



Australian Government

Australian Aged Care Quality Agency

# ANNUAL REPORT 2017–18



**WORLD CLASS  
AGED CARE SERVICES  
DRIVEN BY  
EMPOWERED  
CONSUMERS  
WHO ENJOY THE  
BEST POSSIBLE  
QUALITY OF LIFE**

## Annual Report 2017–18

Australian Aged Care Quality Agency

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# LETTER OF TRANSMITTAL

The Hon Ken Wyatt AM, MP  
Minister for Senior Australians and Aged Care  
Parliament House  
Canberra ACT 2600

I hereby submit my Annual Report pursuant to my obligations under section 47 of the *Australian Aged Care Quality Agency Act 2013*.

This report includes information related to the functions of the Chief Executive Officer of the Australian Aged Care Quality Agency during the period 1 July 2017 to 30 June 2018.

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; and
- ▶ taken all reasonable measures to minimise the incidence, and to investigate and recover the proceeds of fraud.

The Annual Report is also provided to satisfy the requirements of the *Public Governance, Performance and Accountability Act 2013*.



Nick Ryan  
Chief Executive Officer  
14 September 2018





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# MESSAGE FROM THE CEO

I am pleased to present this Annual Report and account of activities for the Australian Aged Care Quality Agency (Quality Agency) for the period 1 July 2017 to 30 June 2018.

This has been a year of significant change and achievement for the Quality Agency. In consultation with consumers and the aged care sector, we have focused on delivering aged care quality reforms — with **improving quality outcomes for consumers** at the forefront of all our activities.



Nick Ryan, CEO

I am particularly proud of these key achievements this year:

- ▶ A strengthened focus on risk-based regulation to ensure we can identify, assess and respond to risk in a targeted, timely and proportionate way.
- ▶ The piloting of the new Aged Care Quality Standards, including developing guidance material and delivering an education program to support providers to implement the standards.
- ▶ Implementing unannounced re-accreditation audits, to increase the community's confidence in our regulatory approach and to encourage providers to demonstrate quality care every single day.
- ▶ Delivering a series of provider roundtables in partnership with the three sector peak bodies (Aged and Community Services Australia (ACSA), Aged Care Guild and Leading Age Services Australia (LASA)). These roundtables helped us better understand provider perspectives of our regulatory practices and identify opportunities for improvement.
- ▶ Enhancing our education through targeted information campaigns on topics such as infection control, plus new online initiatives such as webinars.
- ▶ Publishing Consumer Experience Reports (CERs) for residential services in recognition that increasing information on the quality of care and services improves consumer choice and experience.
- ▶ Commencing work on CERs for home and community services, to ensure consumers of these services also have access to essential information to support their choice of service provider.

Our partnerships with the Department of Health and the Aged Care Complaints Commissioner have supported the strengthening of our approach to risk over the past year. We have improved information and intelligence sharing with both organisations, helping to bolster our evidence base, and drive more proactive and targeted compliance monitoring. Our three organisations share a common goal which is to foster greater confidence in our aged care system. It is this goal that will enable us to collectively deliver the next milestone in aged care regulatory reform — the establishment of the Aged Care Quality and Safety Commission.





Participants at the provider roundtable in Melbourne on 22 May 2018.

The new Commission will bring together the regulatory functions of our three organisations, to strengthen our risk-based approach to aged care safety and quality, with better coordination and information for consumers to help them make their care choices. I welcome this change.

In acknowledging the new Commission, I am mindful that the Quality Agency will conclude on 31 December 2018. In this time of change and opportunity, I would like to say how proud I am to have led the Quality Agency since 2014.

I would also like to extend my thanks and gratitude to our dedicated staff who continue to strive to ensure we realise our vision and fulfil the important role given to us — to support older Australians to receive world class services, and to hold those who provide these services to account.

Finally, I'd like to acknowledge The Hon Ken Wyatt AM, MP, Minister for Senior Australians and Aged Care, for his support over the past 12 months and passion for driving quality outcomes for older Australians. I would also like to thank Ms Andrea Coote, Chair of the Aged Care Quality Advisory Council, for her leadership and support, as well as Council members, past and present, who have contributed their time and expertise to support the Quality Agency in its role.

We can all be proud of our achievements in strengthening the quality and safety of our aged care sector.

Nick Ryan  
Chief Executive Officer  
14 September 2018





# OVERVIEW

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# ABOUT OUR AGENCY

## OUR PURPOSE

We are responsible for holding aged care providers accountable for their performance 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, and for promoting high quality care and service provider performance through education, training and compliance assistance.

## OUR VISION

World class aged care services driven by empowered consumers who enjoy the best possible quality of life.

## OUR VALUES

The following values shape our approach to our work. They are consistent with the values mandated in the *Public Service Act 1999*.

### Impartial.

We are apolitical and provide the government with advice that is frank, honest, timely and based on the best 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.

### Respectful.

We act with respect to all people, including their rights and their heritage.

### Ethical.

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

## OUR FUNCTIONS

Our functions, as set out in the legislation<sup>1</sup>, are to:

- ▶ accredit residential aged care services
- ▶ conduct quality review of home care services
- ▶ register quality assessors
- ▶ advise the Secretary of the Department about aged care services that do not meet the Accreditation Standards, the Home Care Standards or the National Aboriginal and Torres Strait Islander Flexible Aged Care Program under the Quality Framework
- ▶ promote high quality care, innovation in quality management and continuous improvement
- ▶ provide information, education and training.

## OUR STRATEGIC PRIORITIES

1. **Safety and Quality.** Our regulatory approach prioritises safety and quality outcomes for consumers of aged care.
2. **Partnerships.** Together with our co-regulators and other stakeholders, we ensure consistent, holistic outcomes for consumers of aged care.
3. **Consumer Choice.** We inform consumer choice.
4. **Corporate Priorities.** We build our workforce and corporate capabilities.

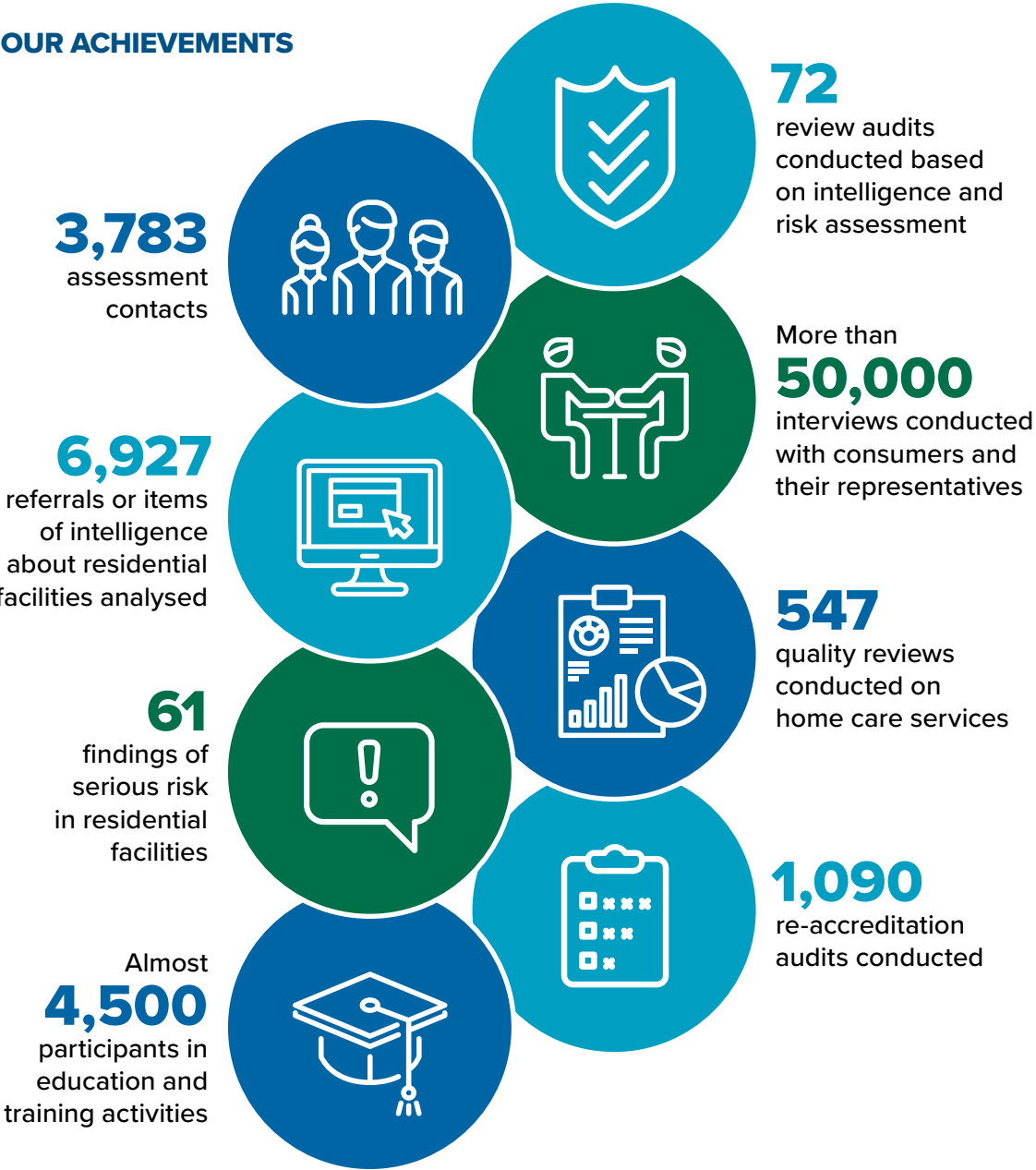
**View the Quality Agency's organisational structure on page 57.**



<sup>1</sup> The full text of our functions is available in *Australian Aged Care Quality Agency Act 2013 S12*.

# OUR SECTOR AT A GLANCE

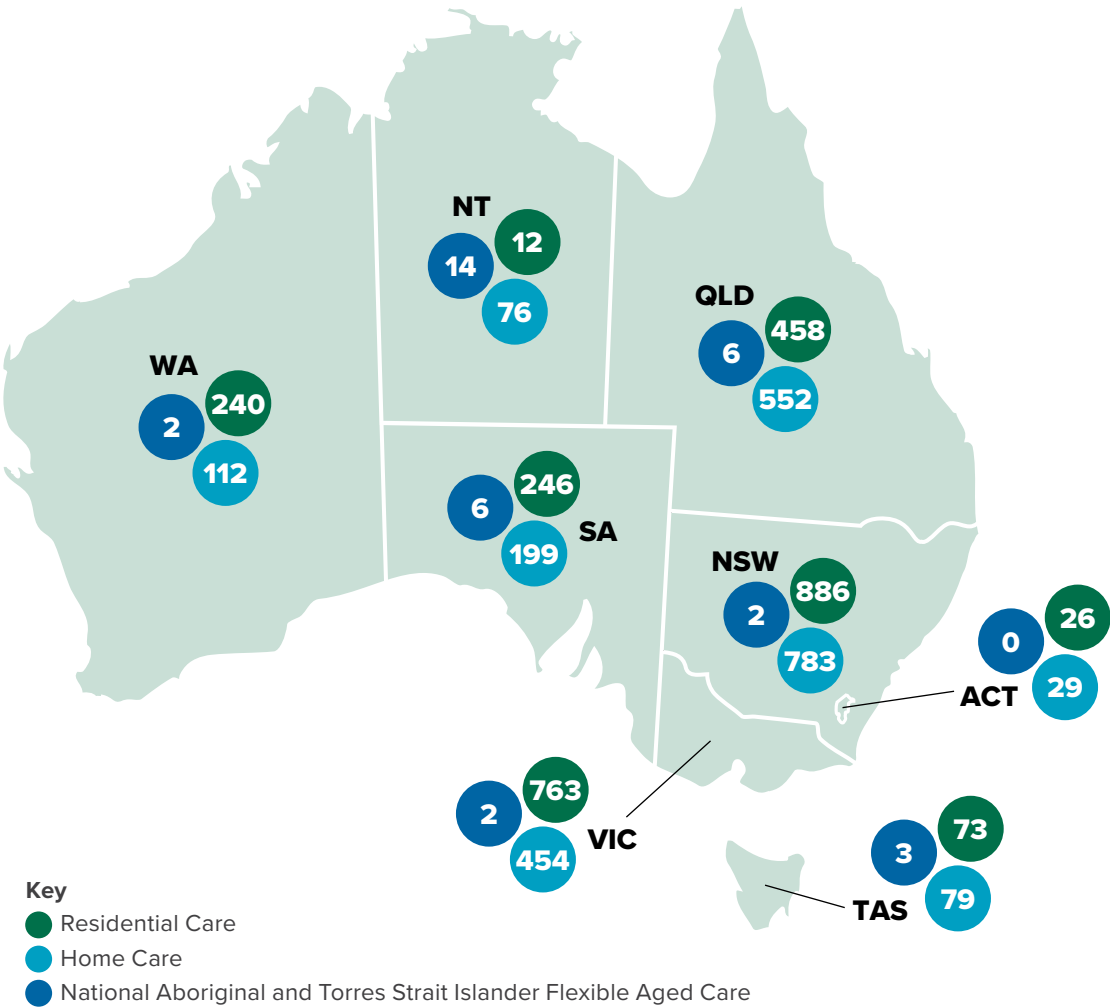
## OUR ACHIEVEMENTS



AGED CARE SERVICES AT 30 JUNE 2018

Figure 1: Aged care services at a glance

As at 30 June 2018, there were **2,704** residential services, **2,284** home care services and **35** National Aboriginal and Torres Strait Islander Flexible Aged Care services across Australia.





# OUR YEAR IN REVIEW

## OUR RISK-BASED APPROACH

We continue to strengthen our approach to risk to ensure the sector meets standards for safety and quality care.

We are committed to being a model regulator. This requires clear expectations of service quality so we can hold providers to account. It also means being accountable ourselves and listening to the sector. Effective communication is vital to develop a shared understanding of the outcomes we all want to achieve.

We recognise that most providers deliver quality care and are committed to improving consumer outcomes. So when assessing providers, we are broadening our focus. As well as checking whether policies and procedures comply with the applicable standards, we focus on the **quality of consumer experience** as well as the **prevention of harm**. This involves listening more closely to consumers, giving them better information, and enhancing our use of intelligence and assessment of risk.

Our risk-based approach means we direct more of our activity to where providers are not meeting the standards so we can be confident they are improving their performance. This assures the sector, consumers and the community that the system is rigorous and that older Australians receiving care can live their lives safely and with dignity.

Effective communication  
is vital to develop a  
shared understanding  
of the outcomes we  
all want to achieve.

## Sector-wide and provider risk

We monitor risk for the sector at two levels: sector-wide risk and individual provider risk.

**Sector-wide risks** are those faced by the sector as a whole, or those faced by a group of providers. We identify sector-wide risks through our research, trend analysis and emerging evidence.

Common examples of sector-wide risks include:

- ▶ human resource management
- ▶ clinical care
- ▶ medication management
- ▶ behavioural management.

For **individual providers**, we want to understand how well they identify and manage their own risk, and how they apply risk management to improve consumer outcomes.

We assess an individual provider's risk through its history, characteristics and compliance performance.

Information we may consider when assessing an individual provider's risk include:

- ▶ compliance history since accreditation began in 2000
- ▶ performance of their range of aged care services
- ▶ information from the Aged Care Complaints Commissioner and the Department of Health
- ▶ information from other bodies, including the media, public, police, other regulators and from state, territory and local governments
- ▶ their performance compared to similar services
- ▶ size of the service
- ▶ the service's resident or consumer profile, especially if it changes
- ▶ number and proportion of high-needs and complex-needs residents or consumers.

Where we identify provider risk, we do not automatically conclude that a service is not meeting the standards or is not managing risk. Rather, it means we consider a provider's risk profile when we are making decisions on assessment and monitoring.

## Strengthening our approach

These are the ways we are strengthening our assessment of risk.



### We are listening more intently to consumers

Accreditation and review audits now start with standardised consumer interviews. The views expressed inform the issues we pursue during an audit and relate to the expected outcomes for consumers. In 2017–18, we continued a project to capture the consumer experience in home care.



### We are giving consumers better information

We're providing better information to consumers about their care choices. The performance of aged care services is central to aged care reform. The Consumer Experience Report (CER) is now published for audits of residential services. In 2017–18, we published 1,009 CERs.



### We are enhancing collection and reporting tools

Our Computer Assisted Audit Tool (CAAT) provides richer data on provider risk over time and helps us identify emerging performance trends in the sector. We look for risk-specific information when we contact services for compliance monitoring or audit.







### We are sharing information

Improved information and intelligence sharing with the Department of Health and the Aged Care Complaints Commissioner is strengthening our evidence base. This makes our compliance monitoring of services more proactive and targeted. We triage and act on complaints referred by the Commissioner based on the level of possible non-compliance and risk to consumers. Find out more about our information sharing on page 25.



### We are aligning our actions to the risk of non-compliance and harm

We use a strengthened case management approach to monitor service-level risk and prioritise and manage regulatory activities and resources.

Our increased use of intelligence and focus on risk has increased the number of review audits we conduct and findings of non-compliance. Whenever we find evidence a service is not complying with the standards, we:

- ▶ consider making a finding of serious risk where the health, safety and wellbeing of residents or consumers is impacted
- ▶ notify the provider of improvements required and the timetable for making them
- ▶ vary the period of accreditation where there is significant non-compliance
- ▶ in extreme cases, where we find evidence to support doing so, we will revoke accreditation.

