

JUNE 2019

Chair Chat

with Prof. David Gilchrist



Merger of Outcare Ltd under Nulsen Group

In the March edition of Chair Chat I provided a summary of Nulsen Group's progress on the implementation of the current Strategic Plan. In April, I described the integration of 16 residents of Milford and Milstead into our disability services stream. Today, I wish to outline the merger of Outcare Ltd under Nulsen Group which is currently in progress.

Outcare has an impressive history of supporting people to regain their personal direction and reintegrate into the community after their lives have been adversely impacted by health, family, finance and cultural issues. An independent audit report in 2018 confirmed that Outcare was a well-regarded service provider in the justice and related sectors. The report also noted the traditional business model that characterised the organisation has experienced dramatic upheaval with significant implications for ongoing sustainability.

As you will be aware, all non-government organisations in the human services sector are under threat. This is due to significant shifts in how the State and Commonwealth Government view the sector; a change to more quasi-market approaches and a perception that the sector needs to be restructured and rationalised. The current level of change is unprecedented and presents both opportunities and substantial threats that require the Outcare Board to consider and determine the future strategic direction of the organisation.

In their services portfolio, [Outcare](#) provides support to over 900 individuals per annum across a range of services linked to contracts with both government and non-government agencies. Some of these persons require longer term support while others may require short-term or intermittent support. The organisation assists ex-offenders and

Key Points

- **Common values, a shared sense of compassion and commitment to assisting people with complex needs act as the foundations of the merger.**
- **The diversification of service offerings will reinforce the long term sustainability of Nulsen Group.**
- **The merger increases the strategic capacity as well as enhancing financial and a range of staff resources.**

provides accommodation services, job transition and employment, mental health support and community inclusion for other vulnerable people and youth who are at risk. Services are provided across the metropolitan area with a main office in East Perth and a service point in Bayswater. Outcare also leases 40 houses from the Department of Communities: Housing for a range of service options.

The potential for a merger was investigated thoroughly and the due diligence process involving staff from both organisations was completed in late March 2019, with all 16 recommendations endorsed by the respective Board of the two organisations. The Merger Implementation Deed that represents the legal agreement between the organisations was signed on 7 May.

Our organisations are now working together to complete the transition of Outcare as a separate service stream under Nulsen Group. This transition will proceed as business as usual for both organisations, underpinned by a continuing commitment to providing support to residents, clients and employees. The merger is currently

proceeding and the majority of service contracts will be transferred and operational by 1 July. As an outcome of the merger the operational budget of the Nulsen Group will increase by about \$8.0 million recurrent. There will be a transfer of net assets which will be used to foster the ongoing development of services at Outcare.

Nulsen Group has been fortunate to gain 80 competent staff which includes a number of very experienced and skilled managers. One member of the Outcare Board will join as a member of the Board of Nulsen Group as of July 2019 to safeguard the arrangement.

Nulsen Group will continue to operate in a changing and challenging environment. The bringing together of our organisations is a positive business step that creates a stronger organisation with a more diversified service offering, delivering significant benefits for the clients and employees of both Nulsen and Outcare. Our organisations are united by common values, a shared sense of compassion and commitment to assisting people with complex needs to be fully included within our community. The process has proceeded efficiently with tremendous goodwill and willingness to cooperate being demonstrated by all the key staff and stakeholders.

We will be engaged with many aspects of this merger process up until Christmas and will review

the current Strategic Plan in order to incorporate Outcare as a separate service stream of Nulsen Group. In the New Year, I will outline if there are any further developments and implications as a result of the merger.

Next month's article will focus on the Royal Commission into violence, abuse, negligence and exploitation in disability services and what we currently know about the Terms of Reference and proposed process.

NDIS

I would also like to acknowledge Hon. Robin Scott MLC for raising the current issues facing the NDIS in the Legislative Council of Western Australian Parliament recently, with a view to building a better NDIS for all.

To see what Mr Scott had to say, please [click here](#) for the video link, or visit the Nulsen Youtube channel.



Professor David Gilchrist BA BBus PhD FCA FAIC is a chartered accountant and a historian. He holds a PhD in economics from the University of Notre Dame Australia and is currently a Professor at the University of Western Australia as well as the Public Sector Accounting and Disclosure Research Cluster. Over his 25-year career, David has held many senior roles in the not-for-profit, commercial and public sectors. He has taught at several universities across the globe, sits as Chairman on multiple boards and has published several key national reports. Achievements include: working as the Assistant Auditor General WA, the Associate Dean of the School of Business, University of Notre Dame Australia, Chairman to Nulsen Disability Services, and the Kimberley Individual and Family Support Association. David produced the "Australian Charities 2013" and the "Australian National Costing and Pricing Framework" issued jointly with National Disability Services. He is widely published as an academic and a journalist. [See David's full profile here.](#)