



2011/2012

ANNUAL REPORT

Our Vision

RSL Care WA is the first preference for the provision of innovative quality community care, residential care, and retirement living options to the general community, including ex-service men and women and their dependents in Western Australia.

Our Mission

As a not-for-profit organisation RSL Care WA provides the general community, including ex-service men and women and their dependents with quality options across the full continuum of care and retirement living.

Our Values

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

Chairman's Report

I am pleased to present to you the Chairman's report for the year ended 30 June 2012.

During the reporting period, my fellow Directors and I have made a point of attending RSL Care WA sites for meetings, presentations, award ceremonies and other significant occasions. We gain immense satisfaction and pleasure from meeting with residents and staff. To have the



Entry to Jurien Bay Retirement Village

opportunity to observe first hand our professional, competent and enthusiastic staff demonstrating their commitment to caring for our

residents instills great confidence that we are providing the best possible care and support to our residents and their families.

The Board is conscious of the complex regulatory framework that our business units operate within and as such retains a key focus on Governance, risk management and compliance. I am happy to report that the Board has full confidence in the robust strategies, structures and policies in place to ensure the ongoing viability of all business units. We

have the utmost confidence that RSL Care WA is well positioned to meet the economic and regulatory challenges associated with the Federal Governments Aged Care Reform Agenda both in the immediate and medium term to achieve continued growth in line with our strategic intent.



Menora Gardens Residential Care Facility

Our services – retirement living, residential care, and community care continue to perform successfully. RSL Care WA’s end of financial year results highlights the effectiveness of our Management team, guided by our Managing Director and Chief Executive Officer, Kevin Davidson, during a period of economic and regulatory uncertainty. The Board joins me in thanking them and RSL Care WA’s more than 350 full-time and casual employees for their outstanding contribution. I also thank my fellow Directors for their selfless voluntary professional contributions, and wise counsel throughout the year, and look forward to their continued support during the year ahead.

A handwritten signature in black ink that reads "Kevin Campbell". The signature is written in a cursive, flowing style.

KEVIN CAMPBELL, AM

Managing Director & CEO Report

The 2011/2012 reporting period has been an exciting time with the completion of the first 18 independent living units in stage one of the Jurien Bay Retirement Village.



Internal Layout - Jurien Bay

Construction of the Jurien Bay Retirement Village Community Centre has commenced with a

programmed completion date of November 2013. The 28 apartment 'Grand View' stage four development at Menora Gardens Retirement Village was opened to the market with 14 apartments sold, despite the softening of the residential property market, and deposits taken for several others.

Our other Retirement Villages in Geraldton, Menora and Mandurah

continue to attract strong market interest with each Village operating at capacity for a variety of lease for life or rental independent living units.

Residential Care Facilities at Menora and Meadow Springs continue to achieve the very highest standards of resident care and regulatory



Grand View apartments

compliance. Both Facilities achieved the total 44 expected outcomes during the Aged Care Standards and Accreditation Agency re-accreditation audits and are operating at capacity. Community Care services continue to expand with larger offices secured at Lesmurdie and Menora with operations soon to be transferred to those sites.

During the past year RSL Care WA has taken considerable time and care to restructure work areas to better reflect priorities, particularly in the project management, residential care, finance, community care and corporate support business units. The re-structure anticipates a more competitive business environment due in part to fiscal constraints and changes in funding priorities associated with the Federal Aged Care reforms. We acknowledge the need for our organisational structure to remain nimble and adaptable to changes in the external environment and continue to monitor our internal and external environment.

The Finance Team achieved a significant milestone when, after more than 10 years' service, the KCS/IBA accounting software was successfully migrated across to new accounting software, Microsoft Dynamics AX, in April 2012. The Aged Care and Payroll modules which do not form part of the Microsoft Dynamics AX suite are due for upgrade and preliminary work is being carried out to source the most suited software to integrate with Microsoft Dynamics AX.

Reform

The much anticipated **Productivity Commission's Report into Caring for Older Australians** was released on 8 August 2011 following extensive stakeholder consultation. The Report provided options for additional structural reform of national aged care arrangements to meet confirmed current and future challenges for the sector.

After considering the Productivity Commission's Report and further consultations with stakeholders the Federal Government unveiled a raft of reforms on the 20th April 2012 with a stated objective to *'build a better, fairer, more sustainable and more nationally consistent aged care system.'*

The Government reform package does not include all of the Productivity Commission's recommendations and several short term challenges remain for both for-profit and not-for-profit organisations operating in the Aged Care sector. RSL Care WA is well positioned to meet these challenges in a competitive environment and continue to pursue opportunities for business growth and extension of our Care Services to regional areas through the Aged Care Approval Round submission process.

A series of measures reforming the not-for-profit sector were announced in the 2011-12 Federal Budget including the creation of **The Australian Charities and Not-for-Profits Commission (ACNC)**. The ACNC is being established to act as the regulator for the not-for-profit (NFP) sector and to provide advice and oversight of NFP's financial and governance practices. RSL Care WA has had significant preparatory consultation and compliance related dealings with the Australian Taxation Office to ensure we will comply with the regulatory requirements of the ACNC when established.

We are also confident that our operations will comply with the much anticipated Federal Government's statutory definition of 'charity' planned to be effective from 1 July 2013. The ACNC Bill 2012 was passed by the Federal Parliament on 1 November 2012. Given that the passage of the Bill was delayed beyond the planned commencement date of 1 October 2012, the ACNC may not commence operations until December or early 2013.

Acknowledgements

I would like to take this opportunity to acknowledge The ANZAC Day Trust, The Western Australian Aged Sailors, Soldiers and Airmen's Relief Fund, and Lotteries West for their ongoing financial support of RSL Care WA initiatives that ensure the best possible support for our aged clients and those in necessitous circumstance.

I extend my appreciation to the management team and staff who, despite many challenges, have once again gone above and beyond the requirements of their duties with calm professionalism achieving outstanding results. We are grateful to our Chairman, Kevin Campbell AM, and fellow Directors who have continued to give freely of their time, professional skills and advice to ensure the ongoing success of the organisation. Thank you to each and every one of you.



KEVIN DAVIDSON, MVO, OAM

Financial Summary 2011/2012

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

	2011-2012	2010-2011
	\$000's	\$000's
REVENUE		
Subsidies	15,067	12,927
Fees	5,110	4,806
Other Income	6,492	7,114
	<hr/> 26,669	<hr/> 24,847
EXPENDITURE		
Employment	13,442	11,615
Other	8,576	7,268
Depreciation	1,754	2,211
	<hr/> 23,772	<hr/> 21,094
PROFIT/(LOSS)FROM OPERATIONS	<hr/> 2,897	<hr/> 3,753
ASSETS		
Current & Cash	12,991	14,085
Property/Plant& Equipment	202,619	187,393
Other	0	0
	<hr/> 215,610	<hr/> 201,478
LIABILITIES		
Payables	1,234	2,264
Provisions	1,172	977
Bonds	121,015	106,823
Borrowings	28,399	30,366
Other	6	161
	<hr/> 151,826	<hr/> 140,591
NET ASSETS	<hr/> 63,784	<hr/> 60,887

Board Members

Chairman

Kevin Campbell, AM

Deputy Chairman

The Hon Robert C Kucera, APM, JP

Director

Don Blair, OAM, RFD

Director

Kevin Cass-Ryall

Director

The Hon Ray Halligan

Director

Geoff Martin

Managing Director and CEO

Kevin Davidson, MVO, OAM



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