In all cases where we find evidence that a service is not complying with the standards, we notify the Department of Health.



### We are conducting unannounced re-accreditation audits

The Australian Government's unannounced re-accreditation audits across residential aged care services will start from 1 July 2018. This will introduce two new elements when we assess a provider's performance:

1. A self-assessment against the standards on application for re-accreditation.
2. Interviews with consumers about their experience of a service before the site audit.

The re-accreditation visit will then focus on confirming the information from these sources.



### We are building our own capability

We are providing enhanced training and guidance to our quality surveyors and assessors on observing what is happening in a service. This way they can better use interviews, observations and evidence to assess performance against the standards and understand the consumer experience. We are also helping decision makers consider all relevant information, making the process fair for providers.



### We are working closely with others

We are working across the sector and in related areas of health, community services and disability to understand risks and promote collaboration in solving problems. We are engaging with our key stakeholders and running Better Practice events and education programs to promote leading industry practice.

## SECTOR REFORMS

During 2017–18, the Quality Agency continued to work with the aged care sector as it implemented a number of reforms.

### Moving to the new Commission

We have been working with our colleagues, the Aged Care Complaints Commissioner and the Department of Health, to progress implementation of the new Aged Care Quality and Safety Commission.

In April 2018, Minister Wyatt announced the formation of a new Aged Care Quality and Safety Commission. From 1 January 2019, the Quality Agency will join with the Aged Care Complaints Commissioner in the new commission. From 1 January 2020, the aged care regulatory functions of the Department of Health will also transition.

### New Aged Care Quality Standards

In 2017–18, the Quality Agency undertook a pilot of the new Aged Care Quality Standards and developed guidance material to support the sector during transition.

Providers will continue to be assessed against the current standards until 30 June 2019, with assessment and monitoring against the new Standards starting from 1 July 2019 (subject to parliamentary processes).

From 1 July 2019, the new Standards will replace the:

- ▶ Accreditation Standards
- ▶ Home Care Standards
- ▶ National Aboriginal and Torres Strait Islander Flexible Aged Care Program Quality Framework Standards
- ▶ Transition Care Standards.

The new Standards focus on **quality outcomes for consumers** rather than just provider processes. This will make it easier for consumers, their families, carers and representatives to understand what they can expect from a service. It will also make regulation simpler for providers working across multiple aged care services.

### Piloting the new Standards

Between February and May 2018, the Quality Agency conducted a pilot process for aged care service providers, quality surveyors and consumers to test the application of the new Aged Care Quality Standards and provide feedback on the effectiveness of the supporting guidance material.

The pilot was designed to ensure the draft Standards and guidance materials were tested with a wide range of service types, sizes and locations. The design was informed by best practice from the International Society for Quality in Health Care, a pilot design team of quality surveyors, a representative from the Department of Health and input from a Standards Guidance Reference Group.

**From 1 January 2019, the Quality Agency will join with the Aged Care Complaints Commissioner in the new Aged Care Quality and Safety Commission.**

### Developing guidance material

The Quality Agency has been developing guidance material to support the implementation of the new Standards and to assist organisations to comply with them. The Standards Guidance Reference Group was established in September 2017 and met nine times (either face-to-face or via teleconference) to support development of the guidance material. The reference group included aged care providers from a range of settings, as well as consumer, diversity and professional representatives.



# CASE STUDY

## A CLOSER LOOK AT OUR PILOT PROCESS FOR THE NEW STANDARDS

From February to May 2018, we worked with many in the industry to test the draft Aged Care Quality Standards and supporting guidance materials.

We invited aged care service providers, quality surveyors and consumers to review, test and critique the measurability of the draft Standards, as well as the usefulness of the guidance material.

The pilot participants were chosen from a wide range of aged care service types, sizes and locations.

Plus, the piloting involved a range of methods for providing input, including an electronic survey, field testing of

individual standards, and testing of all standards in an ‘audit scenario’ with a range of providers. A total of 53 providers were involved in this pilot overall.

A key finding from the pilot process was that the guidance material could be applied across aged care settings, and that sufficient evidence can be collected to validate the draft Standards in a variety of service types, settings and sizes.

There will be one further revision of the guidance materials in late 2018. This will incorporate any further feedback and include any refinements the

Quality Agency identifies when considering its assessment methodology against the new Aged Care Quality Standards.



New Aged Care Quality Standards.

The guidance material describes the intent of the Quality Standards and expectations of performance, along with supporting information, and examples of evidence of compliance. It also provides an indication of the matters that aged care quality assessors will consider in assessing compliance.

We have been engaging with providers, industry experts and specific subject matter experts on the content of guidance materials, with a public consultation held in May 2018.

As part of this work, we have consulted with consumers and consumer groups to develop information to help them understand the new Standards, to know what to expect, and what to do if their expectations of quality care and services are not being met.

## **Review of National Aged Care Quality Regulatory Processes**

On 25 October 2017, The Hon Ken Wyatt AM, MP released the *Review of National Aged Care Quality Regulatory Processes*.

This independent review of the Commonwealth's aged care quality regulatory processes was commissioned by the government in May 2017 to determine why the extent of the failures of care at Makk and McLeay wards were not identified sooner, as documented in the South Australian Oakden Older Persons Mental Health Service Review.

The review examined and reported on Commonwealth regulatory practices relating to monitoring the quality and standard of care in residential aged care facilities.

The Quality Agency provided a submission to the review process on 4 August 2017.

## **Unannounced re-accreditation**

To coincide with the release of the *Review of National Aged Care Quality Regulatory Processes*, the Minister announced the government would implement part of Recommendation 8 of the review: the introduction of unannounced re-accreditation audits from 1 July 2018. We have been working with the Department of Health and the broader sector to implement this change.

In the lead up to 1 July 2018, the Quality Agency ran a national series of seminars for aged care providers (see page 35), as well as engagement and education activities to support the sector to transition to these unannounced re-accreditation audits.

## **Re-distributing the peak re-accreditation period**

In April 2018 the Quality Agency successfully completed a project to re-distribute the peak volume of re-accreditation activity in aged care residential services. Prior to this project, 71 per cent of all re-accreditations were due between July 2017 and September 2018.

We were able to re-distribute the re-accreditation expiry dates of 520 services to fall outside of the peak period, allowing us to focus our resources on targeting risk-based compliance activities.

The offer to participate in this project was extended to services with a history of sustained good performance and annual compliance. All services continue to be subject to annual compliance monitoring including through unannounced assessment contacts and other compliance activities.

## STAKEHOLDER ENGAGEMENT INITIATIVE — PROVIDER ROUNDTABLES

The independent chair of the Aged Care Quality Advisory Council, Ms Andrea Coote, hosted a series of roundtables with providers in May 2018.

The initiative was a partnership between the:

- ▶ Quality Agency
- ▶ Aged and Community Services Australia (ACSA)
- ▶ Aged Care Guild (the Guild)
- ▶ Leading Age Services Australia (LASA).

The initiative followed concerns raised by the three peak organisations about current practices of the Quality Agency.

In planning the roundtables the parties agreed to undertake a survey of providers to inform the issues to be discussed at the roundtables. The survey was completed by 396 member representatives of the three peak organisations across residential and home care providers. A discussion paper was then developed for roundtable participants, which drew on the results of the survey and introduced **five key issues** for discussion:

1. The Quality Agency's risk-based approach.
2. Consistency of application of the standards and approach.
3. Complaints about the Quality Agency's practices and services.
4. Communications and information.
5. Future reforms — looking forward.

Roundtables were held in Adelaide, Perth, Hobart, Melbourne, Brisbane and Sydney, along with a webinar targeting rural and regional providers.

A total of 118 people participated at the roundtables and webinar. Participants of the roundtables were selected by the three peak organisations and personally invited to participate.

All roundtables and the webinar were hosted by Ms Andrea Coote, with an independent consultant to provide support to Ms Coote. Other attendees included senior representatives from the Quality Agency, our CEO, Mr Nick Ryan (who participated in two of the roundtables), and representatives of the three peak organisations.

A report detailing the outcomes of the initiative was provided to the Minister for Aged Care, The Hon Ken Wyatt AM, MP for his consideration in June 2018.



Participants at the provider roundtable in Sydney on 31 May 2018.

# OUR ROLE IN THE REGULATORY FRAMEWORK

## WHAT WE DO

The Quality Agency is an independent statutory authority responsible for accrediting, reviewing and monitoring aged care providers against quality standards. Quality review and accreditation processes are undertaken in accordance with the *Quality Agency Principles 2013* established under the *Australian Aged Care Quality Agency Act 2013* or through contractual arrangements.

We provide regulation of Australian Government funded aged care services through:

- ▶ the accreditation of residential aged care services against the Accreditation Standards
- ▶ quality review of home care services and Commonwealth Home Support Programme services against the Home Care Standards
- ▶ quality review of National Aboriginal and Torres Strait Islander Flexible Aged Care Program services against the Quality Program
- ▶ the accreditation or quality review of short-term restorative care services against the Flexible Care Standards.

We also monitor compliance of service providers against the applicable standards and apply a case management model to ensure targeted contact based on relevant information and compliance history. We are enhancing our regulatory intelligence and risk-based approaches to monitoring compliance.

It is also our role to promote high quality care, innovation in quality management and continuous improvement among approved providers, and provide information, education and training to approved providers.

## OUR REGULATORY FRAMEWORK

Together with the Department of Health and Aged Care Complaints Commissioner we are part of the regulatory framework for the delivery of Australian Government funded aged care services. The regulatory framework governs:

- ▶ the approval of providers and the type of care they are eligible to provide
- ▶ provider compliance with their obligations
- ▶ the quality of care and services against quality standards
- ▶ the rights and responsibilities of those receiving care.





## ACCREDITATION OF RESIDENTIAL AGED CARE SERVICES

Residential aged care provides a range of care options and accommodation for older people who are unable to continue living independently in their own homes.

Established by the *Aged Care Act 1997*, accreditation is a key component of the aged care regulatory environment. Accreditation seeks to assess a level of performance against Accreditation Standards and contribute to improved safety, quality and continuous improvement of services.

All residential aged care services must be accredited in order to receive Australian Government subsidies.

We accredit and re-accredit residential aged care services in accordance with the *Quality Agency Principles 2013* and the Accreditation Standards. There are **four standards** with **44 expected outcomes** across the standards:

1. Management systems, staffing and organisational development.
2. Health and personal care.
3. Care recipient lifestyle.
4. Physical environment and safe systems.

Accreditation seeks to assess a level of performance against Accreditation Standards and contribute to improved safety, quality and continuous improvement of services.

The accreditation and re-accreditation process includes:

- ▶ the submission of an application for accreditation or re-accreditation including self-assessment by the provider of a service against the Accreditation Standards
- ▶ a re-accreditation site audit conducted by an assessment team consisting of registered aged care quality assessors
- ▶ a decision by us about whether or not a service will be accredited or re-accredited and the period of accreditation
- ▶ issue of an accreditation certificate if the service is accredited or re-accredited
- ▶ publication of the decision and the site audit report on the Quality Agency’s website.

Accreditation is supported by compliance monitoring of accredited services through assessment contacts and review audits.

Please refer to Table 1 for details of the accreditation status of residential aged care services as at 30 June 2018.

**Table 1: Accreditation status of residential aged care services as at 30 June 2018**

	NSW	VIC	QLD	SA	WA	TAS	ACT	NT	TOTAL
< 1 year	2	0	0	0	0	0	0	0	2
1 year	22	3	6	5	2	0	2	0	40
> 1 year < 2 years	2	0	5	0	0	0	0	1	8
2 years	8	3	4	3	5	1	1	0	25
> 2 years < 3 years	4	0	2	0	0	0	0	0	6
3 years	602	596	376	152	195	60	15	10	2,006
> 3 years < 5 years	230	154	56	30	32	12	8	0	522
5 years	0	0	0	56	0	0	0	1	57
Commencing Home	13	7	9	0	6	0	0	0	35
<b>Total</b>	<b>883</b>	<b>763</b>	<b>458</b>	<b>246</b>	<b>240</b>	<b>73</b>	<b>26</b>	<b>12</b>	<b>2,701<sup>#</sup></b>

Notes	NSW	VIC	QLD	SA	WA	TAS	ACT	NT	TOTAL
Flattening the peak decisions included in the above counts	227	152	56	28	32	12	8	0	515
# Does not include the Active homes with a revoke decision	3	0	0	0	0	0	0	0	3

## RE-ACCREDITATION SITE AUDITS

During a site audit an assessment team collects information to assess the provider's performance against the Accreditation Standards. Information is drawn from the following sources of evidence:

- ▶ **Interviews:** The team interviews care recipients, representatives, staff, management, allied health personnel, volunteers, suppliers and contractors.
- ▶ **Observation:** The team observes staff practices and interactions with care recipients, as well as the general living or physical environment.
- ▶ **Document and record review:** The team reviews documents to assess what the services say they do, what the service actually does, and the results it achieves. Documentation can be paper-based or electronic.

The provider is required to notify care recipients, and their representatives, of the date of the site audit so the assessment team has the opportunity to meet with care recipients about the quality of care and services they are receiving. Our assessment team interviews a minimum of 10 per cent of care recipients or their representatives. Representatives may include family members, clinical representatives, a guardian, a person with power of attorney or any other representative of the resident.

Quality surveyors use a core set of consumer interview questions to collect data on the experiences of the quality of care and services from those living in the residential aged care service. The findings are reported in a CER and published (when a minimum number of interviews are conducted) alongside the re-accreditation audit report for each service on the Quality Agency's website. CERs are aimed at promoting consumer choice by capturing the consumer experience of the quality of care and services in aged care.

## ACCREDITATION DECISIONS

Following a site audit, the assessment team prepares a report of the performance assessment against the Accreditation Standards to be considered by a delegated officer of the CEO of the Quality Agency. The provider of the residential care service may make a response to the major findings of the audit. We then consider the audit report, any response made by the provider of the service and other matters prescribed by the *Quality Agency Principles 2013* to make a decision on the application for re-accreditation.

The decision is either to re-accredit the service or not to re-accredit the service. If the decision is not to re-accredit the service, the delegated officer may also decide to revoke accreditation of the service.

The accreditation decision and the site audit report are published on the Quality Agency's website and provided to the Department of Health. The Department of Health is also advised of any failure by the provider to comply with the accreditation decision.

## QUALITY REVIEW OF HOME AND COMMUNITY AGED CARE SERVICES

Home and community care services provide support to help people stay at home and be more independent with their day-to-day activities and in the community.

We conduct quality reviews of home care services and Commonwealth Home Support Programme (CHSP) services to assess whether a provider delivers services in accordance with the Home Care Common Standards.

Home care services and CHSP services undergo a quality review at least once every three years to demonstrate their performance against the Home Care Common Standards. Under the regulatory case management model, more frequent quality reviews will be undertaken if risks of failure are identified.

A quality review involves a visit to the service to carry out an assessment of performance against the standards. It includes reviewing a sample of care recipient records and other documents such as policies, procedures, agreements and registers. The service advises care recipients and their representatives of the date of the quality review so that they have the opportunity to speak to the assessment team. Interviews are conducted with care recipients or representatives as well as staff and management about their systems, processes and practices. Quality surveyors observe any activities in progress at the service and any interaction with care recipients or representatives.

As part of the site visit, approved providers complete and submit a self-assessment of their service.

An interim quality review report sets out the interim assessment of the performance of the provider of the service against the Home Care Common Standards. The provider is invited to respond to the information in the interim quality review report before a final report is prepared.

After the completion of the site visit, an interim quality review report is developed by the quality surveyors with an assessment of the provider's performance in relation to the service, against the standards and whether each expected outcome has been met or not met.

We then make a decision about the provider's performance against the standards. A final quality review report is given to the provider, which sets out the decision and where there has been failure to meet the standards, and any areas for improvement that should be made.

In 2017–2018, 547 or 23.9 per cent of home and community care services received a quality review, in accordance with the requirement that a review be undertaken once every three years.

## INCREASING CHOICE IN HOME CARE

Under the Increasing Choice in Home Care reforms implemented on 27 February 2017, organisations can apply to the Department of Health to be approved providers of home care services without an allocation of home care packages.

These approved providers represent a wide range of organisations, from those who have not provided any aged care services, through to existing approved providers with experience in the delivery of other types of aged care service, such as residential aged care services.

We apply a risk approach for monitoring these new approved providers in the home care sector. This includes prioritising providers on the basis of risk, requesting approved providers to submit self-assessment information on their services, and scheduling site assessment contacts or quality reviews.

We continue to review and improve the risk-based approach to new home care services and have developed a memorandum of understanding with the Department of Health to support information referral on new services.

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

Services delivered under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program are designed to deliver a flexible mix of residential, day care, respite care and community-based aged care.

As part of the Quality Framework, we conduct a quality review of each National Aboriginal and Torres Strait Islander Flexible Aged Care Program service at least once every two years to assess performance against the Quality Standards. The Quality Standards consist of two overarching principles, two standards and nine expected outcomes.

The review process is similar to the home and community care quality review process.

There were 35 National Aboriginal and Torres Strait Islander Flexible Aged Care Program services as at 30 June 2018 and 10 of these services had a quality review in the 2017–2018 financial year.

We decide on the form and frequency of assessment contacts between quality reviews on a case-by-case basis, guided by the service provider's performance and all other relevant information available.

## SHORT-TERM RESTORATIVE CARE

The short-term restorative care programme is an early intervention programme that aims to reverse and/or slow 'functional decline' in older people and improve wellbeing. The programme provides a range of care and services for up to eight weeks to help prevent or reduce difficulties older people may be having with completing everyday tasks.

