

Annual Report

2019–20



Australian Government
Aged Care Quality and Safety Commission

Aged Care Quality and Safety Commission

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The Commission acknowledges the Traditional Owners of Country throughout Australia and recognises their continuing connection to land, sea, culture and community. We pay our respects to their Elders past, present and emerging.



Senator the Hon Richard Colbeck
Minister for Aged Care and Senior Australians
Minister for Youth and Sport
Parliament House
Canberra ACT 2600

Dear Minister

I am pleased to present the annual report for the Aged Care Quality and Safety Commission, prepared in accordance with the requirements of the *Aged Care Quality and Safety Commission Act 2018* (ACQSC Act) and section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

This report includes information related to the functions of the Commissioner of the Aged Care Quality and Safety Commission, from 1 July 2019 until the end of the reporting period on 30 June 2020.

As required by section 10 of the Public Governance, Performance and Accountability Rule 2014, I certify that:

- the Commission has prepared appropriate fraud risk assessments and fraud control plans
- the Commission has in place appropriate fraud prevention, detection, investigation and reporting mechanisms that meet its specific needs
- I have taken all reasonable measures to minimise the incidence, and to investigate and recover the proceeds of fraud.

Yours sincerely

J. M. Anderson

Janet Anderson PSM
Commissioner
25 September 2020

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Message from the Commissioner

I am pleased to present the Annual Report for the Aged Care Quality and Safety Commission (the Commission) for the period 1 July 2019 to 30 June 2020.



Following the establishment of the Commission on 1 January 2019, this year has been marked by continuing significant transition and change, and in the second half of the year, the major challenges of the COVID-19 pandemic.

The year started with the introduction of the Aged Care Quality Standards and a new Charter of Aged Care Rights on 1 July 2019.

The new Quality Standards signalled a transformative reorientation in thinking and practice for the aged care sector. The Quality Standards place older Australians receiving aged care squarely at the centre of all care planning and decision-making and ensure providers' accountability not only for the quality and safety of care they deliver, but also for their consumers' experiences and outcomes of care. The Charter operates alongside the Quality Standards, making it easier for consumers, their families, carers and representatives to understand what they can expect from an aged care service.

In November, the Commission undertook a significant program of work to support the introduction of regulations to minimise chemical and physical restrictions, with the aim of building awareness and creating sustainable cultural change across the sector. These regulations place explicit obligations on providers to minimise use of restraints in residential care settings, thereby reducing the potential harm to the health and well-being of older people.

On 1 January 2020, the aged care regulatory functions of the Department of Health, including approval of providers, aged care compliance (relating to both the Quality and Prudential Standards), and compulsory reporting were transferred to the Commission. This consolidation of regulatory functions in the Commission marked our transition into the role of national end-to-end regulator of aged care services in Australia. Being an integrated regulator provides clarity and transparency for consumers, the aged care sector and the broader community. It also reduces complexity and duplication and enables the Commission to more effectively identify and address poor performance by providers.

We have developed information, education and resources to support and engage with the sector and consumers to help with understanding these changes and what they mean for high quality aged care services.

The transfer of functions to the Commission was accompanied by a Regulatory Integration Project aimed at building a comprehensive and effective whole-of-Commission approach to gathering, analysing, risk-assessing, and determining the treatment of regulatory intelligence at the level of individual services, approved providers and sector-wide. We also launched our new aged care online learning platform Alis, expanding the range of education services to the sector.

We have continued to give a high priority to cooperating with, and supporting the important work of, the Royal Commission into Aged Care Quality and Safety. Following the release of the Royal Commission's interim report in October 2019, we responded to key themes including through developing and promoting best practice models by providers, improving the transparency of information about provider performance, and further developing the sharing of information with other key agencies to lift the quality of aged care services.

The impact of COVID-19 in the second half of the year has presented many challenges for older Australians, for the aged care sector and its delivery of services, and for the Commission. The disruptive effects of the pandemic on everyday life and work cannot be overstated, and the loss of life among individuals receiving aged care has been tragic and distressing, most especially for family members.

