



YS UP GOVERNANCE AND BOARDS PODCAST

Episode 9 – Changing strategic direction for Not For Profits (NFP's) with Dan Carroll

Transcript

Intro:

Welcome to YS Up Governance and Boards podcast brought to you by 3YS Owls Governance Consultants. Covering hot topics in governance, risk, latest regulatory changes and issues keeping directors and executives awake at night. Here are your hosts Ainslie Cunningham and Deb Anderson.

Ainslie:

Welcome to another episode of YS Up. Today we're joined by Dan Carroll. Welcome Dan.

Dan:

Thank you, Ainslie.

Ainslie:

Dan is a Chartered Accountant with over 30 years' experience. Prior to retiring some five years ago, he was a partner in Grant Thornton's assurance division in Brisbane. His role required him to demonstrate excellent business development, client service, technical and interpersonal skills. His business development activities at Grant Thornton focused on medium to large sized private and public companies. Services provided to his clients included statutory, audit and review opinions, review reports, agreed upon procedures reports and financial due diligence.

He has developed significant expertise in a wide range of industries, including property and construction, heavy engineering, manufacturing, mining and resources, freight and logistics, agriculture, meat, cotton, and sugar, and service industries.

During his career he was often asked to provide advice on the application of IFRS Accounting Standards and presented many accounting and auditing standard technical update sessions, for and on behalf of both the AICA and CPA in Australia.

His position at Grant Thornton provided him with a wide exposure to all elements of professional practice management including managing people, divisional production and divisional budgeting reporting.

Since retiring, to spend more time with his family, Dan has taken on several non-executive Board roles. The most significant of these is that he is current State Treasurer and State Council Member for Vinnies here in Queensland. An organization which currently has a turnover of \$300 million per annum and net assets exceeding \$400 million.

There he Chairs the Finance and Risk Committee and also is a member of the Property Committee. Dan is a member of the Finance and Investment Committees for two independent schools in

Brisbane, namely, Somerville House and Villanova College. He is also a non-executive director on a number of private company groups.

In his free time, Dan loves to travel with his family and has two trips now deferred due to the Coronavirus, reading, drinking fine red wine and watching live sport. Wow Dan, welcome.

Dan:

Thank you, Ainslie.

Deb:

Corona's thrown a curve ball hasn't it and you can't travel.

Dan:

No, we can't. We had two trips organized this year. One for our 30th wedding anniversary which has been deferred indefinitely. That was to Cuba. We suspect probably sometime next year.

Deb:

But you've got your live sport back.

Dan:

We have finally got the live sport back. All be it that we can't see any crowds.

Ainslie:

And you can still get red wine home delivered.

Dan:

We do indeed.

Ainslie:

Very good. So Dan, over to you. Tell us a bit about your role at Vinnies and your response to COVID.

Dan:

Ainslie, where do I start? Vinnies is a very multi-faceted organization. Typically, we're known for people who go out to those in need. So, when you ring 1800 Vinnies and request a food parcel or something of need, then we have 8,000 volunteers in Queensland who go out the next day and do a home visitation. That's obviously had to stop.

Dan:

Most of our volunteers, I'd probably say in the more vulnerable category in Corona. They are typically over 50-60+. As soon as the Corona event came to us, effectively they just stayed at home. No volunteers, we can't provide a service.

Dan:

Initially it was all about panic. Our services are funded primarily because of a fairly extensive retail shop network within Queensland, 158 shops prior to COVID and they're staffed by volunteers primarily. No volunteers, we had to shut the shops and that's significant.

Dan:

The initial reaction from the Board was, where do we start if we've got no shop revenue. Therefore, you've got the worst case cashflow scenario. When you do that, it doesn't look good.

Ainslie:

Absolutely. How have you guys repositioned?

Dan:

Initially to address the cashflow issues, we sought an immediate line of credit from a financier who had been looking to provide us finance. We are a very conservative organization, so we've got capacity to borrow. I think fortunately we're not likely to use that line of credit, but anyway, it's several million dollars just in the back pocket.

