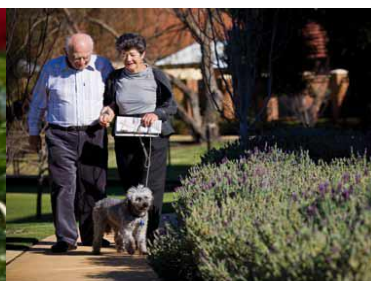




2014/2015

ANNUAL REPORT



Our Vision

RSL Care WA 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, RSL Care WA 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

I am delighted to present to you the Chairman's report for the year ended 30 June 2015.

RSL Care WA has again surpassed revenue and profit forecasts, permitting us to provide our Retirement Village, Residential Care, and Community Care range of care services, in accord with our charitable and benevolent objectives.

I referred last year to the planning for stage 2 of the Jurien Bay Retirement Village. This year the Board explored a range of opportunities to ensure we could sustainably provide cost competitive, quality, independent living options to our potential residents. Subsequently, the Board provided approval and committed to a stage 2 development pathway that will commence the fulfillment of our goals for the village during the latter half of 2015.

The Geraldton Respite Centre and Community Care Co-ordination Office have been completed and construction of the Geraldton Retirement Village Community Centre is nearing completion. The office extensions have provided the additional operational capacity for our Community Care and Respite team and we look forward to the successful completion and commissioning of the Community Centre. Our Retirement Village residents have been waiting patiently for several years for their new Community Centre and we are confident the completed building will exceed expectations and provide many hours of amenity and enjoyment.

The Board is conscious of the multifaceted regulatory structure that our business divisions operate within and the importance of ongoing compliance with regulatory authorities. We are confident our governance principles, together with our strategic and operational risk management and mitigation principles are robust enough to ensure we will continue to meet both our strategic and charitable objectives.

The Board continues to retain full confidence in the strategies and operational structures and policies deployed to ensure the continuing viability of our business divisions. RSL Care WA continues to deliver the intended charitable service outcomes across the portfolio despite the changing commercial and regulatory environment associated with the Federal Government's Aged Care Reforms.

As mentioned earlier retirement living, residential care, and community care operations continue to out-perform expectations allowing us to apply our charitable objectives where required. RSL Care WA's end of financial year results again highlight the effectiveness of our Management team, guided by our Managing Director and Chief Executive Officer, Kevin Davidson, during challenging commercial conditions, and time of substantial regulatory change. The Board joins me in thanking the Management Team and RSL Care WA's more than 400 full-time and casual employees, for their outstanding commitment and contribution to RSL Care WA's ongoing success and those entrusted to our care.

Following the completion of their initial appointments Ms Rae Freeman and Mr Bruce McHarrie were re-appointed to the Association's Board for three year terms at the December 2014 Annual General Meeting. I welcome their continued and valued commitment to the Board and Association as we strive to ensure the Board continues to discharge its corporate governance responsibilities effectively.

The legal dispute with the Returned and Services League (WA Branch) over the ownership of our retirement villages and aged care facilities continued during the reporting period. The legal dispute has had no impact on the day-to-day running of RSL Care WA's villages and facilities as we continue to work with our legal practitioners to resolve the dispute in a judicious fashion. RSL Care WA's top priority continues to be the welfare of our residents and we will continue to provide the highest quality services, support and care to our constituents.

I would like to once again thank my Board colleagues for their professionalism, enduring commitment, leadership, support and astute advice throughout the past year ensuring the best possible organisational outcomes and the ongoing provision of essential services to those in need and the aged and infirm in Western Australia.

KEVIN CAMPBELL, AM



Managing Director & CEO Report

The 2014/2015 reporting period continued to provide opportunities and challenges associated with the implementation of the *Living Longer Living Better Aged Care* reforms. The reform process has necessarily been at the forefront of the Board and senior management teams strategic and operational planning. Preparations for the revised residential care accommodation pricing structure and the transition to consumer directed care in the area of home care have required stringent financial and operational planning. Once again, the experience, professionalism and commitment of RSL Care WA's team has enabled us to meet the reform milestones without any diminution of service provision or quality standards. Separately, we have continued to work diligently with our legal practitioners to ensure Resident Lease documentation and operational compliance with amendments to the Retirement Villages Act 1992 (the Act), the Retirement Villages Regulations 1992 and the Fair Trading (Retirement Villages Code) Regulations 2015.

