

Annual report 2009/2010



Aged Care
Standards and Accreditation Agency Ltd



Annual Report 2009/2010
Aged Care Standards and Accreditation Agency Ltd

ABN 64 079 618 652

ACN 079 618 652

ISSN 1447 – 4123

This work is copyright. It may be reproduced in whole or part subject to the inclusion of an acknowledgement of the source and no commercial usage or sale. Reproduction for purposes other than those indicated above, requires the permission of the Agency.

Aged Care Standards and Accreditation Agency Ltd's annual report 2009/2010 can be accessed via the internet at www.accreditation.org.au.

Enquiries about the content of this report should be directed to:

The editor
Aged Care Standards and Accreditation Agency Ltd
PO Box 773
Parramatta NSW 2124

Tel: (02) 9633 1711

Fax: (02) 9633 2422

Email: editor@accreditation.org.au

Contents

Message from the Chairman	4
Message from the Chief Executive Officer	5
Part one The Company	7
Part two Accreditation and operations	12
Part three Education	17
Part four Stakeholder relationship management	20
Part five Quality assurance and improvement	25
Part six Our people	28
Part seven Company performance	32
Part eight Financial statements	39
Appendix Contact details	67



Message from the Chairman

I am pleased to present the annual report and financial accounts of the activities of Aged Care Standards and Accreditation Agency Ltd for 2009/2010.

The highlight for the Company was the completion of the triennial accreditation process – a process which had commenced in 2008/09 and which involves a full audit of each residential aged care home's performance against the Accreditation Standards.

There is always a great deal of interest in the results – and not just by providers. Residents are interested in how their home has performed, and older Australians (and their relatives) who are contemplating residential aged care also have a significant interest in understanding the industry's performance in delivering quality of care in accordance with the Accreditation Standards. The Australian Government, the Parliament, and taxpayers who contribute significant subsidies, also have a strong interest in the performance of industry.

It was therefore pleasing to see that the industry has continued to improve from a very high benchmark. When we examined the performance of each home at their last full audit, as at 31 December 2009, it showed the industry had lifted its performance so that 94.2 per cent of homes were assessed as meeting all 44 expected outcomes to the Accreditation Standards at their last full audit, up from 91.8 per cent in 2006, and 63.5 per cent in 2000.

This is a credit to providers, but above all it is a recognition of the commitment of managers, the skills of health professionals, and of course the dedication and efforts of front-line care staff to ensure that our frail and elderly Australians are provided with the very best levels of care, comfort and security.

As the accreditation body, we play a pivotal role in promoting safety and quality in Australian Government subsidised residential aged care homes. While many stakeholders will always focus on the outcomes of audits, we continue to maintain a strong program of providing training and education to industry, for it is through this combination of accreditation and education that we contribute to and promote high quality care for residents.

During the year, a number of directors of the Company retired. I would like to thank Dr Michael Bollen AM, David Deans, Richard Gray, Jon Gregerson, Sue Macri AM, and Doug Strain for their outstanding contributions and service to the Board.

I would also like to thank our portfolio Minister, the Hon Justine Elliot MP. Minister Elliot has been a strong supporter of accreditation. Following the federal election, the Hon Mark Butler MP was appointed Minister for Mental Health and Ageing and we welcome Minister Butler to the portfolio.

On behalf of the Board, I would also like to thank our Chief Executive Officer, Mark Brandon, the management and staff for their manifest commitment to the work of the Company in its role as the accreditation body.



Jim Harrowell AM, Chairman



Message from the CEO

The 2009/2010 year has been a success in all our areas of endeavour. Whilst there is often a focus by stakeholders on our visit program, the Company is strongly of the view that we can promote sustainable high quality improvement through a combination of assessment of performance against the Accreditation Standards and education.

The Company's program of offering training and education to industry continues to grow. During the year we launched a new three-day course, "Understanding Accreditation", and feedback for our Better Practice conferences remains very positive. We also developed a new one-day course in 'information systems' as this has emerged as an expected outcome with a relatively high rate of non-compliance.

During the year we promoted organisation direct in-house delivery options, and we are developing more flexible delivery options including e-learning to reduce costs and improve accessibility by industry.

During the year, we undertook a total of 6,119 visits to homes including 993 site audits, 60 review audits and 5,066 support contacts including 3,570 unannounced visits. Each of these visits was undertaken within the framework of our case management methodology, which is underpinned by our knowledge of the individual home, the approved provider and the aged care industry generally.

Case management and stakeholder relationship management underpin our work as the accreditation body. During the year we reviewed our approach to this area.

We take a case management approach to the scheduling of visits by reviewing the accreditation history of each home (or group of homes with a common provider), the frequency of visits past and planned, the matters to be assessed and the composition of the assessment team.

Our stakeholder management program is multi-layered and includes a Board/stakeholder contact program; visits to homes and regional visits by state managers and assessment managers; formal Agency Liaison Group meetings which include consumer representatives, unions, and industry associations; the appointment of relationship managers for providers who cross state borders; and training for our assessors in effective on-site relationship management.

Our role as the accreditation body is to assess the performance of others against set standards. Any organisation involved in such activity should require no less of themselves.

The Company's Quality Management Systems have been certified to ISO Standard 9001:2008. During the year, SAI Global Limited conducted triennial recertification audits and awarded a further three-year certification period.

During the year we achieved a significant achievement when as an organisation we were accredited by the International Society for Quality in Health Care (ISQua) – formal recognition that our performance as an accrediting body has been assessed by peer reviewers against international standards.

This follows being the first accreditation organisation in the world to gain ISQua accreditation for its assessor training and management program in 2007/08.

ISQua accredits many of the major accreditation and external evaluation organisations around the globe including most of the larger accreditation bodies in health care in Australia. Our participation in ISQua brings us into contact with peer accreditation bodies and exposes us to world's best practice in accreditation and assessment which we can apply in our work in Australia.

While there is often a focus on the outcome of the Company's work as the accreditation body, we have implemented a number of programs internally to strengthen our performance, to improve our efficiency and to provide greater rewards to our people.

Staff voted overwhelmingly in favour of a new Collective Agreement which included benefits such as a paid maternity leave scheme, support for study and a system of ordinary working hours, a flex scheme for eligible employees, overtime and additional leave.

We have built on that with a proposed new three-year Enterprise Agreement which provides for enhanced superannuation and long service leave benefits, and an increase in loadings for casuals. Staff have once again voted overwhelmingly in favour of the new Enterprise Agreement.

We are progressively implementing an enterprise wide technology strategy including a national wireless network infrastructure program, off-site disaster recovery storage, a web-based HR management information system which can be accessed by assessors when they are 'in the field', and a new budgeting and reporting system.

The Department of Health and Ageing has led a review of the accreditation arrangements, and a review of the Accreditation Standards. We have contributed to both using our knowledge as the accreditation body and look forward to the outcomes of these reviews.

The Company has been appointed as the accreditation body until 30 June 2014 and we look forward to continuing to work with all stakeholders in the interests of residents.



Mark Brandon, Chief Executive Officer



The Company

Vision

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

Mission

To ensure the delivery of high quality aged care by:

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

Our values

Quality and innovation

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

Positive working relationships

We work together to achieve better results.

Acceptance of responsibility

We accept responsibility for our actions.

Ethical conduct

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

Environment

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

Overview of the Company

The Company is a company limited by guarantee, wholly owned by the Australian Government, established under the *Corporations Act 2001* and subject to the *Commonwealth Authorities and Companies Act 1997*. The Secretary of the Department of Health and Ageing has appointed the Company as the accreditation body under the *Aged Care Act 1997* until 30 June 2014.

Role and functions

The functions and role of the accreditation body are set out in the Accreditation Grant Principles 1999. These are:

- manage the residential aged care accreditation process using the Accreditation Standards
- promote high quality care and assist industry to improve service quality by identifying best practice, and providing information, education and training
- assess and strategically manage services working towards accreditation
- liaise with the Department of Health and Ageing about services that do not comply with the Accreditation Standards.

We fulfil our functions using processes and principles set in legislation, notably the *Aged Care Act 1997*, the Accountability Principles 1998 and the Accreditation Grant Principles 1999. The delivery of these functions is subject to a written agreement with the Department of Health and Ageing made under s.80-1 of the *Aged Care Act 1997*.

Structure and governance

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

Executive management and divisional offices are located in Parramatta. Regional offices are in Parramatta (covering most of NSW and the ACT with branch offices in Newcastle and Mittagong), Melbourne (covering Victoria, Tasmania and some NSW border homes with branch offices in Hobart and Geelong), Brisbane (covering Queensland and northern rivers district of New South Wales), Perth (covering Western Australia) and Adelaide (covering South Australia and Northern Territory and Broken Hill district). Each regional office has a senior executive responsible for its activities. Contact details for each office are in the Appendix.

The Board of Directors has overall responsibility for the Company's strategic direction and performance. The Board's role is corporate governance: ensuring that the Company fulfils the functions specified in its agreement with the Department of Health and Ageing and in accordance with the requirements of legislation, and ensuring proper prudential management of its funds. Details of the Board for the period of 2009/10 are included in the Directors' Report.

The Chief Executive Officer (CEO) is responsible for the operational management of the Company and for ensuring the delivery of the core functions. The CEO reports to the Board.

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

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

Getting close to stakeholders

The Board has a stakeholder engagement program including a stakeholder function coinciding with each meeting of the Board.

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

The Chief Executive Officer is a member of the Minister's Ageing Consultative Committee. This Committee is the major forum for consultation, discussion and advice on issues of relevance to aged care and provides advice to the Minister for Mental Health and Ageing as one of the Committee's terms of reference.