Short-term restorative care services may be delivered in a home care setting, a residential care setting, or a combination of both.

We conduct a quality review of flexible care services through which short-term restorative care is provided in a home care setting in accordance with the *Quality Agency Principles 2013* and the *Home Care Standards*.

Flexible care service delivering short-term restorative care services in a residential care setting are accredited in accordance with the *Quality Agency Principles 2013* and the Accreditation Standards, or are taken to be an accredited service.







**Unannounced assessment contacts provide increased assurance to the public that approved providers are held accountable to meet the standards at all times.**

## COMPLIANCE MONITORING

We monitor compliance of aged care providers against the applicable standards. We are enhancing our regulatory intelligence and risk-based approaches to monitoring compliance, as introduced on page 8.

### Assessment contacts

Compliance monitoring of aged care services is undertaken through assessment contacts. We use a range of data and intelligence to accurately assess the risk of non-compliance and direct assessment contacts where there is the greatest risk. We have the regulatory discretion to determine the arrangements for assessment contacts, including when an assessment contact will be conducted and for what purposes.

Assessment contacts are any form of contact between the Quality Agency and an approved provider for one or more the following purposes:

- ▶ to assess the approved provider's performance in relation to the service, against the Accreditation Standards, Home Care Standards or Flexible Care Standards (as applicable)
- ▶ to assist the approved provider's process of continuous improvement in relation to the service
- ▶ for residential aged care services, to identify whether there is a need for a review audit of the service
- ▶ for home care services, to identify whether there is a need for a quality review of the service

- ▶ to give the approved provider additional information or education about the assessment process and requirements.

Assessment contacts can be conducted in a number of ways, depending on the risk profile of the service and the reason or purpose of the assessment contact. We may conduct an assessment contact by:

- ▶ phone or email
- ▶ attending a service
- ▶ attending a management meeting or board meeting to seek or provide information on the accreditation process and requirements or to discuss issues relating to non-compliance.

Risk-based responsive assessment contacts may be conducted where issues are identified in information provided by care recipients and/or their representatives, the public, as well as referrals from the Aged Care Complaints Commissioner or the Department of Health. If a provider has been found non-compliant with one or more of the expected outcomes of the standards, an assessment contact can also be used to assess whether the approved provider has made the necessary improvements in order for the standards to be met at the end of the timetable for improvement as set by the Quality Agency.

Assessment contacts to residential aged care services may occur with notice or be unannounced. Unannounced assessment contacts provide increased assurance to the public that approved providers are held accountable to meet the standards at all times.

We conduct at least one unannounced visit with all residential aged care services each financial year. The unannounced visit is usually an assessment contact but may also be a review audit. Unannounced assessment contacts focus on risk-based compliance monitoring. For example, we may:

- ▶ assess the expected outcomes of the Accreditation Standards which had the highest incidence of non-compliance and serious risk across the sector in the previous financial year
- ▶ focus on one risk across all or part of the sector
- ▶ focus on areas where regulatory requirements have changed.

Assessment contacts with all other services occur with notice (announced).

After an assessment contact, we notify the approved provider about any failure to meet the standards, including requirements to revise the plan for continuous improvement and any areas in which improvements must be made to meet the applicable standards, including the timetable for making improvements.

Where there are reasonable grounds during an assessment contact that a provider of a service is not complying with the standards, we may escalate to a review audit for residential care services and quality review for home and community care services.

In 2017–2018 the Quality Agency conducted:

- ▶ 3,556 assessment contacts at residential aged care services (3,044 of the assessment contacts were unannounced)
- ▶ 188 assessment contacts at home and community care services
- ▶ 39 assessment contacts at National Aboriginal and Torres Strait Islander Flexible Aged Care Program services.

## Review audits

A review audit is a site visit by an assessment team to conduct a full audit of the performance of a residential care service against the Accreditation Standards. Review audits may be announced or unannounced.

A review audit may be conducted with a residential care service if we consider, on reasonable grounds, that the approved provider of the service may not be complying with the Accreditation Standards.

A review audit may also be conducted if:

- ▶ the premises of the service have changed
- ▶ the provider has not complied with assessment contact arrangements
- ▶ there has been a change that the provider is required to notify the Secretary of the Department of Health under the *Aged Care Act 1997*.

A review audit must be undertaken if requested by the Secretary of the Department of Health.

At a review audit the assessment team interviews care recipients and their representatives, staff, and other relevant people, observes the environment and practices of the service, and reviews documented evidence in order to assess the performance of the service.

Following a review audit, we must make a decision to revoke or not to revoke accreditation of the service, and if accreditation is not revoked, whether to vary the period of accreditation.

The provider and the Department of Health are notified of a review audit decision along with the reasons for the decision with a copy of the review audit report. The review audit decision and the review audit report are also published on the Quality Agency’s website.

In 2017–18 we conducted 72 review audits. We found non-compliance against the standards in 67 of these audits. We also made 12 decisions to revoke accreditation.

Please refer to Table 2 for a state-by-state breakdown of review audits undertaken.

Referrals

In 2017–18 we received 1,954 referrals from the Department of Health and the Aged Care Complaints Commissioner. We also received 1,888 intelligence reports from state government public health units, often in relation to outbreaks of infections. We received 964 other items of intelligence, mainly from the public raising concerns directly with us through our national hotline.

Please see Table 3 for details of the sources of referrals for 2017–18.

Table 2: Number of review audits by state for 2017–18

	NSW	VIC	QLD	SA	WA	TAS	ACT	NT	TOTAL
Not to Revoke	7	4	5	5	0	1	0	0	22
Vary	20	6	9	2	0	0	1	0	38
Revoke	12	0	0	0	0	0	0	0	12
Total	39	10	14	7	0	1	1	0	72

Table 3: Source of referrals for 2017–18

Source of referrals	2017–2018
Aged Care Complaints Commissioner	1,020
Department of Health	934
State government public health units	1,888
Public, media, other	3,298
Total	7,140

EXPECTED OUTCOMES NOT MET

We generally conduct site audits on residential services, and quality reviews on home care services, on a three-year cycle.

The following charts broadly indicate performance against the relevant standards for the sector for a three-year period.

Figure 2: Residential aged care services

Expected outcomes not met in a three-year period ended 30 June 2018

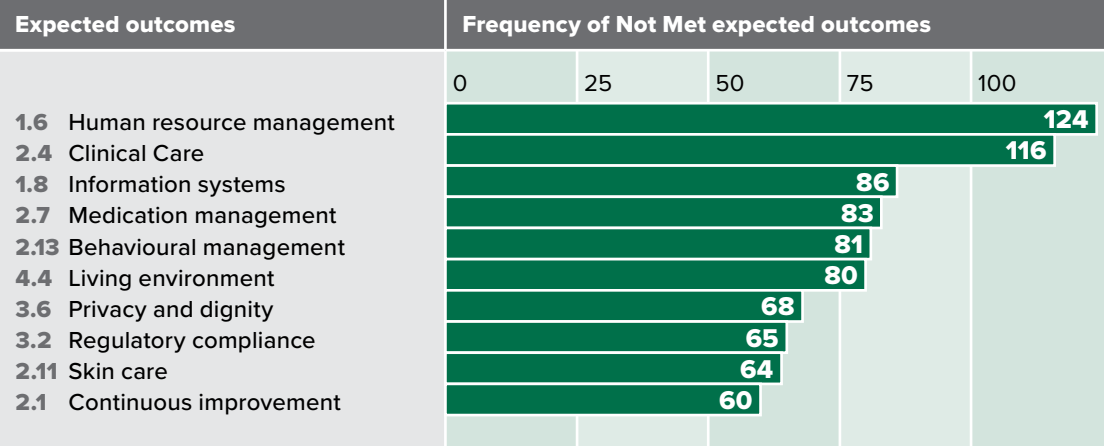


Figure 3: Home care services

Expected outcomes not met in a three-year period ended 30 June 2018

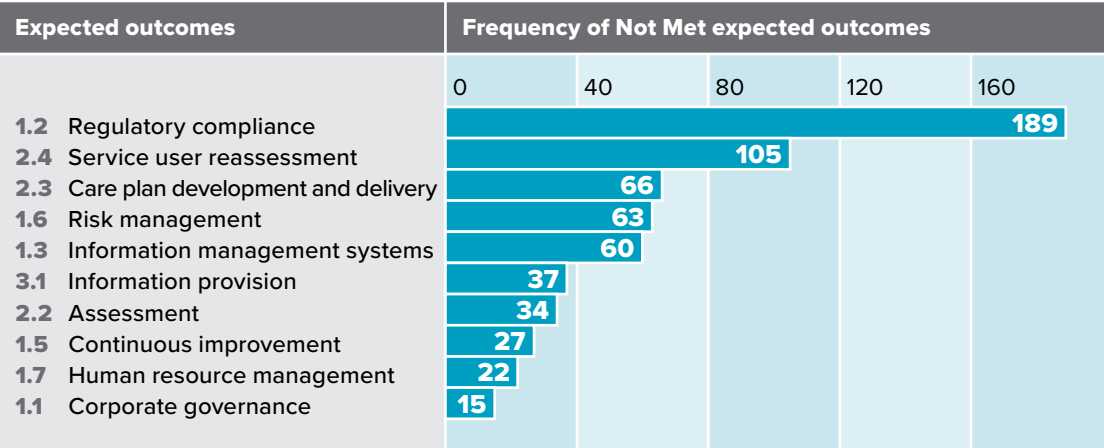
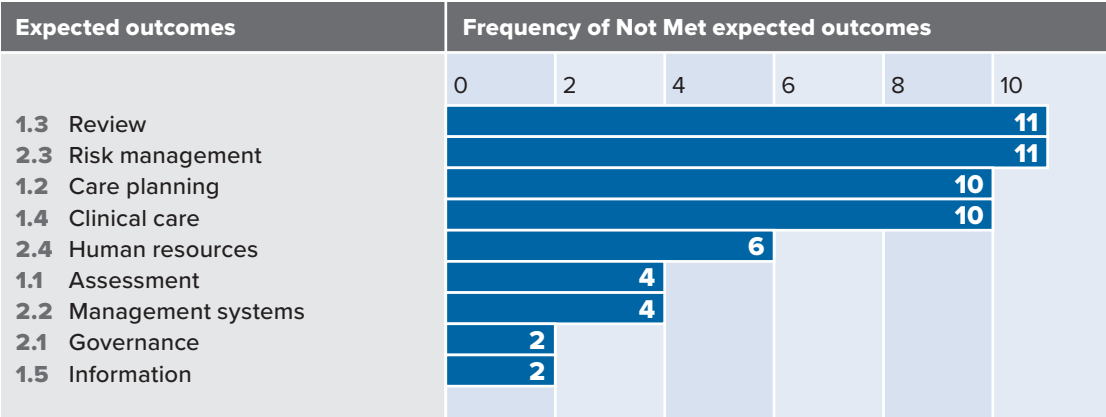


Figure 4: National Aboriginal and Torres Strait Islander flexible aged care services

Expected outcomes not met in a three-year period ended 30 June 2018



DEALING WITH NON-COMPLIANCE

If we find an approved provider has failed to meet the applicable standards, we will let both the provider and the Department of Health know, including any areas in which improvements must be made to meet the standards within a prescribed timetable.

The provider must revise their plan for continuous improvement as we have directed. If a provider of a residential care service fails to meet the expected outcomes within the timetable set out for improvement, we may undertake a full review audit of the service.

In 2017–2018, 209 residential aged care services were placed on a timetable for improvement (TFI). At the end of the TFI, we were satisfied that the level of care and services provided through 147 of these services complied with the Standards. This includes services that were on an existing TFI prior to start of the financial year.

Eight services did not resolve all ‘not met expected outcomes’ by the end of the TFI.

In 2017–2018, 69 home and community care services were placed on a TFI. At the end of the TFI, we were satisfied that the level of care and services provided through 47 of these services complied with the Standards. This includes services that were on an existing TFI prior to start of the financial year.

Twenty-three services did not resolve all ‘not met expected outcomes’ by the end of the TFI.

We notify the Department of Health of any non-compliance found at the end of the TFI.

FINDINGS OF SERIOUS RISK

If we identify a failure by an approved provider of a residential, home care or short-term restorative care service to meet one or more expected outcomes of the applicable standards, we must decide whether there is evidence that the failure has placed, or may place, the safety, health or wellbeing of a care recipient of the service at serious risk.

We act promptly to consider the impact of the failure.



When we do make a finding of serious risk, we give the approved provider of the service a written notice outlining the reasons for and evidence of the risk, and also notify the Department of Health. This ensures the approved provider gives prompt attention to rectifying the risk to care recipients.

In 2017–2018, there were 61 findings of serious risk in residential aged care services, and zero findings of serious risk in home care services.

Please refer to Table 4 for a breakdown of serious risk findings by state.

Information regarding serious risk decisions are published on the Quality Agency’s website.

CONSUMER EXPERIENCE REPORTING

As noted in last year’s annual report, we introduced the CER in 2017. The CER uses a rigorous methodology to ensure we publish a representative view of residents about their experiences. The CER uses structured interviews during our site audits, the results of which we then publish on our website with the site audit report. In 2017–18, we conducted 1,009 site audits where we also published CER results.

Where a service has a lower number of care consumers, we may be unable to publish the results. Nevertheless, such results may be useful for the provider as feedback on their service. In 2017–18, there were 41 CER results which we released to providers but did not publish on our website.

On occasions where the number of residents is very small, we may not be able to provide the results to approved provider without identifying the respondents. In 2017–18, we received 33 CER results which we did not release to the approved provider.

In all cases, however, we use the feedback and results from our interviews with care consumers to assist in gathering evidence to assess performance of the service. Accordingly, we may use the structured interview tool at any time when we have contact with service providers or care consumers.

Additional information on CER can be found in Table 5.

Table 4: Findings of serious risk in residential care services by state for 2017–18

	NSW	VIC	QLD	SA	WA	TAS	ACT	NT	TOTAL
Residential Serious Risk findings	43	4	10	1	2	0	1	0	61

Table 5: CER releases 2017–18

	CERs not distributed or published due to low random interview numbers <sup>2</sup>	CERs released to approved providers	CERs published to the website
Percentage of 1,083 CERs conducted nationally	3.0%	97.0%	93.2%

2 Note, low interview numbers can be due to a home not having enough residents to meet guidelines for release to the approved provider or for publication.





## CASE STUDY

### SUPPORTING CONSUMER CHOICE THROUGH TRANSPARENT INFORMATION: EXPANDING REPORTING INTO HOME AND COMMUNITY CARE

Following the successful launch of Consumer Experience Reporting (CER) in residential aged care in May 2017, we have been expanding the use of CERs into the home and community care sector.

In collaboration with a research team from La Trobe University, we explored:

- ▶ what drives **consumer choice** in selecting a home or community care provider
- ▶ what consumers seek in terms of **service quality** (in various settings and in the ways care is delivered).

We also drew on other work in the sector around consumer preferences for information.

Our assessment of aged care services has always included feedback from care recipients, their family members and their representatives. The aim of this project was to develop a set of

**meaningful interview questions** to ask consumers to help inform reports that:

- ▶ provide transparency on the experiences of current consumers
- ▶ support continuous improvement by service providers
- ▶ provide a useful source of information for potential consumers of home and community care services.

Looking ahead to 2018–19, we will be conducting a pilot program to refine and test a set of questions to capture the consumer experience of care and services in the home and community care sector.

The pilot testing in home care will evaluate the validity, useability and reliability of the draft set of questions, and assist us to determine the most effective method (or mix of methods) for engaging with consumers to seek feedback on their experiences.



A sample Consumer Experience Report.

## REGULATORY BULLETINS

We launched our *Regulatory Bulletin* in August 2017. The *Regulatory Bulletin* is a targeted communication to assist providers understand how specific requirements and processes fit into the overarching aged care regulatory framework — articulating expectations and underlying reasons for our approach.

The first bulletin covered the process and responsibilities relating to findings of serious risk.

## CONTINUOUS IMPROVEMENT

Under the *Quality Agency Principles 2013*, approved providers must have a written plan that explains how they will comply with their obligations of continuous improvement in relation to the service, under the applicable standards.

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

## DECISION MAKING

The CEO of the Quality Agency delegates statutory decisions to senior members of the staff of the Quality Agency under section 54(1) of the *Australian Aged Care Quality Agency Act 2013*.

The *Quality Agency Principles 2013* provide the framework for our statutory decisions, including matters that must be taken into account when making a decision.

When making statutory decisions, delegates outline the reasons for the decision and evidence considered in making the decision. Decisions are clearly communicated to approved providers and may be published on the Quality Agency website.

Delegated decision makers monitor statutory and internal decision making timeframes to ensure that all timeframes are consistently met.

## RECONSIDERATION

The *Quality Agency Principles 2013* make provisions for reconsideration and review of certain decisions made by us.

An approved provider may request a reconsideration of a decision to:

- ▶ refuse to accredit a commencing service
- ▶ refuse to re-accredit an accredited service or a previously accredited service
- ▶ decide the period of accreditation of an accredited service or a previously accredited service
- ▶ revoke the accreditation of an accredited service following a re-accreditation site audit or a review audit
- ▶ vary the period of accreditation of an accredited service following a review audit.

A person whose registration as a quality assessor has been cancelled may also request reconsideration of the decision to cancel the registration.

Our CEO may reconsider a decision mentioned above if he is satisfied there is sufficient reason to do so.

A reconsideration decision will either:

- ▶ confirm the decision
- ▶ vary the decision
- ▶ set aside the decision and substitute a new decision.

