

President's Report for 2022 YVAC AGM

Lyn, Simone and all the other staff have done a truly amazing job caring for our residents and keeping them safe and sound under extremely difficult conditions and on behalf of all members of the company I thank them for the splendid job they are doing. Because of this effort very few residents contracted covid and they survived the virus. Further there has been no widespread transmission in the facility. It really has been a fantastic effort and we are lucky to have such dedicated staff.

Apart from keeping covid out, the other major issue is staffing. Finding staff is very difficult and there is heavy reliance on agency staff which is very expensive. YVAC is not alone, it is a widespread problem for the aged care industry.

It has just been announced that care staff are to receive a 15% pay rise. This is great news provided it is fully funded by the government, but I do not think it applies to all staff.

From about May this year the Friends of Horton House and Warmington Lodge have been volunteering in the kitchen in the evenings and helping with Wednesday morning teas and I thank Rowena Weir and her committee and all the other men and women who have given freely of their time to help. The Friends continue to do considerable work raising money for the purchase of resources such as a photo printer, which has brightened the lives of the residents.

A special mention of board member Wendy Dashwood who has been truly amazing. She provided dental hygiene care to the residents prior to covid and also helps out at the facility, working in the kitchen and doing the covid testing for relatives and visitors. I thank Wendy for her effort and time which she so freely gives.

It would be remiss of me not to remember Alison Cooke. She was our admissions officer having commenced employment at the old Gwen Warmington Lodge in Rossi Street and moved across to Horton House on completion of the new Lodge in 2007. She knew everybody and was loved by all and her sudden death in February was a terrible shock to everybody. I feel for her daughters and grandchildren for the loss of their mother and grandmother. She was one in a million and her warmth and bubbly personality will always be missed.

On a more positive note, In March YVAC applied for a grant of \$1,000,930 to the Business Improvement Fund which is a Federal Government program to assist facilities such as ours improve governance and financial performance. Parts of application were unsuccessful, but we did receive a grant of \$642,830. Most of the grant money will be used to improve technology, digital and IT platforms and for staff training. In addition, \$100,000 was received to refurbish the 9 rooms in Horton House which were not included in the 2017 refurbishment and another \$50,000 was received for outdoor timber treatment and painting and \$94,000 for new laundry machines.

The grant money will greatly assist the facility to improve its performance but even so, the constant changes and government oversight are placing greater pressure on our already overworked staff.

The Financial Statements still provide a grim picture, but they are an improvement on last year. The deficit is \$584,882 but if depreciation and the finance expenses are removed, the cash flow loss is \$9253. It is still a concern, but Lyn and her team are working hard to improve the situation. From October a new funding instrument commenced, and we expect our funding will increase but the finance team are still working through the complexities of the new system.

To explain about the finance expenses. They are the decrease in the value of the Separately Managed Account with Shaw and Partners at the 30th June. Due to negligible interest rates YVAC invested \$2,300,000 in the SMA and the money is only invested in bank hybrid securities. The value of the investment is now \$2,339,022, which is an improvement of nearly \$60,000. The interest rates on those securities are now around 6 percent including franking credits. This is considerably better than what the banks are offering.

We are considering building retirement village units on Corona Grove which is the large block of land at the rear of Warmington Lodge. The Board recently approved a feasibility study to determine if such a development is viable. The development would consist of approximately 20 mainly 2-bedroom units. There could be some slightly smaller or larger.

The study is wide ranging and will look at market, demographics, competition, cash flow and product. We are meeting Council on site on the Tuesday after the AGM to determine if the house, which has local heritage significance, can be wholly or partly demolished and to discuss any other relevant matters which may affect the development.

If the feasibility study is positive, how the development is funded is an issue, but if it can be done, it would provide another income stream and would complement the home care operations and provide future residents for the facility. I had discussions with Rob Pufflett, who is an architect with Thompson Adsett and he has provided some initial design options at no cost. Thompson Adsett did the refurbishment and specialise in age care and retirement units. The cost of the study is about \$40,000.

I thank Katie Walker and the other members of the Foundation for their ongoing support. There is no doubt YVAC would find it very difficult to sustain its high level of care without that financial support and I am truly grateful.

I thank all the Board members for all their efforts during the year. Unfortunately, we are losing Paul Turner who came onto the Board in April 2016. Paul has been an invaluable member of the Board, carrying out landscaping work and providing advice. He has also used his business experience to look into the finances of the company to improve the performance of the facility. He will be missed but hopefully may come back in the future.

I thank you all for your attendance at the AGM and lets us hope that next year is a less challenging year for Lyn and her staff.

Michael Walker

President