

An Update on Yackandandah Health

The continuing conundrum of the future of Yackandandah Health gives rise to this second special edition of Yackity Yak, which aims to provide information to the people of Yackandandah about this important issue.

The first section of the June 2023 Yackandandah Health special edition is given over to Yack Health's current position with pursuing a sale of the

business to Apollo Health. The CEO of Apollo Health has written an open letter to Yackandandah residents which is detailed on page 3. There is also a reiteration of the Questions and Answers sheet which was made available at the Public Meeting on Wednesday, 9th June at the Public Hall, which not all Yackandandah residents were able to attend.

The second section of this special

edition outlines concerns from the group of concerned citizens who ran the General Meeting on Wednesday, 7th June, 2023. There are details about why the group was set up, a history of Little Yacks, concerns raised by the GPs at the Medical Centre, where Aged Care may be heading, the possible Alpine Health options and what happens if the Yack Health members vote NO.

Please note that Yackity Yak takes a completely unbiased view of all these articles.

This Special Edition is to provide information to the people of Yackandandah.

It would behove anyone to make further investigation into any of the statements made herein.

Message from Yackandandah Health's Board

Yackandandah Health is at its most critical juncture since operations of the Bush Hospital first opened in 1925.

At a Special General Meeting to be held on Wednesday, 21 June, 2023 at 6.00pm at the Public Hall (doors open at 5.30pm), members will vote on a proposal that would see residential aged care provider, Apollo Care, become the approved provider and manager of all Yackandandah Health's operations.

Members have an important decision to make - whether to secure a long-term future for Yackandandah Health and the services we provide in the community, or to put these services and the people who rely on them at risk - the 75 residents of our residential aged care facility, the occupants of our 10 independent living units, families of the 44 children at Little Yacks, and regular users of our GP clinic. Without these services, there is also a risk to the continued employment of the 140 Yackandandah Health staff.

Members need to know exactly what is at stake in considering their vote.

Yackandandah Health is in crisis

It has accumulated losses of \$5.6 million over the past four years and cannot continue on this trajectory. Our primary business, residential aged care, is increasingly complex and capital-intensive. Our community-owned operating model is no longer viable.

Yackandandah Health currently relies on special funding from the Commonwealth Government which expires on 30th June, 2023. The funding may be suspended or terminated earlier in the event that the Board is unlikely to be able to continue pursuing the timely appointment of another provider who intends to continue the operations.

The funding support is a temporary lifeline specifically for the purpose of

exploring transition options. This is needed for Yackandandah Health to have a secure financial footing to lead into a sustainable partnership. After careful consideration and based on expert, professional advice, the Board has concluded the only way forward is to become part of a larger group that has the scale, expertise, governance capability and, most importantly, financial resources to support Yackandandah Health operations over the long term.

In coming to this conclusion, the Board has had the interests of the Yackandandah community - especially those who rely most heavily on our services - uppermost in mind.

Apollo Care is the best option to secure Yackandandah Health's future

Apollo Care has emerged as the natural partner for Yackandandah Health after a careful process involving contact with 61 providers. Among the Board's criteria in assessing potential partners is that they had to be:

- A qualified and reputable aged care provider;
- Experienced in operating in a rural/remote setting;
- Prepared to take on all four of Yackandandah Health's businesses;
- Respectful of the community and open to community involvement in future operations; and
- Financially strong and with a proven management/governance record.

After careful consideration of Apollo Care's business model, including discussions with other community organisations who have joined the Apollo Care alliance, we are confident that it intends to continue operations for the whole business. This would mean all residential aged care beds, retirement village and childcare places will be maintained in the community and the medical centre will continue operating.

Apollo has also put forward an innovative and compelling model under which the community will remain involved in oversight of ongoing operations, and benefit from a contribution worth \$1 million toward the establishment of the Yackandandah Community Association (YCA).

The YCA will ensure that a formal relationship remains between Yackandandah Health Limited (YHL) as the not-for-profit entity that runs the Yackandandah Health businesses, and Apollo Care as the Approved Provider.

The community should also be confident in Apollo Care's capability to operate Little Yacks and the GP clinic. It is easy to forget that childcare and primary care was not the core expertise of Yackandandah Health until we took the decision to extend into inter-generational and holistic care alongside core residential aged care. After spending a lot of time studying Apollo Care's model, we have no doubt that its governance arrangements for overseeing childcare and GP care alongside residential aged care are second to none.

Apollo Care has outlined its philosophy, experience and suitability to assume control of Yackandandah Health elsewhere in this special edition. The Board urges all concerned community members to read their message closely.

Apollo Care representatives will also speak at a public meeting to be held at the Public Hall on Monday, 19 June, 2023 (doors open at 6.30 pm for a 7.00 pm start). This meeting is a great opportunity to meet the people from Apollo Care and learn about their plans for Yackandandah Health.

No Realistic Alternative

Some members of the community have been promoting alternative options to Apollo Care, including being absorbed by State Government owned entities. Sadly, the Board considers these options to be illusory. Exploring alternatives would take many months, and we do not have the luxury of that time. It would also require the Commonwealth Government to extend the special funding beyond the 30 June expiry date, which is not allowed for in the funding provisions.

A wide range of not-for-profit providers were approached in the process undertaken. None met the Board's criteria, had the financial capability, or were willing to assume Yackandandah Health operations in their entirety (or even the residential aged care operations on their own).

Lastly, in our discussions with several State Government owned healthcare entities as part of the process, it quickly became clear there was no appetite or ability by the State Government to absorb

Yackandandah Health.

Yackandandah Health has approached the market to seek a new partner and has found the best available option. No other suitable proposals are on offer. The Board has communicated the need to move forward as a matter of urgency. We understand the time for community input has been limited but we have acted within the legal and commercial constraints we face as an organisation.

