels have been dropping steadily in the Taupo region over the past 2 years and have declined about 10% showing no sign that this trend is reversing again in the near future. As a result, we have no choice but to consider our cost/profit ratios very carefully.

As you are no doubt aware, staffing costs are the highest contributor to the home's cost and balancing safe staffing levels against reasonable costs is the key to maintaining the ongoing viability of the home.

Skill Mix

The current roster makes this particularly difficult, as it offers little to no flexibility due to the very set nature of the hours and days that staff are prepared to work. This impacts on our ability to offer an appropriate skill mix at times, which is not ideal from either a care or a financial perspective. These skill mix concerns have been dealt with in the past by rostering in additional staff, causing additional and unnecessary costs for the business. This cannot continue, given the financial concerns referenced above.

Fairness

Additionally, a number of staff are disadvantaged by existing fixed rosters, given that they are unable to pick up any penal rates where some staff are rostered on every weekend or nights only and have brought this to the attention of the manager on a number of occasions.

We believe that a four on four off rotating roster would have resolved these issues.

Timelines and impression of 'done deal'

Further feedback was received around the timelines and we acknowledge that these should have been clearly spelt out as being indicative only, as you may have gotten the impression that management would proceed with this proposal regardless of any feedback received. As you can see, this is not the case and was never our intention.

Facts about Bupa

In response to the document circulated by a member of staff, we feel it is important that the record is set straight on a number of issues that were portrayed inaccurately by the authors of the "Roger Award 2010".

As mentioned above, whilst Bupa is a company limited by liabilities, we are a 'for profit' company. However, the profits are not divvied out to shareholders, but reinvested in the business, both locally and globally. Last year, Bupa invested \$134 million back into the NZ economy through acquisitions and improvements to our current care homes, this is significantly more than the revenue generated here in New Zealand.

Our residents are our customers as they are the recipients of the service we provide and we very much expect to meet their expected standards of care and living. We are funded by and large from the Government, although we also get some money directly from our residents for aspects such as premium rooms.

Whilst the funding we receive from Government does not allow us to pay staff at equivalent levels to the DHBs, we are actively lobbying the Government in this respect and have passed on more to staff in this year's pay settlement than we received from the Government.

We are the leading Aged Care company in New Zealand, both in terms of number of beds and in terms of the quality of care that we provide for our residents. We have an excellent reputation with our DHB colleagues and with the Government, who regularly seek our expertise when it comes to Aged Care issues.

Four on four off roster choice and financial impact

A lot of staff expressed concern about the financial impact that a four on four off roster would have on them and their families.

We understand that if staff work a 4 on 4 off roster and don't pick up any other available shifts that over an 8 week period they will work 29 hours on average per week. For full-time staff contracted to work 32 – 40 hours per week, this would mean a requirement to agree to a variation in contractual hours.

We believe that the requirements to cover a short shift, as well as the need to cover sick and annual leave for all staff would have resulted in the majority of staff maintaining levels of above 32 hours per week.

Over time, as occupancy hopefully increases back to more sustainable levels, more hours will also become available.

We would also like to take this opportunity to remind staff that they are often able to increase their wages and progress their career by taking advantage of Bupa's progress steps.

Way forward

As outlined both in our previous paper and above, we are not able to maintain status quo any longer, as occupancy levels continue to plummet and the home's financial viability continues to drop.

Given that it appears unlikely at this point from the feedback received that our preference of a change in working hours across the board on a voluntary basis is going to be accepted, we believe that we must now also consider an alternative to reduce our staffing levels through a formal redundancy process.

We would like to stress that this is not our preferred option and that the four on four off roster alternative remains on the table.

There are therefore now 2 possible proposals open for feedback:

- 1) To implement a four on four off rotating roster across the board, as outlined in the previous paper, which would mean a reduction in hours across the board and some staff moving from full-time to part-time employment, as well as changing to a flexible rotating roster;
- 2) To undergo a redundancy process where all roles will be disestablished and staffing levels cut to fit a new flexible rotating roster, as outlined further below, but which would maintain full-time hours.

We remain keen to consider any other viable long term solutions proposed by staff.

Redundancy option

As outlined above, this option would mean disestablishing the roles listed below, as well as reducing the existing hours per week as follows:

Group	Current Hours per week	Proposed Hours per week	Reduction in hours per week
Registered Nurses	356	248	108
Enrolled Nurses	130	80	50
Caregivers*	1120	950	170
Kitchen staff	128	90	38
Laundry staff	52.5	49	3.5
Cleaners	120	105	15
Activities	138	108	30
Gardener	9	7	2

*These numbers are not exact due to fluctuations in care levels and occupancy.

The new roles will be operating on a more flexible basis and will consist of a mix of full and part-time positions. Where there are no cuts made to the hours required these roles will still need to operate on a more flexible basis.

We are proposing to determine redundancies based on skill and performance and, where necessary, will work through an interview process to determine the successful staff.

We are also open to people volunteering for redundancy, although we reserve the right not to accept any volunteers.

We may also be able to redeploy staff to other care homes in our portfolio, as opportunities become available.

Consultation Process

Please note, once again, **that no decisions have been made**, as you will now have an additional consultation period whereby you are given a further opportunity to provide feedback on the two options outlined above or to propose any other viable alternative outside of status quo.

Feedback is now required to be given to Shaun Brown, Janet Lester and Jenny de Carteret, HR Manager Bupa by Monday 24th February 2014.

Both Janet and Jenny will set aside Monday 17th February from 12 noon and Tuesday 18th February, next week, so that you can drop by Janet's office to speak to them. Additional meetings can be arranged by appointment.

Once this new feedback period is closed, we will meet again to consider the best way forward. If the proposal is accepted, implementation of the redundancy selection process will commence shortly afterwards and it is expected that the new staffing levels could be in place by the end of March 2014.

Next Steps

Feedback on this new proposal is welcomed. You are entitled to representation and therefore you may bring a support person with you to any meeting. Alternatively if you are a member of the union you may like to have a group meeting with other unionised staff and your union representative. Please let us know if this is the case.

You are also able to provide feedback on the attached form.

Indicative Time Line (subject to change)

Activity:	Date:
Presentation of feedback and alternative proposal to employees and representatives	Friday 14 February 2014
One on one meetings with employees, representatives and unionized staff, if required	Monday 17 February – Monday 24 February 2014
Consideration of feedback	Tuesday 25 February – 27 February 2014
Feedback and decision conveyed to employees and representatives.	Friday 28 February 2014
Potential redundancy selection process commences or new roster commences	Monday 3 March 2014
Potential redundancy selection process completed	Monday 10 March 2014