



PortAugusta

CITY COUNCIL

MEDIA RELEASE

New provider selected for aged care facilities

With the aim of ensuring the community continues to have access to a high standard of aged care services, Port Augusta City Council has selected Edenfield Family Care as the new owner of AM Ramsay Village and Nerrilda Nursing Home.

In a process which first began in 2013, when Council sought expressions of interest for a quality aged care provider to operate the facilities, Mayor Sam Johnson said considerable work and scrutiny had gone into selecting the new owner through a sale process which commenced in May last year.

Throughout the process, Mayor Johnson said communication with residents, their families and staff has been paramount. This included monthly letters to residents and their families and monthly updates to staff. Staff, families and residents were also the first to be notified of the transfer of ownership decision. Council has also involved key staff from each facility, a community representative and Council staff on an advisory panel which has overseen the process.

Edenfield Family Care has an excellent reputation for quality care in Adelaide's northern suburbs and will add Nerrilda Nursing Home and AM Ramsay Village to its portfolio which includes its family owned and operated facility at Parafield Gardens, with ownership to be transferred on October 23, 2017. A transition stage has commenced and this will see the new owners regularly visit the facilities, and meet with staff, residents and their families. The facilities will be known as Edenfield Family Care – Nerrilda and Edenfield Family Care – Ramsay.

As part of the transfer of ownership to Edenfield Family Care, all residents retain their security of tenure under terms of existing resident agreements and all staff will be offered employment on comparable terms and conditions to existing arrangements. This will provide continuity of care for residents.

Mayor Johnson said much careful consideration, due diligence and deliberation had gone into making the decision to sell the aged care facilities but it was clear that due to the changing nature of aged care, that a specialist aged care provider is best positioned to provide continued high quality aged care.

"We have not made this decision lightly but we know that a reputable aged care provider is best placed to deal with the growing demands of operating aged care facilities rather than a local government entity," Mayor Johnson said.

"Residential Aged Care is changing in a number of ways including an increase in residents with complex care needs, as well as legislative changes with the Federal Government's aged care reforms. We are delighted to see the family-owned and operated Edenfield Family Care take over the operation of Nerrilda and Ramsay and we welcome them to our community."

HISTORY

A key recommendation of the Port Augusta City Council's Ageing Strategy 2007-2012 which was developed following extensive community consultation, was the need to initiate discussions with aged care providers to develop and manage additional aged care places to meet future demand.

Council formally commenced seeking a transfer of ownership for aged care in 2013. This followed extensive consultation with staff, residents and their families, as well as fundraising groups and the community. Council sought expressions of interest for a quality aged care provider to operate the facilities. This call resulted in five organisations expressing interest and after initial conversations, detailed discussions were held with one organisation. This organisation subsequently withdrew interest in August 2015.

In March 2016, specialist aged care consultant *G88 Consulting* presented a report to Council, outlining options for future operations of its residential aged care facilities. Included in its recommendations was that Council continue with its original decision to sell Nerrilda Nursing Home and AM Ramsay Village.

In May 2016 Port Augusta City Council resolved to sell Nerrilda Nursing Home and AM Ramsay Village to a specialist provider to ensure the medium to longer term needs of the community are met with sustainable, high quality care for residents.

Consultation has been a key feature of the process dating back to 2013 and as part of this a public briefing was held on April 28, 2016 followed by an aged care forum on August 17, 2016.

Details on background on Council's investigation of aged care options is on its website www.portaugusta.sa.gov.au/agedcare

ENDS

For further information please contact Port Augusta City Council Manager of Media and Communications, Cherie Gerlach, on 0427 413345 or email cherie.gerlach@portaugusta.sa.gov.au

JOHN BANKS
CHIEF EXECUTIVE OFFICER
27/07/2017



PortAugusta

CITY COUNCIL

FREQUENTLY ASKED QUESTIONS

AGED CARE – JULY 2017

AR17/23681

Why is Council Selling its Residential Aged Care Facilities?

Residential Aged Care is changing, both through the nature of its residents with an increased rate of dementia and through changing legislation relating to the aged care sector.

The type of care being provided is now more aligned to sub-acute care (hospital-type care). When AM Ramsay Village was established, it was a hostel for residents that were still reasonably independent and Nerrilda catered for Medium to High Care residents. Now Ramsay has more than 50 per cent of its residents classified as high care and Nerrilda has residents whose care needs is more aligned to sub-acute care. More people are entering residential aged care with complex care needs, nearer the end of life or with 'behaviours of concern'. This requires aged care facilities to have strong health care systems that are specifically based on the health care sector, not Local Government regimes.