The Chief Executive Officer, General Managers and State Managers also attend and make presentations to industry conferences and at accreditation, safety and quality conferences.

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

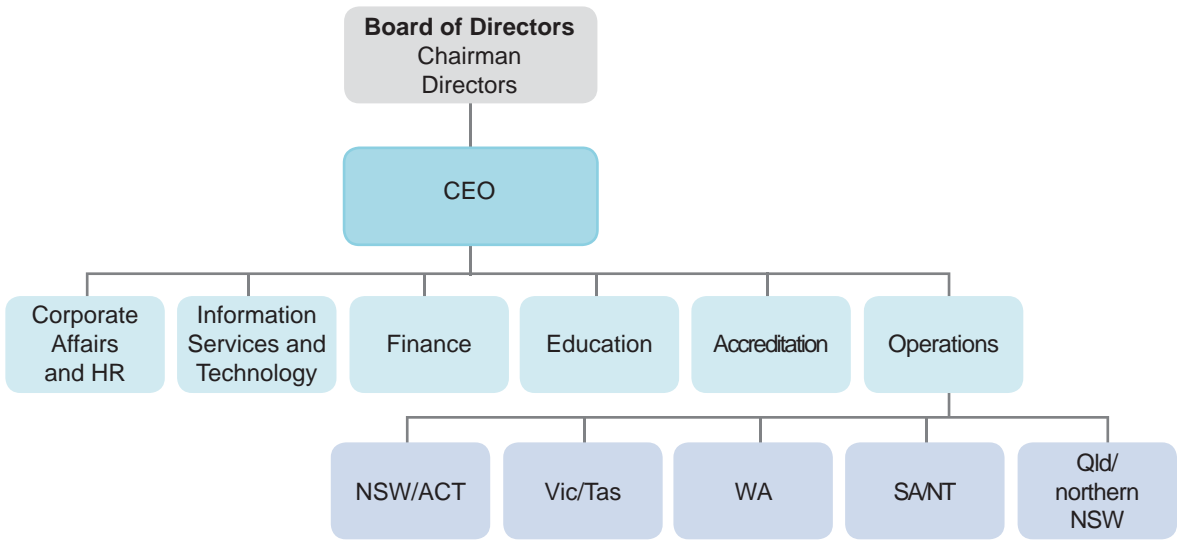
Management and staff participate in a number of industry committees and working groups.

Relationship managers have been appointed for larger providers, and for those providers whose operations cross state borders. The relationship manager is responsible for coordinating the overall relationship with the provider, and for providing internal advice on case management of the group, and homes within the group.

We have a small research team that examines current and emerging aged care issues and accreditation. Our research function reviews industry resources and also prepares submissions as part of our role as the accreditation body for reviews such as the Productivity Commission's report on the *Annual Review of Regulatory Burdens on Business – Social and Economic Infrastructure Services* and the Productivity Commission inquiry into Australia's aged care arrangements, *Caring for Older Australians*. We also contributed to Department of Health and Ageing reviews on residential aged care.

Company structure chart

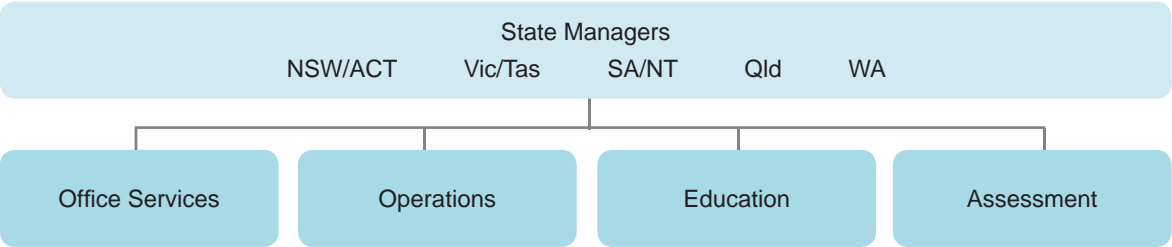
as at 30 June 2010



Corporate Affairs and Human Resources	Information Services and Technology	Finance	Education	Accreditation	Operations
<ul style="list-style-type: none">Stakeholder relationsHuman ResourcesMediaMarketingGovernment liaison	<ul style="list-style-type: none">Computer hardware and software managementInformation managementRisk management	<ul style="list-style-type: none">AccountsPurchasingProperty managementStatutory reporting	<ul style="list-style-type: none">QUESTBetter PracticeAssessor coursesSeminarsFlexible learning packages	<ul style="list-style-type: none">Policy developmentResearchQuality assurance on accreditation programReviews and reconsiderations	<ul style="list-style-type: none">Case managementAccreditation visitsAccreditation decisionsDHA liaison accreditationEducation delivery

Company organisational chart regional offices

as at 30 June 2010



Office Services Manager	Operations Manager	Education Coordinator	Assessment Manager
<ul style="list-style-type: none"> Office support services Statutory requirements Systems administration Asset management 	<ul style="list-style-type: none"> Activity scheduling Appointing assessment teams Processing applications for accreditation 	<ul style="list-style-type: none"> Delivery of industry education 	<ul style="list-style-type: none"> Management of the assessor workforce Accreditation decisions Case management



Accreditation and Operations

Accreditation overview

Australian Government subsidised residential aged care homes must be accredited in order to receive residential care subsidies. The high level accreditation arrangements for residential aged care homes are specified in the Accreditation Grant Principles 1999 (the Principles) and are described below.

Assessing homes' performance against the Accreditation Standards

We assess the performance of all accredited residential aged care homes against the expected outcomes set out in the Accreditation Standards.

A case management approach is used to determine the type and frequency of contacts with aged care homes. Monitoring performance against the Accreditation Standards includes visits to homes and consideration of information, such as information about changes at homes that may affect the provision of care and services, and information referred by the Department of Health and Ageing.

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

Visits to homes to assess their performance against the Accreditation Standards may be accreditation site audits, support contacts or review audits. Support contacts or review audits may be announced or unannounced.

The Australian Government requires that each home receives at least one unannounced visit each year. We have a national program of unannounced visits to ensure this requirement is met.

Residents and their representatives are interviewed by assessment teams at all visits to homes and in 2009/10 over 50,000 were interviewed. Resident/representative feedback is an integral part of assessing home's performance against the Accreditation Standards, indicating how homes meet the care needs of residents.

Support contacts

A support contact is a visit by registered aged care quality assessors to an aged care home for the purpose of assessing performance against the Accreditation Standards.

Support contacts are usually conducted over one half to a full day by one to three assessors. The time on site is determined case by case taking into account the known circumstances of the home. Support contacts may involve an overview of the home's performance against all the Accreditation Standards, may be focused on certain aspects of care or services, or cover one or more of the 'assessment modules'. In particular, any matters previously identified as requiring improvement will be assessed.

Following a support contact, a report is given to the home setting out the findings of the assessment team. The home has the opportunity to provide a response before a decision is made. A decision as to the home's compliance is made separately by a decision maker appointed by the Chief Executive Officer under section 1.5 of the Accreditation Grant Principles 1999. The decision may also include information about areas in which the home needs to improve and whether the home's support contact arrangements need to be varied or whether a review audit is necessary.

Assessment modules

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

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

If weaknesses in the home's systems are identified, assessors will follow up to determine if there is any non-compliance in relation to the Accreditation Standards or we may decide to conduct a comprehensive review audit.

Review audits

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

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

We must undertake a review audit if the Secretary of the Department of Health and Ageing requests it.

New homes

Applications can be made for the accreditation of new homes (called 'commencing services' in the Principles) before residents move into the home. Accreditation applications for new homes must identify how the Accreditation Standards will be satisfied once residents move into the home and also require a commitment to undertake continuous improvement. Under the Accreditation Grant Principles 1999, new homes can only be accredited for a maximum of 12 months. They are then required to make an application for a further period of accreditation.

Existing homes

Accredited aged care homes must apply for a further period of accreditation before their current period expires.

Site audits

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

A site audit is scheduled after a provider of residential aged care applies for a further period of accreditation. The provider must submit a self-assessment as part of their application, and providers must also notify residents, and their representatives, of the date of the audit so that residents and their representatives can meet with the assessment team to provide their views as to the quality of care and services provided. The assessment team is required to gather and corroborate information including the views of residents. The views of residents and their representatives is a very important aspect of the process of assessment.

Decisions

The Accreditation Grant Principles 1999 provide that decisions of the accreditation body are made by an authorised accreditation decision maker, taking into account the assessment team's report, responses to the assessment team's report and other information known about the home. Assessment teams make recommendations only. They do not make decisions. Accreditation decision makers are senior staff specifically appointed and trained to make decisions.

Reconsideration and review

A provider may seek reconsideration of decisions made about the period of accreditation awarded to a home, any variation to the period of accreditation, a decision not to accredit or to revoke accreditation. The General Manager Accreditation usually makes the reconsidered decisions. A reconsideration decision is not a review of the original decision but a fresh decision at a later point in time and reflects the Accreditation Agency's view of the home's compliance with the Accreditation Standards as at the time of the reconsideration decision.

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

Reconsiderations were sought for three per cent of decisions about accreditation.

Four applications were made for review by the AAT during the reporting period. Five applications were withdrawn during the period (including two that were lodged in the previous reporting period), and one is ongoing.

Relationship with the Department of Health and Ageing

We contribute to the achievement of outcome four, a portfolio outcome set by the Australian Government for the Department of Health and Ageing (the Department). Outcome four is described as: Older Australians enjoy independence, good health and wellbeing. High quality, cost-effective care is accessible to frail older people, and their carers are supported.”

