

TOGETHER
TOWARDS A
DIVERSITY
OF HEALTHY
AND GROWING
CHURCHES



Continuing the Ministry of Jesus through Aged Care

*Community
Care*

Presentation of the Future
of Community Care in
Victoria & Tasmania



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The State of Aged Care Industry in 2010



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- Subject to constant change over the past 5 years
- No capital funds from Federal Government
- Reliance on bond monies and the sale of Independent Living Units as source of cash flows to fund capital works loans
- Economies of Scale is Key to financial viability – Consultants recommend a minimum of 1,000 beds (*Community Care: 327 beds*)
- Federal Government actively encourages carer/community packages to retain the elderly in homes



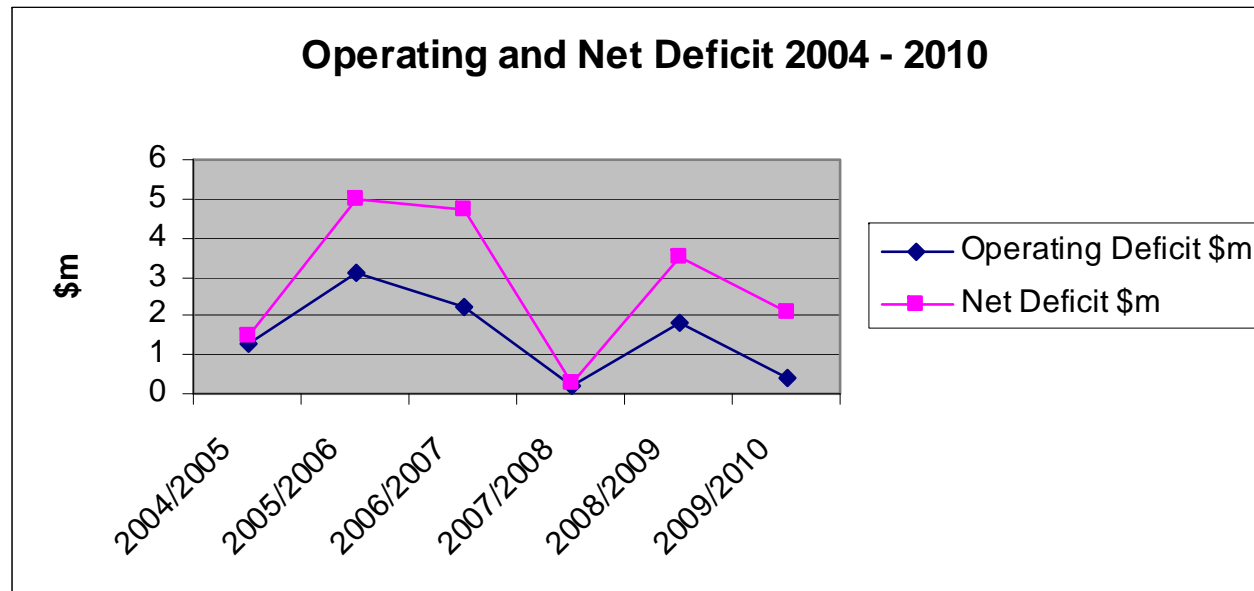
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Community Care's financial position

Serious decline in operating deficit and net deficit over the past 5 years



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Total Accumulated deficit over 5 years is \$15 million
2009/2010: Estimate Operating Deficit: \$0.4m
(Net Deficit: \$2.1m)



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Board response

Effectively, two options:

1. Continue the ministry via a Merger with another operator
2. Close the ministry via selling the facilities

Board's unanimous decision:

- 84 years of past ministry must continue
- Option 1 is our only Option as it **secures the continuation of the ministry of Jesus through Aged Care in Victoria**



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Proposed Merger with Queensland

Churches of Christ Care – Queensland

- Queensland has 1,300 beds (above 1000 bed threshold)
- Discussions have now evolved
Next: sign Memorandum of Understanding
Then: due diligence process



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Principles of a Proposed Merger

- Our Aged Care Ministry will continue in Victoria
- Queensland acts as a Trustee of Community Care's Assets for the beneficial owner, namely Conference of Churches of Christ in Victoria and Tasmania

A profit share arrangement with Queensland would see:

- Continuation of CareWorks Funding
- Potential additional funds:
 - Community Packages
 - Miller Street Project
 - Childrens' Services
- Queensland Care will be the Sole Operator



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Next Steps

- Signing of a Memorandum of Understanding
- Due diligence period undertaken by Queensland
- Final resolution: 3 to 6 months time
- Agreement signed by Qld and Vic

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Good News

*“The Ministry of Jesus
through Aged Care
continues within
Victoria.”*

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