

Annual Report 2011/2012



Aged Care
Standards and Accreditation Agency Ltd

Annual Report 2011-2012
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Message from the Chair

I am pleased to present the annual report and accounts of the activities of Aged Care Standards and Accreditation Agency Ltd for 2011/12.

The Company continues to promote high quality care through the residential aged care accreditation and industry education programs. Both are designed to support the industry improve service quality for residents, though in different ways.

At time of writing, the Company is approaching the peak of its activities in the current accreditation 'round' which will formally conclude at the end of the 2012 calendar year.

We look forward to the results, and will analyse and report the industry's overall performance, as we have in the past.

Australia's aged care industry has a strong track record of achievement against the Accreditation Standards. But we ask, both ourselves, and the aged care industry, should it be enough to just meet the Standards?

Accreditation should be the logical outcome of a commitment to providing high quality care to residents, not an end in itself.

We see many examples of such dedication and commitment through our Better Practice Awards which recognise excellence and industry leadership. In 2011, we made 41 Better Practice Awards for programs in areas such as environmental management and living environment, health and personal care, innovation, resident lifestyle and staff development and retention.

The 2012 Better Practice Awards were even stronger. We received around 200 applications – double the previous year – and made 51 Better Practice Awards. The full details and profiles of the award-winning programs are on our website, **www.accreditation.org.au**.

During the year, the Minister for Mental Health and Ageing, the Hon Mark Butler MP, released the Australian Government's aged care reform package, *Living Longer. Living Better.*

The package foreshadowed changes to the governance arrangements and role of the Accreditation Agency and we will work closely with the Department of Health and Ageing in implementing those changes.

I would like to acknowledge the contribution of former directors Professor Rhonda Nay, Dr Sally Gould OAM and Ms Kate Carnell AO who retired from the Board during the year, and welcome new directors Mrs Karen Frost, Professor Barbara Horner and Ms Venessa Curnow.

I pay particular tribute to Mr Jim Harrowell AM, who retired as Chair after 12 years as a director, including more than 10 years as Chair. In praising Jim for his significant contribution, Minister Butler described Jim as "the founding father of accreditation in residential aged care in Australia". While Jim's leadership formally was through his governance role as Chair of the Board, the focus of his efforts was always on the outcomes for residents.

I am honoured to have been appointed Chair of the Board and look forward to working closely with the Company's management team ably led by our Chief Executive Officer Mark Brandon.



Dr Andrew Refshauge, Chair



Message from the CEO

2011/12 has been a year of steady progress as the busiest year in the three year accreditation cycle.

We continue to deploy enterprise-wide technology to improve efficiency, and we have maintained our focus on quality improvement while delivering the operational outcomes required under our agreement with the Department of Health and Ageing.

During the year, we conducted 6,435 visits to aged care homes, including 1,491 re-accreditation audits, 52 review audits, and 4,892 assessment contacts, of which 3,065 were unannounced. All homes received at least one unannounced visit.

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

Our Better Practice conferences attracted more than 1,500 delegates, while 1,200 aged care managers attended our three-day Understanding Accreditation courses, and we also provided education and training for around 7,500 front-line staff through our QUEST sessions delivered free to homes.

Outside of the formal on-site assessment process, we spend considerable time talking directly to aged care owners and managers to better understand their models of care delivery and the challenges they face.

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 whose activities cross state borders; and training for our assessors in on-site relationship management.

We also seek to be transparent in our approach. All of our key documents and manuals are on our website, and the Understanding Accreditation course demystifies the accreditation process and our role. In this way, we seek to ensure there is a shared understanding between us as the accrediting body, and those we accredit. We are the only external evaluation organisation in the world that makes such level of detail free and easily accessible. There is considerable interest in our approach to promoting quality and accreditation. Consequently, we routinely brief delegations from overseas and provide information to like organisations.

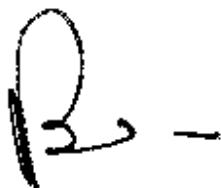
Our assessor workforce remains stable and with an appropriate blend of skills and experience, supported by a program of continuing professional development through the Assessor Development Program.

During the year, we also congratulated the first group of graduates under our business qualifications program – the first time we offered our staff the opportunity to obtain a recognised qualification. I am pleased to report that the 2012/13 program has even more participants.

In April the Australian Government released its *Living Longer. Living Better.* package of reforms. We will work closely with the Department of Health and Ageing on implementing the changes, while remaining committed to our current business activities during the transition.

In closing, I would like to pay particular tribute to retiring Chair Jim Harrowell AM. Jim was Chair when I joined the Company and he retired from the Board at the end of June after more than 10 years on the Board. Throughout that time, Jim has been generous with his time and wise counsel. The management team and I welcome our new Chair Dr Refshauge and the new directors as the team and Board work together toward the new future announced by government.

Finally, I would like to place on the record my sincere appreciation for the support of our Board of Directors and the effort of all staff in contributing to the achievements of our Company objectives and the quality of care and services in Australia's aged care homes.



Mark Brandon, Chief Executive Officer



Better Practice Awards

Our annual Better Practice Awards recognise innovation, quality improvement and better practice in aged care across five award categories:

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

Nominations must include the background, research, methodology and outcomes as well as outline the program's sustainability, transferability and any partnerships with other organisations.

2011 awards

In 2011, there were 41 award winners. Winners received complimentary registration to a Better Practice conference, many were invited to present at upcoming conferences, profiles of the winning programs were posted on the website, and a 'gold book' compilation of all winners, *Aged Care Better Practice Awards 2011* was printed and distributed to all aged care homes.

Many of the 2011 Better Practice Award winners, are presenting at our 2012 Better Practice conferences around Australia to share their award winning programs with their peers.

2012 awards

To encourage homes and organisations to nominate for the 2012 awards, a flyer was created for assessors to distribute to homes while on audits, articles appeared in *The Standard*, flyers were distributed (as an insert in *The Standard*) to all homes, information was posted on our website, and emails were sent to all homes and approved providers encouraging them to nominate for an award. Homes representatives were also encouraged to nominate at Better Practice conferences and at stakeholder functions with the Accreditation Agency's Board and management around the country.

Following the success of the inaugural awards program in 2011, the 2012 program received 186 nominations for an award, with 51 award winners.





Winning programs featured ballroom dancing as a falls management strategy, sensory towels which improve appetite and cooking classes to beat depression. Aged care organisations were also recognised for programs to attract and retain staff, including 'employer of choice' initiatives, recruitment programs to grow the talent pool of front-line care workers, and a graduate nurse program to make aged care a more attractive career option for graduate nurses.

Honouring award winners

Since these awards commenced, the directors and executive management team continue to attend award presentation ceremonies at Better Practice Award winning homes. The aim of this commitment is to honour the achievements with staff and residents at these homes. Residents take part in these trophy ceremonies and seeing the camaraderie within the home and the joy of the faces of residents and staff show how significant each award is to these homes.

The full list of Better Practice Award winners and profiles are available on our website, **www.accreditation.org.au**.

Mercy Place Rice Village, Buddy program

The resident Buddy program helps new residents to feel part of the family, confident in their day-to-day life, happy and content. The 'buddy' also benefits, feeling a sense of worth and having a purpose.

Each resident buddy is selected and provided training in their buddy role.

The program has shown to take the pressure off families, ensuring that they feel like they have made the right choice rather than a feeling of guilt.

In addition to these benefits the program has contributed to creating a positive culture for Mercy Place Rice Village employees.



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 2013.

Role and functions

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

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

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

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

Structure and governance

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

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

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

The Board of Directors has overall responsibility for the Company's strategic direction and performance. The Board's role is corporate governance: 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 2011/12 are included in the Directors' Report.

