

# VALENCIA Nursing Home

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Mr Ian Gibbs

Productivity Commission  
Fax 02 6240 3399


Dear Mr Gibbs,

As a participant in the Perth video conference with the Productivity Commission, I wish to make the following points.

- ◆ Infrastructure funding in smaller nursing homes is so far below amounts required to meet actual expenses that we are experiencing critical cash flow problems, and perhaps will be unable to survive long enough for any funding increase to save the situation.
- ◆ Examples of these shortages are
  1. Payroll tax - attachment A details our experience since October 1997
  2. Workers compensation premiums - attachments B to D detail premium costs 1997-8 and 1998-9
  3. Incontinence absorbent aids - attachments E to G show actual costs incurred.
- ◆ The costs of meeting certification requirements for our nursing home were over \$100,000 and these have not been covered by increase in revenue, so our overdraft has greatly exceeded limits, and our cash-flow is critically compromised.  
Attachment H 1 and 2 demonstrates our position with our bank. Attachment J 1 and 2 is a copy of our trading position for the most recent quarter, July to September 1998.
- ◆ We fully support the intentions expressed by the Commonwealth government in restructuring aged care, but believe that reforms to date are under funded, and the requirements for accreditation will be prohibitively expensive in the next 2 years, and need an injection of funding.

I wish to speak to these points, succinctly, and look forward to the opportunity.

Yours sincerely,



**William Philip**  
Administrator  
18/11/98