Consequences are dire if the Apollo Care proposal is not approved

Members need to understand the consequences of not approving the Apollo Care proposal.

In that case, and in the knowledge that emergency funding expires within days of the Special Meeting, Board members will have to consider their legal and personal obligations as Directors of Yackandandah Health, a public company. With funding likely to expire, Directors will have to shift decision-making from what is in the best interests of members of Yackandandah Health to what is in the best interests of the company's creditors. The likely result will be

the appointment of a Voluntary Administrator.

If Yackandandah Health enters Voluntary Administration, the community loses any control over its future. Unlike the present Board, an Administrator would have no direct obligation to the community; its first obligation would be to creditors of Yackandandah Health, and it would have to explore all available options to meet debts to creditors, including the sale of land and buildings, if necessary.

In all likelihood, Yackandandah Health would have to close down, putting 75 elderly residents and others who rely on our services at risk. Is that an outcome Members are prepared to risk?

If the proposal fails, the Board will consider its mandate has also failed. In that event, the directors will call for members of Yackandandah Health to nominate themselves as directors to join the Board.

Details of this process are set out below.

Voting FAQs - Why are we using Link?

Yack Health is using Link to ensure that there is confidence that votes are being counted by an independent, experienced registry and meeting provider. Thank you to the many of you who have lodged your vote online.

How do I vote?

You can vote in many different ways:

- Members are able to vote in person at the meeting, by proxy electronically, or by using a paper proxy form.
- Paper proxy forms can be delivered to Yack Health's offices during business hours.
- If you need a paper proxy form, please contact the Yackandandah Health offices to collect (02 6028 0100 and bring identification) or contact Tim Evans if you are unable to collect personally (tel. 0404 944 061).

The Board recommends Members vote in favour

The Board has been upfront with the community in recent months about Yackandandah Health's precarious financial position and the steps necessary to secure our long-term future.

In the same spirit of honesty and directness, we have taken the opportunity above to spell out why we believe Apollo Care is the right partner for Yackandandah Health and what the consequences of not approving the proposal are.

The Board has recommended Members vote in favour of the Resolutions being put at the Special Meeting. Apollo Care is a reputable and financially strong aged care provider, and its proposal is a good one. If Members are serious about securing the long-term future of Yackandandah's only residential aged care facility, they will give the proposal the due consideration it deserves.

A Message from Board Chair, Doug Westland

After taking office in September 2022, the current Board of Directors of Yackandandah Health were very quickly confronted with a dire financial outlook. The situation was untenable. The Board's single focus since has been to secure a viable and sustainable future for Yackandandah Health.

The Residential Aged Care service is our core business; it accounts for 80% of our income and is where the greatest governance, management and financial challenges lie. We have a clear social and contractual obligation to the 75 or so residents and their families as well as the 140 workers that provide care continuously, 24 hours a day.

The Board has sought the best outcome possible under very difficult circumstances. This has only been possible with the support of the Commonwealth Government, secured with the assistance of our local MP. This has led to the Apollo Care proposal that the Board has adopted unanimously.

We now seek confirmation of this proposal at the Special General Meeting, through amendments to our Constitution. The proposal is the only realistic way forward for Yackandandah Health currently and the Board remains committed to and seeing it through.

Respectfully I now ask the community to support the direction the Board has chosen. The Board has done its best to communicate with the community and Members the circumstances we face and the options in front of us. The upcoming vote at the Special General Meeting is vital to the continuation of our beloved service.

Please move to support Apollo as the new owners of Yackandandah Health. We have no doubt they will do a good job and that they value strong links with the community.

Doug Westland

YACKITY YAK

Yackity Yak is a free publication aimed at providing news, entertainment and information to the people of Yackandandah.

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Appointment as a Director of Yackandandah Health

There are a number of casual vacancies on the Board which are available to be filled.

Members are encouraged to apply in accordance with clause 11.7 of the Constitution. A nominee for director to fill a casual vacancy will be appointed until the next AGM of Yackandandah Health.

Candidates must:

- be a Member;
- not be a paid employee of the Company; and
- be at least 18 years old.

If Members are interested in joining the Board as a director, they can request a Consent to Act as a director from the reception of Yackandandah Health during business hours. Please note that the Corporations Act requires that a director is required to hold a Director Identification Number upon appointment as a director, otherwise monetary penalties apply. More information is available at <https://www.abrs.gov.au/director-identification-number>

An open letter from Stephen Becsi OAM, CEO, Apollo Care Alliance

To members of the Yackandandah community,

I'm grateful for the opportunity to explain Apollo Care Alliance's commitment to the future health and wellbeing of the Yackandandah community – from the children and families at Little Yacks Early Learning, to the senior townspeople in residential aged care and retirement communities, and everyone in between who passes through the town's GP clinic.

Apollo Care Alliance is deeply committed to strengthening smaller, struggling, not-for-profit community and faith-based facilities in regional Australia for the short, medium and long term.

My years of experience have shown me the important role played by charitable organisations like Yackandandah Health, with older Australians taking great comfort in continuing to be part of their local community as they age.

When a facility joins the Alliance, we not only improve governance, efficiency, quality assurance and financial performance – which leads to a better resident experience – we also preserve the organisation's 'DNA' and its community ties. Each Apollo Care facility operates like an independent provider, but with the security and operational and financial support of the Alliance behind them. We don't charge in and overlay a generic brand; we know that maintaining identity and purpose is as important as survival to regional communities.