Dan:

We initially put all of our capital expenditure on hold. In terms of our retail offering, the largest expense is rent. We initially got onto the front foot and wrote to all the landlords requesting a 50% rate reduction for the six-month period, that we thought we were going to be in trouble.

Deb:

Were they quite helpful in providing that?

Dan:

Deb, they were very helpful. We had probably 80% of landlords who were very agreeable, 50% is obviously better than nothing but by the same token, most landlords, being what they are, they've also requested extensions of lease period and other concessions from us going forward. Not necessarily in the six-month period.

Ainslie:

And the other 20% that didn't agree, what was their reasoning?

Dan:

Still negotiating with them, Ainslie. But that's part and parcel of the whole COVID reaction. We've had to go into, what I think, the first stage is probably damage control and say, "Well, how can we sustain ourselves initially for the first six month and then how do we come out of it, going forward?" That might mean that we permanently close some shops.

Ainslie:

With shop closures, have you had to make any redundancies in that regard?

Dan:

Unfortunately, we took a six-month horizon to say, "What's the worst-case scenario in six months?" I think in the in the first lot, we unfortunately had to retrench about 39 staff and that's very difficult. For a charity particularly, that specialises in helping those in need, we are and at that point in time, we actually made 39 families dependant on welfare.

Deb:

Were you entitled to the job keeper payment?

Dan:

We were, because as soon as you cut out the shop revenue, our revenue base was decimated. Obviously, people don't have enough money, or as much money, these days because of the uncertainty. Therefore, all of our donations also dwindled. So yes, we did qualify for job keeper but that's just in a temporary hold for six months.

Dan:

We had in-house people look at the legislation, which was changing daily. It's very difficult to react so quickly. That's also fed through into the regularity of how often we meet, quarterly State Council meetings became fortnightly and that's a big change.

Ainslie:

How's everyone been coping with that? All your Board members and management teams, etc.

Dan:

I think the biggest lesson that we've learnt, Ainslie, is we have to communicate every decision that we make. Decisions to our staff, to our stakeholders, and to make sure that everyone is aware of the Board's position and where we're going. You've got to drag everyone along for the journey.

Dan:

In terms of meeting, we've used a combination of software Zoom, Skype, Microsoft for Teams, Inboard. Every Board that I'm on has a slightly different process. Board members have had to become very courteous in the way they transact because you can't all speak at once. For a lot of our older, or more mature Board members, that's a bit of a challenge.

Ainslie:

Back to the classroom style, raise your hand, how does that go?

Dan:

In some Boards, it's as simple as that. You raise your hand. If you're not speaking you unmute or mute your microphone, so you don't get any background noise. In the early days, when we're all coming to grips with the new software and there were certain people who carried laptops around the house, so we got the house viewings-

Deb:

The ceiling fans.

Dan:

And the ceiling fans. That's right. You know, they can't see us, but we could see the ceiling fan and turn up your laptop.

Ainslie:

Hopefully it was all above board, the viewings in the background.

Dan:

It was. We didn't have any of those things that often get reported on the social media platforms.

Ainslie:

In terms of the new normal and how Vinnies might be transitioning back to the new normal. How do you see that path playing out?

Dan:

That's a very difficult question. Will we ever get back to where we were in terms of our procedures and operating style? Potentially, no. There has been a greater focus on what is really our core mission. Therefore, we've really had to look and have a look at what's really important. Some of our programs may in fact be cancelled going forward. We don't really know. I'd like to think that within three months we will be back to where we were and how we used to service our people.

Dan:

One of the big things, I spoke about home visitations earlier, because we weren't in fact able to do face to face meetings, we would consult with people over the phone. Find out what their needs were. We would actually make a food drop out the front of their house and make sure that they're inside the house but there wasn't any face to face. We had to change our procedures. In handling food, we have to be a little bit more cautious when we're dealing with food and pantries. I think those health changes, I think they're probably with us for, forever.

Ainslie:

Yeah, absolutely. I think it's really brought into the forefront, just extra precautionary measures for the society as a whole really.

Dan:

I think so. People are a little bit more polite. People have restored their personal space of one and a half meters. I think that's probably one of the societal changes going forward.