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

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

We are required to inform the Department of any non-compliance with the Accreditation Standards identified during assessment. We will then put in place a timetable for improvement and monitor the home's progress in rectifying the non-compliance. Where homes fail to rectify the non-compliance within the timetable for improvement period, the Accreditation Grant Principles 1999 require the accreditation body to recommend to the Department that sanctions be imposed. The Department makes an independent decision on what sanctions, if any, are imposed.



Accreditation status of residential aged care homes as at 30 June 2010

Accreditation period as at 30/06/2010		NSW	VIC	QLD	SA	WA	TAS	ACT	NT	Australia
Homes accredited for:-										
Less than one year	No.	0	3	0	1	0	0	0	0	4
One year - Commencing homes	No.	10	8	5	1	3	0	1	0	28
One year - Existing homes	No.	13	15	12	6	4	0	2	3	55
More than one year but less than two years	No.	1	3	6	3	2	0	1	0	16
Two years	No.	18	30	34	11	6	7	1	1	108
More than two years but less than three years	No.	2	3	1	1	4	0	0	0	11
Three years	No.	847	712	422	244	226	75	21	10	2557
Greater than three years	No.	0	0	0	0	0	0	0	0	0
Total accredited homes	No.	891	774	480	267	245	82	26	14	2779
Accreditation period of:-										
Less than two years	%	2.7%	3.7%	4.8%	4.1%	3.7%	0.0%	15.4%	21.4%	3.7%
Two years but less than three years	%	2.2%	4.3%	7.3%	4.5%	4.1%	8.5%	3.8%	7.1%	4.3%
Three years or more	%	95.1%	92.0%	87.9%	91.4%	92.2%	91.5%	80.8%	71.4%	92.0%
Total	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Education

We are committed to promoting high quality care through accreditation and education. During the year, we provided education to the industry through a range of programs including Better Practice conferences, Quality Education on the Standards (QUEST), courses, seminars and self-directed learning packages available on the website www.accreditation.org.au.

During the year we promoted organisation direct in-house delivery to better suit industry, and we are developing more flexible delivery options including e-learning to reduce costs and improve accessibility.

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

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

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

These free self-directed learning packages are among the most consistently popular downloads from our website with 9,484 unique downloads in 2009/10.

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

A special edition of *The Standard* was published in December 2009 focussing on preparing for an emergency such as bushfires, floods, cyclones or other devastating events. The 'emergency checklist' was developed into a resource that can be used by homes in their planning as part of their continuous improvement.

Our assessors provide homes with a range of 'leave behinds' that cover key Accreditation Standard topics. The 'leave behinds' and the Accreditation Standards fact sheet form a part of the education tools provided by our assessor workforce.

Our research function undertakes research into current and emerging aged care issues that the industry is facing. All industry resources are reviewed and those resources that provide useful information for homes are listed on our website under *helpful websites by Accreditation Standards* and these resources are featured in our industry newsletter *The Standard* and in our staff newsletter *Extra!*

Revitalised Better Practice conferences

Our highly successful Better Practice conferences have been running for six years. To ensure they continue to meet the needs of industry and result in improved quality of care for residents, we undertook a review to revitalise these conferences. This included review of evaluation results, telephone surveys, focus groups and discussions with key industry leaders to ensure Better Practice remains relevant, challenging and practical.

In 2009/10, six Better Practice conferences were held with 1,126 delegates attending. The evaluation and post-event survey results continues to show a high satisfaction rate that results in delegates implementing ideas to improve practice.

"To whoever it may concern,

I just want to say well done to the organisers of the Better Practice Conference last week. I have been to many conferences in the UK, but was very impressed with the level of speakers and the relevance of their information to the audience. No-one can have left either day without new ideas and thoughts to take back to their workplace. Thank you – I thoroughly enjoyed the two days.

Regards, Deborah Muldoon."

Improved aged care quality assessment course

We recognise the importance of ensuring our assessors are equipped with the knowledge, skills and behaviours to perform their role. During the year, the course was revised and now includes a simulated audit activity including multimedia, mock resident records, recordings of resident interviews and role plays. This allows us to more accurately assess the capacity of potential assessors to gather information, analyse and form a view about a home's performance against the Accreditation Standards.

New 'Understanding Accreditation' course

Following a review of the four-day course for industry, a new course 'Understanding Accreditation' was developed in response to industry needs and feedback. The new course is run over three days and now includes simulation of an audit and more interactive learning strategies. Victorian publicly available courses are now hosted by Aged and Community Care Victoria. During the year, we conducted 27 courses involving 347 participants in the four-day industry course, and 12 "Understanding Accreditation" courses were conducted with 188 participants. The evaluation results were very positive with over 97.7 per cent of satisfaction across all courses.

"I will be recommending my home conduct self assessments to help remove the fear factor involving accreditation."

Expansion of industry-focused seminars

Our seminar topics including: 'continuous improvement', 'evidence-based practice' and 'managing risk to avoid non-compliance' have continued to be popular. These seminar topics are highly focused on particular areas for improvement identified as important contributing factors to improved quality of care.

Analysis of the accreditation data, together with feedback from the industry were key drivers in the development of the new seminar titled 'Achieving compliance with 1.8 Information systems'. This interactive one-day seminar equips participants with the knowledge and skills to develop and maintain effective information systems that will facilitate the improvement and maintenance of high quality care.

During the reporting period, 49 seminars were conducted in major cities and regional centres, attended by 617 participants. This figure includes seminars conducted in 15 aged care homes with 266 participants. The evaluation results were very positive with over 96.2 per cent of satisfaction across all seminars.

QUEST

This highly popular program is a free education session of up to one and a half hours delivered by an experienced assessor to front-line staff in residential aged care homes. The interactive sessions are delivered to groups of up to 15 participants and involves group activities, discussion and questions. Some homes choose to have joint sessions with neighbouring homes.

Assessors have delivered QUEST to around 41,500 front-line staff in around 2,600 homes since the program was introduced. This includes 263 QUEST sessions provided to 3,846 people from 290 aged care homes in 2009/10.

Program topics include 'Accreditation overview', 'Assessing the Standards', 'Accreditation for consumers – your role in aged care', 'Continuous improvement for residential aged care', 'Turn data into action' and 'Using resident feedback'.



Stakeholder relationship management

Industry relations

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

The Board has a stakeholder engagement program including a function coinciding with each meeting of the Board. Directors also participate in Better Practice conferences as session chairs and speakers. This enables Directors to meet with a range of stakeholders and obtain direct feedback regarding the Company and gain a broader understanding of the issues facing the industry.

Management and staff participate in a number of industry committees and working groups.

The Chief Executive Officer, General Managers and State Managers also attend and make presentations to industry conferences.

Relationship managers

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

Participating in forums and groups

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

The Chief Executive Officer is a member of the Minister's Ageing Consultative Committee (Committee). This Committee is the major forum for consultation, discussion and provides advice to the Minister for Mental Health and Ageing as one of the Committee's terms of reference.

The Chief Executive Officer, General Managers and State Managers also attend and make presentations to industry conferences and at safety and quality-related conferences such as the Australasian College Health Science Management (ACHSM) and the International Society for Quality in Health Care (ISQua).

Management and staff participate in a number of industry committees and working groups.

The Standard

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

Circulation of *The Standard* has grown to around 7,500 per month. During the year we asked homes if they wished to receive additional copies of *The Standard* and this resulted in a six per cent immediate increase in circulation.

Historically, a small number of homes chose to receive *The Standard* electronically. We now publish a web-friendly edition and have grown the email distribution by 34 per cent. In addition, we email a pdf version of *The Standard* to all home key contacts and homes are encouraged to forward this to staff and place *The Standard* on their intranets.

Complaints and feedback

Complaints provide valuable feedback on service quality and the effectiveness of programs and policies.

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

During the year, our complaints procedures were refined so that the benchmark for responses to complaints is now 28 days from the date on which a complaint is received. Where further investigation is required, we keep the complainant informed of progress.

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

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

During the year, we received 68 complaints. This compares with 76 the previous year. Of the 74 complaints finalised during the year, 59 per cent were completed within the 28-day target.

Aged Care Commissioner

The Aged Care Commissioner can examine complaints about the conduct of the accreditation body relating to its responsibilities under the Accreditation Grant Principles 1999, or the conduct of assessors carrying out an audit or making a support contact (but not a complaint about the merits of a decision).

During the year, the Accreditation Agency was not notified of any complaints either in relation to the conduct of the accreditation body, or the conduct of assessors.

Two matters lodged in 2008 were finalised. One complaint related to the conduct of an assessor. The complaint was found to be substantiated. One complaint related to the conduct of the accreditation body, and to the conduct of assessors. The matters complained of were found to be unsubstantiated. As at the end of the year, there were no matters outstanding.