We offer the best of both worlds. Apollo Care Alliance is a for-profit company that raises capital and de-risks facilities by taking on their administrative, financial and care-governance burdens. Meanwhile, the facilities remain not-for-profits (NFPs) with their own constitution that legally guarantees preservation of purpose, ethos, brand and community connections. We also provide two levels of oversight – membership on the board of the NFP and on the Community Advisory Board.

Apollo Care is the only aged care provider that can guarantee this level of commitment and security to your community.

We know aged care is tough – our leadership team has 85 years of collective experience – but we do things differently. We've removed the traditional head office in favour of using innovative technology and outsourcing key functions to expert alliance partners across human resources, finance, compliance and workforce culture and performance. This level of support is normally unaffordable for small, standalone providers.

This also enables each facility manager to focus on what they do best – care for residents – but with the security and support of the Alliance behind them.

We're excited by the opportunity to support Yackandandah and we are committed to inter-generational care. It will be "business-as-usual" across early learning, general practice and aged care, and we will access our alliance of experts if and when we need additional support.

We know we can provide excellent care, financial security and longevity to Yackandandah Health's aged care (which accounts for 80% of its portfolio), along with early learning and general practice. These services share common risks and responsibilities – they care for vulnerable members of the community, require high levels of care and governance, and are heavily regulated.

Such facilities are ideally suited to Apollo Care's innovative operational and financial models. Since inception in 2020, we have successfully turned around the seven aged care facilities that have joined the Alliance. Prior to purchase, four of these were either sanctioned or under voluntary administration; all are now reaccredited and turned around in terms of compliance and services, and financial performance is on target.



Our leadership team (L to R): Barry Ashcroft, COO (former CEO of Domain Aged Care, now Opal); John Young, Chair (a leading equity capital specialist); Stephen Becsi OAM, CEO (former CEO of WA's largest NFP provider, Bethanie Aged Care) and Kylie Radburn, CGO (former National Care Governance Manager at Aveo)

Yours sincerely,

Stephen Becsi OAM
CEO, Apollo Care Alliance



APOLLO CARE ALLIANCE



Apollo Care is an alliance of independent NFP brands
NSW

- Bundaleer – Wauchope
- Charingfield – Waverley
- Harden Grange – Harden
- Vincent Court – Kempsey

QLD

- PresCare Alexandra Gardens – Rockhampton
- PresCare Groundwater Lodge – Maryborough
- PresCare Yaralla Place – Maryborough



Our newest facility – Harden Grange in Harden, NSW – closed 18 months ago, displacing all residents and creating many job losses. Apollo Care undertook extensive renovations, reopened the facility and welcomed returning and new residents. This is a huge win for the Harden community and a great example of our business model and ethos.

We're honoured to be selected from a field of 61 candidates and we're excited and fully committed to providing excellent care across all facilities and maintaining Yackandandah Health's unique values.

The Apollo Care team is in town next week and looks forward to meeting with interested parties.

FAQs on Apollo Care - Information for the Yackandandah Community

Q: What will happen if and when Apollo Care becomes the Approved Provider for Yackandandah Health?

A: Initially, it will be business as usual. All residents continue in residence and all staff continue in their jobs with their pay and conditions preserved. Behind the scenes, Apollo Care will action the following items:

- Ensuring that resident care is fully compliant and that all staff are appropriately trained. There will be an intensive effort to ensure overall standards meet requirements so we can be sure that the service will maintain full accreditation with the Aged Care Quality and Safety Commission.
- Upgrading critical IT and financial management infrastructure.
- Developing a roadmap for building maintenance, upgrades and a progressive decorative refresh.

Q: Apollo Care is a private sector organisation that will want to make a profit. How do we reconcile that with the community wishes for a continued high level of aged care service at an affordable price?

A: In our view, there is no conflict between these objectives.

- If we are to assure the community that top quality care will always be available, we must ensure that the business will always be viable.
- It doesn't matter whether a service is not-for-profit or for-profit, it still has to make a trading surplus else there are no funds available for maintaining and upgrading the service over time. Lack of trading surplus is a current problem for Yackandandah Health.
- Indeed, according to figures published by the Federal Government (which tracks all aged care providers) there is little or no difference between the trading surpluses of not-for-profit providers and for-profit ones. In fact, some of the most profitable providers are nominally 'not-for-profit'. They operate their service efficiently, redeploying their surpluses towards upgrades so the service is always appealing and in high demand.
- This is precisely what we intend for Yackandandah. Our intent is to lift the service to a high standard, operating efficiently and generating strong demand from the local community.

Q: The Federal Government has signalled that it will not be significantly increasing aged care funding. How do we reconcile this with the investment required to improve the Yackandandah service?

A: The Government understands that assuring viability for residential aged care providers means that residents with means will need to contribute more to the cost of their care. They are investigating this aspect of funding as a priority.

Q: What about residents with low means status?

A: No change. Residents who have been given a low means status as a result of the Government means test (assets and income below the minimum threshold) are offered accommodation.

Q: Where does the Yackandandah community fit in?

A: It's critically important. Apollo Care's view of aged care is that it should be a positive living experience for residents and their families. Because residents are often frail, it is essential that the care be fully compliant and that the residents are safe and well looked after. However, a great living experience is more than that. In our view, the residents should feel that they are part of an active community and have real choices each day for companionship, activities they find enjoyable and meaningful, and spiritual care according to their needs. We are looking to the Yackandandah members to help us provide this sense of community and belonging in the Home. We fully support programs such as the Men's Shed, volunteer participation in activities and outings, and similar support activity.

Q: What role will the Yackandandah community have in the ongoing management of Apollo Care?

