

*Annual Report* 2012/2013



Aged Care  
Standards and Accreditation Agency Ltd

Annual Report 2012 – 2013  
Aged Care Standards and Accreditation Agency Ltd

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# Letter of transmittal



Aged Care  
Standards and Accreditation Agency Ltd

Dear Minister

I am pleased to present you with the annual report of Aged Care Standards and Accreditation Agency Ltd (ACSAA Ltd) for the year ended 30 June 2013.

ACSAA Ltd was established under the *Corporations Act 2001* and is also subject to the *Commonwealth Authorities and Companies Act 1997*.

The Annual Report 2012-13 was endorsed on 9 September 2013 at a meeting of the Board of Directors of ACSAA Ltd and satisfies the requirements of section 9 of the *Commonwealth Authorities and Companies Act 1997* and relevant Finance Minister's orders, as follows:

- Commonwealth Authorities (Annual Reporting) Orders 2011
- Commonwealth Authorities and Companies Orders (Financial Statements for reporting periods ended on or after 1 July 2010)

The Annual Report 2012-13 also provides information required by other applicable legislation.

I am satisfied that ACSAA Ltd has prepared fraud risk assessments and fraud control plans and has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures that meet the specific needs of the Company.

Yours sincerely

Dr Andrew Reishauge  
Chairman

Dated 9 September 2013



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# Message from the Chair

I am pleased to present the annual report and accounts of the activities of Aged Care Standards and Accreditation Agency Ltd for 2012/13.

It has been a year of significant achievements – the successful completion of ‘round five’ of accreditation, independent reviews of our own activities by SAI Global, and by the International Society for Quality in health care (ISQua); and of course the Federal Government’s decision to vest accreditation of residential aged care and quality review of home care with the one entity – a position we had long argued for.

The passage of legislation to create a new entity, the Australian Aged Care Quality Agency as part of the Australian Public Service, with effect from 1 January 2014 means the Company’s role will come to an end at that time, and so consequently the Company will be wound up.

Australia’s residential aged care industry has developed significantly over the past 15 years and with it the Accreditation Agency.

The Accreditation Agency was created as an independent public company in 1997, during a period of great transformation in the Australian aged care sector. At the time, there was widespread concern from both the public and providers about greatly varying standards and poor oversight in residential homes.

Regrettably, there are still instances of poor care, but they should be seen in the context of a generally high-performing industry, run by knowledgeable managers, health professionals and aged care specialists, and dedicated and committed front-line staff.

On the simple benchmark of how many homes met all the Accreditation Standards at audit, the industry’s performance has improved from around 67 per cent of homes when the Company started, to now 95 per cent of homes met the Standards as at their last full audit.

Over the period, the Company's assessment and education initiatives established the Accreditation Agency as a driver of continuous quality improvement within the sector, with tangible benefits for aged care residents around the country.

It is a legacy which I am proud to bequeath to our successor organisation.

In closing, I would like to acknowledge the contribution of Professor Joseph Ibrahim, who retired as a director during the year after 10 years on the Board, and welcome new director Dr Helen McGowan.

Finally, and on behalf of the Board, and indeed the staff, I would like to publicly record our thanks to our Chief Executive Officer Mr Mark Brandon who has successfully built and guided the organisation over more than 10 years. During the year Mark was also recognised by the Board of ISQua and appointed an 'ISQua Expert'.

Mark has announced he would not be transferring to the Quality Agency. His experience and expert knowledge will be sorely missed.



**Dr Andrew Refshauge, Chair**



# Message from the Chief Executive Officer

The 2012/13 year was a year of steady progress to ensure we met our operational targets, undergoing our own three-yearly quality systems audits, first by SAI Global which reviewed our Quality Management System, and then later by the International Society for Quality in health care under their international accreditation program for accrediting bodies.

I am pleased to report that both the SAI Global and the ISQua audit teams reported positively on what they found. Our quality management system has been re-certified to the ISO 9001 standard, and we have been advised we will be reaccredited by ISQua.

During the year, we conducted 5,689 visits to aged care homes. Most of these were assessment contacts, reflecting the accreditation activity cycle, and 3,060 were unannounced. All homes received at least one unannounced visit.

During the year we had again to manage sometimes ill informed commentary about the accreditation program and our approach. In relation to two of the more frequent comments I am able to report that during the year we interviewed more than 54,000 residents or their representatives and over 81,000 staff.

We also continued to inquire into the assertion that accreditation causes homes to create considerable paperwork for the purposes of accreditation. The evidence does not support the assertion. On inquiry some of the paperwork to which people refer is documents such as care plans and records that underpin good quality care.

I can also report that much of the examples of poor quality care that appear in the media are in the public domain because we identified it through the accreditation process rather than through the exclusive efforts of others.

During the year, we imposed timetables for improvement on 173 homes where we required improvements in care; and we conducted 51 review audits where we had significant concerns about the quality of care.

We are often asked to identify areas of frequent failure (although “frequent” is a misnomer in the context of a generally high-performing industry). While the attention of commentators and stakeholders is often on outcomes such as clinical care, medication management and behavioural management, it is information systems where homes most frequently fail.

While the numbers are small (66 instances in 2012/13), failure in information systems has been the most commonly identified failure for at least four years running; and more often than not, it is one of the key causal factors behind broader failure in resident care.

While there is always understandably close interest in our program of visits where we assess aged care homes against the Accreditation Standards, I am pleased to report that we continued to develop our industry education program to support aged care managers to provide high quality care to residents.

Our Better Practice conferences are attended by aged care managers intent on making a difference, we offer a three-day course in Understanding Accreditation, and one-day workshops on making the most of complaints, foundations for managing risk, and an updated workshop on information systems – the key to delivering quality care.

Our QUEST sessions, delivered free to homes, were attended by 8,050 front-line staff and are used by many homes as an essential element of orientation for new and existing staff.

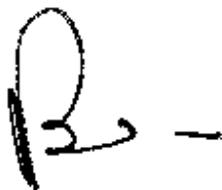
Our assessor workforce remains stable and with an appropriate blend of skills and experience, supported by a program of continuing professional development through the Assessor Development Program.

Finally, this will be the last annual report of the Company before the work we undertake reverts to the public service.

I would like to acknowledge the work of the diverse range of stakeholders and their staff in the aged care sector. Their commitment to residents in a complex environment is outstanding.

Over my ten years we have had stability in the management team and 21 directors have left the Board. During that time I have had the benefit of guidance and support from two extraordinary Chairs in Jim Harrowell and Andrew Refshaug.

I would like to place on the record my sincere appreciation for the support of our Board of Directors and the supreme efforts of our staff in contributing to the achievements of our Company objectives and improving the quality of care and services in Australia's aged care homes, not just over the past year, but over the past decade-and-a-half that I have been CEO.



**Mark Brandon**, Chief Executive Officer



# Better Practice Awards

An important part of our role is the promotion of improvement in quality of care through encouraging innovation and best practice.

Our Better Practice Awards recognise high performance, quality improvement and better practice in aged care. They encourage improvement and innovation and recognise the industry's high achievers in five award categories:

- Environmental management/living environment
- Health and personal care
- Innovation
- Resident lifestyle
- Staff development and retention.

Applications for a Better Practice Award must include the background, research, methodology and outcomes as well as an outline the program's sustainability, transferability and any partnerships with other organisations.



## 2013 awards

This year we made 38 awards from over 153 applications received. These award winning programs included a 'Lovers Lane' for couples who live apart, an original musical based on residents' lives, a 'house band' with their own bibliography of CDs, graduate nurse programs to allow new nurses to experience aged care and the acute sector, and palliative care and bereavement programs to support residents and their families.

## Honouring award winners

Directors and senior executive attend award presentation ceremonies at Better Practice Award winning homes. The aim of this commitment is to honour the achievements with staff and residents. Residents take part in these ceremonies and seeing the camaraderie within the home and the joy on the faces of residents and staff show how significant each award is to these homes.

The full list of Better Practice Award winners and profiles are available on our website, [www.accreditation.org.au](http://www.accreditation.org.au).

## Amana Living, Wii World Cup

Amana Living won an award in the Resident lifestyle category for their Wii World Cup.

The Wii World Cup brings together modern gaming technology with aged care residents across Australia in the first national competition of its kind.

The games are based on a modified Nintendo ten-pin bowling game – and features a training method for carers.

The game is designed to engage residents in low and high care and clients attending day clubs.

The Wii World Cup is an annual eight-week, structured ten-pin bowling competition – with 39 centres participating in 2012, in Western Australia, New South Wales and Queensland.

Simple, sustainable, social fun was the goal, and improved health and social outcomes are the result.



# Key numbers

## Financial outcomes

- (a) Surplus exceeded budget by \$238,000.
- (b) Revenue was less than budget by \$784,000 (2.1 per cent).
- (c) Expenditure under budget by \$1,022,000 (2.8 per cent).
- (d) Equity has improved from \$14.56 million at 30 June 2012 to \$14.85 million at 30 June 2013.

## ComCover insurance

- (a) Score 80/100 compared to the cohort (143 agencies) average of 68/100. This led to an 8.28 per cent premium discount compared to 7.9 per cent discount in 2011/12.

## Accreditation

- (a) Expenditure – \$526,000 under plan.
- (b) Visits – 5,689 visits to homes.
- (c) Site audits – 931.
- (d) Review audits – 51.
- (e) Assessment contacts – 4,707.
- (f) Interviews – 54,138 residents or their representatives  
81,050 staff or volunteers.
- (g) Timetables for Improvement imposed – 173 homes.

## Education

- (a) Better Practice conferences – 1,362 delegates.
- (b) QUEST – 570 sessions, 8,051 people attended.
- (c) Other education workshops and courses – 1,786 people.
- (d) Developed and delivered modified “Understanding Accreditation” program to DoHA staff.
- (e) Finalised Memorandum of understanding with provider industry associations to conduct three day “Understanding Accreditation” course.
- (f) Introduced the accredited facilitators program for the *Governance and accreditation toolbox*.
- (g) Rolled out *Results and Processes* app for mobile devices.

## People

- (a) Staff turnover – 8.0 per cent for the period 2012/13 compared to 16 per cent for 2011/12.
- (b) Implemented (paperless) system to manage the staff Performance Management program and Personal Development program.
- (c) *Update!* was launched as the staff communication vehicle for the transition to the Quality Agency.
- (d) Company-wide ergonomic assessment program as part of the broader “staff wellness” program implemented.
- (e) Assessment 2013 conference held in May 2013.
- (f) All position descriptions were revised in consultation with staff.

## Quality systems/assessment

- (a) Re-certified to the requirements of AS/NZS ISO 9001: 2008 Quality Management Standard.
- (b) Re-accredited to ISQua International Accreditation Program standards for an accrediting body.
- (c) Records management – National Archives Check-up 2.0 – Scored 80.5/100 compared to cohort average of 63/100. Improved on previous year score of 77.6/100.
- (d) No material negative findings by Internal Audit or ANAO external audit.
- (e) Complaints – 56 received and 58 closed.
- (f) Feedback (accreditation) – Response rate >50 per cent. 98 per cent of responses expressed overall satisfaction with the conduct of visits.
- (g) Testing of round five accreditation decision for consistency with decision making policy was completed – no significant findings.
- (h) Sixty nine per cent of external and internal assessors were ‘observed’ on site visits.

# The Company

## **Vision**

To make a significant contribution to quality consumer focused aged care through accreditation and education.

## **Mission**

To ensure the delivery of high quality aged care by:

- promoting innovation and best practice
- accrediting services that meet the Accreditation Standards
- working with services to continually improve their performance
- providing information about industry performance
- providing education directed at improving practice.

## **Our values**

**Quality and innovation**

We aspire to be as good as we can be and to improve the way we do things.

**Positive working relationships**

We work together to achieve better results.

**Acceptance of responsibility**

We accept responsibility for our actions.

**Ethical conduct**

We carry out our functions with integrity, fairness and a balanced consideration of evidence.

**Environment**

We actively work towards the efficient use of resources and minimising our impact on the environment.



## Overview of the Company

The Company is a public company limited by guarantee. The sole member of the Company is the Commonwealth represented by the Minister for Mental Health and Ageing. The Company was established under the *Corporations Act 2001* and is also subject to the *Commonwealth Authorities and Companies Act 1997*. The Secretary of the Department of Health and Ageing has appointed the Company as the accreditation body under the *Aged Care Act 1997* until 31 December 2013.

## Legislative changes

On 28 June 2013 the *Australian Aged Care Quality Agency Act 2013* and the *Australian Aged Care Quality Agency (Transitional Provisions) Act 2013* passed through Parliament. They commence on 1 January 2014. This means the Australian Aged Care Quality Agency (Quality Agency) will replace the Company as the accreditation body. The Quality Agency will be an Australian Public Service agency that will engage staff under the *Public Service Act 1999* and be subject to the *Financial Management and Accountability Act 1997*. Soon after 1 January 2014 the Company will apply for deregistration.

On 1 January 2014, the total accumulated assets and liabilities of ACSAA Limited will be appropriated by the Commonwealth, without any conveyance, transfer or assignment.

## Responsible Minister

For the reporting period, the Minister for Mental Health and Ageing was the sole member for the Company.

## Role and functions

The overarching role of the Company is to promote quality improvements and protect the safety, health and wellbeing of residents through accreditation and education programs.

The role and functions of the accreditation body are set out in the Accreditation Grant Principles 2011. These are:

- manage the residential aged care accreditation process using the Accreditation Standards
- promote high quality care and assist industry to improve service quality by identifying best practice, and providing information, education and training

- assess and strategically manage services working towards accreditation
- liaise with the Department of Health and Ageing about services that do not comply with the Accreditation Standards.

The *Aged Care Act 1997*, the *Accountability Principles 1998* and the *Accreditation Grant Principles 2011* provide the framework for our role as the accreditation body.

Our appointment is subject to a written agreement with the Department of Health and Ageing made under s.80-1 of the *Aged Care Act 1997*.

## Structure and governance

Our organisation structure reflects our national role as the independent accreditation body, with divisional offices responsible for policy and procedures and corporate support functions, and regional offices responsible for program and product delivery.