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

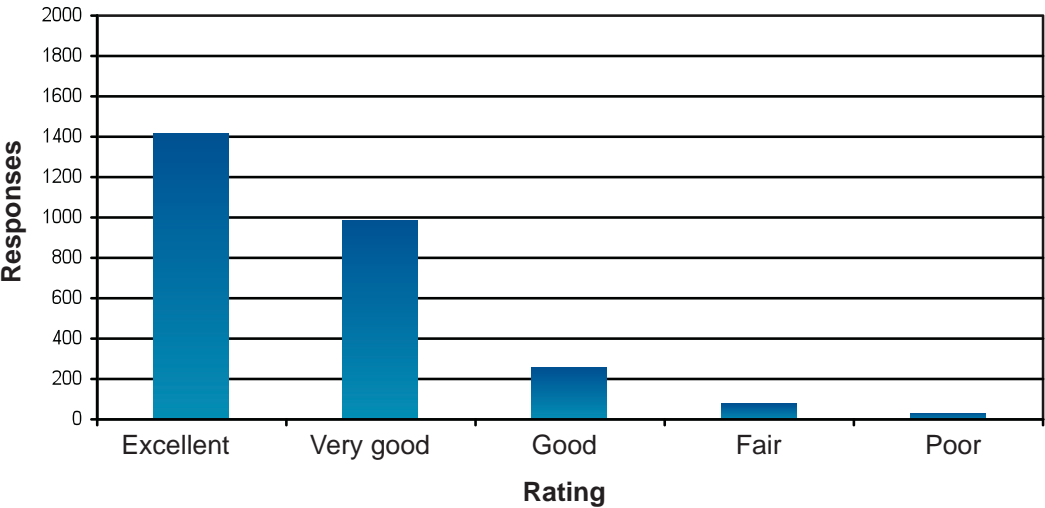
Feedback

Following each visit to a home, assessors leave a feedback form which can be filled out confidentially and returned by reply-paid post to an independent company which provides a monthly report on collated and aggregated data. The Accreditation Agency only has access to the responses of individual residential aged care homes if the home identifies itself and therefore wishes to have the issues followed up. There were over 2,700 forms returned in the reporting period.

We recognise that an unannounced visit may disrupt the home's management during the time of the visit. The feedback statistics, however, suggest the level of disruption is not as extensive as some commentators have suggested. Our feedback program asks for responses on the question "Please rate the performance of the team in terms of allowing care staff to continue their duties during the visit". Over 2009/10,

98.4 per cent of responses from unannounced visits rated the assessment team’s performance on this measure as either ‘excellent’, ‘very good’, or ‘good’. This has been a consistently positive trend over a number of years we we continue to closely monitor this measure.

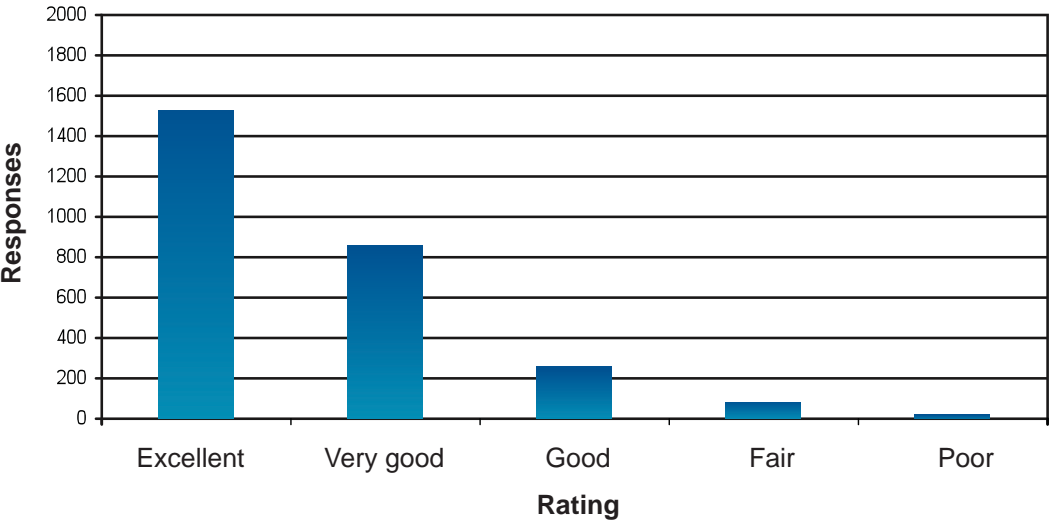
Allowing care staff to continue their duties during the visit (all visits)



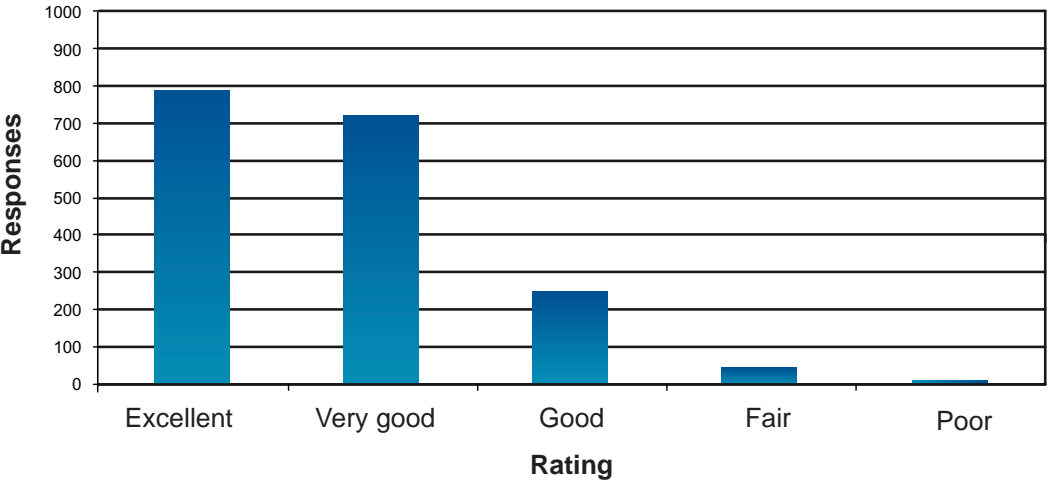
Overall, how would you rate the assessment team’s performance? (all visits)



The team's knowledge and understanding of aged care (all visits)



The advice that the Agency provided about the home's responsibilities for the audit (excludes support contacts)



Quality assurance and improvement

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 actively research development in accreditation and third party evaluation systems through our research function and note continuous improvement developments in Europe through our membership with the International Society for Quality in Health Care (ISQua).

In addition, we subject ourselves to external scrutiny by independent third-party reviewers who assess our performance against international standards.

ISO recertification

The Company's Quality Management Systems have been certified to ISO Standard 9001:2008. During the year, SAI Global Limited conducted triennial recertification audits in each of our State offices, as well as the national (divisional) office.

SAI Global Limited said: "In summary, the Agency is lead by an astute, professional and visionary management team that embraces the principles and practice of quality management and encourages a quality culture at all levels of the organisation. Based on the evidence sighted in the system, the Agency was seen to deliver quality service as defined by the organisation's 'Charter of Commitment to Service Quality'. Evidence was also sighted where the Agency's Quality Management System continues to mature through the application of continual improvement strategy adopted by top management and the support and commitment displayed through the allocation of human and infrastructure resources as well as financial investment that aided in the significant improvements of the Agency's operating structure. The audit also observed that a positive team spirit appears to permeate at all levels and across all areas of the Agency."



ISQua accreditation



During the year we achieved a significant achievement when as an organisation we were accredited by ISQua – formal recognition that our performance as an accrediting body has been successfully assessed by peer reviewers against international standards. This follows being the first accreditation organisation in the world to gain ISQua accreditation for its assessor training and management program in 2007/08.

ISQua, www.isqua.org, is the international body that accredits accreditation bodies and is recognised worldwide for promoting quality in health care. ISQua accredits many of the major accreditation and external evaluation organisations around the globe including most of the larger accreditation bodies in Australia.

The ISQua report stated that “ACSAA provides a comprehensive accreditation programme.”

“The strengths of the organisation are considerable and include: leadership from the Board, CEO and Executive Management Team, staff and assessor training and development, a well-qualified and experienced assessor workforce, stakeholder engagement, wide range of well-designed education materials, public information including the website and published audit reports, the design and establishment of Better Business software IT programme to streamline the accreditation processes, a sound risk management framework, and an enduring commitment to quality improvement both within and by aged care providers.”

Commitment to continuous improvement

Our staff are encouraged to submit ‘improvement requests’ which are logged and responded to through our quality management system. The improvement request system was implemented in 2004 and the number of improvement requests logged each year has increased from three improvement requests in the first year to 187 improvement requests in 2009/10.

The prime topic of improvement requests were about enhancements to the Company's accreditation operating system, Better Business, introduced in April 2008. This program is our primary customer relationship management system used to manage our accreditation activities with all aged care homes. Since Better Business was implemented over 200 submitted improvements have been provided to continually enhance Better Business. Many of these requests have since been implemented.

Whilst in some organisations the number of improvement requests might taper off, we have seen an excellent and sustained level of improvement ideas from our staff.

During the year, 187 improvement requests were raised by staff nationally, and 196 were finalised during the same period. This level of staff involvement proactively assists in ensuring that our quality management system is relevant to business operations.

While many improvements are systems or process related, two improvements were about implementing wireless broadband access. The first improvement request was to provide wireless access for our education coordinators when conducting training offsite. A second improvement request was submitted to provide a selected number of wireless broadband units to a state office pool for use by our staff when in regional areas. The review of the effectiveness of this technology may result in more widespread use of this or similar technology.

Accreditation improvements

We review all review audit decisions, all less than three year accreditation decisions and at least five per cent of all three year decisions.

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

Accreditation documentation is reviewed on a regular schedule and as required.

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

During the year a range of quality assurance and review activities were conducted. The major actions were:

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

In 2009/10 a review of all accreditation documentation was completed and an ongoing system of documentation review implemented.

Information about best practice is communicated to the industry in *The Standard* and to our workforce in *Extra!*

Enterprise-wide technology strategy

This year the Company implemented an enterprise wide technology strategy through a number of technology initiatives resulting in better IT systems for our people.

In 2009/10 a national wireless network infrastructure program was implemented in the state offices, including the satellite offices in Hobart, Geelong, Mittagong and Newcastle. This complements the national Better Business operation system that was implemented in 2008 and allows staff to access Better Business using a laptop working in any office.