A: We see the community participating in 3 principal ways, at all levels of governance:

1. In local committees that are supporting the service, coordinating community engagement and activities;
2. In ongoing representation on the board of Yackandandah Health. Note that these board roles do not have responsibility for financial matters, compliance or in the delivery of care, since these are the responsibility of Apollo Care as Approved Provider. However, these board members will be kept fully involved and apprised of all material developments and will be consulted about community views on key decisions;
3. On the Apollo Care Community Advisory Board (CAB). The CAB is a council of all our alliance partner PBIs that advises the main Apollo Care board on community issues and matters of concern to alliance partners.

Q: Why can't the community continue to own the land?

A: Although YHL's name is on the title, in reality YHL doesn't own it - the residents do. Under Aged Care legislation, residents have an inviolable right of tenure. It's their home. The "landowner" is in reality just the service operator, managed by the Approved Provider, who in turn is closely monitored by the Commonwealth to ensure that residents are safe and receiving high quality care. The Approved Provider is also responsible for repaying the resident bonds (RADs and RV deposits) which are some \$16M in the case of Yackandandah. Because of this responsibility and liability, Apollo Care insists that it needs to control the land & building so it can be sure of meeting its obligations to residents and the Commonwealth.

Q: Who owns Apollo Care?

A: Apollo Care is owned by about 25 investors. Many of these are private individuals, others are church or community groups. All are Australian residents. We consider them to be 'high conviction' long-term investors that are attracted to the core investment thesis of Apollo Care, viz. working with smaller not-for-profit aged care providers who are in difficulty yet who wish to retain community identity and legacy in the ongoing operation of their service.

Q: What will happen to the Medical Centre?

A: We understand the importance of the GP clinic and maintaining the services offered to the community. We propose that YHL will continue to manage the clinic, and it will continue to be staffed by independent GPs and allied health professionals. Senior Executives in Apollo Care have deep experience in health care governance and are familiar with the requirements of General Practice accreditation.

Q: What will happen to the Early Learning Centre?

A: We are planning no major changes. The Early Learning Centre Director is highly experienced. Apollo Care has a great deal of relevant human services governance experience. We are also familiar with the requirements of the National Quality Standards as they apply to Early Learning Centres. If the need arises, we have access to experienced Child Care providers and operators within our peer group.

Q: What are you going to do with the spare land that was donated?

A: It will be developed to augment the community services of Yackandandah Health as demand for those services becomes apparent. In consultation with the Yackandandah Health board, we will review the master plan for the site. Our intention is to continue to deliver a range of accommodation and services to seniors in need of support and frail aged residents in need of care.



Notice of Public Meeting

Opportunity to meet with Apollo Care

Yackandandah Public Hall - 6.30pm for 7.00pm, Monday 19 June 2023

Following the community meeting held on 7 June 2023 a meeting has been arranged for the community to meet and hear from Apollo Care, the proposed new approved aged care provider and licence holder for the operations of Yackandandah Health.

This is an important opportunity to hear directly from members of the Apollo Care board and management team about their operations in Australia and their plans for Yackandandah Health.

Yackandandah community members will be able to ask questions of Apollo Health and the Yackandandah Health Board leading up to the important Member vote on 21 June 2023.

Members of Yackandandah Health Limited and the Yackandandah community are encouraged to attend this meeting.

Doug Westland
Yackandandah Health Board Chairperson
dkwestland@gmail.com
0418 867 433



Please note that Yackity Yak holds a completely neutral view on the issue of Yackandandah Health. It has compiled this and the previous special edition as a way of disseminating information as quickly and equitably as possible to the people of Yackandandah, some of whom who are not connected to the internet or may not have good computer skills.

This special edition does not seek to sway the opinions of any persons, one way or the other.

As most Yackandandah residents will be aware, there is a group of concerned citizens that are keen to seek another option for Yackandandah Health. A public meeting was held on Wednesday, 7th June, 2023 and a resolution was made to seek assistance from the Federal Government to ask for an extension of funding to buy more time. Letters have been sent to the Minister for Aged Care regarding this from the group of citizens and other individuals concerned about the issue.

Following are various articles from members of the group about how they see an alternative route for Yackandandah Health. It is up to members of Yackandandah Health who ultimately have the final vote on whether to accept Apollo Health's offer at the Special General Meeting on Wednesday, 21st June, 2023. There are some suggested website links in the articles below to provide further information on various items, and it would be prudent to look at these if any form of clarification is required.

There is now very limited time to consider options and it is up to individuals to make up their minds weighing up all considerations. It is worth knowing that if there's not a positive vote at the Special General Meeting, then there is no Plan B currently in place.

However, the following responses are about creating another option should the vote fail on 21st June, 2023.

Dr Jane Gardner recently announced that she will be finishing up with the Medical Centre on Wednesday, 28th June, 2023.

She has loved the community and living and working in Yackandandah and felt honoured to have worked with such wonderful people.

Dr. Jane said that she would always be happy to look at working options in Yackandandah in the future.

Why are we Concerned?

In March this year, several community members were approached by the Yackandandah Health (YH) Directors and informed that the organisation was in financial difficulties and that they had asked the Federal Government for financial assistance. The Board insisted that this information was confidential, but they were willing to meet with an ever-widening group of people to inform them of the situation. The Board were concerned that the information, if widely known without any solution, might compromise the services and cause concern to the residents, parents, employees, and creditors. This small group of newly informed community members felt the weight of this knowledge, knowing that this was a bombshell that would affect the whole community. Our 97-year-old community run, and community owned asset was in trouble and was being transferred out of local ownership and control. How had we missed this?

The group asked similar questions to the ones that are being asked by the wider community now. Can the Medical Centre and Little Yacks be removed from the expression of interest? Could the excess land, (sold to YH, then Yackandandah Bush Nursing Hospital, by the Storey family for a minimum) be kept for community use? Was transfer to a larger, non-local, profit based organisation the only option? What guarantee was there for continuity of the services and standards? Had the Board considered the implications for the residents and broader community if their proposal was not approved? What was Plan B?

