



Australian Government  
Australian Aged Care Quality Agency

# ANNUAL REPORT

2015-2016

# Annual Report 2015–2016

Australian Aged Care Quality Agency

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# LETTER OF TRANSMITTAL

The Hon Sussan Ley MP  
Minister for Health  
Minister for Aged Care  
Minister for Sport  
Parliament House  
Canberra ACT 2600

Dear Minister

I hereby submit my Annual Report pursuant to my obligations under section 47 of the *Australian Aged Care Quality Agency Act 2013*. The report includes information related to the functions of the Chief Executive Officer of the Australian Aged Care Quality Agency during the period 1 July 2015 to 30 June 2016.

I certify that I am satisfied the Quality Agency has:

- prepared appropriate fraud risk assessments and a fraud control plan
- put in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes
- taken all reasonable measures to minimise the incidence, and to investigate and recover the proceeds of fraud.

I should note that on 1 July 2015, an organisational restructure was implemented which was followed by the appointment of three Senior Executive Service Officers.

The annual report is also provided to satisfy the requirements of Section 46 of the *Public Governance, Performance and Accountability Act 2013* and Section 70 of the *Public Service Act 1999*.



Nick Ryan  
Chief Executive Officer  
30 November 2016

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# QUALITY AGENCY AT A GLANCE

## OUR VISION<sup>Older</sup>

Australians have quality care choices that enhance their lives.

## WHAT WE DO

Our functions, as set out in the legislation, are:

- ✓ to accredit residential care services
- ✓ to conduct quality review of home care services (from 1 July 2014)
- ✓ to register quality assessors
- ✓ to advise the Secretary of the Department about aged care services that do not meet the Accreditation Standards, the Home Care Standards or the NATSI Flex Aged Care Program under the Quality Framework
- ✓ to promote high quality care, innovation in quality management and continuous improvement
- ✓ to provide information, education and training.

## OUR NETWORK

Our national office is located at Parramatta NSW and we have offices in every state as well as in the Northern Territory.

## PERFORMANCE REPORTING

How we achieved our outcome is located in Part 2: Performance reporting of this annual report.

## OUR PURPOSE

We are responsible for holding aged care providers accountable against the Accreditation Standards for residential aged care, the Home Care Standards for home care services, Quality Review of National Aboriginal and Torres Strait Islander Flexible Care Services (NATSI Flex) and also supporting service provider performance through education and training and compliance assistance.

## OUR STRATEGIC PRIORITIES

We work collaboratively to ensure high quality care for older Australians

1. We listen to consumers, providers and the aged care sector
2. We target our programmes to promote high quality care and innovation
3. We recruit and develop people with the right capability for now and the future
4. We have technology and information systems to improve performance and transparency
5. We are responsible and sustainable in our use of public resources.

## OUR PEOPLE

Our permanent headcount as at 30 June 2016 was 226. (213.8 full time equivalent).

The average length of service is just over six years.

Seventy-nine per cent of our staff are female.

Of our 226 employees, 130 (58%) are over 50 years of age, and 45 (20%) are over 60 years of age. We also have one staff member over the age of 75.

## OUTCOME 6: AGEING AND AGED CARE

High-quality care for persons receiving Australian Government subsidised residential aged care and aged care in the community through the accreditation of residential aged care services, the quality review of aged care services including services provided in the community, and the provision of information, education and training to the aged care sector.



# [ 28 WINNERS ]



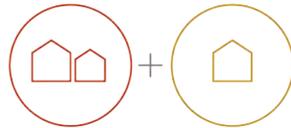
**40 ENTRIES**

From Home Care Providers



**124 ENTRIES**

From Residential Aged Care Providers

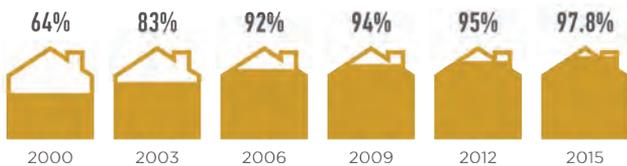


**31 ENTRIES**

From Providers in both Home Care & Residential Aged Care Providers

## INDUSTRY PERFORMANCE

PERCENTAGE OF HOMES THAT MET 44 EXPECTED OUTCOMES





# 1

## OVERVIEW

This part of the report provides an overview of the people, projects and resources involved in providing the accreditation services to the aged care sector and who progress our vision: Older Australians have quality care choices that enhance their lives.

Our achievements in 2015-16 are identified, along with some of the initiatives that lie ahead.

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# MESSAGE FROM THE CEO

I am pleased to present the Annual Report and accounts of activities for the Australian Aged Care Quality Agency (Quality Agency) for the period 1 July 2015 - 30 June 2016.

We believe that older Australians should have quality care choices that enhance their lives. Our role as the independent regulator of quality across the range of Australian Government-subsidised aged care services provides assurance to consumers that community expectations about standards of care and services are being rigorously assessed.

Aged care in Australia continues to undergo significant changes with a renewed focus on the consumer. Listening to those who receive aged care services is fundamental to our role. During the year, we interviewed and listened to more than 50,000 people, those in care, and their families and representatives, about the quality of care and services they received. The information gathered at these interviews has helped us to understand their individual experience of care which in turn has informed our audit processes and our education programs.

In 2015-16, more than 97 per cent of all residential aged care facilities that went through a full audit were assessed as meeting all expected outcomes of the Accreditation Standards.

This result demonstrates the ongoing level of maturity of residential aged care accreditation in Australia. The aged care industry's response to accreditation of residential aged care and now the quality review of home care services has raised the quality of care provided to older Australians to the extent where consumers and their families can be confident in the high level of care they are receiving.

Over time, poorer-performing providers have exited the industry, and this is also a significant factor in the strong and sustained improvement in overall industry performance.

In undertaking the quality review program of home care services, the Quality Agency is establishing an understanding of performance of these services against the Home Care Standards. The results show that although services are delivering client-focused care, this is not always delivered according to a systems framework.

The level of maturity of the aged care sector and sustained performance will inform the review of the Standards and the Quality Agency will play a critical role in contributing to the Australian Government's review of the Standards.

We also saw many examples of industry-leading programs built on individual client focus, and our Better Practice Awards celebrated high performance in both home care and residential aged care services, and with specific descriptors to recognise remote/very remote service delivery, and special needs including programs for Aboriginal and

## 1. OVERVIEW

Torres Strait Islander people, Culturally and Linguistically Diverse People, Lesbian, Gay, Bisexual, Transgender and Intersex people, older Veterans and homeless people.

Industry education and training have been crucial to our role in promoting high quality care and fostering innovation and continuous improvement. In 2015-16 we provided a comprehensive program of information, education and training, ranging from engaging with the aged care sector on quality through the 'Let's talk about quality' project; providing a successful series of Better Practice conferences in all states and the Northern Territory; collaborating with Home Care Today (COTA Australia) to develop a one-day workshop on Consumer Directed Care and the Home Care Standards; developing a new workshop 'Focus on diversity' with the Centre for Cultural Diversity in Ageing; expanding the reach of our Understanding Accreditation and Understanding Quality Review courses through our industry associations; conducting education sessions on the Standards for front-line care workers, and encouraged the aged care sector to download the home care sector package, Qhome.

We're pleased to report our Aged Care Quality Assessor Training Program was reaccredited by the International Society for Quality in Healthcare (ISQua) – formal recognition that our assessor training program has been assessed by peer reviewers against international standards.

I wish to pass on my thanks to recognise the co-operative and effective way staff from the newly established Aged Care Complaints Commissioner and the Department work with our staff in relation to our shared responsibilities in aged care.

Australians have high expectations of aged care service providers in providing care to older Australians in our community. Australians also have strong expectations that we hold poor performers to account, and that equally we will work constructively with aged care service providers to support industry innovation overall, with a focus on quality care choices for individual consumers.

This Annual Report provides an analysis of our performance that has been undertaken by our staff in 2015-16 and which we continue to build on in the future.



A handwritten signature in black ink, appearing to read 'Nick Ryan', written over a light grey background.

**Nick Ryan**  
Chief Executive Officer  
30 November 2016

# REVIEWING PERFORMANCE

## 2015-16



### 4,251 visits to residential aged care homes including reaccreditation site audits, review audits and assessment contacts

- ✓ 858 re-accreditation site audits where a home was assessed against the Accreditation Standards
- ✓ 13 review audits where we had concerns that the Accreditation Standards may not be met
- ✓ 2,866 unannounced visits where we monitor performance as part of the Australian Government's requirement that every year an aged care home receive at least one unannounced visit per year
- ✓ 514 assessment contacts general were conducted to monitor the performance of residential aged care services against the Accreditation Standards.
- ✓ 70 services had a timetable for improvement
- ✓ 2,678 residential aged care services as at 30 June 2016



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### 1,029 quality reviews and assessment contacts conducted

- ✓ 908 quality reviews were conducted where a service was assessed against the Home Care Standards
- ✓ 121 assessment contacts
- ✓ 91 services had a timetable for improvement
- ✓ 2,119 home care services as at 30 June 2016



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### 25 reviews of National ATSI were conducted

- ✓ 11 visits were conducted
- ✓ 14 announced visits were conducted
- ✓ 32 services as at 30 June 2016



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**More than 50,000 care recipients and their representatives were interviewed as part of our assessment of services against the standards.**

# SIGNIFICANT ISSUES AND DEVELOPMENTS

In 2015-16 we undertook a significant amount of work consolidating our functions, including processes and systems, in order to complete the transition to a public sector agency and also respond to policy initiatives in our operating environment. A significant amount of the work undertaken was to ensure our organisation complied with the regulatory frameworks that apply to all APS agencies including those listed below:

- ✔ Requirements under the *Public Governance, Performance and Accountability Act 2013* requiring appropriate administrative and financial delegations to align governance with effective operations.
- ✔ Physical and document security to comply with Protective Security Policy Framework (PSFP) requirements for Commonwealth government agencies.
- ✔ Web Accessibility Guidelines 2.0 (WCAG) to ensure our website and other documents available to the public complies with Digital Transformation Office (DTO).
- ✔ Revising our information and record management processes in order to comply with National Archives of Australia (NAA) requirements for records management.

We also continue to update our internal business processes and policies to ensure compliance with all government regulatory and policy frameworks.

# COST RECOVERY OF ACCREDITATION SERVICES TO RESIDENTIAL AGED CARE

We have prepared a draft Cost Recovery Implementation Statement (CRIS) to implement full cost recovery of accreditation and re-accreditation services of residential aged care services. This was a 2015-16 budget measure for implementation from 1 July 2016. The proposed fee structure is based on the number of allocated places each service has and the number of auditor hours required to conduct an accreditation audit. The draft CRIS includes the discounts announced in the 2015-16 Budget for services with less than 25 places or services in receipt of the viability supplement.

## 1. OVERVIEW

Cost recovery of unannounced visits (which enable us to monitor compliance with the Accreditation Standards) are not covered by the CRIS. The 2016-17 Budget includes an appropriation of \$10.1 million for the Quality Agency to undertake unannounced visits throughout 2016-17. These costs will not therefore need to be recovered from providers in 2016-17.

A four week stakeholder consultation period was held. Submissions from peak industry associations (ACSA, LASA and the Aged Care Guild) as well as the Quality Advisory Group (a subcommittee of the National Aged Care Alliance) were received.

The Government is currently considering the proposal and a decision will be published on our website for the new fee structure to come into effect.

## REGULATOR PERFORMANCE FRAMEWORK

The Australian Government's Regulator Performance Framework measures the performance of regulators and holds them accountable against six identified key performance indicators.

At the time of writing this Annual Report we are nearing the first cycle of reporting against the six performance indicators. We are working with the Department of Health Regulatory Performance Branch to provide our contribution into portfolio level reporting against the Regulatory Performance Framework.

## ACCREDITATION

As with accreditation practices internationally, aged care accreditation and quality review takes account of the consumer experience and uses a combination of methodologies to understand and report on performance. Accreditation is evolving alongside other tools such as outcome measures and consumer ratings as an instrument for better quality of care for older Australians. We have several projects underway to build on our regulatory practices and streamline approaches to the aged care sector.

# COMPUTER ASSISTED AUDIT TOOL

A new tool to collect data during residential aged care home assessment visits is expected to continue to improve the quality of data collection and reporting in aged care in 2017.

Australian Aged Care Quality Agency's assessors will begin using the tablet PC and customised software, CAAT (Computer Assisted Audit Tool), in reaccreditation audit visits from early next year.



At a glance CAAT is a new computer assisted audit tool to be used by quality assessors to help us determine whether an aged care home meets existing Accreditation Standards. It captures information and evidence from interviews, observations and document reviews. Quality Agency assessors will begin using the tool during assessment visits to residential aged care homes from 2017.

Our assessors currently capture data from a variety of sources including documentation, interviews and observation.

The auditing process will be more streamlined than the current paper-based system. It will improve the quality of data we collect, allowing us to compile more comprehensive and objective information on homes.

For providers, this will add value to the assessment process, including more detailed briefings during assessment visits. In the long term, our data will help providers plan, train and manage risks in homes.

Once the data is collected by assessors during audit visits, it will be stored and analysed by the Quality Agency to help identify 'at-risk' services and improve compliance. It will also support better audit reporting published on our website, including a new, more consumer friendly version of each report.

Our ultimate aim is to improve quality standards for consumers. A customised tool that can help us collect, analyse and report on aged care is a major boost to this process.

Other features:

- ✓ An audit methodology engaging with aged care providers, staff, residents and their families through interviews, document reviews and observation of resident care.

## 1. OVERVIEW

- ✓ Gradual expansion of the tool's use from reaccreditation audit visits to other audit visits conducted by the Quality Agency.
- ✓ Respect for customer privacy in line with Australia's strict privacy laws to protect the identity of individuals. Security features to protect consumers' and providers' data.
- ✓ Tablet PC and stylus-friendly format that is not intrusive to staff and residents.

## NEW REPORT TO HIGHLIGHT CONSUMER EXPERIENCE

We are responsible for accrediting residential aged care services. We assess the quality of care and services in residential aged care homes through a site audit against the Accreditation Standards. Following a site audit the assessment team prepares an accreditation audit report, which is published on our website. Residential aged care homes are re-accredited approximately every three years and receive an unannounced visit by us at least once per year.

We are changing the way we report on our residential accreditation audits to assist individuals and families in making decisions about residential aged care. We continue to consult with the aged care sector and undertake research activities to refine the way we collect and report on consumer perspectives, and to deliver the content and structure for a new report.

In early 2017, we will publish a Consumer Guide to Accreditation of residential aged care services, (Consumer Guide) which will support consumers to understand the accreditation process. We will also update our website to increase access to accreditation audit reports and the Accreditation Standards. You can get your copy of the Consumer Guide, the Accreditation Standards and the accreditation report for each home on the Accreditation reports page at [www.aacqa.gov.au/site/pdfs/reports](http://www.aacqa.gov.au/site/pdfs/reports)

From 30 June 2017, we will publish the Report for Consumers: Experience of care recipients in aged care homes (Report for Consumers). This short report will promote consumer choice of residential aged care homes by highlighting the consumer experience of the care and quality of services, relevant to the Accreditation Standards.

There are many considerations when making a decision about choices of aged care services and the Report for Consumers and accreditation audit reports are only one source of information. We recommend that individuals and families refer to all available information, including information provided on the My Aged Care website ([www.myagedcare.gov.au](http://www.myagedcare.gov.au)), on aged care provider websites and visiting residential

## 1. OVERVIEW

aged care homes when assessing an aged care home to suit your needs.

For further information, consumers and providers of residential aged care can visit our website [www.aacqa.gov.au](http://www.aacqa.gov.au).

### SINGLE APPROACH TO DUAL ACCREDITATION



During 2015 to 2016 we teamed up with the Australian Council of Healthcare Standards in a pilot audit project. The project aimed to test an approach to reduce the regulatory burdens on services that are subject to both the Accreditation Standards and the National Safety and Quality Health Service Standards. The pilot consisted of streamlined audits held at Hesse Rural Health Service and West Wimmera Health Services in rural Victoria. The pilot was independently evaluated and the results were published in a presentation at the International Society for Quality in Healthcare (ISQua) conference in Japan in October 2016.



### WORKING WITH OUR CO-REGULATORS

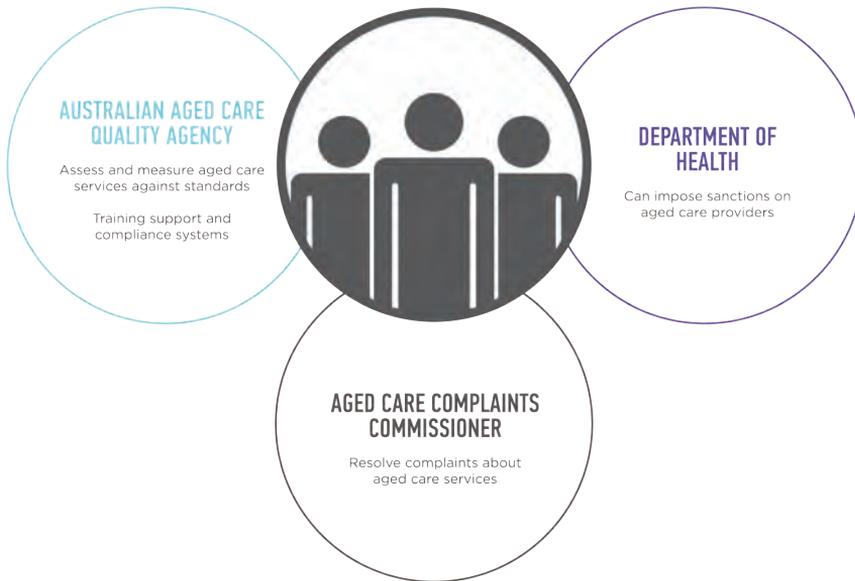
During 2015-16 we worked closely with both the Department of Health and the Aged Care Complaints Commissioner to ensure coordinated responses to regulatory issues.

In the period between 1 July 2015 and 31 December 2015 we received 189 referrals from the Department of Social Services and the Department of Health. The Aged Care Complaints Scheme was within these departments during this period.

In the period between 1 January 2016 and 30 June 2016, we received 132 referrals

## 1. OVERVIEW

from the Aged Care Complaints Commissioner. On 1 January 2016 the complaints scheme was transferred from the Department of Health to the newly created Aged Care Complaints Commissioner. Of these referrals, 123 referrals were for residential aged care facilities. The remainder were for home care services.



### Relationship with the Department of Health

The Department of Health has policy responsibility for ageing and aged care, including managing the policy framework for quality standards. This is independently supported by the Quality Agency in accrediting aged care services, monitoring compliance with the standards and promoting high quality care and innovation in quality improvement.

### Relationship with the Aged Care Complaints Commissioner

In 2016 we signed a memorandum of understanding (MOU) with the newly established Aged Care Complaints Commissioner. This MOU facilitates the exchange of information and establishes processes that support regular engagement between the Commissioner and the Quality Agency at appropriate levels.

The Quality Agency does not have a role in examining individual complaints as this is the role of the Aged Care Complaints Commissioner. However our role is to ensure that there are systems and processes in place that provide quality care delivery to individuals by providers. However we recognise that our work is supported by effective engagement and information exchange with our co-regulators.

# REPORT ON PERFORMANCE

The Quality Agency has taken a more strategic approach in 2015-16 which includes a process of continuous improvement in our financial performance and results.

In 2015-16 the Quality Agency focused on refining our core operational and reporting capability. Financial systems were reviewed and adapted to position the Quality Agency more firmly within the Australian Public Sector and work commenced on redesigning the software programs that support our core operational activities.

Apart from its technical support systems the Quality Agency also looked at its staffing requirements in the light of its first full year's experience of managing the quality review of home-care services. A number of members of staff took up voluntary redundancies and the Quality Agency is better positioned to leverage off its existing expertise and technology.

## FINANCIAL ACTIVITIES

### Operating results

The Quality Agency returned a small surplus of \$139,030 before depreciation against a target of a break-even position for the financial year and a total net deficit of \$779,555 against a targeted net deficit of \$1,085,000.

The bulk of the Quality Agency's revenue producing activities are cyclical in nature following a pattern of high, medium and low activity over a three-year period. The 2015-16 financial year represents a period of medium activity relative to the high activity of the prior year.

### Operating revenue

The total operating income was \$38,248,071 and consisted of the following:

- ✓ Government appropriations of \$27,842,000;
- ✓ Sale of goods and rendering of services of \$10,264,436; and
- ✓ Other revenue of \$141,635.

### Operating expenses

## 1. OVERVIEW

Total operating expenses were \$39,027,626 and consisted of:

- ✓ Employee benefits of \$26,471,467;
- ✓ Supplier expenses of \$11,603,896;
- ✓ Depreciation and amortisation of \$918,585; and
- ✓ Finance and other costs of \$33,678.

### Balance sheet

#### Net asset position

The net assets at 30 June 2016 were \$18,245,434 (30 June 2015: \$17,939,989).

#### Total assets

Total assets at 30 June 2016 were \$28,187,159 (30 June 2015: \$35,668,798).

Financial assets decreased by \$7,106,520 from the previous year. This is mainly due to a decrease in trade and other receivables relating to departmental appropriations not yet drawn of \$7,061,000.

Cash at bank decreased slightly by \$75,868.

#### Total liabilities

Total liabilities at 30 June 2016 were \$9,491,725 (30 June 2015: \$17,728,809). The difference is mainly due to a decrease in suppliers and other payables of \$1,671,305; a decrease in unearned revenue of \$3,213,152; and a decrease in employee provisions of \$2,876,073 as a consequence of employees leaving under a voluntary redundancy program.

## PURCHASING

All purchasing is carried out in line with the requirements of the Commonwealth Procurement Rules, as detailed in the Chief Executive's Instructions and Financial policies and procedures, and in keeping with the core principles of ethical, efficient, effective and economical conduct. Templates covering all aspects of purchasing and approval have been developed and are used consistently.

All procurements in excess of \$10,000 are reported in AusTender.



## OVERVIEW

- ✓ To accredit residential care services in accordance with Quality Agency Principles, and the Accreditation Standards made under the *Aged Care Act 1997*
- ✓ To conduct the quality review of home care services in accordance with Quality Agency Principles, and the Home Care Standards made under the *Aged Care Act 1997*
- ✓ To advise the Secretary about aged care services that do not meet the Accreditation Standards or the Home Care Standards.