A computer replacement program continues, which replaces outdated computers with new equipment which minimises downtime due to failures and increases productivity.

Storage capacity at the data centre and disaster recovery sites was increased to align with business growth and our website was also upgraded to operate in Internet Explorer 8.

A new HR management system, ConnX was implemented as part of the enterprise wide technology strategy. ConnX was tailored to our business requirements and represents a 'one-stop shop' for the most commonly-incurred HR transactions.

A new budget and reporting system was also implemented to allow easy access to financial information to assist managers with their budgets and reporting.

Our people

The size of our workforce varies according to the accreditation workload. The accreditation workload peaked around the start of 2009/10 and activity levels have tapered off significantly.

As at 30 June 2010, staff numbers had declined to 210.6 full-time equivalent. This includes term-defined employees and 27 staff who are on various part-time arrangements. This is down from a peak of 256.6 in April 2009.

Around 80 percent of our staff are female and 79 per cent of all staff have at least one tertiary qualification.

During the year, we implemented a new Collective Agreement for staff following a comprehensive consultation process. During the voting process, 92 per cent of people voted 'yes' to the Collective Agreement which replaced individual common law contracts.

We have progressively implemented a number of 'employer of choice' initiatives to improve staff satisfaction, reduce turnover and increase retention.

Following the implementation of a number of these HR-related initiatives (including the 2008/09 Collective Agreement) turnover in the 12 months to the end of June eased to 15 per cent from 23 per cent a year earlier and an annual peak of 43 per cent in September 2008.

Towards the end of the year, we commenced the bargaining process to develop a new three-year Enterprise Agreement. At the time of annual report preparation, the vote for the draft Enterprise Agreement resulted in 97 per cent of people voted 'yes.' The Enterprise Agreement was submitted to the independent umpire, Fair Work Australia, for assessment against the Better Off Overall Test, and to approve the Agreement.



The staff recognition and reward program is for staff who have achieved five or 10 years' service. During the year, 19 staff reached the five-year milestone and six reached the 10-year milestone. These six staff were Maureen Douglas-Holland, Sarah Bridgman, Lillian Brown, Brenda Leslie, Cindy Heath and Susan Waters. Their service was formally recognised and celebrated through the year. Planning has commenced for awarding 15 years service to staff in three years time.

Extra! our staff newsletter was developed and implemented in July 2009 and has been published each month. *Extra!* is distributed to all staff via email and all assessors on the register. *Extra!* contains important information relevant for all staff, accreditation news, research, assessor updates (regulatory and legislative), upcoming events, etc. The introduction of *Extra!* is part of our commitment to strengthen our internal communications.

We also recognise a number of staff have worked in quite varied roles across the Company:



- Sarah Bridgman, one of our 10-year employees, began as a temporary reception/admin officer on a three week assignment for our Adelaide office. From an admin officer she became Operations Manager in 2004 and was appointed Office Services Manager in 2009.



- Kate Smith started work as an administrative officer in the Sydney office in February 2001. She took on the role of Operations Coordinator NSW/ACT in 2003 and became a registered aged care quality assessor in 2004. In 2007, Kate became a Group Leader. She is currently working in communication as part of the Corporate Affairs team, following a four-month role in the Accreditation Division.



- Maha Solomon began as a Senior Administration Officer in our Parramatta office in 2005. Maha has recently been appointed Operations Manager in our Melbourne office.

Managers conduct regular staff meetings, and the CEO undertakes an annual roadshow to brief staff on the year in review and the corporate plan.

Assessors

Of the 457 assessors on the register as at 30 June 2010, 133 are permanent employees of the Company. The balance are engaged on a contract or casual basis to meet workload demands.

There are three scopes of registration for assessors which assist us to create teams to undertake visits. They are:

- registered nurse (271 assessors or 59 per cent)
- cultural specific experience, ie. have worked with indigenous cultures or with various cultures overseas
- language skills.

Our program of selection, training and management of our assessors has been certified by the International Society for Quality in Health Care (ISQua).

In addition to their initial training, assessors participate in regular update training through the Assessor Development Program (ADP). The provision of ADP helps assessors meet their professional development requirements of 15 hours each year.

While QAIT was well regarded, there were some opportunities for improvement and this was recognised in survey and focus group results. Assessors were interested in a number of other options for learning. Face to face remained the most popular but there was also interest in online learning, workplace based learning, research, literature reviews, evidence based practice, use of visual media, use of external professionals, discussion groups, learning circles and self-directed learning packages.

Workshops continue but in a slightly different format and are conducted five times per year in each of the major capitals. Update training topics for 2009/10 included:

- Assessing 1.6 Human resource management and 1.3, 2.3, 3.3, 4.3 Education and staff development
- Assessing expected outcomes 3.6 Privacy and dignity, 3.8 Cultural and spiritual life and 3.9 Choice and decision making
- Assessment Module 11
- Incidents, serious risk and critical events
- Gathering evidence about resident experience.

OHS

In recognition of our responsibility to safeguard the health of employees while they work, we provide and maintain a safe and healthy working environment.

During the year we made the transition from state based systems to the Commonwealth *Occupational Health and Safety Act 1991* as part of our regulatory compliance obligations.

National Safety Council of Australia Ltd reviewed all existing policies and developed updated drafts to meet requirements of the Commonwealth *Occupational Health and Safety Act 1991*.

Each state office continues to proactively manage their OHS issues and we remain a safe organisation to work for.

We have Health and Safety Committees for each of our Designated Work Groups (DWG). Health and safety representatives and first aid officers are trained for each DWG, in accordance with federal legislation.

During the year, there were 264 days lost due to injury, a 20 per cent reduction from the previous period.

The environment

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

part seven

Company performance

Progress against performance targets –
as at 30 June 2010.



Performance indicator	Performance measure	Relevant activities and initiatives undertaken and outcomes achieved
1. An optimum level of compliance with the Accreditation Standards	<p>To work towards an optimum level of compliance with the Accreditation Standards, the Agency will:</p> <ul style="list-style-type: none"> • conduct 100% of site audits in response to valid accreditation applications • maintain an average visiting schedule of at least 1.75 visits per home per year • conduct at least one unannounced visit to each home each year • conduct review audits as required, including 100% as directed by the Department • make accreditation decisions within 60 days of the accreditation expiry date for each service. 	<p>Achieved</p> <p>From July 2009 to June 2010, we achieved an average of 2.2 visits per home.</p> <p>In the twelve month period to June 2010, 3,570 unannounced visits were conducted. 5,066 support contacts were conducted. Apart from two commencing services that did not have residents before 30 June 2010, all other homes received at least one unannounced visit.</p> <p>In the year, 60 review audits were conducted, including 33 unannounced review audits. 48 review audits were as determined by us.</p> <p>Achieved.</p>
2. Appropriate management of non-compliance	<p>At least 90% of homes to have achieved full compliance by the end of their timetable for improvement period</p> <p>Targeted support contacts conducted as necessary in cases where non-compliance is suspected, including responding</p>	<p>During 2009/10, 187 homes or 98.4 per cent achieved compliance by the end of their timetable for improvement.</p> <p>As at 30 June 2010, 54 homes were on a timetable for improvement.</p> <p>Achieved.</p>

Performance indicator	Performance measure	Relevant activities and initiatives undertaken and outcomes achieved
	<p>to referrals of information from the Department.</p> <p>Quality assessors to conduct daily visits where serious risk is identified, until the serious risk has been mitigated.</p> <p>Homes on a timetable for improvement, or granted 'exceptional circumstances' or homes with accreditation revoked or reduced to be regularly monitored.</p>	<p>Achieved.</p> <p>All such homes are monitored more regularly using a case management approach taking into account each home's individual circumstances.</p>
3. Promotion of high quality care	<p>The Agency is to promote high quality care and assist the industry to improve service quality by encouraging best practice through a program of relevant information, education and training which may include:</p> <ul style="list-style-type: none"> • QUEST • Seminars • Better Practice conferences • Better Practice awards 	<p>During the year, 263 QUEST sessions were conducted for 290 homes to a total of 3,846 participants.</p> <p>49 seminars were conducted with 617 participants. 49 courses were conducted with a total of 612 participants.</p> <p>During the year, 1,126 delegates attended Better Practice conferences.</p> <p>During the year eight homes were awarded with Better Practice in Aged Care Awards. Summaries of the homes' programs were published on our website and will progressively be promoted through the industry newsletter <i>The Standard</i>.</p>

Performance indicator	Performance measure	Relevant activities and initiatives undertaken and outcomes achieved
	<ul style="list-style-type: none"> Printed and electronic publications <p>In addition, the Agency will promote high quality care by analysing trends in compliance and non-compliance and identifying opportunities for improvement in service quality through the provision of relevant education and training.</p>	<p><i>The Standard</i> is issued by mail and electronically to a total of 5,163 addresses per month. A special edition was produced in December 2009 on preparing for emergencies and natural disasters.</p> <p>A detailed analysis of the industry's performance is completed following each round of accreditation. This information is used, along with other research and feedback to develop and target appropriate education products to the industry.</p>
4. Liaison with the Department	<p>Timeliness of response to referrals, consistent with the protocols with the Department specifically:</p> <ul style="list-style-type: none"> Notify the Department of significant non-compliance in accordance with the agreed protocols Provide a report on serious risk within 24 hours of serious risk being identified Timeliness and quality of reports to the Commonwealth in accordance with Item E, Schedule A of this agreement Maintain an appropriate level of contact at state and central office levels as specified in the protocols. 	<p>Achieved.</p> <p>Achieved.</p> <p>Achieved.</p> <p>Regular contact on all accreditation issues. Regular meetings and teleconferences at both State and Central office levels.</p>

