Ex Lyndoch finance chief raises alarm over Lyndoch’s viability

## Description

The proposed $20-plus million medical clinic planned for Lyndoch Living has raised

fears that it will send Lyndoch into deep financial trouble. Image: Marchese Partners.

**Carol Altmann – The Terrier**

The former Acting Chief Financial Officer of Lyndoch Living has gone public with serious concerns over its proposed $22 million medical clinic and broader concerns about Lyndoch's viability.

Allan Conway, who was acting CFO from March last year until last month, has confirmed he formally raised a number of serious concerns about the medical clinic project to Lyndoch Chief Executive Officer Doreen Power in the final days of his contract.

He has heard nothing since.

**It's of enormous public interest when Lyndoch's most senior finance officer waves a red flag about a major project that is due to start any day and which could potentially cripple Lyndoch.**

It's not known, however, if Ms Power has passed Mr Conway's concerns in full to the board, or how the board has responded.

I contacted Mr Conway after hearing that he had raised alarm bells internally about the proposed medical clinic and asked that, if true, whether he could detail these same, specific concerns publicly.

A very cautious (but brave) Mr Conway was able to say the following:

**He confirmed that, "from the information available to him, he had formally advised Lyndoch CEO Ms Power that he did not support the construction of the new medical centre as currently proposed".**

Mr Conway has had no contact from Ms Power or the board since his contract was completed in early March.

In his position as a former Acting CFO, Mr Conway did not wish to comment further.

**But as a long-term local resident, a former corporate services manager and local business owner, he commented that he was "concerned for Lyndoch's future viability".**

I contacted Ms Power, Lyndoch Living chair Sue Cassidy, vice-chair Kerry Nelson, Treasurer Kane Grant and all other board members last Friday with a number of questions in response to the red flags raised by Mr Conway, but have received no reply.

Those of you who have followed *The Terrier's* reporting on Lyndoch Living will know that it is litigious and we all have to pick our way very carefully.

At the same time, Mr Conway's bright red flag cannot pass without full scrutiny: we all owe it to our elderly and vulnerable, and those who care for them.

If Lyndoch gets this wrong, it could face financial ruin.

So the first question we must ask is how will the three-level clinic be funded?

Where is the $22 million coming from?

I originally thought a large slice could come from again dipping into the refundable deposits (RADs) paid by residents as they enter Lyndoch.

RADs were used to pay for the $15 million Swinton Wing expansion.

By law, however, RADs *cannot* be used for buildings that are not related directly to care for the residents.

**The medical clinic will have no direct benefit to the residents of Lyndoch.**

**It's a commercial, for-profit entity that, as a first priority, needs to cover its own costs.**

Whatever is left over may, one day, trickle into Lyndoch itself.

**So, to be super clear, every dollar of Lyndoch funds that goes toward building and paying off the clinic is one less dollar available to our parents and grandparents in Lyndoch, or toward hiring staff to care for them.**

There is no public information about how the clinic will sustain itself and when it expects to make a return back to Lyndoch Living.

What we do know from Lyndoch's 2020 Consolidated Financial Statements, however, is that Lyndoch has limited surplus funds, and there is no government funding for this project.

This leaves Lyndoch with very few funding options and leads to more questions:

**To build this clinic, will Lyndoch rely on a large, commercial bank loan that leaves it exposed to interest rate hikes?**

Will the clinic make enough money to cover these loan repayments?

Will Lyndoch also use entry fees from the Waterfront Living apartments?

Perhaps, but this money was to improve Lyndoch facilities for **residents** – not a new building for GPs, a dentist, a radiographer, chemist and a cafe.

Will Lyndoch be dipping into other reserves, such as money set aside for staff long service leave or holiday pay?

And, above all, has the board undertaken ***its own*** due diligence for this project and the return on investment to Lyndoch?

We need answers – urgently – and someone needs to step up beyond this page to find them.

Mr Conway is unable to say much, but he has said enough to expose the risks of remaining silent.

One more question for me remains: is the board still the voice of the community or has it lost its voice

altogether?

If the silence of the board continues in the face of Mr Conway’s revelations, we will have the answer.

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