*Australian Aged Care Quality Agency Act 2013*

## ACCREDITATION AND HOME CARE SERVICES STATUS

Residential aged care homes as at 30 June 2016

| Accreditation period                    | NSW        | VIC        | QLD        | SA         | WA         | TAS       | ACT       | NT        | AUST         |
|---|------------|------------|------------|------------|------------|-----------|-----------|-----------|--------------|
| Less than one year                      | 0          | 0          | 0          | 0          | 0          | 0         | 0         | 0         | 0            |
| One year - Commencing homes             | 6          | 8          | 4          | 1          | 1          | 0         | 2         | 0         | 22           |
| One year - Existing homes               | 0          | 0          | 3          | 0          | 0          | 0         | 0         | 0         | 3            |
| More than 1 year but less than 2 years  | 0          | 0          | 2          | 0          | 1          | 0         | 0         | 0         | 3            |
| Two years                               | 8          | 4          | 15         | 4          | 2          | 0         | 0         | 1         | 34           |
| More than 2 years but less than 3 years | 4          | 0          | 1          | 0          | 1          | 0         | 0         | 0         | 6            |
| Three years                             | 858        | 740        | 421        | 193        | 233        | 75        | 24        | 10        | 2,554        |
| Five years *                            | 0          | 0          | 0          | 55         | 0          | 0         | 0         | 1         | 56           |
| <b>Total Accredited Homes</b>           | <b>876</b> | <b>752</b> | <b>446</b> | <b>253</b> | <b>238</b> | <b>75</b> | <b>26</b> | <b>12</b> | <b>2,678</b> |

\* Residential aged care homes receiving five year accreditation were part of the South Australia Innovation Hub.

Home care services as at 30 June 2016

|                    | NSW | VIC | QLD | SA  | WA | TAS | ACT | NT | AUST  |
|--------------------|-----|-----|-----|-----|----|-----|-----|----|-------|
| Number of services | 769 | 234 | 621 | 192 | 95 | 108 | 34  | 66 | 2,119 |

National ATSI Flexicare services as at 30 June 2016

|                    | NSW | VIC | QLD | SA | WA | TAS | ACT | NT | AUST |
|--------------------|-----|-----|-----|----|----|-----|-----|----|------|
| Number of services | 2   | 2   | 3   | 6  | 2  | 3   | 0   | 14 | 32   |

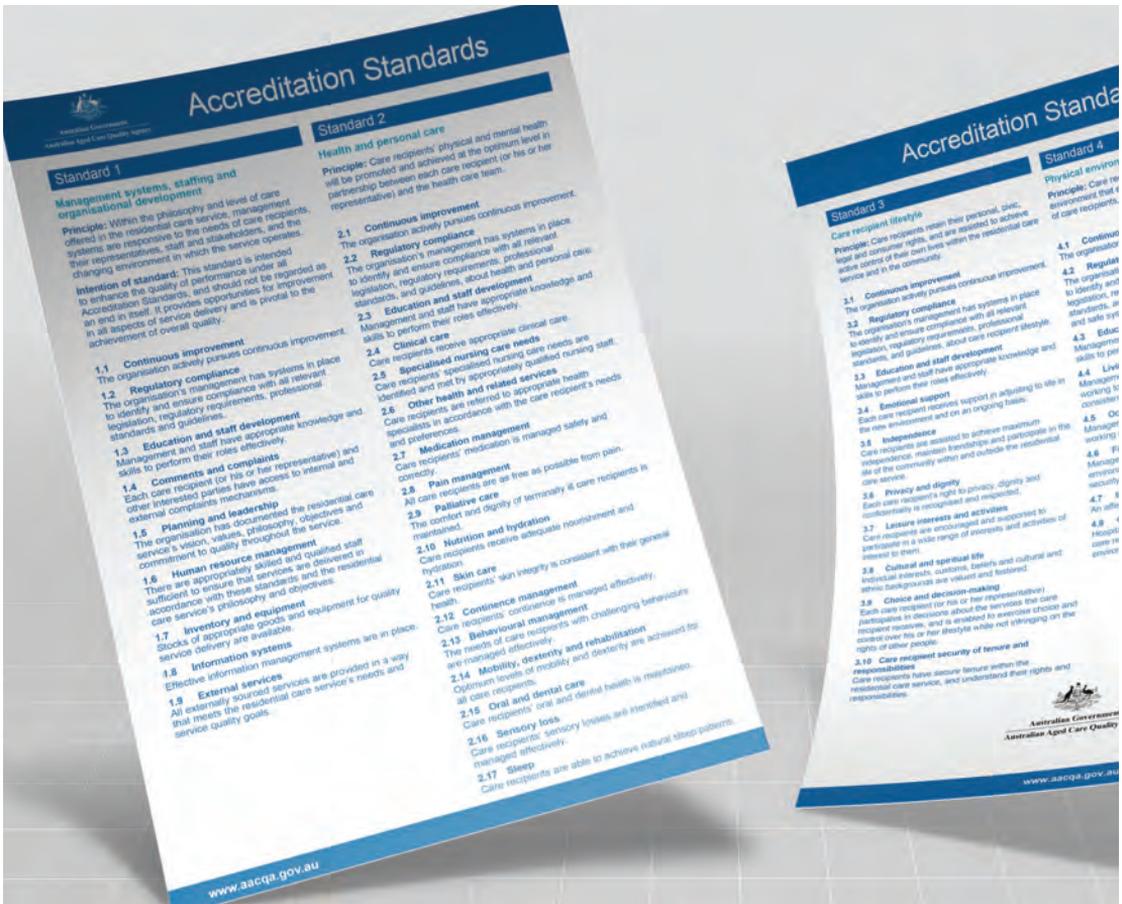
# WHAT WE DO

We review and assess the performance of aged care service providers across a number of programs. We review and assess the performance of residential aged care providers through the ‘accreditation’ process, and we review and assess the performance of home care service providers through the ‘quality review’ process.

# RESIDENTIAL 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 Quality Agency Principles 2013.



### Assessing Performance Of Homes 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 information referrals by the Department of Health (DoH) and the Aged Care Complaints Commissioner.

When a home fails to meet one or more of the Accreditation Standards, we set a timetable for improvement (TFI) by which the approved provider must demonstrate they meet the Standards. TFIs are generally three months and we will visit throughout the TFI period to assess progress. These visits may be weekly or monthly depending on the extent of failure identified.

**In 2015-16, 70 homes were placed on a timetable for improvement (TFI). 68 TFIs were resolved within the timeframe. This includes homes that were on an existing TFI prior to the start of the financial year.**

A case management approach is used to determine the type, scope and frequency of visits to homes. This approach is used at our state offices and within our national office.

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. Our state offices include local knowledge of homes in their assessments.

Visits to homes may be re-accreditation audits, assessment contacts or review audits. Assessment contacts or review audits may be announced or unannounced.

#### Unannounced visits

The Australian Government requires that every home receives at least one unannounced visit each year as part of our Programme objective 'monitor compliance with the Accreditation Standards within the Portfolio Budget Statements. Each unannounced visit is based on what we know at that point in time about the circumstances of the home and the service provider that operates it.

#### Consumer involvement in the accreditation process

The consumer's experience of the quality of care and services is an important part

## 1. OVERVIEW

of the site audit. This ensures that the consumer experience is considered in decision making by the Quality Agency. A minimum of 10% of residents and representatives are interviewed by the Quality Agency. Representatives may include family members, clinical representatives, a power of attorney or any other representatives of the resident.

The home must notify residents, or their representatives, of the date of the audit so they have the opportunity to meet with the assessment team to provide their views as to the quality of care and services provided.

Information provided by residents and their representatives is used alongside an assessment of management practices, systems and processes through interviews, observations and review of documentation.

### 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 are a very important aspect of the process of assessment.

### 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 onsite by an assessment team made up of at least two quality assessors and generally takes 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.

## 1. OVERVIEW

### Assessment Contacts

An assessment contact is a visit where we assess performance against the Accreditation Standards.

**In 2015-16 we conducted 3,380 assessment contacts.**

There are two types of assessment contacts:

- ✓ **Announced.** This is usually a follow-up visit where we are monitoring a home's progress against a timetable for improvement, or where we have given notice that we want to assess the sustainability of improvements made.
- ✓ **Unannounced.** This can be where we have information which would indicate concerns about a provider's performance, or where we wish to conduct an 'in-between monitoring visit' to ensure the aged care service provider is maintaining services in accordance with standards, or where we want to assess the sustainability of improvements made.

It is an Australian Government policy requirement that every aged care home receive at least one unannounced visit each year. Unannounced means unannounced and no notice is given. Providers may request that we do not attend on certain days.

Assessment contacts, whether announced or unannounced, are usually conducted over a full day by a team of assessors. The time onsite and number of assessors assigned 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 are usually focused on certain aspects of care and services and may involve:

- ✓ a targeted review of specific expected outcomes
- ✓ a thematic review, e.g. care assessment, planning and action; or staffing management systems; or complaints, comments and suggestions
- ✓ or a combination of the above.

Assessment contacts may also involve an overview of the home's performance against all the Accreditation Standards.

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 CEO. 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.

## 1. OVERVIEW

### Continuous Improvement

Under the Quality Agency Principles 2013, providers must have a written plan for continuous improvement that explains how they will meet their obligations in relation to the standards.

Continuous improvement is a systematic, ongoing effort to improve the quality of care and services and:

- ✔ takes into account the needs of care recipients and may involve them in improvement activities,
- ✔ is part of an overall quality system to assess how well systems are working and the standard of care and services achieved, and
- ✔ is a results-focused activity demonstrated through outputs and outcomes.

In the reporting period, expected outcome 2.1 Continuous improvement was not met by 7 homes. To be effective, continuous improvement must be a central focus of a home or service, is understood at all levels and accepted by all management and staff.

A provider must make available a copy of their plan for continuous improvement.

A provider's plan for continuous improvement assists in informing decisions about a provider's performance against the Accreditation Standards.

### Reconsideration and Review

The Quality Agency Principles 2013 provide the opportunity for approved providers to seek reconsideration 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 initiative if we decide it is appropriate to do so. Reconsideration decisions are made under delegation of the CEO.

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

Applications may be made to the Administrative Appeals Tribunal (AAT) for review of reconsidered decisions.

In the 2015-16 year, we made 1,092 reviewable decisions and were asked to reconsider seven decisions.

In the 2015-16 one application for review of a decision was made to the AAT.

## 1. OVERVIEW

### New Homes

Applications can be made for the accreditation of new homes (called ‘commencing services’ in the Principles) before care recipients 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 Quality Agency Principles 2013, 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.

## HOME CARE ASSESSMENT CONTACTS

Assessment contacts for home care services were introduced in legislation in the Quality Agency Principles 2013. Assessment contacts may be in the form of a site visit or a telephone call (assessment contact – desk). Quality reviewers assess the performance of the service against the Standards and may review the service’s plan for continuous improvement. We must notify services of an assessment contact in the form of a visit at least 14 days prior to the planned date.

### Decisions

The Quality Agency Principles 2013 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 CEO and trained to make decisions. Assessment teams do not make accreditation decisions.

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

### Case Management

Our tailored approach to monitoring of aged care service providers is referred to as ‘case management’. The purpose of case management is to protect the health, safety and wellbeing of those who receive care and services 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; referrals from the Department of Health and the Aged Care Complaints Commissioner; or awareness of administrative changes or governance issues that have the potential to affect a service provider’s performance.

## 1. OVERVIEW

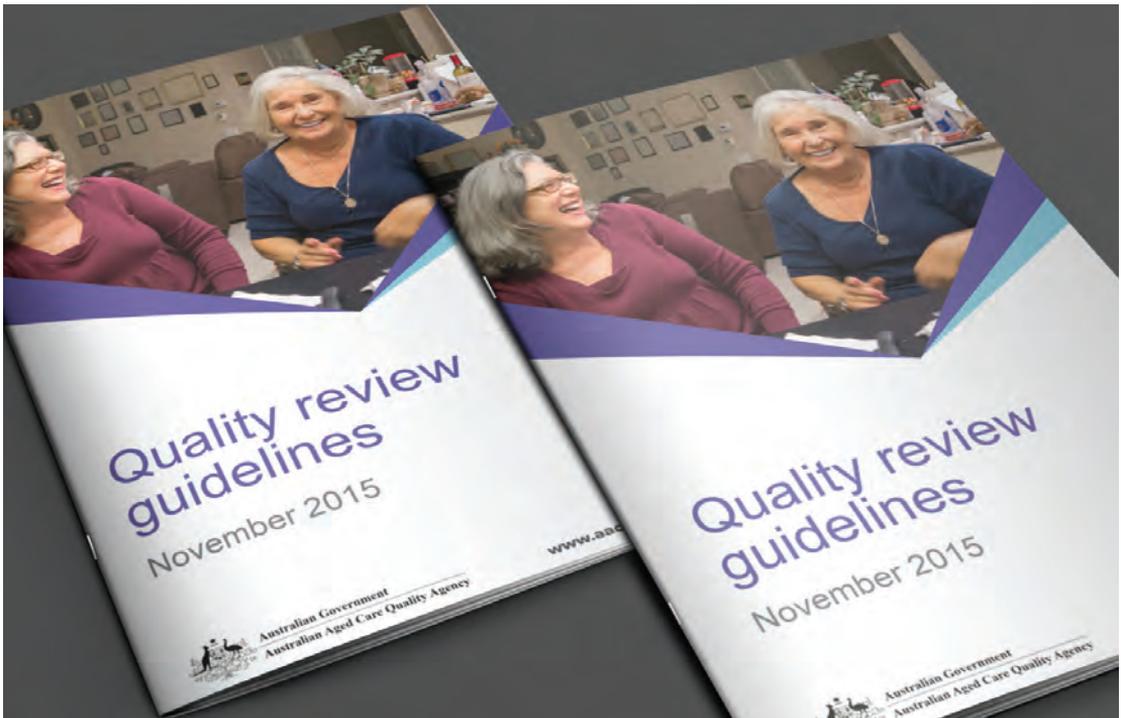
We adopt a case management approach when deciding upon actions and through our visit program in relation to each provider, aged care home and home care service outlet. There is a Case Management Committee in each state office through which appropriate actions are planned and the National Case Management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

Our case management approach means that any new information we receive 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 monitoring program of services is based on a continually updated assessment of all information that we have about each aged care service provider, aged care home, or home care service outlet.

## QUALITY REVIEW OF AGED CARE IN THE COMMUNITY

From 1 July 2014, we have been responsible for the quality review of aged care services in the community.

**We are at the end of our second year of undertaking quality review for home care services 1,406 or 66% of the home care services have had a quality review.**



## 1. OVERVIEW

Participating services and programs include:

- ✔ Home care services (home care level 1-4 packages)
- ✔ Commonwealth Home Support Program (CHSP).

We conduct quality review of services under these programs to assess their performance against the Home Care Standards. It is the responsibility of providers to demonstrate that care and services are provided in a way that meets the Home Care Standards.

The Home Care Standards comprise three standards and 18 expected outcomes. All home care services and services under CHSP undergo a quality review at least once every three years.

Quality review involves a visit to the service to carry out an assessment, interview staff and management about their systems, processes and practices. It includes sampling care recipient records, reviewing documents such as policies, procedures, agreements and registers, interviewing available care recipients or representatives, observing any activities in progress and any interaction with care recipients or representatives. Care recipients or representatives are invited to contact the Quality Agency and provide feedback about the care and services they receive prior to the quality review.

The quality review team prepares an interim quality review report setting out the interim assessment of the performance of the service against the Home Care Standards. The service is invited to respond to the information in the interim quality review report before a final report is prepared. An independent decision-maker from the Quality Agency considers the information from the quality review team, any response from the service and any other information we may have about the provider and the service. A decision is then made about the service's performance against the Standards. A final quality review report is then given to the provider which sets out the results of the decision and any areas for improvement should there be any failure to meet the Standards.

# QUALITY REVIEW OF NATIONAL ABORIGINAL AND TORRES STRAIT ISLANDER FLEXIBLE AGED CARE SERVICES

From 1 August 2014, we have been responsible for the quality review of services participating in the National Aboriginal and Torres Strait Islander Flexible Aged Care Program under the Quality Framework.

**There were 32 National Aboriginal and Torres Strait Islander Flexible aged care services, 16 of these services had a quality review in the 2015-16 financial year.**



We conduct quality review of services under this program to assess their performance against the Quality Standards. It is the responsibility of providers to demonstrate that care and services are provided in a way that meets the Quality Standards.

The Quality Standards consist of two overarching principles, two standards and nine expected outcomes. The quality review process is implemented over two years. The first year involves a formal review against the Quality Standards including self-assessment by the provider and a site visit by a quality review team. The second year includes follow up activities to monitor progress of the results from the quality review against the provider's plan for continuous improvement and the Quality Standards.

## 1. OVERVIEW

The provider is required to complete and submit a self-assessment of their service. This self-assessment will then form the basis of a desk top review. A desk top review involves a quality reviewer contacting the provider via telephone to discuss their self-assessment and other information relating to their quality review.

Quality review involves a visit to the service to carry out an assessment, interview staff and management about their systems, processes and practices. It includes sampling care recipient records, reviewing documents such as policies, procedures, agreements and registers, interviewing available care recipients or representatives, observing any activities in progress and any interaction with care recipients or representatives.

The quality review team prepares an interim quality review report setting out the interim assessment of the performance of the service against the Quality Standards. The service is invited to respond to the information in the Interim quality review report before a final report is prepared. If the Interim quality review report recommends the service fails to meet the Quality Standards, the service must submit a plan for continuous improvement detailing the current and intended improvement actions or strategies to rectify the failure. An independent decision-maker from the Quality Agency considers the information from the quality review team, any response from the service and any other information we may have about the provider and the service. A decision is then made about the service's performance against the Quality Standards. A final quality review report is then given to the provider which sets out the results of the decision and any areas for improvement should there be any failure to meet the Standards.

## COMMONWEALTH HOME SUPPORT PROGRAM

The Commonwealth Home Support Program (CHSP) commenced on 1 July 2015. The CHSP is one of the changes being made to help older people stay independent and in their homes and communities for longer.

The CHSP brings together four programs:

- ✓ Commonwealth Home and Community Care (HACC) Program
- ✓ Planned respite from the National Respite for Carers Program (NRCP)
- ✓ Day Therapy Centres (DTC) Program
- ✓ Assistance with Care and Housing for the Aged (ACHA) Program.

The CHSP is one consolidated program that provides entry-level home support for older people who need assistance to keep living independently at home and in their community.



## EDUCATION

Promoting high quality care through developing and delivering targeted information, resources and education services for community and residential aged care service providers.

*Australian Aged Care Quality Agency Act 2013*

## EDUCATION OVERVIEW

The education and engagement function seeks to provide value to:

- ✔ promote better practice and continuous improvement in aged care service delivery through its better practice conference and awards programs, information and sector improvement activities
- ✔ deliver a comprehensive education program to support continuous improvement and performance against the standards that reflects contemporary good practice in adult learning, aged care, and regulatory performance
- ✔ ensure relevant, accessible information and resources to support quality in service delivery and raise public awareness in the accreditation process and regulatory framework for ensuring standards of care and services

## 1. OVERVIEW

- ✔ engage with our key stakeholders and build effective networks and relationships to support better outcomes for improving the quality of care and quality of life for older people
- ✔ ensure that our assessor workforce is adequately guided, trained and equipped to consistently and accurately assess provider performance against the applicable standards and that our surveyor program continues to be recognised under ISQua international regulatory standards.

## 2015-16 HIGHLIGHTS

- ✔ A successful program of Better Practice conferences in all states and the Northern Territory – sharing good practice and inspiring innovation in aged care. For the first time in 2015, the Better Practice conferences targeted home care issues along with residential aged care and Darwin was added to our conference program.
- ✔ A strong focus on collaborative partnerships, working with:
  - Home Care Today (COTA Australia) to develop a new one day workshop on ‘Consumer Directed Care and the Home Care Standards’. These programs were delivered across all states and territories
  - The Centre for Cultural Diversity in Ageing - we developed a new one day workshop, ‘Focus on Diversity’: delivering services in a culturally inclusive way. Delivery of this new workshop is scheduled from August 2016
  - Industry associations to expand the reach of our ‘Understanding Accreditation’ and ‘Understanding Quality Review’ courses.
- ✔ Engaging with the sector on quality
  - Through the ‘Let’s talk about quality’ project we explored what quality in aged care looks like and how can we measure it.
- ✔ Providing education to support good practice:
  - Successful implementation of the ‘Understanding Quality Review’ training program;
  - Relaunch of our ‘Making the most of complaints’ workshop for both home care and residential aged care.
- ✔ ISQua reaccreditation of our ‘Aged Care Quality Assessor’ training program

# PROVIDING EDUCATION TO SUPPORT GOOD PRACTICE... IN HOME CARE

## Consumer Directed Care and the Home Care Standards forum

This workshop was developed in 2015 collaboratively with Home Care Today (COTA Australia) to support home care package providers to explore consumer directed care and how it links with demonstrating performance against the Standards.

**The national roadshow was rolled out across all states and territories with 376 participants attending 12 sessions.**

Positive feedback from these sessions included:

*“Activities were meaningful. Good opportunity to work with other key stakeholders from across the sector and identify what’s in place outside of the organisation I work in.” (feedback from participant at Consumer Directed Care and the Home Care Standards)*

*“The workshop as a whole also really helped get my head around how the CDC principles fit in with the 18 Quality Review outcomes.” (feedback from participant at Consumer Directed Care and the Home Care Standards)*

*“I found the workshop extremely worthwhile and the content was valuable for assisting me to support my colleagues to move forward in the future with Consumer Directed Care.” (feedback from participant at Consumer Directed Care and the Home Care Standards)*



## 1. OVERVIEW

### Understanding Quality Review course

We launched a new two day Understanding Quality Review course to support home care services to demonstrate performance against the home care standards and better understand our approach to quality review.

**During the reporting period a total of 38 courses were attended by 528 participants.**

A number of our public courses are run in partnership with the industry associations across all states. The course has been very popular with high demand in rural regional areas and positive participant feedback.

*“I feel the course has better prepared me for the quality review process. The facilitator has given me greater confidence in myself and in the procedures we have in place at present and those areas that we will need to review to ensure we meet the requirements of the CHSP Standards. Definitely very worthwhile training - just need the time to implement all I learnt.” (feedback from participant at Understanding quality review course)*

*“The content, resources and role play activities were first class. The allocation of time was suitably flexible to the needs of individuals and the group.” (feedback from participant at Understanding quality review course)*

### Qhome

Qhome is a free, online, work-based learning resource to support home care service provider and staff.

**Over the 2015-2016 reporting period, the Qhome flexible learning resource was downloaded 741 times.**

Qhome contains general information about the quality review process and the Quality Agency, together with nine topics supporting performance against the Home Care Standards – including the Home Care Standards, quality review overview, regulatory compliance, continuous improvement, risk management, assessment, care planning and re-assessment, privacy and confidentiality and using care recipient feedback. Qhome is available for free download from our website.

We have also been using the Qhome resources to support the delivery of education to home care services currently being supported through compliance assistance. This will be strengthened in 2016-2017, with closer alignment with our case management activity.