Performance indicator	Performance measure	Relevant activities and initiatives undertaken and outcomes achieved
5. Maintain an appropriately qualified assessor workforce	<p>Ensure that all quality assessors meet the police check legislative requirements</p> <p>Ensure that assessments are conducted by quality assessors who are suitably qualified and experienced in the issues of concern for the service being assessed.</p> <p>Utilise well trained and skilled Agency staff and maintain a process to ensure ongoing training and skills development</p>	<p>Achieved. There is a policy and procedure in place to ensure all police checks are complete and up-to-date.</p> <p>Assessors regularly attend training and information sessions to remain informed of the various issues. A monthly electronic newsletter <i>Extra!</i> Has been introduced to keep all assessors informed and updated.</p> <p>Competency and skills matrixes are used to match position descriptions and ensure appropriate training and development.</p>
6. Accurate decision making and accountable reporting	<p>Ensure the provision of accurate, evidence-based, nationally consistent accreditation reports by implementing quality assurance processes (such as conducting internal reviews of audit reports and accreditation decisions).</p>	<p>Quality assurance activities to ensure consistency of reports include training, communication, observers on visits, training programme for all decision makers, review of accreditation decisions and audit reports and the development of a mentoring program. Results of reviews have shown a nationally consistent approach to decision making.</p> <p>During the peak of accreditation renewal activity ("round four"), decision making about applications for further accreditation was centralised.</p>

Performance indicator	Performance measure	Relevant activities and initiatives undertaken and outcomes achieved
7. Assessing and strategically managing commencing services towards accreditation	<p>All accreditation decisions to be made in accordance with the statutory requirements</p> <p>100% of commencing services have a support visit within 1-2 months of residents moving into the home</p> <p>Site audit conducted within the first 12 months</p> <p>Provision of education information and support</p>	<p>Achieved.</p> <p>Achieved.</p> <p>Achieved.</p> <p>All commencing services receive support contacts and education as appropriate to their circumstances. They also receive a commencing services package, which consists of a <i>Results and processes guide</i>; pocket guide to the Standards; a copy of the current issue of <i>The Standard</i> newsletter; education promotional material and other relevant material.</p>
8. Meet corporate requirements	<p>Meet all legislative and corporate publishing and information provision requirements.</p> <p>Provide the annual compliance statement to the Minister for Finance, incorporating details of any failure to meet the corporate requirements.</p>	<p>Achieved.</p> <p>Achieved.</p>

Performance indicator	Performance measure	Relevant activities and initiatives undertaken and outcomes achieved
9. Effective complaints handling process established	<p>Professional code of conduct maintained for registered assessors, Agency staff and external assessors.</p> <p>An effective formal process in place to manage complaints.</p> <p>Timely and appropriate response to complaints.</p>	<p>Code of conduct maintained by registrar for assessors and by Human Resources for other staff.</p> <p>A formal policy and procedure is in place for the management of complaints. All complaints are reviewed by the Chief Executive Officer and followed through by the relevant general manager or state manager. All complaint responses are reviewed by the General Manager Corporate Affairs and Human Resources who has overall responsibility for complaints management.</p> <p>The average time taken to finalise complaint responses during the reporting period was 30 days from the date on which the complaint was received.</p>

Financial statements

Directors' report

Directors submit the financial accounts of the entity for the financial year ended 30 June 2010.

Directors

The names of the directors in office as at 30 June 2010 are:

- Mr James Harrowell AM (Chairman)
- Ms Kate Carnell AO
- Dr Sally Goold OAM
- Dr June Heinrich OAM
- Prof Joseph E Ibrahim
- Prof Rhonda Nay
- Dr Andrew Refshauge
- Dr Mike Rungie.



Mr James Harrowell AM,
Chairman

Appointed 23 June 1999. Current
appointment until 30 June 2011.

Current appointments:

- Partner, Hunt & Hunt Legal Group
- Qualified lawyer and accountant
- President, Australia China Business Council (NSW)
- Fellow, Australian Institute of Company Directors
- Fellow, Taxation Institute of Australia
- Board Member, University of NSW Confucius Institute
- Member, Attorney General's China Working Group
- Member, Law Council of Australia China Experts Panel
- 20 years experience in litigation in all jurisdictional levels in NSW and interstate.

Previous appointments:

- Director and Chairman, Interlaw Limited
- Managing Partner, Hunt & Hunt Legal Group.

LLB BComm AASA AHKSA FTIA FAICD

Board meeting eligible to attend: 8

Board meetings attended: 8

Ms Kate Carnell AO

Appointed 10 December 2008. Current
appointment until 9 December 2011.

Current appointments:

- CEO, Australian Food and Grocery Council
- Director, Beyondblue
- Director, Cooperative Research Centre for Forestry
- Director, Australian Red Cross
- Director, GS1 Australia
- Committee Member, Prevention Taskforce.

Previous appointments:

- Director, IFA
- Director, IOTA
- Director, NRMA
- Director, NICS
- Director, GPET
- Pharmacy owner 1981-2000
- Vice President, Pharmacy Guild of Australia
- Minister for Health, ACT
- Chief Minister, ACT
- CEO, Aust General Practice Network.

B Pharm FAIM FAIPM MAICD AFCHSE

Board meeting eligible to attend: 8

Board meetings attended: 7



Dr Sally Goold OAM

Appointed 10 December 2008. Current appointment until 9 December 2011.

Current appointments:

- Executive Director, Congress of Aboriginal and Torres Strait Islander Nurses
- Member, National Indigenous Health Equality Council
- Member, Australian Peak Nurses and Midwifery Forum
- Member, Close the Gap Steering Committee
- Member, The Board of Directors Australian Nursing and Midwifery Council
- Member, Aboriginal and Torres Strait Islander Health Workforce Working Group.

Previous appointment:

- Senior Australian of the Year 2006.

RN RM DipNEd, BApp SC Nursing, MN
St DN-HC RMIT FRCNA FCNA

Board meeting eligible to attend: 8

Board meetings attended: 5

Dr June Heinrich OAM

Appointed 10 December 2008. Current appointment until 9 December 2011.

Current appointments:

- Chairman, Baptist Care Australia Ltd
- Director, Aged Care Services NSW
- Chief Executive Officer, Baptist Community Services – NSW and ACT
- Member, Aged Care Consultative Committee.

Previous appointments:

- Director, St Vincent de Paul Society
- Member, Aged Care Services Ltd

BA (Hons) MSc D Educ Centenary Medal

Board meeting eligible to attend: 4

Board meetings attended: 4



Professor Joseph E Ibrahim

Appointed 14 November 2002. Current appointment until 8 December 2011.

Current appointments:

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

Previous appointments:

- Regional editor, *International Journal for Quality in Health Care* (2000-2004).

MBBS GradCertHE PhD MRACMA
FAFPHM FRACP

Board meeting eligible to attend: 8

Board meetings attended: 7

Professor Rhonda Nay

Appointed 24 June 2002. Current appointment until 18 June 2011.

Current appointments:

- Foundation Professor, Interdisciplinary Aged Care, La Trobe University
- Director, Australian Centre for Evidence Based Aged Care
- Director, TIME for Dementia - the Australian Government funded Vic and Tas Centre
- Director, Institute for Social Participation (ISP)
- Director, Australian Institute for Primary Care
- Head, DCRC3 Victorian Hub.

Previous appointments:

- Foundation Professor of Gerontic Nursing
- Member, National Advisory Committee on Ageing
- Consultant Editor, *Coroner's Communiqué*
- Regional Editor, *International Journal of Older People Nursing*
- Expert Advisor, International Council of Nurses.

RN BA MLitt PhD FRCNA FCN FAAG

Board meeting eligible to attend: 8

Board meetings attended: 7



Dr Andrew Refshauge

Appointed 10 December 2008. Current appointment until 9 December 2011.

Current appointments:

- Chair, Careflight (NSW)
- Director, Family Care Medical Services
- Director, Neuroscience Research Australia
- Chair, Investment Committee of the NSW Aboriginal Lands Council.

Previous appointment:

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

MBBS FAICD

Board meeting eligible to attend: 8

Board meetings attended: 6



Dr Mike Rungie

Appointed 10 December 2008. Current appointment until 9 December 2011.

Current appointments:

- Director, Aged and Community Services SA/NT Board
- CEO, ACH Group
- Member, Ageing Consultative Committee,
- Member, Consumer Directed Care Working Group for the Ageing Consultative Committee.

Previous appointments:

- Member, Central Northern Adelaide Health Services Board
- Member, North Eastern Community Nursing Home Board
- Member, Prime Minister's Australia 2020 Summit
- Member, Study Group on Teaching Nursing Homes Norway and Holland
- Member, Reference Group on the Longer Term Reform of Aged Care, Department of Health and Ageing
- Member, Innovative Care Rehabilitation Services (ICRS) National Evaluation and Steering Committee
- Management Committee Member, *Australasian Journal on Ageing*.

BSc. (Hons) PhD Centenary Medal

Board meeting eligible to attend: 8

Board meetings attended: 6



Financial Statements

Operating results

The operating profit amounted to \$2,376,286. Dividends are not applicable for this entity, as no beneficial interest exists.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the twelve months to 30 June 2010.

After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Areas of risk and likely development

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

The Deed of Funding provides funds for the Company to meet its responsibilities under the Deed and as the accreditation body appointed under the Aged Care Act 1997. The current Deed of Funding is due for renewal at the end of 2011/2012 financial year.