At the onset of the pandemic, the Commission moved quickly to adjust our regulatory approach in line with the latest health advice so as to minimise infection risks and ensure that providers were doing everything possible to keep consumers safe while continuing to deliver care and services consistent with the Quality Standards.

While we achieved a number of our performance indicators, our results also reflect the impact of the pandemic on the Commission's work. In the coming year, we anticipate that there will be ongoing challenges for aged care in managing the risk of COVID-19. We will continue to adapt our regulatory approach so that it remains risk-based and proportionate, and we will maintain proactive engagement with consumers, providers and other stakeholders to provide guidance and information that reflects current health advice.

The Government's engagement with the final report of the Royal Commission, due in February 2021, is likely to have direct implications for the Commission's future directions, and we keenly await those next steps in our journey. In the meantime, we will continue to work hard on realising the full benefits for senior Australians of having a single national regulator of aged care.

I want to thank Commission staff for their commitment and readiness to adapt to new regulatory and work practices, and their focused determination to continue holding providers to account for ensuring the safety and well-being of older Australians in their care. This work has never been more important.

Finally, I want to express my thanks to the Minister for Aged Care and Senior Australians, Senator the Hon Richard Colbeck for his ongoing support and guidance. I am also grateful to Ms Andrea Coote, Chair of the Aged Care Quality and Safety Advisory Council and to all members of the Council for their advice and support.

A handwritten signature in black ink that reads "J. M. Anderson". The letters are cursive and slightly slanted to the right.

Janet Anderson PSM
Commissioner
September 2020



Overview

About the Commission

The Aged Care Quality and Safety Commission (the Commission) is an Australian Government statutory authority within the Health portfolio.



The responsible minister is Senator the Hon Richard Colbeck, Minister for Aged Care and Senior Australians and Minister for Youth and Sport.

The Commission is the national regulator of aged care services, and the primary point of contact for consumers and providers in relation to quality and safety.

The Commission operates independently and objectively in performing its functions and exercising its powers as set out in the *Aged Care Quality and Safety Commission Act 2018* (ACQSC Act) and the *Aged Care Quality and Safety Commission Rules 2018* (the Rules).

The Commission is responsible for the following outcome in the 2019–20 Portfolio Budget Statements:

Protect and enhance the safety, health, well-being and quality of life of aged care consumers including through effective engagement with them, regulation and education of Commonwealth-funded aged care service providers and resolution of aged care complaints.

Under this outcome the Commission is responsible for deliverables in Program 1.1, Quality Aged Care Services.

Read more about our functions under Risk-based regulation from page 34.



Our purpose

To protect and enhance the safety, health, well-being and quality of life of aged care consumers.



Our vision

Older Australians trust and have confidence that aged care services protect and enhance their safety, health, well-being and quality of life.

Our role

As the national regulator of aged care services subsidised by the Australian Government, our role is to approve providers' entry to the aged care system, to accredit, assess and monitor aged care services against requirements, and to hold services to account for meeting their obligations. We seek to resolve complaints about aged care services and to provide education and information about our functions. We also engage with consumers to understand their experiences and to provide advice to providers about working with consumers in designing and delivering best practice care.

Our values

We undertake our work consistent with the Australian Public Service (APS) values, outlined in the *Public Service Act 1999*.

Impartial

We are apolitical and provide the government with advice that is frank, honest, timely and based on the best available evidence.

Committed to service

We are professional, objective, innovative and efficient, and work collaboratively to achieve the best results for the Australian community and the government.

Accountable

We are open and accountable to the Australian community under the law and within the framework of Ministerial responsibility.

Respectful

We respect all people, including their rights and their heritage.

Ethical

We demonstrate leadership, are trustworthy, and act with integrity in all that we do.