Our residents, clients and staff have benefited from RSL Care WA's demonstrated ability to govern and manage effectively in a changing operating environment, while continuing to actively pursue diversified business opportunities and deliver upon our charitable objectives.

RSL Care WA Overview

836 residents and clients receive our services at any one time:

- 233 or 28% Residential Aged Care residents;
- 349 or 42% Independent Living Unit residents;
- 187 or 22% Home Care clients;
- 63 or 7% Veterans Home Care clients;
- 5 or 1% National Carer Respite Program (82 annually).

RSL Care WA also provides full management services to another charitable organisation, Wattle Hill Care Incorporated:

- 62 bed Residential Aged Care service with 54 high care residents (32% concessional);
- 35 Independent Living Unit residents.

499 people assist RSL Care WA to achieve our charitable objectives:

- 422 or 85% are full time and part time employees (as at last pay period of FY 2014/15);
- 77 or 15 % are volunteers (includes Board members).

Who was helped by our charity in FY 2014/15?

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 dependents.

Resources and Operating Locations

RSL Care WA operates the following services in Western Australia:

- Coral Estate Retirement Village
- Geraldton Retirement Village
- Jurien Bay Retirement Village
- Mandurah Retirement Village
- Menora Gardens Retirement Village
- Pearson Retirement Village
- Meadow Springs Residential Care Facility
- Menora Gardens Residential Care Facility
- Eastern Hills Lesmurdie Home Care Services
- Geraldton Home Care Services
- Perth North Metropolitan Home Care Services
- South West Rural Home Care Services
- Geraldton National Carer Respite Program
- Geraldton Budget Accommodation
- Veterans Home Care Services, (Metro North, Metro East and Mid-West)
- Wattle Hill Care Bunbury (Residential Care Facility and Retirement Village – Management Services)
- Wattle Hill Care Bunbury – Retirement Village Redevelopment Project 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, Staff and Volunteers remain dedicated to our time-honoured charitable objectives:

- (a) To provide and operate facilities for the aged and infirm in Western Australia, including for veterans and their dependants, and for persons in necessitous circumstances; and
- (b) To provide care and assistance of the highest standard for aged and infirm persons.

The property and income of RSL Care WA 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.

Retirement Villages

RSL Care WA Retirement Villages are located at Geraldton, Jurien Bay, Menora (two villages), and Mandurah (two villages).

Stages 1 and 2 of the Geraldton Retirement Village construction program are nearing completion. Extensions and refurbishment of the Geraldton Respite Centre and Community Care Co-ordination Office has been successfully completed with staff now fully utilising the much improved facilities. Construction of the new Village Community Centre is moving ahead and should be completed by February 2016 with commissioning during March 2016. Village residents, families and staff are eagerly awaiting the completion of the new Centre. We thank the residents for their patience and understanding during the two construction phases as we strive to provide the best possible services and amenities for our residents and clients.

The planning for stage 2 of the Jurien Bay Retirement Village continued during the year with the Board exploring a range of construction opportunities. The Board and Management Team are committed to ensuring RSL Care WA is able to sustainably provide cost competitive, quality, and innovative independent living options to our potential residents. Toward the end of the reporting period the Board provided approval and committed to a stage 2 development pathway that we believe will deliver the outcomes sought commencing in the latter half of 2015.

Menora Gardens Village, Pearson Village, Geraldton Village, Mandurah Village and Coral Estate Village continue to perform very well, with each village operating at capacity for a variety of independent living unit lease for life or rental lease options.



Members of the Menora Gardens & Pearson Retirement Villages 90's Club - 2015

For over a decade, RSL Care WA has recognised the demand for flexible shorter term Retirement Village accommodation being provided on a 'rental only' basis, to assist in caring and supporting the aged. The rent payable in these instances is substantially below market rental values for similar residential properties. These 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.



