

SMITH - REVIEW OF FINANCIAL CLAIM

5.6 Additional Costs of Acquiring Facilities - \$91,000 (\$172,000 revised)

FHCA Recommendation	Claim	Defence
	\$172,000	-

DM Ryan has claimed \$172,000 for the additional cost now suffered by CBHC to purchase and build additional facilities at CBHC.

It is claimed that the cost of these facilities in 1990-91 was \$208,000 and this has now risen in 1994 to \$299,000. This claim was increased to \$172,000 (per letter from DMR dated 21 January 1995). The claim was increased to allow for the tax which will be payable on the claim ($\$172,000 \times 47\% = \$80,840$).

Claim	\$172,000
Tax	<u>\$(80,840)</u>
Net Receipt	<u>\$91,160</u>

Smith had planned in 1990/1991 to acquire, repair and erect buildings at a cost of up to \$208,000 made up as follows:

	\$
• Tender costs of mobile health centre - accommodates 40 Reclad outside to blend in with the other buildings	20,000 15,000
Removal costs	4,000
Plumbing	2,500
Electrical	2,000
• Costs of 3 unit cabins - each cabin accommodates 8-12	63,000
• Cost of 2 unit cabins - each cabin accommodates 8-12	42,000
• Cost of renovation to managers house	25,000
• Cost of repairs to toilets and showers	2,000
• General repairs - say \$5,000 per annum (6.5 years)	<u>32,500</u>
Total	<u>208,000</u>

*I wanted to argue with him - 1990 + by - 1991 for \$208,000.
 But a photo, I see to borrow. Let me know now - \$299,000 - change
 compensate for price has risen - increased cost by \$99,000
 Crappy claim - too remote*

STATE OF NEW YORK

IN SENATE
January 17, 1912

REPORT
OF THE
COMMISSIONERS OF THE LAND OFFICE

IN RESPONSE TO A RESOLUTION PASSED BY THE SENATE
MAY 17, 1911

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SMITH - REVIEW OF FINANCIAL CLAIM

see notes

5.7 Loss of Capital Value in the Business - \$447,000

FHCA Recommendation	Claim	Defence
	\$477,000	-

DM Ryan have projected a proforma profit and loss statement with estimated operating expenses and have calculated a maintainable profit figure of \$308,000. Based on this, DMR have valued the business in the range of \$925,000 to \$1,100,000.

DM Ryan state the present valuation of CBHC based purely on land and buildings is \$230,000.

Capital loss calculation:

	DM Ryan Business Valuation	Land and Building Valuation	Capital Loss
Low Range	\$925,000	\$230,000	\$695,00
High Range	\$1,100,000	\$230,000	\$870,000

Alternatively, DM Ryan has argued that this capital loss can be replaced by A Smith retaining the business and rebuilding the business to the level where the capital loss would be diminished or eliminated.

Alternative Capital Loss Claim

DM Ryan have prepared as analysis of the expected income and expenses over the next 2 years and the future profits (losses) which should be earned (incurred) as the business is rebuilt. Throughout 1995 and 1996 (two years) it is assumed that the business will be rebuilt based on 40% (1995) and 60% (1996) occupancy.

Expected losses to 30 June 1995	\$38,089
Expected profit to 30 June 1996	\$308,486
Expected other costs in 1996	<u>\$100,000</u>
	<u>\$446,575</u>

*Ryan says value of business 925 - 1.1 (proforma for \$250)
 Ryan gives alternative - lost profit - \$447,000
 (really re-establishment costs)*

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Smith

SMITH - REVIEW OF FINANCIAL CLAIM

5.10 Capital Costs for New Telephone System \$25,000

A new UHF receiver is required to be installed at Cape Bridgewater to overcome the existing service difficulties and faults. The cost is \$25,000.

DTT state that no information has been provided in support nor explained how the receiver will resolve the communication fault.

DM Ryan says in reply, that this is for the Arbitrator to determine.

Smith

Smith has said verbally that given they are now laying optic fibre for the telephone lines, this is no longer required.

D Read said in his opinion, the VHF receiver would not solve any problems.