# PROVIDING EDUCATION TO SUPPORT GOOD PRACTICE... IN RESIDENTIAL AGED CARE

## Understanding Accreditation course

This course continues to be a popular option for aged care homes and professionals to access and understand information about the accreditation process, learn strategies for continuous improvement and share ideas with peers.

**During the year, we delivered a total of 46 courses including both public and inhouse courses completed by a total of 630 participants.**

A number of our public courses are run in partnership with the industry associations.

*“Thoroughly enjoyed this and gives me a greater understanding of what is required to meet all 44 expected outcomes. Although not working in residential care it certainly helps to be able to support our implementation of medication sachets for the pharmacy providers.”*

*“Facilitator engaged participants to be actively involved and to share thoughts and experiences from their own work setting/facility. This was helpful to me, being new to residential aged care.”*

## 1. OVERVIEW

### QUEST

We have been offering the QUEST program (QQuality Education on the STStandards) since 2004.

**In 2015-16 there were 8,018 participants who attended 562 QUEST sessions.**

Feedback consistently indicates it has been a valuable and popular education program. QUEST sessions target front-line staff in residential aged and are delivered by quality assessors. QUEST sessions cover topics such as using resident feedback, privacy and dignity, accreditation overview, assessing the Standards, accreditation for consumers and continuous improvement and risk.

From July 2016, QUEST delivery will be integrated into our compliance assistance program. We want to strengthen the link between compliance assistance offered through education services and the case management referrals for services that are at risk of failing to meet the applicable standards.



# PROVIDING EDUCATION TO SUPPORT GOOD PRACTICE ... ACROSS THE SECTOR

## One-day workshops

We revised our 'Making the most of complaints' workshop to meet the needs of both home care and residential aged care providers by incorporating new sector-specific case study content and activities.

**During the year, we delivered a total of 51 workshops on various topics offered as both public and in house workshops. A total of 929 participants attended our one-day workshops.**

We also offered the following one-day industry education workshops: 'Managing accreditation performance'; 'Foundations for managing risk'; and 'Information systems – keys to delivering quality care'.

Some feedback from our workshops:

*"Great interactive presenter. Willing to go the extra mile in explaining and examples fantastic in relation to risk management."*

*"I felt the topics pretty much covered everything that can be covered in one day. I was very happy to attend this training and would encourage others to attend."*

*"Interactive, and most informative day. Would highly recommend to my colleagues."*

# PROVIDING EDUCATION TO SUPPORT GOOD PRACTICE... WITH AGENCY STAFF

## Regulatory performance – Aged Care Quality Assessor Course

The Aged Care Quality Assessor Course (assessor course) was successfully re-accredited internationally with ISQua until October 2019. To support the ACHS pilot project we delivered this course to cross skill four ACHS assessors. The results of this pilot was independently assessed and the results were published for presentation at the Internal Society for Quality in Healthcare conference in Japan in October 2016.

The assessor course is the training program used to skill and register quality

## 1. OVERVIEW

assessors. It is a rigorous program which includes pre-course learning, an onsite observation, and a two-week classroom-based program facilitated by expert trainers. The assessor course is based on adult learning principles and includes both formative and summative assessments.

### Cross-skilling our workforce

In 2015-16 we conducted 9 workshops attended by 91 of our quality assessor staff who completed this training program.

## BETTER PRACTICE 2015 CONFERENCES

### QUALITY – THROUGH THE LOOKING GLASS



Our 2015 Better Practice conference program included a strong focus on home care issues to support our broadened role with the home care sector. Seven Better Practice conferences were held in 2015, with 1,563 delegates attending, including 221 delegates from home/community care. Results of our first two conferences for 2016 have seen an increase in home care attendance by approximately 22%, particularly in Darwin where 77% of delegates indicated they were from home/community care.

The theme for 2015 Better Practice conference was 'Quality –Through the looking glass'. At the conferences we asked aged care providers and staff to look at themselves and reflect on what the term 'quality' means and how they deliver quality care that supports quality of life for aged care consumers. Reflecting on current

## 1. OVERVIEW

practices encourages us to ‘look through the looking glass’ to a vision for the future of quality aged care. The first step is defining what quality means to individual care recipients and sharing innovation, good practice and ideas that support this definition.

Our keynote speakers provided a forum for discussion on what is quality and the future of quality in aged care. Dr Norman Swan from the ABC focused on the importance of consumer control for well-being and quality of life and implications for quality aged care; and Daniella Greenwood from Arcare explored avenues to go beyond the ‘person centred care’ model to a relational model. The hypothetical plenary session was a lively discussion between industry experts and delegates exploring ‘models of inspired care’.

The program also explored recent research in quality dementia care from thought leaders within the Australian network of Dementia Collaborative Research Centres and Dr Jenny Basran, Associate Professor of Geriatric Medicine at the University of Saskatchewan, Canada closed the conference by focusing on how technology can bring quality to another level.

During lunch delegates had the opportunity to watch the inspirational and emotional screening of *Alive Inside*, which showcased astonishing experiences of individuals who have been revitalised by music. This film won the Audience award at the 2014 Sundance Film Festival.



### What our conference delegates had to say about Better Practice 2015:

*“The best Better Practice seminar I’ve attended so far. The speakers were engaging and the topics relevant”.*

*“Excellent program. Great selection of speakers – particularly plenary sessions. The program was easy to navigate and the event was very well organised. It was very informative and relevant conference”.*

# BETTER PRACTICE AWARDS

Our annual Better Practice Awards program celebrates projects, initiatives or programs that act as exemplars for other aged care service providers and encourages continuous improvement. They help to recognise and disseminate better practice and innovation in the sector.

They recognise that achieving minimum standards is just that: the minimum.

In 2015, the Better Practice Awards program was restructured and opened to all aged care service providers.

In 2016 we made 28 awards from 195 applications received. Entries were received from 40 home care providers, 124 residential aged care providers and 31 entries were received by providers in both home care and residential aged care.

All nominations are assessed by an independent panel with aged care experience, consumer insights and expertise to judge the awards. The nominations are assessed against nomination selection criteria including a focus on quality of care and quality of life outcomes for consumers.

The winning programs show what is possible and highlight better practice and innovation across residential aged care and home care services.

Winners of the 2015 Awards include an early intervention working party to quickly identify and treat decline in health; a conversation club to enhance the work of a speech pathologist; an exercise program to prevent manual handling injuries; use of technology to connect rural and remote consumers with medical services; and a program that helped a male resident of an aged care home fulfil his dream of living as a woman.

In 2016 we have further streamlined the nomination process and replaced award categories with 'descriptors'. Nominations are asked to select up to three descriptors that best represent their nomination, from a list of descriptors that include leadership and culture, enablement, social participation, communication and engagement, technology and diversity.

In 2016 we have received 195 nominations – 40 from home care, 124 from residential aged care, and 31 from approved providers who provide both home care and residential aged care. The Better Practice Award winners are announced at the Better Practice conference in Sydney, with full profiles of the Award winners published on our website on the same day.

## 1. OVERVIEW

### Quality Agency CEO Nick Ryan congratulated the winners of the 2016 Better Practice Awards.

*“The Better Practice Awards are an ideal opportunity to highlight the positive programs in action for older Australians, and to reward staff, management, clients and organisations alike for the hard work they do.*

*“All nominations are assessed by an independent panel against nomination selection criteria including a focus on quality of care and quality of life outcomes for consumers,” Mr Ryan said.*

*“This is our way of recognising and showcasing aged care services that have consumer focus at their core. The stand-out providers spend time finding out what their consumers want, and then find a way to make it happen.”*

*“The planning, the research and most importantly, the results of the programs make them stand out. And the fact that the consumers are driving the benefits rather than ‘receiving’ them.*

*“It was particularly pleasing to see an increased number of nominations coming from home care providers. While the majority of winners are still from residential aged care, eight of the winners are from home care. It’s great to see home care getting on board this awards program,” Mr Ryan said.*

### 2016



# [ 28 WINNERS ]



**40 ENTRIES**

From Home Care Providers



**124 ENTRIES**

From Residential Aged Care Providers



**31 ENTRIES**

From Providers in both Home Care & Residential Aged Care Providers

## BETTER PRACTICE AWARDS – A WINNER’S STORY

### Finding meaning through spirituality - not just religion

*The NSW Salvation Army NSW Property Trust Pacific Lodge Aged Care Plus Centre, Dee Why,*

Good care provision requires aged care workers to understand not only physical aspects of ageing, but also residents’ psychological, social, emotional and spiritual needs based on individual preference, despite their cognitive status.

Dementia and mental illness are significant factors for older persons as they journey the ageing continuum. Significant impacts of the ageing journey on wellbeing are primarily related to an inward focus on self and lack of ability to reflect on the reality of the current circumstance. The understanding of spirituality and its positive effects on wellness is underestimated.

This program is a spiritual assessment and care planning approach for residents who are socially disadvantaged, often rejected by society as a result of mental illness and complex care needs from a lack of awareness and insight due to chronic alcoholism. This model was derived from an identified need that all people are inherently spiritual in nature. This resulted in a paradigm shift in care planning and assessment from a medical model to the notion of caring for one’s spirit. This has resulted in a deeper connectivity and relationship with our residents at the home.





# 2

## PERFORMANCE REPORTING AGAINST THE PORTFOLIO BUDGET STATEMENT 2015-16

This part of the report provides a detailed assessment of our performance during the year and how it contributed to achieving our portfolio outcomes and corporate goals

# OUR OUTCOME AND PROGRAM STRUCTURE

This section covers the Quality Agency's performance on the outcome and program's framework and performance information set out in the *Portfolio Budget Statements 2015-16*.

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programmes are the primary vehicle by which Government entities achieve the intended results of their outcome statements. Entities are required to identify the programmes which contribute to Government outcomes over the Budget and forward years.

The Quality Agency is responsible for a single Government outcome as described below with its related program and the performance indicators and targets used to assess and monitor its performance in achieving the outcome.

## OUTCOME 1

High-quality care for persons receiving Australian Government subsidised residential aged care and aged care in the community through the accreditation of residential aged care services, the quality review of aged care services including services provided in the community, and the provision of information, education and training to the aged care sector.

## OUTCOME 1 STRATEGY

The Australian Government is committed to providing high quality residential aged care for older people. One mechanism to achieve this is through the residential aged care accreditation process. This accreditation process assesses a residential aged care home's performance against the Accreditation Standards. The Australian Government, through the Quality Agency, supervises and monitors performance against the Accreditation Standards to ensure residents receive a high standard of care in aged care homes.

The Australian Government is also committed to providing high quality care for older people in the community. It achieves this through the quality review of aged care services provided in the community against the Home Care Standards set out in the Quality of Care Principles made under section 96–1 of the *Aged Care Act 1997*. The Quality Agency became responsible for this function on 1 July 2014.

## 2. PERFORMANCE REPORTING

The Quality Agency actively engages with industry and the public about issues and developments in aged care. Its role assists to raise aged care industry standards in general, leading to better outcomes in the provision of care to older people.

## OUTCOME EXPENSE STATEMENT

Refer to the Annual Financial Statements in Section 5.

## PORTFOLIO OUTCOME BUDGET STATEMENT 2015-16

|  | Target | Achieved  | Comment   |
|--|--------|---|---|
| <b>Objective: Manage accreditation of aged care services</b>   |        |   |   |
| <i>Deliverable</i>   |        |   |   |
| Number of aged care homes audited for re-accreditation   | 829    | 858 Commencing homes and existing homes with reduced accreditation resulted in more re-accreditation audits | The Australian Government, through the Quality Agency, manages the accreditation process for all Australian Government subsidised aged care homes to protect the health, safety and well-being of residents, and promote high-quality care. Accreditation audits involve the assessment of compliance against the 44 outcomes of the Accreditation Standards set out in the Quality of Care Principles 1997 |
| Percentage of site audits completed within statutory timeframes following receipt of a valid application     | 100%   | 100%  |   |
| <i>Key performance indicators</i>  |        |   |   |
| Percentage of aged care homes that complied with the Accreditation Standards at the last accreditation audit | >92%   | 97.8%   |   |
| <b>Objective: Monitor compliance with Accreditation Standards</b>  |        |   |   |
| <i>Deliverable</i>   |        |   |   |
| Number of unannounced visits per aged care home per year   | ≥1     | 11  | The Australian Government, through the Quality Agency, promotes high-quality care by monitoring aged care providers' performance against the Accreditation Standards, using assessment contacts and review audits   |
| <i>Key performance indicators</i>  |        |   |   |
| Number of homes assessed to be non-compliant during the year   | <300   | 67  |   |
| Percentage of homes achieving compliance by the end of the 'timetable for improvement' period                | ≥90%   | 94.4%   |   |

## 2. PERFORMANCE REPORTING

|   | Target  | Achieved  | Comment  |
|---|---|---|--|
| <b>Objective: Review quality of aged care to older people in the community</b>  |   |   |  |
|   | <p>A new educational product, Qhome, the equivalent to QUEST for the home care sector, is now available to service providers as a self-directed work-based learning resource</p> <p>A two day 'Understanding Quality Review' course for the home care sector was launched</p> |   | The Australian Government promotes high-quality care provided in the community by the quality review of aged care services against the Home Care Standards set out in the Quality of Care Principles made under section 96–1 of the Aged Care Act 1997. The Quality Agency became responsible for this function on 1 July 2014 |
| <b>Objective: Develop and deliver information publications and education services that promote high-quality care</b>            |   |   |  |
| <i>Deliverable</i>  |   |   |  |
| Develop and deliver publications and education services that promote high-quality care  | Delivery of Better Practice conferences, workshops, courses and QUEST sessions  | <p>7 Better Practice conferences were held</p> <p>135 workshops and courses were held</p> <p>562 QUEST sessions were conducted</p>  | Refer to the Education section of this Annual Report   |
| <i>Key performance indicators</i>   |   |   |  |
| Residential aged care providers are made aware of methods and strategies to improve aged care and strengthen management systems | Attendance by aged care providers at Better Practice conferences, workshops, courses and QUEST sessions held by the Quality Agency  | <p>1,563 delegates including 212 delegates from home/community care attended Better Practice conferences</p> <p>2,085 delegates attended workshops and conferences</p> <p>8,018 delegates attended QUEST sessions</p> | Refer to the Education section of this Annual Report   |

## 2015-16 CORPORATE PLAN

| Indicator   | Measure  | Result   |
|---|--|--|
| Strategic Priority 1 - QUALITY FRAMEWORK: We work collaboratively to ensure high quality care for older Australians |  |  |
| <i>Key Performance Indicator</i>  |  |  |
| Programs support performance beyond compliance amongst providers of aged care services                              |  | <b>Ongoing.</b> Feedback received during our Better Practice conferences indicates that providers are implementing improvements as a consequence of the information that is being made available to them   |
| <i>Strategic Objectives</i>   |  |  |
| 1.1 Be a model regulator in delivery of accreditation and quality review programs                                   | <p><i>Compliance with the Regulator Performance Framework</i></p> <p><i>Minimum standards are met and evidence of continuous improvement amongst providers of aged care services</i></p> | <p><b>In progress.</b> A self-assessment process is currently being developed</p> <p><b>Achieved.</b> Of the 70 homes that were under a plan for continuous improvement or a timetable for improvement 94% achieved an “improved” status</p>                             |
| 1.2 Deliver a single quality framework across home care and residential aged care                                   | <i>Home care and residential aged care have been integrated across our regulatory programs and systems</i>   | <b>In progress.</b> Policies and procedures have been updated to reflect the new residential aged care requirements and the client management system (BBP) is being updated to incorporate new contacts and activities   |
| 1.3 Understand and improve performance in home care   | <i>Compliance measures and strategies established to improve performance in home care</i>  | <b>In progress.</b> Compliance assistance is currently being integrated into our systems. Strategies are being supported by the development of home care quality review guidelines, a home care self-assessment tool and a home care template for continuous improvement |

## 2. PERFORMANCE REPORTING

| Indicator   | Measure  | Result   |
|---|--|--|
| <b>Strategic Priority 2 - AUTHENTIC ENGAGEMENT: We listen to consumers, providers and the aged care community</b>   |  |  |
| <i>Key Performance Indicator</i>  |  |  |
| Surveys, reviews and feedback indicate satisfaction with our engagement   |  | <b>Achieved.</b> Feedback from care recipients and providers rates the assessment team's performance as 73% excellent, 21% very good, 5% good and 1% fair  |
| <i>Strategic Objectives</i>   |  |  |
| 2.1 Integrate consumer engagement strategies into our programs  | <i>Consumer priorities are reflected in our programs</i>                               | <b>In progress.</b> A report for consumers is under development to provide information to care recipients  |
| 2.2 Engage strategically with aged care industry and other stakeholders   | <i>Planned and targeted stakeholder engagement supports the achievement of quality</i> | <b>Ongoing.</b> Engagement strategies are being developed to ensure the Quality Agency stays in touch with key players in the industry and care recipients   |
| <b>Strategic Priority 3 - ENABLING INDUSTRY: We target our programs to promote high quality care and innovation</b> |  |  |
| <i>Key Performance Indicator</i>  |  |  |
| Surveys, reviews and feedback indicate satisfaction with our programs that promote high quality care and education  |  | <b>Achieved.</b> Feedback from Better Practice conferences and the various workshops and courses indicates that they are engaging and relevant to the participants                                       |
| <i>Strategic Objectives</i>   |  |  |
| 3.1 Design evidence based education programs  | <i>Programs address identified needs</i>   | <b>Achieved.</b> A new two day Understanding Quality Review course and the Making the most of complaints workshop was revised. This work was done based on evolving industry needs and feedback received |

## 2. PERFORMANCE REPORTING

| Indicator  | Measure   | Result  |
|--|---|---|
| 3.2 Provide targeted information, education and training to improve quality in aged care   |   | <p><b>Achieved.</b></p> <p>1,563 delegates including 212 delegates from home/community care attended seven Better Practice conferences</p> <p>2,085 delegates attended 135 workshops and conferences</p> <p>8,018 delegates attended 562 QUEST sessions</p> |
| 3.3 Increase innovation and adoption of better practice in aged care   | <i>Evidence of innovation and uptake of better practice</i>   | <p><b>Ongoing.</b> The Better Practice conferences provide an effective industry platform to learn about innovative ideas. Positive comments from Better Practice conference delegates reflect this</p>   |
| <p>Strategic Priority 4 - WORKFORCE CAPABILITY: We recruit and develop people with the right capability for now and the future</p> |   |   |
| <p><i>Key Performance Indicator</i></p>  |   |   |
| Survey results indicate that staff can achieve the requirements of the role  |   | Delivery of Better Practice conferences, workshops, courses and QUEST sessions  |
| <p><i>Strategic Objectives</i></p>   |   |   |
| 4.1 Promote wellbeing and productivity at work   | <i>Results of staff surveys and other human resource data</i> | <p><b>Developing:</b> Staff have a range of programs available to them to continually improve their self-development and also have access to work across various initiatives to stretch their capabilities across the year</p>                              |

## 2. PERFORMANCE REPORTING

| Indicator  | Measure  | Result  |
|--|--|---|
| 4.2 Build workforce capability to match our business needs   | <i>We have a workforce capable of meeting our current and future business needs</i>  | <p><b>Achieved:</b> 91 quality assessors were cross-trained in quality review. A number of quality review courses were run</p> <p><b>Ongoing:</b> During our future peak periods of accreditation we will train more assessor staff and also cross-train staff as required</p>  |
| 4.3 Link performance framework including learning and development to our strategic intent  | <i>Increased performance which has been supported by learning and development.</i>   | <p><b>Achieved:</b> Staff have completed mandatory APS core learning modules in relation to APS Values and Code of Conduct</p> <p><b>Ongoing:</b> Staff undertake learning and development on a continuous basis. These opportunities are identified in their annual performance review and also when other opportunities are available through the APS or external providers. Our staff also self-identify learning opportunities and hence are supported through our Study Leave Policy</p> |
| <p>Strategic Priority 5 - ENRICHED INFORMATION: We have technology and information systems to improve performance and transparency</p> |  |   |
| <p><i>Key Performance Indicators</i></p>   |  |   |
| <p>Risk assessment tools for residential and home care developed and implemented</p>   | <p><b>In progress.</b> The Quality Agency is developing a Computer Assisted Audit Tool (CAAT) to introduce technology as an enabler to enhance consistency within our assessment methodology. We are incorporating existing audit methodology into a structured framework. The principles are to improve productivity, quality and intelligence. The framework will include identifiers to support information and evidence gathering against the Accreditation Standards in a way that allows providers to present their results and processes in meeting the standards to their own particular circumstances and needs. We are providing training to our assessor workforce in preparation for implementation.</p> |   |
| <p>Streamlined system approved and implemented</p>   | <p><b>Ongoing</b></p>  |   |

## 2. PERFORMANCE REPORTING

| Indicator  | Measure  | Result   |
|--|--|--|
| <i>Strategic Objectives</i>  |  |  |
| 5.1 Our technology and information systems enable improved business operations                         | <i>Reduction in costs, time or complexity of business operations</i>   | <b>In progress.</b> All computer based systems and information sources are in the process of being evaluated for effectiveness and efficiency  |
| 5.2 IT systems capture information to better understand consumer needs                                 | <i>Information capture is reflected in programs and services</i>   | <b>In progress.</b> Core computer infrastructure has been evaluated and will be upgraded to facilitate the development of business support software  |
| 5.3 Build analytic capacity to differentiate performance and manage risk                               | <i>Regulatory intelligence informs our actions</i>   | <b>In progress.</b> The Quality Agency is in the early stages of sharing information with other organisations (Health and mygov.au). A new Computer Assisted Auditing Tool (CAAT) that will lay the platform for data analytics is under development |
| Strategic Priority 6 – STEWARDSHIP: We are responsible and sustainable in our use of public resources. |  |  |
| <i>Key Performance Indicator</i>   |  |  |
| Fiscal outcome is within 2% of budget  |  | <b>Achieved.</b> Net cost of services was 1.1% lower than the original budget  |
| <i>Strategic Objectives</i>  |  |  |
| 6.1 Our programs and services represent best value for money   | <i>Accurate costings and implement ongoing efficiencies through program innovations and system development</i> | <b>Ongoing.</b> Both operational practices and allocation of resources are reviewed regularly to ensure programs and services are being delivered efficiently  |
| 6.2 Improve internal controls and governance   | <i>Compliance with regulatory and legislative requirements</i>   | <b>Ongoing.</b> A document management system ensures policies and procedures are reviewed regularly<br><br>Internal and external audit reports assist with improving internal controls and governance  |

## 2. PERFORMANCE REPORTING

| Indicator   | Measure   | Result  |
|---|---|---|
| 6.3 We are responsive to Government priorities  | <i>Feedback from the Department of Health and the Minister's Office</i> | <b>Achieved.</b> No negative feedback has been received   |
| 6.4 We use sound financial models and information to enable effective decision making | <i>Accurate activity based costing and minimal budget variance</i>      | <b>Achieved.</b> Regular monthly financial reports against budgets are produced and reviewed. Variance reports are produced monthly for activities and budget. Activity based costing models supported the calculation of costs for cost-recovery pricing |

## ENTITY RESOURCE STATEMENT 2015-16

|                                       | Actual<br>available<br>appropriation<br>2015-16<br>\$'000<br>(A) | Payments<br>made<br>2015-16<br>\$'000<br>(B) | Balance<br>remaining<br>2015-16<br>\$'000<br>(A) - (B) |
|---------------------------------------|--|--|--|
| <b>Ordinary annual services</b>       |  |  |  |
| Departmental appropriation            |  |  |  |
| Prior year departmental appropriation | 11,165   | 11,165                                       | -  |
| Departmental appropriation            | <i>Note 1</i><br>27,842  | 24,373                                       | 3,469  |
| Departmental capital budget           | <i>Note 2</i><br>1,085   | 450  | 635  |
| S74 Retained revenue receipts         | <i>Note 3</i><br>7,342   | 7,342  | -  |
| <b>Total ordinary annual services</b> | <b>47,434</b>  | <b>43,330</b>                                | <b>4,104</b>   |

*Note 1 - Appropriation Act (No. 1) 2015-16.*

*Note 2 - For accounting purposes this amount has been designated as 'contributions by owners'.*

*Note 3 - Retained revenue receipts under S74 of the Public Governance, Performance and Accountability Act 2013.*

# BETTER PRACTICE AWARDS – A WINNER’S STORY

## Targeted Men’s Social Inclusion Program

*City of Burnside Commonwealth Home Support Program, Tusmore, SA*

This program moves beyond the ubiquitous ‘Men’s Shed’ model of social inclusion.