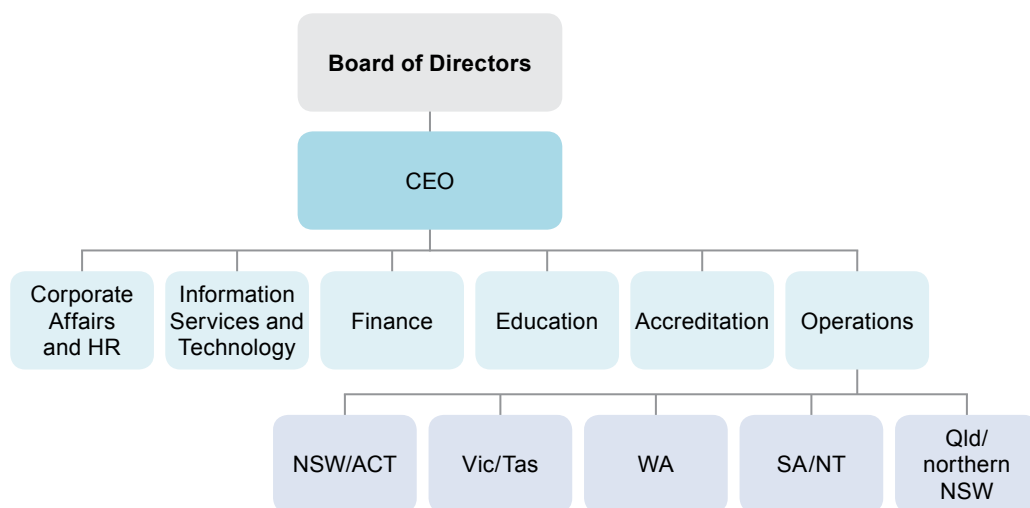
The Chief Executive Officer (CEO) is responsible for the operational management of the Company and for ensuring the delivery of the core functions. The CEO reports to the Board. The CEO is the authority for accreditation decisions. That authority has been delegated to a small number of line managers.

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

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

Company structure chart

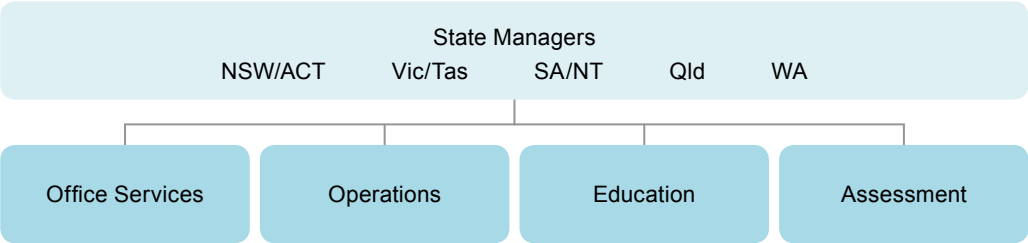
As at 30 June 2012



Corporate Affairs and Human Resources	Information Services and Technology	Finance	Education	Accreditation	Operations
<ul style="list-style-type: none"> • Human resources • Media • Marketing • Government liaison • Stakeholder relations 	<ul style="list-style-type: none"> • Computer hardware and software management • Information management • Risk management 	<ul style="list-style-type: none"> • Accounts • Accounts payable • Property management • Statutory reporting 	<ul style="list-style-type: none"> • QUEST • Better Practice • Assessor courses • One-day workshops • Flexible learning packages 	<ul style="list-style-type: none"> • Policy development • Research • Internal quality assurance • Reviews and reconsiderations 	<ul style="list-style-type: none"> • Case management • Accreditation activity • Education delivery

Company organisational chart regional offices

As at 30 June 2012



Corporate Support Services Manager	Operations Manager	Education Coordinator	Assessment Manager
<ul style="list-style-type: none">• Office support services• Statutory requirements• System 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 processes for residential aged care homes are set out in the Accreditation Grant Principles 2011.

Assessing homes' performance against the Accreditation Standards

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

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

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

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

Residents and their representatives are interviewed by assessment teams at visits to homes. Resident and representative feedback is an integral part of assessing a home's performance against the Accreditation Standards, indicating how homes meet the care needs of residents.



Case management

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

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

We adopt a case management approach in deciding upon actions and our visit program in relation to each aged care home and approved provider. There is a Case Management Committee in each state office through which appropriate actions are considered, planned in relation to homes that do not meet the Accreditation Standards or that where we obtain information from our visits or otherwise, that indicates that there may be a risk of poor performance. A national Case Management Committee meets weekly to review case progress and actions.

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

Assessment contacts

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

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

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

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

Assessment modules

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

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

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

Review audits

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

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

New homes

Applications can be made for the accreditation of new homes (called 'commencing services' in the Principles) before residents move into the home. Accreditation applications for new homes must identify how the Accreditation Standards will be met once residents move into the home and also require a commitment to undertake

continuous improvement. Under the Accreditation Grant Principles 2011, new homes can only be accredited for a maximum of 12 months. They are then required to make an application for a further period of accreditation.

Re-accreditation audits

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

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

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

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

Consumer engagement

As part of obtaining an understanding of the life residents experience in each residential aged care home we interview at least 10 per cent of residents at all re-accreditation audits and most assessment contacts.

We have averaged over 16 per cent across all types of visits. To assist residents, their families and other representatives know when announced visits will occur we provide written advice to each home so they can disseminate it before the visit and a poster which is displayed for every visit. These are available in 21 community languages. All assessors have received training in interview techniques, including how to interview residents with dementia. Where there are culturally and linguistic diverse residents we consider whether utilising an interpreter is beneficial and if so hire one for at least part of the visit. Assessors have also received training on communicating with indigenous residents.

As the resident experience is fundamental to assessment of the performance of homes against the Accreditation Standards we have commenced a project which should provide improved mechanisms for resident input to assessments.

Decisions

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

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

Reconsideration and review

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

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

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

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

If the provider remains dissatisfied with the decision made upon reconsideration, they may apply to the Administrative Appeals Tribunal (AAT) for review of the decision. In the 2011/12 year, reconsiderations were sought for 16 decisions. There were 1,351 reviewable decisions made in the same period.

In the 2011/12 financial period two applications were made to the AAT. One application was withdrawn after mediation and the other application that was pending at 30 June 2012 has now been dismissed.

Relationship with the Department of Health and Ageing

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

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

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

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

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

Accreditation status of residential aged care homes as at 30 June 2012

	NSW	VIC	QLD	SA	WA	TAS	ACT	NT	Australia
Number of homes accredited for:									
Less than one year	1	0	3	1	1	0	0	1	7
One year - Commencing homes	8	4	1	1	1	0	0	0	15
One year - Existing homes	4	4	10	5	4	0	1	3	31
More than one year but less than two years	0	0	1	0	1	0	2	1	5
Two years	18	11	31	11	9	0	1	0	81
More than two years but less than three years	1	2	1	1	0	0	0	0	5
Three years	854	738	413	245	227	78	22	10	2,587
Total accredited homes	886	759	460	264	243	78	26	15	2,731

Education

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

Many of the programs such as the Better Practice conferences are directed at those aged care managers with the greatest capacity to influence quality improvement; however other programs such as Quality Education on the Standards (QUEST) sessions are designed for front-line care staff. In addition, there are a range of self-directed learning packages which are available free from our website www.accreditation.org.au.

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 currently four self-directed learning packages on our website:

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

These free packages are among the most consistently popular downloads from our website with over 7,000 unique downloads in 2011/12.

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

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

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

Better Practice conferences

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

In 2011/12 six Better Practice conferences were held with 1,539 delegates attending. The Sydney conference broke all previous attendance records with 456 delegates. The Accreditation Agency continued to promote the provision of quality care and service delivery for residents with a focus on things such as enjoyment of food with presentations on 'nourishing residents hearts through food'. In Queensland and Victoria, where a series of natural disasters had devastated communities, the theme of emergency disaster management was prominent in these programs.

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

Comments from delegates included:

"Very inspiring; have gained new ideas to implement."

"Blown away with the content of all presentations; well done."

"Loved to hear experiences and new ideas from different homes."

Improved aged care quality assessment course

The aged care quality assessment course conducted for trainee assessors was updated to reflect current audit methodology. Two courses with 38 participants were conducted during 2011/12 in preparation for the anticipated peak in accreditation activity.