There was concern that the YH process of decision-making lacked transparency, consultation and engagement. Could we have more time to consult and discuss this with the members and community? The Board seemed confident that their decision to sell was the only option, and consequently that their agreement with Apollo Care was the only outcome for the community.

On 26th April, 2023 at the YH AGM that had been delayed from November 2022, questions were restricted and attending members left with unanswered questions and inadequate information about the situation.

A special April 2023 edition of Yackity Yak was produced, followed by a Yackandandah Health information meeting where people could listen to the Board and ask questions. At the 10th May meeting people seemed hesitant to speak out, as the members of the Board were respected members of the community; some of the gathered people had been board members themselves at some stage and there was a reluctance to attribute blame. People were just coming to terms and trying to understand what the decision to sell meant for the community and for the services they relied on.

At this meeting, people were encouraged to become members of Yackandandah Health, to be informed and become part of the decision-making process. Many people took up this offer, but others missed out, as the cut-off date for joining was not communicated.

Following the 10th May meeting some community members met to discuss the outcomes of the meeting. The doctors at the Medical Centre had not been included in the decision making and they had strong concerns around professional independence and clinical governance. As the one profitable service of the organisation, some users of Little Yacks weren't comfortable at moving away from being community owned and run. Many people were still concerned about the decision and process; the situation was complex and difficult to grasp. It was important that the community come to terms with

the situation and be able to vote on the future of Yackandandah Health at the Special General Meeting on 21st June, 2023.

In light of the concerns arising from the 10th May meeting, the group felt it was important to hold a community-led gathering to provide people an opportunity to share information and identify their ongoing concerns and questions. The community held this gathering on Wednesday, 7th June, 2023 in the Public Hall where the vote was unequivocally in favour of the resolution to ask the government for more time and more funding to explore an Option B (235 of a total of 240 votes).

A potential option is local provider, Alpine Health who, although not one of the preferred organisations asked, expressed interest when approached by YH members. There appears to be a strong demographic, geographic and service profile rationale for a merger between Alpine Health and Yackandandah Health and strong community support because they are local. Alpine Health can't guarantee to take on Yackandandah Health until they've looked at the numbers and have the endorsement of their funders (Federal and State Governments). We hope to have some preliminary advice about their position in a week or so.

The community group, who are working to secure assistance from the Federal Member Helen Haines, have asked her to advocate on the community's behalf to seek more time and an extension of SAF (Structural Adjustment Fund) from the Federal Minister for Aged Care, Hon. Anika Wells, and have recently received the following response:

"The Minister's office is making enquiries regarding the technical possibility that the timelines on the Structural Adjustment Fund can be extended. The Minister's office were very helpful and will be back in touch as soon as further information is available."

The notes and questions from the community meeting have been forwarded to the YH Board seeking responses. This edition of Yackity Yak has been produced to keep the community informed and people are advocating to other State and Federal Ministers and talking to whoever is responsible, because rural aged care, medical care and childcare are vital services for this small community. There is still time to seek an alternative.

If you are a paid member of Yackandandah Health, you will have received an email with a link to a voting information package. The vote, set to take place on 21st June, 2023 will require you to vote, either in favour of, or against, Apollo Care taking over Yackandandah Health (this includes the residential aged care facility, the Medical Centre, Little Yacks Childcare, and the Men's Shed). It will need a vote of over 75% for a decision either way. Ideally Yackandandah Health will be allocated funding for another six months so we can work together with transparency to find a solution that will result in the best outcome for our community.

by Diane Shephard

as part of a larger group of concerned citizens including Patten Bridge, Mark McKenzie-McHarg, Louise Humphrey, Paul Anderson, Phil Newman, Matt Grogan, Dr Tess Goodwin, Cathie McCormick, Julie Groenendijk, Margo Northey, Marian Robinson and many others who are working in the background.

Little Yacks Childcare - The History and Synopsis

Childcare plays an important role in the lives of Australian families, with childcare services provided by both government, private, and community organisations. Childcare in Yackandandah is currently provided by Yackandandah Health Limited, licenced as Little Yacks Learning Years (LYLY). This service helps support local parents in their social and professional endeavours whilst assisting local children reach important developmental milestones.

Many Yackandandah families who rely on childcare services work in roles that offer set hours and with limited flexibility to integrate work life with care responsibilities. Enrolling their children in childcare allows these families to commit to fulltime working opportunities, which for many, is a necessity in order to secure the household income needed to meet the cost of living expenses.

Finding a quality childcare provider is difficult, and there are known waiting lists across North East Victoria, including centres operating in Albury-Wodonga, where wait times can be over a year. The inability for families to quickly access childcare services or change childcare providers is a known challenge for the sector, and highlights the importance of Yackandandah having continuous and ongoing access to childcare services. This importance applies to current and future generations within the community.

Little Yacks Learning Years forms part of the proposed sale agreement of Yackandandah Health to Apollo Care. Operating licences, educator staff and the building asset (former Bush Nursing Hospital) will transfer to Apollo should 75% of members vote in support. There are concerns within the community about the long term sustainability of childcare should it leave community control. This concern is due to the limited experience that Apollo Care appears to have operating within the childcare regulatory framework. There is also concern about continuing to combine aged care and childcare within one business model, noting that within a consolidated model, the childcare viability could become exposed to the financial impacts of aged care sector reforms and regulatory change.