It acknowledges not all older men are ‘blokey’, like to work with their hands, or even enjoy socialising in a ‘shed’ environment.

By offering a broad range of options (including a highly successful Men’s Shed), the program provides older men with choice about how they do their socialising – and, by including them in program planning, also transfers control of interactions.

Key elements are weekly Men’s Breakfasts and fortnightly Gent’s Day Out bus trips. These are supported by Men’s Cooking Classes and a Men Only group in a Respite, Recreation and Revitalisation Program. Additionally, male interest activities are specifically included in ‘Come and Try’ health and wellbeing programs – and attract gender balance participation (contrary to the usual significant imbalance in centre-based social activities).

The program is innovative because it helps older men retain their sense of identity – particularly those from professional and other white-collar career backgrounds – who may feel they sacrifice that identity in a Men’s Shed environment in order to access male company and new friendships.





# 3

## MANAGEMENT AND ACCOUNTABILITY

We have a range of measures in place to meet our commitment to be publicly accountable for our actions and provide a safe and rewarding environment for our staff. This part of the report details our corporate governance arrangements, organisational structure and people, and describes the initiatives we take to engage effectively with the aged care sector.

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## CORPORATE GOVERNANCE

The Quality Agency's governance framework provides the context within which we operate to achieve our objectives, ensuring transparent, ethical and accountable evidence-based decision making, and effectively managing risk and key stakeholder relationships.

2015-16 was a period of significant activity for us in consolidating and completing the transition to a public service agency and responding to policy initiatives in our operating environment. A significant amount of work was undertaken to ensure our organisation enhanced its compliance with the regulatory frameworks that apply to all APS agencies, including:

- ✔ revisions to administrative and financial delegations to align accountabilities and governance with effective operations
- ✔ ensuring physical and document security to comply with Protective Security Policy Framework requirements for Commonwealth government agencies
- ✔ complying with Web Accessibility Guidelines 2.0 (WCAG) to ensure our website and other documents that are available to the public comply with Digital Transformation Office (DTO)
- ✔ revising our information and record management processes in order to comply with National Archives of Australia (NAA) requirements for records management.

We also commenced a process of reviewing our internal business process and policies to ensure compliance with all government regulatory and policy frameworks.

## ENABLING LEGISLATION

Our role and functions are set out in the *Australian Aged Care Quality Agency Act 2013* (the Act) and the associated Quality Agency Principles 2013.

The Act sets out the following functions for the Quality Agency for the CEO and Quality Agency staff:

- ✔ to accredit residential care services in accordance with the Quality Agency Principles, and the Accreditation Standards made under the *Aged Care Act 1997*;
- ✔ to conduct the quality review of home care services in accordance with the Quality Agency Principles 2013, and the Home Care Standards made under the *Aged Care Act 1997*;

### 3. MANAGEMENT AND ACCOUNTABILITY

- ✔ to register quality assessors of residential and home care services in accordance with the Quality Agency Principles 2013
- ✔ to advise the Secretary of the Department of Social Services about aged care services that do not meet the Accreditation Standards or the Home Care Standards
- ✔ to promote high quality care, innovation in quality management and continuous improvement amongst approved providers of aged care
- ✔ to provide information, education and training to approved providers of aged care in accordance with the Quality Agency Principles 2013
- ✔ such other functions as are conferred on the CEO by this Act, the *Aged Care Act 1997* or any other Commonwealth law
- ✔ such other functions (if any) as are specified by the Minister by legislative instrument
- ✔ to do anything incidental to or conducive to the performance of any of the above functions.

We are an Australian Public Service agency that engages staff under the *Public Service Act 1999* and is subject to the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

## PORTFOLIO STRUCTURE

During the reporting period, we were a portfolio body in the Social Services portfolio. From 1 July 2016, we will be a portfolio body in the Health portfolio.

Mr Nick Ryan is the Chief Executive Officer.

## RESPONSIBLE MINISTERS

For the reporting period the responsible Ministers were:

- ✔ The Assistant Minister for Social Services, Senator the Hon Mitch Fifield MP from 1 July 2015 until 21 September 2015.
- ✔ The Minister for Social Services, Senator the Hon Christian Porter MP from 21 September 2015 until 30 September 2015.
- ✔ The Minister for Health, Aged Care and Sport, Senator the Hon Sussan Ley MP from 30 September 2015 for the remaining reporting period.

## AGED CARE QUALITY ADVISORY COUNCIL

The Aged Care Quality Advisory Council (Advisory Council) is established under Part 4 of the Act to provide advice to the Minister and the Chief Executive Officer (CEO) in relation to the functions of the CEO as specified in the Act.

The Advisory Council meets a minimum of four times per year. The members of the Advisory Council are:

- ✔ Ms Andrea Coote (Chair)
- ✔ Ms Carol Bennett
- ✔ Ms Fiona Buffinton (ex-officio) Department of Health
- ✔ Dr Matthew Cullen
- ✔ Dr Dorothy Jones
- ✔ Dr Stephen Judd
- ✔ Ms Rae Lamb (ex-officio) Aged Care Complaints Commissioner
- ✔ Mr Nick Ryan (ex-officio) Australian Aged Care Quality Agency
- ✔ Mr Paul Sadler
- ✔ Mr Ian Yates AM



*Left to right: Dr Matthew Cullen, Ms Carol Bennett, Mr Ian Yates AM, Dr Dorothy Jones, Ms Andrea Coote, Mr Paul Sadler, Mr Nick Ryan, Ms Fiona Buffinton, Dr Stephen Judd and Ms Rae Lamb.*

## 2015-16 VISION AND MISSION

### OUR VISION

Older Australians have quality care choices that enhance their lives

### OUR MISSION

Our programs and service provide assurance and enable high quality care and innovation

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## OUR WORK

We manage the accreditation of approximately 2,700 residential aged care services

We monitor compliance with the Accreditation Standards and support residential aged care services to attain full compliance with the standards

We review quality of aged care to older people in the community by undertaking quality reviews of services

We promote quality care through developing and delivering targeted information, resources and education services for community and residential aged care services

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## HOW WE WORK

#### IMPARTIAL

We are apolitical and provide the Government with advice that is frank, honest, timely and based on available evidence.

#### COMMITTED TO SERVICE

We are professional, objective, innovative and efficient, and work collaboratively to achieve the best results for the Australian community and the Government.

#### ACCOUNTABLE

We are open and accountable to the Australian community under the law and within the framework of Ministerial responsibility and act fairly in our dealings with others.

#### RESPECTFUL

We respect all people, including their rights and their heritage.

#### ETHICAL

We demonstrate leadership, are trustworthy, and act with integrity, in all that we do.

## EXECUTIVE TEAM

The executive team is responsible for the overall management of the Quality Agency's assessment of aged care services provided to the community and our day-to-day operations. Their leadership helps to ensure that the day-to-day work of the Quality Agency meets its strategic objectives.

### NICK RYAN

#### Chief Executive Officer

Nick Ryan was appointed in April 2014 as the Chief Executive Officer of the Australian Aged Care Quality Agency.

Mr Ryan has extensive experience in public administration specialising in central agency functions, human services and stakeholder engagement. He was a senior executive in the Queensland Government from 1998 to 2010.

From 2010 to 2013 he was CEO of Leading Age Services Australia – Queensland. Mr Ryan has also worked as a secondary and tertiary educator.

Mr Ryan has significant corporate governance experience in government, education, NFP and church sectors. He is currently a Board Member of the Australian Children's Education and Care Quality Authority. He is also a Fellow of the Australian Institute of Company Directors.

Mr Ryan holds a Bachelor of Theology (MCD), a Graduate Diploma in Education (UC) and Graduate Diploma in Corporate Governance and Strategy (AICD).



### SEEMA SRIVASTAVA

#### Deputy Chief Executive Officer and Executive Director Corporate Services and Strategy

##### Profile

Seema Srivastava is a lawyer by training who has worked in the government, private and not for profit sectors in legal, policy, operational and management roles including for community based indigenous and women's legal service organisations.



### 3. MANAGEMENT AND ACCOUNTABILITY

Over the last 10 years Ms Srivastava has specialised in regulatory and compliance work undertaking management, investigative and legal work in this area for a range of diverse NSW and Australian Government agencies including NSW Department of Premier and Cabinet, Department of Community Services and the Office of the Inspector of the Independent Commission Against Corruption (NSW).

#### Role

The Corporate Services and Strategy Branch is responsible for ensuring the Quality Agency has effective capability to undertake its mandated legislative responsibilities and that it also acts as an accountable Australian Public Service Agency. The key focus of the Corporate Services and Strategy Branch is to ensure effective cross-Agency co-ordination and partnership with other branches to deliver on its strategic priorities.

## ANN WUNSCH

### Executive Director Operations

#### Profile

Ann Wunsch has held a number of roles over the past 10 years at the Quality Agency and its predecessor, the Accreditation Agency, including most recently, General Manager of the Education Division, and General Manager of the Operations Division.

Prior to joining the Accreditation Agency in 2005, Ms Wunsch worked in the disability services sector in NSW for over 20 years in a range of roles from management of services in non-government agencies, serving on non-governments boards of management, providing policy advice to the NSW Government and working within regulatory environments.

Ms Wunsch also served as a part-time member of the NSW Administrative Appeals Tribunal, in the Guardianship and Protected Estates division for 10 years.

Ms Wunsch has been an ISQua surveyor since 2010 and currently represents the Quality Agency on the ISQua Accreditation Council.

Ms Wunsch holds an Arts degree from the University of Sydney.

#### Role

The Operations Branch is responsible for the effective delivery of accreditation



### 3. MANAGEMENT AND ACCOUNTABILITY

including case management of service providers, home care reviews and education programs and services. This Branch provides the overall leadership and management of approximately 220 staff including State Directors. Operations Branch provides negotiation and facilitates key relationships with State and Territory Governments, consultation with other key stakeholders and participation in industry forums and working groups.

## CHRISTINA BOLGER

### Executive Director Programs and Education

#### Profile

Christina Bolger brings a wealth of experience having held leadership roles in the APS across policy, regulation and service delivery.

Ms Bolger previously worked at Comcare, the Commonwealth statutory authority for Work Health and Safety and Workers' Compensation. She has led design and delivery of regulatory programs with a national reach to public and private sector workplaces. Ms Bolger has a strong history of collaboration with duty holders to understand problems and better equip industry to address them through access to the right education, information and promotion of innovation in practice.

Ms Bolger has a Bachelor of Applied Science (Physiotherapy), a Bachelor of Arts (ANU) and a Masters in Public Administration (ANZSOG, ANU).

#### Role

The Programs and Education Branch is responsible for driving cultural change and influence industry to achieve improved consumer outcomes by designing, evaluating, monitoring and delivering:

- ✔ the management of accreditation policy and procedure development
- ✔ quality assurance of accreditation activities and development of improvement strategies
- ✔ education products, courses, packages and conferences for industry
- ✔ basic assessor training and regular upskill training to support each assessor's retention of assessor annual registration, as required by legislation and in line with international standards for assessor management
- ✔ training and ongoing upskilling of quality reviewers.



## ORGANISATIONAL STRUCTURE

The Chief Executive Officer, Mr Nick Ryan, is supported by three Executive Directors: Deputy CEO and Executive Director Corporate Services and Strategy, Ms Seema Srivastava; Executive Director Programs and Education Ms Christina Bolger; and Executive Director Operations Ms Ann Wunsch.

The Executives meet monthly to review operational and financial performance, and monitor the Quality Agency’s performance and progress against its corporate and operational plans.

### Structure



### State Operations



## GOVERNANCE STRUCTURE

We are governed under the *Australian Aged Care Quality Act 2013* (the Act). Under the Act, the CEO has the delegation to do all things necessary or convenient to be done for or in connection with the performance of his or her functions. The functions of the CEO are described in the Act.

### 3. MANAGEMENT AND ACCOUNTABILITY

The CEO has the power to delegate all or any of the CEO's functions and powers to a member of the staff of the Quality Agency. The CEO has established an internal Executive Coordination Group to assist in ensuring effective operational governance.

In accordance with the PGPA Act 2013 the Quality Agency has an Audit Committee. The Audit Committee function is to report to the CEO on matters relating to compliance with obligations under the PGPA Act 2013, any regulations and Finance Minister's Orders, providing a forum of communication between the Chief Executive, senior managers, internal auditors and the Auditor General. The focus of the Audit Committee includes review of the business continuity plan, risk management and fraud control.

The members of the Audit Committee includes two external members and a senior Quality Agency manager.

We engage an external professional service firm to conduct internal audits on our financial functions. This is to ensure that appropriate systems and internal controls in place are working efficiently and effectively in order to satisfy the compliance requirements of the Act, the PGPA Act 2013 and associated regulations. The internal auditor reports their findings to the Audit Committee.

In addition to the externally engaged internal auditor, with a commitment to quality assurance, the Quality and Standards team conducts quality audits of policies and procedures during regular periods of review. The results of these audits are published in the document management system maintained by the Quality Agency and reported to the CEO's office.

## FRAUD CONTROL POLICY

Our fraud control plan is designed to prevent, detect and deter fraud. It includes a:

- ✔ statement of the Quality Agency's policy on, and approach to fraud risks
- ✔ description of our fraud control responsibilities and strategies
- ✔ direction for fraud control, fraud response and fraud awareness
- ✔ description of fraud reporting obligations within the Quality Agency.

### Fraud awareness training

Our fraud awareness policy encompasses staff training in minimising the risk of fraud and corruption from both internal and external threats. Fraud awareness and security training is provided to staff as they enter the Quality Agency and on an ongoing basis as required.



## MANAGEMENT OF HUMAN RESOURCES

- ✔ “To register quality assessors of residential and home care services in accordance with the Quality Agency Principles.”  
*Australian Aged Care Quality Act 2013*

## WORKFORCE PLANNING, STAFF RETENTION AND TURNOVER

The size of our workforce varies according to the cyclical accreditation workload.

As at 30 June 2016, our permanent headcount was 226 of which 213.8 were full time equivalent workload count. Of the Quality Agency’s 226 staff employees, the average length of service is just over six years.

Seventy-nine per cent of our staff are female. We employ a large number of older employees. Of the Quality Agency’s 226 employees, 130 staff (58%) are over 50 years of age, and 45 staff (20%) are over 60 years of age. The Quality Agency also has one staff member over the age of 75.

The Quality Agency offers flexible work arrangements, with 16% of the workforce working shorter hours or days a week, to assist with work/life balance.

The turnover for the 2015-16 financial year increased to 23.1% which is an upward trend of around 16%. This increase was due to voluntary redundancies that were taken up as part of workforce planning.

### 3. MANAGEMENT AND ACCOUNTABILITY

#### Workforce planning, staff retention and turnover

| Staff                                       | Headcount | FTE   |
|---|-----------|-------|
| 2015-16 Total                               | 226       | 213.8 |
| Ongoing                                     | 207       | 195.4 |
| Non-ongoing                                 | 19        | 18.4  |
| Agency head                                 | 1         | 1.0   |
| SES   | 3         | 3.0   |
| EL1 and 2                                   | 25        | 25.0  |
| APS 1-6                                     | 197       | 184.8 |
| Average Age                                 | 51        | n/a   |
| Average length of service in Agency (years) | 6.4       | n/a   |
| Female (per cent)                           | 79        | n/a   |
| Proportion Male (per cent)                  | 21        | n/a   |
| Proportion Part-Time (per cent)             | 16        | n/a   |
| Staff Turnover*                             | 23.1%     |       |

\* Includes voluntary redundancies

#### Staff by classification/gender/location (FTE)

| Classification | Gender | Divisional Office | NSW  | QLD  | SA   | TAS | VIC  | WA  | Totals |
|----------------|--------|-------------------|------|------|------|-----|------|-----|--------|
| APS3           | Female | 7.6               | 4.4  | 3.0  | 3.0  |     | 3.6  | 2.4 | 24.0   |
|                | Male   | 3.0               |      | 1.0  |      |     | 1.4  |     | 5.4    |
| APS4           | Female | 7.8               | 3.0  | 1.0  |      |     | 2.6  |     | 14.4   |
|                | Male   | 3.0               |      | 1.0  |      |     |      |     | 4.0    |
| APS5           | Female | 5.3               | 4.0  | 1.0  | 2.4  |     | 5.8  | 1.0 | 19.5   |
|                | Male   | 1.0               | 2.0  |      |      |     | 3.0  | 1.0 | 7.0    |
| APS6           | Female | 3.0               | 25.1 | 20.7 | 13.3 | 2.0 | 23.4 | 5.0 | 92.5   |
|                | Male   | 4.0               | 3.0  | 4.0  |      |     | 5.0  | 2.0 | 18.0   |
| EL1            | Female | 1.0               | 2.0  | 2.0  | 1.0  |     | 1.0  | 1.0 | 8.0    |
|                | Male   | 5.0               | 1.0  |      |      |     | 1.0  |     | 7.0    |
| EL2            | Female | 2.0               | 1.0  | 1.0  | 1.0  |     | 1.0  |     | 6.0    |
|                | Male   | 3.0               |      |      |      |     |      | 1.0 | 4.0    |
| SES            | Female | 3.0               |      |      |      |     |      |     | 3.0    |
| Agency head    | Male   | 1.0               |      |      |      |     |      |     | 1.0    |
| 2015-16 Total  |        | 49.7              | 45.5 | 34.7 | 20.7 | 2.0 | 47.8 | 3.4 | 213.8  |

### 3. MANAGEMENT AND ACCOUNTABILITY

#### Workforce planning, staff retention and turnover

| Classification       | Gender | Non-ongoing Full-time | Non-ongoing Part-time | Ongoing Full-time | Ongoing Part-time | Totals     |
|----------------------|--------|-----------------------|-----------------------|-------------------|-------------------|------------|
| APS3                 | Female | 3                     | 2                     | 14                | 8                 | 27         |
|                      | Male   | 1                     |                       | 4                 | 1                 | 6          |
| APS4                 | Female |                       |                       | 13                | 2                 | 15         |
|                      | Male   | 1                     |                       | 3                 |                   | 4          |
| APS5                 | Female | 3                     | 1                     | 12                | 6                 | 22         |
|                      | Male   | 1                     |                       | 6                 |                   | 7          |
| APS6                 | Female | 1                     |                       | 80                | 17                | 98         |
|                      | Male   | 1                     |                       | 17                |                   | 18         |
| EL1                  | Female |                       |                       | 8                 |                   | 8          |
|                      | Male   | 2                     |                       | 5                 |                   | 7          |
| EL2                  | Female | 1                     |                       | 5                 |                   | 6          |
|                      | Male   | 2                     |                       | 2                 |                   | 4          |
| SES                  | Female |                       |                       | 3                 |                   | 3          |
| Agency head          | Male   |                       |                       | 1                 |                   | 1          |
| <b>2015-16 Total</b> |        | <b>16</b>             | <b>3</b>              | <b>173</b>        | <b>34</b>         | <b>226</b> |

## WORKPLACE ARRANGEMENTS

The Australian Aged Care Quality Agency Section 24 determination of terms and conditions for non-SES employees (as per section 24 of the *Public Service Act 1997*) was in force during this reporting period. This section 24 determination used terms and conditions from the previous Enterprise Agreement (EA) as well as the Public Service Award (award).

The Quality Agency is currently negotiating an Enterprise Agreement.

214 staff are covered by the Australian Aged Care Quality Agency Determination of Terms and Conditions of Employment for Non-SES staff. This took effect 1 January 2014. In addition 5 staff are covered by individual section 24 (1) determinations which set out their terms and conditions. This also took effect from 1 January 2014.

Non-salary benefits available to staff are: access to Employee Assistance Program, study assistance, purchased leave, paid maternity and parental leave, home-based work, flex time and healthy lifestyle reimbursement allowance.

## SALARY RANGES

The current section 24 (1) Determinations does not contain salary ranges. These will be included in the EA currently being negotiated.

## LEARNING AND DEVELOPMENT

The agency has a strategic priority to our workforce plan. As a business we seek to identify individual job capabilities, functions and roles to effectively manage the Quality Agency's business. In order to do this we utilise our learning and development plan. We believe our staff are our greatest asset and hence continually develop and educate our staff. Our sole aim is to have a dynamic and educated workforce that meets all our workforce capability requirements now and into the future.

We have continued to provide a wide range of learning and development opportunities to all employees. In late 2014, a review of our development opportunities for all employees was undertaken and this has led to some changes in the way we deliver opportunities. Key changes centre on prioritising strategic learning and development needs and on the adoption of the learning model 70:20:10 which recognises the effectiveness of on-the-job learning.

Formal studies continue to be supported and in 2015, 6 staff accessed study assistance and/ or study leave. 18 days of study leave were recorded.

*Coaching for performance everyday* is our approach to people management focusing on the importance of coaching every day. There is a strong link to our learning and development framework as the learning and development needs of employees are often identified through the discussions managers and employees have during the performance management cycles.

*Coaching for performance everyday* has proved popular with staff. It is easy to use, provides immediate access to current and past reviews, and provides more accurate data collection and storage of records and less paper waste.

We have been running the *Mentoring for all* program since 2010. An evaluation of the program carried out in late 2014 confirmed it is highly valued by both new employees and the experienced staff who enjoy being able to share their skills and knowledge.