‘Understanding Accreditation’ course

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

We conducted 22 public ‘Understanding Accreditation’ courses. Leading Age Services Australia Victoria continues to host a number of public courses in Victoria in conjunction with our Melbourne office.

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

In response to this we are developing an e-Learning framework that will provide aged care managers and staff with online access to the range of learning programs run by the Accreditation Agency.

We now deliver in-house industry education direct to homes and this has proved very popular. During the year, we delivered 59 ‘Understanding Accreditation’ courses in-house direct to staff.

In total, 1,199 aged care managers and staff attended an ‘Understanding Accreditation’ course in 2011/12.

“Content enabled a better understanding of the accreditation process as I was a novice in aged care industry and now I feel that I am competent in the accreditation.”

Making the most of complaints

In November we launched a one-day workshop designed to assist staff in homes look at complaints from a positive perspective and use these to inform improvements to the quality of care and service provision in their homes. The workshop was developed internally with input and advice from Mr Steve Aivaliotis, Director, Proactive Complaints Management. Initial industry response has been very positive with 390 participants attending the workshop during 2011/12. An abridged version of this workshop is also being featured at our 2012 Better Practice conferences.

One-day workshops

During the year we also offered a number of one-day industry education workshops covering person-centred care, continuous improvement, managing risk, and information systems.

886 aged care managers and staff attended our various one-day workshops during the year.

QUEST

Quality Education on Standards (QUEST) are education sessions of up to one and a half hours delivered by an experienced assessor to front-line staff in residential aged care homes at no cost to the home.

During the year each of the sessions were significantly reviewed and updated to reflect current practice. The QUEST program continues to be valued by industry stakeholders as it is cost-effective, breaks down barriers and improves understanding of the accreditation process.

Participation and demand for QUEST in 2011/12 attests to the success of this program. QUEST sessions covering such topics as using resident feedback, privacy and dignity, accreditation overview, assessing the Standards, accreditation for consumers and continuous improvement were delivered to 7,291 staff nationally.

Department of Health and Ageing Understanding Accreditation workshops

We have developed and delivered a two-day workshop based on our Understanding Accreditation course to Department of Health and Ageing staff. Programs were delivered in Canberra and Darwin, with workshops to be delivered to the other state offices in 2012/13.

Stakeholder relationship management

Getting close to stakeholders

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 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.

Management and staff participate in a number of industry committees and working groups. The Chief Executive Officer, General Managers and State Managers also attend and make presentations to industry conferences and at accreditation and safety and quality conferences.

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

Relationship managers

Relationship managers have been appointed for larger 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 meets with the approved provider at least twice a year and acts as a central point for enquiries, service planning and contact for the provider in relation to all homes within the group.

The Standard

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

The articles in *The Standard* focus strongly on research and evidence-based practice, designed to highlight latest evidence in relation to aged care in Australia and internationally. There is also a focus on telling a story of how a home implemented a new program, to inspire and inform other homes. The 'Case in point' section was created in 2010 to get the industry thinking about issues that might be considered controversial. A different scenario is presented each month with responses sought from various representatives from within and outside the aged care industry. This has proved a popular column, with issues covered including catering for residents from CALD backgrounds; the appropriate use of motorised scooters; over the counter medicines; dignity and capacity; correct lifting procedures; the effects of a restless resident on others; and personal hygiene choices.

There were two special editions created of *The Standard*. In October, a special edition was published to commemorate the winners of the 2011 Better Practice Awards. In December 2011, we re-issued a special edition of *The Standard* focusing on preparing for an emergency.

Overall distribution of *The Standard* has increased by 17 per cent with new growth in the new online format increasing by 122 per cent and print remaining steady at 8,000 per month.



Quality assurance and improvement

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

We engage with stakeholders to gauge our performance and we use complaints and feedback to guide improvements.

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

ISO certification



The Company's Quality Management System is certified to ISO Standard 9001:2008. SAI Global undertook certification audits of each of our state offices as well as the divisional offices in 2009/10 and re-certified the Company through to August 2013.

In April and May 2012, SAI Global undertook surveillance audits in each of our state offices, as well as the divisional office.

In its report, SAI Global said: "Top management continues to rigorously review achievements against strategic and operational goals / objectives and aggregate results tracked via established measures (KPIs), which in part are provided by all State Office Managers at monthly intervals."

ISQua accreditation



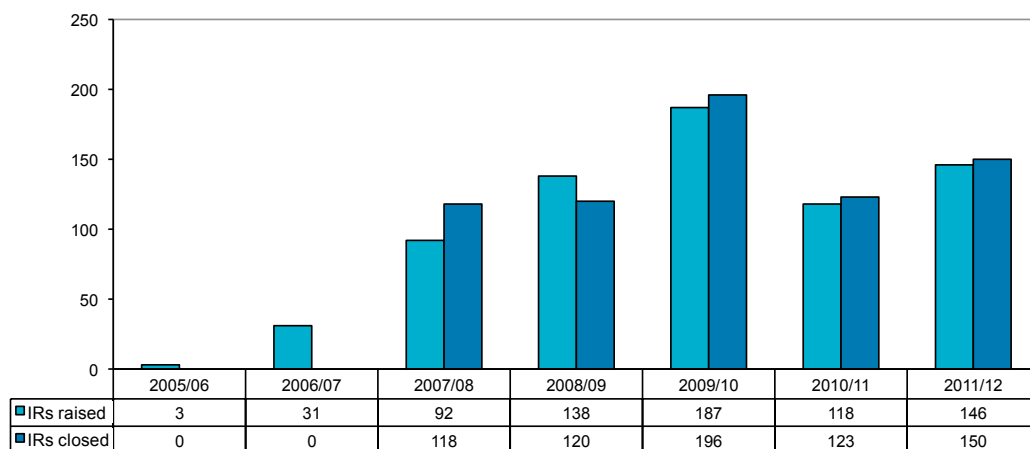
The Company is accredited by the International Society for Quality in Health Care (ISQua) – formal recognition that our performance as an accrediting body has been assessed by peer reviewers against international standards. In addition to our organisational accreditation, our assessor training program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

Improvement requests

Our internal improvement request process was implemented in 2005/06. There were a small number of improvements raised when this process was implemented.

Today the improvement request process has been embraced by our staff as can be seen by the steady number of improvement suggestions made since 2007/08.

Improvement request statistics



Complaints and feedback

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

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

We aim to provide a finalised written response within 28 days or, where this is not possible, we keep the complainant informed about progress. In 2011/12 we finalised 64 complaints within the 28-day timeframe. A small number of complaints were complex and required more thorough investigation.

We received 98 complaints during the year, compared with 82 the previous financial year.

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 assessment contacts, including unannounced visits.

Aged Care Commissioner

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

One matter was lodged in 2011/12 and was finalised post 30 June 2012. The complaint was related to the conduct of an assessor. The complaint was found to be unsubstantiated.

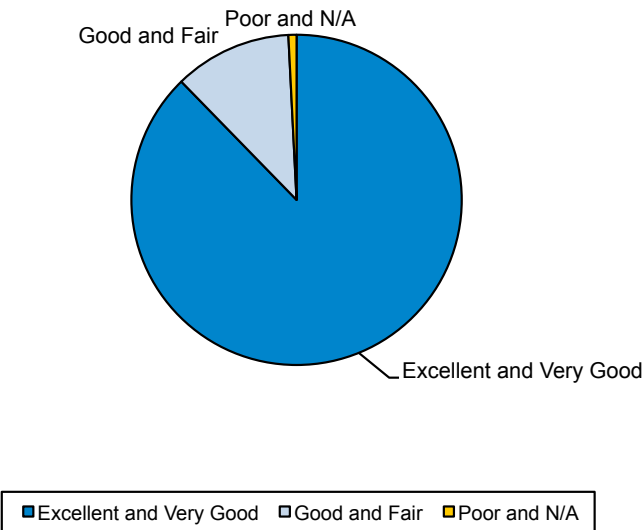
The Commissioner's examination of complaints is supported by a protocol between the two organisations, routine exchange of data in relation to complaints reporting, and regular meetings between the Aged Care Commissioner and the Accreditation Agency's Chief Executive Officer.