Our functions

Our functions, as set out in the ACQSC Act and Rules are:

1. Protecting and enhancing the safety, health, well-being and quality of life of aged care consumers.
2. Approving providers of aged care.
3. Imposing sanctions on approved providers and lifting sanctions.
4. Ensuring compliance with the aged care responsibilities of approved providers.¹
5. Promoting the provision of quality care and services by:
 - a. approved providers of aged care services
 - b. service providers of Commonwealth-funded aged care services.
6. Developing, in consultation with aged care consumers and their representatives, best practice models for the engagement of providers with their aged care consumers and promoting those models to providers.
7. Dealing with complaints made, or information given to the Commissioner in accordance with the Rules about an approved provider's responsibilities under the *Aged Care Act 1997* or funding agreement.
8. Regulating aged care services according to the Rules by accrediting, conducting quality reviews, monitoring the quality of care and services, and registering quality assessors.
9. Providing education and information about matters relating to one or more of the Commissioner's functions to consumers and their representatives, providers of aged care services and the public.

¹ Key legislative changes from 1 January 2020 included the transfer of functions 2, 3 and 4 from the Department of Health to the Commission.

Our approach

We carry out our functions in a way that supports improved consumer outcomes, more effective complaints resolution, effective risk-based regulation, better engagement with stakeholders and greater accountability and transparency.

This approach includes:

- supporting the government's broader policy framework including its consumer-centred and quality improvement aged care agenda
- giving a high priority to cooperating with and responding to requests from the Royal Commission into Aged Care Quality and Safety
- speaking with one voice and making it easy for people to access our services
- being innovative and open to new ways of working to improve outcomes for aged care consumers
- developing and maintaining productive working relationships with aged care consumers, providers and other key stakeholders
- investing in our workforce culture and staff capability to achieve our priorities
- being transparent and joined up in the way we work
- being accountable and seeking feedback to improve our practices and performance.

Our priorities

1. Continue building the Commission as a trusted and effective regulator.

A Commission that is trusted by consumers, providers and the community as a fair and effective regulator of aged care services.

2. Promote the provision of quality care and services.

Increased confidence and trust in the quality and safety of aged care services and commitment from providers to continuous improvement.

3. Enhance engagement of aged care consumers.

Consumers are engaged in the planning and delivery of their aged care services.

4. Deliver effective complaints resolution for aged care consumers.

Consumers trust that making a complaint leads to better outcomes.

5. Deliver effective risk-based regulation against the Aged Care Quality Standards.

Improved consumer experience through more effective regulation against the Aged Care Quality Standards.

Organisational structure

Table 1: Details of Accountable Authority during 2019–20

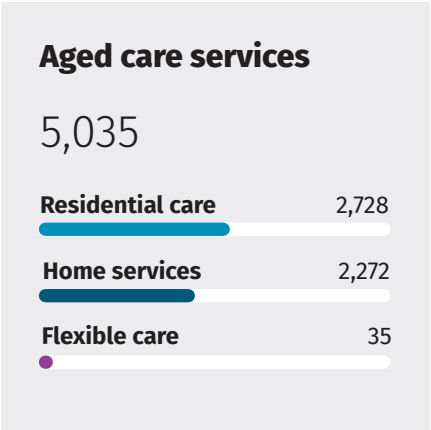
| | | Period as the accountable authority or member within the reporting period | |
|--------------------|------------------------------|--|-------------------|
| Name | Position title/Position held | Date of commencement | Date of cessation |
| Janet Anderson PSM | Commissioner | 1 July 2019 | |

Read more about our organisation, structure, governance and leadership in Management and Accountability from page 101.

The sector at a glance

The aged care sector funded by the Commonwealth consists of three main service types of residential aged care, home services and flexible services.

At 30 June 2020, there were 2,728 residential aged care services, 2,272 home services and 35 National Aboriginal and Torres Strait Islander Flexible Aged Care program services.