The financial viability of the childcare was discussed at the Yackandandah Health Public Information forum held in the Senior Citizens Hall on 10th May, 2023. Childcare was described by the Board as a small representation of the annual turnover, but operating at a small profit. The financial viability of the childcare services needs to be closely examined. The current model provides the centre operations with subsidised support from the wider Yackandandah Health business, and has reduced overheads, such as rent and electricity. An alternate and independently operated childcare may still need access to this type of cross subsidisation and real estate ownership to be viable.

Paul Anderson was one of a number of local parents who were instrumental in establishing Little Yacks Learning Years at Yackandandah Health. We asked him to reflect on that initiative and the current situation facing Yackandandah Health. Mr Anderson said that “The impact to families if childcare services are disrupted is much the same now as it was in 2018. However, in 2018, a community ownership model through Yackandandah Health was viewed (at that time) as the most sustainable way to secure childcare for current and future generations” Mr Anderson felt that “More information is needed to better understand risk, benefit, and consequences of the decision to sell”. When asked about the criticality of childcare services within the community, Mr Anderson said “any disruption to

childcare services could significantly impact families who depend on the service to maintain fulltime work. This could have devastating financial consequences to those families if they are unable to work”.

History of Childcare at Yackandandah Health

Childcare was first considered as part of Yackandandah Health service portfolio when the 2016 Master Plan was developed. An area where the gas tanks sat was earmarked for the building of a childcare centre on the site plan. When the master plan was presented to the public it did not feature a childcare centre as there were no definite plans in place. The space was labelled as a future development opportunity.

Childcare sat in the background until June 2018, when Yackandandah Health was approached by a group of local parents wishing to discuss a possible relationship to provide childcare. At the time, childcare was being provided by the Albury Wodonga Community College (AWCC) at a facility on Twist Creek road. There was growing concern, from families using the service at that time, about the viability of the AWCC operating model, and the impact that changes to Child Care Subsidy (CCS) could have on operational viability.

When approached by the community, Yackandandah Health assessed the opportunity to align and integrate aged care and child care purposes, for community benefit. Yackandandah Health recognised that the CCS risks would be reduced if childcare was provided from a community owned asset. They also identified operating efficiencies that could come from shared resources and reduced overheads, such as property rental and energy costs. There was agreement from within the community of parents and with the Yackandandah Health CEO that an intergenerational childcare model should be established as a priority, espousing the following care principles:

- Establish a community run childcare service that would be welcoming and inclusive, holistically supporting children to develop their sense of identity, personal competence and belonging.
- Establish a community run childcare service that would develop ways that people of all ages can learn together and from each other through intergenerational care programs.
- Establish a community run childcare service that would apply inclusive childcare decision making that generates shared responsibility and childcare accountability.
- Establish a community run childcare service that would value and appreciate childcare educators, parents and families’ complementary roles in a child’s development.

In December 2018, the AWCC made a subsequent announcement to close seven of its regional childcare centres. Yackandandah families were provided with four weeks’ notice of the decision to close the Twist Creek Road centre, with effect 7th December 2018. There was significant media coverage about the AWCC announcement to close regional childcare centres. Whilst Yackandandah Health were steadily working toward the planned 2019 opening, the AWCC announcement resulted in a concerted effort to meet a new deadline. Little Yacks childcare subsequently opened earlier than planned on Tuesday, December 11th, 2018.

Yackandandah GPs Voice Their Concerns

We, the General Practitioners of Yackandandah, have met in May 2023 to discuss the recent disclosure made public to the town of Yackandandah and ourselves, that the Federal Government and a private corporate bidder has negotiated a proposed sale of the land and assets of Yackandandah Health, as well as the business of Yackandandah Health, which includes the Yackandandah Health Medical Centre, the Yackandandah Health Aged Care facility and the Little Yacks Childcare centre, without community consultation and without consulting us.

We, the undersigned support the Yackandandah Community in their resolution voted at community led conversation on 7th June, 2023 to urgently ask the federal government to extend the Structured Adjustment Funding (SAF) funding for a six month extension to explore an alternative option regarding the proposed sale of Yackandandah Health and its implications for General Practice services in Yackandandah for current and future generations.

We feel supported by our community

of Yackandandah to look to the long term future of General Practice in Yackandandah, and we are ready to provide support to the Board. This will take time and must not be rushed into the wrong decision for Yackandandah.

We have been closely following the Yackandandah community response to this news and wish to inform the community that we would not provide our specialist services under a corporate model but remain committed to working independently, or for a community controlled organisation that ensures that General Practice services remain an ongoing, viable, sustainable option for the wider community of Yackandandah who choose to use our General Practice for their healthcare needs. We are guided by our code of conduct as Doctors which means that we must ensure that we speak out if we feel that our professional safety to practice is compromised or our patient’s and community safety and healthcare is at risk.

In the midst of a national shortage of rural GPs, Yackandandah is defying the odds,

with five procedural General Practitioners who have qualifications in family medicine, mental health, emergency care, skin cancer, obstetrics, paediatrics, aged care and sexual health. We are supported by our associations with the Rural Doctors Association of Australia, the Australian College of Rural and Remote Medicine, the Royal Aust and NZ College of Obstetricians and Gynaecologists, Rural Female Doctors Group and the RACGP.

We are deeply concerned that the Federal Government Department of Health, and prospective bidders have been confidentially liaising with the Board of Yackandandah Health without our support, expertise, knowledge or involvement. We are unable to know if the bidding process sought applications from organisations with an understanding of rural General Practice. We seek answers from the Department of Health, who has, via the SAF model, facilitated corporate organisations to takeover community health organisations and assets without due process. We want the Federal Government to delay this decision as it risks leaving the rural town of

Yackandandah without Doctors.