Executive management and divisional offices are located in Parramatta. Regional offices are in Parramatta (covering most of NSW and the ACT), Melbourne (covering Victoria, Tasmania and some NSW border homes), Brisbane (covering Queensland and northern rivers district of New South Wales), Perth (covering Western Australia) and Adelaide (covering South Australia, Northern Territory and the Broken Hill district).

Each regional office has a senior executive responsible for its activities. Contact details for each office are in the Appendix.

The Board of Directors has overall responsibility for the Company's strategic direction and performance. The Board's role is corporate governance under the Corporations Laws. Details of the Board for the period of 2012/13 are included in the Directors' Report.

The Chief Executive Officer (CEO) is responsible for the management of the Company and for ensuring the delivery of the core business. The CEO reports to the Board. The CEO is the authority for accreditation related decisions. That authority has been delegated to a small number of line managers.

The CEO and the divisional General Managers form the Executive Management Team (EMT).

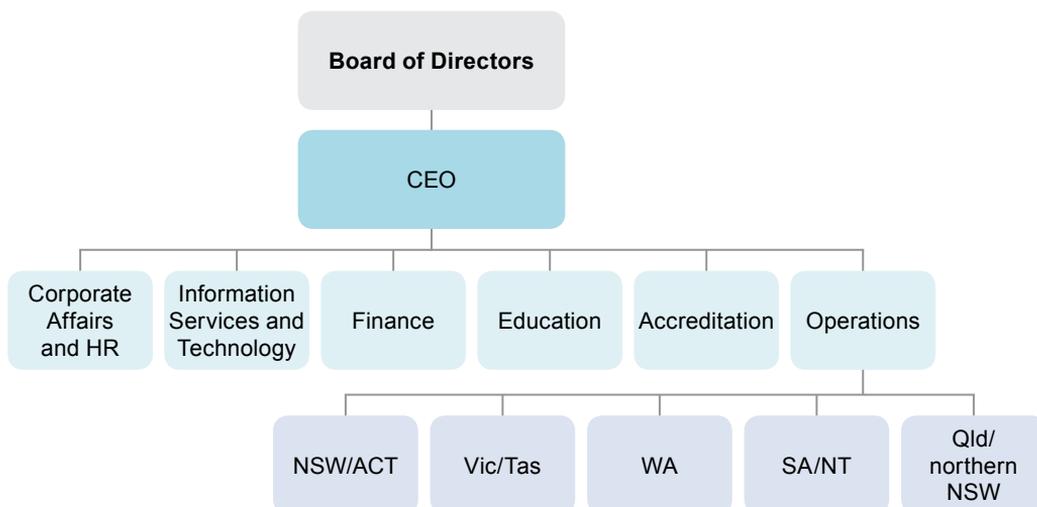
The National Leadership Team (NLT) meets regularly and comprises the CEO, the General Managers and the State Managers. The NLT meeting is the major forum for interaction, exchange of information, quality improvement and forward planning as well as providing input into significant issues.

## Remuneration committee

The Remuneration committee is appointed by the Board of Directors. The objective of this committee is to review CEO remuneration and performance.

## Company structure chart

As at 30 June 2013



### Corporate Affairs and Human Resources

- Human resources
- Media
- Marketing
- Government liaison
- Stakeholder relations

### Information Services and Technology

- Computer hardware and software management
- Information management
- Risk management

### Finance

- Accounts
- Accounts payable
- Property management
- Statutory reporting

### Education

- QUEST
- Better Practice
- Assessor courses
- One-day workshops
- Flexible learning packages

### Accreditation

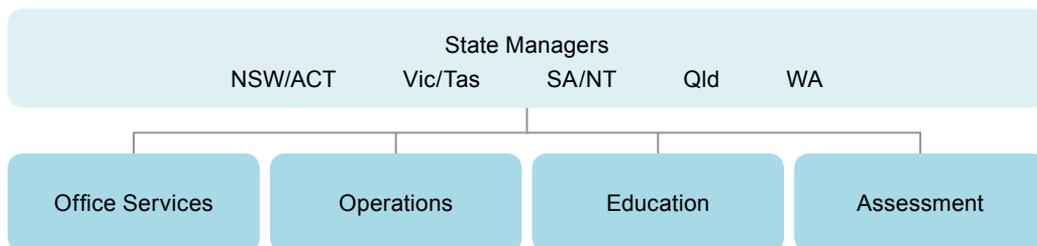
- Policy development
- Research
- Internal quality assurance
- Reviews and reconsiderations

### Operations

- Case management
- Accreditation activity
- Education delivery

## Company organisational chart regional offices

As at 30 June 2013



### Corporate Support Services Manager

- Office support services
- Statutory requirements
- System administration
- Asset management

### Operations Manager

- Activity scheduling
- Appointing assessment teams
- Processing applications for accreditation

### Education Coordinator

- Delivery of industry education

### Assessment Manager

- Management of the assessor workforce
- Accreditation decisions
- Case management



# Accreditation and operations

## **Accreditation overview**

Australian Government subsidised residential aged care homes must be accredited in order to receive residential care subsidies.

The high level accreditation processes for residential aged care homes are set out in the Accreditation Grant Principles 2011.

- Our expenditure in 2012/13 was \$526,000 under plan.
- We conducted 5,689 visits to homes.
- We interviewed over 54,000 residents or their representatives and over 81,000 staff or volunteers.



## Assessing homes' performance against the Accreditation Standards

We assess the performance of residential aged care homes against the Accreditation Standards. The Accreditation Standards include 44 Expected outcomes. Assessing performance against the Accreditation Standards includes visits to homes and consideration of information, such as changes at homes that may affect the provision of care and services, and referrals by the Department of Health and Ageing (DoHA). A case management approach is used to determine the type, scope and frequency of visits to homes.

Our approach ensures that we consider the individual circumstances of each home to determine the appropriate review and assessment actions. This approach is also used to consider the performance of homes, as a group, where an approved provider manages a number of homes.

Visits to homes may be re-accreditation audits, assessment contacts or review audits. Assessment contacts or review audits may be announced or unannounced. Information about these different types of visits is provided below.

The Australian Government requires that every home receives at least one unannounced visit each year. We have a program that ensures this requirement is met and that each of these unannounced visits is targeted based on what we know about the circumstances of the home and the organisation that operates it.

Residents and their representatives are interviewed by assessment teams during visits to homes. Resident and representative feedback is an integral part of assessing a home's performance against the Accreditation Standards, indicating how homes meet the care needs of residents. While we consider information about complaints received from DoHA we do not investigate complaints.

When a home fails to meet the one or more of the Accreditation Standards the approved provider demonstrates that the home meets the Accreditation Standards within a time for improvement (TFI). In 2012/13, 173 TFIs were imposed.

## Case management

Our tailored approach to managing the assessment and monitoring of homes is referred to as 'case management'. The purpose of case management is to protect the health, safety and wellbeing of residents by initiating timely action to address risks of poor care and services and to support improvements.

Case management decisions may take into account a range of information, including information from the public or the media; or awareness of administrative changes or governance issues that have the potential to affect a home's performance.

We adopt a case management approach in deciding upon actions and our visit program in relation to each aged care home and approved provider. There is a Case Management Committee in each state office through which appropriate actions are planned. A national Case Management Committee meets weekly to review case progress and actions.

Our case management approach means that new information we receive about a home or approved provider is considered along with other information that we have to determine if any action is warranted and what this action should be. In this way, our visit program to homes is based on an assessment of all information that we have about each home.

## Assessment contacts

An assessment contact is a visit by aged care quality assessors to an aged care home for the purpose of assessing performance against the Accreditation Standards. In 2012/13 we conducted 4,707 assessment contacts.

Assessment contacts are usually conducted over a full day by a team of assessors. The time on-site and number of assessors is determined on a case-by-case basis taking into account the size and configuration of the home and information we have about the circumstances of the home.

Assessment contacts may involve an overview of the home's performance against all the Accreditation Standards, may be focused on certain aspects of care or services, or cover one or more of the 'assessment modules'. In particular, any matters previously identified as requiring improvement will be reviewed.

Following an assessment contact, a report is given to the home setting out the findings of the assessment team. The home has the opportunity to provide a response before a decision is made. A decision as to the home's performance is made separately by a decision-maker appointed by the Chief Executive Officer under section 2.6 of the Accreditation Grant Principles 2011. The decision may also include information about areas in which the home needs to improve and whether the home's assessment contact arrangements need to be varied or whether a review audit is necessary.

## Assessment modules

Assessment modules have been created to assist assessors and homes assess how well a home is performing. They have been developed as a series of themes and as a whole, cover all aspects of the Accreditation Standards.

Each module identifies what systems are to be considered, the process the assessors should follow and broader considerations to be thought about. Importantly, each module is focused on outcomes for residents.

If weaknesses in the home's systems are identified, assessors will follow up to determine if there are any areas where an expected outcome may not be met or we may decide to conduct a comprehensive review audit.

## Review audits

A review audit is an assessment of the quality of care provided by a home against all 44 expected outcomes of the Accreditation Standards. Review audits occur when there are concerns about a home's performance against the Accreditation Standards.

Review audits are carried out on-site by an assessment team made up of at least two quality assessors and generally take two to four days. The assessment team reviews documents, interviews staff, residents, relatives and other relevant people and observes the environment and practices of the home.

## New homes

Applications can be made for the accreditation of new homes (called 'commencing services' in the Principles) before residents move into the home. Accreditations for new homes must identify how the Accreditation Standards will be met once residents move into the home and also require a commitment to undertake continuous improvement. Under the Accreditation Grant Principles 2011, new homes can be accredited for a maximum of 12 months. They are then required to make an application for a further period of accreditation.

## Re-accreditation audits

A re-accreditation audit is undertaken after a provider of residential aged care has applied for a further period of accreditation. The provider must submit an application for accreditation and notify residents, or their representatives, of the date of the audit so that they have the opportunity to meet with the assessment team to provide their views as to the quality of care and services provided.

A re-accreditation audit is an assessment of the quality of care provided by a home against all 44 expected outcomes of the Accreditation Standards. The assessment team interviews staff, residents, relatives and other relevant people, observes the environment and practices of the home and reviews documentation.

The assessment team is required to gather and corroborate information including the views of residents. The views of residents and their representatives is a very important aspect of the process of assessment.

Self-assessment information must be provided to the team at the time of the re-accreditation audit or the home may choose to send this information with their application for accreditation.

## Consumer engagement

As part of obtaining an understanding of the life residents experience in each residential aged care home we interview residents at all accreditation audits and assessment contacts.

Feedback from residents and their representatives is an important aspect of assessing care for residents. We are required by law, to interview at least 10 per cent of residents and in 2012/13 we interviewed an average of 20 per cent or 54,138 residents or their representatives during re-accreditations or review audits.

To assist residents, their families and other representatives know when announced visits will occur we provide written advice to each home so they can disseminate it before the visit and a poster which is displayed for every visit. These are available in 21 community languages. All assessors have received training in interview techniques, including how to interview residents with dementia. Where there are culturally and linguistically diverse residents we consider whether utilising an interpreter is beneficial and if so hire one for at least part of the visit. Assessors have also received training on communicating with indigenous residents.

## Decisions

The Accreditation Grant Principles 2011 provide that decisions of the accreditation body are made by an authorised decision-maker, taking into account the assessment team's report, responses to the assessment team's report and other information known about the home. Accreditation decision-makers are senior staff appointed by the Chief Executive Officer and trained to make decisions. Assessment teams do not make accreditation decisions.

The decision-maker not only determines whether a home is accredited and which expected outcomes have been met, but also applies all of our information about a home to determine the timing and focus of future assessment activity.

## Reconsideration and review

The Accreditation Grant Principles 2011 provide the opportunity for approved providers to seek reconsideration and review of some decisions:

- Refuse to accredit a new home, or to re-accredit an accredited home;
- Revoke the accreditation of an accredited home; or
- Vary the accreditation period for an accredited home.

We may reconsider a decision on our own motion if we decide it is appropriate to do so. Reconsideration decisions are usually made by a senior executive.

A reconsideration decision confirms the original decision or sets the decision aside and substitutes a new decision.

If the provider remains dissatisfied with the decision made upon reconsideration, they may apply to the Administrative Appeals Tribunal (AAT) for review of the decision.

In the 2012/13 year, there were 21 decisions for reconsideration. There were 1,218 reviewable decisions made in the same period.

In the 2012/13 financial period one application for review of a decision was made to the AAT.

## Relationship with the Department of Health and Ageing

We contribute to the achievement of Outcome four, a portfolio outcome set by the Australian Government for the Department of Health and Ageing (the Department).

Outcome four is described as: “Access to quality and affordable aged care and carer support services for older people, including through subsidies and grants, industry assistance, training and regulation of the aged care sector.”

We report twice a year to the Department on the key performance indicators set out in the Deed of Funding. These key performance indicators are reported in part seven of this report.

The Accreditation Agency and the Department have a protocol regarding actions each organisation takes where failure to meet the Accreditation Standards is identified or suspected. The protocol supports coordination of actions to deal with failures, with the Department and the Accreditation Agency making independent decisions about appropriate action.

We are required to inform the Department of any failure to meet the Accreditation Standards identified from an assessment. We will then put in place a timetable for improvement and monitor the home’s progress in meeting the Accreditation Standards.

### Accreditation status of residential aged care homes as at 30 June 2013

Number of homes accredited for:	NSW	VIC	QLD	SA	WA	TAS	ACT	NT	Australia
Less than one year	2	2	3	0	0	0	0	3	10
One year - Commencing homes	9	7	8	1	2	0	0	0	27
One year - Existing homes	5	2	4	3	2	0	2	2	20
More than one year but less than two years	1	2	6	1	0	0	0	0	10
Two years	16	9	20	10	8	0	2	2	67
More than two years but less than three years	1	3	2	0	1	0	0	1	8
Three years	851	733	410	227	253	78	22	7	2,581
<b>Total accredited homes</b>	<b>885</b>	<b>758</b>	<b>453</b>	<b>242</b>	<b>266</b>	<b>78</b>	<b>26</b>	<b>15</b>	<b>2,723</b>

# Part three

## Education

The Accreditation Agency's industry education program continues to grow, both in terms of participants and the range of educational activities, and is vitally important in contributing to improved quality care for residents.