Feedback

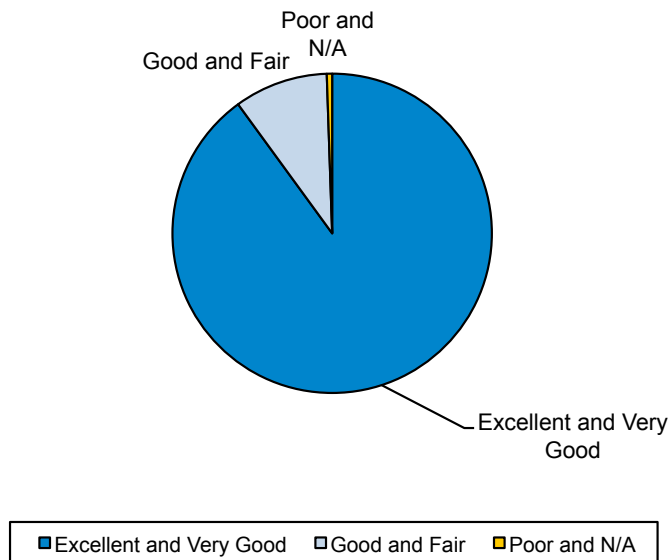
Following each visit to a home, assessors leave a feedback form which can be filled out anonymously and returned by reply-paid post to an independent company which provides a monthly report on collated and aggregated data. The Accreditation Agency only has access to the responses of individual residential aged care homes if the home identifies itself and therefore wishes to have the issues followed up. There were 3,541 forms returned in the reporting period. This represents a return rate of 55 per cent.

We recognise that an unannounced visit may disrupt the home’s management during the time of the visit. The feedback statistics, however, suggest the level of disruption is not as extensive as some commentators have suggested. Our feedback program asks for responses on the question “Please rate the performance of the team in terms of allowing care staff to continue their duties during the visit”. In 2011/12, 96 per cent of responses from unannounced visits rated the assessment team’s performance on this measure as either ‘excellent’, ‘very good’, or ‘good’. This has been a consistently positive trend over a number of years and we continue to closely monitor this measure.

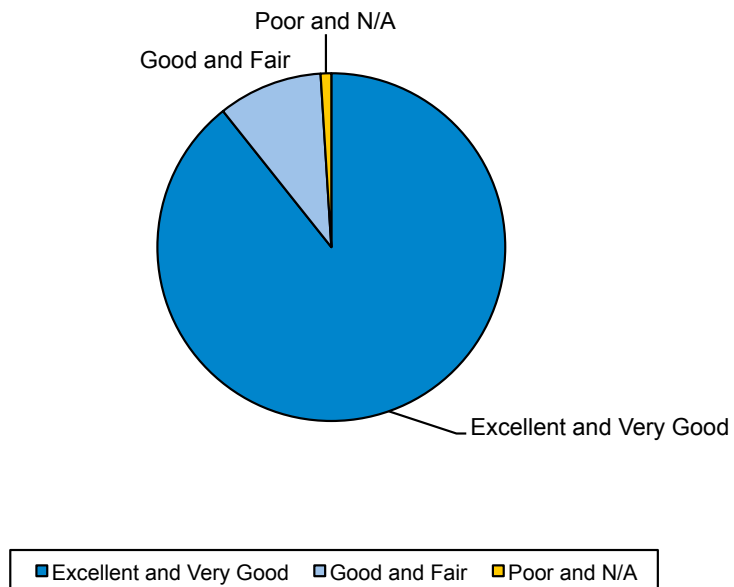
Allowing care staff to continue their duties during the visit (all visits)



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



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



We also seek feedback from all visits about the knowledge and understanding of our assessors of aged care and how the assessment team performed during the visit overall. The responses for all visits rated the team's knowledge and understanding of aged care as 98 per cent and the overall performance of the team during the visit as 97 per cent as either 'excellent', 'very good', or 'good'.

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

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

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

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

Enterprise technology

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

Purchasing system

An online centralised purchasing system was implemented to enable the Finance Division to efficiently consolidate various financial transactions from parts of the Company.

Two major benefits of this project have been greater accuracy in monthly expenditure accruals and enhanced compliance with the Company's purchasing policies and procedures. This project removes the need for paper forms, provides better security and enables more efficient approvals.

ADP online

ADP online is part of the Assessor Development Program (ADP) and is an adjunct to the ADP workshops that are conducted throughout the year.

ADP online is a password protected website that assessors can use when they are unable to attend workshops. After each ADP workshop, a related self-directed learning package is available on ADP online. Assessors can also access these resources as a skills refresher. Managers can also refer assessors to ADP online to update their knowledge and skills as part of our 'Coaching for performance *everyday*' program.

ADP online also has a number of special interest packages such as presentations on managing on-site relationships. ADP online is also used to access ADP workshop pre-reading giving assessors an introduction to each topic before the workshops are held.

Audio slide presentations, information presentations using the most current presentation software, pre-recorded interviews, role play videos as well as downloadable documents are accessible through ADP online. By completing the self-directed learning packages, assessors can accumulate professional development hours even if they cannot personally attend a workshop, something they were unable to do until ADP online was implemented.

Computer replacement program

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

Over the year we replaced or upgraded 37 laptops and 17 desktops.

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

Cvent

Cvent's event management system is used for Better Practice conferences, education courses and ADP. This online system allows us to manage event attendance and contain costs by automating the registration processes.

Our Better Practice conferences and education courses use Cvent for conference and course bookings. Each conference and course is individually branded and online payments are securely managed while allowing delegates and attendees to take advantage of early bird payments and group discounts.

This year assessors have been using Cvent to provide their feedback about ADP workshops and to obtain their ADP certificates of attendance. Using Cvent to provide certificates and collect feedback reduces our paper usage and increases efficiency in evaluation data collection.

Document management

In February 2012 the Company sought a Windows-based platform to improve the document management of records relating to its quality management system, risk, improvement ideas and audit records.

The new application system is required to provide governance, risks and compliance on quality, complaints and audit requirements that were primarily in stand-alone spreadsheets and databases. While workable, these previous spreadsheets and databases were labour intensive, involved multiple handling of documents and were paper driven. They lacked integration and the sophistication to enhance usability for general users and management alike.

In June 2012 the project was completed which saw the implementation of a Windows-based document and quality management system that contains, in one source, customised modules relating to:

- Quality Management System (QMS) policy and procedures;
- Complaints records;
- Improvement request ideas;
- Auditing management, scheduling and reporting; and
- Incident management lodgment and reporting.

Charter of commitment to service quality

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

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

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

Client contact standards

We aim to respond to general enquiries within seven working days. More complex correspondence will be acknowledged within seven working days and responded to within 28 working days.

Complaints will be acknowledged in writing within three working days and seek to be resolved as quickly as possible, in consultation with the complainant where appropriate.

Accounts are settled within the trading terms of the supplier.

Wherever possible, we will provide for transactions to be made electronically. We will provide information or material in hard copy for people who do not have access to the Internet.

- Met

- Met

- Met

- Met

Review and measures

We will review this charter for relevance, compliance and performance on a regular basis. The commitments in this charter align with our corporate goals and key performance indicators.

The following measures will be used to assist monitoring our compliance with our commitment to service quality:

- Feedback shows 95 per cent of approved providers are satisfied with Company performance • Met
- 100 per cent compliance with CAC Act, Corporations Law and our Company Constitution • Met
- Maintenance of Quality Management System to ensure certification is maintained. • Met

Accreditation quality assurance

The accreditation quality assurance program is a program of activities and processes designed to maintain conformance with set processes and to find better ways of performing accreditation activities. This sits within our broader quality assurance program and ensures information on how residential aged care homes provide care and services to residents is accurate.

