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Day services for people with disability under mounting financial pressure

Not-for-profit providers of group activities for people with disabilities in Victoria are seriously concerned about the viability of their services due to the mounting financial pressure of government funding cuts and disruption created by COVID-19.

Day programs, daily group activities for people with disabilities, have been closed for the majority of the year in Victoria due to COVID-19 restrictions. This has left people with complex disabilities, like Loretta Lynch, 56, of Heidelberg with few opportunities to socialise with friends and learn new skills.

She had been planning to undertake a digital skills program throughout 2020 at her day service run by Able Australia in Northcote to work towards her goals of getting a job and undertaking study at TAFE.

“I have been bored,” Ms Lynch said. “And my mental health has been bad.”

Ms Lynch is in the minority of NDIS clients in the state who have been able to return to day programs in the last month, which have started operating at a limited capacity.

Providers say, however, financial pressure is risking the existence of group services in the future.

COVID-19 has created new expenses for providers at the same time as the government has slated a cut to funding for group services in July 2021.

Kristian Dauncey, the CEO of Knoxbrooke, a not-for-profit service that provides day services in West Gippsland said the cut will equate to over \$100,000 in lost funding each year.

“The NDIS has told us to look for efficiencies to prepare but it’s the same group of clients with the same workers, who are already being paid according to the award wages. As a charity, we can’t continue to incur that kind of loss.”

Mr Dauncey said that while Knoxbrooke could continue to offer one-on-one support services to clients, group services were an irreplaceable part of many people's lives.

"This year has really highlighted the value of group services. Everyone has been so ecstatic to return," he said.

"In regional areas, there's not a lot of options for people once a day program closes down. That's their community and friendship group gone, even if they are receiving care at home."

Able Australia has recently spent \$700,000 refurbishing its day program facility in Northcote. The centre has not been able to run for the majority of the year and when it reopens in January, it will operate at 60 per cent capacity due to COVID-safety rules.

"This is a beautiful centre with learn-to-cook facilities, and assistive technology lab, and contemporary Sensory and Art Therapy spaces" Able Australia's CEO Kate MacRae said. "We are worried because we have seen very high quality services either closing down or significantly rolling back their service as a result of this enormous financial pressure. It's been particularly hard for disability providers in Victoria where we've also had to deal with the disruption, the extra expenses and restrictions while still doing everything we can to ensure our clients are also safe from COVID-19."

Warwick Cavanagh, the Chief Executive Officer of Bayley House in Brighton, said group services pivoting online during COVID-19 demonstrated the flexibility and adaptability of providers and their staff. However, he said services would not be able to handle the current level of costs in the long term.

"Under the NDIS, the margin for group activities is extremely tight, some might argue that it is a negative margin. And in a COVID-normal environment there are further expenses. We've had to hire out additional spaces to provide services to our usual number of clients. That, alone, is an extra \$90,000 per year," he said.

Ms MacRae of Able Australia said a strategy to counter the challenges facing day programs was vital.

"We need to have a national conversation about the value of group services in our communities as places where people with complex disabilities can socialise, learn new skills, set new goals," she said.

"We need a plan for how these services can continue to operate."

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About Able Australia

Able Australia is a leading provider of disability services for adults and community supports for seniors. Established over 50 years ago to provide support to the deafblind community, we are now a diverse not-for-profit organisation offering a broad range of high quality services. We currently provide support in Melbourne, Tasmania, ACT and SE Queensland. For more information about Able Australia go to www.ableaustralia.org.au