The current mentoring program will be incorporated into a future holistic performance and career strategic outcome for staff.

*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 part of our core training programs in our learning and development framework.

## CARER REPORTING

Through its *Carer Recognition Act 2010* (the Carers Act), the Australian Government recognises the exceptional contribution made by unpaid carers.

The Carers Act stipulates that carers should have the same rights, choices and opportunities as other Australians. To help achieve this, the Carers Act sets out reporting and consultation obligations for Australian Public Service agencies with responsibilities towards carers.

We are committed to providing and maintaining a safe and healthy workplace and meeting our responsibilities under *Commonwealth Work Health and Safety Act 2011*. In 2015-16 142 (63%) staff took 591 days as Carer's leave.

We are currently developing an integrated carer recognition strategy.

The strategy will address our obligations to take all practicable measures to ensure that employees are aware of the Statement for Australia's Carers through our learning and development strategy.

This strategy will be integrated within our revised human resources policies.

## DISABILITY REPORTING

Since 1994, Commonwealth departments and agencies have reported on their performance as policy advisers, purchasers, employers, regulators and providers under the *Commonwealth Disability Strategy*. In 2007-08 reporting on the employer role was transferred to the Australian Public Service Commission's *State of the Service Report* and the APS Statistical Bulletin. These reports are available at [www.apsc.gov.au](http://www.apsc.gov.au). From 2010-11 departments and agencies have no longer been required to report on these functions.

The *Commonwealth Disability Strategy* has been overtaken by a new 2010-2020 National Disability Strategy which sets out a ten year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high level two-yearly report will track progress against each of the six outcome areas of the Strategy and present a picture of how people are faring. The first of these reports will be available at [www.dss.gov.au](http://www.dss.gov.au)

## #Q NEWSLETTER

#Q is the Quality Agency's newsletter for staff and external assessors and 25 issues were published in 2015-16.

#Q contains important information relevant for all staff, accreditation news, research, assessor updates (regulatory and legislative), upcoming events, etc. #Q is part of our commitment to strong internal communications.

## ASSESSORS

Of the 334 assessors on the register for aged care quality assessors as at 30 June 2016, 140 are permanent employees of the Quality Agency. Our assessor employees are generally employed in assessor specific roles.

We also have a number of line managers and specialists who are also trained assessors and who are available to do assessments. 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.

## CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

With the arrival of quality reviewers into our workforce, a review of the original Assessor Development Program (ADP) was undertaken.

The aims of the newly created CPD program remain the same:

- ✔ Develop assessor/reviewer skills and knowledge and maintain currency related to industry environment and government policy agenda

### 3. MANAGEMENT AND ACCOUNTABILITY

- ✔ Contribute to the annual 15 hours of professional development required to be undertaken by all assessors to maintain their registration.

CPD half day sessions, held approximately every two months in all state offices, provide on-going training to assessors and reviewers about contemporary audit techniques and methodologies, as well as general industry developments, government policy and legislative updates. Sessions utilise a range of approaches for professional development. Learning methodologies include workshops, on-line activities and other learning options e.g. webinars. After each workshop, a related self-directed learning package is available on line (via a password protected website). This is particularly useful for assessors who are unable to attend workshops.

Over the last year we have created effective partnerships with many industry groups in order to access technical experts to help deliver a range of learning opportunities to our assessor and reviewer workforce, both face to face and online, covering issues such as: difficult conversations, dementia, special needs groups such as the Lesbian, Gay, Bi-sexual, Transgender and Intersex people and Consumer Directed Care.

## WORK HEALTH AND SAFETY

We are subject to the Commonwealth *Work Health and Safety Act 2011*.

We are committed to providing and maintaining a safe and healthy workplace and meeting our responsibilities under 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.

On an annual basis, the Quality Agency runs a free flu vaccination program for all employees.

An amount of up to \$200 may be reimbursed each financial year upon production of receipts for costs spent on healthy lifestyle initiatives.

We also provide free confidential professional counselling services via the Employee Assistance Program and regular ergonomic assessments.

Any corrective measures identified as a result of these assessments, such as specifically tailored ergonomic equipment, are provided as quickly as possible. We will continue to review our health and wellbeing strategies during 2016-17.

### 3. MANAGEMENT AND ACCOUNTABILITY

During the year, there were 55 days lost due to injury.

Early intervention strategies are being used and hence there are no new claims for the Quality Agency.

## INDIGENOUS REPORTING

As a part of its response to the Forrest Review, *Creating Parity*, the Australian Government announced a new Indigenous employment target across the Commonwealth public sector. Departments are required to report on their rates of Indigenous employment in their annual reports for 2014-15 and annually thereafter.

Our staff can nominate as being either of Aboriginal or Torres Strait Islander origin and one staff member has done so.

## PERFORMANCE PAY

The CEO is currently reviewing the performance pay arrangements for employees of the Quality Agency.

Eligible EL 1 and EL 2 employees on Section 24 (1) Determination may qualify for a performance bonus of up to 7 per cent if they achieve performance targets set.

During the reporting period there were 12 EL1 and EL2 employees on individual flexibility agreements. Total performance payments made to SES Officers was \$32,800 and the average performance payment was \$16,400.

## EXTERNAL ENGAGEMENT

### “Let’s talk about quality”

From August to October 2015 we conducted a ‘quality dialogue’ with the aged care community. This dialogue was all about the concept of quality in relation to aged care.

People were invited to share with us their thinking and questions, and to explore and debate the best possible ways to describe, encourage, measure and monitor quality in aged care services.

We released the report on the findings from the discussions in January 2016, which reflected more than 16 hours of forums and meetings with stakeholders, 15 written submissions and 152 online contributions from consumers, consumer advocate groups, providers (managers and frontline staff), carers, peak bodies, researchers and others interested in the quality of aged care in Australia.

The full report is available on our website.

### 3. MANAGEMENT AND ACCOUNTABILITY



It is evident from this exercise that there are many perspectives and no single definition of quality in aged care. However, ensuring consumer safety, choice and flexibility, with consumers being treated with dignity and respect, were identified as central platforms for a quality framework for aged care.

Through discussions in this forum the following themes emerged from the dialogue:

#### **Rethinking quality care – moving mindsets**

- ✔ Shift in mindset required from ‘doing for’ to ‘doing with’
- ✔ Support for more holistic, flexible, co-design models of service delivery
- ✔ Strong endorsement of ‘active ageing’ principles
- ✔ Choice and autonomy central to overall health and well being
- ✔ Need to balance risk with choice ‘dignity of risk’

### 3. MANAGEMENT AND ACCOUNTABILITY

#### **Board to bedside – creating a quality culture that encourages excellence**

- ✔ Quality is as much about culture as it is about safe systems
- ✔ Service excellence is underpinned by a culture of high performance and leadership in relation to aged care governance, meaningful consumer engagement and an effective approach to quality improvement
- ✔ Quality inputs (care and services) don't always equate to quality of life
- ✔ Psychological and spiritual wellbeing and social inclusion key factors in quality care

#### **A coordinated effort – an integrated experience of care for consumers**

- ✔ Consistency in service quality across the continuum of aged care is important to families and consumers navigating between multiple services and/or providers in aged care – including pathways to care, information flows, and relationships between services
- ✔ Services need to speak to each other and give greater focus to continuity of care
- ✔ Older Australians want a system that they can understand and use, with reduced silos across services such as aged care, health and disabilities

#### **Innovation in aged care – how can this drive quality**

- ✔ Clear support for a shift from perceptions of quality of care based on compliance with minimum standards to broader notions of innovative, high quality care
- ✔ Government could encourage innovation via mechanisms such as additional funding for innovation or reducing regulatory burden that can inhibit innovation
- ✔ Competition will challenge traditional service models and encourage providers to innovate their services and systems to drive quality improvement
- ✔ Government is not the final arbiter on quality, although it is seen to have a role in promoting innovation and helping to support the environment in which it can occur

#### **Implications for the quality framework**

Views from these discussions indicated there was an overwhelming agreement that Government must play a role in maintaining an effective safety net for consumers by setting the core or minimum standards for aged care service provision. However, knowing that a service is accredited or meets minimum standards does not help consumers to ascertain whether the provider is delivering high quality care or just passing minimum standards.

### 3. MANAGEMENT AND ACCOUNTABILITY

These discussions highlighted the need for a review of the quality framework to involve direct consumer consultation; work closely with a broad range of stakeholders; look to international models and best practice; and seek to achieve consistency with standards in intersecting industries such as health care, disability and other community services.

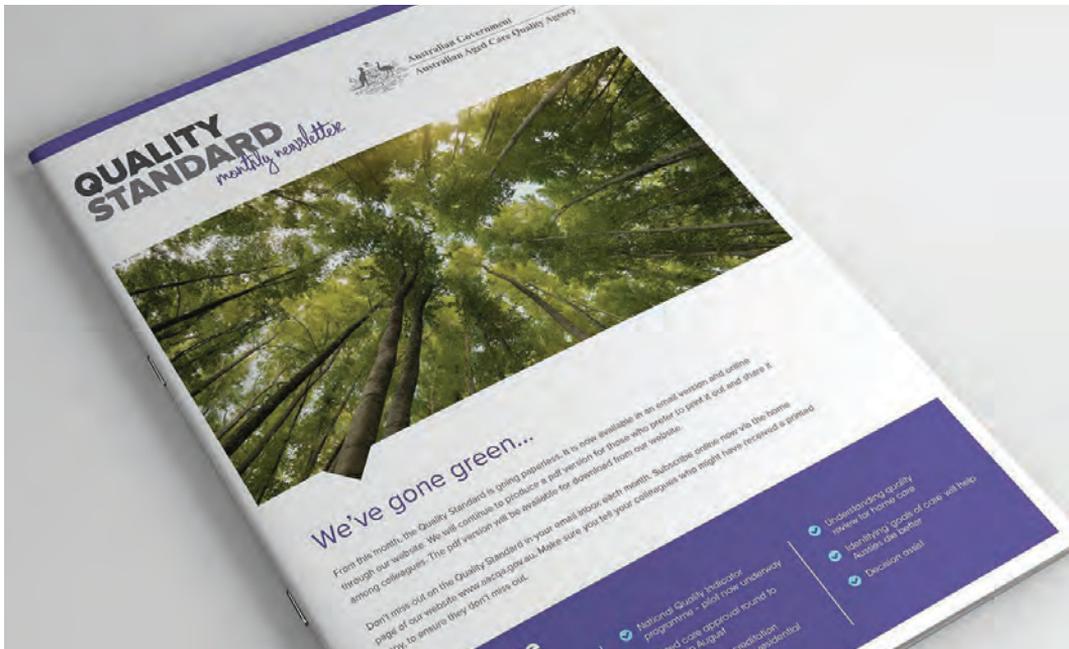
There was support through these consultations for a common set of core minimum standards for service delivery across aged care. These standards should be outcomes-focused, reflecting the different nature of residential and home care services in practice, and shifting provider focus from compliance to quality.

## RESOURCES, INFORMATION AND SUPPORTING INDUSTRY

### *Quality Standard*

The industry newsletter *Quality Standard* is distributed monthly via an email newsletter and available online, and includes information on how we conduct assessments, changes to operations and other corporate information, promotion of our education activities, as well as articles containing the latest research, examples of better practice, and practical ideas for aged care providers which can be readily adapted or implemented.

From July 2015, printing of the *Quality Standard* ceased, with distribution now online



### 3. MANAGEMENT AND ACCOUNTABILITY

only, via email and on the website, with a pdf version available for downloading and printing. This initiative has decreased our need to print and mail out this newsletter, decreased our environmental impacts and reduced our collation and mail-out costs.

Over the reporting period, there were special editions for the announcement of the Better Practice Awards, and the report on the *Let's talk about quality* project.

The *Quality Standard* focuses strongly on promoting quality, 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 stories of how particular homes have implemented programs, to inspire and inform other homes.

The *Quality Standard* is distributed online to all aged care providers, subscribers and all staff and quality assessors and surveyors.

Distribution of *Quality Standard* continues to grow, with an increase of 29 per cent in the online format, emailing over 7,000 subscribers, aged care providers, staff and assessors each month.

#### YouTube channel videos

We continue to add new videos to our YouTube channel.

In 2015-16 we added closed captions to our Aged Care Channel co-branded videos, increasing the accessibility of these free resources.

## EXTERNAL REVIEW

As a non-corporate Commonwealth entity, we are subject to scrutiny by the Australian Parliament. Our activities may be subject to investigation or consideration by administrative agencies or the courts. Our operations are also reviewed by external entities such as the Australian National Audit Office (ANAO), the Commonwealth Ombudsman and committees of the Australian Parliament.

During the reporting period, we were reviewed by the following Departments:

- ✔ Department of Finance and completed the ICT Benchmarking Survey, PRODAC – Australian Government Property Data Collection for non-corporate entities; Corporate Services Benchmarking Survey and ICT Benchmarking Survey.
- ✔ Australian Institute of Criminology and completed the Annual Fraud against the Commonwealth census.

### 3. MANAGEMENT AND ACCOUNTABILITY

In addition, we receive feedback on our performance through media, industry bodies and complaints from aged care providers, care recipients or members of the public directly; through our assessor feedback forms; or from the Aged Care Complaints Commissioner.

We welcome external review as a means to confirm what is doing well, and to identify ways to better meet our obligations and achieve our vision older Australians have quality care choices that enhance their lives.

## OFFICE OF THE AUSTRALIAN INFORMATION COMMISSIONER (OAIC) DECISIONS

No OAIC decisions were made for any freedom of information applications submitted to the Quality Agency during this period.

## COURT HEARING DECISIONS

During 2015-16, the Quality Agency was involved in one matter in the Federal Court and one matter in the Administrative Appeals Tribunal (AAT).

### Judicial Decisions and Decisions of Administrative Appeals Tribunals

During 2015-16, the Quality Agency was not involved in any matters.

## PARLIAMENTARY ACCOUNTABILITY

### Senate Committees

On 6 May 2016 we attended the Community Affairs Senate Estimate hearings.

### Questions on notice

During the reporting period we were not required to respond to questions on notice.

# BETTER PRACTICE AWARDS – A WINNER’S STORY

## Putting out the Welcoming Mat

*The Uniting Church in Australia Property Trust NSW*

Uniting has developed and implemented a comprehensive Lesbian, Gay, Bisexual, Transgender, Intersex (LGBTI) inclusion strategy to ensure everyone, regardless of lifestyle choices, ethnicity, faith, sexual orientation and gender identity, feels welcome and safe.

Whilst this should be common practice for all organisations, this is particularly so when working with older people from LGBTI communities. Older members of LGBTI communities have faced discrimination for much of their lives, making the move into aged care particularly daunting. Some have been so fearful they have not disclosed their sexuality to staff and other residents for fear of discrimination. Uniting’s inclusion strategy attempts to address these issues, and works to ensure all services are truly inclusive for LGBTI communities’ needs.

The initiative commenced with a survey of LGBTI communities’ concerns and expectations of care as they age, which identified key performance indicators of success. Two key indicators were the achievement of the Rainbow Tick for all services in the provision of inclusive care and the gold tier ranking status in the national, all industry annual Australian Workplace Equality Index application. These achievements ensure Uniting is an inclusive organisation.

The achievement and publicity of the Rainbow Tick has an extra advantage. The high profile ensures many older people hear the message of inclusivity; Uniting is the only faith-based organisation to achieve this acclaimed accreditation. The organisation has achieved strong and successful cultural change as a result of work towards formalising and operationalising inclusivity and diversity strategies for members of LGBTI communities.





# 4

## OTHER ACCOUNTABILITY REPORTING

As a non-corporate Government entity, we are accountable to the Minister, the Parliament and the Australian people. This part of the report provides information to satisfy the reporting requirements of a range of Commonwealth legislation and Australian Government policies that relate to our performance.

### QUALITY 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 Australian National Audit Office and the Parliament through the Community Affairs Senate Committee.

### ADVERTISING CAMPAIGN STATEMENT

This was not applicable for the Quality Agency for the reporting period.

### FREEDOM OF INFORMATION

Entities subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements.

### CORRECTIONS FROM PREVIOUS ANNUAL REPORT

In the 2014-15, page 37 table of Accreditation status table had four figures that were transposed incorrectly. We advised the tabling officer at the time of presenting this annual report to Parliament in 2015. These have now been updated in the on-line version of the Annual report and is available on our website.

## 4. OTHER ACCOUNTABILITY REPORTING

### **Benchmarking against international best practice in accreditation programs**

We seek to be a best practice regulator and ensure our accreditation frameworks stack up against recognised accreditation frameworks internationally. We are accredited by the International Society for Quality in Health Care (ISQua). ISQua is the international body that accredits accreditation bodies and is recognised worldwide for promoting quality and best practice in health care. ISQua members play a critical role in developing standards, particularly for developing countries.

Our ISQua accreditation extends to our assessor training program and is formal recognition that our performance has been assessed by peer reviewers against international standards.

As a member of ISQua, we also conduct peer reviews of other accreditation organisations and exchange our knowledge, experience and insight with accreditation bodies across Australia and internationally.

## **ISQUA ACCREDITATION**

The Quality Agency is accredited by ISQua – formal recognition that our performance as an accrediting body has been assessed by peer reviewers against international standards. The ISQua reaccreditation surveyors were from other international accrediting bodies.

The Quality Agency has ISQua organisational accreditation and accreditation for the assessor training. We have organisational accreditation until August 2017. Our assessor training program is accredited until October 2019.

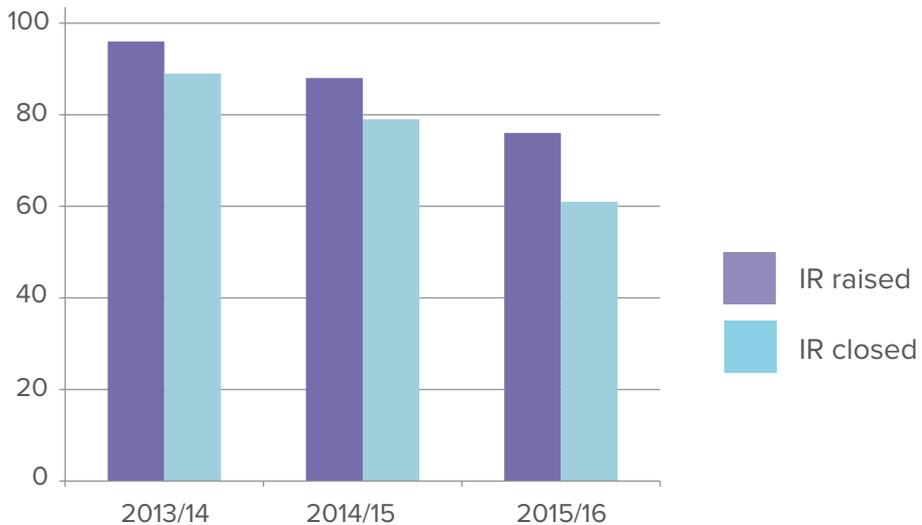
## **IMPROVEMENT REQUESTS**

Our internal improvement request process is part of our internal continuous improvement culture.

Staff are an important part of quality assurance. Through following policies and procedures and using our improvement request system to tell us where policy and procedure improvements can be made.

## 4. OTHER ACCOUNTABILITY REPORTING

### Improvement request statistics



### Continuous improvement starts on the the inside - modelling a learning culture

We seek to model the type of behaviour we expect to see in those we regulate. Staff are actively encouraged to identify improvements to strengthen process, achieve efficiencies and improve regulatory outcomes.

We have made changes to improve our communication, our documentation of audits and to improve systems and processes. For example: One of the suggestions from staff was to improve communication with recipients of home care, around the process of quality review and how they can be involved. We conducted a telephone survey of home care providers and gathered feedback from our quality reviewers and operations team. Using the feedback, we were able to compile an easy to understand letter for care recipients, simplifying the process and inviting them to get involved. This letter was then translated into 20 community languages.

Another suggestion from staff was around ensuring safety of staff by assessing the risk factors associated with travelling to various locations – such as weather conditions, flood, bushfire, cyclone and wildlife on the roads. Information was collected and recorded in our system so that our assessors and quality reviewers are equipped and the Agency prepared, e.g. the requirement for a 4WD in certain locations, look out for wildlife on the roads, watch out for ice on the road and what to do in the event of a flooded road.

## 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.

In 2015-16 all complaint responses were reviewed by the Executive Director Operations who has overall responsibility for complaints management. All complaints are reviewed and are followed through by the relevant Director or State Director.

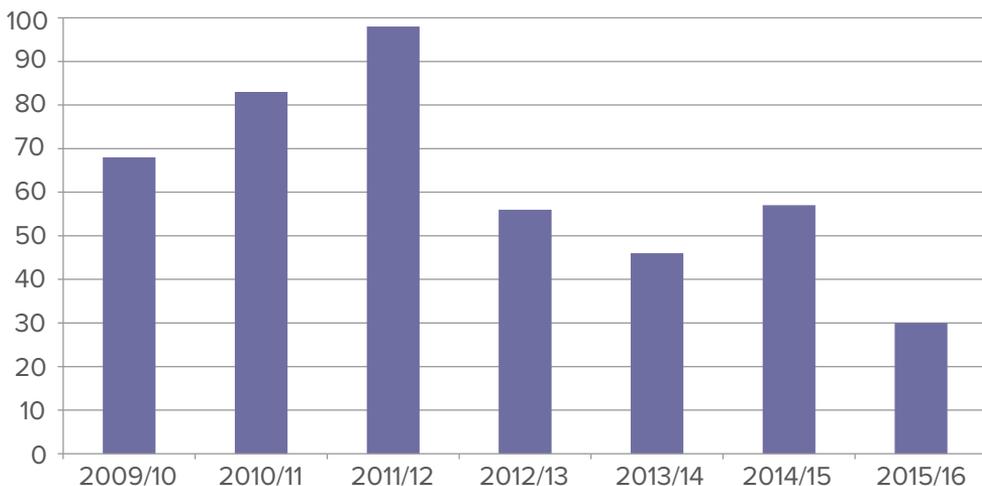
As part of our complaint processes, we provide a finalised written response within 28 days or, where this is not possible, we keep the complainant informed about progress. A small number of complaints were complex and required more thorough investigation.

We received 30 complaints during the year, compared with 57 the previous financial year. We closed 30 complaints during 2015-16 which included three complaints received in 2014-15.

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. The process of 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 onsite relationship management during the conduct of audits and assessment contacts, including unannounced visits.

### Complaint trends



# FEEDBACK

Following each visit to a home, assessors leave a feedback form that 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 Quality 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.