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

In 2017–2018, we made 1,084 reviewable decisions and were requested to reconsider 21 decisions by the relevant approved providers. Of the 21 requests, 16 decisions were confirmed, one decision was varied and four decisions were set aside and a new decision substituted.

At times, the Quality Agency may also review a decision on its own initiative. One decision in 2017–2018 was reviewed on our own initiative.

## QUALITY ASSESSOR WORKFORCE

### Registration of quality assessors

Our quality assessments are undertaken by registered quality assessors who have:

- ▶ completed a CEO-approved course about aged care quality assessment
- ▶ satisfied a range of other requirements as specified in the *Quality Agency Principles 2013*.

At 30 June 2018 there were 306 registered quality assessors nationally, where:

- ▶ 168 (55 per cent) were employed by the Quality Agency
- ▶ 138 (45 per cent) were external assessors engaged on a contract basis or previous employees of the Quality Agency whose registration remains current.

In 2017–2018 we made one decision to refuse re-registration of a quality assessor.

Of the 306 registered quality assessors, 155 (51 per cent) had nursing qualifications and experience. Allied health professionals are among the other registered quality assessors.

### Continuing professional development

Quality assessors are required to undertake a minimum of 15 hours of relevant training each year they are registered. At least 10 of the 15 hours are required to be training provided by the Quality Agency.

In 2017–2018 we made available a total of 26 hours of training to each quality assessor through Continuing Professional Development (CPD) workshops. Three full day sessions were held in August 2017, February 2018 and June 2018, with half-day sessions in December 2017 and April 2018.

The CPD program aims to:

- ▶ develop quality surveyor skills and knowledge and maintain currency related to industry environment and government policy agenda
- ▶ contribute to the annual 15 hours of professional development required to be undertaken by all quality assessors to maintain their registration.

## COMPUTER ASSISTED AUDIT TOOL

Our Computer Assisted Audit Tool (CAAT) was launched in June 2017 by Minister Wyatt and is now used during the site audit of services to capture structured evidence from interviews, observations and document reviews to better enable the Quality Agency to understand and respond to risk.

We have continued to refine the tool over the past 12 months to ensure it supports assessment teams to methodically record evidence against the Standards, as well as making more detailed observations of care settings.



# OUR EDUCATION AND ENGAGEMENT ACTIVITIES

## EDUCATION PROGRAMS

Our education and engagement function directly contributes to supporting the sector to improve performance against the standards and outcomes for consumers.

In 2017–18 we conducted information sessions, education and training for **more than 4,400 participants**. Our education program has included:

- ▶ delivery of the Better Practice Conference and Awards designed to promote and celebrate sector innovation, better practice and continuous improvement
- ▶ delivery of courses for the sector on accreditation and quality review to address our regulatory functions and explore assessment of performance against the applicable standards
- ▶ targeted compliance assistance education for services that need it most
- ▶ making Qassist learning resources available for service providers to use with staff to support their understanding of quality assessment and consumer focused care and services
- ▶ supporting regulatory campaigns in serious risk, infection control and unannounced re-accreditation for residential aged care
- ▶ working with and actively seeking feedback from the sector to inform education program needs
- ▶ collaborating with the Department of Health to provide support and information to the sector via aged care provider webinar sessions.

## REGULATORY CAMPAIGNS — RESPONDING TO GOVERNMENT AND SECTOR-WIDE RISKS

### Serious risk and infection control

Serious risk, infection control and outbreak management came into the spotlight following critical incidents in aged care services in August 2017. We worked with infection control experts to offer information sessions to the sector in an effort to promote evidence-based best practice infection control and outbreak management. Five sessions were promoted and 260 people registered to attend nationally.

We undertook an assessment contact with all accredited residential aged care services by conducting a national survey of infection control practices from October 2017 to February 2018. The survey had a high response rate with more than 96 per cent of providers responding. The report outlining the survey results was published on our website in April 2018.

We also explained our legislative function in relation to the consideration of serious risk where there is failure. This information session was held at our Sydney office and recorded for our YouTube channel.



Unannounced re-accreditation audits

The *Quality Agency Principles 2013* were amended in March 2017 to provide for unannounced re-accreditation audits for residential aged care services. To support the sector prepare for this change, we provided information and resources including:

- ▶ 21 sessions attended by 850 people nationally
- ▶ a webinar that attracted 660 registrations, with a recording available on our YouTube channel.

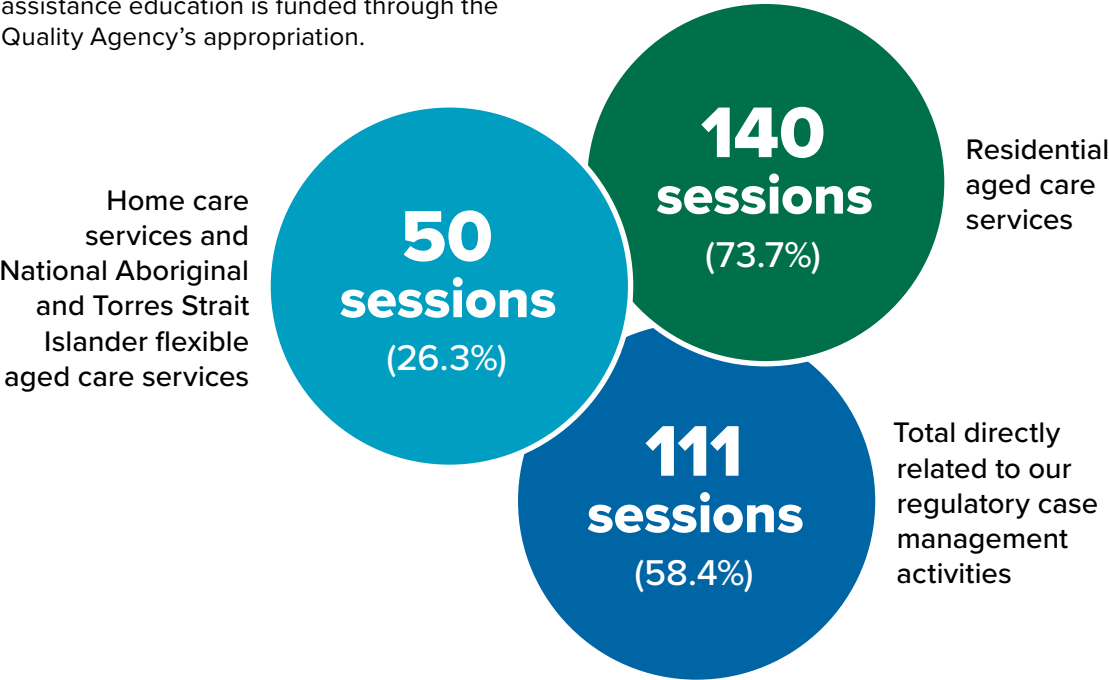


Online webinar to support our education program delivery.

Compliance assistance education

Compliance assistance education provides tailored and targeted education sessions related to the applicable standards, quality principles, continuous improvement and the accreditation and quality review processes to those services that need it most. Compliance assistance education is funded through the Quality Agency’s appropriation.

We delivered compliance assistance education sessions to 190 services across Australia. Of the 190 sessions, 111 were directly related to our regulatory case management activities.



## COURSES AND WORKSHOPS

Our courses and workshops help us engage with the sector in performance assessment and continuous improvement.

### Core training programs

Our core training programs focus on the applicable standards and quality assessment processes. They provide an understanding of

what is required to meet the applicable aged care standards and our regulatory approach to accreditation and quality reviews.

Both of our courses continue to be extremely well subscribed nationally. During 2017–18 we delivered:

- ▶ 49 *Understanding Accreditation* courses attended by 670 participants
- ▶ 18 *Understanding Quality Review* courses attended by 215 participants.

### Participant feedback

“I thoroughly enjoyed the course and as a new provider for home care I am feeling that I have a better understanding of the quality review process and what is required.”

“The content and exercises were well suited to bring the standards into the real world practical application.”

“The training clarified for me many issues: self-assessment process, plan and evaluation process of continuous improvements, risk assessment issues — objectives, monitoring and evaluation and many more.”

“I left feeling less overwhelmed and focused on what is needed to successfully get through a quality audit process and move the business in the right direction.”

### Other workshops

We also offered 27 other workshops, which were attended by 378 participants. The workshop topics were:

- ▶ *Making the most of complaints*
- ▶ *Consumer directed care and the home care standards*, delivered in partnership with Home Care Today
- ▶ *Focus on diversity*, delivered in partnership with the Centre for Cultural Diversity in Ageing.

## INFORMATION AND RESOURCES

### Supporting the sector to transition to the new Aged Care Quality Standards

We have developed new information and resources on the new Aged Care Quality Standards. We will be reviewing all our current courses, information and resources to align with these new Standards and making these available for the transition period. We will also provide information sessions, webinars and other resources such as fact sheets and videos from July 2018.

We have partnered with Council on the Ageing (COTA) Queensland to develop and deliver a workshop on *Enhancing consumer engagement* which will be launched in July 2018.

### Qassist

Qassist provides learning resources to support our compliance assistance education. We encourage aged care service providers to use Qassist to support their staff learning and development needs. We also make these resources freely available on the Quality Agency website for sector use.

This year we published a new module on *Undertaking self-assessment*, which was released as part of the sector campaign on unannounced re-accreditation audits for residential aged care. This module is relevant for both home and residential aged care.

### Qassist feedback

“The Using consumer feedback module has been presented to all three homes in the group with excellent attendance from staff. Evaluation of the sessions identified that staff were more involved, they interacted throughout the session and provided feedback during and after the session. Staff really enjoyed the sessions. They stated:

- ▶ they had a better understanding of the importance of gaining feedback from care recipients and representatives and the further impact of not taking these on board
- ▶ they had the skills and were more confident if they received negative feedback from care recipients and representatives
- ▶ they felt like they now had the skills to express feedback when there was a need.

[The modules] are easy to adapt to the home’s policies and procedures. I changed the printed scenarios to make them more specific to areas already identified at the home through the comments and complaints system.”

—on behalf of staff at Hope Aged Care.



## PROMOTING BETTER PRACTICE

### Better Practice Conferences

Five Better Practice Conferences were held during 2017–18, with more than 950 delegates attending.

Held in Melbourne, Adelaide, Sydney, Brisbane and Perth, the conference theme was, 'Rethinking Aged Care — Discover, Connect, Create'. This theme explored opportunities and challenged providers to consider what is needed to deliver on expectations about the quality of care and services in aged care.

Keynote speakers included:

- ▶ **Dr Allen Power**, Schlegel Chair in Ageing and Dementia Innovation — Schlegel — University of Waterloo Research Institute for Ageing in Ontario, Canada
- ▶ **Kate Swaffer**, Chair, CEO and Co-founder of Dementia Alliance International and a member of the World Dementia Council and Inaugural Chair of Alzheimer's Australia Dementia Advisory Committee and Australian of the Year, South Australia (2017)
- ▶ **Kate Fulton**, Consultant — WAIS Western Australia Individualised Services, AVIVO: Live Life and Centre for Welfare Reform, UK.

### Better Practice Awards

Our annual Better Practice Awards program recognises projects, initiatives or programs that act as exemplars for other aged care service providers and encourages continuous improvement to care and services. Selection criteria include a focus on quality of care and quality of life outcomes for consumers.

In 2017 we introduced a higher tier to the Better Practice Awards — the 'National Innovation and Excellence in Aged Care' award — designed to celebrate those providers who are industry leaders in aged care and worthy of both national and international recognition in aged care practice.

**In 2017, we introduced a higher tier to the Better Practice Awards — the 'National Innovation and Excellence in Aged Care' award**

Up to five of these awards will be offered nationally each year, in addition to our Commendation awards. These awards will retain a clear focus on quality and safety for consumers, as in previous years.

Nominations for Better Practice Awards are assessed by an expert independent panel against the selection criteria and recommendations are made to our CEO for endorsement. The independent panel includes a representative from the Aged Care Quality Advisory Council.

In 2017 there were 39 Better Practice Award winners. These included two inaugural winners of the 'National Innovation and Excellence in Aged Care' award:

- ▶ Bushland Health Group Limited (NSW) — Palliative Approach — Nurse Practitioner Model
- ▶ Resthaven Incorporated, Community Services (SA) — Wellness and Reablement in Home Care.

Many of the winners have been invited to speak at our 2018 National Better Practice for the Future Conference to share their award-winning projects, initiatives and programs.

Full profiles of the award winners, past and present, are published on our website.

## CASE STUDY

### ENHANCING PALLIATIVE CARE

#### National Innovation and Excellence in Aged Care Winner at the Better Practice Awards 2017

Bushland Health Group's unique palliative care program, *Palliative Approach — Nurse Practitioner Model*, won the inaugural National Innovation and Excellence in Aged Care Award for their innovative practices in aged care.

Since the award, the program has deservedly received widespread recognition.

Bushland Health Group's program enhances palliative care services across their residential aged care services with strategies such as an advance care plan detailing care goals with residents, carers and families, and a 'grief debrief' for staff and volunteers. They have also introduced an annual remembrance service for relatives to attend, and an after-death review to identify where areas of palliative care could be improved.

Director of Care at Bushland Health Group, Bernadette Burke, says the program has attracted strong interest.

"We all shared a sense of achievement and pride when the Quality Agency recognised staff and residents' involvement in our program," says Bernadette.

"News spread quickly in our local community and we have been busy since."

Bernadette has also been providing advice and assistance to others interested in applying for an award.

"Being a regional community-based provider has given others the belief that the awards recognise excellence no matter how big or small an aged care provider you are," says Bernadette.

"We made connections to our local Push for Palliative Community Action group, who are desperately seeking funding for a locally-based palliative care specialist. We believe we can support one another as we share the same goal of a dignified death for those in our community."



Pictured from left: Sharyn Speakman, Nurse Practitioner and Sue Chevill, staff member who made and donated the 'Pal Care Quilt'.

"Health professionals such as nurse practitioners and post-graduate students in palliative care have expressed interest in completing clinical hours at our service," explains Bernadette.

"Our GP community continue to sing our praises with their patients. For our local health service and hospital, this award was validation of the efforts we have made to reduce our hospital transfers and the Aged Care (ACE) team acknowledged our achievement through their forums."

# CASE STUDY

## INCREASED FOCUS ON WELLNESS

### National Innovation and Excellence in Aged Care Winner at the Better Practice Awards 2017

South Australia’s Resthaven Incorporated, won the inaugural National Innovation and Excellence in Aged Care Award for their innovative home care program, *Wellness and Reablement in Home Care*.

With over 20 years’ experience in community services and supporting older people to self-manage chronic conditions, Resthaven has consistently demonstrated a strong commitment to wellness and reablement.

However, with the introduction of the Commonwealth Home Support Programme in 2015, Resthaven took the opportunity to review its community services offering to increase the focus on wellness and reablement in a home care setting.



A participant in Resthaven Incorporated’s program.



Participants in the Wellness and Reablement in Home Care.

In developing the new program, Resthaven reviewed all aspects of its community services in partnership with stakeholders and refined its service model. This involved a significant culture change from ‘doing for’ to ‘working in partnership with’ consumers within their home care program.

Resthaven’s Chief Executive Officer, Richard Hearn, says the new program focuses on goal setting with each person and wellness strategies which support people to maintain or regain their independence.

“This award, for innovation and excellence in our approach to wellness and reablement in the home, reflects the genuine intent of our staff, as they work in partnership with those older individuals who have invited them into their homes with the goal of maintaining their quality of life,” says Richard.

“Evaluation of this program has shown that consumers who take part in this program are achieving improved levels of independence, with less reliance on services.”





COMMUNICATIONS ACTIVITIES

Strategic Communications and Stakeholder Engagement Plan

In May 2018, we adopted a *Strategic Communications and Stakeholder Engagement Plan* to provide a framework for our internal and external communication and stakeholder engagement activities.

In delivering the plan, a number of key activities have occurred including the reformatting of our website homepage to provide more visibility of our news, broader promotion of our *Quality Standard* newsletter to encourage user subscription, and greater consistency in staff engagement activities including regular ‘Conversations that Matter’ events and regular staff update messages from the CEO.

Quality Agency EL1 and EL2 managers have increased their sharing of key messages with staff following more regular National Leadership Team meetings.

A new staff intranet was also delivered to keep staff better informed of news and important information.

More information about staff engagement activities can be found on page 67.

Quality Standard

Our newsletter, *Quality Standard*, is distributed monthly via email and is also available on the Quality Agency website. At 30 June 2018, *Quality Standard* had more than 11,000 subscribers.

*Quality Standard* promotes quality of care for older Australians in residential aged care and those receiving home care services. It features articles on our regulatory work, education program, major events, and news on the latest research and resources available from across the sector.

Subscription to *Quality Standard* is free.

*Quality Standard* reaches 11,000 subscribers.







# ANNUAL PERFORMANCE STATEMENTS

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# OUR FINANCIAL PERFORMANCE

## FINANCIAL ACTIVITIES SUMMARY

### Operating results

The Quality Agency returned a surplus before depreciation of \$9,507 against a break even position for the financial year and a total net deficit of \$1,030,706 against a targeted net deficit of \$1,370,000.

### Operating revenue

The total operating income was \$42,886,004 and consisted of:

- ▶ government appropriations of \$27,285,000
- ▶ sales of goods and rendering of services of \$15,436,614
- ▶ other revenue of \$164,390.

### Operating expenses

Total operating expenses were \$43,916,710 and consisted of:

- ▶ employee benefits of \$27,238,731
- ▶ supplier expenses of \$15,621,926
- ▶ depreciation and amortisation of \$1,040,213
- ▶ finance and other costs of \$15,840.

