

# **MEDIA RELEASE**

## **Waitaki District Health Services Limited**

### **Submission to Waitaki District Council Annual Plan**

Waitaki District Health Services Chair George Berry appeared with Deputy Chair Ken Scott before the Waitaki District Council today to submit in support of possible Council funding being made available to the retirement village in Oamaru which is currently under investigation by Waitaki District Health.

Mr Berry said that the development will only proceed if there is a robust business case independently verified for the satisfaction of the directors and Council to support the venture.

He pointed out that the Company has the obligation under its Statement of Intent and commitment to the Waitaki District and Oamaru community to make provision for the health needs of the elderly in particular, and the retirement village project was a consequence of that obligation and the growing needs for elderly care which are projected for the Waitaki District and nationally. The Company supported the Council investing in its own community, any loan would be on normal commercial terms and it was essential for us all to invest in our own community if the District was to develop and prosper.

The project was still at the planning stage, definitive costings for fixed price contracts were being obtained so costs could be clearly established and there was more work to do on market projections and needs assessment to develop the business case. Projections in the public domain on future needs were somewhat alarming but further checks were needed on the local situation.

Development would only proceed in stages matched to known needs and demand.

In relation to the submissions on the matter from other parties, there were good supporting submissions, four other parties expressed concerns as ratepayers to any concessions to the Company. Mr Berry made the point that the hospital company pays market rates on ground rentals and rates on property values of over \$50,000.00 per year to Council in the same way as any other Council lessee and ratepayer. In addition, Council company Whitestone Roding receives many thousands of dollars for maintaining the hospital grounds. There was no element of ratepayer subsidy to the existing facilities and if the retirement village proceeds it will also pay market value for the land to be acquired and full rates on the property in the same way as any other rate payer. The project is to be structured on the basis

that does not involve any ratepayer commitment or subsidy as some submissions suggested might be the case.

In relation to the submissions received from existing rest home operators opposing Council allowing the development to proceed, they should not be apprehensive. It would be at least two years before the facilities could be built and operating and demand was expected to grow. They will provide a choice that is not there now for individuals and couples with a different model of retirement and care facility. The residential elements of the development will financially support the care facility and facilities of this kind were now provided in most communities.

Contrary to what the submissions were suggesting, the development was being planned to cater for all levels of demand, not any select group, with a range of pricing for villas and apartments for residents that would be affordable for local people and in line with Oamaru and the Waitaki District housing costs.

The hospital's existing four bed care facility had been fully occupied and generally had a waiting list since opening three years ago and if the Company was confident of the needs and the demand being there the development would be proceeding.

It was perhaps unsurprising that the existing operators were arguing the development should not proceed, but the Company had wider community obligations to plan for and deal with the future health needs of Oamaru and the Waitaki District in the best manner possible.

Accordingly, the Company supported a Council loan to the project on commercial terms if it is decided to proceed.

14 May 2014