Audit Committee

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

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

Directors' and officers' indemnification

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

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

Level 9, 111 Phillip Street Parramatta NSW 2150 • PO Box 773 Parramatta NSW 2124

Telephone (02) 9633 1711 • Facsimile (02) 9633 2422

Email national@accreditation.org.au • www.accreditation.org.au

ABN 64 079 618 652 ACN 079 618 652



During or since the financial year the Company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium paid was \$10,594 for all directors and officers.

Directors' benefits

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

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

Signed in accordance with a resolution of the Board of Directors



Jim Harrowell AM
Director



Dr Andrew Refshauge
Director

Dated 13 September 2010

Level 9, 111 Phillip Street Parramatta NSW 2150 • PO Box 773 Parramatta NSW 2124

Telephone (02) 9633 1711 • Facsimile (02) 9633 2422

Email national@accreditation.org.au • www.accreditation.org.au


ABN 64 079 618 852 ACN 079 618 852



Directors' declaration

The directors declare that:

- a) the financial statements and notes comply with the *Accounting Standards and Corporations Act 2001*;
- b) the financial statements and notes give a true and fair view of the financial position as at 30 June 2010 of the performance of the Company and the cashflows for the year ended;
- c) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due and payable.


Jim Harrowell AM
Director


Dr Andrew Refshauge
Director

Dated 13 September 2010

Level 9, 111 Philip Street Parramatta NSW 2150 • PO Box 773 Parramatta NSW 2124
Telephone (02) 9633 1711 • Facsimile (02) 9633 2422
Email national@accreditation.org.au • www.accreditation.org.au
ABN 64 079 618 652 ACN 079 618 652






**AGED CARE STANDARDS AND ACCREDITATION AGENCY
LIMITED FINANCIAL REPORT 2009–10
AUDITOR'S INDEPENDENCE DECLARATION**

In relation to my audit of the financial statements of the Aged Care Standards and Accreditation Agency Limited for the year ended 30 June 2010, to the best of my knowledge and belief, there have been:

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

Australian National Audit Office


Graham Johnson
Senior Director

Sydney
15 September 2010

PO Box A456 Sydney South NSW 1235
130 Elizabeth Street
SYDNEY NSW
Phone (02) 9367 7100 Fax (02) 9367 7102

Statement of comprehensive income

For the year ended 30 June 2010	Note	2010 \$	2009 \$
Revenue from ordinary activities	2	33,248,946	39,043,707
Labour expenditure		(22,889,885)	(27,908,443)
Depreciation and amortisation		(1,005,264)	(985,990)
Finance costs		(8,808)	(9,201)
Other expenses from ordinary activities	2	(6,968,703)	(8,222,051)
Net operating result from ordinary activities		2,376,286	1,918,022
Total comprehensive income		2,376,286	1,918,022

The accompanying notes form part of this income statement.

Balance sheet

As at 30 June 2010	Note	2010 \$	2009 \$
Current assets			
Cash and cash equivalents	6	17,197,910	18,969,626
Trade and other receivables	7	322,479	400,359
Prepayments		173,066	143,268
Total current assets		17,693,455	19,513,253
Non-current assets			
Property, plant and equipment	8	643,288	755,339
Intangibles	9	1,172,253	1,706,711
Total non-current assets		1,815,541	2,462,050
Total assets		19,508,996	21,975,303
Current liabilities			
Trade and other payables	10	2,611,785	7,305,194
Other current provisions	11	8,808	9,212
Employees provisions	12	2,162,797	2,331,086
Total current liabilities		4,783,390	9,645,492
Non-current liabilities			
Employees provisions	13	613,409	510,990
Other non-current provisions	14	209,258	200,046
Other payables	15	133,439	225,561
Total non-current liabilities		956,106	936,597
Total liabilities		5,739,496	10,582,089
Net assets		13,769,500	11,393,214
Equity			
Retained earnings		13,769,500	11,393,214
Total equity		13,769,500	11,393,214

The accompanying notes form part of this balance sheet.

Cash flow statement

For the year ended 30 June 2010	Note	2010 \$	2009 \$
Cash flows from operating activities			
Receipts from customers and government grants		28,821,295	41,393,458
Interest received		621,516	768,206
GST received/(paid)		179,489	150,826
Payments to suppliers and employees		(31,028,701)	(34,522,280)
Finance costs		(8,808)	(9,201)
Net cash from/(used by) operating activities	5	(1,415,209)	7,781,009
Cash flows from investing activities			
Purchase of property, plant and equipment		(361,429)	(345,728)
Proceeds on disposal of property, plant & equipment		4,922	-
Net cash (used by) investing activities		(356,507)	(345,728)
Net increase/(decrease) in cash and cash equivalents		(1,771,716)	7,435,281
Cash and cash equivalents at the beginning of the financial year		18,969,626	11,534,345
Cash and cash equivalents at the end of the financial year	6	17,197,910	18,969,626

The accompanying notes form part of this cash flow statement.

Changes in equity statement

For the year ended 30 June 2010	Note	2010 \$	2009 \$
Opening balance			
Balance carried forward from previous period		11,393,214	9,475,192
Income and expense			
Net operating result		2,376,286	1,918,022
Closing balance		13,769,500	11,393,214

The accompanying notes form part of this changes in equity statement.

Notes to the financial statements

For the year ended 30 June 2010

Note 1. Statement of accounting policies

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

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

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

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied with those of the previous year, unless otherwise stated.

Income recognition

Accreditation fees are paid on application and 25% is brought to revenue throughout the following month and 75% three months after the money is received. The money is shown as unearned income on the Balance Sheet until it is brought to revenue. Analysis of the year end accounts reveals that a number of applications are received ahead of the expected date and the work will be undertaken as previously planned. Consequently the unearned income for 2009-10 has been adjusted to reflect the principle that money should be brought to revenue when the work to which it relates is undertaken.

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

Income tax

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

Property, plant and equipment

Property, plant and equipment are recognised on the cost basis.

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

The current straight line rates of depreciation by categories are unchanged from 2009:

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

Impairment of assets

All assets were assessed for impairment at 30 June 2010. Where indicators of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment is made if the asset's recoverable amount is less than its carrying amount. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employed, and subsequent disposal.

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

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

Leases

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

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

Lease incentives

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

Employee benefits

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

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

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

Goods and service tax (GST)

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

Statement of compliance

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

Adoption of new Australian accounting standards requirements

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

Future Australian accounting standard requirements

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

Comparative figures

Where required, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Note 2. Operating result

Operating result from ordinary activities has been determined after:

Crediting as income

	2010 \$	2009 \$
Income from operating activities		
Government grants received	22,854,000	19,946,000
Accreditation revenue	8,454,737	16,922,378
Training revenue	1,065,509	1,245,097
Interest	728,471	761,680
Other income	146,229	168,552
Income from ordinary activities	33,248,946	39,043,707

Charging as expenses

	2010 \$	2009 \$
Depreciation of non-current assets:		
Property, plant and equipment	992,472	977,341
Make good	12,792	8,649
Total depreciation	1,005,264	985,990
Other expenses		
IT	314,371	239,028
Legal	215,074	170,443
Other professional fees	256,960	109,901
Printing and stationery	236,077	489,538
Occupancy, leases and other rental cost	2,335,738	2,356,404
Seminars and conferences	98,931	62,007
Telephones and communications	308,305	339,926
Training and recruitment	213,697	283,433
Travel	2,447,089	3,554,247
Other	542,461	617,124
Total other expenses from ordinary activities	6,968,703	8,222,051

Note 3. Key management personnel compensation

AASB 124 – *Related Party Disclosures* requires disclosure of information relating to aggregate compensation of key management personnel. The key management personnel of the Company are non-executive directors (members of the Board) and senior staff who have responsibility for planning, directing and controlling the activities of the Company. This group comprises 15 in total as at 30 June 2010, being 8 non-executive Board members and 7 senior staff. There were 14 non executive directors at 30 June 2009. Fees of the members of the Board and the Chief Executive Officer's (CEO) remuneration are subject to Remuneration Tribunal determinations.

The aggregate compensation made to key management personnel of the company is set out below:

	2010 \$	2009 \$
Short-term employee benefits and directors fees	1,706,548	1,552,097
Post-employment benefits	123,126	106,869
Other long-term benefits	9,231	8,521
Termination benefits	-	-
Share-based payment	-	-
	1,838,905	1,667,487

Short-term employee benefits include cash salary, bonuses paid, and in the case of staff, sick and annual leave, car parking, and the fringe benefits tax paid or payable on this benefit. Post-employment benefits include superannuation benefits. Other long-term benefits include long service leave provided to staff with 10 years service.

As at 30 June 2010 and 30 June 2009 there were no loans by the Company to key management personnel.

There were no other related party transactions with Board members. Transactions with director-related entities which occurred in the normal course of the Company's operations were conducted on terms no more favourable than similar transactions with other employees or customers.

Note 4. Remuneration of auditors

	2010 \$	2009 \$
Audit of financial report	35,300	39,000

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

Note 5. Reconciliations of cashflow from operations with operating profit

Cash

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

- cash on hand and on call deposits with banks or financial institutions, net of bank overdrafts; and
- investments in money market instruments with less than 180 days to maturity.