Many of the programs such as the Better Practice conferences attended by 1,362 delegates, are directed at aged care managers with the capacity to influence quality improvement; however other programs such as Quality Education on the Standards (QUEST) sessions attended by 8,051 attendees, are designed for front-line care staff. Other education workshops and courses were attended by 1,786 people.



## QUEST

This year we delivered our revamped QUEST presentations, offering a more visually appealing interactive learning design. Participation and demand for QUEST in 2012/13 attests to the success of this program.

QUEST sessions covering such topics as using resident feedback, privacy and dignity, accreditation overview, assessing the Standards, accreditation for consumers and continuous improvement were delivered to 8,051 staff nationally at 570 sessions.

Six QUEST topics were revised and a new topic was released for the industry.

In addition, there are a range of self-directed learning packages which are available free from our website [www.accreditation.org.au](http://www.accreditation.org.au).

Our website, [www.accreditation.org.au](http://www.accreditation.org.au), is being used increasingly by homes as a source of reliable information, training materials, and self-directed learning packages.

There are currently four self-directed learning packages on our website:

- Continuous improvement
- Data and measurement
- Self-assessment
- Demystifying dementia.

During the year, we worked with Hammond Care to redevelop our Demystifying dementia package. This package was substantially improved and now includes a comprehensive facilitators resource guide with PowerPoint presentations, and participants learning guides.

These free packages are among the most consistently popular downloads from our website with over 7,000 unique downloads in 2012/13.

## Results and processes app

We developed a Results and processes app that can be downloaded on mobile phones and tablet devices. To date it has been downloaded over 1,900 times.

Our newsletter *The Standard* promotes examples of better practice and is designed to provide practical advice to homes which can be readily adapted or implemented and used in staff training sessions.

We have developed a range of 'fact sheets' that cover key topics such as risk management, emergency planning, continuous improvement and infection control. These fact sheets are important educational tools that assessors leave with homes during visits.

Presentations were made by Accreditation Agency executives and senior staff at a number of industry conferences and forums.

## Better Practice conferences

Better Practice conferences provide a two-day program covering clinical, management and lifestyle issues in residential aged care homes. This year Better Practice conferences have involved 55 presenters covering new, emerging, changing and sometimes controversial issues in a range of plenary presentations, workshops and concurrent sessions.

We continued to promote the provision of quality care and service delivery for residents with presentations on spirituality, dementia, sexuality, and treasuring complaints. We used Skype to bring in Reverend Professor John Swinton, an international speaker to our Better Practice conferences in 2012. The highlight of the Better Practice program was Christine Bryden, talking about "Dreading being put in "dementia prison". We received significant feedback with the plenary panel discussion on "A resident with no family, what should a home be thinking about".

In 2012/13, six Better Practice conferences were held with 1,362 delegates attending.

The Sydney Better Practice 2012 conference broke previous attendance records with 458 delegates.

The evaluation and post-conference survey results continue to show a high satisfaction rate with delegates finding the professional development opportunity and the networking valuable in improving practice in their homes. Post-conference surveys indicate wide adoption of ideas taken from the conferences.

Comments from delegates included:

*"I say it every year, fantastic job, thank you, a not-to-be-missed event, always interesting and inspiring."*

*"Being relatively new to aged care, I found the last two days very informative"*

*"Great speakers, fantastic content. Some very strong points to take back to facility to share with staff."*

## Improved aged care quality assessment course



The aged care quality assessment course conducted for trainee assessors was updated to reflect current audit methodology. Two courses with 26 participants were conducted during 2012/13 in preparation for the anticipated peak in accreditation activity.

## 'Understanding Accreditation' course

A highlight of the year has been the continuing success of our flagship three-day 'Understanding Accreditation' course. This course has proved to be a popular option for homes and aged care professionals to access and understand information about the accreditation process, learn strategies for continuous improvement and share ideas with peers.

We conducted eight public 'Understanding Accreditation' courses.

In 2012, we finalised a Memorandum of Understanding with industry associations Leading Age Services NSW, Victoria, South Australia and Queensland, and Aged and Community Services Association in South Australia/Northern Territory and New South Wales/ACT to conduct this course. Leading Age Services Australia Victoria continues to host a number of public courses in Victoria in conjunction with our Melbourne office.

Our research showed that one of the barriers to taking up industry education opportunities is the cost of travel, accommodation and backfilling when aged care managers need be away from their workplace.

In response to this we are developing an e-learning framework that will provide online access to the range of learning programs run by the Accreditation Agency.

We now deliver in-house industry education direct to homes and this has proved very popular. During the year, we delivered 58 'Understanding Accreditation' courses in-house direct to staff.

In 2012/13, 952 participants attended an 'Understanding Accreditation' course.

## One-day workshops

During the year we also offered the following one-day industry education workshops: Making the most of complaints, Foundations for managing risk, and Information systems – keys to delivering quality care.

During the year, 834 aged care managers and staff attended our one-day workshops.

### Foundations for managing risk

In November we launched a one-day workshop designed to equip staff in homes to effectively participate and contribute to a risk management framework. Initial industry response has been very positive with 259 participants attending the workshop during 2012/13.

### Information systems – keys to delivering quality care

In March we launched a revised Information systems one-day workshop. It was designed to assist staff to examine and assess how well their current systems are being used and to explore the elements and indicators that make up an effective information system. During 2012/13, 69 participants have attended this workshop.

## Department of Health and Ageing Understanding Accreditation workshops

We developed and delivered a two-day workshop based on our Understanding Accreditation course to Department of Health and Ageing staff. Programs were delivered in Sydney, Brisbane, Adelaide, Perth, Melbourne, Hobart and Canberra. During 2012/13, 167 participants attended over 10 workshops.



# Stakeholder relationship management

## **Getting close to stakeholders**

We are committed to consultation with stakeholders, and contributing as a key participant in quality initiatives, industry forums and working groups.

The Board has a stakeholder engagement program which includes a function coinciding with each meeting of the Board. Board meetings are held in capital cities and major regional centres.

Directors also participate in Better Practice conferences as session chairs and speakers. This enables directors to meet with a range of stakeholders and obtain direct feedback regarding the Company and to gain a broader understanding of the issues facing the industry.

Management and staff participate in a number of industry committees and working groups. The Chief Executive Officer, General Managers and State Managers also attend and make presentations to industry conferences and at accreditation and safety and quality conferences. During the year the Minister disbanded the Age Care Advisory Committee (of which we were a member) leading us to need to seek alternative mechanisms to engage in the many debates in aged care.

We also briefed a number of delegations from overseas.

The Chief Executive Officer chairs the National Agency Liaison Group and State Managers chair each of the State Agency Liaison Groups. The liaison groups comprise representatives of industry associations, unions, and consumer groups and discuss industry trends and provide feedback.



## Relationship managers

Relationship managers have been appointed for larger approved providers, and for those providers whose operations cross state borders. The relationship manager is responsible for coordinating the overall relationship with the provider, and for providing internal advice on case management of the provider, and homes of the provider. The relationship manager meets with the approved provider at least twice a year and acts as a central point for enquiries, service planning and contact for the provider in relation to all homes within the group.

## Governance and Accreditation Toolbox

In 2012/13 we introduced the accredited facilitator program for the Governance and Accreditation Toolbox.

The Governance and Accreditation Toolbox is for aged care boards and senior management looking to strengthen the link between good governance and quality care.

Expert facilitators with years of experience working with aged care boards have been authorised by the Company to the package. People with this experience provide valuable insights into the world of aged care governance for boards and management.

## The Standard

Our industry newsletter *The Standard* is distributed monthly and includes information on how we conduct assessments, changes to operations, and other corporate information, as well as articles containing practical advice to homes which can be readily adapted or implemented and used in staff training sessions.

The articles in *The Standard* focus strongly on research and evidence-based practice, designed to highlight latest evidence in relation to aged care in Australia and internationally. There is also a focus on telling a story of how a home implemented a new program, to inspire and inform other homes. The 'Case in point' section was created in 2010 to get the industry



thinking about issues that might often be faced by homes but the solution is not always straight forward. A different scenario is presented each month with responses sought from various representatives from within and outside the aged care industry. This has proved a popular column, with issues covered including families employing private contract carers; security of tenure; safety risks and lifestyle activities; sensory loss; a resident's violent behaviour; the issue of shared rooms vs single rooms; ongoing complaints from a family member; aggression towards staff; thickened fluids and palliative care; and providing food for residents' visitors.

Overall distribution of *The Standard* has increased by 15 per cent with new growth in the new online format increasing by 45 per cent and print remaining steady at 8,000 per month.

In June 2013 we conducted a survey of the readership of *The Standard*. Most respondents (71 per cent) said they receive *The Standard* by both mail and email.

- Ninety-eight per cent said they pass on the printed copy to others to read (32 per cent pass it on to 10-20 people, 32 per cent pass it on to 20-50 people).
- Fifty-nine per cent place it on their staff noticeboard and 94 per cent place it in staff tea/lunch/meeting rooms.
- Sixty-seven per cent forward the email version to others.

The most read articles are those about homes such as case studies and innovations followed by accreditation news and articles about recent research on issues relating to aged care.

From the survey responses 79 per cent find *The Standard* 'useful' and 72 per cent said they find it provides relevant information about the Accreditation Agency and accreditation.

We also found 89 per cent said they go to the website to find information on the Accreditation Agency and accreditation. Eighty-seven per cent prefer to receive information via email followed by 69 per cent specifying they prefer to receive information about us and accreditation via *The Standard*.

# Part five

## Quality assurance and improvement

Our role as an accrediting body is to assess the performance of others against the Accreditation Standards. Any organisation involved in such activity should require no less of themselves and so we subject ourselves to external scrutiny by independent third-party reviewers who assess our performance against international standards.

We engage with stakeholders to gauge our performance and we use complaints and feedback to guide improvements. We are also subject to scrutiny by the ANAO Audit Office and the Parliament through the Community Affairs Senate Committee.

In addition, we have a small research team that examines current and emerging aged care issues and best practice in accreditation and external evaluation. Our research function reviews industry resources, prepares submissions, and researches international trends on relevant topics such as resident engagement and audit methodology.

We also have informal relationships with like organisations in Europe and the United Kingdom and our membership with ISQua. The CEO is the vice chair of ISQua Accreditation Council and chair of the organising committee of ISQua international special interest group “Quality in social care for older persons.”



## ISO certification



Quality  
ISO 9001  
SAI GLOBAL

The Company's Quality Management System is certified to ISO Standard AS/NZS 9001: 2008. SAI Global undertook re-certification audits of each of our state offices and the divisional offices in April/May 2013. The Company has been recertified to September 2016.

In its report, SAI Global said: "The organisation's established controls aim to ensure that business critical activities provide a standardised, consistent and compliant approach in the delivery of core business and ensuring due diligence is applied to business critical workplace activities. The integration of business related risk management strategy is aligned to the organisation's compliance and governance policy that helps to provide a platform for the implementation of due diligence practices that supports the Company's core business outcomes."

"A culture for quality and positive synergies was demonstrated at all levels of the Company. The Company continues to be led by an astute, disciplined, visionary and professional management team that not only demonstrated its willingness to embrace the Principles and Practice of Quality Management but encourages innovation, creativity in improving workplace practices through the introduction of support technology."

"Improved workplace practices were seen to be in alignment with the requirements of the Commonwealth Deed of Funding and in particular the Accreditation Grant Principles. Over the past three years extensive investment in human and financial resources has resulted in establishing economy of scales that has impacted on gains in workplace efficiencies and productivity." A copy of the report will be placed on the website.



## ISQua accreditation



The Company is accredited by the International Society for Quality in Health Care (ISQua) – formal recognition that our performance as an accrediting body has been assessed by peer reviewers against international standards. In addition to our organisational accreditation, our assessor training program was reaccredited by ISQua in December 2011 until November 2015.

The ISQua reaccreditation surveyors were from Canada, the USA and the United Kingdom. One of the ISQua surveyors is the ISQua Accreditation Manager.

The ISQua surveyors said, “The strengths of the organisation are considerable and include: Governance, CEO and Senior Management Team leadership, client education and materials, staff and surveyor training and development, a well-qualified and experienced assessor workforce, sound risk management strategies and financial controls, as well as a strong organisational commitment to quality improvement. The survey management process is commendable. With a projected 5,500 survey visits for the next fiscal year, the operational processes for budgeting, planning, assigning and reporting are efficient and well supported with state-of-the-art tools and resource management practices. There is a pool of external contractors that support the peak survey activity periods and are available to meet demand. The strong communication between the national and state offices was evident.”

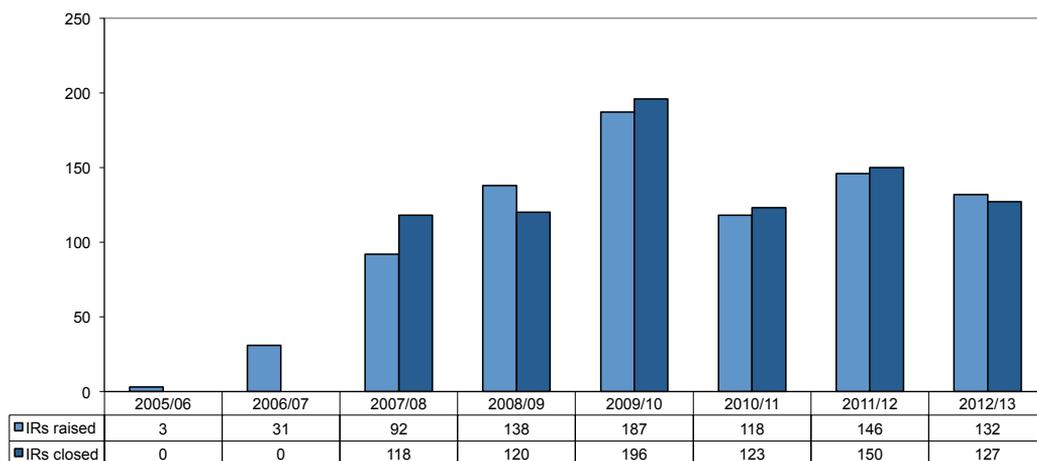
“The Agency staff are proud of their organisation, its maturity, sophistication in technology, fiscal management, human resource practices and overall leadership.

