



**2018/2019**

# **ANNUAL REPORT**



## ***Our Vision***

Acacia Living Group is the first preference for the provision of innovative quality community and residential aged care and independent retirement living options to the general community, including ex-service men and women and their dependents in Western Australia.

## ***Our Mission***

As a registered charity, Acacia Living Group provides accessible options across the full continuum of care for the aged in the general community, including ex-service men and women and their dependents.

## ***Our Values***

Caring, Trust, Respect, Openness, Integrity, Fairness and Compassion.



## Chairman's Report

On behalf of the Acacia Living Group's Board of Director's I am pleased to present the company's Annual Report for the year ended 30 June 2019.

I am also proud to report that with operations spanning Retirement Living, Residential Care, Home Care, Respite Care, Veterans Home Care, and management services to two unrelated operators of Residential Care and Retirement Living businesses we have continued to provide our services in challenging and uncertain economic conditions, unstable political environments, constrained funding and intense industry media scrutiny without interruption or reduction to our quality and standards of service.

We welcomed the establishment of a Royal Commission into Aged Care Quality and Safety on the 8<sup>th</sup> October 2018 and the Commission's invitation of the 30<sup>th</sup> November 2018 to respond to a number of specific questions relating to our Home Care services and Residential Care Facilities by the 8<sup>th</sup> February 2019. The opportunity for all operators to assist the Royal Commission will hopefully inform the drafting of recommendations to current and successive governments for the betterment of aged care services to the elderly in our community. The Board and senior management team remain committed to ensuring the best possible care, services and outcomes for those living in our communities and in our care.

In keeping with this commitment and following a competitive tender process we commenced construction of a 32 bed extension to our 55 bed Meadow Springs residential care facility in September 2018. Construction and landscaping are scheduled to be completed and ready for commissioning in December 2019 providing additional residential care bed options to the community of the Peel region.

Our retirement village upgrade and extension projects continued with the delivery and installation of three modular exhibition homes to the Geraldton 'Beachlands' Retirement Village in early November 2018. The exhibition homes generated considerable interest with 95 guests attending the official opening of the Village Community Centre, launch of the exhibition homes and Village Open Day that took place on Saturday 17<sup>th</sup> November 2018. The Honourable Laurie Graham MLC, Member for Agricultural Region, representing the Honourable Mick Murray MLA, Minister for Seniors and Ageing; Volunteering; Sport and Recreation officially opened the Community Centre and was joined by His Worship the Mayor of the City of Greater Geraldton, Mr

Shane Van Styn, and me for the unveiling of the commemorative plaque and cutting of the ribbon to open the exhibition homes.

Civil works for Stage 3 of the Jurien Bay retirement village were completed in December 2018 providing new roads and curbing, paved caravan and boat storage parking bays, and boundary walls along Bashford Street and the southern boundary. We are grateful for the continued support from the Shire of Dandaragan Council and senior management team; and Mr Shane Love MLA, Member for Moore, in our endeavours to provide accommodation and care services in the region.

Menora Gardens Residential Care Facility kitchen and scullery upgrades were also completed during November 2018 providing both an improved working environment and meal facilities for residents.

As is evident the Board remains committed to the pursuit, investment and development of further opportunities to expand our accommodation and care services to the broader community. Our Strategic Plan reinforces this commitment and provides the Board, Chief Executive Officer and senior management team with a common vision and focus, with agreed goals and strategies.

We remain cognisant of the complex regulatory framework our business divisions operate within and the importance of ongoing compliance with relevant legislation. The Board is confident our governance principles, together with our strategic and operational risk management and mitigation principles are sufficiently robust and dependable enough to ensure we will continue to meet both our strategic and charitable objectives.

Acacia Living Group continues to deliver the intended charitable service outcomes across the portfolio despite the ongoing challenges associated with the Federal Government's Aged Care Reforms, fiscal constraints and depressed market conditions.

The Board joins me in thanking the Executive team and employees for their commitment to ensuring the best possible outcomes for those entrusted to our care. Our end of financial year results again highlights the effectiveness of our executive team, guided by our Chief Executive Officer, Kevin Davidson, during ongoing regulatory change and challenging commercial conditions.

My Board colleagues and I welcomed the re-appointment of Mr Robert (Bob) Kucera APM, JP as Deputy Chairman and Director; and Mr Geoff Martin as a Director of the Association’s Board for three year terms at the December 2018 Annual General Meeting. Mr Kucera and Mr Martin’s professional acumen and experience will ensure the Board continues to discharge its corporate governance responsibilities with the utmost effect.

