



MORDIALLOC COMMUNITY NURSING HOME Inc.  
10 Brindisi Street. Mentone VIC 3194 Reg. No:A0019425V

19<sup>th</sup> February, 2009

The Secretary  
Senate Finance and Public Administration Committee  
Parliament House  
CANBERRA ACT 2600

Dear Sir/Madam,

Senator Fifield has advised us of your Committee and suggested that we send a submission accordingly please find enclosed herewith a copy of the Nineteenth Annual Report 2007/2008 of the Incorporation.

You will note from the report that the Incorporation sustained a deficit during the last financial year and upon closer inspection you will find that this was caused by the great increase in employment costs (approximately double the rate of inflation) as the other costs were held close to the rate of inflation. Also you will note that there was an increase in funding marginally above the rate of inflation. This lack of a sufficient increase in funding is due to insufficient Federal Government funding.

For the long term health of the aged care system there must be an increase in Federal Government funding. Otherwise one of the most vulnerable groups in our community will not be adequately cared for and community based carers such as ours whose only interest is in the best possible care of their residents will cease to exist. Homes will become mega institutions to reach the economies of scale necessary to survive with lower care as not as many carers per resident will be able to be afforded. Only the wealthy aged will be able to receive care as we know it today as only they will be able to afford the cost of entry to extra services homes that can charge bonds and high daily charges to be able to afford the costs of employment.

We hope that you can help the aged care sector with this financial dilemma caused by insufficient Federal funding.

Yours truly,

Arthur Shearman  
Secretary