Ainslie:

Absolutely. I think too, just the etiquette around being sick in general. Growing up in the country in the '80s, I had a very strict grandmother who every time you looked sideways, you had to wash your hands, use a hanky and sneeze correctly and cough correctly, and constantly wash your hands every time that you turned up at the dinner table or turned up inside the house. I think it's actually just returning to a better level of etiquette.

Dan:

I've heard that being said by a lot of our elderly volunteers, that we're going back 50 years in terms of social behaviour. That's probably a good thing.

Ainslie:

Absolutely.

Deb:

So, have Vinnies had to revisit their strategy?

Dan:

That's part and parcel of an ongoing board discussion. In terms of setting our focus for going forward, what's really important to us, it's a good opportunity. Every strategy should be reviewed at least, I believe, annually. We have a five-year strategic plan but we've actually brought that forward

to make sure that when we come out of this COVID environment, we're a much better and stable, sustainable organization.

Ainslie:

With the upcoming CEO Sleepout, how have you been impacted by that? What are the changes, in terms of how you're doing things differently this year?

Dan:

Ainslie, the CEO Sleepout is a national run fundraising night for us. I think from memory, there were about nine locations nationally last year. We have one on the Gold Coast, one in Brisbane, coincidentally this Thursday night on the 18th of June.

Dan:

Now, typically in Brisbane, we'd get 350 CEOs come for a presentation. We put them through a bit of a training exercise, particularly making them aware of what homelessness really looks like, to try to give a human face to homelessness. Most CEOs, unfortunately, even when I was working, I'd arrive at work at 7:30 in the morning, I'd arrive home at 7:00 at night and I didn't see homelessness. It's only when you look for it, you actually see it quite a bit.

Dan:

The CEO Sleepout last year in Queensland, we raised \$1,500,000 from our very generous supporters. This year, I think our budget's probably likely to be \$300,000. We are going to be significantly down on where we were last year and that's a real shame because we can see that the need for those services, particularly post COVID and post government stimulus in September, the need will in fact quite exponentially increase.

Dan:

We gave all the CEO's, because most of them had volunteered before COVID, the option, they can either sleep in their car, which unfortunately many families have to do or they could sleep on their sofa to be effectively be a couch surfer for the night, or you can stay outside in your own backyard or front yard, as the case may be. I'll be pitching my two-man tent on Wednesday and hopefully survive the night on Thursday night.

Ainslie:

How are you interacting with the CEO's during this period? Are you going to do a bit of a Zoom call or something like that, or get feedback from anybody, or getting anyone to take personal video diaries that you might share post event?

Dan:

That's all part and parcel of our communications team. Yes, there will be some linkages through people in their various modes of homelessness on that particular night, but I think that's really a work in progress this point in time because everything's changing on a daily basis.

Ainslie:

Yeah. You mentioned changing your communication strategy. How are you communicating differently with your stakeholders at present?

Dan:

It's very difficult. Our CEO, at least for our 2,000 workers and 8,000 volunteers in Queensland, we in fact have a weekly email that goes out just to advise our staff and our stakeholders exactly what's happening. We have progressively opened the shops now and in really, really pleasing news, we had almost record weeks, the first two weeks of opening. I suspect that there's a pent up demand for our services. We don't know whether that's necessarily from current shoppers or people who used to shop at Vinnies, or potentially, sadly those people who have significantly reduced their salaries and are looking for cheaper options.

Deb:

Have you found that people have used the opportunity being at home to get together donations of clothes and toys and things to take to the shops?

Dan:

Deb, we have. At least that's what we hear but unfortunately when we closed the shops, we also closed the bins because if there's no one to collect them, we didn't want huge piles of leftover donations being exposed to the elements. We have seen a lot of donations in the last two weeks.

Ainslie:

Are you reopened for donations now as well, Dan?

Dan:

Progressively, Ainslie, I think from memory last week, we had 80 stores open, of our 150, so only half of them are still closed. For those ones that are open, yes, donations are being received.

Ainslie:

Have you had to adopt additional measures to accept those donations?