Finally, I again commend my Board colleagues for their ongoing time, professionalism and astute-timely advice. Their altruistic commitment, dedication and compassion continue to ensure outstanding organisational outcomes and the ongoing provision of essential services to those in need and the aged and infirm in Western Australia.

## KEVIN CAMPBELL, AM



## Chief Executive Officer Report

During the 2018/2019 reporting period our residents, clients and employees have benefited from Acacia Living Group's proven ability to govern and manage effectively in a changing and challenging operating environment, while continuing to actively pursue and invest in diversified business opportunities and deliver upon our charitable objectives.

### Acacia Living Group Overview

#### **871 residents and clients may receive our services at any one time:**

- 228 or 26.18% Residential Aged Care residents;
- 449 or 51.55% Independent Living Unit residents;
- 173 or 19.86% Home Care clients (including private clients);
- 11 or 1.26% Veterans Home Care clients;
- 5 or 0.575% National Carer Respite Program (130 annually);
- 5 or 0.575% Jurien Bay Respite Clients.

Acacia Living Group also provides **full management services** to a recognised charitable organisation, Wattle Hill Care Incorporated:

- 62 bed Residential Aged Care Facility; and
- 51 Independent Living Units.

Separately, Acacia Living Group provides **financial advisory services** to a recognised charitable organisation, Quambie Park Waroona Incorporated:

- 45 bed Residential Aged Care Facility; and
- 37 Independent Living Units.

#### **532 people assist Acacia Living Group to achieve our charitable objectives:**

- 450 or 84.6% are full time, part time, or casual employees (as at last pay period of FY 2018/2019);
- 82 or 15.4 % are volunteers (includes Board members).

#### **Who was helped by our charity in FY 2018/19?**

Elderly women and men from the general community, people from diverse cultural and linguistic backgrounds, people at risk of homelessness, people with disabilities, people with chronic or terminal illness, people who are financially and/or socially disadvantaged, people who live in rural or remote

locations, people from an Indigenous background, veterans and their dependants.

## **Resources and Operating Locations**

Acacia Living Group operates the following services in Western Australia:

- Beachlands Retirement Village, Geraldton
- Jurien Bay Retirement Village
- Coral Estate Retirement Village, Mandurah
- Mandurah Retirement Village
- Menora Gardens Retirement Village
- Pearson Retirement Village, Menora
- Jacaranda Gardens Retirement Village, Canning Vale
- Meadow Springs Residential Care Facility
- Menora Gardens Residential Care Facility
- Geraldton Home Care Services
- Jurien Bay Home Care Services
- Mandurah Home Care Services
- Perth Metropolitan Home Care Services
- South West Rural Home Care Services
- Jurien Bay Respite Centre
- Geraldton National Carer Respite Program
- Geraldton Budget Accommodation
- Veterans Home Care Services (Mid-West)
- Veterans Community Nursing Services (Wheatbelt, Southwest, Midwest, Perth Metro)
- Wattle Hill Care Bunbury (Residential Care Facility and Retirement Village – Management Services)

## **Key and Charitable Activities**

### **Charitable Objectives**

The following outline of our key and charitable activities provides an insight as to how these activities assist us achieve our charitable objectives. The Board, Management Team, Employees and Volunteers remain committed to our charitable objectives:

- (1) To provide aged and infirm persons who are in needy circumstances, including but not limited to armed forces veterans and their dependants, with accommodation, care and assistance services within aged care facilities, respite centres, retirement

villages, other residential facilities and by providing community care services.

- (2) In order to enable and assist the achievement and funding of the main objects stated in sub-rule (1), an incidental object is to provide aged and infirm persons who are not in needy circumstances with accommodation, care and assistance services within aged care facilities, respite centres, retirement villages, other residential facilities and by providing community care services.
- (3) To provide care and assistance of the highest standard for the aged and infirm persons.

The property and income of Acacia Living Group is applied solely towards the promotion of our charitable objects and no part of that property or income may be paid or otherwise distributed, directly or indirectly, to Members of the Association.

### **Retirement Villages**

Acacia Living Group Retirement Villages are located at Geraldton, Jurien Bay, Menora (two villages), Mandurah (two villages) and Canning Vale.