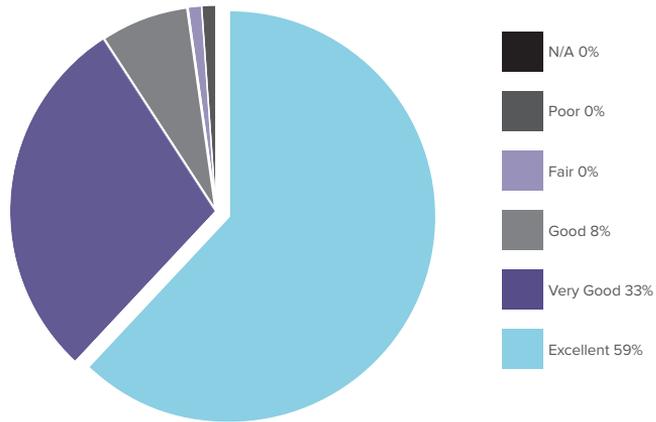
There were 2,588 forms returned in the reporting period. This represents a return rate of 61 per cent. Of the responses received, 1,925 people identified themselves representing 74 per cent of returned questionnaires. The comments made on the feedback forms were both positive and negative and are used 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 2015-16, 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.

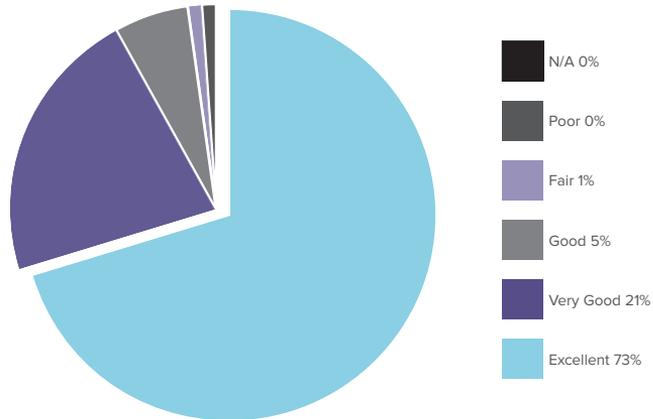
#### 4. OTHER ACCOUNTABILITY REPORTING

### Feedback 1 July 2015 – 30 June 2016

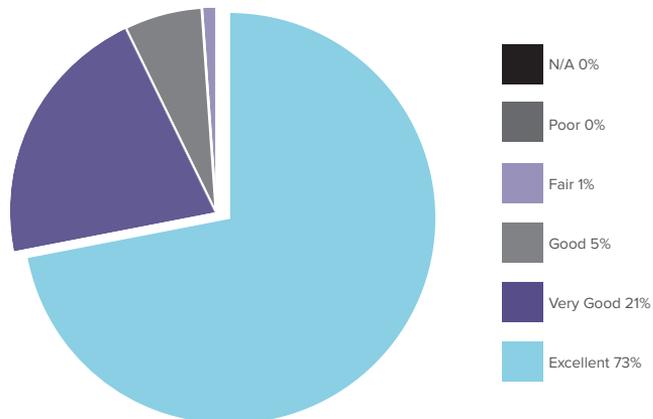
Allowing care staff to continue their duties



Overall how would you rate the assessment team's performance



The team's knowledge and understanding of aged care



## IMPROVEMENTS

During the year a range of review activities were conducted:

- ✔ reviewing a sample of internal processes for assessment activities to evaluate conformance with Quality Agency policies, procedures and legislative requirements; and
- ✔ reviewing our processes and improvement of documentation.

## 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 and recipients of aged care services in their own home
- ✔ 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 and in the community
- ✔ 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.

#### 4. OTHER ACCOUNTABILITY REPORTING

| Client contact standards   |       |
|--|-------|
| We aim to respond to general inquiries within seven working days. More complex correspondence will be acknowledged within seven working days and responded to within 28 working days.  | ✔ Met |
| 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.   | ✔ Met |
| Accounts are settled within the trading terms of the supplier.   | ✔ Met |
| 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.   | ✔ Met |
| Review and measures  |       |
| 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.   | ✔ Met |
| The following measures will be used to assist monitoring our compliance with our commitment to service quality:  |       |
| ✔ Feedback shows 95 per cent of approved providers are satisfied with the Quality Agency's performance   | ✔ Met |
| ✔ 100 per cent compliance with the PGPA Act, and Government requirements   | ✔ Met |
| ✔ Maintenance of Quality Management System to ensure certification is maintained.  | ✔ Met |
| Accreditation quality assurance  |       |
| 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. | ✔ Met |
| Implementation of the quality assurance program reflects:  |       |
| ✔ Our commitment to performing high quality work in a way that is consistent with our values, code of conduct, and approved audit methodology.   | ✔ Met |
| ✔ Our commitment to effective and accurate assessment and decision-making of residential aged care homes' care and services to residents   | ✔ Met |
| ✔ Our commitment to providing information about performance and better practice in a way that promotes quality improvement of resident care and services.  | ✔ Met |

## COMCOVER INSURANCE

The Quality Agency's results for the ComCover 2014 Risk Benchmarking Survey placed the Agency in the top 70 per cent of all agencies.

An overall level of risk maturity of rating of 'integrated' was achieved, indicating that our risk management framework is embedded into the operations of the Quality Agency and is an ongoing part of the Quality Agency overarching governance and management practices.

## MAJOR IT SYSTEMS ROLLOUT

### BBP upgrade

Last year we added information about services providing home care and flexi care into BBP. BBP's infrastructure was updated in 2008 and since then we have completed minor updates to BBP and its interfaces. With this additional information, we scoped a major BBP upgrade.

During the reporting year we commenced a major upgrade project to refresh BBP and enhance its security. A selection process took place and the upgrade of BBP will continue into 2016-17.

## COMMONWEALTH COMPLIANCE PROJECTS

The Quality Agency continues to ensure various APS policies are complied with:

- ✔ Protective Security Policy Framework (PSPF) to ensure agency's security comply against Commonwealth Security.
- ✔ Information and Record Management to ensure agency comply with National Archives of Australia (NAA).
- ✔ Web Accessibility Guidelines 2.0 to ensure agency comply with Digital Transformation Office (DTO).

## IT NETWORK

During the year, we achieved a number of IT initiatives to comply with the PSPF:

- ✔ Completed an IT security audit as a benchmark.

## 4. OTHER ACCOUNTABILITY REPORTING

- ✔ Upgraded our Wide Area Network (WAN).
- ✔ Moved our computer services to a Government approved data centre.
- ✔ Upgraded our internet connection to meet Government security standards.

## A PRESENCE IN SOCIAL MEDIA

The Quality Agency has an organisational presence in the social media arena.

Our YouTube channel hosts seven videos for the aged care industry and these videos have had some good 'views'. The lead video is a message from our CEO, Nick Ryan. Closed captioning has been added to our videos to comply with Web Accessibility Guidelines 2.0.

Better Practice conference Facebook page gives 'followers' the opportunity to learn about the exciting array of reputable speakers and relevant aged care topics. The Better Practice Facebook page keeps delegates informed with the specific state-based events as they are confirmed.



## ECOLOGICALLY SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL PERFORMANCE

The Quality Agency is committed to the ecologically sustainable development goals of the *Environment Protection and Biodiversity Conservation Act 1999*.

We continued to promote a reduction in the use of resources and be a low impact operation during the reporting period. 'Where possible, we recycle paper, toner cartridges and use electronic communication where 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.

## 4. OTHER ACCOUNTABILITY REPORTING

Our environmental sustainability objectives are:

- ✔ Reduce the Quality Agency's paper consumption and maintain consumption below 1 million sheets per annum. For the reporting period 2015-16 paper consumption was 758,761 sheets.
- ✔ Reduce electricity consumption - Electricity consumption continues to be monitored and reviewed. National kilowatt consumption ranges between 280,000 and 300,000 per annum.
- ✔ Recycle all paper materials by continuing to supply recycling bins throughout the Quality Agency.
- ✔ Used toner cartridges are recycled through an external organisation. The money raised from these used toner cartridges was donated to the Breast Cancer Institute of Australia.

## INDIGENOUS RECOGNITION

In 2015-16 we undertook the following initiatives to promote recognition of indigenous people and their needs in aged care:

- ✔ We invite a local elder to conduct 'Welcome to Country' at each Better Practice conference.
- ✔ We include a number of themes in every Better Practice conference that looks at quality of life in aged care for the Indigenous population and the experience of providing care in rural and remote areas in our concurrent sessions.
- ✔ We helped celebrate NAIDOC Week by raising awareness, through visual reminders including intranet and signature block logos for NAIDOC week, and held special gatherings and so on with Indigenous guest speakers.

We commenced and will continue with:

- ✔ Cultural awareness training, already provided to assessors and reviewers, will be broadened across our organisation.
- ✔ Using our purchasing power to support Indigenous businesses. Our 'Supporting Indigenous Procurement' policy supports the whole-of-government initiative to use our purchasing power to support and help make sustainable Indigenous-owned businesses and employment.
- ✔ When we book accommodation, where reasonably possible we support Indigenous-owned businesses, particularly now that we have more regional, rural and remote visits.

#### 4. OTHER ACCOUNTABILITY REPORTING

The Quality Agency is a corporate member of Supply Nation and seeks to source goods and services through businesses registered with Supply Nation. Supply Nation is the Australian leader in supplier diversity, established in 2009 to connect members with Indigenous businesses across the country.

Adelaide Office added to our list of indigenous suppliers, Urapuntja Health Service Aboriginal Corporation, supplier of accommodation for assessors.



## ASSESSMENT OF EFFECTIVENESS OF ASSETS MANAGEMENT

This item is not applicable because “assets management is not a significant aspect of the strategic business of the Quality Agency” and “none of the asset base has a life of 50 years or greater.”

## 4. OTHER ACCOUNTABILITY REPORTING

### PURCHASING

All purchasing is carried out in line with the requirements of the Commonwealth Procurement Rules, as detailed in the Chief Executive's Instructions and Financial policies and procedures, and in keeping with the core principles of ethical, efficient, effective and economical conduct. Templates covering all aspects of purchasing and approval have been developed and are used consistently.

All procurements in excess of \$10,000 are reported in AusTender.

### CONSULTANCIES

During 2015-16 new consultancy contracts were entered into involving total actual expenditure of \$140,699. There are no ongoing consultancy contracts as at 30 June 2016.

|                                       | Number | Expenditure<br>\$000's<br>(GST Inclusive) |
|---------------------------------------|--------|---|
| New consultancies let in current year | 4      | 140.7                                     |
| Ongoing active consultancies          | 0      | 0   |

The Quality Agency contracts providers of professional services after considering the skills and resources required for the task, internal capacity, and the cost-effectiveness of contracting an external service provider. The decision to engage a consultant is made in accordance with the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)* and related regulations.

### CONSULTANCY TREND DATA

|                                 | 2014-15 <sup>1</sup> | 2015-16 |
|---------------------------------|----------------------|---------|
| Consultancy expenditure \$000's | 50.1                 | 140.7   |
| Number of contracts             | 1                    | 4       |

<sup>1</sup> 2014-15 numbers have been corrected from previously reported.

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender web site [www.tenders.gov.au](http://www.tenders.gov.au).

## AUSTRALIAN NATIONAL AUDIT OFFICE ACCESS CLAUSES

Departments must provide details of any contract let during the reporting period of \$100,000 or more (inclusive of GST) that does not provide for the Auditor-General to have access to the contractor's premises.

During 2015-16, no contracts were let that did not require the Auditor-General to have access to the contractor's premises.

## EXEMPT CONTRACTS

If any contract in excess of \$10,000 (inclusive of GST) or a standing offer has been exempted by the Chief Executive from being published in AusTender on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*, the fact that the contract has been exempted and the value of the contract or standing offer must be reported to the extent that doing so does not in itself disclose the exempt matters.

During 2015-16, there were no contracts considered exempt from publication in AusTender.

## PROCUREMENT INITIATIVES TO SUPPORT SMALL BUSINESSES

We support small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website: [www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/](http://www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts/)

The assessment of residential aged care homes and aged care services in the community involves site visits to the providers of those services. During 2015-16 we undertook 4,251 visits to residential homes, conducted 1,029 home care quality reviews and 25 national ATSI quality reviews. A major expenditure in carrying out this work is on accommodation and meals, often with SMEs, including metropolitan, rural and remote areas. In peak periods of activity the Quality Agency utilises the resource of contract assessors. In many instances these contractors are SMEs.

## BETTER PRACTICE AWARDS – A WINNER’S STORY

### Henpower trial in residential care

*The Whiddon Group, NSW*

Henpower is an evidence-based creative ageing program created by Equal Arts in the UK. Its original aims were to give older men living in the community increased purpose through delivering hen-keeping activities into aged care homes.

Henpower was trialled as a sustainable program that benefits residents through combatting social isolation and loneliness and underpinning relationship-centred care. The residents, their families, volunteers and staff co-designed Henpower in their services to suit their needs and interests. This resulted in three very different adaptations of the Henpower program, all providing considerable benefits to residents and the care home environment.

Apart from its flexibility, there are several elements that distinguish Henpower – external community involvement, resident and staff co-design, creative activities, strengthening of internal community and resident/staff relationships and belonging to an international Henpower community.

Keen to understand the benefits, the Whiddon Group measured the program’s effect on engaged residents. There were challenges in getting the trialling services and the organisation as a whole to recognise the difference between Henpower and standard hen keeping but good internal communication of the benefits to residents and national media interest has meant that acceptance is now very high and Henpower is being implemented as a standard program across all services.





# 5

## FINANCIAL STATEMENTS



### INDEPENDENT AUDITOR'S REPORT

#### To the Minister for Health and Aged Care

I have audited the accompanying annual financial statements of the Australian Aged Care Quality Agency for the year ended 30 June 2016, which comprise:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

#### *Opinion*

In my opinion, the financial statements of the Australian Aged Care Quality Agency:

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Australian Aged Care Quality Agency as at 30 June 2016 and its financial performance and cash flows for the year then ended.

#### *Chief Executive's Responsibility for the Financial Statements*

The Chief Executive of the Australian Aged Care Quality Agency is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act. The Chief Executive of the Australian Aged Care Quality Agency is also responsible for such internal control as is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements 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 statements are free from material misstatement.

## 5. FINANCIAL STATEMENTS

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive of the Australian Aged Care Quality Agency, as well as evaluating the overall presentation of the financial statements.

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

### *Independence*

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Australian National Audit Office



Josephine Bushell  
Senior Director

Delegate of the Auditor-General

Canberra

21 November 2016



**Australian Government**  
**Australian Aged Care Quality Agency**

**Australian Aged Care Quality Agency**  
**Statement by the Accountable Authority and Chief Financial Officer**

In our opinion the attached financial statements for the year ended 30 June 2016 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement there are reasonable grounds to believe that the non-corporate Commonwealth entity will be able to pay its debts as and when they fall due.

A handwritten signature in black ink, appearing to read 'Nick Ryan'.

Nick Ryan.  
Accountable Authority

.....  
21 November 2016

A handwritten signature in black ink, appearing to read 'Kevin Smith'.

Kevin Smith  
Director Finance (CFO)

.....  
21 November 2016

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ABN 69 605 091 341

## Australian Aged Care Quality Agency

### Statement of Comprehensive Income

For the year ended 30 June 2016

|   | Notes | 2016<br>\$'000  | 2015<br>\$'000 | Original<br>Budget<br>\$'000 |
|---|-------|-----------------|----------------|------------------------------|
| <b>NET COST OF SERVICES</b>                         |       |                 |                |                              |
| <b>Expenses</b>                                     |       |                 |                |                              |
| Employee benefits                                   | 2A    | 26,471          | 30,551         | 33,147                       |
| Suppliers   | 2B    | 11,604          | 13,564         | 8,350                        |
| Depreciation and amortisation                       | 5B,5D | 919             | 610            | 1,085                        |
| Finance costs                                       |       | 16              | 25             | -                            |
| Losses from asset sales                             | 2C    | 18              | -              | -                            |
| Total expenses                                      |       | <b>39,028</b>   | 44,750         | 42,582                       |
| <b>Own-Source Income</b>                            |       |                 |                |                              |
| Sale of goods and rendering of services             | 3A    | 10,264          | 19,475         | 13,641                       |
| Other revenue                                       | 3B    | 142             | 2,195          | -                            |
| Total own-source income                             |       | <b>10,406</b>   | 21,670         | 13,641                       |
| Net cost of services                                |       | <b>(28,622)</b> | (23,080)       | (28,941)                     |
| Revenue from Government                             | 3C    | 27,842          | 24,659         | 27,856                       |
| Total comprehensive income on continuing operations |       | <b>(780)</b>    | 1,579          | (1,085)                      |

The above statement should be read in conjunction with the accompanying notes.

## Australian Aged Care Quality Agency

### Statement of Financial Position

As at 30 June 2016

|                               | Notes | 2016<br>\$'000 | 2015<br>\$'000 | Original<br>Budget<br>\$'000 |
|-------------------------------|-------|----------------|----------------|------------------------------|
| <b>ASSETS</b>                 |       |                |                |                              |
| <b>Financial assets</b>       |       |                |                |                              |
| Cash and cash equivalents     | 4A    | 21,147         | 21,223         | 19,573                       |
| Trade and other receivables   | 4B    | 4,363          | 11,394         | 6,082                        |
| Total financial assets        |       | 25,510         | 32,617         | 25,655                       |
| <b>Non-financial assets</b>   |       |                |                |                              |
| Property, plant and equipment | 5A,5B | 1,393          | 1,816          | 2,031                        |
| Intangibles                   | 5C,5D | 654            | 467            | 64                           |
| Prepayments                   | 5F    | 630            | 769            | 823                          |
| Total non-financial assets    |       | 2,677          | 3,052          | 2,918                        |
| Total assets                  |       | 28,187         | 35,669         | 28,573                       |
| <b>LIABILITIES</b>            |       |                |                |                              |
| <b>Payables</b>               |       |                |                |                              |
| Suppliers                     | 6A    | 789            | 2,033          | 1,128                        |
| Unearned revenue              | 6B    | 2,081          | 5,294          | 3,764                        |
| Other payables                | 6C    | 124            | 551            | -                            |
| Total payables                |       | 2,994          | 7,878          | 4,892                        |
| <b>Provisions</b>             |       |                |                |                              |
| Employee provisions           | 12    | 6,668          | 9,545          | 6,014                        |
| Other provisions              | 7     | 280            | 306            | 285                          |
| Total provisions              |       | 6,948          | 9,851          | 6,299                        |
| Total liabilities             |       | 9,942          | 17,729         | 11,191                       |
| Net assets                    |       | 18,245         | 17,940         | 17,382                       |
| <b>EQUITY</b>                 |       |                |                |                              |
| Contributed equity            |       | 16,889         | 15,804         | 2,191                        |
| Retained surplus              |       | 1,356          | 2,136          | 15,191                       |
| Total equity                  |       | 18,245         | 17,940         | 17,382                       |

The above statement should be read in conjunction with the accompanying notes.

## Australian Aged Care Quality Agency

### Statement of Changes in Equity

For the year ended 30 June 2016

|                                  | 2016          | 2015          | Original<br>Budget |
|----------------------------------|---------------|---------------|--------------------|
|                                  | \$'000        | \$'000        | \$'000             |
| <b>Contributed Equity</b>        |               |               |                    |
| Opening balance as at 1 July     | 15,804        | 14,704        | 1,106              |
| Contributions by owners:         |               |               |                    |
| Departmental capital budget      | 1,085         | 1,106         | 1,085              |
| Restructuring                    | -             | (6)           | -                  |
| Total transactions with owners   | <u>1,085</u>  | <u>1,100</u>  | <u>1,085</u>       |
| Closing balance as at 30 June    | <u>16,889</u> | <u>15,804</u> | <u>2,191</u>       |
| <b>Retained earnings</b>         |               |               |                    |
| Opening balance at 1 July        | 2,136         | 557           | 15,251             |
| Surplus/(deficit) for the period | (780)         | 1,579         | (1,085)            |
| Restructuring                    | -             | -             | 1,025              |
| Closing balance as at 30 June    | <u>1,356</u>  | <u>2,136</u>  | <u>15,191</u>      |
| <b>Total Equity</b>              | <u>18,245</u> | <u>17,940</u> | <u>17,382</u>      |

The above statement should be read in conjunction with the accompanying notes.

## Australian Aged Care Quality Agency

### Cash Flow Statement

For the year ended 30 June 2016

|   | Notes | 2016<br>\$'000  | 2015<br>\$'000  | Original<br>Budget<br>\$'000 |
|---|-------|-----------------|-----------------|------------------------------|
| <b>OPERATING ACTIVITIES</b>               |       |                 |                 |                              |
| <b>Cash received</b>                      |       |                 |                 |                              |
| Appropriations                            |       | 35,538          | 16,492          | 26,831                       |
| Sale of goods and rendering of services   |       | 7,203           | 22,131          | 11,939                       |
| Other                                     |       | 139             | 2,198           | -                            |
| Net GST received                          |       | 1,007           | 1,164           | -                            |
| Total cash received                       |       | <u>43,887</u>   | <u>41,985</u>   | <u>38,770</u>                |
| <b>Cash used</b>                          |       |                 |                 |                              |
| Employees                                 |       | (29,603)        | (26,670)        | (33,147)                     |
| Suppliers                                 |       | (14,093)        | (13,907)        | (8,350)                      |
| Other                                     |       | (16)            | (25)            | -                            |
| Total cash used                           |       | <u>(43,712)</u> | <u>(40,602)</u> | <u>(41,497)</u>              |
| Net cash from operating activities        | 11    | <u>175</u>      | <u>1,383</u>    | <u>(2,727)</u>               |
| <b>INVESTING ACTIVITIES</b>               |       |                 |                 |                              |
| <b>Cash received</b>                      |       |                 |                 |                              |
| Sale of property, plant and equipment     |       | 2               | 2               | -                            |
| Total cash received                       |       | <u>2</u>        | <u>2</u>        | <u>-</u>                     |
| <b>Cash used</b>                          |       |                 |                 |                              |
| Purchase of property, plant and equipment |       | (324)           | (1,273)         | (1,362)                      |
| Purchase of intangibles                   |       | (379)           | (113)           | -                            |
| Total cash used                           |       | <u>(703)</u>    | <u>(1,386)</u>  | <u>(1,362)</u>               |
| Net cash used by investing activities     |       | <u>(701)</u>    | <u>(1,384)</u>  | <u>(1,362)</u>               |
| <b>FINANCING ACTIVITIES</b>               |       |                 |                 |                              |
| <b>Cash received</b>                      |       |                 |                 |                              |
| Restructure                               | 18    | -               | 855             | 1,025                        |
| Departmental capital budget               |       | 450             | 1,106           | 1,085                        |
| Net cash from financing activities        |       | <u>450</u>      | <u>1,961</u>    | <u>2,110</u>                 |
| Net (decrease)/increase in cash held      |       | (76)            | 1,960           | (1,979)                      |
| Cash at the beginning of the period       |       | 21,223          | 19,263          | 21,552                       |
| Cash at the end of the period             | 4A    | <u>21,147</u>   | <u>21,223</u>   | <u>19,573</u>                |

The above statement should be read in conjunction with the accompanying notes.