Implementation of the quality assurance program reflects:

- our commitment to performing high quality work in a way that is consistent with our values, code of conduct, and approved audit methodology • Met
- our commitment to effective and accurate assessment and decision-making of residential aged care homes' care and services to residents • Met
- our commitment to providing information about performance and better practice in a way that promotes quality improvement of resident care and services. • Met

Our people

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

As at 30 June 2012, staff numbers were at 216.4 fulltime equivalent. This includes term-defined employees and 33 staff who are on part-time or other forms of flexible working arrangements.

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



Learning and development

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

We undertook a review of the program in 2009 and 2010 and enhancements were included. We are testing a paperless process to provide more accurate data collection and storage of records and less paper waste.

In 2011 the inaugural business qualifications program consisted of two programs: a Diploma of Management and a Certificate IV in Frontline Management. Seven graduates celebrated completing their studies in December 2011.

In 2012 the business qualifications program was extended and now consists of three components: a Diploma of Management, a Certificate IV in Frontline Management and a two-day Promote Team Effectiveness course.

We also encourage staff to undertake formal study and assistance is available for courses through approved training providers. In 2011/12 10 people were assisted through our study assistance scheme.

In 2009 we piloted a mentoring program aimed at new staff within the first three months of employment. Following a review, we launched *Mentoring for all* in 2011, utilising a two-tiered approach, catering to the needs of new and existing staff in all parts of the Company. We conduct a two-day workshop to give new mentors the behaviours and skills in communication, problem solving, goal setting, working with diversity and adult learning. We now have 34 formally trained mentors in every office and in all work areas.

In 2002 *beyondblue* developed and implemented the *beyondblue* National Workplace Program, designed as an awareness, early intervention and prevention program specifically for workplace settings. We engaged *beyondblue* to provide training for staff and managers in all states. This is now part of our core training programs in our Learning and Development Framework.

Staff service recognition

The staff recognition and reward program is for staff who have achieved five or 10 years' service. During the year, eight staff reached the five-year milestone and three reached the 10-year milestone. These three staff were Jeanne Fretton, Trish Maguire and Tess Tonel. Their service was formally recognised and celebrated through the year. Planning has started to recognise staff with 15 years service – quite an achievement given the Company itself only commenced operations in 1998.

Healthy lifestyle reimbursement

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

Most of the claims are for walking shoes and gym memberships and gym clothing. Other claims have included hypnotherapy to stop smoking, roller skates/blades and *Wii fit*.

For more than a year a group in the Brisbane office diligently worked to lose weight, increase their exercise levels and generally improve their overall health and wellbeing. Staff had collectively lost approximately 93 kgs as at the end of May. The Healthy lifestyle reimbursement supported their endeavours and was used for:

- purchase of pedometers
- membership/subscriptions to Weight Watchers, Curves etc.
- body scan to identify fat deposits and bone density
- Pilates
- walking shoes and exercise gear
- chiropractors to support staff to maintain their exercise programmes.



Some of the Brisbane office weight loss team from left to right: Kimberley Reed, Dee Kemsley, Jackie Southwood, Kathy Prain, Sandra Rosenthal, Maureen Douglas-Holland, Glennis Murphy, Mary Tattam and Susan Turner.

Extra!

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

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



Geraldine Hughes-Jones is an Assessment Manager in the Melbourne office. Geraldine completed the Certificate IV in Frontline Management in 2011. She began as an assessor with us in March 2006. In March 2008 Geraldine became Group Leader and is currently an Assessment Manager during the current accreditation round. Geraldine has acted as Assessment Manager many times and she has delivered workshops for education in accreditation essentials, risk assessment, information management and continuous improvement.



Tracey Clerke is State Manager NSW/ACT. Tracey joined us in 1998 and her first year was spent in the Education division before moving to the NSW/ ACT team as a quality assessor. She progressed to Principal Assessor, Assessment coordinator, Group Leader and then to Assessment Manager. In 2011, Tracey worked on secondment as Manager, Operations Support within the Operations Division and completed the Diploma in Management.



Maha Solomon is Operations Manager in the Melbourne office. Maha began as a Senior Administration Officer in our Parramatta office in 2005. Maha was appointed Operations Manager in our Melbourne office in 2010 and she completed the Diploma of Management in 2011.

Assessors

Of the 382 assessors on the register as at 30 June 2012, 138 are permanent employees. The assessor employees are generally employed in assessor roles. A small number are employed in management roles and periodically undertake assessments to maintain their registration. The balance are engaged on a contract or casual basis to meet workload demands as required.

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

- registered nurse (239 assessors or 63 per cent)
- cultural specific experience (40 assessors or 10 per cent), 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 accredited by the International Society for Quality in Health Care (ISQua) under their International Accreditation Program.

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

Workshops are conducted six times per year. Update training topics for 2011/12 included:

- Person centred care
- Focus on assessor competencies
- Hot topics about assessing
- The *Report writing handbook*
- Assessing the effectiveness of systems and processes
- Resident choice support and safety and on-site relationships.

Occupational Health and Safety

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

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

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

During the year, there were 268 days lost due to injury. Three of the injuries accounted for 242 days.

The environment

Our operations continues to 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.

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

- 1. Reduce the Company's paper consumption** from 1.8 million pages per annum to one million pages per annum by 31 December 2011. As at 31 December 2011 this initiative was achieved with an annual consumption of 908,000 pages.
- 2. Reduce Company electricity consumption** by 10 per cent by June 2011 by implementing energy saving features on all electronic devices and reducing the number of printers throughout the Company. Overall there has been a reduction in electricity usage across the Company of 19 per cent. For the period July 2011 – June 2012 the Company achieved a further 7.9 per cent reduction in electricity consumption.
- 3. Recycle all paper materials** by continuing to supply recycling bins throughout the Company.

Company performance

Progress against performance targets – as at 30 June 2012.



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 Company will:</p> <ul style="list-style-type: none"> • conduct 100 per cent 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 per cent 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 2011 to June 2012, we averaged 2.4 visits per home.</p> <p>Achieved. 4,892 assessment contacts were conducted during the year. 3,065 were unannounced visits.</p> <p>52 review audits were conducted, including 18 unannounced review audits. 11 review audits were conducted following a request by the department.</p> <p>Achieved.</p>
2. Appropriate management of non-compliance	<p>At least 90 per cent of homes to have achieved full compliance by the end of their timetable for improvement period.</p> <p>Targeted assessment contacts conducted as necessary in cases where non-compliance is suspected, including responding to referrals of information from the DoHA.</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>Of the 235 homes on a timetable for improvement due to expire during the year, 93% met all expected outcomes by the end of their timetable.</p> <p>Achieved.</p> <p>Achieved.</p> <p>All such homes were monitored more regularly using a case management approach taking into account each home's individual circumstances.</p>