The Federal Government has removed the distinction between low and high care as part of the Living Longer Living Better Aged Care reforms. This means that all aged care facilities are required to provide ageing in place (that is residents receive a higher level of care in the facility in which they are originally placed), placing more pressure on our facilities and staff, in particular AM Ramsay Village which historically cared for low care residents.

The nature of aged care has also now progressed to require a health/medical care focus rather than assisted living and thus relies on thinking and systems that are outside of the expertise of Local Government.

Council is not in a position to borrow the large sums of money necessary to upgrade buildings to current and future standards, being close to the maximum level of borrowings that it can make. Council is faced with increasing demands for significant spending on infrastructure and asset management to address the mounting backlog. There is also the possibility of rate capping legislation being introduced to effectively cap the amount that Council rates can be increased to CPI. This in turn has a negative impact on the ability of Council to provide services to the community.

Who is purchasing the facilities?

Port Augusta City Council has signed asset sale agreements with Edenfield Family Care to acquire Port Augusta City Council's residential aged care facilities, Nerrilda Nursing Home and AM Ramsay Village. Whilst still subject to the approval of the

relevant Government Departments, Edenfield Family Care is expected to assume ownership and operation of the business on 23rd October 2017.

Edenfield Family Care is a family owned organisation that has an excellent reputation for quality care in Adelaide's northern suburbs and pride themselves on being dedicated to aged care.

Edenfield Family Care is immensely proud of the reputation that their facilities and services hold in the community and is grateful for the incredible contribution by many dedicated staff and volunteers over the years. Port Augusta City Council is confident that Edenfield Family Care will uphold the reputation of their residential care services and will continue to ensure each facility remains a loving and caring home for our residents and a great place for staff to work.

When will Edenfield Family Care take ownership?

Based on our current timetable, and subject to relevant Government Department approvals, Edenfield Family Care will assume ownership of Nerrilda Nursing Home and AM Ramsay Village on 23 October 2017. However, both parties will work closely together during a transition period up to the date of transfer of ownership to ensure a smooth transition for residents and staff.

Will there be any impact on existing Residents?

Edenfield Family Care will ensure all Residents' rights are protected, security of tenure is maintained and continuity of care is paramount.

The rights of residential aged care residents are also covered under the Aged Care Act 1997. This Act provides for a change in ownership of a facility and the subsequent tenure of residents. It outlines both the rights of residents and the obligations of the provider in such a situation.

Ongoing care needs of Residents will be maintained at the highest standard during this transition period. Residents will receive the same standard of care, meals and ancillary services they enjoy today.

Current resident agreements, as signed by the Resident or a member of the family, on entry to Nerrilda Nursing Home/AM Ramsay Village, will still be valid and Residents/Representatives do not have to sign a new agreement.

Liability for the refund of lump sum accommodation payments in accordance with resident agreement requirements will be transferred to Edenfield Family Care on the settlement date with current arrangements continuing. All lump sum accommodation payments are protected under the Aged Care Act 1997 including the Accommodation Payment Guarantee Scheme.

Fees and charges in aged care are mostly set by the Federal Government, who review these twice per year. Edenfield Family Care, as with all aged care providers, must abide by the fee structure and legislation set down by the government.

Will staff retain their jobs?

All staff of Nerrilda Nursing Home and AM Ramsay Village, across all roles, will be offered a role with Edenfield Family Care on terms and conditions similar to, and, considered on an overall basis, no less favourable than that employee's current terms and conditions of employment.

Employment for staff accepting roles with Edenfield Family Care will transfer over as at the settlement date with all leave entitlements also transferred at that date. Prior service will also be recognised for the purpose of calculating benefits with the new employer.

Staff who choose not to accept an offer of employment with Edenfield Family Care will have their employment with Council terminated as at the settlement date. Employees from the business units of Nerrilda Nursing Home and AM Ramsay Village will not be eligible for separation payments from Council.

Council encourages as many staff as possible to continue their employment with Edenfield Family Care as your experience, commitment and contribution are valued.

What will the facilities be called?

The facilities will be known as:

Edenfield Family Care – Nerrilda

Edenfield Family Care – Ramsay

What about Health Focus?