Dan:

Yes, we have. Books have to be quarantined effectively in the back of the store for three days.

Ainslie:

Yes.

Dan:

They get especially wiped down. All the staff are now equipped with cleaning gear. Things that we didn't necessarily do in the past.

Deb:

If people wanted to make monetary donations to Vinnies, Dan, where do they go to?

Dan:

CEOsleepout.org.au and search my name if you like and put it against my name. Alternatively, vinnies.org.au will also take general donations which is a national website.

Ainslie:

Great. We'll look you up and send some dollars your way for camping out in the tent for the evening.

Dan:

I'll be looking for your name after Thursday night, Ainslie.

Ainslie:

In terms of investment in the market in general, Dan, have you noticed there's been a bit of a change in stocks and the stock market in general?

Dan:

I can't give you any investment advice.

Ainslie:

No, it's not investment advice, Dan.

Deb:

General advice only.

Dan:

Oh look, early this year we were faced globally with fairly significant things overseas. We've got the Brexit. The uncertainty of Brexit, what that really meant for the UK market. We had the ongoing tensions between China and the U.S. and what that did to the U.S. market, currencies were all over the place, and yet we saw equities, up until COVID really stay the course, which we thought was quite surprising. With that great uncertainty, most of the Boards that I was involved in and as you said at the outset, I'm in quite a number of the investment committees of those companies, we decided to go quite defensive. That's primarily taking money out of the equity market and putting it into cash and fixed interest.

Dan:

Initially when the real COVID swipe came and equity markets were smashed 25-30% globally and indeed in Australia, the Vinnies portfolio in that March quarter only suffered a 11% decrease because we were quite heavily exposed to defensive and not the more growth stocks. Having said that, I'm always a glass full sort of character. We're now seeing equity markets, which are probably 20% or 15% lower, than what they were pre COVID.

Dan

Now, if one of the department stores had a 20% sale, my wife and my daughter would be bashing down the doors to get a bargain. So, one would suspect that the equity market is probably in a bargain situation at the moment and yet no one's buying.

Ainslie:

Yeah. Absolutely. Going forward, do you think that we will ever return to some sort of state of normal?

Dan:

That's a very difficult thing to say. I think economically we will. It'll take some time. Let's not kid ourselves. You don't just recover from a major economic catastrophe, like we have, overnight. I hear that the forecasts are, that the British market this year, will be 20% down. That's their worst economic result for 300 years.

Ainslie:

Wow.

Dan:

Now, you can't just open up and pretend that things are going to go back to normal straight away.

Ainslie:

No, it's very much an unknown space, isn't it?

Deb:

And the U.S. markets.

Dan:

Yeah. I think some of the lessons that we're probably likely to learn from COVID, is that maybe we should be valuing our health workers much more. Maybe footballers, at the risk of getting myself into trouble, but maybe footballers aren't worth \$2,000,000 a year. We've seen the financial issues of both NRL, the ARU and the AFL, we thought they were grand financial institutions, but faced with a fairly catastrophic event, they're in fact, not as financially stable as what we thought.

Ainslie:

Yeah. I think there needs to be a strengthen on governance in sport in general, in that space. I don't think a lot of businesses plan for a pandemic, even though business continuity and resilience planning really require crisis management and pandemic pre-planning. I just don't think they think that far ahead.

Dan:

I think you could probably draw that same conclusion for personally as well, Ainslie. People generally, if they're in a good time, they don't save and Australians particularly, are not a nation of savers.

Ainslie:

No.

Dan:

You could say, in fact I'm reminded, I actually had a dinner with a clinical psychologist some 15 years ago, or 10 years ago. He said at the time that we desperately needed a recession. I said, "Why? Why would we possibly want recession when we didn't have to have one?" He said, "Because people have had it too good. They've never heard the word, no, in the workplace, financially. What they've got, They've just gone out and got. What they needed, they've just gone out and got it."

Ainslie:

Then not too many years after that, there was the GFC

Dan:

A GFC, that's right. In Australia, we've had probably 28 years of unparalleled economic growth. So, people joining the workforce in the last 20 years have never had to save. I think that's probably a good lesson for going forward. We all need to have some financial resilience.