## BALANCE SHEET

### Net asset position

The net assets at 30 June 2018 were \$18,706,290 (compared to \$18,563,996 at 30 June 2017).

### Total assets

Total assets at 30 June 2018 were \$33,185,708 (compared to \$30,792,849 at 30 June 2017).

Financial assets increased by \$1,556,507 from the previous year. This is predominantly due to an increase in departmental annual appropriations receivable, which the Quality Agency has not yet drawn down.

### Total liabilities

Total liabilities at 30 June 2018 were \$14,479,418 (compared to \$12,228,854 at 30 June 2017). The change is predominantly due to an increase in:

- ▶ unearned revenues (\$1,477,070 — as a result of accreditation fees paid in advance)
- ▶ supplier payables (\$388,314 — as a result of accruals for un-invoiced services)
- ▶ employee provisions (\$371,197 — due to increased staffing levels).

## PURCHASING

All purchasing is carried out in line with the requirements of the Commonwealth Procurement Rules, as detailed in the Chief Executive Instructions and financial policies and procedures, and in keeping with the core principles of value for money, ethical, efficient, effective and economical conduct. Templates covering all aspects of purchasing and approval are maintained and used consistently. All procurements in excess of \$10,000 are reported in AusTender.

# OUR OUTCOMES AND PROGRAM STRUCTURE

This section covers our performance against the outcome and program's framework and performance information set out in the *Portfolio Budget Statements 2017–2018*.

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements.

Entities are required to identify the programs that 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 aged care through the accreditation of aged care services in residential settings, the quality review of aged care services provided in the community and the provision of quality information to consumers, as well as the provision of information, education and training to aged care providers.

## Outcome 1 Delivery

Ensuring high quality care for persons receiving Australian Government subsidised aged care through efficient and effective delivery of services under the *Australian Aged Care Quality Agency Act 2013* and in accordance with the *Quality Agency Principles 2013*:

- ▶ Accredit residential aged care services.
- ▶ Quality review aged care services provided in the home and community.
- ▶ Monitor compliance with the applicable standards.
- ▶ Promote high quality care and innovation through sector engagement, information and training.
- ▶ Publish performance information on the quality of care and services.
- ▶ Maintain a register of quality assessors.

## OUTCOME EXPENSE STATEMENT

Refer to the Annual Financial Statements on page 79.





# PORTFOLIO BUDGET STATEMENTS

## OUTCOMES AND PLANNED PERFORMANCE

### Performance criteria

- A. Ensuring high quality care for persons receiving Australian Government subsidised aged care through the efficient and effective delivery of services under the *Australian Aged Care Quality Agency Act 2013* and in accordance with the *Quality Agency Principles 2013*.

**Table 6: Performance against the Portfolio Budget Statement 2017–18**

	2017–18 Target	2017–18 Actual	Comment
Percentage of service providers who maintain compliance with the standards for the 12 months following a timetable for improvement decision.	≥ 85%	93.1%	93.1% of services placed on a TFI during 2016–17 maintained compliance during 2017–18.
Percentage of applications for re-accreditation completed within the statutory timeframes.	≥ 92%	100%	100% of site audits were completed within the statutory timeframes.
Percentage of services providing care in the home and community receiving a quality review within the legislated timeframes.	≥ 90%	100%	100% of Quality Reviews were completed within the statutory timeframes.
Percentage of service providers who are satisfied with Quality Agency information, engagement and education.	≥ 80%	98%	Feedback from participants surveyed in all education courses and workshops, including foundation programs and other courses in 2017–18, showed that over 98% of participants who provided feedback either agreed or strongly agreed with the following: <ul style="list-style-type: none"> <li>▶ the aim and learning objectives of the course were met</li> <li>▶ the event improved or reinforced their knowledge/skills.</li> </ul>



# OUR 2017–18 CORPORATE PLAN

Table 7: Performance against the Corporate Plan 2017–18

Focus Area	Our Role	Performance Measure	Result 2017–18
Strategic Priority 1 — Safety and quality			
Regulatory performance	Residential aged care accreditation and quality review of Australian Government subsidised aged care services.	100% of Site Audits completed within statutory timeframes.	Achieved — 100% of site audits were completed within the statutory timeframes.
		100% of Quality Reviews within statutory timeframes.	Achieved — 100% of Quality Reviews within statutory timeframes.
		Implement recommendations from the 2017 ISQua Audit.	Ongoing — Quality Agency has implemented all the recommendations from the 2017 ISQua Audit except one which will be completed 2018–19.
		Implement the recommendations of independent advice the Quality Agency received from the Nous Group.	Achieved — Quality Agency has implemented all applicable Nous recommendations. Some of the recommendations have been superseded by the 2018 Budget measures to achieve greater transparency of quality in aged care.
		Quality Agency achieves its Regulator Performance Framework targets.	Achieved — Quality Agency has published its 2016–17 Regulator Performance Targets.
		Explore options for differentiating aged care service performance under the aged care quality framework.	Ongoing — Discussion paper developed to consider possible models. The government announced funding for 2018–19 to undertake a project to explore differentiating performance.
		Explore options for appointment of specialist assessors and/or introduction of a panel of clinical specialists on which the quality surveyors and decision makers can draw as required.	Deferred — The government announced the creation of the Aged Care Quality and Safety Commission which will include a Chief Clinical Advisor and the implementation of a Clinical Panel.

Focus Area	Our Role	Performance Measure	Result 2017–18
<b>Strategic Priority 1 — Safety and quality (continued)</b>			
<b>Compliance Assistance</b>	Provide information, education and training, and feedback to aged care providers on their performance.	> 85% of service providers who have been on a timetable for improvement maintain compliance with the standards for the following 12 months.	Achieved — 93.1% of services placed on a TFI during 2016–17 maintained compliance during 2017–18.
		Our compliance assistance services are provided to the aged care services of identified need.	Achieved — In 2017–18, the Quality Agency delivered 161 compliance assistance education sessions across Australia: <ul style="list-style-type: none"> <li>▶ 39 sessions (25%) in Home Care services and National ATSI Flexicare</li> <li>▶ 122 sessions (75%) in Residential Aged Care services</li> <li>▶ 111 sessions in total (69%) have been directly related to our regulatory case management activities.</li> </ul>
<b>Quality Surveyor Workforce</b>	Register, manage and develop the Quality Surveyor workforce.	All registered Quality Surveyors have a minimum of 15 hours of Continuing Professional Development.	Achieved — All registered Surveyors received required hours of Continuing Professional Development.
		Conduct a capability audit of Quality Surveyors.	Ongoing — A capability assessment has informed continuing professional development sessions, targeted to improve Surveyor capability. As part of the registration process, Quality Surveyors provide their qualifications and skills.
		Internal audit of a sample of Quality Surveyor assessments.	Achieved — A number of Quality Surveyor assessments were reviewed to determine trends, gaps and inconsistencies.
		Implement education priorities for Quality Surveyors.	Achieved — Continual Professional Development prioritised Serious Risk and evidence collection.

Focus Area	Our Role	Performance Measure	Result 2017–18
<b>Strategic Priority 1 — Safety and quality (continued)</b>			
<b>Compliance Monitoring</b>	Monitor compliance with the relevant standards to ensure care recipients receive a high standard of care.	Unannounced site visits conducted to 100% of residential aged care services.	Achieved — Quality Agency conducted 3,099 unannounced visits including at least one to every residential aged care service.
		Develop and implement an enhanced risk assessment process which includes: <ul style="list-style-type: none"> <li>▶ the characteristics of low, medium and high-risk facilities</li> <li>▶ a broader range of information sources to determine the level of risk.</li> </ul>	Achieved — We monitor risk for the sector at two levels: sector wide risk and individual provider risk. Individual provider risk is assessed through compliance history and performance characteristics, and enhanced information and intelligence. Improved information and intelligence sharing has improved our evidence base and made compliance monitoring more proactive and targeted.
		Enhanced case management approach implemented which includes: <ul style="list-style-type: none"> <li>▶ a compliance monitoring case list</li> <li>▶ process for tailoring the audit plan to address specific risks relating to certain services</li> <li>▶ risk-based resource allocation.</li> </ul>	Achieved — We use a strengthened case management approach to monitor service-level risk and manage regulatory activities and resources.

Focus Area	Our Role	Performance Measure	Result 2017–18
Strategic Priority 1 — Safety and quality (continued)			
Aged Care Reforms	Contribute to the implementation the continuous improvement of regulatory framework.	Develop guidance on requirements for the new standards in consultation with the sector.	Achieved — At the end of the reporting period the Quality Agency has developed guidance which is in the pre-publication phase of plain English editing.
		Providers are given additional information about the process and requirements of new standards.	Ongoing — Information on the new standards requirements has been regularly updated on the Quality Agency website, and communicated through webinars, seminar presentations. This work is ongoing in the transition year to July 2019.
		As applicable, action government’s response to reviews of aged care regulatory framework.	Achieved — Unannounced re-accreditation audits implemented from 1 July 2018 following government’s initial response to the Review of National Aged Care Regulatory Processes 2017.
		Act on > 98% of referrals from the Department of Health and the Aged Care Complaints Commissioner within the agreed timeframes.	Achieved — There have been significant increases in the number of referrals from the Department of Health and the Aged Care Complaints Commissioner. The Quality Agency has continued to meet the response times under the MOU.
Strategic Priority 2 — Partnerships			
Co-regulator Coordination and Collaboration	Work with our co-regulators to ensure a seamless regulator model with consistent and coherent outcomes for care recipients.	Evidence of effective and targeted stakeholder engagement (CRM).	Ongoing — Enhancements to information sharing processes has increased the number of referrals to the Quality Agency from co-regulators.

Focus Area	Our Role	Performance Measure	Result 2017–18
Strategic Priority 2 — Partnerships (continued)			
Stakeholder Engagement	Promote high quality care and service provider performance through education, training and compliance assistance.	≥ 4 Quality Agency <i>Regulatory Bulletins</i> published.	Ongoing — <i>Regulatory Bulletin</i> on Serious Risk issued. Regulatory communication also provided on risk-based regulation, unannounced re-accreditation audits.
		> 80% of service providers are satisfied with Quality Agency information, engagement and education.	Achieved — Feedback from participants surveyed in all education courses and workshops, including foundation programs and other courses in 2017–18 shows that over 98% of participants who provided feedback either agreed or strongly agreed with the following: ▶ The aim and learning objectives of the course were met ▶ The event improved or reinforced their knowledge/skills.
		Improve or maintain <i>Quality Standard</i> reach and readership.	Achieved — The <i>Quality Standard</i> readership has continued to increase. Increased from 7,861 at end of 2016–17, to 11,364 at 30 June 2018.
		Evidence of increased consumer participation in structured interviews.	Achieved — 15,469 residents or their representatives participated in a structured interview with the Quality Agency in 2017–18.
		Publish 100% of audit reports and accreditation decisions within the statutory timeframe.	Achieved — 100% of audit reports and decisions were published in the statutory timeframes.
Strategic Priority 3 — Consumer Choice			
Performance information	Publish performance information on the quality of care and services.	Evidence of increasing access of Consumer Experience Reports.	Achieved — Consumer Experience Reports were accessed 9,239 times via the Quality Agency’s website
		Increase publication of Quality Agency regulatory actions following a finding of non-compliance.	Achieved — The Quality Agency has a new initiative to publish notices for residential services which had Serious Risk. In 2017–18 there were 26 Serious Risk Notices published to the Quality Agency’s website.
		Publish quarterly regulatory performance data.	Working towards — Review of performance report and publication requirements commenced.



Focus Area	Our Role	Performance Measure	Result 2017–18
<b>Strategic Priority 4 — Corporate</b>			
<b>Resource Management</b>	Manage resources in accordance with the PGPA Act 2013 and the <i>Public Service Act 1999</i> .	Financial result is within 0.5% of budget.	Achieved — Financial result was break even with a 0% variance to budget. Refer to financial reporting results.
		Workforce plan to continuously improve workforce engagement and innovation.	Ongoing — Change Manager appointed and staff engagement strategy implemented. Strategic Communications and Engagement Plan in place to support enhanced internal communications including a new staff intranet being developed.
		Deliver EL1 development priorities.	Ongoing — A APS6-EL1 Leadership and Management Development Program has been developed to support building and sustaining strong leadership throughout the Quality Agency.
	Invest in Information Technology solutions to deliver our services more efficiently.	Upgrade the Better Business Program.	Ongoing — Work is progressing to upgrade the Better Business Program in preparation for the implementation of the new standards.
		Integrate Consumer Experience Report into CAAT.	Achieved — At the end of the reporting period the Consumer Experience Report for CAAT has been developed and full implementation will be completed in 2018–19.
		Develop a suite of reports to support sector performance reporting and risk analysis.	Working towards — A performance report has been developed. A budget announcement to develop a software solution to enable better risk analysis has been funded for 2018–19.

# OUR 2017–18 ENTITY RESOURCE STATEMENT

		Actual available appropriation 2017–18 \$'000 (A)	Payments made 2017–18 \$'000 (B)	Balance remaining 2017–18 \$'000 (A) – (B)
<b>Ordinary annual services</b>				
Departmental appropriation				
Prior year departmental appropriation		5,638	5,638	–
Prior year departmental capital budget		–	635	–
Departmental appropriation	Note 1	27,285	17,512	9,773
Departmental capital budget	Note 2	1,173	1,000	173
S74 Retained revenue receipts	Note 3	17,320	17,320	–
<b>Total ordinary annual services</b>		<b>51,416</b>	<b>41,470</b>	<b>9,946</b>
<b>Other services</b>				
Departmental non-operating				
Prior year equity injection	Note 4	18,496	758	17,738
<b>Total other</b>		<b>18,496</b>	<b>758</b>	<b>17,738</b>
<b>Total ordinary annual and other services</b>		<b>69,912</b>	<b>42,228</b>	<b>27,684</b>

Note 1 *Appropriation Act (No. 1) 2017–18.*

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*.

Note 4 *Appropriation Act (No. 4) 2016–17.*



# MANAGEMENT AND ACCOUNTABILITY

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# OUR CORPORATE GOVERNANCE

Our governance framework provides the context within which we operate to achieve our objectives, ensuring transparent, ethical and accountable evidence-based decision making, and to effectively manage risk and stakeholder relationships.

We are governed under the *Australian Aged Care Quality Act 2013* (the Act). Under the Act, the Chief Executive Officer (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.

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 the Executive Leadership Team (ELT) to assist in ensuring effective operational governance.

## PORTFOLIO STRUCTURE

We are an Australian Government statutory authority within the Health portfolio. Mr Nick Ryan is our CEO.

## EXECUTIVE LEADERSHIP TEAM

The ELT provides strategic, whole-of-organisation leadership to the Quality Agency. The ELT ensures effective decision making, management and oversight of its operations and performance. The ELT meets on a monthly basis.

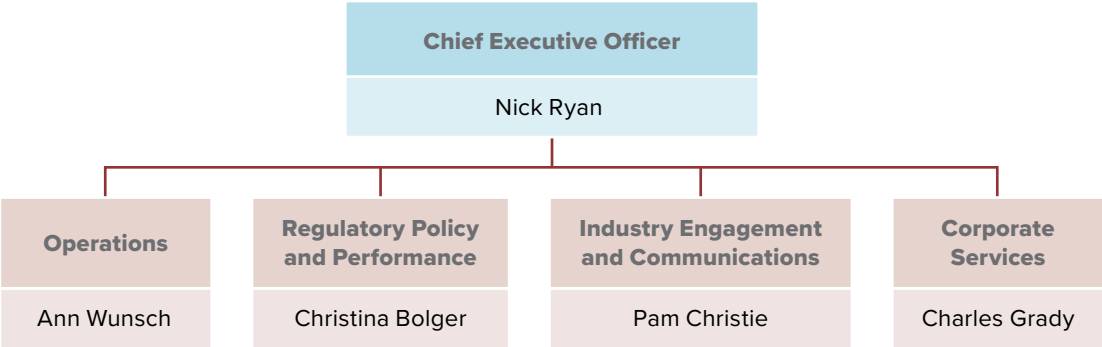
The ELT is comprised of:

- ▶ CEO
- ▶ Executive Director Industry Engagement and Communications
- ▶ Executive Director Operations
- ▶ Executive Director Regulatory Policy and Performance
- ▶ General Manager Corporate Services
- ▶ one State Director representative (currently NSW State Director).

Please refer to Figure 5 for details of our organisational structure.

The biographies of the CEO and Executive Directors can be found on page 59–62.

Figure 5: Organisational structure



**RESPONSIBLE MINISTERS**

For the reporting period the responsible Minister was The Hon Ken Wyatt AM, MP, Minister for Aged Care and Minister for Indigenous Health.

**AUDIT COMMITTEE**

In accordance with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) the Quality Agency has an Audit Committee. The Audit Committee’s function is to report to the CEO on matters relating to compliance with obligations under the PGPA Act, any regulations and Finance Minister’s Orders, providing a forum of communication between the CEO, 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.

Membership 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 and associated regulations. The internal auditor reports their findings to the Audit Committee.



## FRAUD CONTROL

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.

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.

## ENABLING LEGISLATION

Our role and functions are set out in the Act and the associated *Quality Agency Principles 2013*.

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

- ▶ to accredit residential care services in accordance with the *Quality Agency Principles 2013* 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*
- ▶ 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 Health 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 (APS) agency that engages staff under the *Public Service Act 1999* and is subject to the PGPA Act.