Jurien Bay

Thirty three units or approximately 11% of our Retirement Village portfolio is allocated as rental accommodation. Across the retirement village portfolio operating deficits totalling \$175,715 have been subsidised and absorbed by RSL Care WA 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, while meeting regulatory compliance. Both facilities maintained compliance with all standards during scheduled and unannounced assessment inspections by the Australian Aged Care Quality Agency during the reporting period.

Concessional residents account for approximately 59 placements or 34% of RSL Care WA's annual residential care placements in furtherance of our charitable objects.

We continue to receive positive feedback regarding the environment in all areas of Menora Gardens and Meadow Springs from residents, their families and also visitors to the facilities such as aged care accreditation standards assessors.

Following the roll out of a new payroll and rostering system in 2013/2014, Creditors, Assets and General Ledger were successfully implemented in 2014/2015. ClientCare will be implemented in 2015/2016 bringing to conclusion RSL Care WA's migration to a new finance and management reporting system.

Home Care

RSL Care WA Home Care services are provided to 187 clients in Geraldton, Eastern Hills of Perth, North Metropolitan region of Perth and more recently the Rural South West. Veterans' Home Care services are provided to 63 clients in the North Metropolitan, East Metropolitan regions of Perth as well as in the Mid-West in Geraldton. Intermediate (Level 3) and High Care (Level 4) programs remain in high demand while income testing arrangements have led to a reduction in take up rates for Level 1 and Level 2 programs. In keeping with our charitable objectives 47 clients receive services at either reduced rates or at no charge, due to their necessitous circumstances.

In keeping with the Federal Governments continued reform of the aged care sector and stated recognition that many older Australians wish to remain in

their own home for as long as possible, RSL Care WA continues to pursue Home Care growth opportunities in metropolitan and regional areas through the Aged Care Approval Round (ACAR) submission process.

RSL Care WA was successful in applying for Home Care services in the Aged Care Planning Region of Rural South West region (Shires of Collie, Bridgetown-Greenbushes, Manjimup, Nannup, and the City of Bunbury – 29). Our Co-ordinator, Ms Karen McPherson, was appointed in April 2015 and is working from rental accommodation at Wattle Hill Care, Bunbury. During the establishment of this service Ms McPherson is visiting key stakeholders in the South West Community to ensure market awareness of this new service and to establish working relationships.

Consistent with the Federal Governments Aged Care Reforms and effective from 1 July 2015 all Home Care services are now delivered on a Consumer Directed Care basis. This has necessarily consumed a considerable amount of management and operational staff's focus in the preceding year to ensure all elements associated with the CDC operating environment were considered from an organisational, client and regulatory framework standpoint and catered for wherever possible.

Unfortunately, our application of Home Care services in the Aged Care Planning Region of Wheatbelt (Shire of Dandaragan) was unsuccessful due to a limited number of services being made available in WA regional areas. RSL Care WA will apply again during the 2015/2016 ACAR citing critical need, to provide packaged care. Recently we hosted a focused group with the Southern Health Board with local members highlighting the need for professional coordinated aged care options that could reassure the aged population in this area.

Community Support

During the reporting period, RSL Care WA continued to provide a three year peppercorn lease (\$1.10 per annum) for a commercial building to the Returned & Services League Branch of Western Australia. The building is tenanted by the Mandurah RSL Sub Branch, and used for social and welfare activities to assist Returned Service Men and Women and their dependents.

RSL Care WA is currently absorbing annual losses of approximately \$133,000 to provide this charitable community support. In addition, RSL Care WA 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

RSL Care WA continued its commitment to provide employees with ongoing learning and development opportunities. Approximately \$176,000 was directed to staff training sessions during the year. This figure does not include internal staff time associated with “tool box” sessions undertaken nor on-the-job buddy shifts.