“A teleconference with a random sample of approved providers was also conducted. The representatives were complimentary about the survey process and noted it to be a positive experience. The external assessment was found to be valuable in outlining areas for improvement and also providing affirmation of what they were doing. The surveyors were found to be knowledgeable, supportive and very enthusiastic about their contribution and role in quality improvement for the ageing.”

## Improvement requests

Our internal improvement request process was first implemented in 2005/06. Initially there were a small number of improvements raised, however today the improvement request process has been embraced by our staff as can be seen by the steady number of improvement suggestions made since 2007/08.

**Improvement request statistics**



## Audit findings

The Accreditation Agency has had no material findings by Internal Audit or ANAO external audit.

## Complaints and feedback

We are committed to the continuous improvement of our own processes and use the feedback provided by our stakeholders, as well as complaints information, to guide improvements.

All complaints are reviewed by the Chief Executive Officer on receipt, and are followed through by the relevant State Manager or General Manager. All complaint responses are reviewed by the General Manager Corporate Affairs who has overall responsibility for complaints management.

We aim to provide a finalised written response within 28 days or, where this is not possible, we keep the complainant informed about progress. A small number of complaints were complex and required more thorough investigation.

We received 56 complaints during the year, compared with 98 the previous financial year. We closed 58 complaints during 2012/13 which included seven complaints received in 2011/12.

When a complaint is received, the complaint is referred directly to the person who is the subject of the complaint, and a written response is sought. Responding to and dealing with complaints is also a part of the corporate induction process for new employees.

Complaints are collated and analysed to identify improvement opportunities and to inform learning and development programs, including assessor training sessions dealing with effective on-site relationship management during the conduct of audits and assessment contacts, including unannounced visits.

## Aged Care Commissioner

The Aged Care Commissioner can examine complaints about the conduct of the accreditation body relating to its responsibilities under the Accreditation Grant Principles 2011, or the conduct of assessors carrying out an audit or making an assessment contact (but not a complaint about the merits of a decision).

During the year, the Aged Care Commissioner accepted two complaints for examination. Both related to our conduct as the accreditation body, and both were

from relatives of residents. Two were finalised during the year. The tension between the need to examine a complaint made by a relative about our conduct and the protected information provisions of the *Aged Care Act 1997* remains a challenge.

The Commissioner recommended we:

- Review our guidelines and include information guiding assessors to clearly document consideration and analysis of information provided by residents, or their representatives, whether provided prior to or during a visit;
- Review our guidelines and ensure there is clear guidance about how information provided by residents, or their representatives, is reflected in the assessor's notes, site audit assessment information, or site audit report;
- Consider giving simple, written information to residents or their representatives regarding how information they provide will be used and explaining the inability of the Accreditation Agency to provide specific feedback in light of the issues of practicality and confidentiality.

We have accepted the Commissioner's recommendations.

The examination of these complaints highlights the fine line between us examining a complaint, (the role of Complaints Investigation Scheme), the Commissioner commenting on the merits of a decision and the actual role of accreditation.

Our early review of the complaints suggest that it is not always clearly understood that during an audit, the assessors receive a considerable amount of information and the information must be weighted in the context of other, sometimes confidential information.

During the year, the Commissioner also finalised a complaint received in 2011/12 about the conduct of an assessor. The Commissioner found the complaint was unsubstantiated.

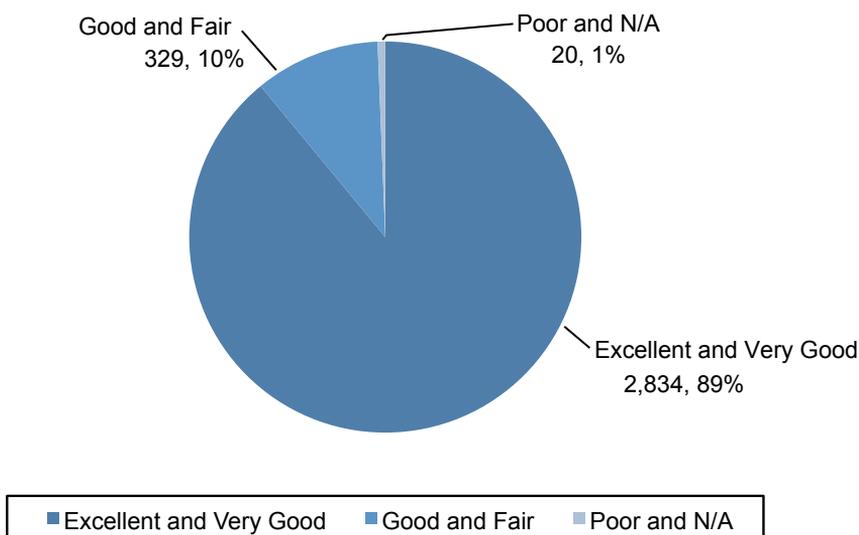
The Commissioner's examination of complaints is supported by a protocol between the two organisations, routine exchange of data in relation to complaints reporting, and regular meetings between the Aged Care Commissioner and the Accreditation Agency's Chief Executive Officer.

## Feedback

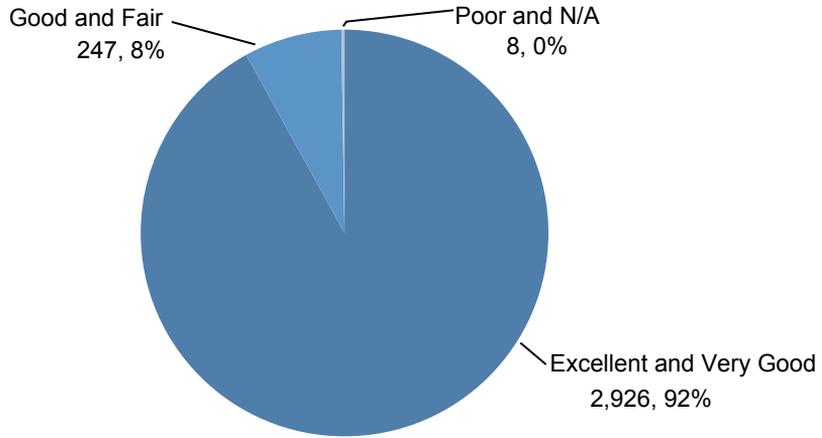
Following each visit to a home, assessors leave a feedback form which can be filled out anonymously and returned by reply-paid post to an independent company which provides a monthly report on collated and aggregated data. The Accreditation Agency only has access to the responses of individual residential aged care homes if the home identifies itself and therefore wishes to have the issues followed up. There were 3,193 forms returned in the reporting period. This represents a return rate of 56 per cent. Of the responses received, 2,177 people identified themselves representing 68 per cent of returned questionnaires. The comments made on the feedback forms were both positive and negative and are used to inform our quality improvement program.

We recognise that an unannounced visit may disrupt the home's management during the time of the visit. The feedback statistics, however, suggest the level of disruption is not as extensive as some commentators have suggested. Our feedback program asks for responses on the question "Please rate the performance of the team in terms of allowing care staff to continue their duties during the visit". In 2012/13, 99 per cent of responses from unannounced visits rated the assessment team's performance on this measure as either 'excellent', 'very good', or 'good'. This has been a consistently positive trend over a number of years and we continue to closely monitor this measure.

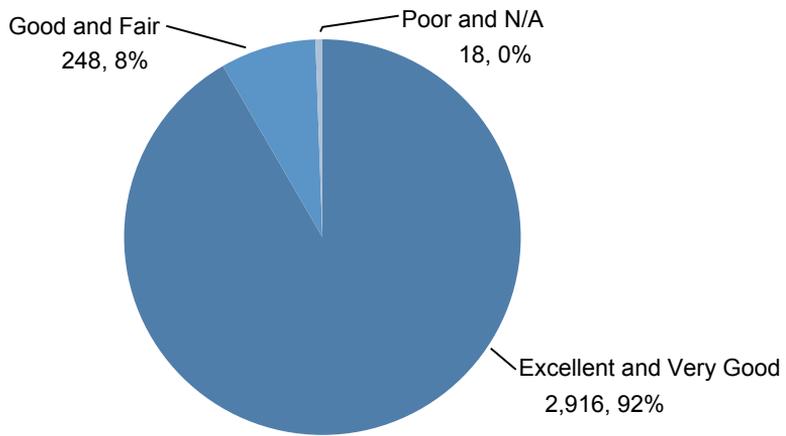
### Allowing care staff to continue their duties during the visit



### The team's knowledge and understanding of aged care



### Overall how would you rate the assessment team's performance?



## Improvements

We reviewed all review audit decisions, all less than three year accreditation decisions and 11 per cent of all three year decisions for 2012/13.

Testing of round five accreditation decisions for consistency with decision making policy showed no significant findings.

Assessors are observed on site and there were 216 observations conducted in 2012/13.

In 2012/13, 74 per cent of 1,137 re-accreditation site audit decisions were made by central decision makers located in the head office.

Results of reviews of decisions have shown a nationally consistent approach to decision making. The reviews have also shown assessors' reports are informative for decision makers, and consistent with our processes. Outcomes of this quality assurance activity have directly fed into training for assessors and review of the assessor resources.

We conduct regular reviews of best practice and professional guidelines, legislation and national and international human services accreditation schemes. This information has been used to improve our current processes and documents such as policies and procedures, and to inform projects aimed at improving our processes.

During the year a range of quality assurance and review activities were conducted.

The major actions were:

- observers on some visits to evaluate the performance of assessors and the effectiveness of audit practice
- reviewing samples of accreditation decisions and audit reports to evaluate their conformance with Accreditation Agency standards
- reviewing audit reports and the reasons for changes in performance against the Accreditation Standards whenever a significant change in a home's performance against the Accreditation Standards occurs
- reviewing our processes and improvement of documentation.

## Records management

National Archives Checkup 2.0 was conducted of our records in 2012/13. We scored 80.5/100 compared to cohort average of 63/100. This is an improvement of our previous year score of 77.6/100.

## ComCover insurance

The Accreditation Agency scored 80/100 compared to the cohort (143 agencies) average of 68/100 against the 10 key elements of the ComCover 2013 Benchmarking Survey which assesses the maturity of an agency's risk management framework. This led to an 8.28 per cent premium discount compared to a 7.9 per cent discount in 2011/12.

## Enterprise technology

This year we continued to implement our enterprise wide technology strategy through a number of technology initiatives resulting in better systems for our people.

## Purchasing order systems

Purchase order upgrade enables electronic creation and processing of purchase orders. Being web-based, it is accessible via the internet.

The purchase order system's automated routing workflow for authorisation reduces processing cycle, eliminates paper usage, ensures purchases are only approved by authorised employees and greatly improves efficiency.

## Q-Pulse (Document and Quality Management System)

Q-Pulse enables staff to access a central repository of version controlled policies and procedures. Its automated approver workflow coupled with alerts, improves document change and review process to enhance quality management. Q-Pulse was embedded in the Company in 2012/13.

Similarly, both incident and complaint modules further assist timely compliance to legislative requirements. Q-Pulse replaced multiple silo systems, hence improved corporate governance, management of risk and quality within the Company.

## Computer replacement program

A hardware replacement program continues, which replaces out-dated hardware with new equipment to reduce downtime and increase productivity.

Over the year we replaced or upgraded 33 laptops and 57 desktops.

The new laptops are lighter and use Windows 7 operating system. Windows 7 represents a technological leap forward from the 2001 Windows XP operating system used on the older laptops.

Following a tender, a vendor was selected to provide computer hardware and software at National Office, data centres and all state offices. This initiative is anticipated to complete in 2013.

## ConnX and payroll systems

This year we rolled out a performance management module and introduced a number of electronic request forms within our web enabled human resources information system. This module supports our *Coaching for performance everyday* program and Personal development program.

Our human resources information system and payroll system were also upgraded which has resulted in increased functionality and efficiencies.

## The environment

We are a low impact operation where we recycle paper, toner cartridges, and we use electronic communication instead of paper-based wherever possible. We are a tenant in a number of buildings where the building owner/ manager undertakes recycling of glass and other waste, and provides energy-efficient lighting and waste water systems.

In December 2010 we launched an environmental sustainability initiative across the Company with the following objectives:

- 1. Reduce the Company's paper consumption** from 1.8 million pages per annum to one million pages per annum by 31 December 2011. As at 31 December 2012 this initiative was achieved with an annual consumption of 820,000 pages.

**2. Reduce Company electricity consumption** by 10 per cent by June 2011 by implementing energy saving features on all electronic devices and reducing the number of printers throughout the Company. Overall there has been a reduction in electricity usage across the Company of 19 per cent. For the period 2012/13 the Company achieved a further four per cent reduction in electricity consumption against 2011/12.

**3. Recycle all paper materials** by continuing to supply recycling bins throughout the Company.

Paperless Board papers were made available to Directors.

## Charter of commitment to service quality

We are committed to providing quality products and services. In doing our work, we will:

- give highest priority to the health, safety and wellbeing of residents in aged care homes
- be ethical, honest, courteous, professional and respect confidentiality
- be helpful
- provide accurate information in plain language
- work with aged care providers to promote continuous improvement and better practice in aged care homes
- be accountable for our actions
- be fair and unbiased in our actions and decision making
- seek feedback on our products and services and use the information to monitor quality and to continuously improve
- welcome comments, suggestions and complaints
- analyse comments and complaints individually, and review collectively to identify and respond to any systemic issues
- consult, on a regular basis, with representatives of the aged care sector and consumers
- be customer-focused and efficient
- meet all our statutory obligations.

At an individual and at a corporate level, we strive to continuously improve.