# OUR LEADERSHIP TEAM

## PROFILES

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.



Executive team (from left to right): Nick Ryan, Ann Wunsch, Christina Bolger, Pam Christie and Charles Grady.

### Nick Ryan — Chief Executive Officer

Nick Ryan was appointed in April 2014 as CEO of the 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, not-for-profit and church sectors. He is a Fellow of the Australian Institute of Company Directors. He was a Member of the Board of the Australian Children's Education and Care Quality Authority until June 2017.

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

## **Ann Wunsch — Executive Director Operations**

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-government boards of management, providing policy advice to the NSW Government and working within regulatory environments. She 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. She holds a Bachelor of Arts from the University of Sydney.

### **Role**

The Operations Branch is responsible for the effective delivery of accreditation including case management of service providers, home care reviews and education programs and services. This Branch provides the overall leadership and management of approximately 237 staff including state directors. The 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 Regulatory Policy and Performance**

Christina Bolger has extensive experience, having held leadership roles in the APS across policy, regulation and service delivery, with experience in a range of program areas including health, rehabilitation, quality and safety.

Previous leadership roles include Director Scheme Design at Comcare, the Commonwealth statutory authority for Work Health and Safety and Workers' Compensation. Manager of the Workplace Injury Prevention Program, ACT Government (Chief Minister's Department) and Senior Professional Officer, Staff Health and Injury Prevention at Calvary Health Care (ACT).

Ms Bolger has a strong history of collaboration with others to understand problems and look for innovative solutions that can improve outcomes for the community.

Ms Bolger holds a Bachelor of Applied Science (Physiotherapy) (CCHS), a Bachelor of Arts (ANU), a Graduate Certificate in Ergonomics (La Trobe) and an Executive Masters in Public Administration (ANZSOG, ANU).

### **Role**

Lead the Quality Agency programs to support a risk based approach and effective performance of its regulatory functions through:

- ▶ Policy framework for regulatory operations and statutory decisions.
- ▶ Quality assurance and registration of quality assessors.
- ▶ Sector performance reporting and information for consumers on the quality of care and services.
- ▶ Supporting improvement in quality assessment process and regulatory design.





## **Pam Christie — Executive Director Industry Engagement and Communications**

Pam Christie has extensive experience working across a range of government, statutory and senior executive roles in the areas of regulation and education for over 20 years.

Prior to joining the Quality Agency, Ms Christie worked as Executive Director, Regulatory Operations at the Australian Skills Quality Authority with responsibility for leading student-centred reforms to the national regulatory model.

Ms Christie was previously Managing Director of TAFE NSW with responsibility for forging partnerships and driving transformational change across the organisation to position TAFE NSW for success in a more contestable environment.

Throughout her career, Ms Christie has maintained a passion for changing lives and improving outcomes for individuals by accessing the best quality services to meet their needs.

She is a member of the Australian Institute of Company Directors, an Honorary Senior Fellow, L H Martin Institute, University of Melbourne and a graduate of the ANZSOG Executive Fellows Program. Ms Christie holds a Bachelor of Arts (Macquarie University), Diploma of Education (University of Sydney) and Graduate Diploma of Special Education (University of Wollongong).

### **Role**

The Industry Engagement and Communications Branch is responsible for the Quality Agency's communication and engagement with key internal and external stakeholders, including peak bodies, approved providers and other representative groups to ensure the best possible outcomes for people accessing aged care. Functions include delivery of education and engagement activities (including compliance assist, Better Practice and Quality Surveyor Training

programs), management of communications and media engagement, support for staff engagement and change management, provision of secretariat support for the Aged Care Quality Advisory Council and the Quality Agency Liaison Group and a range of corporate planning and reporting functions.

## **Charles Grady — General Manager, Corporate Services**

Charles Grady brings significant experience across state and federal government in business and executive services.

Prior to joining the Quality Agency in 2014, Mr Grady worked in various human service departments in Queensland. He brings significant experience leading and delivering corporate services, executive services, strategic and operational planning within the public sector context.

Mr Grady holds a Bachelor of Commerce degree with majors in Finance and Economics from Bond University.

### **Role**

The Corporate Services 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 APS agency. The key focus of the Branch is to ensure effective cross-agency coordination and partnership with other branches to deliver on its strategic priorities.



# THE AGED CARE QUALITY ADVISORY COUNCIL

The Aged Care Quality Advisory Council (Advisory Council) is established under the *Australian Aged Care Quality Agency Act 2013* to provide advice to the Minister and the CEO in relation to the functions of the CEO as specified in the Act.

Its members are appointed by the Minister for Aged Care.

Functions of the Advisory Council as stipulated in the Part 4 of the *Australian Aged Care Quality Agency Act 2013* are:

- a) on its own initiative, to provide advice to the CEO in relation to the CEO's functions
- b) at the request of the CEO, to provide advice to the CEO in relation to the CEO's functions
- c) at the request of the Minister, to provide advice to the Minister in relation to the operations of the Quality Agency and matters relating to the performance of the CEO's functions.

The Advisory Council consists of a Chair, six members and three ex-officio positions. The council met five times in 2017–18.

Throughout 2017–18, members of the Advisory Council included:

- ▶ Ms Andrea Coote (Chair)
- ▶ Dr Matthew Cullen
- ▶ Dr Dorothy Jones
- ▶ Dr Stephen Judd
- ▶ Mr Paul Sadler
- ▶ Mr Ian Yates AM
- ▶ Ms Maree McCabe
- ▶ Ms Fiona Buffinton (ex-officio) Department of Health (July to November 2017)

- ▶ Ms Catherine Rule (ex-officio) Department of Health (December 2017 to May 2018)
- ▶ Ms Maria Jolly (ex-officio) Department of Health (May to June 2018)
- ▶ Ms Rae Lamb (ex-officio) Aged Care Complaints Commissioner
- ▶ Mr Nick Ryan (ex-officio) Australian Aged Care Quality Agency.

During 2017–18 the Advisory Council:

- ▶ promoted the work and vision of the Quality Agency to increase consumer confidence
- ▶ provided advice to assist the Quality Agency implement aged care sector reforms following release of the *Review of National Aged Care Quality Regulatory Processes*
- ▶ worked with the Quality Agency to identify trends and risks in non-compliance with the quality standards
- ▶ undertook a review to identify opportunities to reduce red tape, and to promote openness, transparency and accountability of operations of the Quality Agency
- ▶ hosted provider roundtable events (Ms Andrea Coote, Advisory Council Chair)
- ▶ participated in the judging process of the Better Practice Awards (Dr Dorothy Jones on behalf of the Advisory Council)
- ▶ participated in taskforce meetings to oversee establishment of a new and independent Aged Care Quality and Safety Commission (Ms Andrea Coote, Advisory Council Chair).



Left: Ms Andrea Coote, Aged Care Quality Advisory Council.

# OUR STAFF

## WORKFORCE PLANNING, STAFF RETENTION AND TURNOVER

The size of our workforce varies according to the cyclical accreditation workload. At 30 June 2018, our headcount was 257 of which 241 were full time equivalent.

Of the Quality Agency’s 257 headcount:

- ▶ the average length of service is 6.7 years
- ▶ 79 per cent of staff are female (which is the same as last financial year)

- ▶ leadership roles range from EL1 to SES level and are held by 35 staff, of which 66 per cent are female and 34 per cent male
- ▶ 52 per cent are internal quality surveyors.

Staff turnover increased from the previous 12 months from 9.72 per cent to 14 per cent. There were a total of 36 separations during the reporting year of which:

- ▶ 17 (47 per cent) were from our quality surveyor workforce
- ▶ six (17 per cent) were EL1 or EL2 directors.

Table 8: Workforce planning, staff retention and turnover

Staff	Headcount	FTE
2017–18	257.0	237.4
Ongoing	241.0	220.6
Non-going	16.0	16.8
Agency head	1.0	1.0
SES	3.0	3.0
EL1 and 2	32.0	32.3
APS 1–6	221.0	201.1
Average age	51.0	N/A
Average length of service in Quality Agency (years)	6.7	N/A
Proportion female (per cent)	79%	N/A
Proportion male (per cent)	21%	N/A
Proportion part-time (per cent)	12%	N/A
Staff turnover (per cent)	14%	N/A

**Table 9: Staff by classification/gender/location (FTE)**

Classification	Gender	Divisional Office	NSW	QLD	SA	TAS	VIC	WA	TOTAL
APS3	Female	9.0	3.8	3.0	2.4		3.8	2.2	24.2
	Male	3.0					1.4		4.4
APS4	Female	7.8	3.0	2.0			0.9		13.7
	Male	2.0		1.0			1.0		4.0
APS5	Female	4.7	1.0	1.8	4.8		6.6	1.0	19.9
	Male	1.0	1.0	1.0			1.5		4.5
APS6	Female	4.7	29.9	21.1	10.0	2.8	29.1	7.0	104.6
	Male	3.0	6.0	5.0	1.0		7.8	3.0	25.8
EL1	Female	5.9	2.0	1.5			1.0	1.1	11.5
	Male	5.0							5.0
EL2	Female	4.0	1.0	1.0	1.0		1.0		8.0
	Male	5.8		1.0				1.0	7.8
SES	Female	3.0							3.0
Agency head	Male	1.0							1.0
2017–18 Total		<b>59.9</b>	<b>47.7</b>	<b>38.4</b>	<b>19.2</b>	<b>2.8</b>	<b>54.1</b>	<b>15.3</b>	<b>237.4</b>

**Table 10: Staff by classification/gender/employment type (Headcount)**

Classification	Gender	Non-ongoing		Ongoing		TOTAL
		Full-time	Part-time	Full-time	Part-time	
APS3	Female			22.0	5.0	27.0
	Male	1.0		3.0	1.0	5.0
APS4	Female			14.0		14.0
	Male			5.0		5.0
APS5	Female	5.0		15.0	2.0	22.0
	Male			5.0		5.0
APS6	Female	2.0	1.0	94.0	20.0	117.0
	Male	1.0		25.0		26.0
EL1	Female	2.0		9.0	1.0	12.0
	Male	1.0		4.0		5.0
EL2	Female	1.0		7.0		8.0
	Male	2.0		5.0		7.0
SES	Female			3.0		3.0
Agency head	Male			1.0		1.0
2017–18 Total		<b>15.0</b>	<b>1.0</b>	<b>212.0</b>	<b>29.0</b>	<b>257.0</b>

RECRUITMENT

Applicants are assessed on their demonstrated ability, skills, knowledge, experience and qualifications to perform the role. These requirements are in line with the APS Work Level Standards.

We have undergone two quality surveyor recruitment rounds in 2017–18. As a result we have engaged 34 quality surveyors and senior quality surveyors nationally.

We have advertised and filled 20 other nationwide vacancies through APS jobs.

Table 11: Recruitment per state

State	Quality Surveyor / Senior Quality Surveyor
NSW	9
SA	1
VIC	9
QLD	11
WA	3
TAS	1

SALARY RANGES AND ADVANCEMENT

The *Quality Agency’s Enterprise Agreement 2016–2019* details our classification structure and salaries.

The opportunity for salary advancement for employees occurred in the first payroll cycle in January 2018.

LEARNING AND DEVELOPMENT

Our staff are our greatest asset and we continually develop and build their capabilities. We identify individual job capabilities, functions and roles to effectively manage the Quality Agency’s business. Our aim is to have a dynamic and educated workforce that meets our workforce capability requirements now and into the future.

We have continued to provide a wide range of learning and development opportunities to all staff.

We use Learnhub as a core learning platform for induction of the new starters. All new staff are required to complete mandatory learning modules including:

- ▶ APS values and principles
- ▶ Quality Agency workplace health and safety
- ▶ Bullying and harassment
- ▶ Security
- ▶ Privacy awareness
- ▶ Culture awareness.

Along with the mandatory courses for new starters, we continually add mandatory learning modules to ensure we are compliant with regulation. In line with the DC2020 project, we added:

- ▶ Introduction to Digital records
- ▶ Legal requirements: Managing digital information and data
- ▶ Keep it or delete it — making good choices about information.

To support our respectful workplace framework (see Workplace Health and Safety) the ‘Diversity and discrimination’ module has been added to all staff Learnhub profiles.

Employee pursuit of professional qualification continues to be supported. In 2017–2018, 10 staff accessed study assistance and/or study leave, and 25 days of study leave were recorded. There were 48 requests approved for individuals to participate in external learning events including workshops, courses and conferences.

## STAFF ENGAGEMENT ACTIVITIES

### National leadership team

The national leadership team consists of the ELT as well as EL1 and EL2 managers. The group meets quarterly, and as required, to discuss strategic issues impacting the Quality Agency, and to share information, insights and innovation.

### Conversations that Matter

‘Conversations that Matter’ are quarterly staff engagement sessions where members of the ELT meet with staff in each state office to discuss and consult on current priorities, and update staff on emerging issues.

In 2017–18, there were two ‘Conversations that Matter’ sessions.

### New staff intranet

Early in 2018 we developed a new staff intranet to provide staff with better access to information and news. With a geographically dispersed workforce and many staff working in the field, a dynamic and interactive intranet was identified as an important way to effectively communicate with our workforce.

Called eQuality, the new site was developed in collaboration between the Communications and ICT teams. It was due to be launched to staff on 2 July 2018.

## CARER REPORTING

Through its *Carer Recognition Act 2010* (the Carers Act) and the *Carer Recognition Act 2010 Guidelines April 2016*, the Australian Government recognises the contribution made by unpaid carers.

The aim of the Carers Act is to increase recognition and awareness of the role carers play in providing daily care and support to people with disability, a medical condition, mental illness or who are frail and aged. The Quality Agency recognises the need of some of its employees to provide care, support and assistance in the role of carer.

We support the access of carers leave for all employees. Our *Enterprise Agreement 2016–2019* has provisions for carers leave





including flexible working hours, carers leave or access to miscellaneous leave to manage their carer responsibilities.

In the 2017–2018 financial year, 48 per cent of our staff, of which 20 per cent were males, accessed carers leave. There was a total of 602 days taken as carers leave, and 174 of those days were taken by males. We will continue to foster an organisational culture in which carers are encouraged and supported.

## DISABILITY REPORTING

The *Commonwealth Disability Strategy 2010–2020* sets out a 10-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. Reports tracking progress against each of the six outcome areas of the strategy are available at [www.dss.gov.au](http://www.dss.gov.au).

In our national training room we have installed a Hearing Augmentation System to assist those with hearing impairment. We also offer employees reasonable adjustment in the workplace and accessible workplaces.

## ECOLOGICALLY SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL PERFORMANCE

We are committed to the ecologically sustainable development goals of the *Environment Protection and Biodiversity Conservation Act 1999*.

We actively seek to reduce our use of resources and strive to conduct a low impact operation. Where possible, we recycle paper, toner cartridges and use electronic communication.

Our environmental sustainability objectives are:

- ▶ To reduce our paper consumption overall and maintain consumption below 1 million sheets per annum. For 2017–2018, we met our target, with our paper consumption at 877,201 sheets of A4 equivalent paper.

- ▶ To reduce our electricity consumption. Electricity consumption continues to be monitored and reviewed. National kilowatt consumption was almost 360,000 kilowatts per annum.
- ▶ Recycle all paper materials by continuing to supply recycling bins in all of our offices.

Additionally, 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.

## WORK HEALTH AND SAFETY (WHS)

The workers' compensation scheme outlined in the *Safety, Rehabilitation and Compensation Act 1988* (SRC Act) governs employees of Commonwealth and ACT statutory authorities like the Quality Agency. The SRC Act provides rehabilitation and workers' compensation to employees covered by the scheme for a work-related injury.

We are committed to early intervention and providing a rehabilitation system that supports employees' continuance or return to work, which meets our obligations under the SRC Act.

In 2017–18 seven workers' compensation claims were submitted resulting in four claims being accepted and 118.5 days lost due to injury.

The *Work Health and Safety Act 2011* (WHS Act) requires an organisation to ensure the health and safety of all its workers. To fulfil our responsibilities under the WHS Act the Quality Agency has implemented an early intervention policy. The policy outlines our early intervention program which provides support and injury management assistance for all injured or ill employees as soon as possible after an injury or illness occurs. The injury or illness could have been sustained at work or be a non-work related condition, which is impacting the employee's ability to remain at or be engaged at work.

**Comcare identified the Quality Agency's early intervention program as one of the best practice models in the Australian Government.**

There were 28 early intervention cases lodged during 2017–18. The early intervention strategy has provided us with a considerable saving in our workers' compensation premium and has allowed us to manage cases without them requiring to be lodged as workers' compensation claims. Each case is managed in a timely manner, and more importantly, facilitated an early return to work for our employees.

During the Rehabilitation Management System (RMS) audit, Comcare identified the Quality Agency's early intervention program as one of the best practice models in the Australian Government.

We continued to run our flu vaccination program for all our employees, including contractors. During this period we offered employees and contractors access to a vaccination program across each state as well as a generous reimbursement of flu vaccinations from employee's local treating doctor or pharmacy outlet. This program continues to work well and we see an increase each year in participation.

HR Services has reviewed all of its WHS policies and processes in line with the RMS guidelines to determine any gaps in the establishment of its RMS. Our Respectful Workplace Framework was established to embrace and value differences such as age, gender and race in our workplace. This strategy is a part of the Quality Agency's commitment to fostering a diverse and inclusive workplace and to reduce the risk of discrimination occurring.

## INDIGENOUS REPORTING

In March 2015 the government announced a new target of three per cent Aboriginal and Torres Strait Islander representation in the Commonwealth public sector by 2018. To monitor progress against the target, Aboriginal and Torres Strait Islander representation is to be reported.

