



The Hon D Layzell MP
Member for Upper Hunter
20 Bridge Street
Muswellbrook NSW 2333

Saving Gummun Place

Dear David

You may recall I wrote to you earlier this year about the viability of Gummun Place, the aged care hostel in Merriwa. We understand that Barnaby Joyce also referred the matter to you, indicating that you would be in touch with our organisation, and asking if you could make appropriate representations to the New South Wales Government regarding possible state funding.

Meantime, as a result of Mr Joyce's representations to the Hon Anika Wells MP, the (then) Minister for Aged Care, the Merriwa District Progress Association has held discussions with the Department of Health and Aged Care 'Local Network' section, who we found very helpful.

We understand that the Department has also been in discussions with the Upper Hunter Shire Council and offered advice on financials through their Market Adjustment Branch. However, Council maintains their plans to dispose of Gummun Place. They have openly begun a transition process to hand the operation of the hostel to another provider, or alternatively to close the doors permanently if another operator cannot be found.

The community of the Merriwa district is appalled by Council's decision, as Gummun Place is recognised as a vital service for the district's ageing community. Therefore, we would like to ask for your assistance to help secure the future of Gummun Place Aged Care Hostel in Merriwa NSW.

History

In the early 1990's, the community raised enough funds and applied for grants to establish Gummun Place as a hostel for the aged residents in the district who were unable to care for themselves at home but were not unwell enough to require hospitalisation. A local businessman donated the land on which Gummun Place now sits. Consequently, the community believes the ownership of Gummun Place lies in the hands of the community. A Trust was set up to manage the facility, and the (then) Merriwa Shire Council appointed as Trustee. Upon Councils' amalgamation in 2004, the Trusteeship was transferred to the Upper Hunter Shire Council to manage and operate Gummun Place.

To the blind satisfaction of the local community, Council managed Gummun Place effectively and efficiently until 2019, when it declared its intention to devolve itself of Gummun Place. The violent objections raised by the community and the lodgement of a 600 signature petition to preserve Gummun Place, caused the Council to (temporarily) halt its path down this course of action. However, on occasions since that time, Council has held confidential meetings to discuss the future of Gummun Place, and has kept the community in the dark about their discussions.

MERRIWA DISTRICT PROGRESS ASSOCIATION INC.

Current situation

In November 2024, Council announced its intention to advertise for authorised aged care providers to take over Gummun Place, either by management, lease, or purchase of the facility. The MDPA called a public meeting, which was extremely well attended by concerned residents, and at which the community expressed its outrage that Council would consider closing Gummun Place.

Council engaged a consultant (Pride Aged Living) to seek expressions of interest (EOI) from authorised aged care providers, however no firm expressions of interest were received.

On analysing Council's financial statements on income and expenditure, it has been found that the cost of operating Gummun Place has increased significantly, as the table below shows. Regrettably, accurate financial figures for Gummun Place are not available for periods earlier than that shown below.

	2022/2023	2023/2024	2024/2025
INCOME			to March
User Fees & Charges	-\$342,987	-\$341,087	-\$214,590
Grants	\$1,030,614	\$1,170,080	\$1,124,234
Other	-\$66,800	-\$18,631	\$0
EXPENDITURE			
Administration	\$299,583	\$202,234	\$83,858
Staffing	\$878,103	\$1,132,188	\$1,351,757
General Expenses	\$332,586	\$516,894	\$485,203
Utilities	\$52,415	\$70,668	\$53,577
Maintenance	\$84,787	\$87,211	\$71,581
Capital	\$2,858	\$14,616	\$114,257
BALANCE	\$209,931	\$494,013	\$821,409
Table 1 - Income and expenditure figures for Gummun Place extracted from Council's Quarterly Corporate Services Committee Report.			

Anecdotal evidence suggests that Council has been mismanaging Gummun Place, some say in a ploy to prove that the facility is a burden to ratepayers. For example, available Council records (above) show that only \$131,731 was expended on capital items over the past three years. Further, the cost of staffing and general expenses has increased markedly over the same period of time. We understand that this is partially due to the use of 'agency staff' instead of locally based carers. At present, there are six or seven agency staff engaged at Gummun Place, costing around \$270,000 each per annum, for hourly fee (\$85), travel allowance (\$1,200 per return trip) and accommodation (\$160 per night). Local staff are only paid around \$30 per hour and do not incur costs for travel or accommodation, but have had their working hours reduced and refused permanent employment.

In a public meeting arranged by Council's new Gummun Place Hostel Advisory Committee, Council advised that it has applied to the Department of Health and Aged Care (in 2023, 2024 and 2025) for a grant of \$2,000,000 to carry out essential works on Gummun Place so that it meets the standards required of an aged care hostel. We believe this is due to the fact that Council has failed to maintain the facility to a satisfactory level required of an aged care hostel.

Therefore, we are not surprised that there were no expressions of interest from authorised aged care providers to take over a facility that requires \$2 million of repairs and upgrades and is costing an increasing amount to operate.

Needless to say, the community is very disappointed with the way Council has been mismanaging Gummun Place, but agrees that (now) Council may not be the most appropriate organisation to operate Gummun Place. Therefore, instead of Council seeking an increase in its annual subsidy from the Department of Health and Aged Care, the MDPA asked Council at a recent ordinary meeting to secure a grant or borrow money to carry out essential works on Gummun Place, and to review its increasing expenditure to bring it under control. That way, the facility would appear more attractive to an approved aged care provider to assume operation. Council has not responded to this request, but instead offered to hand the facility back to the community in its current poor financial state.

How you can help

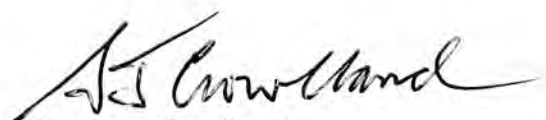
We would ask that you apply any influence you may have to encourage the Department of Health and Aged Care to approve Council's current application for a \$2m grant to restore Gummun Place to a suitable standard.

We would also be pleased if you would discourage Council from dispassionately disposing of this essential facility in a 'fire sale' to a private organisation (as we believe it belongs to the community).

Naturally, we would be grateful for any other influence you could exert on appropriate parties to secure the future operation of Gummun Place.

The long-term future of Gummun Place is of the highest importance to the community of Merriwa and district, so we are seeking assistance and compassion in our attempts to secure this essential facility for our local ageing population.

Yours sincerely,



Stephen Gowlland
President

Saturday, 14 June 2025