Deb:

The impact, I think on people being able to take money out of their superannuation as part of this going forward, is going to have some sort of impact as well because there's been quite a bit of money taken out of superannuation.

Dan:

There has been, Deb. I was actually quite surprised when the government announced that because as you know, when you don't retire for many, many years, to take out \$10,000 at an early stage, that has a significant long term impact. Even if you said, "That money doubles supposedly every eight years or thereabouts." If you've got 24 years left, \$10,000 now is actually \$40,000 in that period of time.

Ainslie:

How are you finding the mental health of staff taking them through this journey at the moment, as a Board and a director?

Dan:

Every organization is different, Ainslie. My old accounting firm does two weekly surveys of all of their staff. It's a very simple, yes/no, rate how you're feeling because there is a real concern about the potential mental health of people. I think it'd be fair to say that one in seven people already had mental health conditions before COVID. I think mental health is something that we're just coming to terms with, in terms of what an impact that does have on not only a personal life, but also those around them.

Deb:

What are some of the school Boards that you sat on? How are parents coping with coming up with school fees and what sort of measures are the schools putting in place to deal with that?

Dan:

Good question, Deb. Every school is slightly different. There are some schools that just gave a blanket discount of maybe 10% for the next term school fees. The private school sector I'm talking about but then if you're a multimillionaire, then you're getting a discount and it's not really going to those who really need it. The school Boards that I sit on, the two that I did. There's been an additional allocation into bursaries for the next term, to assist those people who really need some financial support.

Dan:

The initial reaction from both school Boards were, we're going to have a lot of people here who have lost their job. In fact, Vinnies have actually received a lot of phone calls from people who may have been on anything from, let's say \$80,000-\$100,000 who have never called on Vinnies for support in the past. In the last three months, they've rung Vinnies to say, "I don't know what to do. I've got three kids in private school. I've got a mortgage with a home and with a car, how am I going to survive on \$1,500 a fortnight?"

Ainslie:

Are you leveraging off some of that insight, Dan, and how you're balancing that with the school Boards and saying, "Well, we could be pre-empting some of these financial difficulties for families in that space."

Dan:

I think that's the benefit of sitting on a multitude of Boards, Ainslie. That you can pick up insights from say the Vinnies and not for profits and put those into the school community and both Boards were already on the front foot in relation to that.

Ainslie:

Yeah and even, I guess the children's mental health too, how they might be impacted within their own households as well. If suddenly mom and dad or one family member's lost their job and the financial pressures, maybe the potential of having to change schools and how that might make those children feel at the time.

Dan:

We know that when families get moved from one location to another, and I'm not specifically referring here to domestic violence situations, but you can in fact draw that parallel. When you take a family out of an existing situation and put them in a brand new place, the kids are probably the least looked at, and yet they're the most vulnerable. They go to a brand new school. They don't know anyone there. They don't have the appropriate school uniforms and they're behind the eight ball right from day one. So Vinnies, in fact has a fairly significant education fund. We will provide uniforms, clothes, books and whatever kids need to better assimilate in those situations from day one.

Ainslie:

Yeah. That's really great to hear. With being part of a national organization, Dan, how are you finding the disconnect between Federal and State Government? Are you getting mixed messages in terms of border opening closures, etc and how does that really impact on a national organization?

Dan:

I'm not a political figure, Ainslie. So I'm not going to go where the border controls are. I think I'd have to say, the Federal Government have probably reacted extremely well to this pandemic. Look, not one size fits all. They've had to do things very, very quickly on the fly. Is \$1,500 a fortnight adequate for someone who's on \$120,000 and loses their job overnight? Yet to draw a parallel with that, in a family in financial trouble, I've also got a story of a 19 year old who was probably on \$400 a week, who now gets double that. Lives at home with her parents and says, "Oh, what the hell am I going to do with \$3,000?" So she's gone and bought a handbag for \$3,000.

Ainslie:

Can I have her life?

Dan:

So you see the very different ways of dealing with the crisis.

Ainslie:

Yeah, absolutely. I think too, it is like you say, very individualized circumstance.