5.11 Advertising Costs \$72,300

*CBHC for special needs
now that parents better*

Claim

DM Ryan state that CBHC needs to be re-marketed once the rebuilding and refurbishment programs have been completed. To rebuild CBHC's reputation an advertising campaign will need to be implemented as follows:

Quotation received by Smith:

Vic/TV	<i>reduction contribution for cost of capital work 7</i>	\$38,000
SES/8		\$11,500
Telemarketing - 250 schools and 150 clubs		\$10,550
Telemarketing to clubs		<u>\$12,500</u>
		<u>\$72,550</u>

Defence

DTT state that to outlay 136% of last years revenue as advertising is not a commercial strategy for a properly managed business.

*16/06/01
Now laying optic fibre so doesn't need to purchase*

*He wants a new place - will this resolve the problems?
- ~~DTT~~ I had say they it
wouldn't solve the problem
- Can't get problems at moment
anyway*

WRONG = 1

The first part of the paper is devoted to a general discussion of the problem. It is shown that the problem is equivalent to a certain type of boundary value problem for a second order elliptic partial differential equation. The problem is then reduced to a problem of finding the solution of a certain type of integral equation. The integral equation is then solved by the method of successive approximations. The solution is then used to find the solution of the original problem.

The second part of the paper is devoted to a detailed study of the properties of the solution. It is shown that the solution is unique and that it depends continuously on the data. It is also shown that the solution is smooth and that it satisfies certain asymptotic estimates. The asymptotic estimates are used to find the leading terms of the asymptotic expansion of the solution.

The third part of the paper is devoted to a numerical study of the problem. It is shown that the problem can be solved numerically by the method of successive approximations. The numerical solution is compared with the exact solution and it is shown that the numerical solution is very accurate. The numerical solution is also used to find the leading terms of the asymptotic expansion of the solution.

The fourth part of the paper is devoted to a study of the stability of the problem. It is shown that the problem is stable and that the solution depends continuously on the data. The stability is proved by using the method of successive approximations.

The fifth part of the paper is devoted to a study of the asymptotic behavior of the solution. It is shown that the solution has a certain asymptotic behavior as the parameter goes to infinity. The asymptotic behavior is found by using the method of successive approximations.

Chemical Equilibrium

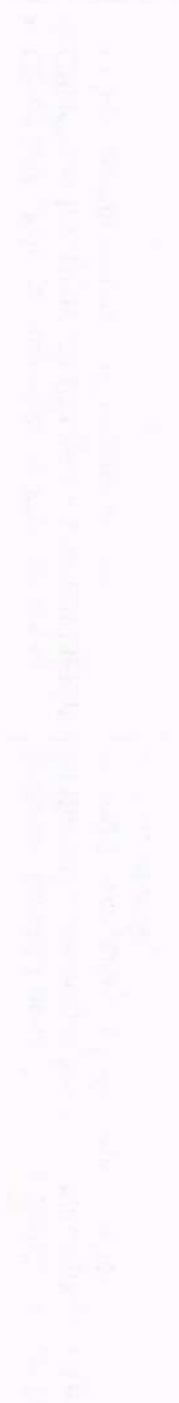
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Pop 1
Pop 2
Pop 3

Chemical Equilibrium

Chemical Equilibrium is a state where the concentrations of reactants and products remain constant over time. This occurs when the forward and reverse reaction rates are equal.

The equilibrium constant, K_c , is a ratio of the concentrations of products to reactants, each raised to the power of their stoichiometric coefficients. For a general reaction:



where $[A]$, $[B]$, $[C]$, and $[D]$ are the molar concentrations of the species. The value of K_c is constant for a given reaction at a specific temperature.

Le Chatelier's Principle states that if a system at equilibrium is subjected to a change in concentration, temperature, or pressure, the system will adjust itself to counteract the change and re-establish equilibrium.

For example, if the concentration of a reactant is increased, the system will shift to the right to consume the added reactant and produce more products.

Temperature changes also affect equilibrium. For an exothermic reaction, increasing the temperature will shift the equilibrium to the left, favoring the reactants.

