

AGED CARE INDUSTRY COUNCIL (NSW & ACT)

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Performance Benchmarking Australian Business Regulation
Productivity Commission
PO Box 1428
Canberra City ACT 2601

Council Levies being applied to Residential Aged Care Developments

We are writing on behalf of the Aged Care Industry Council (NSW & ACT) Building Committee (ACIC Building Committee). The ACIC Building Committee is an initiative of the Aged Care Industry Council (NSW & ACT) comprising the Aged & Community Services Association of NSW & ACT (ACS) and Aged Care Association Australia – NSW (ACAA - NSW). Together the two industry associations represent over 90% of residential aged care services in NSW.

We would like to take this opportunity to bring to your attention an issue that is affecting the Residential Aged Care Industry in NSW.

As you may be aware Residential Aged Care Facilities (RACF) provide residential and nursing care to the elderly and frail within our communities and there is a significant growing demand for these facilities throughout the State as the population ages. The Productivity Commission recently released its Final Report following a detailed inquiry, *Caring for Older Australians*.

The Federal Government currently supports the development of RACF across Australia by subsidising the residents and by controlling the accreditation of service providers. Federal Government policies are also aimed at encouraging the development of quality new RACF that will address the growing demand.

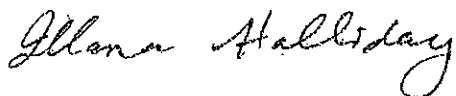
Members of the ACIC Committee have become increasingly alarmed at reports of excessive levies that some NSW Councils are applying on new developments. The levies take the form of S94 contributions under the Environmental Planning and Assessment Act 1979 and in some cases S64 levies for sewer and water augmentation. Not all Councils are imposing these significant financial levies which are far in excess of what would be anticipated or budgeted for in planning a RACF..

Below we have set out the reasons why Residential Aged Care developments should be exempt from S94 contributions:

1. The application of S94 contributions to a RACF is unreasonable, because RACF provide a substantial and material public benefit to the community, by caring and looking after the needs of the frail within the local community, while providing respite to families.
2. The RACF also meet the increasing social needs of the local community, particularly in dementia and palliative care as well as the growing trend for 'ageing in place'.
3. A significant contribution is made to the community through the employment of staff which is required seven days a week over a twenty four hour period.
4. RACF are NOT Retirement Villages, or a form of independent living. Residents are fully catered for with meals, accommodation, nursing care, hairdressing, entertainment and activities. This is important because RACF are often seen in the same light as the property development industry.
5. S94 levies actually mean that RACF residents are subsidising the remainder of the community as they are paying for facilities they will not use (libraries, roads, sporting facilities, etc).

ACIC NSW & ACT considers that applying S94 contributions to Residential Aged Care Developments is unreasonable and we believe that Residential Aged Care developments should be exempt from S94 type contributions in New South Wales and all other Australian jurisdictions.

Yours sincerely



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