In keeping with the Board's strategic commitment to the pursuit and development of further opportunities to expand our accommodation and care services to the broader community, our retirement village upgrade and extension projects continued with the delivery and installation of three modular exhibition homes to the Geraldton 'Beachlands' Retirement Village being completed in early November 2018. The exhibition homes generated considerable interest with 95 guests attending the official opening of the Village Community Centre, launch of the exhibition homes and Village Open Day that took place on Saturday 17<sup>th</sup> November 2018. The Honourable Laurie Graham MLC, Member for Agricultural Region, representing the Honourable Mick Murray MLA, Minister for Seniors and Ageing; Volunteering; Sport and Recreation officially opened the Community Centre and was joined by His Worship the Mayor of the City of Greater Geraldton, Mr Shane Van Styn, and our Chairman, Kevin Campbell AM for the unveiling of the commemorative plaque and cutting of the ribbon to open the exhibition homes. A second village Open Day on Saturday 25<sup>th</sup> May 2019 led to 72 guests visiting the site resulting in several homes being leased.

Civil works for Stage 3 of the Jurien Bay retirement village were completed in December 2018 providing new roads and curbing, paved caravan and



boat storage parking bays, and boundary walls along Bashford Street and the southern boundary.

The Board remains committed to providing affordable quality housing options and care services for the aged in metropolitan and regional areas offering suitable choices for those wishing to either remain living in or move to either geographic location.

We are grateful for the continued support from the City of Greater Geraldton Mayor and Council, the Shire of Dandaragan President and Council, Mr Laurie Graham MLC, Member for Agriculture, and Mr Shane Love MLA, Member for Moore, in our endeavours to provide affordable quality accommodation and care services in regional areas.

Mandurah Village, Coral Estate Village, Menora Gardens Village, Pearson Village, Beachlands Village, and Jacaranda Gardens Village continue to perform satisfactorily in depressed market conditions, with each village offering a variety of retirement village scheme leases or rental lease options.



Members of the Menora Gardens & Pearson Retirement Villages 90's Club – 2019

Acacia Living Group continues to provide shorter term Retirement Village accommodation on a 'rental only' basis to meet demand and assist in caring and supporting the aged. The rent payable is substantially below market rental values for similar residential properties. The leasing terms provide members of the general community experiencing poverty, distress, disadvantage, financial hardship, social isolation, loneliness or in

necessitous circumstance access to safe and secure independent living accommodation. Home Care services and visitation services are also available when required.

Thirty-nine units or 10.1% of our Retirement Village portfolio is allocated as rental accommodation. Across the retirement village portfolio operating deficits totalling \$284,303 have been subsidised and absorbed by Acacia Living Group in keeping with our charitable objectives.

### **Residential Care**

Residential Care Facilities at Menora Gardens (178 beds) and Meadow Springs (55 beds) continue to operate at capacity, providing premium standards of residential care and support, while meeting regulatory compliance. Both facilities maintained compliance with all standards during scheduled and unannounced assessment inspections by the Aged Care Quality and Safety Commission (formerly the Aged Care Quality Agency) during the reporting period.

Menora Gardens Residential Care Facility kitchen and scullery upgrades were completed during November 2018 providing both an improved working environment for employees and enhanced meal facilities for our residents.

Following a competitive tender process construction of a 32 bed extension to our 55 bed Meadow Springs Residential Care Facility began in September 2018. Construction and landscaping are scheduled to be completed and ready for commissioning in December 2019 providing additional residential care bed options to the community of the Peel region.

Fully supported residents account for approximately 51 placements of Acacia Living Group's annual residential care placements in furtherance of our charitable objects.

We continue to receive positive feedback regarding the provision of care and living environment in our Menora Gardens and Meadow Springs facilities from residents, their families and visitors such as aged care accreditation standards assessors. The Board and senior management team are appreciative and proud of the professional and sustained effort our residential care teams have applied over an extended period of time to achieve such exceptional outcomes.

## **Home Care**

The Commonwealth Home Care Packages Program provides older people who want to stay at home with access to a range of ongoing personal services, support services and clinical care that help them with their day-to-day activities.

Acacia Living Group's Home Care services are available for clients in Geraldton, Jurien Bay, North Metropolitan region of Perth, Eastern Hills region of Perth, Mandurah and the Rural South West. Intermediate (Level 3) and High Care (Level 4) care programs remain in high demand. Regrettably, wait times in excess of twelve months continue to be experienced by many clients for these levels of care to be operationalised due to congestion on the national queue. Some clients have accessed lower levels of care from Level 1 and Level 2 programs while waiting for Level 3 and Level 4 packages to become available. Despite these difficult and demanding circumstances our Home Care teams have continued to provide the best possible care and support to our clients and their families.