Pressure changes affect equilibrium only for reactions involving gases. Increasing the pressure will shift the equilibrium towards the side with fewer moles of gas.

Chemical Equilibrium is a dynamic process. While the concentrations of reactants and products are constant, the reactions are still occurring at the molecular level.

The equilibrium constant, K_c , is a measure of the extent of a reaction. A large K_c value indicates that the reaction favors the products, while a small K_c value indicates that the reaction favors the reactants.

Chemical Equilibrium is important in many fields, including chemistry, biology, and environmental science. It helps us understand how chemical systems behave under different conditions.

For example, in biology, the equilibrium between different forms of a protein can affect its function. In environmental science, the equilibrium between different chemical species in the atmosphere can affect the climate.

Chemical Equilibrium is a fundamental concept in chemistry. It provides a framework for understanding how chemical systems behave and how we can control them.

By studying Chemical Equilibrium, we can gain a deeper understanding of the world around us and develop new technologies and processes.

Chemical Equilibrium is a fascinating and important area of research. It continues to be an active field of study, with many new discoveries being made.

Chemical Equilibrium is a key concept in chemistry. It is essential for understanding the behavior of chemical systems and for developing new technologies and processes.



Smith has provided numerous examples where large groups have attended CBHC to support the rationale for increasing bed numbers to 166. An analysis of the information provided by Smith in fact shows that the average size of groups is still substantially less than 100 and there is insufficient information to suggest that Smith would have been successful in getting a large number of groups in excess of 100 people to Cape Bridgewater.

From the information provided, FHCA consider that Smith may not have been able to attract large fully catered groups in sufficient quantity to pay for the funding of the additional facilities.

3.0 Three Hour Travel Distance

DTT state that the School Needs survey found that schools generally preferred to travel less than three hours to camp sites. As CBHC was more than three hours from the main metropolitan area of Melbourne, its target market (schools, as assumed by DTT) was reduced accordingly. DTT believe that this reduced market continues to effect CBHC's profitability. DTT calculated the percentage of Victorian schools within three hours of Portland to be as follows:

	% of Victorian Schools	Schools
Government	15.7%	304
Independent	15.0%	102
		<u>406</u>

FHCA believe the School Needs survey (as quoted by DTT) provides limited information. The survey was sent out to 2,651 Victorian primary and secondary schools and only 10% were returned. There are obvious limitations in utilising a survey when only 10% of those surveyed respond. Details of the schools that replied to the survey are as follows:

	% of Victorian Schools
State Schools	74%
Church Schools	20%
Private Schools	6%

↙ An analysis of the clientele of CBHC shows that only 53% were in fact schools. Further, the clientele of CBHC from 1988 to 1994 shows that there are a considerable number of attendees that have travelled more than three hours. FHCA also note that DTT's analysis of schools within three hours excludes those schools from South Australia and particularly schools close to the South Australian/Victorian border, which means that the potential market for CBHC is in fact bigger than the number of Victorian schools mentioned above. ↘

L69460

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CONFIRMATION
OF FAX



10 January 1996

Telecommunications
Industry
Ombudsman

Mr Alan Smith
Cape Bridgewater Holiday Camp
Blowholes Rd
RMB 4408
CAPE BRIDGEWATER VIC 3306

John Pinnock
Ombudsman

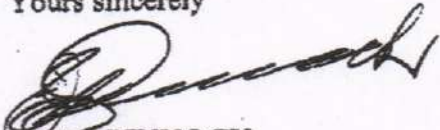
Dear Mr Smith

I refer to your letter of 31 December 1996 in which you seek to access to various correspondence held by the TIO concerning the Fast Track Arbitration Procedure.

The arbitration of your claim was completed when an award was made in your favour more than eighteen months ago and my role as Administrator is over.

I do not propose to provide you with copies of any documents held by this office.

Yours sincerely



JOHN PINNOCK
OMBUDSMAN

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"... providing independent, just, informal, speedy resolution of complaints."

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12 February 1997

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Attn: Mr John Wynack

Dear Sir

Alan Smith - Your reference number C/94/625

I refer to your letters of 3 January and 7 February 1997. I apologise for the delay in replying, however Mr. Black's personal assistant has been on annual leave and consequently I was unable to speak with her in relation to your queries.