# Australian Aged Care Quality Agency

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# Australian Aged Care Quality Agency

## Overview

### Objectives of Australian Aged Care Quality Agency

Australian Aged Care Quality Agency (Quality Agency) is a statutory agency established under the *Australian Aged Care Quality Agency Act 2013*. The Quality Agency is subject to the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The Quality Agency manages the accreditation and ongoing supervision of Australian Government subsidised aged care facilities, and the quality review of aged care in the community. It promotes high quality care to care recipients by providing information, education and training services.

The role and functions of the Quality Agency are set out under the *Australian Aged Care Quality Agency Act 2013* and the *Quality Agency Principles 2013*.

The Quality Agency is structured to meet one outcome:

High-quality care for persons receiving Australian Government subsidised residential aged care and aged care in the community through the accreditation of residential aged care services, the quality review of aged care services including services provided in the community, and the provision of information, education and training to the aged care sector.

The continued existence of the Quality Agency in its present form and with its present programs is dependent on government policy and continuing appropriations by Parliament for the Quality Agency's administration and programs.

### Basis of preparation of the financial statements

The financial statements are general purpose financial statements and are required by Section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- *Public Governance Performance and Accountability (Financial Reporting) Rule 2015* (FRR) for reporting periods ending on or after 1 July 2015; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis, and in accordance with the historical costs convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values.

### New accounting standards

#### 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 Quality Agency.

### Australian Aged Care Quality Agency

#### **Taxation**

The Quality Agency is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

#### **Events after the Reporting Period**

There were no events after the reporting period that would significantly affect the ongoing structure and financial activities of the Quality Agency.

## Australian Aged Care Quality Agency

### Financial Performance

This section analyses the financial performance of the Quality Agency for the year ended 30 June 2016

#### Note 1: Departmental budget commentary

Comments on significant variances between the Quality Agency's original budget estimates, as published in the 2015-16 Portfolio Budget Statements, and the actual expenditure and net assets for the year are provided in the table below.

As a general guide, a variance may be considered material or major if it is:

- a) more than  $\pm 10\%$  of the line item; or
- b) more than  $\pm 2\%$  of total expenses or total own-source revenue; and
- c) more than  $\pm 2\%$  of the relevant sub-total for total expenses, revenue, assets or liabilities

| Explanation of major variances   | Affected line item  |
|--|---|
| <b>Reduced workforce:</b> Unfilled clerical, management and assessor positions together with a voluntary redundancy program during the financial year led to staff numbers being lower than originally planned.  | Employee benefits - Statement of Comprehensive Income<br>Cash used for employees - Cash Flow Statement  |
| <b>Additional contract assessors:</b> A greater number of contract assessors was required during the year than planned. As a matter of course the Quality Agency uses contract assessors to help with labour requirements over the cycles of its activities. | Suppliers - Statement of Comprehensive Income<br>Cash used for the purchase of assets - Cash Flow Statement<br>Departmental capital budget - Cash Flow Statement  |
| <b>Deferred software development projects:</b> Capital expenditure was lower than planned during the year due to some projects being deferred and this led to a saving in depreciation and amortisation against the budget.                                  | Depreciation and amortisation - Statement of Comprehensive Income<br>Cash used for suppliers - Cash Flow Statement<br>Departmental capital budget - Cash Flow Statement   |
| <b>Lower own-source income:</b> There were fewer than anticipated new entrants to the sector and this, combined with the timing of accreditation activities, led to income being less than budgeted.   | Sale of goods and rendering of services - Statement of Comprehensive Income<br>Trade and other receivables - Statement of Financial Position<br>Unearned revenue -Statement of Financial Position<br>Cash received from the sale of goods - Cash Flow Statement |
| <b>Non financial assets:</b> Strategic software development was brought forward whilst hardware and infrastructure asset expenditure was deferred to future years.   | Non financial assets - Property plant and equipment, Intangibles<br>Depreciation and amortisation - Statement of Comprehensive Income<br>Cash used for investing activities - Cash Flow Statement   |

### Australian Aged Care Quality Agency

|                                   | 2016          | 2015          |
|-----------------------------------|---------------|---------------|
| <b>Note 2: Expenses</b>           | <b>\$'000</b> | <b>\$'000</b> |
| <b>Note 2A: Employee benefits</b> |               |               |
| Wages and salaries                | 20,454        | 21,271        |
| Superannuation:                   |               |               |
| Defined contribution plans        | 2,921         | 3,168         |
| Defined benefit plans             | 569           | 551           |
| Leave and other entitlements      | 2,265         | 2,711         |
| Separation and redundancies       | 262           | 2,850         |
| Total employee benefits           | <u>26,471</u> | <u>30,551</u> |

#### **Accounting policy**

Accounting policies for employee related expenses are contained in the People and Relationships section.

#### **Note 2B: Suppliers**

|   |               |               |
|---|---------------|---------------|
| Goods and services provided                         |               |               |
| Consultants   | 141           | 50            |
| Contractors   | 2,666         | 4,570         |
| Travel  | 3,028         | 3,157         |
| IT Services   | 574           | 623           |
| Other   | 2,877         | 2,998         |
| Total goods and services provided                   | <u>9,286</u>  | <u>11,398</u> |
| Goods and services are provided in connection with: |               |               |
| Rendering of services-external entities             | 8,510         | 10,816        |
| Provision of goods-external entities                | 42            | 58            |
| Rendering of services-related parties               | 734           | 524           |
| Total goods and services                            | <u>9,286</u>  | <u>11,398</u> |
| Other suppliers                                     |               |               |
| Minimum operating lease payments                    | 1,941         | 1,810         |
| Workers compensation expenses                       | 377           | 356           |
| Total other suppliers                               | <u>2,318</u>  | <u>2,166</u>  |
| Total suppliers                                     | <u>11,604</u> | <u>13,564</u> |

#### **Operating lease commitments**

##### Leases for office accommodation

Lease payments are subject to review in accordance with the lease agreement. The reviews are generally annual and are either a predetermined increase or a review against market. Where offered, lease renewal and options range from one to five years.

There are no contingent rentals in the agreements.

##### Leases for motor vehicles

The Quality Agency maintains a small fleet of pooled cars for the purposes of accreditation and quality review.

Lease payments are fixed for the life of the operating leases, which range from 1 to 3 years.

There are no contingent rentals nor are there any options to purchase the vehicles at the end of the lease.

## Australian Aged Care Quality Agency

### Note 2: Expenses (continued)

#### Other rentals

Other rentals include the cost of minimum payments for portable computing and mobile phone devices.

|  | <b>2016</b>         | 2015         |
|--|---------------------|--------------|
|  | <b>\$'000</b>       | \$'000       |
| Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows: |                     |              |
| Within 1 year  | <b>1,689</b>        | 1,654        |
| Between 1 to 5 years   | <b>3,864</b>        | 4,383        |
| More than 5 years  | <b>171</b>          | 463          |
| Total operating lease commitments  | <b><u>5,724</u></b> | <u>6,500</u> |

#### *Accounting policy*

*Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.*

### Note 2C: Losses from asset sales

|                               |                  |          |
|-------------------------------|------------------|----------|
| Property, plant and equipment |                  |          |
| Carrying value of assets sold | <b>20</b>        | 2        |
| Proceeds from sale            | <b>(2)</b>       | (2)      |
| Net loss from sale of assets  | <b><u>18</u></b> | <u>-</u> |

#### *Accounting policy*

*Gains or losses from disposal of assets are recognised when control of the asset has passed to the buyer.*

## 5. FINANCIAL STATEMENTS

### Australian Aged Care Quality Agency

|  | 2016   | 2015   |
|--|--------|--------|
|  | \$'000 | \$'000 |

#### Note 3: Own-source revenue and gains

##### Note 3A: Sale of goods and rendering of services

|   |               |               |
|---|---------------|---------------|
| Provision of goods - external entities        | 8             | 38            |
| Rendering of services - external entities     | 10,256        | 19,437        |
| Total sale of goods and rendering of services | <u>10,264</u> | <u>19,475</u> |

##### Accounting policy

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the Quality Agency retains no managerial involvement or effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Agency.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the agency.

The Quality Agency receives its main source of income from accreditation fees and providing educational activities. Accreditation fees are paid on application and brought to revenue on completion of the accreditation audit. The funds are shown as unearned income in the Statement of Financial Position until brought to revenue.

Accreditation fees represent a reciprocal exchange of value as the Quality Agency provides agreed audit services, reports and findings, which have value to the recipient, in exchange for the fees paid. The revenue from accreditation is accordingly accounted for under the requirements of AASB 118 Revenue.

Education income is recognised in the same period in which training is conducted. Income received from publications is recognised upon receipt.

##### Note 3B: Other revenue

|  |            |              |
|--|------------|--------------|
| Contributions by related parties                 | -          | 2,000        |
| Assessor registration fees and guides            | 104        | 158          |
| Remuneration of auditors received free of charge | 38         | 37           |
|  | <u>142</u> | <u>2,195</u> |

##### Accounting policy

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government agency or authority as a consequence of a restructuring of administrative arrangements.

##### Note 3C: Revenue from Government

|                             |               |               |
|-----------------------------|---------------|---------------|
| Departmental appropriations | <u>27,842</u> | <u>24,659</u> |
|-----------------------------|---------------|---------------|

##### Accounting policy

Amounts appropriated for departmental outcomes for the year are recognised as revenue from Government when the Quality Agency gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

## Australian Aged Care Quality Agency

### Financial Position

The section analyses the Quality Agency's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

|   | 2016<br>\$'000 | 2015<br>\$'000 |
|---|----------------|----------------|
| <b>Note 4: Financial assets</b>           |                |                |
| <b>Note 4A: Cash and cash equivalents</b> |                |                |
| Cash at bank                              | 21,145         | 21,220         |
| Cash on hand                              | 2              | 3              |
| Total cash and cash equivalents           | <u>21,147</u>  | <u>21,223</u>  |

#### Accounting policy

Cash is recognised at its nominal amount.

#### Note 4B: Trade and other receivables

|  |              |               |
|--|--------------|---------------|
| Receivables for goods and services                 | 34           | 48            |
| Receivables other                                  | 3            | -             |
| Departmental appropriations receivable             | 4,104        | 11,165        |
| GST receivable from the Australian Taxation Office | 222          | 181           |
| Total trade and other receivables (gross)          | <u>4,363</u> | <u>11,394</u> |

There are no trade or other receivables expected to be recovered in more than 12 months.

#### Accounting policy

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance amount. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

## 5. FINANCIAL STATEMENTS

### Australian Aged Care Quality Agency

|  | 2016   | 2015   |
|--|--------|--------|
|  | \$'000 | \$'000 |

#### Note 5: Non-financial assets

##### Note 5A: Property, plant and equipment

|                                     |              |              |
|-------------------------------------|--------------|--------------|
| Gross book value                    | 3,745        | 4,279        |
| Accumulated depreciation            | (2,352)      | (2,463)      |
| Total property, plant and equipment | <u>1,393</u> | <u>1,816</u> |

No indicators of impairment were found for property, plant and equipment. No items of property, plant and equipment are expected to be sold or disposed of within the next 12 months.

##### Note 5B: Reconciliation of opening and closing balances of property, plant and equipment

As at 1 July

|   |              |              |
|---|--------------|--------------|
| Gross book value                        | 4,279        | 3,463        |
| Accumulated depreciation and impairment | (2,463)      | (2,386)      |
| Total as at 1 July                      | <u>1,816</u> | <u>1,077</u> |
| Additions by purchase                   | 324          | 1,273        |
| Reclassification                        | (35)         | -            |
| Disposal                                | (20)         | (2)          |
| Depreciation expense                    | (692)        | (532)        |
| Total as at 30 June                     | <u>1,393</u> | <u>1,816</u> |

Total as at 30 June represented by:

|                          |              |              |
|--------------------------|--------------|--------------|
| Gross book value         | 3,745        | 4,279        |
| Accumulated depreciation | (2,352)      | (2,463)      |
| Total as at 30 June      | <u>1,393</u> | <u>1,816</u> |

#### Accounting policy

##### Acquisition of assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to restructuring.

##### Depreciation

Depreciable property, plant and equipment assets are written down to their estimated residual values over their estimated useful lives to the Quality Agency using, in all cases, the straight line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods as appropriate.

##### Impairment

All assets were assessed for impairment at 30 June 2016. 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 of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Quality Agency were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

# Australian Aged Care Quality Agency

### Note 5: Non-financial assets (continued)

#### **Property, plant and equipment**

##### *1. Assets recognition threshold*

*Purchases of property, plant and equipment are initially recognised at cost in the Statement of Financial Position, except for purchases costing less than \$1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total). The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.*

##### *2. Revaluation*

*Fair value for Property, Plant and equipment is taken as depreciated replacement cost.*

*Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.*

*Revaluation adjustments are made on a class basis. Any revaluation increment is credited to the asset revaluation reserve in equity except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the Statement of Comprehensive Income except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.*

*Revaluation decrements for a class of assets are recognised directly through the Statement of Comprehensive Income except to the extent that they reverse a previous revaluation increment for that class or asset. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.*

##### *3. Depreciation*

*Property, plant and equipment is depreciated on a straight-line basis over its anticipated useful life. The useful lives of the Quality Agency's property, plant and equipment are 3 to 5 years (2015: 3 to 5 years).*

##### *4. Derecognition*

*An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.*

## Australian Aged Care Quality Agency

### Note 5: Non-financial assets (continued)

|                             | 2016<br>\$'000 | 2015<br>\$'000 |
|-----------------------------|----------------|----------------|
| <b>Note 5C: Intangibles</b> |                |                |
| Gross book value            | 3,789          | 3,133          |
| Accumulated amortisation    | <u>(3,135)</u> | <u>(2,666)</u> |
| Total intangibles           | <u>654</u>     | <u>467</u>     |

### Note 5D: Reconciliation of opening and closing balances of intangibles

|   |                |                |
|---|----------------|----------------|
| As at 1 July                            |                |                |
| Gross book value                        | 3,133          | 3,020          |
| Accumulated amortisation and impairment | <u>(2,666)</u> | <u>(2,588)</u> |
| Total as at 1 July                      | 467            | 432            |
| Additions by purchase                   | 379            | 113            |
| Reclassification                        | 35             | -              |
| Amortisation expense                    | <u>(227)</u>   | <u>(78)</u>    |
| Total as at 30 June                     | <u>654</u>     | <u>467</u>     |
| Total as at 30 June represented by:     |                |                |
| Gross book value                        | 3,789          | 3,133          |
| Accumulated amortisation and impairment | <u>(3,135)</u> | <u>(2,666)</u> |
| Total as at 30 June                     | <u>654</u>     | <u>467</u>     |

### Accounting policy

#### Intangibles

The Quality Agency's intangibles comprise purchased and 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 indicators of impairment as at 30 June 2016.

#### 1. Amortisation

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Quality Agency's software are 3 to 5 years, (2014-15: 3 to 5 years).

### Note 5E: Contractual obligations for the acquisition of intangibles

The Quality Agency has entered into contractual obligations for the development and implementation of new core operating software for its customer database and a computer assisted audit tool. The total commitments as at 30 June 2016 are \$453,920 (2015: \$0).

### Note 5F: Prepayments

|   |            |            |
|---|------------|------------|
| Prepaid expenses  | <u>630</u> | <u>769</u> |
| Prepayment assets expected to be recovered in:                        |            |            |
| No more than 12 months  | 616        | 725        |
| More than 12 months   | <u>14</u>  | <u>44</u>  |
| Total prepayment assets   | <u>630</u> | <u>769</u> |
| No indicators of impairment were found for other non-financial assets |            |            |

## Australian Aged Care Quality Agency

|  | 2016<br>\$'000 | 2015<br>\$'000 |
|--|----------------|----------------|
| <b>Note 6: Payables</b>  |                |                |
| <b>Note 6A: Suppliers</b>  |                |                |
| Total suppliers - trade creditors and accruals   | <u>789</u>     | <u>2,033</u>   |
| Suppliers expected to be settled   |                |                |
| No more than 12 months   | <u>789</u>     | <u>2,033</u>   |
| Suppliers in connection with   |                |                |
| Related parties  | 26             | 37             |
| External parties   | <u>763</u>     | <u>1,996</u>   |
| Total suppliers  | <u>789</u>     | <u>2,033</u>   |
| Settlement is usually made within 30 days  |                |                |
| <b>Note 6B: Unearned revenue</b>   |                |                |
| Total unearned revenue - external parties  | <u>2,081</u>   | <u>5,294</u>   |
| Unearned revenue expected to be settled  |                |                |
| No more than 12 months   | <u>2,081</u>   | <u>5,294</u>   |
| <b>Accounting policy</b>   |                |                |
| <i>Unearned revenues represent a liability for cash receipts for accreditation and education services that have been paid in advance. Revenue is recognised from the liability when the accreditation activities or education services have been provided.</i> |                |                |
| <b>Note 6C: Other payables</b>   |                |                |
| Salaries and wages   | 1              | 29             |
| Employee deductions  | 1              | 257            |
| Superannuation   | -              | 145            |
| Accrued expense  | 23             | 24             |
| Lease incentives   | <u>99</u>      | <u>96</u>      |
| Total other payables   | <u>124</u>     | <u>551</u>     |
| Other payables expected to be settled  |                |                |
| No more than 12 months   | 25             | 455            |
| More than 12 months  | <u>99</u>      | <u>96</u>      |
| Total other payables   | <u>124</u>     | <u>551</u>     |

## Australian Aged Care Quality Agency

|   | 2016<br>\$'000 | 2015<br>\$'000 |
|---|----------------|----------------|
| <b>Note 7: Provisions</b>                       |                |                |
| Other provisions                                |                |                |
| Make good                                       | <u>280</u>     | <u>306</u>     |
| Other provisions are expected to be settled in: |                |                |
| No more than 12 months                          | 24             | 165            |
| More than 12 months                             | <u>256</u>     | <u>141</u>     |
| Total other provisions                          | <u>280</u>     | <u>306</u>     |
| Reconciliation of provision for make good       |                |                |
| As at 1 July 2014                               | 306            | 280            |
| Additional provisions made/(utilised)           | <u>(26)</u>    | <u>26</u>      |
| Total as at 30 June 2015                        | <u>280</u>     | <u>306</u>     |

The Quality Agency currently has 5 (2014-15: 5) agreements for the leasing of premises which have provisions requiring the Quality Agency to restore the premises to their original condition at the conclusion of the lease. The Quality Agency has made a provision to reflect the present value of this obligation.

## Australian Aged Care Quality Agency

### Funding

This section identifies the Quality Agency's funding structure.

|   | 2016<br>\$'000  | 2015<br>\$'000 |
|---|-----------------|----------------|
| <b>Note 8: Annual appropriations</b>            |                 |                |
| Ordinary annual services:                       |                 |                |
| <i>Appropriation Act</i> Annual appropriation   | 27,842          | 20,142         |
| <i>PGPA Act</i> Section 74                      | 7,342           | 24,329         |
| <i>PGPA Act</i> Section 75                      | -               | 4,517          |
| Total ordinary annual services appropriation    | <u>35,184</u>   | 48,988         |
| Appropriation applied (current and prior years) | <u>(42,880)</u> | (40,821)       |
| Variance  | <u>(7,696)</u>  | <u>8,167</u>   |
| Capital budget:                                 |                 |                |
| <i>Appropriation Act</i> Annual capital budget  | 1,085           | 1,106          |
| <i>PGPA Act</i> Section 75                      | -               | 855            |
| Total capital budget appropriation              | <u>1,085</u>    | 1,961          |
| Appropriation applied (current and prior years) | <u>(450)</u>    | (1,961)        |
| Variance  | <u>635</u>      | -              |
| Total change in appropriation receivable        | <u>(7,061)</u>  | <u>8,167</u>   |

### Accounting policy

*Transactions with the Australian Government as owner:*

#### Equity Injections

*Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.*

#### Restructuring of Administrative Arrangements

*Net assets received from or relinquished to another Australian Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.*

#### Other Distributions to Owners

*The FRR require that distributions to owners be debited to contributed equity unless it is in the nature of a dividend.*

### Note 9: Unspent annual appropriations ("recoverable GST exclusive")

|   |               |               |
|---|---------------|---------------|
| Departmental                                    |               |               |
| <i>Appropriation Act 1</i>                      | 3,469         | 11,165        |
| <i>Appropriation Act 1 Capital Budget (DCB)</i> | 635           | -             |
| Cash at bank                                    | <u>21,147</u> | 21,223        |
| Total unspent departmental annual appropriation | <u>25,251</u> | <u>32,388</u> |

## Australian Aged Care Quality Agency

|   | 2016<br>\$'000 | 2015<br>\$'000 |
|---|----------------|----------------|
| <b>Note 10: Net cash appropriation arrangements</b>   |                |                |
| Total comprehensive income less depreciation/amortisation expenses previously funded through revenue appropriations | 139            | 2,189          |
| Plus: depreciation/amortisation expenses previously funded through revenue appropriation                            | <u>(919)</u>   | <u>(610)</u>   |
| Total comprehensive income - as per the Statement of Comprehensive Income   | <u>(780)</u>   | <u>1,579</u>   |

From 2010-11 the Government introduced net cash appropriations whereby revenue appropriations for depreciation and amortisation expenses ceased. The Quality Agency now receives a separate equity appropriation for its capital budget. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

### Note 11: Cash flow reconciliation

Reconciliation of cash and cash equivalents as per statement of financial position to cash flow statement

|                                  |               |               |
|----------------------------------|---------------|---------------|
| Cash and cash equivalents as per |               |               |
| Cash Flow Statement              | 21,147        | 21,223        |
| Statement of Financial Position  | <u>21,147</u> | <u>21,223</u> |
| Discrepancy                      | <u>-</u>      | <u>-</u>      |

Reconciliation of net cost of services to net cash from operating activities:

|   |          |          |
|---|----------|----------|
| Net cost of services                          | (28,622) | (23,080) |
| Revenue from Government                       | 27,842   | 24,659   |
| Adjustments for non-cash items:               |          |          |
| Depreciation and amortisation                 | 919      | 610      |
| Loss on sale of property, plant and equipment | 18       | -        |

Movements in assets and liabilities

|  |             |              |
|--|-------------|--------------|
| Assets   |             |              |
| (Increase)/decrease in net receivables           | 7,666       | (8,251)      |
| Decrease in prepayments                          | 139         | 54           |
| Liabilities                                      |             |              |
| Increase/(decrease) in supplier payables         | (1,244)     | 941          |
| Increase/(decrease) in unearned revenue          | (3,213)     | 2,493        |
| Increase/(decrease) in other payables            | (427)       | 147          |
| Increase/(decrease) in other employee provisions | (2,877)     | 3,789        |
| Increase/(decrease) in other provisions          | <u>(26)</u> | <u>21</u>    |
| Net cash from operating activities               | <u>175</u>  | <u>1,383</u> |

## Australian Aged Care Quality Agency

### People and Relationships

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

|  | 2016<br>\$'000 | 2015<br>\$'000 |
|--|----------------|----------------|
| <b>Note 12: Employee provisions</b>            |                |                |
| Leave  | 5,488          | 6,695          |
| Separations and redundancies                   | 1,180          | 2,850          |
| Total employee provisions                      | <u>6,668</u>   | <u>9,545</u>   |
| Employee provisions are expected to be settled |                |                |
| No more than 12 months                         | 4,718          | 7,289          |
| More than 12 months                            | 1,950          | 2,256          |
| Total employee provisions                      | <u>6,668</u>   | <u>9,545</u>   |

#### Accounting policy

Liabilities for 'short-term employee benefits' (as defined in AASB 119 Employee Benefits) and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability. Other long-term employee benefits are measured as the net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

#### Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the agency is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the Quality Agency's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the estimated future cash flows to be made in respect to all employees as at 30 June 2016. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

#### Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The Quality Agency recognises a provision for termination when it has developed a detailed formal plan for the terminations.

