

Media Release

Thursday 13 July 2023

Conclusion of Council's aged care divestment

Two reports to be tabled at the July 2023 Ordinary Council Meeting include staff recommendations that Council begin the process of finalising divestment of both of Council's aged care facilities – Yallambee Lodge and Snowy River Hostel.

Staff are recommending that Yallambee Lodge be transferred to new provider Respect Aged Care, who will integrate the existing Yallambee Lodge residents, service and staff into their Cooma operation at Hudson House. After a transition period of approximately two years – during which time Hudson House will undergo expansion and renovation – Yallambee Lodge may close.

Council has not been able to identify an operator willing to take on the operation of Snowy River Hostel. The staff recommendation is that Council close the facility once all residents have relocated to a new facility, noting that residents have security of tenure which makes the timetable for closure dependent on the decisions of existing residents.

Staff also recommend that Council seek expressions of interest for future use of the facility and the adjacent vacant land, with a strong preference for a community-focused enterprise, such as affordable housing.

This proposal will see our region's aged care residents provided the highest possible level of care into the future, at a modern and financially sustainable facility, while saving ratepayers nearly \$3 million a year.

Summary and history of the divestment process:

Beginning in June 2020, councillors decided to begin the process of divesting from residential aged care. Council was successful in an application for grant funding from the Federal Government to undertake this process.

The initial plan called for the transition of both Yallambee Lodge and Snowy River Hostel to a new operator, with a provision requiring expansion of services into Jindabyne following the transition. Councillors endorsed an expression of interest process at the May 2021 Ordinary Council Meeting, following the conclusion of which one provider was invited to progress to the request for proposal stage.

Despite working closely with the potential new operator over the course of 2021 and 2022 – and substantial improvements to the financial results of both Yallambee Lodge and Snowy River Hostel in excess of \$2 million a year – the financial viability of the proposed divestment was unworkable for the operator.

During this time, specialist aged care provider Respect Aged Care took over operations of Hudson House (formerly Sir William Hudson Memorial Centre) in Cooma. Council, the Federal Government, and Respect Aged Care came together to discuss a regional solution for aged care in the Snowy Monaro.

As a consequence of the outcome of the divestment process – coupled with changes to the national aged care system – staff have formed the view that the most sustainable future solution for aged care in the Snowy Monaro is a single expanded facility at Hudson House. This will benefit from economies of scale and be able to provide both the scope and level of care our region requires.

Council will have further information to share following the Ordinary Council Meeting scheduled for Thursday 20 July 2023 in Cooma.

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