Telstra responds to your specific queries as follows:

- It is the case that Mr Black left Telstra's employ in April, 1996;
- You comment that you believe Telstra "should have taken steps to protect documents covered by [Mr Smith's] request while it consulted with Mr Smith in an attempt to scope down the FOI request".

It is the case that Telstra did indeed take such steps, as Telstra wished to retain all of the files created by Mr Black relating to the CoT claims. For that reason Mr Benjamin, Telstra's Director Consumer Affairs, instructed Mr Black's personal assistant to forward all of Mr Black's CoT files to the FOI Unit. As a result a large number of files (86 in all) were forwarded to the FOI Unit. Unfortunately, at that time the files in question were apparently not recognised as files relating to CoT matters, rather they were thought to be simply files of miscellaneous material. I should note that Mr. Black's personal assistant does not specifically recall disposing of the files in contention, rather she believes that they must have not been recognised and disposed of as they are not amongst the files forwarded to the FOI Unit. In this regard there were a number of other files which contained miscellaneous material, none of which related to CoT matters. Mr Benjamin instructed Mr Black's personal assistant that it was in order to dispose of that material as none of it appeared to be relevant to any current or ongoing matters.

As you will see from the above these files were inadvertently disposed of. It was Telstra's intention to retain all files held by Mr Black relating to the CoT matters. It is unfortunate that these files were disposed of, however I reiterate that that was not Telstra's intention. I point out also that, happily, this ought not limit the documents available to Mr Smith pursuant to his

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FOI request. In this regard I note that:

- As my letter to you of 20th December 1996 noted, the files maintained by Mr Black of each piece of outward correspondence dispatched by him on any matter whilst he was at Telstra were retained and were inspected pursuant to the request from your office. As a result, three further pieces of correspondence were identified which fell within the scope of Mr Smith's FOI request. Consequently, I am satisfied that Telstra has completed as full a search as it is able for copies of correspondence from Mr Black to Dr Hughes for the period in question;
- In the three pieces of further correspondence located on Mr Black's files, reference is made to a letter from Dr Hughes to Mr Black dated 18th January 1994. Telstra has been unable to locate a copy of that letter on its files. Consequently I have written to Dr Hughes asking him to provide a copy of same to Telstra and will then pass that document on to Mr Smith.

As noted above I believe Telstra has completed as full a search as it is able for correspondence from Mr Black to Dr Hughes. As I noted in my letter of 20th December 1996 to you, if Mr Smith believes there is correspondence between Telstra and Hunt and Hunt which he has not received then Telstra would raise no objection if he chose to approach Hunt and Hunt directly or the Telecommunications Industry Ombudsman to request them to search their files.

On a separate matter I note that Mrs Garms has written to Telstra quoting from my letter to you of 20th December 1996. Whilst it is a matter for you as to how you deal with Telstra's responses, it was not my understanding that they were being passed on to Mrs Garms. If that is, in fact, the case I would appreciate the courtesy of being advised of that in advance.

I trust that the above responds to your queries. However if you require any further information please do not hesitate to contact me.

R. W. Watters

Yours faithfully

John Armstrong
Consumer Affairs Counsel

Per: Robyn Watters

Ref No: C/94/225

// March 1997



Mr John Armstrong
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Dear Mr Armstrong

I refer to previous communications concerning our investigation of complaints by Mr Alan Smith. In particular I refer to our investigation of the complaint alleging that Telstra unreasonably delayed providing documents requested in his October 1995 FOI application - Telstra was notified of the complaint on 19 June 1996. On 7 March 1997 I sought information from three Telstra officers about one aspect of your response to that complaint viz the disposal of some of Mr Black's papers after Mr Black left the employ of Telstra.

The Ombudsman's office will soon respond to the statement read to Mr Wynack prior to Mr Wynack interviewing Ms Gill.

Attached is a copy of a letter I received from Mr Smith today. Mr Smith informed me that document number L68994 was included among documents he received in June 1996 pursuant to his FOI application of October 1995. Mr Smith stated that he did not receive a copy of the letter referred to in Mr Black's letter viz the letter from Mr Hughes dated 28 September 1994.