Client contact standards	
<p>We aim to respond to general enquiries within seven working days. More complex correspondence will be acknowledged within seven working days and responded to within 28 working days.</p>	<ul style="list-style-type: none"> <li>• Met</li> </ul>
<p>Complaints will be acknowledged in writing within three working days and seek to be resolved as quickly as possible, in consultation with the complainant where appropriate.</p>	<ul style="list-style-type: none"> <li>• Met</li> </ul>
<p>Accounts are settled within the trading terms of the supplier.</p>	<ul style="list-style-type: none"> <li>• Met</li> </ul>
<p>Wherever possible, we will provide for transactions to be made electronically. We will provide information or material in hard copy for people who do not have access to the Internet.</p>	<ul style="list-style-type: none"> <li>• Met</li> </ul>
Review and measures	
<p>We will review this charter for relevance, compliance and performance on a regular basis. The commitments in this charter align with our corporate goals and key performance indicators.</p> <p>The following measures will be used to assist monitoring our compliance with our commitment to service quality:</p> <ul style="list-style-type: none"> <li>• Feedback shows 95 per cent of approved providers are satisfied with Company performance</li> <li>• 100 per cent compliance with CAC Act, Corporations Law and our Company Constitution</li> <li>• Maintenance of Quality Management System to ensure certification is maintained.</li> </ul>	<ul style="list-style-type: none"> <li>• Met</li> <li>• Met</li> <li>• Met</li> </ul>
Accreditation quality assurance	
<p>The accreditation quality assurance program is a program of activities and processes designed to maintain conformance with set processes and to find better ways of performing accreditation activities. This sits within our broader quality assurance program and ensures information on how residential aged care homes provide care and services to residents is accurate.</p> <p>Implementation of the quality assurance program reflects:</p> <ul style="list-style-type: none"> <li>• our commitment to performing high quality work in a way that is consistent with our values, code of conduct, and approved audit methodology</li> <li>• our commitment to effective and accurate assessment and decision-making of residential aged care homes' care and services to residents</li> <li>• our commitment to providing information about performance and better practice in a way that promotes quality improvement of resident care and services.</li> </ul>	<ul style="list-style-type: none"> <li>• Met</li> <li>• Met</li> <li>• Met</li> </ul>

# Our people

The size of our workforce varies according to the cyclical accreditation workload which began its cyclical increase from the start of 2011/12.

As at 30 June 2013, staff numbers were at 214.3 fulltime equivalent. This includes term-defined employees and 37 staff who are on part-time or other forms of flexible working arrangements.

Eighty four per cent of our staff are female and 82 per cent of all staff have at least one tertiary qualification.

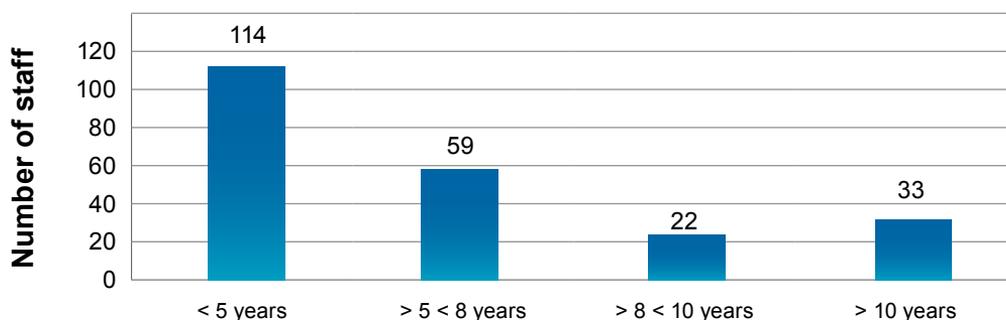
Given that we as a Company are only a little over 10 years old, 'long service leave' has not been a major consideration until recently. Our focus over the past five years has been to make ourselves a more attractive employer and a place where people feel they are making a difference to the lives of older Australians.

As staff turnover has reduced and retention increased as a result of a number of initiatives, staff length of service has increased, and so 'long service leave' is now a more significant issue.

By 30 June 2013, there will be 114 staff with less than five years' service; 81 will have between five and 10 years' service, and 33 will have more than 10 years' service.



## Years of service as at 30 June 2013



## Learning and development

Coaching for performance *everyday* was launched in 2008. It is our approach to people management focusing on the importance of coaching every day. It is not just about our annual performance management process but this is part of it. There is a strong link to our learning and development framework as individual professional development is a key aspect of the process as well.

In 2013 we implemented an online annual performance management system to replace our paper based one. It maintains the focus and intent of Coaching for performance *everyday* and has proved popular with staff. It is easy to use, provides immediate access to current and past reviews, provides more accurate data collection and storage of records and less paper waste.

Following the launch of our inaugural business qualifications program in 2011, we expanded the program for 2012/13. We again offered the Diploma of Management and a Certificate IV in Frontline Management. Eleven graduates celebrated completing their studies in June 2013.

In addition we also offered a two-day Promote Team Effectiveness course to all staff. Eighteen staff graduated with a certificate of attainment in the unit of competence. This award can be allocated toward a formal qualification at a later date if staff wish to pursue their studies.

We also encourage staff to undertake formal study and assistance is available for courses through approved training providers. In 2012/13, 14 people were assisted through our study assistance scheme.

In 2009 we piloted a mentoring program aimed at new staff within the first three months of employment. Following a review, we launched *Mentoring for all* in 2011, utilising a two-tiered approach, catering to the needs of new and existing staff in all parts of the Company. We conduct a two-day workshop to give new mentors the behaviours and skills in communication, problem solving, goal setting, working with diversity and adult learning. We now have 39 formally trained mentors in every office and in all work areas.

*Beyondblue* developed and implemented the *beyondblue* National Workplace Program, designed as an awareness, early intervention and prevention program specifically for workplace settings. We engaged *beyondblue* to provide training for staff and managers in all states. This is now part of our core training programs in our Learning and development framework.

## Staff service recognition

The staff recognition and reward program is for staff who have achieved five, 10 or 15 years' service. During the year, 14 staff reached the five-year milestone and eight reached the 10-year milestone. The 10-year staff were Philomena Mitolo, Margaret McCartney, Mark Brandon, Carina Thai, Yvette Thomas, Toby Hammerman, Ken Jones and Glenda Cherry. We anticipate providing 15 year service awards to 11 staff before 31 December 2013.

## Healthy lifestyle reimbursement

This was introduced from staff feedback when the Enterprise agreement was developed in 2010. An amount of up to \$200 may be reimbursed each financial year by an employee upon production of receipts for healthy lifestyle initiatives. These may include but are not be limited to gym membership, weight loss programs and physical exercise equipment/attire etc.

The claims vary from for walking shoes and gym memberships to hypnotherapy to stop smoking, bone density scans and *Wii* fit.

Last year we reported the collective lifestyle changes our Brisbane office undertook to improve their health and wellbeing. Last year the Brisbane office also took part in the B2B 10 kilometre walk from Gateway Bridge and ended at the Brisbane Showgrounds. Since then staff in our Sydney office have also undertaken the Alzheimer's NSW Memory Walk 7.5 kilometre walk around picturesque Iron Cove Bay in May, combining fitness and support of a worthwhile cause.

## *Extra!*

*Extra!* our staff newsletter continued to be published each month. *Extra!* is distributed via email to all staff and all assessors on the register. *Extra!* contains important information relevant for all staff, accreditation news, research, assessor updates (regulatory and legislative), upcoming events, etc. *Extra!* is part of our commitment to strengthen our internal communications.

## *Update!*

The Government has announced the creation of the Australian Aged Care Quality Agency (Quality Agency) and the deregistration of the Company in early 2014. We plan that staff will transfer to the Quality Agency and the Australian Public Service.

*Update!* was launched as a staff communication vehicle for the transition to the Quality Agency.

Here are three of our staff who have worked for us for 15 years.



**Carol Lowe** started with us in August 1998 as an assessor in Parramatta. Carol is currently a Principal Assessor, a role she has held since 2004. Carol is also a mentor through our *Mentoring for all* program.



**Lorraine Baker** started with us in 1998 as the Office Services Manager in our Box Hill Office. She then worked as an Administration and Systems Coordinator before becoming an Assessor in 2000. Lorraine is now an Assessment Manager.



**Marilyn Howson** joined us in August 2008 as an assessor and was appointed to the Principal assessor role in 2003 in Parramatta. Marilyn moved into her current role as Group Leader in 2011. Marilyn was awarded a Diploma of management this year.

## Assessors

Of the 369 assessors on the register for aged care quality assessors as at 30 June 2013, 144 are permanent employees of the Company. The assessor employees are generally employed in assessor roles.

A small number are employed in management roles and periodically undertake assessments to maintain their registration. The balance are engaged on a contract or casual basis to meet workload demands as required.

From our international contacts, we know that all accreditation bodies face the challenge of ensuring their audits are accurate, reliable and evidence-based.

Our approach is to use strict recruitment criteria and rigorous selection techniques including behavioural interviewing and role-play so that we have a high degree of assurance that selected candidates will develop into reliable assessors.

Following selection, we support new employees through a rigorous two-week assessor course which involves a daily review of their activities and progress including feedback; followed by a structured program of induction and orientation.

After registration as an assessor, we provide on-going training of assessors in relation to contemporary audit techniques and methodologies, as well as general industry developments, legislative updates, etc.

Assessor Development Program (ADP) sessions are held bi-monthly in most capital cities and are available for both employed and contract assessors. ADP online is a part of the Assessor Development program and is an adjunct to the workshops that are conducted throughout the year. After each workshop, a related self-directed learning package is available online (via a password protected website). This is particularly useful for assessors who are unable to attend workshops. This year we also held a two-day ADP conference for assessors. Topics for this year have so far included: Understanding resident experience – a focus on residents with high care needs; cognitive and/or communication difficulties; and Assessing continuous improvement.

By carefully recruiting and selecting our assessors, putting them through rigorous initial training and providing them with on-going education, and equipping them with standardised tools, we maximise our ability to 'get it right' and to do so consistently.

While assessing for us, assessors will be subject to observer visits where senior staff will evaluate the performance of assessors and the effectiveness of their audit practice.

Cultural competence workshops designed for assessors, are conducted by Booroongen Djugun College. These workshops were piloted in our Brisbane office in 2011 and these workshops compliment the skills and knowledge of assessors.



Our program of selection, training and management of our assessors has been accredited by the International Society for Quality in Health Care (ISQua) under their International Accreditation Program. In addition to their initial training, assessors participate in regular update training through the Assessor Development Program (ADP). The provision of ADP helps assessors meet their professional development requirements of 15 hours each year.

ADP workshops are conducted second monthly. Update training topics for 2012/13 included:

- Assessing Expected Outcome 4.6 Fire, security and other emergencies
- Assessing continuous improvement
- Assessing regulatory compliance
- In the shoes of the decision maker
- Understanding resident experience.

Following each workshop a self-directed learning package is available for assessors on our ADP on line site so that assessors who were unable to attend the workshops do not miss out on updates and training.



### Assessment 2013

In addition to these half day workshops, in May 2013 we conducted a two day conference for assessors titled Assessment 2013. This was attended by staff and external assessors and was held in Sydney. This event attracted 209 participants and feedback was overwhelmingly positive. There was a mix of internal and external presenters and topics included:

- Using interpreters effectively
- Leadership in on site relationships
- Accreditation systems: Key things that make them work
- How accreditation works for us: Perspectives from aged care providers
- Complaints: What the data tells us

- “I want to be heard” - An approach to engaging residents with dementia – SOFI 2
- Getting the best information out of resident interviews
- Honouring heritage, language and culture
- Feedback on reports in round five: Decision perspective
- Continuous improvement in reporting for users
- Does public reporting drive performance: the evidence
- Framework for managing quality in community aged care
- What are the numbers telling you?

Comments:

*Overall a very interesting, useful, effective two days. I am going away with information I will collate, write up and use. Thank you for all the effort put into the preparation. Very much appreciated.*

*The degree of thought and planning put into Assessment 2013 was obvious. It was one of the best conferences I've attended in terms of content, presentation and applicability to my role. The organisers are to be congratulated! Thanks.*

## Occupational Health and Safety

The Company is subject to the Commonwealth *Work Health and Safety Act 2011*.

Each state office continues to proactively manage their Occupational Health and Safety issues and we remain a safe organisation.

We have Health and Safety Committees for each of our work groups. Health and safety representatives and first aid officers are trained for each work group, in accordance with the Commonwealth legislation.

During the year, there were 226 days lost due to injury. Two of the injuries accounted for 186 days.

## Company-wide ergonomic assessment

A Company-wide ergonomic assessment in 2012/13 as part of the broader ‘staff wellness’ program was implemented.

# Company performance

Progress against performance targets – as at 30 June 2013.