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

## DIVERSITY

The diversity of our staff is very important to us. We welcome and actively encourage applications from people with disability, people with culturally and linguistically diverse backgrounds, and Aboriginal and Torres Strait Islander backgrounds. We recognise the richness of diverse backgrounds and the unique knowledge these employees can bring to our workplace, policy development and service delivery.

All our employees are required to complete a mandatory online course in relation to Diversity and Discrimination, which is a part of the induction for new starters as well.

Events have been organised to celebrate diversity including:

- ▶ National Aborigines and Islanders Day Observance Committee Week
- ▶ International Day Against Homophobia, Biphobia, Intersexism and Transphobia
- ▶ Celebration of Marriage Equality in Australia.

# EXTERNAL SCRUTINY

## 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 2017–18, no contracts were let that did not require the Auditor-General to have access to the contractor's premises.

## OFFICE OF THE AUSTRALIAN INFORMATION COMMISSIONER DECISIONS

In 2017–18, two Office of the Australian Information Commissioner (OAIC) applications were submitted to the OAIC office on 18 January 2018. The applicant withdrew these applications on 2 February 2018 and the matter was subsequently closed by the OAIC.

## REGULATOR PERFORMANCE FRAMEWORK

The Australian Government's Regulator Performance Framework (RPF) encourages regulators to undertake their functions with minimum impact to achieve regulatory objectives and give businesses and the community confidence that regulators effectively and flexibly manage risk.

Under the terms of the RPF, we are required to self-assess and report against six key performance indicators each financial year. For our second Regulator Performance Self-Assessment we sought feedback from the Aged Care Sector Committee. We received feedback on our ratings as well as

suggestions to improve the types of evidence used to support our self-assessment.

Stakeholders noted the need for the Quality Agency to improve its evidence with respect to its risk-based approach. Our self-assessment, together with the feedback, was published on our website in June 2018.

## PARLIAMENTARY ACCOUNTABILITY

On 26 October 2017, 28 February 2018 and 30 May 2018 we were required to attend the Community Affairs Senate Estimate hearings.

During the reporting period we responded to 39 questions on notice and contributed to Department of Health portfolio questions on notice as requested.

In August 2017 and May 2018 we made submissions to the Senate Community Affairs References Committee Inquiry into the 'Effectiveness of the Aged Care Quality Assessment and Accreditation Framework for protecting residents from abuse and poor practices, and ensuring proper clinical and medical care standards are maintained and practised'. Our CEO appeared before the Inquiry on 21 November 2017. The Committee published an interim report in February 2018 and the Senate granted an extension of time until 28 November 2018 for the final report.

In February 2018, we made a submission to the House of Representatives Standing Committee on Health, Aged Care and Sport Inquiry into the 'Quality of Care in Residential Aged Care Facilities in Australia'. Our CEO appeared before the Inquiry on 5 March 2018. The Inquiry is still open.

## EXTERNAL INDEPENDENT ADVICE

The Quality Agency sought external independent advice regarding the need and opportunity to improve its approaches or processes in light of the concerns arising from the Makk and McLeay units at the Oakden Older Persons Mental Health Service in Adelaide in early 2017.

We engaged Nous Group to provide advice regarding the adequacy of the Quality Agency's accreditation practices and risk management in relation to the re-accreditation audit of Makk and McLeay in February 2016, and more generally with reference to the Oakden Report's findings that there had been long-term systemic issues at the home.

The final report was received by the Quality Agency on 30 July 2017. The Nous Report and the Quality Agency's action plan to address the recommendations of the report were published on the Quality Agency's website. The report was also provided to the *Review of National Aged Care Quality Regulatory Processes*.

A number of measures to strengthen our risk management, quality assessment and compliance monitoring practices have already been introduced as a result of the Nous Report.

## STATE OFFICE FUNCTIONAL REVIEW

We commissioned Workplace Research Associates (WRA) to conduct a review to look at ways of improving the functioning and support provided to our state offices.

To inform the review, WRA visited each of our state offices and conducted interviews with state directors, assistant directors, operations managers and a selection of surveyors available on the day of their visit. They also interviewed the ELT and the Change Manager.

In June 2018, WRA issued a final report with 13 recommendations in relation to aspects of the structure and operations of the state network.

The report will be released to staff in 2018–19.

## 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 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 2017–18, there were no contracts considered exempt from publication in AusTender.

CONSULTANCIES

During 2017–18 three new consultancy contracts were entered into involving expenditure of \$19,750. In addition, four ongoing consultancy contracts were active during the period, involving expenditure of \$421,929. Please refer to Table 12 for additional information on consultancies.

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 PGPA Act and related regulations. Table 13, below, considers consultancy trend data.

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 at [www.tenders.gov.au](http://www.tenders.gov.au).

Table 12: Consultancies

	Number	Expenditure \$000's (GST inclusive)
New consultancies let in the current year	3	19.7
Ongoing active consultancies	4	421.9

Table 13: Consultancy trend data

	2014–15	2015–16	2016–17	2017–18
Number of new contracts	1	4	4	3
Consultancy expenditure \$000's	50.1	140.7	106.9	19.7
Number of ongoing contracts	–	–	1	4
Consultancy expenditure \$000's	–	–	87.3	421.9

PROCUREMENT INITIATIVES TO SUPPORT SMALL BUSINESS

We support small business participation in the Australian Government procurement market wherever possible.

Where whole-of-government travel requirements cannot be met due to remote locations, we seek to book accommodation with local small business accommodation venues.

Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website.

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.





# OTHER ACCOUNTABILITY REPORTING

<b>ISQua ACCREDITATION</b>	<b>74</b>
<b>ADVERTISING CAMPAIGNS</b>	<b>75</b>
<b>FREEDOM OF INFORMATION</b>	<b>75</b>
<b>COMPLAINTS</b>	<b>77</b>
<b>COMCARE</b>	<b>78</b>
<b>CORRECTIONS FROM 2016–17</b>	<b>78</b>

# ISQua ACCREDITATION

We strive to be a best practice regulator and ensure our accreditation framework is consistent with internationally recognised accreditation frameworks. We are accredited by the International Society for Quality in Health Care (ISQua) under their *Standards for External Evaluation Organisations, 4th Edition*. ISQua assesses the standards of organisations that set the benchmarks in healthcare safety and quality.

It is the only organisation that specifically uses health and social care standards.

Our Quality Surveyor Training Program is accredited by ISQua against the *ISQua Surveyor Training Programme Standards, 2nd Edition*.

We participate in the ISQua International Accreditation Program as members of survey teams, surveying other accreditation organisations, standards and surveyor training programs.

As active members of the ISQua Accreditation Council we promote quality improvement in external evaluation programs through sharing and discussion with accreditation bodies across Australia and internationally, and researching evidence-based external evaluation practice.

The Quality Agency's Nick Ryan and Ann Wunsch attended ISQua's 34th International Conference on 1–4 October 2017 in London, presenting a piece titled 'Let's talk about Quality'. The presentations were given at the pre-conference and main conference. They outlined our work on the CAAT and CER.



## ADVERTISING CAMPAIGNS

During 2017–18, the Quality Agency did not conduct any advertising campaigns.

## 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.





# COMPLAINTS

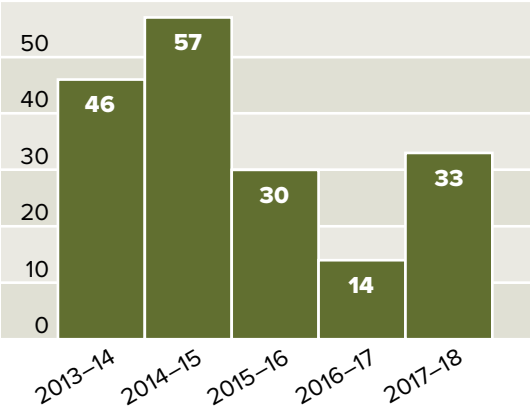
We are committed to the continuous improvement of our own processes and use the feedback provided by our stakeholders, as well as complaints information, to guide improvements.

We received 33 complaints during the year, compared with 14 the previous financial year. We closed 24 complaints during 2017–18.

We are committed to providing a finalised written response within 28 days. On some occasions complaints are complex and require a more thorough investigation. In these cases, we keep the complainant informed about progress.

Complaints are analysed to identify process improvement opportunities and to inform our learning and development programs.

**Figure 6: Number of complaints received per financial year from July 2013 to June 2018**





# COMCARE

The Quality Agency continues to be covered by Comcare in the management of its workers’ compensation liability. In the last financial year we achieved a 50 per cent reduction in our premium due to the number and management of our claims.

# CORRECTIONS FROM 2016–17

Page 3: Reference to ‘Section 70 of the *Public Service Act 1999*’ be removed.

Page 26, Table 4, National ATSI Flexicare as at 30 June 2017: The Australian total of 2,189 should be replaced with 118.



# **FINANCIAL STATEMENTS**



## INDEPENDENT AUDITOR'S REPORT

### To the Minister for Senior Australians and Aged Care

#### Opinion

In my opinion, the financial statements of the Australian Aged Care Quality Agency for the year ended 30 June 2018:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements 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 2018 and its financial performance and cash flows for the year then ended.

The financial statements of the Australian Aged Care Quality Agency, which I have audited, comprise the following statements as at 30 June 2018 and for the year then ended:

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

#### Basis for Opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Australian Aged Care Quality Agency in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Accountable Authority's Responsibility for the Financial Statements

As the Accountable Authority of the Australian Aged Care Quality Agency the Chief Executive 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 – Reduced Disclosure Requirements and the rules made under that Act. The Chief is also responsible for such internal control as the Chief Executive determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive is responsible for assessing the Australian Aged Care Quality Agency's ability to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.



**Auditor's Responsibilities for the Audit of the Financial Statements**

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Josephine Bushell  
Senior Director  
Delegate of the Auditor-General  
Canberra  
31 August 2018



**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 2018 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', with a long horizontal stroke extending to the right.

Nick Ryan  
Accountable Authority

A handwritten signature in black ink, appearing to read 'Kevin Smith', enclosed within a circular flourish.

Kevin Smith  
Director Finance (CFO)

31 August 2018

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ABN 69 605 091 341



# STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000	PBS \$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Employee benefits	2A	27,239	22,960	34,862
Suppliers	2B	15,622	12,846	10,979
Depreciation and amortisation	5A, 5B	1,040	879	1,370
Finance costs		16	16	16
Total expenses		43,917	36,701	47,227
<b>Own-source income</b>				
Sale of goods and rendering of services	3A	15,437	7,382	18,572
Other revenue	3B	162	130	–
Gain/(loss) from sale of assets	3C	2	(4)	–
Total own-source income		15,601	7,508	18,572
Net cost of services		(28,316)	(29,193)	(28,655)
Revenue from Government	3D	27,285	28,317	27,285
Total comprehensive income on continuing operations		(1,031)	(876)	(1,370)

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

# STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Notes	2018 \$'000	2017 \$'000	PBS \$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	4A	1,081	2,986	603
Trade and other receivables	4B	27,871	24,410	25,412
Total financial assets		28,952	27,396	26,015
<b>Non-financial assets</b>				
Property, plant and equipment	5A	1,143	1,273	3,136
Intangibles	5B	2,601	1,350	2,003
Prepayments		489	774	685
Total non-financial assets		4,233	3,397	5,824
Total assets		33,185	30,793	31,839
<b>LIABILITIES</b>				
<b>Payables</b>				
Suppliers		1,957	1,569	514
Unearned revenue	6A	5,229	3,752	5,294
Other payables	6B	125	127	–
Total payables		7,311	5,448	5,808
<b>Provisions</b>				
Employee provisions	11	6,854	6,483	7,404
Other provisions	7	314	298	311
Total provisions		7,168	6,781	7,715
Total liabilities		14,479	12,229	13,523
Net assets		18,706	18,564	18,316
<b>EQUITY</b>				
Contributed equity		19,257	18,084	19,281
Retained surplus/(deficit)		(551)	480	(965)
Total equity		18,706	18,564	18,316

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

# STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2018

	2018 \$'000	2017 \$'000	PBS \$'000
<b>Contributed Equity</b>			
Opening balance as at 1 July	18,084	16,889	18,108
Distributions to owners:			
Return of capital	–	(18,496)	–
Contributions by owners:			
Equity injection — appropriations	–	18,496	
Departmental capital budget	1,173	1,195	1,173
Total transactions with owners	1,173	1,195	1,173
Closing balance as at 30 June	19,257	18,084	19,281
<b>Retained earnings</b>			
Opening balance at 1 July	480	1,356	405
Deficit for the period	(1,031)	(876)	(1,370)
Closing balance as at 30 June	(551)	480	(965)
<b>Total Equity</b>	<b>18,706</b>	<b>18,564</b>	<b>18,316</b>

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

# CASH FLOW STATEMENT

For the period ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000	PBS \$'000
<b>OPERATING ACTIVITIES</b>				
<b>Cash received</b>				
Appropriations		23,150	26,148	21,586
Sale of goods and rendering of services		17,057	9,294	22,457
Other		263	30	–
Net GST received		1,213	1,150	1,014
Total cash received		41,683	36,622	45,057
<b>Cash used</b>				
Employees		(26,858)	(23,070)	(33,509)
Suppliers		(16,329)	(13,572)	(13,220)
Other		–	(16)	–
Total cash used		(43,187)	(36,658)	(46,729)
Net cash used by operating activities		(1,504)	(36)	(1,672)
<b>INVESTING ACTIVITIES</b>				
<b>Cash received</b>				
Sale of property, plant and equipment		9	–	–
Total cash received		9	–	–
<b>Cash used</b>				
Purchase of property, plant and equipment		(514)	(513)	(3,164)
Purchase of intangibles		(1,654)	(946)	–
Total cash used		(2,168)	(1,459)	(3,164)
Net cash used by investing activities		(2,159)	(1,459)	(3,164)
<b>FINANCING ACTIVITIES</b>				
<b>Cash received</b>				
Departmental capital budget		1,758	1,830	3,164
<b>Cash used</b>				
Return of capital		–	(18,496)	–
Net cash from financing activities		1,758	(16,666)	3,164
Net (decrease)/increase in cash held		(1,905)	(18,161)	(1,672)
Cash at the beginning of the period		2,986	21,147	2,275
Cash at the end of the period	4A	1,081	2,986	603

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

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# 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.

## EVENTS AFTER THE REPORTING PERIOD

On 17 April 2018, the Minister for Aged Care, the Hon Ken Wyatt AM, MP, announced the establishment of the Aged Care Quality and Safety Commission, which will oversee aged care regulation, compliance and complaints handling. The new agency, launching on 1 January 2019, will bring together the Australian Aged Care Quality Agency, the Aged Care Complaints Commissioner and from 1 January 2020 the aged care regulatory arm of the Department of Health.

At the end of the reporting period processes were underway to give effect to the new structure.

## 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); and
- ▶ Australian Accounting Standards and Interpretations — Reduced Reporting Requirements 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.

From 1 January 2019 it is expected that all functions of the Quality Agency will be transferred to the Aged Care Quality and Safety Commission and the Quality Agency will consequently no longer be a going concern past this date.

The basis of preparation of the financial statements reflects the continuity of operations normally provided in the government's transitional provisions. All assets are expected to be fully utilised in the ordinary course of operations and all liabilities will be taken over by the receiving agency.

## NEW ACCOUNTING STANDARDS

### Adoption of new Australian accounting standards requirements

All new, revised, amending statements and/or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on the entity's financial statements.

## TAXATION

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

# FINANCIAL PERFORMANCE

This section analyses the financial performance of the Quality Agency for the year ended 30 June 2018.

## NOTE 1: DEPARTMENTAL BUDGET COMMENTARY

Comments on significant variances between the Quality Agency’s original budget estimates, as published in the *Portfolio Budget Statements 2017–2018*, and the actual expenditure and net assets for the year are provided in the table below.

Explanation of major variances	Affected line item
<b>Reduced workforce:</b> During the year the Quality Agency anticipated a temporary increase in average staffing levels to cope with the increased peak demand of the accreditation cycle. Average staffing level caps were however maintained at previous levels hence the Quality Agency utilised a greater proportion of contractors, leading to a decrease in staff costs and an increase in supplier costs.	Employee benefits — Statement of Comprehensive Income
	Cash used for employees — Cash Flow Statement
<b>Additional supplier expenses:</b> A greater number of contract personnel required for the peak in the accreditation cycle; additional costs related to uncapitalised project costs; serious risk related to re-accreditation of homes.	Suppliers — Statement of Comprehensive Income
	Cash used for the purchase of assets — Cash Flow Statement
	Departmental Capital Budget — Cash Flow Statement
<b>Fitout costs:</b> During the year it was anticipated that our head office may need to move premises. The Quality Agency was able to negotiate a favourable lease hence capital for fitout was not required.	Depreciation and amortisation — Statement of Comprehensive Income
	Cash used for suppliers — Cash Flow Statement
	Departmental capital budget — Cash Flow Statement
<b>Lower own-source income:</b> The Quality Agency undertook strategies during the year to reduce the impact of the peak accreditation cycle by rescheduling audits of some low risk homes.	Sale of goods and rendering of services — Statement of Comprehensive Income
	Trade and other receivables — Statement of Financial Position
	Unearned revenue — Statement of Financial Position
	Cash received from the sale of goods — Cash Flow Statement

## NOTE 2: EXPENSES

	2018 \$'000	2017 \$'000
<b>Note 2A: Employee benefits</b>		
Wages and salaries	23,317	20,069
Superannuation:		
Defined contribution plans	3,014	2,470
Defined benefit plans	654	672
Leave and other entitlements	254	269
Separation and redundancies	–	(520)
<b>Total employee benefits</b>	<b>27,239</b>	<b>22,960</b>

### Accounting policy

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

	2018 \$'000	2017 \$'000
<b>Note 2B: Suppliers</b>		
Goods and services provided		
Consultants	402	98
Contractors	4,957	3,718
Travel	3,652	3,347
IT Services	884	621
Other	3,701	2,931
<b>Total goods and services provided</b>	<b>13,596</b>	<b>10,715</b>
Goods and services are provided in connection with:		
Services rendered	13,483	10,657
Goods supplied	113	58
<b>Total goods and services</b>	<b>13,596</b>	<b>10,715</b>
Other suppliers		
Operating lease rentals	1,808	1,822
Workers compensation expenses	218	309
<b>Total other suppliers</b>	<b>2,026</b>	<b>2,131</b>
<b>Total suppliers</b>	<b>15,622</b>	<b>12,846</b>

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

### Other rentals

Other rentals include the cost of minimum payments for office machines.