Dan:

It is and one size doesn't fit all.

Ainslie:

No, definitely not.

Dan:

But unfortunately, that's the way we have to go in very emergent situations. I think from a Board point of view, we have to make decisions very quickly. We don't necessarily get one week's notice of Board papers. We have to be very flexible in this very difficult time.

Ainslie:

I think too, management teams are really looking to Boards at the moment to draw on their knowledge and experience and trying to help them navigate through really uncharted waters.

Dan:

It's uncharted for everyone. One of the difficulties is that, if everyone's working from home, you don't actually have that face to face interaction. You can't whiteboard problems as easily as you maybe used to.

Deb:

Do you think your Board meetings will go back to face to face, or do you think it will be a combination?

Dan:

I think it's probably going to be a combination, Deb, going forward. Once you get used to the technology, it's easily used. I think there's always going to be that need for a face to face interaction. I think humans generally, like face to face. I'd hate to think that workplaces in the future will all be working from home.

Ainslie:

Yeah. I think too though, it does open up that flexibility that might've been a closed mindset in the past. I think a lot of organizations have deemed work from home as a bit of a thorn in the side, that they didn't really want to explore. They've kind of had to accelerate their flexible work offering and their digital transformation strategies and I think some management teams and Boards are quite pleasantly surprised that businesses are still functioning quite well.

Dan:

I'd say that's a perfect scenario. Just to take one profession, the medical profession, probably argued for many, many years that you couldn't do medical consults over the phone or on video. Then all of a sudden now, we've got digital health and it's quite considered to be a normal way of doing business.

Ainslie:

Yeah. I think it would still have its challenges though of checking your breathing or say, "Ahhh" into the phone.

Dan:

I think there's an inherent danger though, if we rely upon so much working online then, and this is just a personal perception, Australia has a very high cost of labour, relative to our international peers. If we embrace totally working from home and doing work online, then I think a lot of businesses will then look offshore to say, "Well, if it's acceptable to be working online, we can do it at half the cost, or a quarter of the cost, by using staff offshore." That's a real minefield for a lot of businesses.

Deb:

I think also for a lot of businesses, there's the capex, it's all the money that's spent on leases. If you've got more people working from home you can save quite substantial amounts of money.

Dan:

Correct. I'm personally invested in quite a number of real estate investment trusts and I think that's probably one of the biggest outcomes from COVID. That all firms, will then say, "Well, if 20% of my staff are working from home, I need 20% less room, less commercial space."

Ainslie:

Yeah. Even having like a rotation or schedule where ascertain percentage each week work from home and give that flexibility across the whole office.

Dan:

Yeah. Look, I worked many, many, many years ago, 30 years ago in London. I was quite surprised when I first arrived there in 1986, that not everyone had a desk. You only got a desk in a room, depending on your level of profile within the firm. I said, "What's all this about?" They said, "This is all hot desking," because the high cost of real estate in London was just prohibitively expensive and therefore all junior staff either worked at a client or worked from home or didn't work at all, as the case may be. I think that scenario has never really been fully embraced in Australia.

Ainslie:

No. I think too the hot desk scenario in Australia, they still had a desk space for every individual.

Dan:

In a lot of firms, they do have a desk space. When you're working out of the office quite a bit, it's a largely empty desk space and that comes at a financial cost to a business. Well, I think going forward, once we've embraced the working from home concept, then maybe the need for commercial real estate won't be as high as what it used to be.

Deb:

I think accounting firms have been quite good at adopting the hot desking though. Obviously, because with the auditor's being out of the office.

Dan:

In my old accounting firm, everyone had a seat but there are some other firms that don't give seats to everyone.

Deb:

Put your stuff in the locker at night and then run in in the morning and try and get the best seat.

Ainslie:

Unless they're still sleeping under the desk in a sleeping bag. Depends how busy your audit is, isn't it? In terms of digital technology strategy, Dan, are Vinnies looking at something to embrace digital technology strategy going forward? I know one of my daughter's as part of their digital tech assignment last semester, they looked at Vinnies app for bushfire to try and partner up volunteers with businesses and homes and personal people that needed help during that time, to have an app

that put those two parties together. Are you looking at a different digital tech strategy going forward?

