

Your questions

Araluen Participants, Families & Carers Network Meeting 29 August 2022



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At our August meeting, Araluen CEO, Tamara Cattach, provided a service update. Araluen's COO, Dan Gleeson, also shared a presentation to explain how NDIS pricing challenges operations in our Day Services and Araluen's overall financial strength. These questions were raised by people participating in the meeting. A recording of the meeting is available online.

Q1. Are there any concrete plans in place at this point?

A. (TAMARA): There's lots of little things that we're doing but there's not any big or one thing that will solve this problem. To fix this issue from a purely financial perspective would mean Araluen would look very different - we wouldn't have any facilities, we would pay our staff a lot less and we would be very thin at the top. Obviously, this is unrealistic and not something we are pursuing. Instead, we are trialling different options at the moment - we don't want everything to be all about finance but unfortunately it is our big focus right now. We also want to get feedback from people around some of the changes we are looking at doing to ensure we are still meeting peoples needs.

Q2. How will cutting back on centre-based and Day Services and putting participants into the community make a positive difference to corporate overheads?

A. (TAMARA): When you're using large sites, there is a lot of overhead associated with using that site - e.g., utilities, maintenance, upkeep, rent (where we don't own). If we can continue to find ways to reduce these costs it all helps.

A. (DAN GLEESON - COO, ARALUEN): Reiterating what Tam was saying, one of the reasons we put up a different EA (Enterprise Agreement) to what we had in the past is because we need to do lots of things a little bit differently to make up that deficit. Working in the community can reduce the cost and every little bit does help but it's in the tens of thousands rather than the hundreds of thousands. It's not going to claw back the \$2.4 million.

Q3. Are there any plans re: Chancez?

A. (TAMARA): The Board did approve the closure of 2 of our Chancez Cafes due to the losses that we were making. We felt that to close 2 would allow us to retain 2 and make them more beneficial for our participants. We are doing some of that work at the moment, looking at which cafes they will be and what is best for participants and how we can continue to support participants at those cafes. There will be more news about that soon once the Board have approved some decisions around that.

Q4. Is there some sort of government policy that is working to reduce day programs?

A. (TAMARA): I don't know that there is a specific policy that directly says that, but there does seem to be a push to reduce the number of providers - with less providers the sector is a lot easier to manage and control. That's certainly the rumblings we are hearing.

Q5. When will the Board be meeting to make some of these decisions?

A. (TAMARA): The board are meeting monthly, sometimes more, to discuss and work through these things. They are meeting again at the end of this month and have been meeting fortnightly sometimes to workshop all the information they need to work through to understand them and look at every option possible before they go out and make decisions. They are meeting again at the end of this month.

Q6. Comment: My son attends Chancez was devastated when he heard on Friday that things were changing. He loves to cook; I would love to be able to give him an answer.

A. (TAMARA): The Chancez decision will happen in the coming weeks, so you will hear something about Chancez soon. However, once the decision is made, there will be plenty of time to work through any changes that are made.

Q7. Are Araluen looking at potential mergers? Are we trying to keep going alone?

A. (TAMARA): The Board are looking at every available option at the moment. Anything that means we can continue to be here and continue to provide services.

We could continue to go alone - we would have to change what we do - which is why we are here today. The Board have made it clear before we do look at any sort of partnership or merger it would certainly be something that we would be gaining something out of it as well. We will not enter any discussions where there isn't something to be gained. As we need to ensure participants needs are met first and foremost, we need to explore all avenues before we make major decisions, and this is definitely one.

Q8. Is there any strategy Araluen can realistically replicate from the larger disability service providers?

A. (TAMARA): Yes, there is, but do we have the time to do it? Probably not. If we look at others, they have fundraising arms or businesses attached to them that make large amounts of money. Could we do that? Yes, we could. Could we do it next year? No, we couldn't. Organisations such as Mable where they have a different business model where they subcontract their staff, who agree a price with the participant per hour and Mable take a percentage of that. So, Mable don't manage the staff at all. There are a lot of different styles out there, but we aren't able to execute them in the time we need, and some would drastically change who we are as a business.

Q9. How are participant numbers going? Are we at risk of losing people with these changes?