The year in review

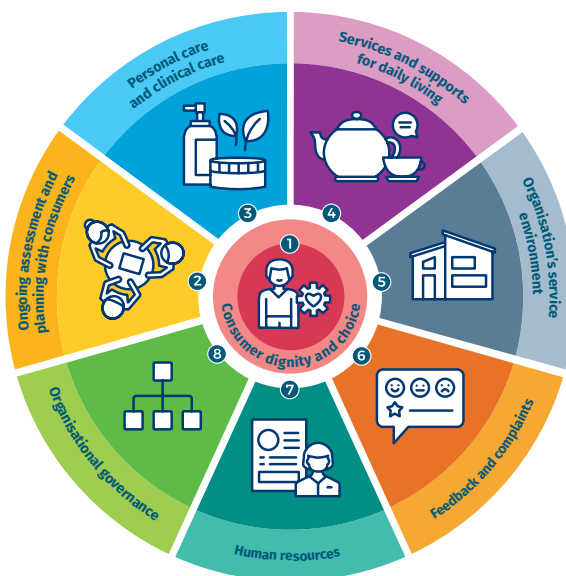
This section provides an overview of the key legislative changes and events that directed and shaped our work in 2019–20. It also highlights some of the initiatives and projects we undertook to improve the effectiveness of our regulatory functions and respond to risks and events.

Aged Care Quality Standards introduced

The Aged Care Quality Standards (the Quality Standards) were introduced on 1 July 2019. The Quality Standards replace the former:

- Accreditation Standards
- Home Care Standards
- National Aboriginal and Torres Strait Islander Flexible Aged Care Program Quality Standards
- Flexible Care Standards for short-term restorative care.

The Quality Standards apply to all aged care services including residential care, home care, short-term restorative care, as well as services under the Commonwealth Home Support Programme (CHSP) and National Aboriginal and Torres Strait Islander Flexible Aged Care Program.



The Quality Standards focus on outcomes for consumers and shift the regulatory focus for providers from process to outcomes. They represent transformational change for Australians receiving aged care services, putting consumers at the heart of aged care, requiring evidence of their experience and outcomes, and increasing transparency and accountability.

We continued the work (which commenced in 2018–19) to support the sector and consumers in preparation for the new Quality Standards through production of a range of guidance and resources including videos and online learning modules.



New Charter of Aged Care Rights introduced

On 1 July 2019, a single Charter of Aged Care Rights came into effect. It replaced previous charters of care recipients' rights and responsibilities, and underpins the Quality Standards.

The comprehensive and concise new charter sets out the same rights for all consumers, regardless of the type of subsidised care and services they receive.

The charter focuses on 14 high-level consumer rights, making it easier for consumers, their families, carers and representatives to understand what they can expect from an aged care service. Providers have responsibilities to support consumers to understand the new charter.

The charter is available in a range of languages. We supported its introduction through resources for providers and consumers including posters and booklets. A charter template for providers and consumers to co-sign was developed as one way to demonstrate that the provider has assisted the consumer to understand their rights under the charter.

A new assessment methodology introduced

The Commission developed and introduced an updated assessment methodology, which guides the Commission's overall approach to assessing aged care provider performance against the Quality Standards.

The assessment methodology supports quality assessors to use a consistent approach to assessing a provider's performance against the Quality Standards within the broader assessment program and the Regulatory Strategy. It aims to support quality assessors to reach similar conclusions about performance against the Quality Standards in similar circumstances and provides clarity for stakeholders about the conduct of performance assessments.

The Commission's assessment methodology is supported by training and resources for quality assessors.

