

## **MEDIA RELEASE**

**18 December 2020**

### **Council pursuing ownership options for residential aged care services**

Council moved at the December 2020 Council meeting last night in Jindabyne a report on the receipt of federal government funding under stream 2 of the Business Improvement fund (BIF) to pursue alternative ownership options for its residential aged care services.

Utilising the BIF grant funding delivered by the Department of Health, Council will explore the transition to a new provider for Yallabee Lodge and Snowy River Hostel.

The BIF aims to assist aged care providers such as Council to improve their business operations so they can meet the needs of senior Australians. Providers could use the funding for a specific purpose including these options:

- Improve their business for example to restructure operations or to undertake IT upgrades
- Transition to a new provider
- Close in an orderly manner

Council's residential aged care services are currently operating at a \$2.132M deficit due to increased regulation as a result of Aged Care Quality Standards implemented from July 2019 and outcomes from the Royal Commission into Aged Care Quality and Safety that commenced in October 2018. Changes in the sector are the biggest Australia has seen since the introduction of the *Aged Care Act 1997*.

Currently the funding model for aged care is not commensurate with the true cost of care which is evidenced in the annual StewartBrown Aged Care Financial Performance Survey. The report noted that 74% of rural, regional and remote providers are operating at a loss, which is 14% higher than inner city or metropolitan providers. Additionally national occupancy has dropped to 86.4%, with workforce shortages impacting staff to resident ratios and the desire to live at home for longer all contributing factors.

Mayor Peter Beer said, "Snowy Monaro Regional Council is not alone in its challenge to achieve financial viability and address workforce shortages to assist in the provision of quality care.

"A significant financial investment is required to provide the region with the best care possible into the future. A strong strategic plan for the region will ensure facilities can service those most in need, including high care which is currently limited."

Expressions of interest will be sought from specialised aged care providers who are well-experienced in the delivery of quality outcomes, and have the ability to invest to build new or refurbish existing facilities.

Until a new provider is found, Council will continue to deliver residential aged care services in the region and move ahead with the planned new build in Cooma next to Yallambee Lodge.

Acknowledging the above and a 2018 report titled 'The Future Provision of Residential Aged Care in the Snowy Monaro Region', Council made a commitment to identify a pathway for the provision of aged care into the future. Part of this commitment was applying for places (funded beds) in Cooma through the aged care approvals round (ACAR). At that time, Council was successful in gaining 16 funded places as well as a grant to support the new build to the value of \$4M. This project will proceed in accordance with the Service Agreement that Council has signed with the Department of Health.

Council also committed to the exploration of an aged care facility in Jindabyne but was unsuccessful in their grant application during the last ACAR round. This project is an important part of the potential transition to a new provider. The Snowy Mountains Special Activation Precinct is also looking at the provision of aged care facilities as a key part of the social infrastructure design elements.

Council's CEO Peter Bascomb said, "Council does not underestimate the sensitivity of the decision to transition Yallambee Lodge and Snowy River Hostel to a new provider. We are committed to a process that allows new owners to continue services and deliver beyond community expectations, and this requirement will be built into the transition process."

Council also acknowledges the history and strong community involvement in the building and fitting out of both facilities, including fundraising, bequests and community contributions to Yallambee Lodge and Snowy River Hostel. Strong relationships have been formed over many years with the community, residents, relatives and Council is proud of this and the services it has provided.

To support a transparent process, community engagement sessions will be held by Council to update and advise key stakeholders of progress. A set of key criteria is being established that will inform the transition process to ensure the best possible outcome is achieved with the interest of residents and relatives, community, and employees at the centre of conversation.

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