Performance indicator	Performance measure	Relevant activities and initiatives undertaken and outcomes achieved
3. Promotion of high quality care	<p>The Accreditation 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>492 QUEST sessions were conducted for 481 homes to a total of 7,291 participants.</p> <p>48 seminars were conducted with 886 participants. 81 courses were conducted with a total of 1,199 participants.</p> <p>1,539 delegates attended six Better Practice conferences.</p> <p>Prior to the Better Practice in Aged Care Awards program closing, three homes were awarded for seven programs.</p> <p>The new Better Practice Awards program was launched in June 2011 and 41 programs were awarded to 35 approved providers who manage 95 homes. Summaries of the homes' programs were published on our website.</p> <p>The awards were the subject of a special edition of the industry newsletter <i>The Standard</i> and are promoted at our Better Practice conferences. Synopses of the 2011 Better Practice Award winning programs were presented in a special publication known as the gold book.</p> <p>In May 2012, 186 Better Practice Award nominations were received from 110 approved providers. The 2012 Better Practice Award panel of former industry executives and a Board member met in July 2012 to decide the winning nominations.</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 Accreditation 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 7,527 addresses per month. A special edition profiling the Better Practice Award winners was published in October, and a special edition update on emergency planning was published in December 2011. This included an emergency planning checklist for download from the website.</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 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 the Deed of Funding 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 and regular meetings and teleconferences at both State and Central office levels maintained.</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 Accreditation Agency staff and maintain a process to ensure ongoing training and skills development.</p>	<p>Achieved.</p> <p>At 30 June 2012 50% of staff assessors had more than three years experience. 98% have tertiary qualifications and 63% of all registered assessors had nursing qualifications and experience. Assessors regularly attend training and information sessions to remain informed of the various issues. A monthly electronic newsletter <i>Extra!</i> is produced 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, a training programme for all decision makers, review of accreditation decisions and audit reports and the development of a mentoring programme. Results of reviews have shown a nationally consistent approach to decision making. During the peak of accreditation renewal activity (July 2011 to December 2012), 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 per cent 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>Of the 21 commencing homes during the year, 16 had residents before 30 June 2012, 15 homes were first visited within two months of residents moving in. One home's visit was postponed due to flooding on access roads. The home was visited 10 days after the two months had elapsed. The five commencing homes that did not have residents at 30 June 2012 will be visited within two months of resident occupancy.</p> <p>Achieved.</p> <p>All commencing services receive assessment contacts and education as appropriate to their circumstances. They also receive a commencing services package, which consists of a <i>Results and processes guide</i>; <i>Pocket guide to the Accreditation Standards</i>; a copy of the current issue of <i>The Standard</i> newsletter; education promotional material and other relevant material.</p>
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, Accreditation 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 the 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>During the year 98 complaints were received and 94 complaints were resolved. Of those resolved, 68% were responded to within 28 days. Twelve took longer than 35 days to resolve. Where this was the case, the complainant was kept informed of progress. As at 30 June 2012, there were seven complaints still open.</p>

Financial statements

Directors' report

Directors submit the financial accounts of the entity for the financial year ended 30 June 2012.

Directors

The names of the directors in office during 2011 - 2012 are:

- Mr James Harrowell AM (Chair)
- Ms Kate Carnell AO
- Ms Venessa Curnow
- Mrs Karen Frost FCPA
- Dr Sally Goold OAM
- Dr June Heinrich AM
- Prof Barbara Horner
- Prof Rhonda Nay
- Prof Joseph E Ibrahim
- Dr Andrew Refshauge
- Dr Mike Rungie
- Mr Ian Yates AM.



Mr James Harrowell AM, Chair

Appointed 23 June 1999.

Retired 30 June 2012.

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
- Member Foreign Arbitrators Panel China International Trade Arbitration Commission and Shanghai Arbitration Commission
- 35 years experience in litigation in all jurisdictional levels in NSW and interstate.

Previous appointments:

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

LLB BComm Hon. LLD CPA AHKSA FAICD

Board meetings eligible to attend: 8

Board meetings attended: 8



Ms Kate Carnell AO

Appointed 9 December 2008.

Retired 8 December 2011.

Current appointments:

- Director, *beyondblue*
- Director, GS1 Australia
- Committee Member, Prevention Health Taskforce.

Previous appointments:

- Chief Executive Officer, Australian Food and Grocery Council
- Director, Cooperative Research Centre for Forestry
- Director, Australian Red Cross
- Director, Institute of Technology Australia
- Director, NRMA
- Director, National Institute of Clinical Studies
- Director, General Practice Education and Training Ltd
- Pharmacy owner 1981-2000
- Vice President, Pharmacy Guild of Australia
- Minister for Health, ACT
- Chief Minister, ACT
- Chief Executive Office, Australian General Practice Network.

B Pharm FAIM FAIPM MAICD AFCHSE

Board meetings eligible to attend: 4

Board meetings attended: 3



Ms Venessa Curnow

Appointed 2 April 2012.

Current appointment until 1 April 2015.

Current appointments:

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

Previous appointment:

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

Board meetings eligible to attend: 2

Board meetings attended: 1

Mrs Karen Frost FCPA

Appointed 13 February 2012. Current

appointment until 12 February 2015.

Current appointments:

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

Previous appointments:

- Credit and Commercial Manager, Boral Construction Materials
- Financial Controller and Office Manager, Masonic Peace Memorial Haven of Northern Tasmania Inc (18 years)
- Cost Accountant, ACL Bearing Company
- President, CPA Australia Tasmanian division for 2010
- Divisional Councillor, CPA Australia Tasmanian division
- Treasurer, ARAFMI Tasmania Inc
- Board Member, Richmond Fellowship Tasmania Inc.

B.Bus FCPA FAIM

Board meetings eligible to attend: 3

Board meetings attended: 3



Dr Sally Goold OAM

Appointed 9 December 2008.

Retired 8 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 meetings eligible to attend: 4

Board meetings attended: 3

Dr June Heinrich AM

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

Current appointments:

- Chief Executive Officer, Macquarie Community College
- Chair, Strategic Advisory Council, Aged Care Channel
- Member, Central Coast Local Health District Board
- Member, NSW Home Care Advisory Board
- Consultant, University of Western Sydney.

Previous appointments:

- Chief Executive Officer, Baptist Community Services – NSW & ACT
- Chair, Baptist Care Australia
- Director, St Vincent de Paul Society
- Member, Aged Care Services Ltd
- President, Baptist Churches of NSW & ACT.

BA (Hons) MSc D Educ Centenary Medal

Board meetings eligible to attend: 8

Board meetings attended: 8



Professor Barbara Horner

Appointed 2 April 2012.

Current appointment until 1 April 2015.

Current appointments:

- Founder and Director, Centre for Research on Ageing, Curtin Health Innovation Research Institute, Curtin University
- Director, WA Dementia Training Study Centre, Curtin University
- Director, Rosewood Care Group Inc
- Member, Australasian Association of Gerontology (AAG)
- Fellow, Australian Council of Health Services Managers (ACHSM)
- Member Expert Panel, *Aged Care Management Journal*
- Member Advisory Board, *Australian Journal of Dementia Care*.

Previous appointments:

- Dean, Research and Graduate Studies, Faculty of Health Sciences, Curtin University
- Clinical Director, Curtin Health Innovation Research Institute, Curtin University
- Member, National Prescribing Service Curriculum and Training Working Group
- Member, Curtin University School of Nursing Curriculum Committee
- President WA Chapter, Royal College of Nursing Australia

PhD Med BAppSc RN AFCHSM MAAG

Board meetings eligible to attend: 2

Board meetings attended: 1



Professor Rhonda Nay

Appointed 24 June 2002.

Retired 18 June 2012.

Current appointments:

- Foundation Professor, Interdisciplinary Aged Care, La Trobe University
- Director, Vic & Tas Dementia Training Studies Centre
- Director, Institute for Social Participation (ISP)
- Director, Australian Institute for Primary Care
- Head, DCRC3 Victorian Hub
- Member Minister's Dementia Advisory Group.

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 meetings eligible to attend: 8

Board meetings attended: 8



Professor Joseph E Ibrahim

Appointed 14 November 2002. Current appointment until 8 December 2012.

Current appointments:

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

Previous appointment:

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

MBBS GradCertHE PhD MRACMA
FAFPHM FRACP

Board meetings eligible to attend: 8

Board meetings attended: 8

Dr Andrew Refshauge

Appointed 9 December 2008.
Current appointment until 30 June 2015.
Appointed Chair from 1 July 2012.

Current appointments:

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

Previous appointments:

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

MBBS FAICD

Board meetings eligible to attend: 8

Board meetings attended: 8



Dr Mike Rungie

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

Current appointments:

- Chief Executive Officer, ACH Group
- Member, National Ageing Consultative Committee
- Director, Aged and Community Services SA/NT Board
- Member, Expert Panel – Nursing Home for the Ministry of Health, Singapore
- Member, Alzheimer's Australia Quality Dementia Care Network.