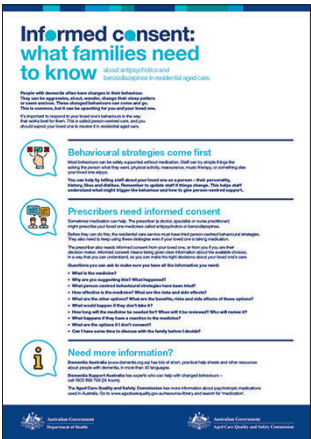
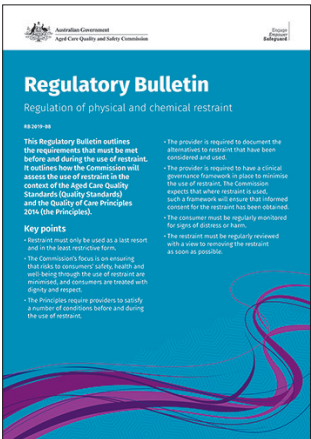
Regulations to minimise chemical and physical restraints

Legislative requirements regarding the use of physical and chemical restraints are contained in the Quality of Care Principles 2014 (Principles). The restraint requirements were first introduced to the Principles from 1 July 2019, with amendments strengthening the legislation applicable from 29 November 2019. These amendments place explicit obligations on providers to minimise chemical and physical restraints in residential care settings.

The Commission published a Regulatory Bulletin, 'Regulation of physical and chemical restraint' outlining the requirements that must be met before and during any use of restraint. The Bulletin outlined how the Commission will assess the use of restraint in the context of the Quality Standards and the Principles.

The Commission's program of work on minimising the use of restraints has been included in broader work to minimise inappropriate use of medications in residential aged care more generally, initially focusing on psychotropic medication. The goal is to increase knowledge and awareness of how to ensure that any medication use is appropriate and minimised where it constitutes a restrictive practice, and to create sustainable cultural change. Aged care consumers and their representatives were involved in developing a range of print, electronic and other resources which are published on the Commission's website, including:

- Clinical advice and guidance materials for providers and consumers about informed consent and restraint.
- Scenarios illustrating physical and chemical restraint, showing the complexity of the issue and the need for providers to be mindful of the requirements of the Principles.



- Tools and fact sheets to help providers make decisions, manage, record and monitor the use of psychotropic medications.
- Commissioning a suite of works with the Older Persons Advocacy Network (OPAN) for consumers and their representatives and decision-makers.

The resources for consumers, providers, care workers and Commission staff reflect our shared responsibility to address this issue and the multiple individuals, influences and processes involved in medication management and use of restraint.

The Pharmacy Project reducing inappropriate use of medication

The Commission was allocated funding in the 2019–20 budget to run a project aimed at reducing the inappropriate use of medication in residential aged care, with a particular focus on psychotropic and antimicrobial medicines.

The project introduced a pharmacy outreach program focusing on medication management and chemical restraint, the latter of which has the potential to do great harm to the health and quality of life of elderly people.

Pharmacists gather information on the challenges and barriers to safe prescribing and medication management and provide tailored information, education and ongoing support on any aspect of medication management in residential aged care facilities.

The project targets residential services in areas designated 'remote' and 'very remote'. The Commission contracted 10 experienced and accredited clinical pharmacists who undertook the RedUse train-the-trainer program that promotes quality and appropriate use of sedatives. A key program strength was the promotion of communication between consumers and their families, nurses, care staff, GPs and pharmacists.

Services in the regional target areas were offered a pharmacist visit, which included training for nominated staff on deprescribing medications, who would then have responsibility for sustaining the program in their services.

Prior to the COVID-19 pandemic, it was intended that the pharmacists would continue to deliver the training to services in more than 60 remote and very remote locations. However, the pandemic resulted in this program of visits being put on hold and consideration is being given to alternative means of continuing to engage with the sector on reducing the inappropriate use of medication, such as trialling a pharmacy advice telephone line. A pilot of the Aged Care Pharmacy Advice Line (Aged Care PAL) commenced operation on 11 May 2020. Pharmacists are rostered to answer pharmacy related queries from aged care providers, services and consumers in remote and very remote locations. The works mentioned above, commissioned with OPAN, are part of this project.