I should be grateful to receive your comments on Mr Smith's statement. In providing your comments, please advise me whether document L68994 was sourced from Mr Black's files. If not, please inform me of the source of the document ie from which Telstra file was document L68994 extracted.

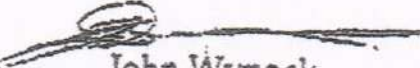
I am not inquiring about document L69202.

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My inquiries in this letter relate to the complaint I notified to Telstra on 19 June 1996.

Given that this inquiry is very specific, I should be grateful to receive a reply within 14 days.

Yours sincerely


John Wynack
Director of Investigations

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Ref No: C/94/625

March 1997



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Dear Mr Armstrong

I refer to previous correspondence and discussions concerning the complaint by Mr Alan Smith, which on 19 June 1996 in a letter to Telstra, I summarised as alleging '...that Telstra unreasonably has delayed providing documents requested under the FOI application.' (the FOI application was dated 18 October 1995)

On 20 December 1996 you informed the Ombudsman :
'Telstra has been unable to locate Mr Black's further general files which include copies of the correspondence received from Hunt & Hunt in relation to the development of the Fast Track Arbitration Process and I am advised that these files, along with other documents, were disposed off by his personal assistant sometime after he left Telstra's employ.'

On 12 February 1997, in response to queries I raised in a letter of 3 January 1997, you qualified your statement of 20 December 1996 with the following:

'Unfortunately, at that time the files in question were apparently not recognised as files relating to CoT matters, rather she believes that they must not been recognised and disposed of as they are not amongst the files forwarded to the FOI Unit.'

On 7 March 1997, I interviewed Ms Gill, Mr Benjamin and Mr Kearney in an attempt to obtain information about the alleged disposal of the documents to assist the Ombudsman to form a view as to whether Telstra had acted unreasonably in failing to provide documents to Mr Smith pursuant to his October 1995 FOI application.

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During the course of her interview, Ms Gill informed me that the papers dealing with Mr Black's role in establishing the Fast Track Arbitration Procedure were on an 'arbitration file' and that that file is one that is missing. Ms Gill said that '*I don't recall having sent it to anybody and I don't recall having put it in the bin..*'. Ms Gill said that the 'arbitration file' was a manilla folder '*..but a fairly thick one.*'

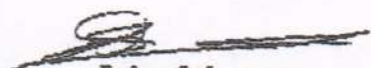
Mr Benjamin had no recollection of such a file being in existence or among those he sighted after Mr Black's departure. Mr Benjamin said that '*Mr Black himself would have removed files from the office, I understand, on his departure but I presume they are personal files.*'

On the basis of the information given to me by Mr Benjamin and Ms Gill, it is extremely improbable that Ms Gill disposed of the documents in the 'arbitration file', or indeed any other documents from Mr Black's office which would have been included in Mr Smith's FOI application of 18 October 1995.

Please inform me of the actions Telstra has taken to ascertain the whereabouts of the specific file which Ms Gill described as the 'arbitration file'. Has Telstra asked Mr Black whether he has any knowledge of the whereabouts of the file? I would appreciate receiving your response to this letter within seven days of the date of this letter.

The Ombudsman will write soon about the statement read by the lawyer from Malleson's prior to my interview of Ms Gill, and the opinion that the section 9 notices, issued to Messrs Benjamin and Kearney and to Ms Gill, were invalid.

Yours sincerely


John Wynack
Director of Investigations

C/94/195

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4 October 1997

*Faced at 3.25
4/10*



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Dear Mr Armstrong

I refer to my letter to Telstra dated 13 March 1997 (copy attached for your convenience) in which I asked you to inform me of the actions which Telstra has taken to ascertain the whereabouts of the specific file which Ms Gill described as the 'arbitration file', and whether Telstra asked Mr Black whether he has any knowledge of the whereabouts of the file.

I have no record of receiving a response to my inquiries. Please inform me when I might expect to receive a reply

Yours sincerely


John Wynack
Director of Investigations

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