Dan:

Digital strategies change all the time. In the last 12 months it's been a very, COVID being aside, we've had all the bush fires nationally, that have had a devastating impact, particularly in regional areas. Then we had the floods. So, each of our reactions have got to change for the course. Therefore, because we're an organization of volunteers, largely, we have to embrace technology, although sometimes for people in particularly, far regional areas, they don't have the internet coverage that we are so used to on the Gold Coast and in Brisbane and that's an issue in itself.

Ainslie:

Are you looking at maybe, some strategic partnerships with large telco carriers? If somebody is a volunteer, maybe giving them some sort of partnership rate with those telcos.

Dan:

Yes. We have those in place already. We always put our hand out and we'll take whatever we can get. In terms of free phones or free communication costs but it is very difficult for those, particularly out West.

Deb:

When the job keeper payments stop at the end of September, obviously there's going to be a lot more unemployment, a lot more people stretched. Does Vinnies strategy looked that far out?

Dan:

We have, Deb. That's where we think we're potentially going to be in for a bit of a world of hurt. Whilst Vinnies nationally have been arguing that the New Start allowance, that I think used to be \$590 a fortnight, should have been increased. For that allowance to have been doubled, was an absolute Godsend for those people who are really struggling. If it goes back to where it was previously, those people are still going to be ringing Vinnies on a regular basis for support.

Dan:

We'd like to see at least an increase in the base New Start. Have those people saved the additional funds in the six month period, will be the big unknown question. I suspect they probably haven't and are coming back to that individual financial resilience they've probably spent the additional funds that they've received. Therefore, I think the demand on our services, come around September when the job keeper and seeker allowances reduce, I think the demand will be quite significant.

Deb:

I guess one of the other challenges is, there's a lot of other competing charities out there competing for the donations. It's challenging, isn't it?

Dan:

Yep. I don't know. I can't speak for any other charities but I think if there was a general comment, I think all charities are going through the same exercise that we are. What's worthwhile going forward? Maybe some shops might close going forward. The quality of donations that we've received in the last few years have actually probably dropped. We're not getting the furniture that we used to. Typically, when you're clearing out Mum and Dad's house as they moved into say retirement, those people might ring up Vinnies and say, "Come and pick up the furniture." As soon as we had people

being taken off the street and put into a unit, that furniture was then recycled into someone who really needed it. We're not getting that quality furniture anymore.

Ainslie:

I think a lot of people do try and re sell and recycle themselves these days. A lot of people use Gumtree and Facebook marketplace and things like that, that are probably, as you say, taking those donations away from organizations like yourself that could potentially repurpose them.

Dan:

Yep. We've got to look at other ways of how we might provide furniture for those people in need.

Ainslie:

Maybe another app, Dan?

Dan:

I don't want to give away all the strategies, but we've contemplated actually buying it in from manufacturers offshore, assembling it here in Australia and providing it to the homeless that way.

Ainslie:

I think as we wrap up our latest episode of YS Up Dan, thank you so much for joining us today and for your fantastic insights and giving us a bit of insight on COVID, and the response that you guys have taken and how that may help some other organizations.

Deb:

Hopefully you get to Cuba in 2021.

Dan:

Well, I certainly hope so, Deb. I'd like to think that we will have the borders open sooner rather than later. But anyway, I'm not in charge of those decisions, but the sooner we can get back to our typical normal, I think the better it will be for all of us. Anyway, thanks for having me and just a reminder for those people who would like to support Vinnies CEO Sleepout, please go online and help us out because I think we will really be in some need, come around September time.

Ainslie:

Absolutely and we'll post a link on that to our show notes page and on our LinkedIn posts. Thanks again, Dan, for joining us today for another episode of YS Up. Thank you to our listeners and tune in for our next episode.

Deb:

Thanks Dan.

Dan:

Cheers.

Outro:

That's all for today until next time, happy podcasting. And remember if you're enjoying the show, check out our other episodes and all things governance at www.3ysowls.com.au.