Transfer of regulatory functions

On 1 January 2020, the aged care regulatory functions of the Secretary of the Department of Health were transferred to the Aged Care Quality and Safety Commissioner, establishing a new regulatory framework for the Commission. The Commission is now responsible for approval of providers, where appropriate to do so, aged care compliance (including with Prudential Standards) and compulsory reporting.

Consolidating these regulatory functions and powers within a single regulator provides greater clarity of the regulatory model for providers and consumers of care and ensures that the Commissioner has the full suite of regulatory functions from entry, quality monitoring and compliance to exit (if required) for providers of aged care services. It supports more effective triage of poor performance into voluntary and enforceable compliance pathways, allowing the Commission to shift to enforceable regulatory responses when risks are unresolved or escalate.

Commission Rules amendments

Amendments to the Rules were implemented from 1 January 2020 to support the transfer of regulatory functions. The amendments focused on:

- integration and removal of duplication in the management of non-compliance with the Quality Standards
- establishment of a regulatory framework with graduated and escalating responses to non-compliance
- streamlining existing performance assessment processes, providing greater clarity to consumers and transparency of decision-making for providers.

A summary of the key changes for providers from 1 January 2020 is available on the Commission's website. Our Regulatory Strategy, initially published in June 2019, was also updated to reflect the new regulatory powers.

Regulatory Integration Project commenced

In 2019–20 the Commission commenced a Regulatory Integration Project to streamline our functions, achieve consistent regulatory practice, and support the transfer of regulatory functions from the Department of Health on 1 January 2020. The more streamlined end-to-end regulation and consistency of approaches are expected to reduce duplication and complexity, and benefit consumers and providers. The whole-of-Commission integration process includes new operating models to support four pillars of work:

- Risk Assessment and Escalation
- Case Coordination
- Intelligence and Analysis
- Managing Non-Compliance.

This includes development of a Regulatory Risk Management Framework, which supports implementation of a standardised approach to the trend analysis, escalation and treatment of risk, and improved capabilities through changes to organisational design and training.

The project will continue throughout 2020–21 to enable a fully integrated Commission.

New IT infrastructure to support regulatory functions

The Commission is progressing a single IT platform for Commission staff, including development of a single cloud platform called the 'Aged Care Case Management Information System'. Single IT infrastructure will support integration of regulatory functions, work on risk profiling, and analysis of home services including at market entry.

Home services regulation strengthened

The Home Services Regulation Project aims to facilitate the effective and efficient regulation of home services across the range of Commission functions through the utilisation of revised regulatory practices, risk methodologies and operational processes in a coherent model.

The project complements the Commission's regulatory strategy and current regulatory integration and compliance framework development. It also builds on the Commission's strong focus on home services in complaints handling and home care investigation and compliance, and will continue to be progressed in 2020–21.

Royal Commission into Aged Care Quality and Safety

Engagement with the Royal Commission into Aged Care Quality and Safety has been a significant priority for the Commission during 2019–20. In response to specific requests and to offer proactive support, we provided numerous documents, witnesses and submissions, and closely followed hearings and other activities to learn from the initial findings.

Supporting the important work of the Royal Commission will continue to be our priority.

Following the release of the Royal Commission's Interim Report on 31 October 2019 and addressing some of the key themes in the report, the Commission has:

- established a project (described above) specifically focusing on strengthening the regulation of home services
- continued its focus on working with providers, consumers and key stakeholders on minimising the use of restraints, as outlined earlier
- worked to raise provider awareness and encourage the use of best practice models including, during unannounced visits, looking for evidence that services are applying best practice

- conducted a project to research and develop best practice models for engagement between providers, consumers and their representatives (as outlined in consumer engagement activities below)
- reviewed information published on the Commission's website to improve transparency and depth of information about provider performance, including naming providers who are issued directions², the actions to be met and the timeframes for meeting them
- improved the sharing of information with other key agencies including the Australian Health Practitioner Regulation Agency (AHPRA). A memorandum of understanding signed with AHPRA will support the Commission to raise concerns with AHPRA about the health, performance or conduct of registered health practitioners working in aged care. The agreement will also enable AHPRA to disclose information to the Commission if it has concerns about the care and safety of someone receiving Commonwealth-funded aged care services.