Part seven



Performance indicator	Performance measure	Relevant activities and initiatives undertaken and outcomes achieved
<p>1. Residential Care Services, including commencing services, are assessed and strategically managed to work towards accreditation and re-accreditation.</p>	<p>Conduct 100 per cent of site audits in response to valid applications for accreditation and re-accreditation.</p> <p>Conduct review audits as required, including 100 per cent as directed by the Commonwealth in accordance with the Protocols.</p> <p>Conduct at least one Unannounced Visit to 100 per cent of Residential Care Services each year (including Commencing Services).</p> <p>Conduct assessment contacts for 100 per cent of commencing services within two months after residents moving into the Residential Care Service.</p> <p>Conduct site audits for 100 per cent of commencing services within the first 12 months when there is a valid application for re-accreditation.</p> <p>Conduct 100 per cent of all accreditation and re-accreditation decisions within the timeframes specified in Part 3 and Part 4 of the Accreditation Grant Principles and before the expiry date for each Residential Care Service.</p> <p>Maintain an average visiting schedule of at least 1.75 visits per Residential Care Service per year.</p> <p>Interview at least 10 per cent of residents (and/or their representatives) of the Residential Care Service during site audits and review audits.</p>	<p>Achieved. 931 re-accreditation site audits completed.</p> <p>Achieved. 51 review audits conducted including five initiated by the Commonwealth.</p> <p>Achieved. 2,732 homes had an unannounced visit.</p> <p>Achieved. 26 assessment contacts completed to commencing homes that had residents before 30 June 2013.</p> <p>Achieved. Four re-accreditation site audits conducted; 13 scheduled next financial year; 12 homes are due to submit their applications next financial year.</p> <p>Achieved. 30 accreditation decisions to accredit and 1,137 re-accreditation decisions.</p> <p>Achieved. 5,689 visits conducted resulting in an average of 2.09 visits per year.</p> <p>Achieved. An average of 20 per cent of residents or their representatives were interviewed during the re-accreditation or review audit.</p>

Performance indicator	Performance measure	Relevant activities and initiatives undertaken and outcomes achieved
	<p>Make 100 per cent of accreditation and re-accreditation decisions in accordance with the Accreditation Grant Principles.</p> <p>Engage consumers in the Accreditation process by providing residents (and/or their representatives) with information about Accreditation processes.</p>	<p>Achieved. The Company website provides information about the accreditation process that can be accessed by anyone. Posters showing when a re-accreditation audit, review audit or assessment contact is being conducted are provided to aged care homes and are required to be displayed at the home. We supply a standardised notice for approved providers to send to all residents and/or their representatives to inform them of an upcoming re-accreditation audit.</p>
<p>2. Residential Care Service providers, residents and consumers are made aware of methods and strategies to improve the quality of aged care and strengthen management systems.</p>	<p>Ensure programs of relevant information, education and training (including the provision of printed and electronic publications) are delivered to promote high quality care and assist the industry to improve service quality by encouraging best practice which may include but are not limited to:</p> <ul style="list-style-type: none"> <li>• QUEST;</li> <li>• Seminars;</li>   <li>• Better Practice conferences; and</li> <li>• Better Practice awards.</li> </ul> <p>Demonstrate that 100 per cent of commencing services are provided with education, information and support where the approved provider wants and accepts it.</p>	<p>Achieved. Refer to Part three of the Annual Report.</p> <p>570 QUEST; 8,051 participants 50 Seminars; 834 participants six Better Practice; 1,362 delegates.</p> <p>In 2012, we awarded 51 awards selected from 186 nominations. The nominations came from 110 approved providers representing 289 homes.</p> <p>Achieved. All commencing services receive assessment contacts and education as appropriate to their circumstances. They also receive a commencing services package, which consists of a <i>Results and processes guide</i>; <i>Pocket guide to the Accreditation Standards</i>; a copy of the current issue of <i>The Standard</i> newsletter; education promotional material and other relevant material.</p>

Performance indicator	Performance measure	Relevant activities and initiatives undertaken and outcomes achieved
	The Accreditation Agency analyses trends in met and non-met outcomes. Where appropriate the Accreditation Agency identifies opportunities to provide relevant information and education aimed at improving service quality by Residential Care Services to residents.	A detailed analysis of the industry's performance is completed following each round of accreditation. This information is used, along with other research and feedback to develop and target appropriate education products to the industry. Analysis of the latest round was completed in the first half of 2013.
3. Appropriate management of non-compliance to protect the health, safety and well-being of residents.	<p>The Accreditation Agency adopts a case management approach to managing the risk where a Residential Care Service has been found to have unmet outcomes including where serious risk has been identified.</p> <p>Provide information on the number of Residential Care Services who have achieved full compliance by the end of their Timetable for Improvement (TFI) period.</p> <p>Provide information on the number of Residential Care Services on a TFI; granted 'exceptional circumstances'; or with accreditation revoked or reduced.</p> <p>Assessment contacts are conducted as necessary in cases where non-compliance is suspected, including responding to referrals of information from the Commonwealth.</p> <p>Demonstrate that Residential Care Services on a TFI, or granted 'exceptional circumstances' or Residential Care Services with accreditation revoked or reduced are regularly monitored consistent with a case management approach.</p>	<p>Achieved. Refer to Part two of the Annual Report.</p> <p>169 services (94 per cent) achieved full compliance by the end of their TFI.</p> <p>Achieved. Information provided to Department of Health and Ageing.</p> <p>Achieved. Refer to Part two of the Annual Report.</p> <p>There were 1,441 visits and 60 assessment contact-phone calls to the 226 homes that had one or more circumstances of TFI, exceptional circumstances, serious risk, revocation or variation to decisions at some time during the year.</p>
4. Liaison with the Commonwealth to effectively manage non-compliance.	Provide the Secretary with a report in relation to serious risk, in accordance with section 2.64(2) (b) of the Accreditation Grant Principles, within 24 hours of the Accreditation Agency determining that serious risk exist.	Achieved.

Performance indicator	Performance measure	Relevant activities and initiatives undertaken and outcomes achieved
	<p>Notify the Secretary of all Residential Care Services that are found to be non-compliant with one or more of the approved provider's responsibilities under the Aged Care Act.</p> <p>Response to referrals of non-compliance is consistent with the Protocols between the Accreditation Agency and the Commonwealth.</p> <p>Maintenance of regular contact and liaison with State and Central Offices of the Commonwealth as specified in the Protocols.</p> <p>Timeliness and quality of reports to the Commonwealth in accordance with Item 5, Schedule A of this Agreement.</p>	<p>Achieved. 181 homes with new not-met decisions during the period were notified to the Department on the date the decision was made or within four days.</p> <p>Achieved. 68 homes were visited within one to 12 days of receipt of a Type three referral from the Department; five review audits commenced within one to four days of receipt of a Type four referral.</p> <p>Maintained regular contact on all accreditation issues. Held regular meetings and teleconferences at both State and Central office levels.</p> <p>Achieved.</p>
<p>5. The Company's workforce has the appropriate skills and knowledge to perform their roles effectively.</p>	<p>Demonstrate that in complying with the Accreditation Grant Principles the Accreditation Agency utilises appropriately qualified staff to complete the work.</p>	<p>Achieved. Refer to Part six of the Annual Report.</p>
<p>6. The Quality Assessor workforce is appropriately skilled and qualified to assess Residential Care Services against the Accreditation Standards and make informed accreditation decisions.</p>	<p>100 per cent of quality assessors meet the police check legislative requirements.</p> <p>Demonstrate that assessments are conducted by registered aged care quality assessors.</p> <p>Demonstrate that the Accreditation Agency maintains a process to ensure ongoing training and skills development for Quality Assessors.</p>	<p>Achieved. There is a policy and procedure in place to ensure all police checks are complete and up-to-date.</p> <p>All assessments are carried out by assessors registered with the Registrar as per company policy and the Accreditation Grant Principles.</p> <p>Achieved. Refer to Part six of the Annual Report.</p>

Performance indicator	Performance measure	Relevant activities and initiatives undertaken and outcomes achieved
	<p>Demonstrate that quality assurance processes are used to ensure the provision of accurate, nationally consistent Accreditation reports and decisions.</p>	<p>Achieved. Refer to Part five of the Annual Report.</p>
<p>7. Efficient and responsible use of Company resources.</p>	<p>Report against the Company's <i>Charter of Commitment to Service Quality</i> in the Annual Report and provide evidence about the extent to which the Charter has been met.</p> <p>Meet all legislative and corporate publishing and information provision requirements.</p> <p>A code of conduct is published and maintained for registered assessors, Accreditation Agency staff and external assessors.</p> <p>Demonstrate timely and appropriate response to 100 per cent of complaints received.</p> <p>Demonstrate that the Accreditation Agency has a readily accessible and effective formal complaints management process in place to handle formal complaints.</p>	<p>Achieved. Refer to Part five of the Annual Report.</p> <p>All decisions and reports published on the company website within legislative timeframes.</p> <p>Assessor code of conduct is published on the company internet site and code of conduct for all staff is published on the intranet site.</p> <p>During the twelve months 56 complaints were received and 58 were finalised. Of the finalised complaints, 24 were finalised within the 28-day response target. Where the target was not met, the complainant was informed of the delay and the reasons for delay.</p> <p>A formal policy and procedure is in place for the management of complaints. All complaints are logged and monitored for progress and response times are tracked against policy timeframes. They are all reviewed by the Chief Executive Officer and are followed through by the relevant general manager or state manager. The General Manager Corporate Affairs and Human Resources has overall responsibility for complaints management. He reviews all complaint responses prior to responses being sent to complainants. The Company's quality management system is certified to ISO 9001 standard. Part of ISO 9001 is that we have an effective complaints management system and this is audited independently by SAI Global as meeting the relevant standard.</p>

# Financial statements

## **Directors' report**

Directors submit the financial accounts of the entity for the financial year ended 30 June 2013.

## **Directors**

The names of the directors in office during 2012 - 2013 are:

- Dr Andrew Refshauge (Chair)
- Ms Venessa Curnow
- Mrs Karen Frost FCPA
- Mrs June Heinrich AM
- Assoc. Prof Barbara Horner
- Prof Joseph E Ibrahim (retired)
- Dr Helen McGowan
- Dr Mike Rungie
- Mr Ian Yates AM.

All directors are non-executive directors.



## Dr Andrew Refshauge (Chair)

Appointed 9 December 2008.

Current appointment until 30 June 2015.

Appointed Chair from 1 July 2012.

### Current appointments:

- Chair, Australian Institute of Health and Welfare
- Chair, Careflight (NSW)
- Chair, Investment Committee of the NSW Aboriginal Land Council.

### Previous appointments:

- Director, Family Care Medical Services
- Director, Neuroscience Research Australia
- Member, Foundation for Research and Treatment of Alcoholism and Drug Dependence
- Member, Evatt Foundation
- Member, Mandela Foundation
- Deputy Premier, NSW
- Minister for Health, NSW
- Minister for Aboriginal Affairs, NSW
- Treasurer, NSW
- Medical Officer, Aboriginal Medical Services, Redfern, NSW.

MBBS FAICD

**Board meetings eligible to attend: 9**

**Board meetings attended: 9**

## Ms Venessa Curnow

Appointed 2 April 2012.

Current appointment until 1 April 2015.

### Current appointments:

- Director, National Board, National Congress of Australia's First Peoples
- Member, National Aboriginal and Torres Strait Islander Dementia Advisory Group
- Member, Steering Committee Aboriginal and Torres Strait Islander Rural and Remote Aged Care Training Queensland
- Member, Queensland Aboriginal and Torres Strait Islander Nurse and Midwifery Leadership Advisory Group.

### Previous appointments:

- National Aboriginal and Torres Islander Liaison Officer, Alzheimer's Australia
- Training and Resource Officer for Indigenous Aged Care Services, Aged Care Queensland Inc
- Member, Dementia Clinical Knowledge Network Steering Committee Queensland Health.

RN

**Board meetings eligible to attend: 9**

**Board meetings attended: 8**



## Mrs Karen Frost FCPA

Appointed 13 February 2012. Current appointment until 12 February 2015.

### Current appointments:

- Executive Officer, Independent Living Centre (Tasmania) Inc
- Honorary Auditor, Launceston Historical Society Inc
- Board Member, Arthritis Tasmania Inc
- Company Secretary and Treasurer, Australasian Disability Professionals Ltd.

### Previous appointments:

- Credit and Commercial Manager, Boral Construction Materials
- Financial Controller and Office Manager, Masonic Peace Memorial Haven of Northern Tasmania Inc
- Cost Accountant, ACL Bearing Company
- President, CPA Australia Tasmanian division for 2010
- Divisional Councillor, CPA Australia Tasmanian division
- Treasurer, ARAFMI Tasmania Inc
- Board Member, Richmond Fellowship Tasmania Inc.

B.Bus FCPA FAIM

**Board meetings eligible to attend: 9**

**Board meetings attended: 9**



## Mrs June Heinrich AM

Appointed 9 December 2008. Current appointment until 8 December 2014.

### Current appointments:

- Chair, Accreditation Agency Audit and Risk Committee
- Chief Executive Officer, Macquarie Community College
- Member, Central Coast Local Health District Board and Member, Finance and Performance Committee
- Member, NSW Home Care Advisory Board
- Director, Sunnyfield Disability Services
- Member, Citizens Engagement Committee of Clinical Excellence Commission
- Deputy Chair, Assembly Council of the Baptist Churches, NSW & ACT.

### Previous appointments:

- Chief Executive Officer, Baptist Community Services – NSW & ACT
- Chair, Baptist Care Australia
- Director, St Vincent de Paul Aged Care Services
- Deputy Chair and Director, Aged Care Services NSW
- President, Baptist Churches of NSW & ACT
- Consultant, University of Western Sydney
- Consultant and Chair, Strategic Advisory Council, Aged Care Channel.

BA (Hons) MSc D Educ Centenary Medal

**Board meetings eligible to attend: 9**

**Board meetings attended: 9**



## Associate Professor Barbara Horner

Appointed 2 April 2012.

Current appointment until 1 April 2015.

### Current appointments:

- Senior Researcher, Ageing and Dementia, Curtin University
- Director, Rosewood Care Group Inc
- Member, Australasian Association of Gerontology
- Fellow, Australian Council of Health Services Managers
- Member Expert Panel, *Aged Care Management Journal*
- Member Advisory Board, *Australian Journal of Dementia Care*.

### Previous appointments:

- Director, Centre for Research on Ageing, Curtin Health Innovation Research Institute, Curtin University
- Director, WA Dementia Training Study Centre, Curtin University
- Dean, Research and Graduate Studies, Faculty of Health Sciences Curtin University
- Clinical Director, Curtin Health Innovation Research Institute, Curtin University
- Member, National Prescribing Service (NPS) Curriculum and Training Working Group
- Member, Curtin University School of Nursing Curriculum Committee
- President WA Chapter, Royal College of Nursing Australia.

PhD, MEd, BAppSc, RN, AFCHSM, MAAG

**Board meetings eligible to attend: 9**

**Board meetings attended: 9**

## Professor Joseph E Ibrahim

Appointed 14 November 2002.

8 December 2012.

### Current appointments:

- Associate Director, Centre of Research Excellence in Patient Safety Department of Epidemiology and Preventive Medicine, Monash University
- Adjunct Professor, Australian Centre for Evidence Based Aged Care, Faculty of Health Sciences, La Trobe University
- Research investigator on projects investigating quality of clinical care, patient safety, performance indicators and effects of extreme heat on health
- Consultant Physician and Clinical Director Subacute Services, Ballarat Health Service.

