

Directions 2000

The Brotherhood of St Laurence (BSL) commissioned a major review of its operations in 1994. The report, *Directions 2000*, in addition to dealing with matters such as the size and functions of the BSL Board made a number of observations and recommendations about the focus and scope of the BSL's purpose and activities.

Aged Care was a major area of the BSL's involvement in direct service provision. In the context of government support for aged care at that time, one recommendation was that the BSL divest itself of residential aged care given that people with few or no assets were not denied access to care when needed. Another proposition was that the BSL is Melbourne-based and should not "colonise" – this at a time when there were overtures from without and murmurings from within about moving further into Victoria and interstate.

When this was applied to the then Barwon Region of the BSL, where aged care services were the substantial majority of that region's service provision, it was argued that the small number of remaining services would not allow that region to be sustainable. At that time, each of the three non-metropolitan regions had a local advisory committee and one seat on the BSL board. The alternative proposition that the region become autonomous was put by the Barwon Regional Advisory Committee, particularly through their Chair (who was also on the BSL Board) and the Regional Director.

The principle behind the proposal and the agreement that this should happen had been enunciated in *Directions 2000* in the "guiding principles" for BSL's involvement in service provision.

The Brotherhood will give priority to the needs of people who are poor, particularly in areas that are not being addressed by other agencies, or new and emerging areas of need in the community.

The Brotherhood will support and assist local communities to develop initiatives in new areas through empowering and seeding new ventures, but will try to avoid permanent colonisation. (The phrase "try to" was quickly dropped.)

Bishop Michael Challen, BSL's Executive Director who had commissioned the review, cited this in the announcement of the divestment in the Winter 1996 edition of *Brotherhood Action* (a publication for friends & supporters) –

"its recommendations are consistent with our history and tradition, which is about going in where there is a need not met by others, and then letting go so that the service can be run by the local community".

A precedent on a smaller scale had been set in Bendigo where the BSL had developed a residential aged care facility (St Laurence Court) and later handed that operation to the diocese (it is now part of *Benetas*).

Direction 2000 & the process of divestment

The first phase of deliberations on the recommendations of *Directions 2000* was the responsibility of an *Implementation Committee*. This committee invited submissions from across the BSL about the suite of recommendations in the report. The Barwon submission was presented to the committee by Graeme Bound (Regional Director – Barwon) and Richard Anderson (Chair of the Barwon Regional Advisory Committee). The Implementation Committee viewed this positively, seeing appropriate assessment against *Directions 2000*, their perception of a clear role in Geelong, and the recognition of the changing nature of aged services in Barwon and the interrelationship of a number of components coupled with a desire not to disrupt service provision. The committee was concerned about the impact on local support for the BSL if the BSL withdrew, but saw that the Barwon region would be easier to launch as an independent entity given its relationship to the community. Another point of concern was the possible negative impact on low-income service users, given some comments on the intention to seek a mix of income groups within the aged care facilities to make this area profitable.

In May 1995 the Implementation committee set up two “task forces” to investigate the feasibility of divestment options – members of the task force for Barwon were Professor Concetta Benn (BSL Board & Implementation Committee), Graeme Bound (Regional Director – Barwon) and Phil Watson (member of Regional Advisory Committee, Barwon). Extensive terms of reference were established to ensure communication and consultation across governments, local groups and agencies, and to manage and communicate any recommended change for staff, residents, service uses, families and the community.

By September 1995 Bishop Challen was able to tell his board, “Barwon staff and Geelong community leaders in Barwon are very positive about our intentions” and again the following month he noted that “the in-principle divestment has been well received by staff and other people in Barwon”.

In October 1995 the BSL board was presented with the recommendation of the Implementation Committee and agreed in principle to divest the Barwon region on the following basis -

- i. that the BSL divest Barwon to a new independent agency
- ii. that the agency have a focus on the BSL’s traditional clients
- iii. that the new body be financially viable
- iv. that the divestment be at least cash neutral
- v. that the BSL receive some return on the St Laurence Park asset.