Health Focus, funded through the Commonwealth Home Support Program, will continue to be operated by the Port Augusta City Council in its current location through a lease agreement with Edenfield Family Care until the current CHSP funding agreement expires on 30th June 2018.

What about the Nerrilda Auxiliary?

The Auxiliary have been a vital part of Nerrilda for many years and the commitment by members of the community to actively fundraise for the benefit of the residents is acknowledged and greatly appreciated. Hopefully these activities would continue unchanged.

Funds raised by the Nerrilda Auxiliary are used to purchase equipment to enhance the quality of life of the residents of Nerrilda Nursing Home. The existing process is that the Care Manager approaches the Auxiliary with a 'wish list' of equipment to be purchased. The Auxiliary decides where the funds will be spent. It is not anticipated that this will change. The residents of the Nursing Home will continue to need the support of the auxiliary.

Edenfield Family Care is keen to work closely with the Nerrilda Auxiliary and will be meeting with members of the Auxiliary at the earliest possible opportunity to discuss how the current relationship between the Auxiliary and Nerrilda management can be continued.

Is the Homestead Park land part of the sale?

Yes, Edenfield Family Care has purchased the land in Elsie Street which previously housed Homestead Park. This area excludes the toilet block and grassed area which remains open space for the community.

Council is liaising with the current tenants of the area, the Model Engineers and Vehicle Restorers Club in relation to potential sites for relocation.

Council is currently working through a process to identify possible actions in relation to Yudnapinna Homestead and a further report will be presented to Council in the near future.

This purchase is conditional upon Council relocating the Yudnapinna Homestead and all current tenants within the next twelve months.

Have Council's original conditions of sale been met?

Care of the residents and continuing employment of the majority of staff was paramount during sale negotiations and the purchaser was asked to address certain assessment criteria. Council's original criteria included:

- retain or exceed existing service quality
- retain the bed licences actively in Port Augusta
- protect the rights of existing residents (security of tenure)
- retain the majority of staff
- maintain access for low income people (the minimum mandated supported resident ratio for the region is 27.5per cent), and
- achieve nil or minimal residual debt

These conditions have been met through relevant clauses in the asset sale agreements.

Nerrilda is on Crown Land, can it be sold?

Council has been working with the State Government in relation to the sale process for the Nerrilda Land. This has involved undertaking a sub-division to remove a portion of the land, still subject to Native Title, from the Nerrilda Nursing Home land. The sub-division application has been submitted to the Development Assessment Commission for approval.

The Minister for Sustainability, Environment and Conservation has approved the sale of the Nerrilda land to Port Augusta City Council who will then on-sell to Edenfield Family Care.

This process is continuing with the aim of being resolved by the anticipated date of the sale.

What would happen to the money donated by the German Club that is earmarked for the care of residents at Nerrilda and Ramsay?

The money will be used as it was intended, which is to purchase equipment to support the care of residents at both facilities. Council is in control of the funds, as agreed with the German Club, and this will remain the case with requests for use of the funds to be made to Council.

Will the sale of the facilities reduce my rates?

The sale of Nerrilda and Ramsay Village will only have minimal effect on rates in Port Augusta in the short term. There will be efficiencies across some functions within Council such as HR, payroll and accounts payable.

Council's deficit will be reduced as depreciation expense for Nerrilda Nursing Home and AM Ramsay Village of \$645,000 will be removed. Any surplus funds from the sale of the facilities will be used for debt reduction as per Council policy.

Where can we find out more information?

If you have further queries regarding the sale of the facilities, please contact Anne O'Reilly, Director Community Services, Port Augusta City Council on (08)8641 9100.

There are a number of resources that will give you a broader view of the issue Council is facing in the delivery of aged care.

The impact of the aged care reforms and the increased number of dementia residents is not isolated to Port Augusta. These are issues facing aged care providers nationwide, which is one reason specialist aged-care organisations are best positioned to manage the facilities.

- 2016 Report on the Funding and Financing of the Aged Care Industry
<https://agedcare.health.gov.au/2016-report-on-the-funding-and-financing-of-the-aged-care-industry>
- https://www.dss.gov.au/sites/default/files/documents/08_2014/2014_report_on_the_funding_and_financing_of_the_aged_care_industry.pdf
- <http://www.rsm.global/australia/insights/sector-insights/aged-care-sustainability-review-2016>
- <http://www.agedcare.org.au/publications/issues-facing-aged-care-in-rural-and-remote-australia>
- Council's 2007-2012 Ageing Strategy
- Productivity Commission 2011, *Caring for Older Australians*, Report No. 53, Final Inquiry Report, Canberra.
<http://www.pc.gov.au/projects/inquiry/aged-care/report>

AGED CARE TRANSFER

Council has signed sale agreements for Nerrilda Nursing Home and AM Ramsay Village with Edenfield Family Care

WHAT DOES THIS MEAN?