Reconciliation of operating result from ordinary activities to net cash flow from operating activities

	2010 \$	2009 \$
Operating result from ordinary activities	2,376,286	1,918,022
Non-cash flows in operating result		
Depreciation	1,005,264	985,990
Loss /(gain) on sale of property, plant and equipment	(2,248)	-
Changes in assets and liabilities		
(Increase)/decrease in receivables	77,880	(162,154)
(Increase)/decrease in prepayments	(29,798)	45,997
Increase/(decrease) in payables	(4,693,409)	4,147,397
Increase/(decrease) in current provisions	(168,693)	907,567
Increase/(decrease) in non-current provisions	19,509	(61,810)
Net cash from/(used by) operating activities	(1,415,209)	7,781,009

Note 6. Cash and cash equivalents

	2010 \$	2009 \$
Cash at bank and on hand	17,197,910	18,969,626

Note 7. Trade and other receivables

	2010 \$	2009 \$
Goods and services	213,967	259,150
GST receivable from the Australian Tax Office	102,217	130,287
Other	6,295	10,922
Total trade and other receivables	322,479	400,359

Note 8. Property, plant and equipment

	2010 \$	2009 \$
Furniture and fittings		
Cost		
Opening	1,106,002	1,065,076
Additions	2,350	40,926
Disposals	(662)	-
Closing	1,107,690	1,106,002
Accumulated depreciation		
Opening	(871,807)	(769,293)
Depreciation expense	(84,011)	(102,514)
Write back on disposals	401	-
Closing	(955,417)	(871,807)
Net furniture and fittings	152,273	234,195
Computers		
Cost		
Opening	1,495,947	1,251,059
Additions	250,915	281,765
Disposals	(258,301)	(36,877)
Closing	1,488,561	1,495,947
Accumulated depreciation		
Opening	(1,093,904)	(941,033)
Depreciation expense	(221,346)	(189,748)
Write back on disposals	255,889	36,877
Closing	(1,059,361)	(1,093,904)
Net computers	429,200	402,043

Note 8. Property, plant and equipment (continued)

	2010 \$	2009 \$
Office equipment		
Cost		
Opening	453,281	432,924
Additions	7,380	23,037
Disposals	-	(2,680)
Closing	460,661	453,281
Accumulated depreciation		
Opening	(368,661)	(314,333)
Depreciation expense	(49,876)	(57,008)
Write back on disposals	-	2,680
Closing	(418,537)	(368,661)
Net office equipment	42,124	84,620
Leasehold improvements		
Cost		
Opening	171,669	171,669
Additions	-	-
Disposals	-	-
Closing	171,669	171,669
Accumulated depreciation		
Opening	(137,188)	(122,563)
Depreciation expense	(14,790)	(14,625)
Closing	(151,978)	(137,188)
Net leasehold improvements	19,691	34,481
Total property, plant and equipment	643,288	755,339

Note 9. Intangibles

	2010 \$	2009 \$
Software – internally developed		
Cost		
Opening	2,478,821	2,478,821
Additions	100,784	-
Closing	2,579,605	2,478,821
Accumulated depreciation		
Opening	(772,110)	(150,016)
Amortisation expense	(635,242)	(622,094)
Closing	(1,407,352)	(772,110)
Net software	1,172,253	1,706,711

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

Note 10. Current liabilities – trade and other payables

	2010 \$	2009 \$
Lease incentives	92,532	72,460
Trade creditors and accruals	1,014,008	2,027,589
Unearned income	1,505,245	5,205,145
Total trade and other payables	2,611,785	7,305,194

Note 11. Current liabilities – other current provisions

	2010 \$	2009 \$
Makegood	8,808	9,212
Total current liabilities - other provisions	8,808	9,212

Note 12. Current liabilities – employee provisions

	2010	2009
	\$	\$
Annual leave	1,448,311	1,410,944
Long service leave	337,190	272,996
Salary and wages	377,296	647,146
Total employee provisions	2,162,797	2,331,086

Note 13. Non-current liabilities – employee provisions

	2010	2009
	\$	\$
Long service leave	613,409	510,990
Total non-current employee provisions	613,409	510,990
Aggregate employee benefit liability (sum of notes 12 and 13)	2,776,206	2,842,076

Note 14. Non-current liabilities – other non-current provisions

	2010	2009
	\$	\$
Makegood	209,258	200,046
Total other non-current provisions	209,258	200,046

Note 15. Non-current liabilities – other payables

	2010	2009
	\$	\$
Lease incentives	133,439	225,561
Total other payables	133,439	225,561

Note 16. Issued capital

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

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

Note 17. Expenditure commitments

	2010 \$	2009 \$
(a) Operating leases		
Non-cancellable operating leases contracted for but not capitalised in the accounts		
Payable:		
Within one year	1,677,739	1,529,045
Later than one year but not later than five years	2,336,295	3,610,873
Later than five years	-	-
	4,014,034	5,139,918
(b) Capital commitments		
Commitments contracted for plant and equipment purchases or capital expenditure projects		
Payable within one year:	-	212,526
	-	212,526

The expenditure commitment figures shown above exclude GST.

Note 18. Contingent liabilities and assets

	2010 \$	2009 \$
Estimates of the potential financial effect of contingent liabilities that may become payable:		
The Company has four bank security deposit guarantees for rental properties	247,377	247,377
	247,377	247,377

Note 19. Financial instruments

Financial assets

Cash and deposits are recognised in the balance sheet at their nominal value. Interest is credited to revenue as it is earned. The effective weighted average interest rate for cash deposits at 30 June 2010 was 4.73% (30 June 2009: 3.13%).

Receivables are normally settled within 30 days.

Financial liabilities

Liabilities are recognised at their nominal value in the Balance Sheet for amounts to be paid in the future for goods and services received, whether or not billed. Trade creditors are normally settled within 30 days.

Interest rate risk exposures

2010	Floating interest rate \$	Non interest bearing \$	Total \$	Weighted average effective interest rate %
Financial assets				
Cash	17,197,910		17,197,910	4.73%
Receivables		322,479	322,479	
	17,197,910	322,479	17,520,389	
Total assets			19,508,996	
Financial liabilities				
Payables		1,014,008	1,014,008	
Other		2,162,797	2,162,797	
Provisions		92,532	92,532	
		3,269,337	3,269,377	
Total liabilities			5,739,496	

Interest rate risk exposures

2009	Floating interest rate \$	Non interest bearing \$	Total \$	Weighted average effective interest rate %
Financial assets				
Cash	18,969,626		18,969,626	3.13%
Receivables		400,359	400,359	
	18,969,626	400,359	19,369,985	
Total assets			21,975,303	
Financial liabilities				
Payables		2,027,589	2,027,589	
Other		2,331,086	2,331,086	
Provisions		72,460	72,460	
		4,431,135	4,431,135	
Total liabilities			10,582,089	

Net fair value

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

Credit risk

The Company's credit risk is limited to the value of assets carried in our balance sheet.

Note 20. Economic dependency

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



INDEPENDENT AUDITOR'S REPORT

To the members of the Aged Care Standards and Accreditation Agency Limited

Report on the Financial Report

I have audited the accompanying financial statements of Aged Care Standards and Accreditation Agency Limited (the agency) for the year ended 30 June 2010 which comprises the Statement of Comprehensive Income, Balance Sheet, Cash Flow Statement, Changes in Equity Statement and Notes to the Financial Statements including a Summary of Significant Accounting Policies, and the Directors' Declaration.

The Directors' Responsibility for the Financial Statements

The directors of the Agency are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of

PO Box A456 SYDNEY SOUTH NSW 1235
130 Elizabeth Street SYDNEY NSW 2000
Phone (02) 9367 7100 Fax (02) 9367 7102

accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Independence

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

Auditor's Opinion

In my opinion:

- (a) the financial statements of Aged Care Standards and Accreditation Agency Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of Aged Care Standards and Accreditation Agency Limited's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial statements also complies with International Financial Reporting Standards as disclosed in Note 1.

Australian National Audit Office



Graham Johnson
Senior Director
Delegate of the Auditor-General
Sydney
15 September 2010

Appendix

Aged Care Standards and Accreditation Agency Ltd

General enquiries 1800 288 025

National office

Level 9, 111 Phillip Street
Parramatta NSW 2150

PO Box 773
Parramatta NSW 2124

Tel: (02) 9633 1711
Fax: (02) 9633 2422
Email: national@accreditation.org.au

NSW and ACT

Level 9, 111 Phillip Street
Parramatta NSW 2150

PO Box 674
Parramatta NSW 2124

Tel: (02) 9633 2099
Fax: (02) 9687 0415
Email: nsw_act@accreditation.org.au

Vic and Tas

Level 5, 991 Whitehorse Road
Box Hill Vic 3128

PO Box 398
Box Hill Vic 3128

Tel: (03) 9897 4322
Fax: (03) 9898 7577
Email: vic_tas@accreditation.org.au

Queensland

The Terrace Office Park
Level 2, South Tower
527 Gregory Terrace
Bowen Hills QLD 4006

PO Box 1032
Spring Hill QLD 4004

Tel: (07) 3852 3100
Fax: (07) 3852 3011
Email: queensland@accreditation.org.au

SA and NT

Level 5, 26 Flinders Street
Adelaide SA 5000

GPO Box 620
Adelaide SA 5001

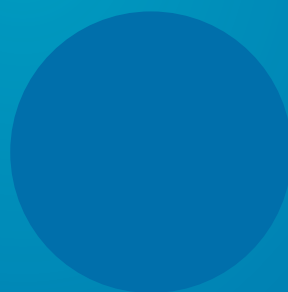
Tel: (08) 8217 6000
Fax: (08) 8212 8544
Email: sa_nt@accreditation.org.au

Western Australia

The Garden Office Park
355 Scarborough Beach Road
Osborne Park WA 6017

PO Box 718
Osborne Park WA 6916

Tel: (08) 9201 1344
Fax: (08) 9201 1355
Email: wa@accreditation.org.au



Aged Care
Standards and Accreditation Agency Ltd