### Previous appointment:

- Regional Editor, *International Journal for Quality in Health Care*.

MBBS GradCertHE PhD MRACMA  
FAFPHM FRACP

**Board meetings eligible to attend: 4**

**Board meetings attended: 3**



## Dr Helen McGowan

Appointed 12 November 2012. Current appointment until 31 December 2013.

### Current appointments:

- Clinical Director, Older Adult Mental Health Program, North Metro Health Service, WA
- Member, WA Ministerial Aged Care Advisory Council
- Member, WA Health Clinical Senate
- RANZCP, Faculty of Psychiatry of Old Age, Member of Binational Committee
- Secretary, WA Branch, RANZCP
- WA delegate, National Mental Health Service Planning Framework.

### Previous appointments:

- DoHA Psychogeriatric Expert Reference Group
- Faculty of Psychiatry of Old Age, Chair WA branch
- Chair, WA Health, Older Adult Mental Health Planning and Advisory Committee.

BSC, PhD, MBBS, FRANZCP,  
Cert. Advanced Training FPOA.

**Board meetings eligible to attend: 6**

**Board meetings attended: 6**



## Dr Mike Rungie

Appointed 9 December 2008. Current appointment until 8 December 2014.

### Current appointments:

- Chief Executive Officer, ACH Group
- Director, Aged and Community Services SA/NT Board
- Churchill Fellow 2013 (Roles for people in their 70s, 80s, 90s).

### Previous appointments:

- Member, Expert Panel – Nursing Home for the Ministry of Health, Singapore
- Member, Alzheimer's Australia Quality Dementia Care Network
- Member, Minister's Ageing Consultative Committee
- Member, Monarch Board
- Member, *Insite* Editorial Advisory Board
- Member, Consumer Directed Care Working Group
- Member, Central Northern Adelaide Health Services Board
- Member, North Eastern Community Nursing Home Board
- Member, Prime Minister's Australia 2020 Summit
- Member, Study Group on Teaching Nursing Homes Norway and Holland
- Management Committee Member, *Australasian Journal on Ageing*.

BSc. (Hons) PhD Centenary Medal National ACSA Award for Excellence (2010)

**Board meetings eligible to attend: 9**

**Board meetings attended: 7**



## Mr Ian Yates AM

Appointed 1 July 2011.

Current appointment until 30 June 2014.

### **Current appointments:**

- Chief Executive, COTA Australia (Council on the Ageing)
- Director and Secretary, COTA Member Services Pty Ltd
- Director, COTA Insurance Ltd
- Member, Aged Care Financing Authority
- Deputy Chancellor, Flinders University
- Board Member, Aged Rights Advocacy Service
- Member, Consumer Advisory Panel, Australian Securities and Investments Commission
- Member, Consumer Consultative Committee, Australian Competition and Consumer Commission
- Sponsor Member, National Aged Care Alliance.

### **Previous appointments:**

- Chief Executive, COTA South Australia.
- Member, SA Government Health Performance Council
- Chair, Cancer Council SA
- Member, Minister's Ageing Consultative Committee
- Deputy Chair, Repatriation General Hospital, SA
- Director, Southern Adelaide Health Service
- Member, Consumer Advisory Committee, Australian Energy Regulator.

BA MAICD

**Board meetings eligible to attend: 9**

**Board meetings attended: 9**





Aged Care  
Standards and Accreditation Agency Ltd

## Financial Statements

### Operating results

The surplus for the year amounted to \$288,216. Dividends are not applicable for this entity, as no beneficial interest exists.

### Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the twelve months to 30 June 2013.

### After balance date events

Note 1 to the accounts describes the change in status of the Company on 1 January 2014. Apart from as described in that note, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

### Areas of risk and likely development

The Company has a funding agreement with the Commonwealth Department of Health and Ageing, pursuant to which it carries out its functions in accordance with the Accreditation Grant Principles 1999.

The Deed of Funding provides funds for the Company to meet its responsibilities under the Deed and as the accreditation body appointed under the Aged Care Act 1997. The current Deed of Funding has been renewed to 31 December 2013.

### Audit Committee

The Audit Committee is established by the Board of Directors. The objective of the committee is to provide assistance to the Board concerning the Company's risk, control and compliance framework, and its external accountability responsibilities. The members are responsible to apply good analytical skills, objectivity and good judgement in relation to:

- risk management systems
- internal control systems and relevant policies and procedures
- reporting of financial information in the annual report and other reports
- legislative compliance
- the performance of the internal audit function while providing a forum for communication between the Board, senior management and internal and external audit
- external audit.



Quality  
ISO 9001  
SAI GLOBAL

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Email [national@accreditation.org.au](mailto:national@accreditation.org.au)  
[www.accreditation.org.au](http://www.accreditation.org.au)  
ABN 64 079 618 652



**Directors' and officers' indemnification**

The Company has, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate:

- indemnified against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; and
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs of expenses to defend legal proceedings.

During or since the financial year the Company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium paid was \$7,559 for all directors and officers.

**Directors' benefits**

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company or a related body corporate with a director, a firm of which a director is a member or any entity in which a director has a substantial financial interest.

This statement excludes a benefit included in the aggregate amounts of emoluments received or due and receivable by directors and shown in the Company's accounts, or the fixed salary of a full-time employee of the parent entity, controlled entity or related body corporate.

Signed in accordance with a resolution of the Board of Directors

Dr Andrew Refshauge  
Director

Dr June Heinrich AM  
Director

Dated 16 September 2013



Aged Care  
Standards and Accreditation Agency Ltd

### Directors' declaration

The directors declare that:

- a) the financial statements and notes comply with the *Accounting Standards and Corporations Act 2001*;
- b) the financial statements and notes give a true and fair view of the financial position as at 30 June 2013 of the performance of the Company and the cashflows for the year ended;
- c) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due and payable.



Dr Andrew Refshauge  
Director



Dr June Heinrich AM  
Director

Dated 16 September 2013



Quality  
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ABN 64 079 618 652





Dr Andrew Refshauge  
Chairman  
Aged Care Standards and Accreditation Agency Ltd  
PO Box 773  
PARRAMATTA NSW 2124

Dear Dr Refshauge

**AGED CARE STANDARDS AND ACCREDITATION AGENCY LTD  
2012-13 FINANCIAL REPORT  
AUDITOR'S INDEPENDENCE DECLARATION**

In relation to my audit of the financial report of the Aged Care Standards and Accreditation Agency Ltd for the year ended 30 June 2013, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contravention of any applicable code of professional conduct.

Australian National Audit Office

Ron Wah  
Audit Principal

Delegate of the Auditor-General

Canberra  
16 September 2013

GPO Box 707 CANBERRA ACT 2601  
19 National Circuit BARTON ACT 2600  
Phone (02) 6203 7300 Fax (02) 6203 7777

## Statement of Comprehensive Income

For the year ended 30 June 2013	Note	2013 \$	2012 \$
Revenue	2	36,448,090	38,940,860
Labour expenditure		(27,624,020)	(29,146,238)
Depreciation and amortisation		(317,011)	(834,092)
Finance costs		(31,980)	(11,238)
Other expenses	2	(8,186,863)	(8,550,404)
<b>Surplus for the year</b>		<b>288,216</b>	<b>398,888</b>
<b>Other Comprehensive Income for the year</b>		<b>–</b>	<b>–</b>
<b>Total Comprehensive Income for the year</b>		<b>288,216</b>	<b>398,888</b>

The accompanying notes form part of this Statement of Comprehensive Income.

## Balance Sheet

As at 30 June 2013	Note	2013 \$	2012 \$
<b>Current assets</b>			
Cash and cash equivalents	5	21,233,038	24,762,643
Trade and other receivables	6	247,209	472,292
Prepayments		940,998	813,107
Property, plant and equipment	7	1,036,200	–
Intangibles	8	–	–
<b>Total current assets</b>		<b>23,457,445</b>	<b>26,048,042</b>
<b>Non-current assets</b>			
Property, plant and equipment	7	–	648,685
Intangibles	8	–	19,607
<b>Total non-current assets</b>		<b>–</b>	<b>668,292</b>
<b>Total assets</b>		<b>23,457,445</b>	<b>26,716,334</b>
<b>Current liabilities</b>			
Trade and other payables	9	4,179,485	8,380,778
Other current provisions	10	271,324	11,238
Employee provisions	11	4,161,182	2,201,391
<b>Total current liabilities</b>		<b>8,611,991</b>	<b>10,593,407</b>
<b>Non-current liabilities</b>			
Employee provisions	12	–	1,337,584
Other non-current provisions	13	–	228,105
Other payables	14	–	–
<b>Total non-current liabilities</b>		<b>–</b>	<b>1,565,689</b>
<b>Total liabilities</b>		<b>8,611,991</b>	<b>12,159,096</b>
<b>Net assets</b>		<b>14,845,454</b>	<b>14,557,238</b>
<b>Equity</b>			
Retained earnings		14,845,454	14,557,238
<b>Total equity</b>		<b>14,845,454</b>	<b>14,557,238</b>

The accompanying notes form part of this Balance Sheet.

## Cash Flow Statement

For the year ended 30 June 2013	Note	2013 \$	2012 \$
<b>Cash flows from operating activities</b>			
Receipts from customers and government grants		32,097,919	39,350,733
Interest received		1,067,484	1,172,445
Other income and net GST paid		131,993	185,703
Payments to suppliers and employees		(36,115,825)	(36,188,413)
Finance costs		(31,980)	(11,238)
<b>Net cash from operating activities</b>	4	(2,850,409)	4,509,230
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(684,993)	(309,764)
Proceeds on disposal of property, plant and equipment		5,797	661
<b>Net cash (used by) investing activities</b>		(679,196)	(309,103)
Net increase in cash and cash equivalents		(3,529,605)	4,200,127
<b>Cash and cash equivalents at the beginning of the financial year</b>		24,762,643	20,562,516
<b>Cash and cash equivalents at the end of the financial year</b>	5	21,233,038	24,762,643

The accompanying notes form part of this Cash Flow Statement.

## Statement of Changes in Equity

For the year ended 30 June 2013	Note	2013 \$	2012 \$
<b>Retained earnings</b>			
Balance as at 1 July 2012		14,557,238	14,158,350
Surplus for the year		288,216	398,888
<b>Balance at 30 June 2013</b>		14,845,454	14,557,238

The accompanying notes form part of this Statement of Changes in Equity.

# Notes to the Financial Report

**For the year ended 30 June 2013**

## Note 1. Statement of accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with accounting standards and interpretations issued by the Australian Accounting Standards Board, and the *Corporations Act 2001*.

The financial report covers the economic entity of Aged Care Standards and Accreditation Agency Limited (the Company). The Company is a public, unlisted Company limited by guarantee, incorporated and domiciled in Australia.

The financial report has been prepared on an accrual basis, and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report.

The *Australian Aged Care Quality Agency Act 2013* and the *Australian Aged Care Quality Agency (Transitional Provisions) Act 2013* (the Acts) received Royal Assent on 28 June 2013. The Acts establish the Australian Aged Care Quality Agency as a Statutory Agency and make transitional provisions for the transfer of assets and liabilities of the Company to the Quality Agency on 1 January 2014. Accordingly, the company is not a going concern.

As a result, the financial report has been prepared on the non-going concern basis whereby all assets and liabilities have been classified as current. The corresponding figures for 30 June 2012 have not been reclassified.

The financial report has been prepared in accordance with accounting standards and interpretations issued by the Australian Accounting Standards Board, and the *Corporations Act 2001*. This reflects the continuity of operations provided for in the legislated transitional provisions. The Acts provide that the assets of the company will become the assets of the Commonwealth (the member of the company) for nil consideration. The Commonwealth will also take over the liabilities of the company on 1 January 2014.

## **Cash**

Cash is recognised at its nominal amount. Cash and cash equivalents include:

- a) cash on hand; and
- b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

## **Revenue recognition**

Accreditation fees are paid on application and 25% is brought to revenue in the following month and 75% three months after the money is received unless the accreditation audit has not yet been completed, in which case the revenue is recognised on completion. The funds are shown as unearned income on the Balance Sheet until brought to revenue. Unearned income for 2012-13 has been adjusted to reflect the principle that funds are recorded as revenue when the related work has been undertaken.

Australian Government funding and interest income is brought to account in the month it is earned. Education income is recognised in the same period in which training is conducted. Income received from publications is recognised upon receipt.

## **Income tax**

The Company has received a private ruling from the Australian Taxation Office exempting it from income tax.

The basis of the application for the ruling in 1998 was the public benefit created by the activities of the company and that the member of the company (the Commonwealth) was prohibited by the company constitution (Clause 3.3) from deriving a financial benefit from the company. The company had nil retained earnings at the time of the ruling.

In the event that the acquisition of the assets by way of legislation creates a tax liability, this liability will be assumed by the Commonwealth under the provisions of the Acts.

## Financial assets

The Company classifies its financial assets in the category of loans and receivables which comprise trade and other receivables that have fixed or determinable payments that are not quoted in an active market.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

## Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation.

The depreciable amount for all newly acquired property, plant and equipment is depreciated over their useful lives on a straight line basis commencing from the time the asset is held ready for use.

The current straight line rates of depreciation by categories are unchanged from 2012:

Computers	33%
Software internally developed	25%
Furniture and fittings	20%
Other equipment	20%
Leasehold	20% (or term of lease, whichever is shorter).

## Impairment of assets

All assets were assessed for impairment at 30 June 2013. Where indicators of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment is made if the asset's recoverable amount is less than its carrying amount. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employed, and subsequent disposal.

The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

There has been no objective evidence that impairment of assets has occurred at balance date.

## **Intangibles**

The entity's intangibles comprise internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

All software assets were assessed for indications of impairment as at 30 June 2013.

## **Financial Liabilities**

Financial liabilities are classified as other financial liabilities which include supplier and other payables that are recognised at amortised cost. Financial liabilities are recognised and derecognised upon 'trade date'.