**Veterans' Home Care (VHC)** is a Department of Veterans' Affairs (DVA) program designed to assist eligible DVA clients who need a small amount of practical help to continue living independently in their own home. Acacia Living Group provides VHC services such as domestic assistance, personal care, safety-related home and garden maintenance and respite care to clients in the Geraldton region.

Acacia Living Group continues to pursue Home Care growth opportunities in metropolitan and regional areas in what has become a congested and strongly contested market place. Our objective remains to provide a high quality of care and service to clients while satisfying our regulatory compliance obligations.

## **Community Support**

Acacia Living Group continues to provide meeting room facilities free of charge to the Mount Lawley-Inglewood RSL Sub Branch Committee and members, and the WA Aged Sailors, Soldiers and Airmen's Relief Fund Trustees monthly meetings.

## **Training and Development**

Acacia Living Group has maintained its commitment to foster a culture of continuous improvement by investing in our employees and providing them

with ongoing learning and development opportunities. Approximately \$154,881 was directed to employee training sessions during the year. This figure does not include internal employee time associated with “toolbox” sessions undertaken nor on-the-job buddy shifts.

Employee numbers attending training<sup>1</sup> during FY 2018/19 are as follows:

- Externally delivered – 640
- Internally delivered – 2930
- Induction – 172

### Employee Recognition

Award ceremonies are held annually to recognise significant service milestones, successful completion of training courses and to acknowledge the valuable contribution of our employees and volunteers.



Australia Day Award Ceremony 2019

(L-R) Linda Jackson (General Manager); Kevin Campbell AM (Chairman)

Acacia Living Group Chairman, Mr Kevin Campbell AM, presented Ms Linda Jackson with the National Australia Day Council Achievement Medallion and Certificate on the 25<sup>th</sup> January 2019 in recognition of her sustained

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<sup>1</sup> Internally delivered training includes all annual mandatory training updates, toolbox sessions and identified training needs as a result of performance development activities. Externally delivered includes modules undertaken through Altura Learning on-line education, as well as off-site attendance at training or seminars.

outstanding service to residents of Retirement Villages, Residential Care Facilities, recipients of Home Care services; and dedication to her responsibility for management services to external operators and ongoing support to her colleagues.

The National Australia Day Council Achievement Medallion and Certificate provide the Acacia Living Group Board and senior management team with an opportunity to acknowledge and recognise outstanding individual and team contributions in the lead up to Australia Day.

### **Corporate Reporting Obligations**

The Board and senior management team applauded the establishment of a Royal Commission into Aged Care Quality and Safety on the 8<sup>th</sup> October 2018. We gratefully accepted the Commission's invitation of the 30<sup>th</sup> November 2018 to respond to a number of specific questions relating to our Home Care services and Residential Care Facilities and look forward to assisting the Commission further, if invited to do so, prior to the final report due date of November 2020. We are optimistic the opportunity for all operators to assist the Royal Commission with their enquiries will provide practical and informed industry advice that will assist with the formulation of recommendations to current and successive governments for the betterment of aged care services to the elderly in our community.

Acacia Living Group remains compliant with the regulatory and mandatory reporting requirements of the Aged Care Act 1997 (Cth), Retirement Village Act 1992 (WA), Retirement Villages Regulations 1992, Fair Trading (Retirement Villages Code) Regulations 2015 (WA), Land Administration Act 1997 (WA), Associations Incorporation Act 1987, Australian Charities and Not-for-Profits Commission (Consequential and Transitional) Act 2012, Corporations Act 2001 (Cth), Fair Work Act 2009 (Cth), The Personal Property Securities Act 2009 (Cth), Workplace Gender Equity Act 2012, Privacy Act 1988 (Cth), Food Act 2008, Guardianship and Administration Act 1990 (WA), Occupational Safety and Health Act 1984 (WA), and the Veterans' Home Care and Veterans' Community Nursing Services Guidelines (Department of Veterans' Affairs).

