



**PortAugusta**

CITY COUNCIL

## **MEDIA RELEASE**

### **Options for aged care to be presented to Port Augusta City Council**

Port Augusta City Council is receiving a report on the future delivery of Residential Aged Services in Port Augusta, at a special Council meeting tonight, 31 March 2016.

The report titled 'Residential Aged Services Options Analysis' has been prepared by independent aged care expert Greg Adey of G88 Consultancy and will be presented to Council tonight

Council will make a decision on the future of aged care management of its facilities, Nerrilda Nursing Home and AM Ramsay Village, in the near future, with a further report to be presented to Council.

The 'Residential Aged Services Options Analysis' report has evaluated four options for the future ownership and management of residential aged care with the quality of care paramount in all considerations. This includes a guarantee that all existing residents cannot and will not lose bed places as part of any of the four options being considered.

Outlined in the report are the challenges Council faces if it retains ongoing management of Nerrilda Nursing Home and Ramsay Village, including ongoing and increasing operating deficits, limited capital funds for significant refurbishments needed to maximise high quality clinical care and to meet community expectations for single room/ensuite accommodation, and the additional financial challenges faced by regional aged care providers as noted in the recent Aged Care Financing Authority Report.

The four main options evaluated were:

- continue to own and operate the nursing homes, and implement a rigorous financial turnaround strategy
- continue to own and operate the nursing homes in the medium term, implement a rigorous financial turnaround strategy, then sell the nursing homes because they are not core business for Council
- continue to own the nursing homes, and engage a specialist aged care operator under contract to manage the service and drive the financial turnaround strategy
- sell the nursing homes, with caveats to protect the interest of the Port Augusta community.

Of the four options, the report highlights the sale of the nursing homes with caveats scored the highest. It recommends Council continue with its original decision to sell Nerrilda Nursing Home and AM Ramsay Village with the caveats of:

- 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 27.5%), and
- achieve nil or minimal residual debt (eg. from the capital grant).

The commissioning of the 'Residential Aged Services Options Analysis' report follows Council's unsuccessful expression of interest process for the two aged care residential facilities in 2013.

Port Augusta City Council CEO John Banks said the reasons to examine Council's ownership of the two facilities is even more relevant today than it was three years ago.

"Port Augusta is facing an increasing ageing population and the need for expanded high-quality aged services is growing. Council needs to ensure that the Port Augusta community has quality aged care services available that meet current and future care needs as well as community expectations," Mr Banks said.

"Throughout this process the care of residents is paramount and I can assure families that no existing residents will lose bed places as part of any possible change to future ownership of the facilities."

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**JOHN BANKS**  
**CHIEF EXECUTIVE OFFICER**  
**31/03/2016**