We love working as rural Doctors for the community of Yackandandah and have a proud achievement of maintaining specialist GP and primary healthcare services for our small rural community. We follow proudly in the footsteps of past GPs and nurses that have provided medical care in Yackandandah since the mid 1800’s and in 1890 when Dr Augustus Mueller opened his practice. We work alongside our nursing, midwifery, and nurse practitioner colleagues, our allied health colleagues, and our local pharmacy colleagues, and we extend our provision of medical care to the residents of Yackandandah Health Residential Aged Care Facility that choose to use us for their healthcare needs.

Dr Tess (BMV) Goodwin, BMBS, BForSci, FRACGP, FACRRM, Adv DRANZCOG 0419 328 960
Dr Simon Davis MBBS
Dr David Oliver MBBS
Dr Jane Gardner MBChB Dip OBs, FRACGP
Dr Emma Polkinghorne MB BS FRACGP DCH BCom BSciAdv(Hons)

Aged Care - Where To In the Future?

On the same day as the community meeting for Yack Health, The Hon Anika Wells, Federal Minister for Aged Care and Sport addressed the National Press Club to announce a new strategy for a sector in crisis: Aged Care.¹ This was based on a promise made by the Albanese Government upon winning the Federal election last year, announcing a new Aged Care Act will be introduced in 2024.

Minister Wells referred to the current Age Care Act introduced by then Prime Minister, John Howard in 1997 as “focused on how providers run their service”. She reflected, as per Aged Care Royal Commission findings, that... the 1997 Aged Care Act was put in place with the primary purpose of funding aged care providers. And that “The 1997 Howard era Act relies on the corporation’s power.”

In spite of this focus, Hon Member Wells details the negative impact funding changes created in Aged Care in 2017. “So, it was beyond regrettable coming into this role, my first Ministerial role, to discover that despite the legislation being geared toward the obligations of providers, that in 2017... \$2.5 billion was cut from the sector. This saw the financial performance of aged care provider’s nosedive. Accountancy firm Stewart Brown noted that in 2017 – homes had an average positive operating result of almost \$10 per bed, per day. Yet by 2020 it was a loss of more than \$8 per bed, per day. Those cuts meant providers had less money to spend on care. Those cuts put pressure on staffing levels. Those cuts put pressure on quality. Those cuts put pressure on safety.”

Hon. Member Wells announced an Aged Care Task force based on evidence from a twelve month financial injection into the Aged Care sector which was showing some improvement in performance in facilities that had been in financial difficulty. “For the first time in a decade, workers, residents, stakeholders have reason to feel optimistic. The first aged care Quarterly Financial Snapshot illustrates a major shift in financial performance. The first snapshot was based on the period 1 July to 30 September 2022. That’s important because it gives us a baseline before a number of reforms, including the start of the new AN-ACC funding model, were introduced. As you all know, it showed a residential aged care sector under strain, with 66 per cent of providers making a loss. This latest Snapshot reveals that by the end of December 2022, the first quarter of our reforms at work, the number of providers making a loss reduced from 66 per cent to 54 per cent. So... our reforms are making a tangible difference to providers.”

Hon. Member Wells talked about ambition and innovation for the recipients of this sector. “...and the latest data shows residential aged care providers delivered an improved average of 189 minutes of care per resident, per day, moving closer towards the sector average of 200 care minutes which becomes mandatory from 1 October 2023. We expect the next Quarterly Financial



Yackandandah Health as it currently is. PC: Country Solar

Report, for the period of January to March 2023, to continue the upward viability trend. While from 1 July this year, residential aged care pricing will no longer be based on an outdated indexation factor that didn’t recognise actual costs. The former government increased funding for providers by 1.7 per cent in their last budget, then spent the last twelve months watching that impact and discovering freshly awoken concern about the financial viability of the sector. This budget, our Labor budget, increases AN-ACC funding for providers by 17 per cent. A tenfold increase.”

Hon. Member Wells completed her speech with a need for what we all want in the Aged Care sector. “Our new Act is going to put older people, and the services they need, front and centre. This is about delivering a needs-based arrangement that makes financial sense. The Taskforce will help our seismic shifts from provider focused to person focused, and funding focused to care focused.”

Questions we could ask about this speech in relation to Yack Health are:

Have we seen any sign of a positive financial swing over the past 6 months with the above injections made by the Federal government? What will the significant change in the AN-ACC funding mean for our financial situation and could this influence our current situation if we had more time to evaluate?

¹ <https://www.health.gov.au/ministers/the-hon-anika-wells-mp/media/minister-for-aged-care-and-sport-national-press-club-7-june-2023>

SO, WHAT ABOUT THE ALPINE HEALTH OPTION?

The ‘Plan B’ being touted is that Alpine Health take over Yackandandah Health. So, who are they and what’s their position on all this? Check them out for yourself at <https://www.alpinehealth.org.au/>

Alpine Health is Multi-Purpose Health Service that is an entity of the Victorian



Yackandandah Bush Nursing Hospital as it was in the 1940s. PC: Australian War Memorial

Government. It currently runs hospital and residential aged care services in Myrtleford, Bright and Mt Beauty with a total of 34 hospital beds and 90 aged care beds. It also has about 1,000 in-home care clients and already provides various other services, including throughout Indigo Shire, including Yackandandah.

Following a request from a group of members of Yackandandah Health some weeks ago, the board of Alpine Health unanimously resolved to undertake an initial preliminary exploration of the possibility taking on Yackandandah Health, subject to a proper due diligence process. So far, we know they are keen to explore this but have been unable to do the detailed due diligence because they can’t gain access to the financial data (due to exclusivity clauses in the sale deed).

But leaving all the financial and funding aspects aside, there appears to be a pretty strong demographic, geographic and service profile rationale for the potential of a merger between Alpine Health and Yackandandah Health. Further, there seems to be fairly strong community support for this option because they are local and they know Yack.