FOR RESIDENTS



Guaranteed Bed Place.
All residential agreements covering existing arrangements remain



Continuity of care with existing standard of care to be provided by existing staff



All lump sum resident Accommodation Payments will be transferred with existing terms and conditions maintained

FOR STAFF



The majority of Port Augusta City Council staff currently employed at Nerrilda Nursing Home and AM Ramsay Village will be offered employment with Edenfield Family Care on similar terms and conditions



Opportunity to work for an established, family-owned aged care provider, with a good reputation and values aligned with Council

FOR COMMUNITY



Contract has been signed for Homestead Park land with current tenants to be relocated within 12 months



Valuable support of the Nerrilda Auxiliary still required to support residents



Nerrilda and Ramsay names will be included in new titles



Health Focus programs will continue to be hosted by Council at its current location.

FOR COUNCIL



New owner agrees to conditions of:
- retaining bed licenses in Port Augusta
- maintain access for low income people
- retaining the majority of staff



Applications sent to the Department of Health to transfer allocated bed places to new owner



Transition period working with staff and the new owners until the settlement date of 23/10/17.

FOR MORE INFORMATION, INCLUDING FAQ'S GO TO
WWW.PORTAUGUSTA.SA.GOV.AU/AGEDCARE



Port Augusta
CITY COUNCIL

TRANSITION OF RESIDENTIAL AGED CARE TIMELINE

KEY DATES

2007

Port Augusta City Council's Ageing Strategy 2007-2012 identifies the need to initiate discussions with aged care providers to develop and manage additional aged care places to meet future demand.

2013

***Expressions of Interest Sought** - Five organisations expressed interest in relation to aged accommodation as well as residential aged care. Detailed discussions were held with one organisation. This organisation subsequently withdrew interest in August 2015.*

MARCH 2016

Specialist aged care consultant G88 Consulting presented a report to Council, outlining options for future operations of its residential aged care facilities. Included in its recommendations was that Council continue with its original decision to sell Nerrilda Nursing Home and AM Ramsay Village.

APRIL 28 2016

Public briefing on the transfer of residential aged care facilities was held at the Institute theatre with more than 80 people attending.

MAY 2016

Port Augusta City Council resolved to sell Nerrilda and Ramsay to a specialist provider to ensure the medium and longer term needs of the community are met with sustainable, high quality aged care

AUGUST 17 2016

Public forum and discussion on transfer of aged care facilities held at Lea Memorial Theatre - about 80 people attended.

AUGUST 2016

Specialist aged care advisor, Ansell Strategic, appointed to assist with the transition of residential aged care in Port Augusta.

JULY 24 2017

Port Augusta City Council approves sale of Ramsay and Nerrilda to Edenfield Family Care

OCTOBER 23 2017

Edenfield Family Care commences ownership of Ramsay and Nerrilda

AGED CARE TRANSFER KEY MESSAGES



TRANSFER OF OWNERSHIP OF AM RAMSAY VILLAGE AND NERRILDA NURSING HOME

Council has signed asset sale agreements for Nerrilda Nursing Home and AM Ramsay Village including the 'Homestead Park' land.

Purchaser is Edenfield Family Care, a family owned organisation that has an excellent reputation for quality care in Adelaide's northern suburbs and pride themselves on being dedicated to aged care.

Settlement date is anticipated to be 23rd October 2017.

During this period Council will be working closely with Edenfield Family Care to ensure a smooth transition.

Original caveats have been met through clauses within sale agreements.

All staff will be offered employment with Edenfield Family Care.

Residents will not be impacted. Existing Resident Agreements will transfer across to Edenfield Family Care.

Health Focus will be operated by Council at its existing location.

Edenfield Family Care is keen to work closely with the Nerrilda Auxiliary and will be meeting with members of the Auxiliary at the earliest possible opportunity to discuss continued relationships.

Council will work with existing tenants of Homestead Park to relocate to other sites within 12 months.

Names of facilities will be:
Edenfield Family Care – Nerrilda
Edenfield Family Care - Ramsay