Previous appointments:

- Member, Monarch Board
- Member, *Insite* Editorial Advisory Board
- Member, Consumer Directed Care Working Party
- Member, Central Northern Adelaide Health Services Board
- Member, North Eastern Community Nursing Home Board
- Member, Prime Minister's Australia 2020 Summit
- Member, Study Group on Teaching Nursing Homes Norway and Holland
- Management Committee Member, *Australasian Journal on Ageing*.

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

Board meetings eligible to attend: 8

Board meetings attended: 7



Mr Ian Yates AM

Appointed 1 July 2011.
Current appointment until 30 June 2014.

Current appointments:

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

Previous appointments:

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

BA MAICD

Board meetings eligible to attend: 8

Board meetings attended: 8





Aged Care
Standards and Accreditation Agency Ltd

Financial Statements

Operating results

The surplus for the year amounted to \$398,888. 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 2012.

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 2012/2013 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
Ph (02) 9633 1711 Fax (02) 9633 2422
Email national@accreditation.org.au
www.accreditation.org.au
ABN 64 079 618 652



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 \$7,368 for all directors and officers.

Directors' benefits

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

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

Signed in accordance with a resolution of the Board of Directors

Dr Andrew Refshaug
Director

Dr June Heinrich AM
Director

Dated 10 September 2012



Aged Care
Standards and Accreditation Agency Ltd

Directors' declaration

The directors declare that:

- a) the financial statements and notes comply with the *Accounting Standards and Corporations Act 2001*;
- b) the financial statements and notes give a true and fair view of the financial position as at 30 June 2012 of the performance of the Company and the cashflows for the year ended;
- c) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due and payable.

Dr Andrew Refshauge
Director

Dr June Heinrich AM
Director

Dated 10 September 2012



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

Dear Dr Refshauge

**AGED CARE STANDARDS AND ACCREDITATION AGENCY LTD
2011-12 FINANCIAL REPORT
AUDITOR'S INDEPENDENCE DECLARATION**

In relation to my audit of the financial report of the Aged Care Standards and Accreditation Agency Ltd for the year ended 30 June 2012, to the best of my knowledge and belief, there have been:

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

Australian National Audit Office

Ron Wah
Audit Principal

Delegate of the Auditor-General

Canberra
10 September 2012

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

Statement of Comprehensive Income

For the year ended 30 June 2012	Note	2012 \$	2011 \$
Revenue	2	38,940,860	32,143,849
Labour expenditure		(29,146,238)	(23,418,436)
Depreciation and amortisation		(834,092)	(1,010,115)
Finance costs		(11,238)	(10,039)
Other expenses	2	(8,550,404)	(7,316,409)
Surplus for the year		398,888	388,850
Other Comprehensive Income for the year		—	—
Total Comprehensive Income for the year		398,888	388,850

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

Balance Sheet

As at 30 June 2012	Note	2012 \$	2011 \$
Current assets			
Cash and cash equivalents	5	24,762,643	20,562,516
Trade and other receivables	6	472,292	407,229
Prepayments		813,107	860,023
Total current assets		26,048,042	21,829,768
Non-current assets			
Property, plant and equipment	7	648,685	674,714
Intangibles	8	19,607	517,944
Total non-current assets		668,292	1,192,658
Total assets		26,716,334	23,022,426
Current liabilities			
Trade and other payables	9	8,380,778	5,820,916
Other current provisions	10	11,238	10,039
Employees provisions	11	2,201,391	2,009,988
Total current liabilities		10,593,407	7,840,943
Non-current liabilities			
Employees provisions	12	1,337,584	758,320
Other non-current provisions	13	228,105	218,066
Other payables	14	—	46,747
Total non-current liabilities		1,565,689	1,023,133
Total liabilities		12,159,096	8,864,076
Net assets		14,557,238	14,158,350
Equity			
Retained earnings		14,557,238	14,158,350
Total equity		14,557,238	14,158,350

The accompanying notes form part of this Balance Sheet.

Cash Flow Statement

For the year ended 30 June 2012	Note	2012 \$	2011 \$
Cash flows from operating activities			
Receipts from customers and government grants		39,350,733	33,079,649
Interest received		1,172,445	1,098,127
Other income and net GST paid		185,703	399,112
Payments to suppliers and employees		(36,188,413)	(30,816,266)
Finance costs		(11,238)	(10,039)
Net cash from operating activities	4	4,509,230	3,750,583
Cash flows from investing activities			
Purchase of property, plant and equipment		(309,764)	(390,827)
Proceeds on disposal of property, plant and equipment		661	4,850
Net cash (used by) investing activities		(309,103)	(385,977)
Net increase in cash and cash equivalents		4,200,127	3,364,606
Cash and cash equivalents at the beginning of the financial year		20,562,516	17,197,910
Cash and cash equivalents at the end of the financial year	5	24,762,643	20,562,516

The accompanying notes form part of this Cash Flow Statement.

Statement of Changes in Equity

For the year ended 30 June 2012	Note	2012 \$	2011 \$
Retained earnings			
Balance as at 1 July 2011		14,158,350	13,769,500
Surplus for the year		398,888	388,850
Balance at 30 June 2012		14,557,238	14,158,350

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

Notes to the Financial Report

For the year ended 30 June 2012

Note 1. Statement of accounting policies

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

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

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

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

Cash

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

- a) cash on hand; and
- b) demand deposits in bank accounts with an original maturity of 6 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Revenue recognition

Accreditation fees are paid on application and 25% is brought to revenue throughout the following month and 75% three months after the money is received unless the accreditation audit has not yet been completed, in which case the revenue is recognised on completion. The funds are shown as unearned income on the Balance Sheet until 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 related work will be undertaken as previously planned. Consequently unearned income for 2011-12 has been adjusted to reflect the principle that funds are recorded as revenue when the related work has been undertaken.

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

Income tax

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

Financial assets

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

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

Property, plant and equipment

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

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

The current straight line rates of depreciation by categories are unchanged from 2011:

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 2012. Where indicators of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment is made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employed, and subsequent disposal.

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

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

Intangibles

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

All software assets were assessed for indications of impairment as at 30 June 2012.

Financial Liabilities

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

Leases

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

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

Lease incentives

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

Employee benefits

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

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

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

Goods and service tax (GST)

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

Statement of compliance

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

Adoption of new Australian Accounting Standards requirements

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

Crediting as income	2012	2011
	\$	\$
Income from ordinary activities		
Government grants received	18,191,432	24,054,000
Accreditation revenue	17,950,992	5,456,267
Training revenue	1,432,634	1,093,675
Interest	1,215,175	1,059,247
Other income	150,627	480,660
Income	38,940,860	32,143,849

Charging as expenses	2012	2011
	\$	\$
Depreciation and amortisation of non-current assets:		
Property, plant and equipment	335,755	355,806
Intangibles	498,337	654,309
Total depreciation and amortisation	834,092	1,010,115
Other expenses		
IT	645,122	531,640
Legal	280,204	47,568
Other professional fees	139,536	211,183
Printing and stationery	384,747	388,751
Occupancy, leases and other rental cost	2,507,600	2,370,308
Seminars and conferences	69,280	105,982
Telephones and communications	336,921	332,345
Training and recruitment	378,455	357,385
Travel	3,033,588	2,312,884
Other	774,951	658,363
Total other expenses	8,550,404	7,316,409

Note 3. Remuneration of auditors

	2012 \$	2011 \$
Audit of financial report	36,700	36,700

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

Note 4. Reconciliations of cashflow from operations with operating profit

Cash

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

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

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

	2012 \$	2011 \$
Surplus for the year	398,888	388,850
Non-cash flows in operating result		
Depreciation and amortisation	834,092	1,010,115
Loss /(gain) on sale of property, plant and equipment	(623)	(1,255)
Changes in assets and liabilities		
(Increase)/decrease in receivables	(65,063)	(84,746)
(Increase)/decrease in prepayments	46,916	(686,957)
Increase/(decrease) in payables	2,559,862	3,209,131
Increase/(decrease) in current provisions	192,602	(151,578)
Increase/(decrease) in non-current provisions	542,556	67,023
Net cash from operating activities	4,509,230	3,750,583