Among the comments from the Board members supporting this recommendation were the following:

- o *Directions 2000* recommends the cessation of “colonising”.
- o The Aged Services Review did look at the Aged Services in Geelong but, whilst good, it was considered that the services do not really fit the BSL’s target group.
- o If retained, the BSL would need to expend a considerable amount of money on updating works.
- o The service is operating on a deficit budget.
- o Questionable as to whether the new agency will be viable but ... the different target group will assist their financial viability. It is known that the new agency is considering different options for occupancy which will incorporate some accommodation on a strata title basis.

Among the extensive proposed terms of transfer that were subsequently developed, the following are currently relevant:

It has been agreed that the BSL will rent St Laurence House to the new agency for as long as it uses the facility for relevant services at a peppercorn rent of \$104 per annum. The new agency would be liable for all maintenance costs. If the agency wishes to use the facility for services other than the current use as a dementia respite centre then this would require the approval of the Brotherhood.

The legal agreement between the new agency and the Brotherhood is to provide that in the event that the agency is wound up, any funds of the agency will revert to the Brotherhood in the first instance.

In the final Agreement, the conditions for terminating the lease of St Laurence House were modified to read:

The Brotherhood may by notice in writing terminate the St Laurence House Lease if at any time during the term of the lease St Laurence House is used for any purpose other than a dementia respite centre, day care centre or similar purpose without the prior written consent of the Brotherhood.

In developing the Memorandum of Understanding, the BSL board made two requests in relation to the board or committee of management of the new agency and communicated this to the BSL’s lawyers (*Freehills*) in December 1995:

That for a period of five years the Brotherhood board should have the power to nominate a member of the board. This would tie in with the ongoing financial commitment of the new agency to the Brotherhood.

To evidence the ongoing relationship with the Anglican Church it has been agreed that one third of the members of the board or committee should be nominated or elected by the appropriate bodies within the Church. It is proposed that one of these nominees be the Anglican Regional Bishop of Geelong or his nominee and that others be elected by the Western Regional Conference of the Anglican Diocese of Melbourne.

In April 1996 the BSL board was advised that “Constitution agreed, likewise ‘Agreement’, subject to actuarial advice on superannuation; Board formed; special events to mark new agency on 30th June and 1st July”.

The initial *Constitution of the Board of St Laurence Community Services (Barwon) Incorporated* made provision of three places for representatives of the Anglican Church:

21.2.2 The assistant Bishop to the Archdiocese of Melbourne who has oversight of the western region of the diocese (the Bishop) or his nominee;

21.2.3 Two representatives of the Anglican Church appointed in accordance with sub-clause 21.10.

21.10 The representatives of the Anglican Church referred to in paragraph 21.2.3 shall be appointed by the Board after selection from a list of at least three names submitted to the Board by the Bishop. If the Board position of this representative becomes vacant the position shall then be filled in the same manner.

There was also special consideration as to term of membership:

21.11 A member of the Board (other than the CEO or the Bishop or his nominee under paragraph 21.2.2) shall not serve on the Board for any continuous period of more than nine years or for any total period of more than fifteen years.

However, the Rules of Incorporation were revised in February 2005 to provide only one church-related position on the Board:

26.2.2 the Anglican Archbishop of Melbourne or his or her nominee ...

26.3 The Anglican Archbishop of Melbourne has the power, either solely, or upon the request of the Board, to either stand down from the Board or revoke the SLCS Board appointment of the nominee referred to in Rule 26.2.2

In his report to the BSL board on 16 July 1996, Bishop Challen commented:

On 30 June and 1 July, ceremonies marked the inauguration of St Laurence Community Services (Barwon) Inc and the transfer of service programs and most assets of the former Barwon Region of BSL to it. This act of divestment, generosity and empowerment was well received by the Geelong community leaders and others.

And in the Spring 1996 edition of *Brotherhood Action*, in a front-page article headed “Good work and goodwill continue at Barwon”, he wrote:

Located in the proud confident and community-oriented city of Geelong, it makes good sense that the services provided for people in the Barwon and Geelong area should arise from the goodwill, community spirit and experience of the Geelong people.

The inaugural Director of St Laurence Community Services (Barwon) Incorporated was Graeme Bound, the former Regional Director of the BSL’s Barwon region. Graeme retired in mid-2001. At about this time, the term of the BSL’s representative on the Barwon board came to an end.

The only formal correspondence with the organisation subsequently has been in relation to some changes in the wording of the Rules of Incorporation and an invitation to SLCS to purchase St Laurence House (which they have declined).

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