Staff numbers attending training¹ during FY 2014/15 are as follows:

- Externally delivered - 236
- Internally delivered- 2622
- Induction – 185

Staff Recognition

Award ceremonies continue to be held during the year to recognise significant service milestones, successful completion of training courses and to acknowledge the valuable contribution of our staff and volunteers.

Following the inaugural presentations in 2013, RSL Care WA presented National Australia Day Council Achievement Medallions and Certificates to members of staff during an award ceremony on Friday 23 January 2015.



Australia Day Awards ceremony

Back (L-R) - Foo Bok Heng, Lorraine Trask, Karen Basire, Roxon Lund,
Front (L-R) - Carole Balchand, Delys Hunter and Raelene Oats (absent) received individual awards. Recipients were awarded Australia Day Council Medallions and Certificates in recognition of their sustained outstanding service to residents of Retirement Villages, Residential Care Facilities, Home Care clients, Respite Services clients and to their colleagues.

¹ Internally delivered training includes all annual mandatory training updates and identified training needs as a result of performance development activities. Externally delivered includes modules undertaken through the Aged Care Channel on-line learning programmes.

The National Australia Day Council Achievement Medallions and Certificate provide the RSL Care WA Board and management team with an opportunity to acknowledge and recognise outstanding individual and team contributions in the lead up to Australia Day.

Corporate Reporting Obligations

RSL Care WA remains compliant with the regulatory and mandatory reporting requirements of the Aged Care Act 1997, 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), and the Veterans' Home Care Guidelines (Department of Veterans Affairs).



Acknowledgements

We acknowledge Lotterywest, The ANZAC Day Trust, and The Western Australian Aged Sailors, Soldiers and Airmen's Relief Fund, for their ongoing financial support of RSL Care WA initiatives that ensure the best possible support and outcomes for our aged clients and those in necessitous circumstances. Programme Maintenance Services ongoing support of the Menora Gardens and Pearson Village 90's Club is greatly appreciated. The staff incentive programs offered by Harvey Norman Cannington Superstore and HBF Health Insurance are also highly valued.

I extend my heartfelt gratitude and sincere thanks to the RSL Care WA management team, staff and committed volunteers who consistently exceed 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 RSL Care WA. To our Chairman, Kevin Campbell AM, and fellow Directors, The Honourable Bob Kucera APM, JP, The Honourable Ray Halligan FIPA, Geoff Martin, Rae Freeman JP, Bruce McHarrie FCA, I convey, on behalf of all staff, clients, residents and volunteers, our deep appreciation for generously providing their professional expertise, experience, patience and time to ensure the continuing success of RSL Care WA.

KEVIN DAVIDSON, MVO, OAM



Jurien Bay

Financial Summary 2014/2015

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

	2014-2015	2013-2014
	'000	'000
REVENUE		
Subsidies	17,962	17,235
Fees	6,191	5,825
Other Income	6,064	6,310
	30,217	29,370
EXPENDITURE		
Employment	16,920	15,683
Other	9,886	8,993
Depreciation	1,311	1,431
	28,117	26,107
PROFIT/(LOSS) FROM ORDINARY ACTIVITIES	2,100	3,263
Impairment Gain/(Loss) *	0	(1,843)
TOTAL COMPREHENSIVE INCOME/(LOSS)	2,100	1,420
ASSETS		
Current & Cash	38,972	28,902
Property, Plant & Equipment	193,612	196,409
TOTAL ASSETS	232,584	225,311
LIABILITIES		
Payables	2,325	1,484
Provisions	1,539	1,326
Bonds	137,477	131,355
Borrowings	21,873	24,158
Other	557	274
TOTAL LIABILITIES	163,771	158,597
NET ASSETS	68,813	66,714

* Note: Impairment loss relates to Jurien Bay Retirement Village.

Board Members

Chairman

Kevin Campbell, AM

Deputy Chairman

The Hon Robert C Kucera, APM, JP

Director

The Hon Ray Halligan FIPA

Director

Geoff Martin

Director

Rae Freeman, JP

Director

Bruce McHarrie, FCA

Managing Director and CEO

Kevin Davidson, MVO, OAM



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