Clearly, Alpine Health can’t guarantee to take on Yackandandah Health until they’ve looked at the numbers and have the endorsement of their funders (Federal and State Governments). But we hope to have some preliminary advice about what they think in the next week or so.

Watch this space!

What happens if members vote NO

The information provided below does not seek to influence Yackandandah Health members' voting intentions in any way

Yackandandah Health members are being asked to vote YES to a proposal to sell all four parts of the business (84 aged care places, 10 individual living units, Little Yacks and the Medical Centre) to Apollo Care, a for-profit private company that currently owns seven aged care facilities.

The question then remains, what happens if members vote NO?

This is where things get a bit complex. It depends on the circumstances however it is likely there are just two pathways as outlined below.

To allow time to explore a Plan B option, an extension to Structural Adjustment Funding (SAF), or some other interim funding would need to be in place to ensure continuation of operations at Yackandandah Health. Community members have been writing to Federal Ministers in an effort to secure that funding.

Further, there have been positive indications from existing YH members that they are willing to act as alternative interim Yackandandah Health Board members should extension funding be secured.

If the two conditions above are met, it will be possible for members to elect interim Yackandandah Health Board members at the Special General Meeting, allowing time to explore a Plan B in the face of a NO vote by members.

Community members have been working hard to provide a viable pathway to support the ongoing operations of Yackandandah Health and its Board to explore an Plan B in the face of a NO vote by members.

If no extension funding is forthcoming and no members are willing to stand as members of the Yackandandah Health Board, the only likely option remaining is for the Board of Yackandandah Health to place the business into voluntary administration.

So, what is voluntary administration?

Voluntary administration is a governed process which focusses primarily on the rights of creditors. However, the Australian Securities and Investments Commission (ASIC) states that this "...allows the director or a third-party time to find a way, if possible, to save the company or its business" ¹

The relevant website states "If it is not possible for the director or a third-party to come up with a plan to save the company or its business, the voluntary administrator aims to administer the company's affairs to obtain a better return (payment) to creditors than if the company had been immediately wound up (closed down)."

ASIC also states that a voluntary administrator's job is to:

- determine possible solutions to the company's problems,
- assess any proposals put forward for the company's future, and
- compare the possible outcomes of any proposals with the likely outcome in a liquidation.

ASIC makes it clear that there are opportunities for an administrator to investigate other possible solutions to an organisation's problems other than liquidation such as, selling a business to interested buyers.

Voting NO and having an administrator appointed may not be the preferred or even the right course of action. There are many unknown possibilities in this scenario.

Please take the time to read more about voluntary administration processes, functions and rules at:

<https://asic.gov.au/regulatory-resources/insolvency/insolvency-for-creditors/voluntary-administration-a-guide-for-creditors/>

¹ Voluntary administration: A guide for creditors - <https://asic.gov.au/regulatory-resources/insolvency/insolvency-for-creditors/voluntary-administration-a-guide-for-creditors/>

A Statement from Helen Haines MP

dated 14th June, 2023

The situation facing Yackandandah Health is serious and reflects the difficulties being experienced by the aged care sector, especially across regional and rural Australia. As a former Board Member of St Catherine's Residential Aged Care in Wangaratta, I am acutely aware of these pressures.

In response to some questions from the community, I wanted to update you on the work I have been doing regarding Yackandandah Health to ensure it remains in operation.

I am well aware of the situation facing Yackandandah Health, in particular for the approximately 80 residents of the aged care facility and their families, for whom this must be an incredibly stressful time. I have done significant work to ensure that Yackandandah Health remains in operation. My advocacy for the future of this service has always been with those aged care residents at the top of mind, as well as the staff, and the wider community who access the child care and general practice services.

Yackandandah Health is currently supported by the Structural Adjustment Fund (SAF), a Federal Government funded program that supports residential aged care providers experiencing serious financial difficulties. The Fund supports providers to move to a new provider and more sustainable financial footing.

I have worked closely with the Aged Care Minister to secure a SAF grant to Yackandandah Health. By moving swiftly to broker the lines of communication

between the Yackandandah Health board and the Minister's office, we ensured that residents remained in their home without sudden closure. The SAF grant was agreed for a period until June 30 this year, by which time the Yackandandah Health board was to have transitioned to a new provider.

In recent weeks I urgently wrote to the Aged Care Minister on behalf of members of the community, communicating their request that this timeframe be extended by six months. I met with a senior adviser to the Minister late on Wednesday to understand the Government's position. I believe they understand the concerns in the community however there was no guarantee of an extension to the grant.

The Australian aged care sector is facing significant financial difficulties, particularly in regional, rural and remote Australia. I am aware of other aged care providers in our region who are also facing operating losses and my office has also assisted in those situations.

In other parts of the country, residential aged care facilities in financial difficulty have shut down with little warning, forcing families to find new homes for their loved ones at short notice. I don't want that outcome for Yackandandah.

The challenges facing the aged care sector, particularly regarding workforce and financial viability are longstanding and well-known. The Aged Care Royal Commission handed down 148 recommendations for reform in 2021, which the

Government is still working on delivering. Aged Care Minister Anika Wells is leading a taskforce to examine the funding system for the sector. These reforms are complex and the work of the taskforce will not be completed or implemented within the time

that a decision is needed on Yackandandah Health.

The health and care of the Yackandandah community is paramount. I want to reassure the community that I and my office have been paying close attention to the situation facing Yackandandah Health, and have taken action as your Member of Parliament to represent the residents, the board and members of the community more broadly to the Government.

It is a testament to the people of the Yackandandah community and the Yackandandah Health board that this process, while difficult and stressful, is being conducted with care and respect, with the welfare of the community at front of mind.