## **Leases**

Leases of plant and equipment where substantially the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Company are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight-line basis over their estimated useful lives, where it is likely that the Company will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. The Company did not have finance leases during the year.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

## **Lease incentives**

The lease incentives derived from the negotiation of new or renewed operating leases have been recognised as the aggregate benefit of incentives, as a reduction of rental expense over the term of the lease, on a straight line basis.

## **Employee benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries and annual leave, which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Long service leave provision continues to be provided in accordance with AASB119.

Contributions made by the Company to employee superannuation funds are charged as expenses when incurred.

## **Goods and service tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

## **Statement of compliance**

The financial report complies with Australian Accounting Standards which include Australian Equivalents to International Finance Reporting Standards (A-IFRS).

## **Adoption of new Australian Accounting Standards requirements**

No accounting standard has been adopted earlier than the application date as stated in the standard. No new accounting standards, amendments to standards and interpretations issued by the Australian Accounting Standards Board that are applicable in the current period, have had a material financial effect on the Company.

## **Future Australian Accounting Standard requirements**

New standards, amendments to standards, and interpretations that are applicable to future periods have been issued by the Australian Accounting Standards Board. It is estimated that adopting these pronouncements, when effective, will have no material impact on future reporting periods.

## Note 2. Operating result

Operating result has been determined after:

<b>Crediting as income</b>	<b>2013</b>	<b>2012</b>
	\$	\$
Income from ordinary activities		
Government grants received	25,126,623	18,191,432
Accreditation revenue	9,042,147	17,950,992
Training revenue	1,169,976	1,432,634
Interest	971,545	1,215,175
Other income	137,799	150,627
Income	<b>36,448,090</b>	<b>38,940,860</b>

<b>Charging as expenses</b>	<b>2013</b>	<b>2012</b>
	\$	\$
Depreciation and amortisation of non-current assets:		
Property, plant and equipment	297,404	335,755
Intangibles	19,607	498,337
Total depreciation and amortisation	<b>317,011</b>	<b>834,092</b>
Other expenses		
IT	608,299	645,122
Legal	263,970	280,204
Other professional fees	72,605	139,536
Printing and stationery	169,751	384,747
Occupancy, leases and other rental cost	2,463,932	2,507,600
Seminars and conferences	112,451	69,280
Telephones and communications	330,235	336,921
Training and recruitment	340,291	378,455
Travel	2,947,475	3,033,588
Other	877,854	774,951
Total other expenses	<b>8,186,863</b>	<b>8,550,404</b>

### Note 3. Remuneration of auditors

	2013 \$	2012 \$
Audit of financial report	36,700	36,700

No other services were provided by the Auditor General during the reporting period.

### Note 4. Reconciliations of cashflow from operations with operating profit

#### Cash

For the purpose of the cash flow statement, cash and cash equivalents include:

- cash on hand and on call deposits with banks or financial institutions, net of bank overdrafts; and
- investments in money market instruments with less than 90 days to maturity.

#### Reconciliation of surplus for the year to net cash flow from operating activities

	2013 \$	2012 \$
Surplus for the year	288,216	398,888
Non-cash flows in operating result		
Depreciation and amortisation	317,011	834,092
Loss /(gain) on sale of property, plant and equipment	(5,722)	(623)
Changes in assets and liabilities		
(Increase)/decrease in receivables	225,082	(65,063)
(Increase)/decrease in prepayments	(127,891)	46,916
Increase/(decrease) in payables	(4,201,293)	2,559,862
Increase/(decrease) in current provisions	2,219,877	192,602
Increase/(decrease) in non-current provisions	(1,565,689)	542,556
Net cash from operating activities	(2,850,409)	4,509,230

## Note 5. Cash and cash equivalents

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	21,233,038	24,762,643

## Note 6. Trade and other receivables

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Trade receivables	101,002	321,897
GST receivable from the Australian Tax Office	144,060	148,695
Other	2,147	1,700
Total trade and other receivables	247,209	472,292

Trade and other receivables are unsecured and non-interest bearing.

## Note 7. Property, plant and equipment

	2013 \$	2012 \$
Furniture and fittings		
Cost		
Opening	1,169,749	1,158,438
Additions	12,397	16,641
Disposals	(28,820)	(5,330)
Closing	1,153,326	1,169,749
Accumulated depreciation		
Opening	(1,082,356)	(1,031,326)
Depreciation expense	(37,768)	(56,360)
Write back on disposals	28,820	5,330
Closing	(1,091,304)	(1,082,356)
Net furniture and fittings	62,022	87,393
Computers		
Cost		
Opening	1,233,102	1,438,826
Additions	616,631	233,735
Disposals	(203,957)	(439,459)
Closing	1,645,776	1,233,102
Accumulated depreciation		
Opening	(852,520)	(1,089,996)
Depreciation expense	(194,160)	(201,945)
Write back on disposals	203,884	439,421
Closing	(842,796)	(852,520)
Net computers	802,980	380,582

## Note 7. Property, plant and equipment (continued)

	2013 \$	2012 \$
Office equipment		
Cost		
Opening	412,504	447,087
Additions	13,115	11,342
Disposals	(33,012)	(45,925)
Closing	392,607	412,504
Accumulated depreciation		
Opening	(305,407)	(291,502)
Depreciation expense	(40,901)	(59,830)
Write back on disposals	33,012	45,925
Closing	(313,296)	(305,407)
Net office equipment	79,311	107,097
Leasehold improvements		
Cost		
Opening	256,179	208,133
Additions	42,850	48,046
Disposals	–	–
Closing	299,029	256,179
Accumulated depreciation		
Opening	(182,566)	(164,946)
Depreciation expense	(24,576)	(17,620)
Closing	(207,142)	(182,566)
Net leasehold improvements	91,887	73,613
Total property, plant and equipment	1,036,200	648,685

## Note 8. Intangibles

	<b>2013</b>	<b>2012</b>
	\$	\$
Software – internally developed		
Cost		
Opening	2,579,605	2,579,605
Additions	–	–
Closing	2,579,605	2,579,605
Accumulated depreciation		
Opening	(2,559,998)	(2,061,661)
Amortisation expense	(19,607)	(498,337)
Closing	(2,579,605)	(2,559,998)
Net Software	–	19,607

The value of the intangible assets is sustained only so long as they contribute to the Company achieving its goals as an ongoing organisation. Their value is depreciated over four years at 25% per annum.

## Note 9. Current liabilities – trade and other payables

	<b>2013</b>	<b>2012</b>
	\$	\$
Lease incentives	12,760	43,070
Trade creditors and accruals	1,682,241	2,477,000
Unearned income	2,484,484	5,860,708
Total trade and other payables	4,179,485	8,380,778

## Note 10. Current liabilities – other current provisions

	<b>2013</b>	<b>2012</b>
	\$	\$
Make good	271,324	11,238
Total current liabilities - other provisions	271,324	11,238

## Note 11. Current liabilities – employee provisions

	<b>2013</b>	<b>2012</b>
	\$	\$
Annual leave	1,908,854	1,752,579
Long service leave	2,234,567	436,812
Salary and wages	17,761	12,000
Total employee provisions	4,161,182	2,201,391

## Note 12. Non-current liabilities – employee provisions

	<b>2013</b>	<b>2012</b>
	\$	\$
Long service leave	–	1,337,584
Total non-current employee provisions	–	1,337,584
Aggregate employee benefit liability (sum of notes 11 and 12)	4,161,182	3,538,975

### Note 13. Non-current liabilities – other non-current provisions

	2013 \$	2012 \$
Make good	–	228,105
Total other non-current provisions	–	228,105

### Note 14. Non-current liabilities – other payables

	2013 \$	2012 \$
Lease incentives	–	–
Total other payables	–	–

### Note 15. Issued capital

Aged Care Standards and Accreditation Agency Limited is a public company limited by guarantee.

The Member undertakes to contribute to the assets of the company (up to an amount not exceeding \$5) in the event of the Company being wound up while a member of the Company, or within one year after ceasing to be a member, for payment of the debts and liabilities of the Company including the costs, charges and expenses of the winding up.

## Note 16. Expenditure commitments

	2013 \$	2012 \$
<b>Operating leases</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statement		
Payable:		
Within one year	1,574,706	1,492,961
Later than one year but not later than 5 years	3,334,513	1,348,647
Later than 5 years	–	76,331
	4,909,219	2,917,939

The expenditure commitment figures shown above exclude GST.

## Note 17. Contingent liabilities and assets

	2013 \$	2012 \$
Estimates of the potential financial effect of contingent liabilities that may become payable:		
The Company has three bank security deposit guarantees for rental properties	279,455	232,336
	279,455	232,336

## Note 18. Financial instruments

### Financial assets includes Cash and Trade Receivables

Cash and deposits are recognised in the Balance Sheet at their nominal value. Interest is credited to revenue as it is earned. The effective weighted average interest rate for cash deposits at 30 June 2013 was 3.68% (30 June 2012: 5.03%).

Receivables are normally settled within 30 days.

### Financial liabilities includes Trade and Other Payables

Liabilities are recognised at their nominal value in the balance sheet for amounts to be paid in the future for goods and services received, whether or not billed.

Trade creditors are normally settled within 30 days.

### Interest rate risk exposures

2013	Floating interest rate \$	Non-interest bearing \$	Total \$	Weighted average effective interest rate %
<b>Financial assets</b>				
Cash	21,233,038		21,233,038	3.68%
Receivables		247,209	247,209	
<b>Total financial assets</b>	<b>21,233,038</b>	<b>247,209</b>	<b>21,480,247</b>	
<b>Total assets</b>			<b>23,457,445</b>	
<b>Financial liabilities</b>				
Payables		1,682,241	1,682,241	
<b>Total financial liabilities</b>		<b>1,682,241</b>	<b>1,682,241</b>	
<b>Total liabilities</b>			<b>8,611,991</b>	

## Interest rate risk exposures

2012	Floating interest rate \$	Non-interest bearing \$	Total \$	Weighted average effective interest rate %
<b>Financial assets</b>				
Cash	24,762,643		24,762,643	5.03%
Receivables		472,292	472,292	
<b>Total financial assets</b>	<b>24,762,643</b>	<b>472,292</b>	<b>25,234,935</b>	
<b>Total assets</b>			<b>26,716,334</b>	
<b>Financial liabilities</b>				
Payables		2,477,000	2,477,000	
<b>Total financial liabilities</b>		<b>2,477,000</b>	<b>2,477,000</b>	
<b>Total liabilities</b>			<b>12,159,096</b>	

## Net fair value

All financial assets and liabilities have been recognised at the balance date at their net fair values.

## Credit risk

The Company's maximum exposure to credit risk is limited to the risk that arises from potential default of its debtors.

## Note 19. Economic dependency

The operations of the Company are dependent on income from the Department of Health and Ageing in the form of the accreditation grant, income from fees paid by registered aged care facilities and income from education activities.

## Note 20. Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years, except as disclosed in Note 1.



## INDEPENDENT AUDITOR'S REPORT

### To the members of the Aged Care Standards and Accreditation Agency Ltd

I have audited the accompanying financial report of the Aged Care Standards and Accreditation Agency Ltd, which comprises the Balance Sheet as at 30 June 2013, the Statement of Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity for the year then ended, and Notes comprising a Statement of Accounting Policies and other explanatory information, and the Directors' Declaration.

#### *Directors' Responsibility for the Financial Report*

The directors of the Aged Care Standards and Accreditation Agency Ltd are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Aged Care Standards and Accreditation Agency Ltd's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Aged Care Standards and Accreditation Agency Ltd's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

GPO Box 707 CANBERRA ACT 2601  
19 National Circuit BARTON ACT 2600  
Phone (02) 5293 7390 Fax (02) 5293 7777

***Independence***

In conducting my audit, I have complied with the independence requirements of the *Corporations Act 2001*.

***Opinion***

In my opinion the financial report of the Aged Care Standards and Accreditation Agency Ltd is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Aged Care Standards and Accreditation Agency Ltd's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

***Emphasis of Matter***

I draw attention to Note 1 of the financial report which indicates that the Aged Care Standards and Accreditation Agency Ltd is not a going concern and the reasons therefor, and which state the basis on which the financial report has been prepared. My opinion, set out above, has not been modified in respect of this matter.

Australian National Audit Office



Ron Wah  
Audit Principal

Delegate of the Auditor-General

Canberra  
16 September 2013

# Appendix

## Aged Care Standards and Accreditation Agency Ltd

General enquiries 1800 288 025

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# Compliance index

**Ministerial directions and other statutory requirements:** During 2012/13 the *Commonwealth Companies (annual reporting) Orders 2011* applied. This compliance index was a requirement of these orders. Where applicable, the clause number of the reporting requirement is quoted. The page number is located in this Annual report.

Description	Clause	Requirement	Page
Accreditation and operations	14	Mandatory	18 to 24
Audited financial statements		Mandatory	65 to 87
Australian National Audit Office		Mandatory	68, 88, 89
Board committees	12	Mandatory	65 to 66
Chair overview		Mandatory	5 and 6
CEO overview		Mandatory	7 and 8
Company structure	12	Mandatory	16 and 17
Compliance index	18	Mandatory	91
Contact officer		Mandatory	2
Director particulars	11	Mandatory	59 to 64
Disclosure requirements for GBEs	17	Mandatory	n/a
Education		Suggested	25 to 29
Internet home page address		Mandatory	2
Judicial decisions and reviews by outside bodies	15	Mandatory	n/a
Key activities and changes affecting the company	14	Mandatory	14 and 72
Letter of transmittal		Mandatory	4
Ministerial directions	10	Mandatory	n/a
Obtaining information from subsidiaries	16	Mandatory	n/a
Our people		Suggested	46 to 51
Quality assurance and improvement		Suggested	27 to 36
Related entity transactions	13	Mandatory	n/a
Remuneration committee	12	Mandatory	16
Responsible Minister	9	Mandatory	14
Stakeholder relationship management		Suggested	30 to 32
Table of contents	18	Mandatory	3
The environment		Suggested	43 and 44



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[www.accreditation.org.au](http://www.accreditation.org.au)