	2018 \$'000	2017 \$'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within 1 year	1,639	1,522
Between 1 to 5 years	4,350	2,210
More than 5 years	–	145
<b>Total operating lease commitments</b>	<b>5,989</b>	<b>3,877</b>

### **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 3: OWN-SOURCE REVENUE AND GAINS

	2018 \$'000	2017 \$'000
<b>Note 3A: Sale of goods and rendering of services</b>		
Sale of goods	3	8
Rendering of services	15,434	7,374
<b>Total sale of goods and rendering of services</b>	<b>15,437</b>	<b>7,382</b>

### 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.

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

	2018 \$'000	2017 \$'000
<b>Note 3B: Other revenue</b>		
Assessor registration fees and guides	108	92
<b>Resources received free of charge</b>		
Remuneration of auditors	38	38
ICT equipment	16	–
	<b>162</b>	<b>130</b>

### 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.

	2018 \$'000	2017 \$'000
<b>Note 3C: Gain/(loss) from asset sales</b>		
Property, plant and equipment		
Proceeds from sale	9	–
Carrying value of assets sold	(7)	(4)
Net gain/(loss) from sale of assets	2	(4)

**Accounting policy**

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

	2018 \$'000	2017 \$'000
<b>Note 3D: Revenue from Government</b>		
Departmental appropriations	27,285	28,317

**Accounting policy**

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the entity 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.

# 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.

## NOTE 4: FINANCIAL ASSETS

	2018 \$'000	2017 \$'000
<b>Note 4A: Cash and cash equivalents</b>		
Cash at bank	1,080	2,985
Cash on hand	1	1
<b>Total cash and cash equivalents</b>	<b>1,081</b>	<b>2,986</b>

### Accounting policy

Cash is recognised at its nominal amount.

	2018 \$'000	2017 \$'000
<b>Note 4B: Trade and other receivables</b>		
Receivables for goods and services	6	33
Receivables other	2	103
Departmental appropriations receivable	9,773	5,638
Undrawn equity injection	17,738	18,496
Departmental capital budget	173	–
GST receivable from the Australian Taxation Office	179	140
<b>Total trade and other receivables (gross)</b>	<b>27,871</b>	<b>24,410</b>

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.

## NOTE 5: NON FINANCIAL ASSETS

	2018 \$'000	2017 \$'000
<b>Note 5A: Reconciliation of opening and closing balances of property, plant and equipment</b>		
As at 1 July		
Gross book value	3,924	3,745
Accumulated depreciation and impairment	(2,651)	(2,352)
Total as at 1 July	1,273	1,393
Additions by purchase	514	513
Disposal	(7)	(4)
Depreciation expense	(637)	(629)
Total as at 30 June	1,143	1,273
Total as at 30 June represented by:		
Gross book value	4,392	3,924
Accumulated depreciation	(3,249)	(2,651)
Total as at 30 June	1,143	1,273

### 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 2018. 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.

#### 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

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 of 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 (2016–17: 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.

**2018**  
**\$'000**

**2017**  
**\$'000**

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

### As at 1 July

Gross book value	4,634	3,789
Accumulated amortisation and impairment	(3,284)	(3,135)
<b>Total as at 1 July</b>	<b>1,350</b>	<b>654</b>
Additions by purchase	1,654	946
Amortisation expense	(403)	(250)
<b>Total as at 30 June</b>	<b>2,601</b>	<b>1,350</b>

### Total as at 30 June represented by:

Gross book value	6,288	4,634
Accumulated amortisation and impairment	(3,687)	(3,284)
<b>Total as at 30 June</b>	<b>2,601</b>	<b>1,350</b>

## 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. 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 (2016–17: 3 to 5 years).

All software assets were assessed for indicators of impairment as at 30 June 2018.



## NOTE 6: PAYABLES

	2018 \$'000	2017 \$'000
<b>Note 6A: Unearned revenue</b>		
Total unearned revenue	5,229	3,752

### Accounting policy

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.

	2018 \$'000	2017 \$'000
<b>Note 6B: Other payables</b>		
Accrued expense	21	26
Lease incentives	104	101
Total other payables	125	127

## NOTE 7: PROVISIONS

	2018 \$'000	2017 \$'000
<b>Other provisions</b>		
Make good	314	298
<b>Reconciliation of provision for make good</b>		
As at 1 July	298	280
Additional provisions made/(utilised)	16	18
Total as at 30 June	314	298

The Quality Agency currently has 5 (2016–17: 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.

# FUNDING

This section identifies the Quality Agency's funding structure.

## NOTE 8: ANNUAL APPROPRIATIONS

	2018 \$'000	2017 \$'000
Ordinary annual services:		
<i>Appropriation Act</i> Annual appropriation	27,285	28,317
<i>PGPA Act</i> Section 74	17,320	9,324
Total ordinary annual services appropriation	44,605	37,641
Appropriation applied (current and prior years)	(40,470)	(35,472)
Variance	4,135	2,169
Capital budget:		
<i>Appropriation Act</i> Annual capital budget	1,173	1,195
Appropriation applied (current and prior years)	(1,000)	(1,830)
Variance	173	(635)
Equity injection:		
<i>Appropriation Act</i> Equity injection	–	18,496
Appropriation applied (current and prior years)	(758)	–
Variance	(758)	18,496
Total change in appropriation receivable	3,550	20,030

### 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 APPROPRIATIONS (RECOVERABLE GST EXCLUSIVE)**

	2018 \$'000	2017 \$'000
Departmental annual appropriation		
<i>Appropriation Act 1</i>	9,773	5,638
<i>Appropriation Act 1 Capital Budget (DCB)</i>	173	–
Cash and cash equivalents	1,081	2,986
Total unspent departmental annual appropriation	11,027	8,624
Equity injection appropriation		
<i>Appropriation Act 4 Equity injection</i>	17,738	18,496
Total unspent equity injection appropriation	17,738	18,496
Total unspent appropriations	28,765	27,120

**NOTE 10: NET CASH APPROPRIATION ARRANGEMENTS**

	2018 \$'000	2017 \$'000
Total comprehensive income less depreciation/amortisation expenses previously funded through revenue appropriations	9	3
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	(1,040)	(879)
Total comprehensive income — as per the Statement of Comprehensive Income	(1,031)	(876)

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.

# 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.

## NOTE 11: EMPLOYEE PROVISIONS

	2018 \$'000	2017 \$'000
Leave	6,379	6,008
Separations and redundancies	475	475
<b>Total employee provisions</b>	<b>6,854</b>	<b>6,483</b>
<b>Employee provisions are expected to be settled</b>		
No more than 12 months	5,160	4,584
More than 12 months	1,694	1,899
<b>Total employee provisions</b>	<b>6,854</b>	<b>6,483</b>

### 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 2018. 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 or where the circumstances indicate that separations and redundancies are more likely to occur than not.

#### 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.

## NOTE 12: KEY MANAGEMENT PERSONNEL REMUNERATION

	2018 \$'000	2017 \$'000
<b>Short-term employee benefits</b>		
Salary	1,084	883
Performance bonus	–	–
<b>Total short-term employee benefits</b>	<b>1,084</b>	<b>883</b>
<b>Post-employment benefits</b>		
Superannuation	134	148
Termination payment	–	137
<b>Total post-employment employee benefits</b>	<b>134</b>	<b>285</b>
<b>Other long-term employee benefits</b>		
Annual leave	64	105
Long-service leave	–	17
<b>Total other long-term employee benefits</b>	<b>64</b>	<b>122</b>
<b>Total key management remuneration expenses<sup>1</sup></b>	<b>1,282</b>	<b>1,290</b>

1. The total number of key management personnel included in the above is five (2016–17: four).

## NOTE 13: RELATED PARTY DISCLOSURES

### Related party relationships

The Quality Agency is an Australian Government controlled entity. Related parties to this entity are key management personnel including the portfolio Minister and other Australian Government entities.

Significant transactions with related parties can include:

- the payments of grants or loans;
- purchases of goods and services;
- asset purchases, sales transfers or leases;
- debts forgiven; and
- guarantees.

Giving consideration to relationships with related entities and transactions entered into during the reporting period by the Quality Agency, it has been determined that there are no related party transactions to be separately disclosed.



# 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 (2016–17: two) with a total of \$175,876 (2016–17: \$171,799).

### Unquantifiable contingencies

At 30 June 2018, the Quality Agency had no unquantifiable contingencies.

### Significant remote contingencies

The Quality Agency had no significant remote contingencies.

## NOTE 15: FINANCIAL INSTRUMENTS

	2018 \$'000	2017 \$'000
<b>Categories of financial instruments</b>		
Financial assets		
Loans and receivables		
Cash and cash equivalents	1,081	2,986
Trade and other receivables	8	136
Carrying amount of financial assets	1,089	3,122
Financial liabilities		
Financial liabilities measured at amortised cost		
Supplier payables	1,957	1,569
Unearned revenue	5,229	3,752
Other payables	125	127
Total financial liabilities measured at amortised cost	7,311	5,448

**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.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at

amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

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.

**OTHER INFORMATION**

**NOTE 16: 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.



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# GLOSSARY

Abbreviation	Term
AASB	Australian Accounting Standards Board
AAT	Administrative Appeals Tribunal
ACCC	Aged Care Complaints Commissioner
ACHA	Assistance with Care and Housing for the Aged
ACSA	Aged and Community Services Australia
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
CAAT	Computer Assisted Audit Tool
CALD	Cultural and Linguistically Diverse
CEO	Chief Executive Officer
CER	Consumer Experience Report
CHSP	Commonwealth Home Support Programme
Commencing services	Accreditation for new Residential Aged Care services
Commissioner	Aged Care Complaints Commissioner
COTA	Council on the Ageing
CPD	Continuing Professional Development
CSS	Commonwealth Superannuation Scheme
DCB	Departmental Capital Budgets
DoH	Department of Health
EA	Enterprise Agreement
ED	Executive Director
EL	Executive level
ELT	Executive Leadership Team
FBT	Fringe Benefits Tax
FOI Act	<i>Freedom of Information Act 1982</i>
FRR	Financial Reporting Rule
FTE	Full time equivalent
HACC	Home and Community Care

Abbreviation	Term
HCPP	Home Care Community Packages
GST	Goods and Services Tax
ICT	Information, Communication and Technology
IR	Improvement request
ISQua	International Society for Quality in Health Care
LASA	Leading Age Services Australia
MOU	Memorandum of Understanding
NAA	National Archives of Australia
NAIDOC	National Aborigines and Islander Day Observance Committee
NRCP	National Respite for Carers Program
OAIC	Office of the Australian Information Commissioner
PBS	Portfolio Budget Statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PSPF	Protective Security Policy Framework
PSS	Public Sector Superannuation Scheme
Qassist	Learning resources
Quality Agency	Australian Aged Care Quality Agency
QI	Quality Indicators
QR	Quality Review
QUEST	Quality Education on the Standards
RMS	Rehabilitation Management System
RPF	Regulator Performance Framework
SES	Senior Executive Service
SOFI	Short Observational Framework for Inspection
SME	Small and Medium Enterprises
SRC Act	<i>Safety, Rehabilitation and Compensation Act 1988</i>
TFI	Timetable for Improvement
WHS	Work, Health and Safety
WRA	Workplace Research Associates

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# MANDATORY REQUIREMENTS INDEX

The list below outlines compliance with key annual performance reporting information, as required in Section 17AJ(d) of the *Public Governance, Performance and Accountability Rule 2014*.

PGPA Rule Reference	Part of Report	Description	Requirement
<b>17AD(g)</b>	<b>Letter of transmittal</b>		
17AI	I	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)	III–IV	Table of contents.	Mandatory
17AJ(b)	109	Alphabetical index.	Mandatory
17AJ(c)	106–107	Glossary of abbreviations and acronyms.	Mandatory
17AJ(d)	114–118	List of requirements.	Mandatory
17AJ(e)	Inside cover	Details of contact officer.	Mandatory
17AJ(f)	Inside cover	Entity's website address.	Mandatory
17AJ(g)	Inside cover	Electronic address of report.	Mandatory
<b>17AD(a)</b>	<b>Review by accountable authority</b>		
17AD(a)	1–2	A review by the accountable authority of the entity.	Mandatory
<b>17AD(b)</b>	<b>Overview of the entity</b>		
17AE(1)(a)(i)	4–5	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	56–57	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	45	A description of the outcomes and programmes administered by the entity.	Mandatory
17AE(1)(a)(iv)	4	A description of the purposes of the entity as included in corporate plan.	Mandatory
17AE(1)(b)	57	An outline of the structure of the portfolio of the entity.	Portfolio departments mandatory
17AE(2)	N/A	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory



PGPA Rule Reference	Part of Report	Description	Requirement
<b>17AD(c)</b>	<b>Report on the Performance of the entity</b>		
	<b><i>Annual performance Statements</i></b>		
<b>17AD(c)(i); 16F</b>	43–54	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory
<b>17AD(c)(ii)</b>	<b>Report on Financial Performance</b>		
<b>17AF(1)(a)</b>	87–89	A discussion and analysis of the entity's financial performance.	Mandatory
<b>17AF(1)(b)</b>	54	A table summarising the total resources and total payments of the entity.	Mandatory
<b>17AF(2)</b>	N/A	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><i>Corporate Governance</i></b>		
<b>17AG(2)(a)</b>	I	Information on compliance with section 10 (fraud systems)	Mandatory
<b>17AG(2)(b)(i)</b>	I	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory
<b>17AG(2)(b)(ii)</b>	I	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
<b>17AG(2)(b)(iii)</b>	I	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory
<b>17AG(2)(c)</b>	56–62	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory
<b>17AG(2)(d)–(e)</b>	N/A	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to noncompliance with Finance law and action taken to remedy noncompliance.	If applicable, Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
<b>External Scrutiny</b>			
17AG(3)	70–72	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory
17AG(3)(a)	70	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.	If applicable, Mandatory
17AG(3)(b)	N/A	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)	71	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)	66	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory
17AG(4)(b)	64–66, 69	Statistics on the entity's APS employees on an ongoing and nonongoing basis; including the following: <ul style="list-style-type: none"> <li>▶ Statistics on staffing classification level;</li> <li>▶ Statistics on fulltime employees;</li> <li>▶ Statistics on parttime employees;</li> <li>▶ Statistics on gender;</li> <li>▶ Statistics on staff location;</li> <li>▶ Statistics on employees who identify as Indigenous.</li> </ul>	Mandatory
17AG(4)(c)	66, 67	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
17AG(4)(c)(i)	64, 65	Information on the number of SES and nonSES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory
17AG(4)(c)(ii)	66	The salary ranges available for APS employees by classification level.	Mandatory
17AG(4)(c)(iii)	66	A description of nonsalary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	N/A	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory
17AG(4)(d)(ii)	N/A	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory
17AG(4)(d)(iii)	N/A	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory
17AG(4)(d)(iv)	N/A	Information on aggregate amount of performance payments.	If applicable, Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
<b>Assets Management</b>			
17AG(5)	72	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, Mandatory
<b>Purchasing</b>			
17AG(6)	45	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory
<b>Consultants</b>			
17AG(7)(a)	72	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
17AG(7)(b)	72	A statement that “ <i>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].</i> ”.	Mandatory
17AG(7)(c)	72	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)	72	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)	70	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 AuditorGeneral 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.	If applicable, Mandatory
<b>Exempt contracts</b>			
17AG(9)	71	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.	If applicable, Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
<b>Small business</b>			
17AG(10)(a)	72	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)	72	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory
17AG(10)(c)	N/A	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
<b>Financial Statements</b>			
17AD(e)	79–104	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
17AD(f)	<b>Other Mandatory Information</b>		
17AH(1)(a)(i)	N/A	If the entity conducted advertising campaigns, a statement that “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.”	If applicable, Mandatory
17AH(1)(a)(ii)	75	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory
17AH(1)(b)	N/A	A statement that “Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].”	If applicable, Mandatory
17AH(1)(c)	68	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	75	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)	78	Correction of material errors in previous annual report	If applicable, Mandatory
17AH(2)	68, 75–78	Information required by other legislation	Mandatory

# ACT REQUIREMENTS INDEX

Index of annual reporting requirements of the *Australian Aged Care Quality Agency Act 2013*.

Ref S47	Part of Report	Description	Requirement
(a)	48–53	... 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)	48–53	... particulars of any variations of the annual operational plan; and	Mandatory
(c)	48–53	... 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

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**Australian Government**

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**Australian Aged Care Quality Agency**