A. (TAMARA): Because of COVID, participant numbers dropped a lot over the last 2 years. We are now back to 85% of pre COVID numbers now and we believe that will be the highest numbers we will get back. Some participants moved on wholly, some partially, e.g., some participants have stayed with us but have tried some other services. We think at 85% is where things will stay. We have also capped intake on our Day Services because of the losses we were making. We have put people on a waiting list and are holding steady to try and fix some of our issues before taking more people on again. Could we lose people? Yes, which is why we are trying to be open and transparent, get thoughts and feedback on any changes we propose and how we are moving forward. We don't want to lose people because of bad management of the change.

Q10. If Day Services become more community based, that would more than likely require a larger workforce, does that actually help? Is it a cost saving?

A. (TAMARA): Hiring more staff isn't really a saving because you bill at the ratios you are staffing at. Sometimes the more staff you have though does require more management and we need to consider that. Being in the community is a small saving because we don't have the cost of the buildings etc – this is why we are starting slow and trialling things. There's no point making a large change if there's no benefit at all. Workforce is a real issue at the moment in terms of getting staff on the ground – we have had incidences where we have cancelled services because we just cannot get the staff. It's not a nice thing to do, but workforce shortages are rampant across the sector and safety comes first.

Q11. If we went down the allied health path (where Araluen becomes an allied health service provider as well?) is that something that have financial advantages?

A. (TAMARA): We have been investigating different therapies (such as occupational therapy, speech therapy, behaviour support and art therapy) and whether this is something we want to offer to help increase profitability. We also know there is a long waiting list for some of these therapies.

Allied health can be set up quickly but the registration for the NDIS part of this comes with an accreditation process which is not so quick.

The first phase which is provisional registration (where we can provide allied health to a small number of participants decided by the NDIS) goes for 3-6 months after which we will be audited again to see if we pass, then we can be fully certified. We could start it tomorrow, but that registration process takes time. You also need to be registered before you employ staff.

Q12. We had an OT (Occupational Therapist) previously who wasn't registered with the NDIS as we were self-funded, or plan managed. Is NDIS registration necessary?

A. (TAMARA): There are rules and regulations that govern who must be NDIS registered.

(JOSH BROUWER - GM - QUALITY- SAFETY & PRACTICE): Around 70-80% of our participants are NDIS managed, so if we didn't register ourselves then we could only service 20-30% of our participants.

Unregistered providers don't go through accreditation checks such as police checks, but it does bring choice for participants.

Q13. At our last meeting families were talking about contacting politicians. Has anyone had a chance to send a letter to Kate Thwaites and Bill Shorten and what were the responses like? How long can we hold out, hoping that maybe the government will see the light and realise and start to fund adequately?

A. (TAMARA): I have had contact with Kate Thwaites, and we had Colin Brooks who is the Victorian Minister for Disability visit us at Diamond Creek last week and had the chance to talk to him about Araluen's issues. Colin was quite shocked about what our scenario was, however, the news was received very well. Colin said he understood the need for, and value of, Day Services.

We have created some **templates to help you write letters to Bill Shorten, Colin and Kate**. We will send them out next week with this video or you can download them here. Each template has spaces for you to fill out additional information about what Day Services mean to you and tell your story. Hearing from the families will make a huge difference.



Have your say - tell our MP's why Day Services matter to you
[CLICK HERE to download letter templates](#)

Q14. If the majority of participants funding was self-managed, how much of a difference would that make to Araluen's position?

A. (JOSH BROUWER - GM - QUALITY- SAFETY & PRACTICE): The first issue with that is since most participants are managed by NDIS, if we went down the route of only accepting self-managed or plan managed participants, we would be telling NDIS managed participants we would no longer support them. The second issue is being self-managed, plan managed, or NDIS managed doesn't make a material difference on how much the cost model actually pays. Therefore, it wouldn't change much financially. The only change is that we would no longer need to be a registered provider. We wouldn't need my role as Quality Manager (ha!), and there would be some potential role reductions. We wouldn't need to undergo audits and all the things or any of those quality mechanisms that registered providers need to undertake.

Want to know more about anything that's happening at Araluen?

Who can I ask?



If you didn't find the answer you're looking for here, you can contact Tamara or join in our monthly meetings. Your questions and feedback are always appreciated. Your service manager will also be happy to assist with any questions relating to day-to-day issues.



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