



PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES

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Media Release

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\$238,000 Ambit account to Grace Munro withdrawn

The Independent Member for New England, Tony Windsor is pleased but not surprised at the withdrawal of an account for over \$238,000 to the Grace Munro Aged Care Centre Ltd from the H.N. McLean Retirement Village Ltd for a deficit allegedly incurred during its 90 day extension of services to the Grace Munro Aged Care Centre in Bundarra.

Mr Windsor has described the so-called "account" to the Grace Munro Aged Care Centre Ltd from the H.N. McLean Retirement Village as nonsense and a deliberate attempt to undermine the process of transferring the bed licences to the newly formed community based, not-for-profit company.

Mr Windsor believes the claiming of this enormous amount allegedly owed by the new group can only be seen as a deliberate attempt to sabotage the Bundarra community's genuine attempt to take over the running of the Grace Munro Centre.

He says the real story relating to the so-called "account" revolves around a letter dated 30th Sept 2009 wherein then CEO of H.N. McLean Retirement Village Ltd, Mr Paul Cook stated that "The Board (of Directors of HN McLean Village Ltd) have agreed to consider a 90 day extension (beyond the original planned date of 30th October to surrender the Approved Provider No to operate the Grace Munro Centre) contingent upon

- 1 the Commonwealth Department of Health and Ageing agreeing to the proposal for McLean Village to extend operating the Grace Munro Centre for the 90 days in writing by 20th October 2009.
- 2 The Commonwealth Department of Health and Ageing reimbursing McLean Village the deficit incurred during the 90 day extension period based on McLean's current calculations of operating the Grace Munro Centre."

When the Department of Health and Ageing was not forthcoming with deficit funding, the Bundarra Community Committee undertook to underwrite any potential losses which from McLean Village's figures should have been no more than \$30,000 for the 90 day period.

The Committee also undertook to underwrite the potential losses on the understanding that McLean Village would examine cost reductions, allow new residents to access the Centre and where possible utilise volunteers in non-core areas.

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“When one examines the HN McLean 5 year income statement for the operations of Grace Munro Centre for the period Year ended 30th June 2005 – 30th June 2009, the net profit/loss for the five years was as follows

2005	\$17,752	Loss
2006	\$13,478	Profit
2007	\$72,813	Profit
2008	\$86,283	Loss
2009	\$92,203	(Projected) loss

On those figures, the net profit loss for the five year period was \$109,947 or an average of \$21,988 per YEAR.

“Given that the projected loss for the most recent year was \$92,203 which if extrapolated for an extra three months would mean that if no additional residents were admitted to Grace Munro and no reduction in costs took place, a cost deficit of \$23,050 would be incurred.

“That would have been in line with Mr Cook’s statement relating to McLean’s “current calculations”.

“It was decided that to make sure that McLean would be covered within its “current calculations”, an amount of \$30,000 would be set aside to cover that contingency if in fact no additional income was derived or no cost reduction strategy was put in place and no volunteers were accepted by McLean to assist with ground-keeping and other activities.

“For an account claiming that in three months the Grace Munro Centre had made a loss of \$238,203 to be handed to the Committee in Bundarra on Tuesday in the name of Tony Windsor is quite unbelievable.

“This equates to twice the total losses of the previous five years!!” Mr Windsor said.

Mr Windsor said he would refer the issue to the appropriate authority for investigation, particularly since the CEO, Mark Mudge had mentioned Mr Windsor as being responsible for the debt and that a possible writ was being considered being issued by the Board on members of the Bundarra community.

“The fact that Mr Mudge had emailed the Minister’s Office and the Department about the alleged debt demonstrates quite clearly that although publicly stating he was doing everything to assist Grace Munro he was obviously undermining the process.

The outcome of the alleged debt would have been sufficient to bring questions from the Department about viability which would have meant the Centre would fail to exist.

Mr Windsor said that he was also seeking legal advice on a press statement produced by Mr Mudge and would be writing to the McLean Board to ascertain whether they have known and supported Mr Mudge’s actions of recent weeks.

Mr Windsor said he would also be making a Freedom of Information request into a conflict of interest complaint made to the Australian Parliament about his involvement with the Grace Munro Centre.

“To think that someone would lodge a pecuniary interest complaint about a member of Parliament trying to assist a not-for-profit community group is another unsavoury event and a sordid attempt to delay and therefore derail the final approval for Grace Munro Aged Care Centre Ltd to become the service provider and keep an aged care facility open in a small community with a big heart!” Mr Windsor said.