



# KEY PARTNERSHIPS

# Close Up Shop



Get legal advice on your responsibilities

Order of priorities

- Secured Creditors - eg mortgage over land
- Unsecured Creditors
  - Staff entitlements
    - Wages and Super
    - Leave entitlements - annual, LSL
    - Redundancy – no redundancy for staff numbers under 15 employees
  - Tax liabilities ie GST
  - Other Unsecured Creditors

# What happens to excess funds?



- Not for profit rules re distribution of funds
- Refer to constitution
- Give to 'Like' organisation

# Windup Considerations



- Sale of assets - timing and fit for purpose
- Investment timings
- Redundancy considerations
- Due diligence on receiving organisation

# Consortium Arrangements



## Consortium/Joint Venture

- Project focus
- MOU commitment
- Working together trial

## Examples

- Illawarra Disability Alliance
- eWaste Disability Alliance

# Consortium with Legal Commitments



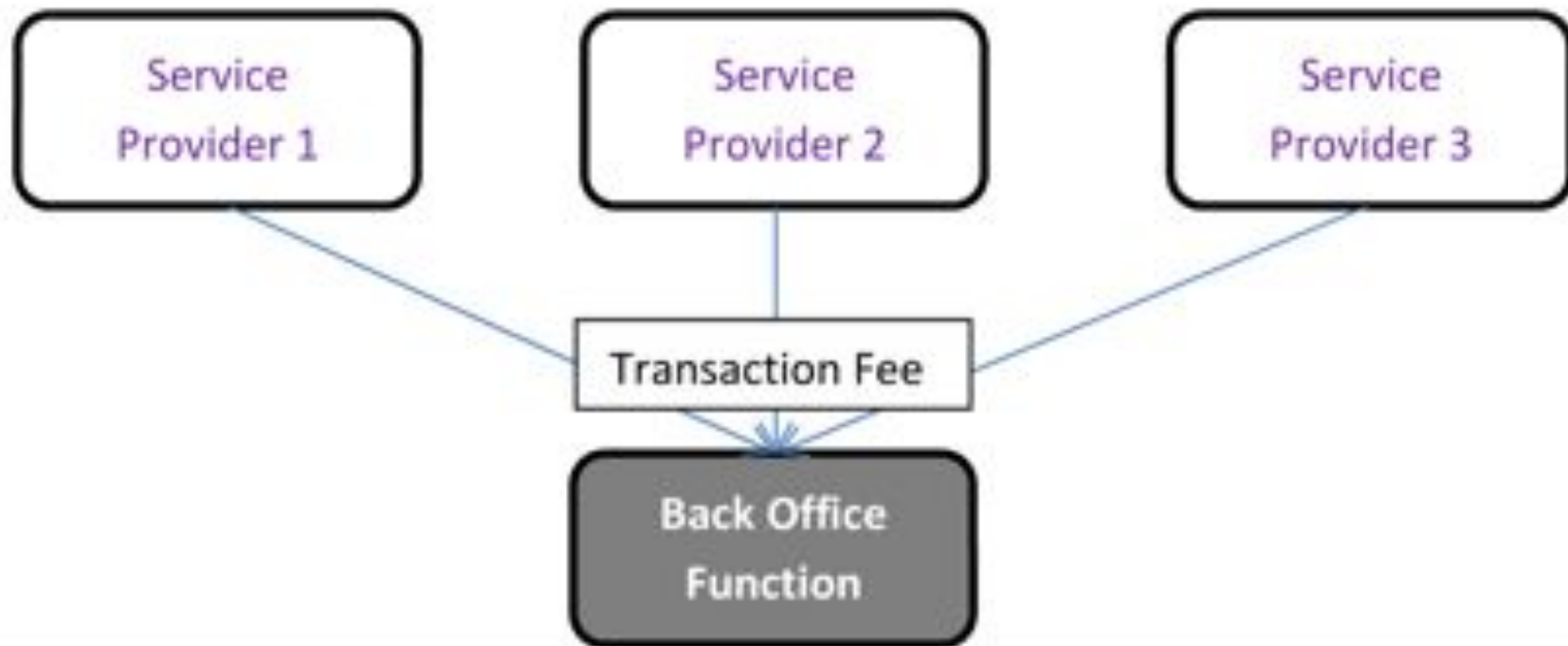
Trial working arrangement moving to legal commitments

- Binding legal agreement
- Subject to terms being met

## Example

- Flagstaff/SAI merger
  - 10 year management arrangement
  - 2 Director Representatives
  - Moved to common directors
  - Moved to full merger

# Consortium - Back Office Functions



- Reception
- Roster Clerk
- Payroll

- Financial Transactions
- Document Management
- KPI Reporting

# Mergers

Service  
Provider 1



Service  
Provider 2

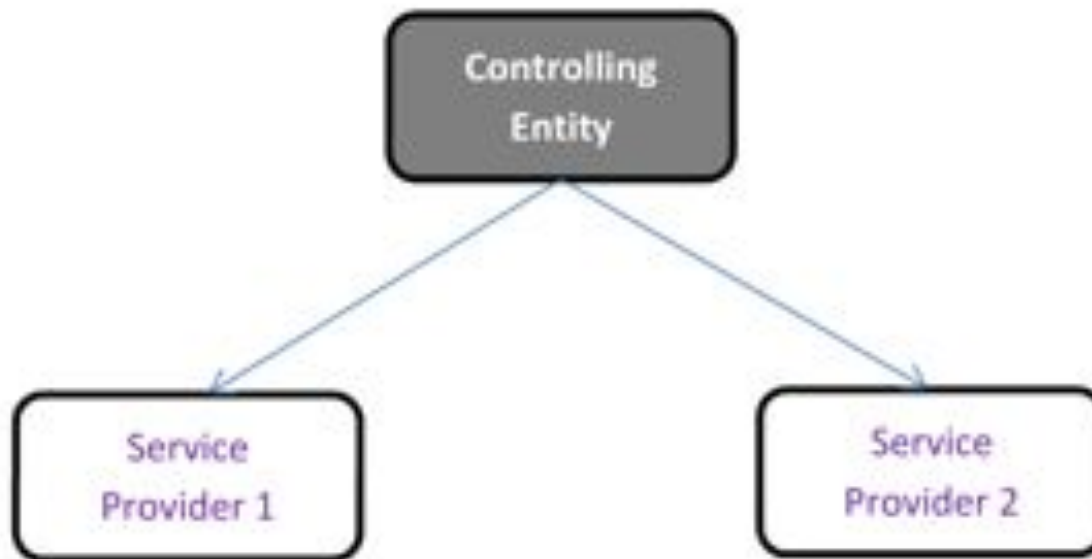
Undertaking all management  
functions

Continues trading as SP2 but  
members are only SP1 members

- Maintain branding and local support



# Merger - New Controlling Entity



Members of SP1 and SP2 become members of CE – Board comprises 2 members each from SP 1 and SP2 + 2 independent

Committees of SP1 & SP2 maintained but only members are from controlling entity

- Committees maintain a sense of purpose
- Maintain local identity
- Potential power struggle

# Takeover



- All assets and resources transferred to controlling entity
- SP2 wound up
- CEO conundrum

# What to Look out For



**"Now that you've taken over the ship,  
let's discuss a transitional plan."**

- Common culture
- Cost Benefit analysis
- Synergies
- Due Diligence