Note 5. Cash and cash equivalents

	2012	2011
	\$	\$
Cash at bank and on hand	24,762,643	20,562,516

Note 6. Trade and other receivables

	2012	2011
	\$	\$
Trade receivables	321,897	271,684
GST receivable from the Australian Tax Office	148,695	131,253
Other	1,700	4,292
Total trade and other receivables	472,292	407,229

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

Note 7. Property, plant and equipment

	2012 \$	2011 \$
Furniture and fittings		
Cost		
Opening	1,158,438	1,107,690
Additions	16,641	50,748
Disposals	(5,330)	–
Closing	1,169,749	1,158,438
Accumulated depreciation		
Opening	(1,031,326)	(955,417)
Depreciation expense	(56,360)	(75,909)
Write back on disposals	5,330	–
Closing	(1,082,356)	(1,031,326)
Net furniture and fittings	87,393	127,112
Computers		
Cost		
Opening	1,438,826	1,488,561
Additions	233,735	151,993
Disposals	(439,459)	(201,728)
Closing	1,233,102	1,438,826
Accumulated depreciation		
Opening	(1,089,996)	(1,059,361)
Depreciation expense	(201,945)	(231,258)
Write back on disposals	439,421	200,623
Closing	(852,520)	(1,089,996)
Net computers	380,582	348,830

Note 7. Property, plant and equipment (continued)

	2012 \$	2011 \$
Office equipment		
Cost		
Opening	447,087	460,661
Additions	11,342	151,622
Disposals	(45,925)	(165,196)
Closing	412,504	447,087
Accumulated depreciation		
Opening	(291,502)	(418,537)
Depreciation expense	(59,830)	(35,671)
Write back on disposals	45,925	162,706
Closing	(305,407)	(291,502)
Net office equipment	107,097	155,585
Leasehold improvements		
Cost		
Opening	208,133	171,669
Additions	48,046	36,464
Disposals	—	—
Closing	256,179	208,133
Accumulated depreciation		
Opening	(164,946)	(151,978)
Depreciation expense	(17,620)	(12,968)
Closing	(182,566)	(164,946)
Net leasehold improvements	73,613	43,187
Total property, plant and equipment	648,685	674,714

Note 8. Intangibles

	2012 \$	2011 \$
Software – internally developed		
Cost		
Opening	2,579,605	2,579,605
Additions	–	–
Closing	2,579,605	2,579,605
Accumulated depreciation		
Opening	(2,061,661)	(1,407,352)
Amortisation expense	(498,337)	(654,309)
Closing	(2,559,998)	(2,061,661)
Net Software	19,607	517,944

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

Note 9. Current liabilities – trade and other payables

	2012 \$	2011 \$
Lease incentives	43,070	84,661
Trade creditors and accruals	2,477,000	1,711,221
Unearned income	5,860,708	4,025,034
Total trade and other payables	8,380,778	5,820,916

Note 10. Current liabilities – other current provisions

	2012 \$	2011 \$
Makegood	11,238	10,039
Total current liabilities - other provisions	11,238	10,039

Note 11. Current liabilities – employee provisions

	2012 \$	2011 \$
Annual leave	1,752,579	1,533,777
Long service leave	436,812	433,707
Salary and wages	12,000	42,504
Total employee provisions	2,201,391	2,009,988

Note 12. Non-current liabilities – employee provisions

	2012 \$	2011 \$
Long service leave	1,337,584	758,320
Total non-current employee provisions	1,337,584	758,320
Aggregate employee benefit liability (sum of notes 11 and 12)	3,538,975	2,768,308

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

	2012	2011
	\$	\$
Makegood	228,105	218,066
Total other non-current provisions	228,105	218,066

Note 14. Non-current liabilities – other payables

	2012	2011
	\$	\$
Lease incentives	–	46,747
Total other payables	–	46,747

Note 15. Issued capital

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

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

Note 16. Expenditure commitments

	2012 \$	2011 \$
Operating leases		
Non-cancellable operating leases contracted for but not capitalised in the financial statement		
Payable:		
Within one year	1,492,961	1,540,814
Later than one year but not later than 5 years	1,348,647	1,265,554
Later than 5 years	76,331	–
	2,917,939	2,806,368

The expenditure commitment figures shown above exclude GST.

Note 17. Contingent liabilities and assets

	2012 \$	2011 \$
Estimates of the potential financial effect of contingent liabilities that may become payable:		
The Company has three bank security deposit guarantees for rental properties	232,336	247,377
	232,336	247,377

Note 18. Financial instruments

Financial assets includes Cash and Trade Receivables

Cash and deposits are recognised in the Balance Sheet at their nominal value. Interest is credited to revenue as it is earned. The effective weighted average interest rate for cash deposits at 30 June 2012 was 5.03% (30 June 2011: 5.63%).

Receivables are normally settled within 30 days.

Financial liabilities includes Trade and Other Payables

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

Interest rate risk exposures

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

Interest rate risk exposures

2011	Floating interest rate \$	Non interest bearing \$	Total \$	Weighted average effective interest rate %
Financial assets				
Cash	20,562,516		20,562,516	5.63%
Receivables		407,229	407,229	
Total financial assets	20,562,516	407,229	20,969,745	
Total assets			23,022,426	
Financial liabilities				
Payables		1,711,221	1,711,221	
Total financial liabilities		1,711,221	1,711,221	
Total liabilities			8,864,076	

Net fair value

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

Credit risk

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

Note 19. Economic dependency

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

Note 20. Subsequent events

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



INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial report of the Aged Care Standards and Accreditation Agency Ltd (the company), which comprises the Balance Sheet as at 30 June 2012, the Statement of Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity for the year then ended, Notes comprising a Statement of accounting policies and other explanatory information, and the Directors' Declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

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

Independence

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

Opinion

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

- (i) giving a true and fair view of the Aged Care Standards and Accreditation Agency Ltd's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Australian National Audit Office



Ron Wah
Audit Principal

Delegate of the Auditor-General

Canberra
10 September 2012

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

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Parramatta NSW 2150

PO Box 674
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Tel: (02) 9633 2099
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Victoria and Tasmania

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PO Box 398
Box Hill Vic 3128

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Queensland

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527 Gregory Terrace
Bowen Hills QLD 4006

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Spring Hill QLD 4004

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Email: queensland@accreditation.org.au

South Australia and Northern Territory

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GPO Box 620
Adelaide SA 5001

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PO Box 718
Osborne Park WA 6916

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Corrigenda

Compliance index			
Description	Clause	Requirement	Page
Accreditation and operations	14	Mandatory	15 to 20
Audited financial statements		Mandatory	50 to 79
Australian National Audit Office		Mandatory	60, 80 to 81
Board committees	12	Mandatory	57 and 83
Chair overview		Mandatory	4 to 5
CEO overview		Mandatory	6 to 7
Company structure	12	Mandatory	10 to 14
Compliance index	18	Mandatory	83
Contact officer		Mandatory	2
Director particulars	11	Mandatory	50 to 56
Disclosure requirements for GBEs	17	Mandatory	n/a
Education		Suggested	21 to 24
Internet home page address		Mandatory	2
Judicial decisions and reviews by outside bodies	15	Mandatory	n/a
Key activities and changes affecting the company	14	Mandatory	n/a
Ministerial directions	10	Mandatory	83
Obtaining information from subsidiaries	16	Mandatory	n/a
Our people		Suggested	37 to 42
Quality assurance and improvement		Suggested	27 to 36
Related entity transactions	13	Mandatory	n/a
Responsible Minister	9	Mandatory	83
Stakeholder relationship management		Suggested	25 to 26
Table of contents	18	Mandatory	3
The environment		Suggested	42

Ministerial directives: During the reporting period the *Commonwealth Companies (annual reporting) Orders 2011* applied. The Compliance index is a requirement of these orders. Where applicable, the clause number of the reporting requirement is quoted. The page number is the location in this Annual report.

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

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



Aged Care
Standards and Accreditation Agency Ltd
www.accreditation.org.au