## Acknowledgements

I join the Chairman and Board members in acknowledging and thanking Lotterywest for their ongoing financial support of Acacia Living Group initiatives that ensure the best possible care and support for our aged clients and those in necessitous circumstances. Similarly, Programme Maintenance Services ongoing support of the Menora Gardens and Pearson Village 90's Club is greatly appreciated by our residents and their families. In the same way, the generous employee incentive programs offered by Harvey Norman Cannington Superstore and HBF Health Insurance are also highly valued by our team. Thank you to Lotterywest, Programme Maintenance Services, Harvey Norman Cannington, and HBF Health insurance for their ongoing support during challenging commercial environments.

I extend my sincere thanks to the Acacia Living Group management team, employees and our committed volunteers who continue to deliver outcomes well beyond all possible expectations. The Board and I are truly indebted and grateful for the professionalism, loyalty, dedication, enthusiasm and optimism demonstrated by those who work and volunteer at Acacia Living Group. To our Chairman, Kevin Campbell AM, and fellow Directors, The Honourable Robert (Bob) Kucera APM, JP, The Honourable Ray Halligan FIPA, FFA, Mr Geoff Martin, Ms Rae Freeman JP, and Ms Cinzia Donald I convey, on behalf of all employees, clients, residents and families, and volunteers, our profound appreciation for generously providing their professional expertise, experience, patience and time to ensure the continued success of Acacia Living Group.



## Financial Summary 2018/2019

These figures are an extract of the audited annual accounts which have been produced in accordance with the Australian Accounting Standards.

	2018-2019	2017-2018
	'000	'000
<b>REVENUE</b>		
Subsidies	21,684	22,922
Fees	7,957	9,512
Other Income	1,604	1,755
	<b>31,245</b>	<b>34,189</b>
<b>EXPENDITURE</b>		
Employment	20,669	19,470
Impairment of Assets	4,411	-
Other	12,200	10,419
Depreciation	1,515	1,349
	<b>38,795</b>	<b>31,238</b>
<b>PROFIT/(LOSS) FROM ORDINARY ACTIVITIES</b>	<b>(7,550)</b>	<b>2,951</b>
<b>FAIR VALUE GAIN ON NET INVESTMENT ASSETS</b>	<b>(2,267)</b>	<b>(3,620)</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>	<b>(9,817)</b>	<b>(669)</b>
<b>ASSETS</b>		
Current & Cash	16,144	19,125
Property, Plant & Equipment	50,624	47,946
Investment Property	155,373	174,047
Other	1,287	801
<b>TOTAL ASSETS</b>	<b>223,428</b>	<b>241,919</b>
<b>LIABILITIES</b>		
Payables	2,211	2,794
Provisions	2,644	2,196
Bonds/RADs & Resident Refundable Bonds	151,696	162,062
Borrowings	31,647	30,400
Other	710	130
<b>TOTAL LIABILITIES</b>	<b>188,908</b>	<b>197,582</b>
<b>NET ASSETS</b>	<b>34,520</b>	<b>44,337</b>

## Acacia Living Group Board Members

### Chairman

Mr Kevin Campbell, AM

### Deputy Chairman

The Hon Robert C Kucera, APM, JP

### Director

The Hon Ray Halligan FIPA, FFA

### Director

Mr Geoff Martin

### Director

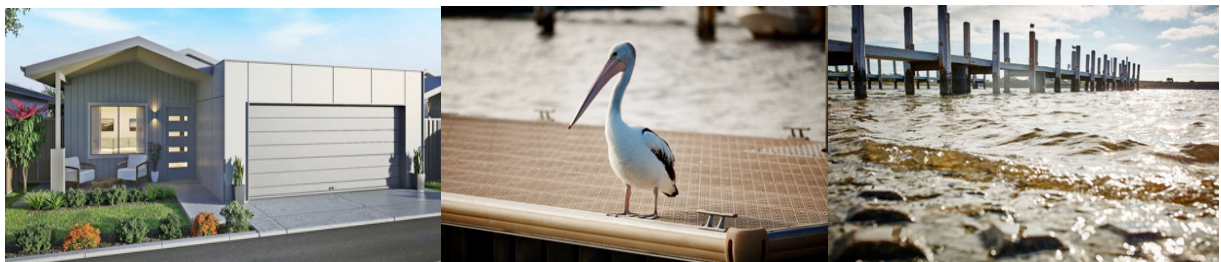
Ms Rae Freeman, JP

### Director

Ms Cinzia Donald

### Chief Executive Officer

Mr Kevin Davidson, MVO, OAM



Jurien Bay





Grandview Apartments – Menora Gardens



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