#### Superannuation

The majority of the staff of the Quality Agency are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The Quality Agency makes employer contributions to the CSS and PSS superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The entity accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the period for all staff.

## Australian Aged Care Quality Agency

|  | 2016<br>\$'000 | 2015<br>\$'000 |
|--|----------------|----------------|
| <b>Note 13: Senior management personnel remuneration</b> |                |                |
| Short-term employee benefits                             |                |                |
| Salary   | 931            | 302            |
| Performance bonus  | 33             | -              |
| Total short-term employee benefits                       | <u>964</u>     | <u>302</u>     |
| Post-employment benefits                                 |                |                |
| Superannuation   | 134            | 40             |
| Total post-employment employee benefits                  | <u>134</u>     | <u>40</u>      |
| Other long-term employee benefits                        |                |                |
| Annual leave   | 36             | 25             |
| Long-service leave                                       | 36             | 8              |
| Total other long-term employee benefits                  | <u>72</u>      | <u>33</u>      |
| Total senior executive remuneration expenses             | <u>1,170</u>   | <u>375</u>     |

The total number of senior management personnel included in the above is four (2015: one).

The organisation was restructured on 1 July 2015 to streamline national office operations. The restructure included the creation of three Senior Executive Service roles overseeing three branches: Corporate Services & Strategy, Programs & Education and Operations.

## Australian Aged Care Quality Agency

### Managing Uncertainties

This section analyses how the Quality Agency manages financial risks within its operating environment.

#### Note 14: Contingent assets and liabilities

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

##### Quantifiable contingencies

The Quality Agency has two bank guarantees in respect of office lease guarantees (2015: four) with a total of \$171,799 (2015: \$279,968).

##### Unquantifiable contingencies

At 30 June 2016, the Quality Agency had no unquantifiable contingencies.

##### Significant remote contingencies

The Quality Agency had no significant remote contingencies.

#### Note 15: Fair value measurement

The following disclosure provides an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for assets or liabilities, either directly or indirectly.

Level 3: Unobservable inputs from assets or liabilities

|   | <b>2016</b>             | 2015   |
|---|-------------------------|--------|
|   | <b>\$'000</b>           | \$'000 |
| Fair value measurements at the end of the reporting period                    |                         |        |
| Non financial assets  |                         |        |
| Property plant and equipment  | Level 3<br><b>1,393</b> | 1,816  |
| Total fair value measurement of assets in the statement of financial position | <b>1,393</b>            | 1,816  |

## Australian Aged Care Quality Agency

|  | 2016<br>\$'000 | 2015<br>\$'000 |
|--|----------------|----------------|
| <b>Note 16: Financial instruments</b>                  |                |                |
| <b>Note 16A: Categories of financial instruments</b>   |                |                |
| Financial assets                                       |                |                |
| Loans and receivables                                  |                |                |
| Cash and cash equivalents                              | 21,147         | 21,223         |
| Trade and other receivables                            | 37             | 48             |
| Carrying amount of financial assets                    | <u>21,184</u>  | <u>21,271</u>  |
| Financial liabilities                                  |                |                |
| Financial liabilities measured at amortised cost       |                |                |
| Supplier payables                                      | 789            | 2,033          |
| Unearned revenue                                       | 2,081          | 5,294          |
| Other payables   | 124            | 551            |
| Total financial liabilities measured at amortised cost | <u>2,994</u>   | <u>7,878</u>   |

**Note 16B: Net gains or losses on financial assets**

There was no income or expense from financial liabilities not at fair value through the profit and loss in the financial year ended 30 June 2016 (2015: nil).

**Note 16C: Fair value of financial instruments**

A comparison between fair value and the carrying amount of the Quality Agency's financial assets and liabilities is not required because the Quality Agency considers that the carrying amounts reported in the Statement of Financial Position are a reasonable approximation of the fair value of the financial assets and liabilities.

**Note 16D: Credit risk**

The Quality Agency is exposed to minimal risk. The maximum exposure to credit risk is the amount held as trade receivables should a default occur. This amount is equal to the total amount of receivables for services (refer Note 4B)

**Note 16E: Liquidity risk**

The Quality Agency has sufficient available financial assets to meet all financial liabilities at 30 June 2016.

**Accounting policy**

**Financial assets**

The Quality Agency classifies its financial assets as loans and receivables. Loans and receivables comprise trade and other receivables that have fixed or determinable payments that are not quoted in an active market. Loans and receivable are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

**Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognised on an effective interest rate basis except for financial assets at fair value through profit or loss.

## Australian Aged Care Quality Agency

### Note 16: Financial instruments (continued)

#### *Impairment of financial assets*

Financial assets held at amortised cost are assessed for impairment at the end of each reporting period. If there is objective evidence that an impairment loss has been incurred for loans and receivables or held-to-maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

#### *Financial liabilities*

Financial liabilities are classified as other financial liabilities. These comprise supplier and other payables that are recognised at amortised cost. Financial liabilities are recognised and derecognised upon 'trade date'. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

|   | <b>2016</b>   | 2015   |
|---|---------------|--------|
|   | <b>\$'000</b> | \$'000 |
| <b>Note 17: Financial asset reconciliation</b>                |               |        |
| Total financial assets as per Statement of Financial Position | <b>25,510</b> | 32,617 |
| Less: Non-financial instrument components:                    |               |        |
| Appropriations receivable                                     | <b>4,104</b>  | 11,165 |
| GST receivable from Australian Taxation Office                | <b>222</b>    | 181    |
| Total non-financial instrument components                     | <b>4,326</b>  | 11,346 |
| Total financial assets as per financial instruments note      | <b>21,184</b> | 21,271 |

## Australian Aged Care Quality Agency

### Other Information

**Note 18: Departmental restructuring**

|                                     | <b>2016</b>   | Department<br>of Social<br>Services <sup>(1)</sup> |
|-------------------------------------|---------------|--|
|                                     | <b>\$'000</b> | 2015<br>\$'000                                     |
| Functions assumed                   |               |  |
| Assets recognised                   |               |  |
| Cash and cash equivalents           | -             | 855  |
| Liabilities recognised              |               |  |
| Employee and other provisions       | -             | (861)  |
| Net assets (liabilities) recognised | <u>-</u>      | <u>(6)</u>   |

1. The quality review of aged care services in the community was assumed by the Quality Agency from the Department of Social Services on 1 July 2014.

**Note 19: Reporting of outcomes**

The financial statements and the notes forming part of the financial statements represent the Quality Agency's financial performance and financial position related fully to Outcome 1 of the Quality Agency's Entity Resources and Planned Performance Statement.





# 6

## APPENDICES AND REFERENCES

This section contains appendices that provide details of our reporting requirements under the Public Governance, Performance and Accountability Act 2013 and other legislation.

The appendices and references tools help the reader to find and use information in the annual report.

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## GLOSSARY

| Abbreviation     | Term  |
|------------------|---|
| AASB             | Australian Accounting Standards Board                                     |
| AAT              | Administrative Appeals Tribunal   |
| ACHA             | Assistance with Care and Housing for the Aged                             |
| ADP              | Assessor Development Program  |
| ANAO             | Australian National Audit Office  |
| APS              | Australian Public Service   |
| ATSI flex        | National Aboriginal and Torres Strait Islander flexible aged care program |
| AusTender        | The Australian Government tender system                                   |
| Award            | Public Service Award  |
| BBP              | Better Business Program   |
| CAAT             | Computer Assisted Audit Tool  |
| CALD             | Cultural and Linguistically Diverse                                       |
| CDC              | Consumer Directed Care  |
| CEO              | Chief Executive Officer   |
| CFR              | Consumer Focused Report   |
| CHSP             | Commonwealth Home Support Program   |
| Commencing homes | Accreditation for new residential aged care homes                         |
| Commissioner     | Aged Care Complaints Commissioner   |
| CPD              | Continuing Professional Development                                       |
| CSS              | Commonwealth Superannuation Scheme  |
| DCB              | Departmental Capital Budgets  |
| DSS              | Department of Social Services   |
| DTC              | Day Therapy Centres   |
| DTO              | Digital Transformation Office   |
| EA               | Enterprise Agreement  |
| ECG              | Executive Coordination Group  |
| ED               | Executive Director  |

## 6. APPENDICES AND REFERENCES

|                |  |
|----------------|--|
| EL             | Executive level  |
| FBT            | Fringe Benefits Tax  |
| FOI            | <i>Freedom of Information Act 1982</i>                     |
| FRR            | Financial Reporting Rule                                   |
| FTE            | Fulltime equivalent  |
| HACC           | Home and Community Care                                    |
| HCPP           | Home Care Community Packages                               |
| Health         | Department of Health                                       |
| GST            | Goods and Services Tax                                     |
| ICT            | Information, Communication and Technology                  |
| IR             | Improvement request  |
| ISQua          | International Society for Quality in Health Care           |
| MOU            | Memorandum of Understanding                                |
| NAA            | National Archives of Australia                             |
| NAIDOC         | National Aborigines and Islander Day Observance Committee  |
| NRCP           | National Respite for Carers Program                        |
| PBS            | Portfolio Budget Statements                                |
| PGPA Act       | Public Governance, Performance and Accountability Act 2013 |
| PM             | Project Manager  |
| PSPF           | Protective Security Policy Framework                       |
| PSS            | Public Sector Superannuation Scheme                        |
| Quality Agency | Australian Aged Care Quality Agency                        |
| QI             | Quality Indicators   |
| QR             | Quality Review   |
| QUEST          | Quality Education on the Standards                         |
| SES            | Senior Executive Service                                   |
| SOFI           | Short Observational Framework for Inspection               |
| SME            | Small and Medium Enterprises                               |
| TFI            | Timetable for Improvement                                  |

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## INDEX OF MANDATORY REQUIREMENTS

The Quality Agency is a non-corporate Commonwealth entity. Below is the table set out in Schedule 2 of the PGPA Rule. Section 17AJ(d) requires this table to be included in entities annual report as an aid of access.

| Ref             | Part of Report                                   | Description  |           |
|-----------------|--|--|-----------|
| <b>17AD(g)</b>  | <b>Letter of transmittal</b>                     |  |           |
| 17AI            | p3   | A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report. | Mandatory |
| <b>17AD(h)</b>  | <b>Aids to access</b>                            |  |           |
| 17AJ(a)         | p4   | Table of contents  | Mandatory |
| 17AJ(b)         | p129   | Alphabetical Index   | Mandatory |
| 17AJ(c)         | p127   | Glossary of abbreviations and acronym  | Mandatory |
| 17AJ(d)         | p130   | List of requirements   | Mandatory |
| 17AJ(e)         | p2   | Details of contact officer   | Mandatory |
| 17AJ(f)         | p2   | Entity's website address   | Mandatory |
| 17AJ(g)         | p2   | Electronic address of report   | Mandatory |
| <b>17AD(a)</b>  | <b>Review by the accountable authority (CEO)</b> |  |           |
| 17AD(a)         | p9   | Review by departmental secretary   | Mandatory |
| <b>17AD(b)</b>  | <b>Overview of the entity</b>                    |  |           |
| 17AE(1)(a)(i)   | p57-66   | Role and functions   | Mandatory |
| 17AE(1)(a)(ii)  | p64  | Organisational structure   | Mandatory |
| 17AE(1)(a)(iii) | p45  | Description of outcome and programme administered by the entity  | Mandatory |
| 17AE(1)(a)(iv)  | p60  | Purposes of the entity as per Corporate Plan   | Mandatory |

## 6. APPENDICES AND REFERENCES

|                    |  |   |                          |
|--------------------|--|---|--------------------------|
| 17AE(1)(b)         | p64                                    | An outline of the portfolio structure   | Mandatory                |
| 17AE(2)            | Nil                                    | If the outcomes and programmes administered by the entity during the period are not the same as the outcomes and programmes in any Portfolio Budget Statements.   | If applicable, Mandatory |
| <b>17AD(c)</b>     | <b>Report on Performance</b>           |   |                          |
| 17AD(c)(i); 16F    | p18                                    | Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 14F of the rule.  | Mandatory                |
| <b>17AD(c)(ii)</b> | <b>Report on Financial Performance</b> |   |                          |
| 17AF(1)(a)         | p18                                    | A discussion and analysis of the entity's financial performance   | Mandatory                |
| 17AF(1)(b)         | p54                                    | A table summarising the total resources and total payments of the entity  | Mandatory                |
| 17AF(2)            | not applicable                         | If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results. | If applicable, Mandatory |
| <b>17AD(d)</b>     | <b>Management and Accountability</b>   |   |                          |
|                    | <b>Corporate Governance</b>            |   |                          |
| 17AG(2)(a)         | p2                                     | Information on compliance with section 10 (fraud systems)   | Mandatory                |

## 6. APPENDICES AND REFERENCES

|                          |                |   |                          |
|--------------------------|----------------|---|--------------------------|
| 17AG(2)(b)(i)            | p2             | A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.  | Mandatory                |
| 17AG(2)(b)(ii)           | p2             | A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place. | Mandatory                |
| 17AG(2)(b)(iii)          | p2             | A certification by an accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.   | Mandatory                |
| 17AG(2)(c)               | p64            | An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.  | Mandatory                |
| 17AG(2)(d) – (e)         | not applicable | A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.   | If applicable, Mandatory |
| <b>External Scrutiny</b> |                |   |                          |
| 17AG(3)                  | p77            | Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.  | Mandatory                |
| 17AG(3)(a)               | p78            | Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.  | Mandatory                |

## 6. APPENDICES AND REFERENCES

|                                      |                  |  |                          |
|--------------------------------------|------------------|--|--------------------------|
| 17AG(3)(b)                           | not applicable   | Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.   | If applicable, Mandatory |
| 17AG(3)(c)                           | not applicable   | Information on any capability reviews on the entity that were released during the period.  | If applicable, Mandatory |
| <b>Management of Human Resources</b> |                  |  |                          |
| 17AG(4)(a)                           | p69              | An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.   | Mandatory                |
| 17AG(4)(b)                           | p66-68           | <p>Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following:</p> <p>Statistics on staffing classification level;</p> <ul style="list-style-type: none"> <li>• Statistics on full-time employees;</li> <li>• Statistics on part-time employees;</li> <li>• Statistics on gender;</li> <li>• Statistics on staff location;</li> <li>• Statistics on employees who identify as Indigenous.</li> <li>•</li> </ul> | Mandatory                |
| 17AG(4)(c)                           | p68, p69 and p73 | Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .   | Mandatory                |

## 6. APPENDICES AND REFERENCES

|                          |     |  |                          |
|--------------------------|-----|--|--------------------------|
| 17AG(4)(c)(i)            | p73 | Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AD(4)(c).   | Mandatory                |
| 17AG(4)(c)(ii)           | p69 | The salary ranges available for APS employees by classification level.   | Mandatory                |
| 17AG(4)(c)(iii)          | p68 | A description of non-salary benefits provided to employees.  | Mandatory                |
| 17AG(4)(d)(i)            | p73 | Information on the number of employees at each classification level who received performance pay.  | If applicable, Mandatory |
| 17AG(4)(d)(ii)           | p73 | Information on aggregate amounts of performance pay at each classification level.  | If applicable, Mandatory |
| 17AG(4)(d)(iii)          | p73 | Information on the average amount of performance payment, and range of such payments, at each classification level.  | If applicable, Mandatory |
| 17AG(4)(d)(iv)           | p73 | Information on aggregate amount of performance payments.   | If applicable, Mandatory |
| <b>Assets Management</b> |     |  |                          |
| 17AG(5)                  | p92 | An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.   | Mandatory                |
| <b>Consultants</b>       |     |  |                          |
| 17AG(7)(a)               | p94 | A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). | Mandatory                |

## 6. APPENDICES AND REFERENCES

|  |     |   |           |
|--|-----|---|-----------|
| 17AG(7)(b)   | p94 | A statement that “During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]”.                             | Mandatory |
| 17AG(7)(c)   | p94 | A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.  | Mandatory |
| 17AG(7)(d)   | p94 | A statement that “ <i>Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website.</i> ”  | Mandatory |
| <b>Australian National Audit Office Access Clauses</b> |     |   |           |
| 17AG(8)  | p94 | If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor’s premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract. | Mandatory |

## 6. APPENDICES AND REFERENCES

| <b>Exempt contracts</b> |                |  |                          |
|-------------------------|----------------|--|--------------------------|
| 17AG(9)                 | p93            | If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters. | Mandatory                |
| <b>Small business</b>   |                |  |                          |
| 17AG(10)(a)             | p94            | A statement that “[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance’s website.”  | Mandatory                |
| 17AG(10)(b)             | p94            | An outline of the ways in which the procurement practices of the entity support small and medium enterprises.  | Mandatory                |
| 17AG(10)(c)             | not applicable | If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”  | If applicable, Mandatory |

## 6. APPENDICES AND REFERENCES

| Financial Statements        |                |   |                          |
|-----------------------------|----------------|---|--------------------------|
| 17AD(e)                     | p97            | Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.  | Mandatory                |
| Other mandatory information |                |   |                          |
| 17AH(1)(a)(i)               | p81            | If the entity conducted advertising campaigns, a statement that <i>“During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”</i> | If applicable, Mandatory |
| 17AH(1)(a)(ii)              | p81            | If the entity did not conduct advertising campaigns, a statement to that effect.  | Mandatory                |
| 17AH(1)(b)                  | not applicable | A statement that “Information on grants awarded to [name of entity] during [reporting period] is available at [address of entity’s website].”   | Mandatory                |
| 17AH(1)(c)                  | p70            | Outline of mechanisms of disability reporting, including reference to website for further information.  | Mandatory                |
| 17AH(1)(d)                  | p78            | Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found.   | Mandatory                |
| 17AH(1)(e)                  | p81            | Correction of material errors in previous annual report   | If applicable, Mandatory |
| 17AH(2)                     | p81-94         | Information required by other legislation   | Mandatory                |

## 6. APPENDICES AND REFERENCES

|         |     |  |                          |
|---------|-----|--|--------------------------|
| 17AH(2) | p72 | Work health and safety (Schedule 2, Part 4 of the <i>Work Health and Safety Act 2011</i> )   | Mandatory                |
| 17AH(2) | p81 | Advertising and Market Research (Section 311A of the <i>Commonwealth Electoral Act 1918</i> ) and statement on advertising campaigns                           | Mandatory                |
| 17AH(2) | p90 | Ecologically sustainable development and environmental performance (Section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i> ) | Mandatory                |
| 17AH(2) | p70 | <i>Compliance with the agency's obligations under the Carer Recognition Act 2010</i>   | If applicable, mandatory |

## INDEX OF ANNUAL REPORTING REQUIREMENTS OF THE AUSTRALIAN AGED CARE QUALITY AGENCY ACT 2013

| Ref S47 | Part of Report | Description   | Requirement |
|---------|----------------|---|-------------|
| (a)     | p49-54         | ...an assessment of the extent to which the Quality Agency's operations during the period have contributed to the priorities set out in the annual operational plan for the period; and | Mandatory   |
| (b)     | p49-54         | ...particulars of any variations of the annual operational plan; and  | Mandatory   |
| (c)     | p49-54         | ...an evaluation of the Quality Agency's overall performance during the period against the performance indicators set out in the annual operation plan for the period.                  | Mandatory   |

## AUSTRALIAN AGED CARE QUALITY AGENCY GENERAL ENQUIRIES 1800 288 025

|   |   |
|---|---|
| <p><b>NATIONAL OFFICE</b></p> <p>Level 9, 111 Phillip Street<br/>Parramatta NSW 2150</p> <p>PO Box 773<br/>Parramatta NSW 2124<br/>Tel: (02) 9633 1711<br/>Fax: (02) 9633 2422<br/>Email: national@aacqa.gov.au</p>                                     | <p><b>QUEENSLAND</b></p> <p>The Terrace Office Park<br/>Level 2, South Tower<br/>527 Gregory Terrace<br/>Bowen Hills Qld, 4006</p> <p>PO Box 1032<br/>Spring Hill Qld 4006<br/>Tel: (07) 3852 3100<br/>Fax: (07) 3852 3011<br/>Email: queensland@aacqa.gov.au</p> |
| <p><b>NEW SOUTH WALES AND<br/>AUSTRALIAN CAPITAL TERRITORY</b></p> <p>Level 7, 111 Phillip Street<br/>Parramatta NSW 2150</p> <p>PO Box 674<br/>Parramatta NSW 2124<br/>Tel: (02) 9633 2099<br/>Fax: (02) 9687 0415<br/>Email: nsw_act@aacqa.gov.au</p> | <p><b>SOUTH AUSTRALIA AND<br/>NORTHERN TERRITORY</b></p> <p>Level 3, 199 Grenfell Street<br/>Adelaide SA 5000</p> <p>GPO Box 620<br/>Adelaide SA 5001<br/>Tel: (08) 8217 6000<br/>Fax: (08) 8217 6099<br/>Email: sa_nt@aacqa.gov.au</p>                           |
| <p><b>VICTORIA AND TASMANIA</b></p> <p>Level 2, 818 Whitehorse Road<br/>(Entry via Prospect Street)<br/>Box Hill Vic 3128</p> <p>PO Box 398<br/>Box Hill Vic 3128<br/>Tel: (03) 9897 4322<br/>Fax: (03) 9898 7577<br/>Email: vic_tas@aacqa.gov.au</p>   | <p><b>WESTERN AUSTRALIA</b></p> <p>The Garden Office Park,<br/>Building B355<br/>Scarborough Beach Road<br/>Osborne Park WA 6017</p> <p>PO Box 718<br/>Osborne Park NSW 6916<br/>Tel: (08) 9201 1344<br/>Fax: (08) 9201 1355<br/>Email: wa@aacqa.gov.au</p>       |



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