² If the Commission is not satisfied that a service provider is meeting its responsibilities, a direction may be given to address the issues raised through a complaint. A direction will require the service provider to demonstrate how they have met or will meet their responsibilities under the *Aged Care Act 1997* or their funding agreement with the Australian Government.

Aged Care Quality and Safety Council

The Aged Care Quality and Safety Advisory Council (Advisory Council) is established under section 37 of the ACQSC Act.

The legislated functions of the Advisory Council are:

- On its own initiative or at the request of the Commissioner, to provide advice to the Commissioner in relation to the Commissioner's functions.
- At the request of the Minister, to provide advice to the Minister about matters arising in relation to the performance of the Commissioner's functions.

In 2019–20 the Advisory Council was requested to provide advice to the Minister for Aged Care and Senior Australians, Senator the Hon Richard Colbeck, on additional powers that the Aged Care Quality and Safety Commission should have to achieve its objectives.

As requested by the Minister, the development of the options paper considered the Interim Report of the Royal Commission into Aged Care Quality and Safety and recommendations of the Carnell Inquiry into events at Earle Haven in identifying and developing priorities for change.

The Minister subsequently notified the Advisory Council that he had shared the options paper with the Royal Commission to assist with its consideration of quality and safety regulation and in April 2020, senior staff from the Royal Commission met with the Advisory Council to discuss the contents of the options paper.

The Advisory Council continues to consider the options outlined for reform and provide advice to the Commissioner and the Minister on a range of strategic issues. The options paper is published on the Commission's website.

Response to the bushfire crisis

The 2019–20 summer season was characterised by devastating bushfires in many parts of the country, affecting a number of aged care services.

The Commission closely monitored the situation through information provided to us by the Department of Health and established operations to monitor evacuations of consumers affected by bushfires.

Based on geospatial mapping of fire movement, we made decisions about any adjustments required to our schedule of performance assessment and monitoring activities for affected services.

Our messages to the sector emphasised the critical importance of effective emergency risk management and planning, and of good communication with aged care consumers and their representatives during the bushfire season. Services operating in fire-affected areas and those impacted were encouraged to contact the Commission to discuss their circumstances if needed, and to access the information and resources about bushfire preparedness on our website.

Greater transparency in performance reporting

The Commission is integrating and enhancing the information it makes publicly available about the performance of providers and regulatory actions and outcomes. This includes publishing a range of sector performance measures including regulatory activities and findings, the volume of complaints received, and the issues most frequently raised in complaints.

Sector performance data is shared on the Commission's website to help providers understand sector-wide performance and the areas of high prevalence or high impact risk to the safety, health or well-being of consumers. It supports providers to identify and examine their own management of these risks. The Sector Performance Report for the January to March 2020 quarter integrated a range of compliance decisions that transferred to the Commission on 1 January 2020.

The Commission and the Department of Health worked closely with consumer and industry stakeholders on the development of residential service compliance ratings which are now available on the My Aged Care website. The facility and service rating information was released on 1 July 2020.

The rating will allow consumers to access and compare easy-to-understand information on the quality of residential aged care services, supporting more informed decision-making.

The service compliance rating signifies a service's current compliance status. It is based on the outcomes of compliance activity, such as performance assessments, by the Commission and whether a service is meeting its obligations to provide safe, quality care and services to aged care consumers.

Aged Care Learning Information Solution launched

The Commission's Aged Care Learning Information Solution (Alis) was launched on 20 February 2020 and provides access to the Commission's education programs anywhere and anytime via interactive online learning.

The initial program included in the launch focused on implementation of the Quality Standards and supporting providers in the delivery of quality aged care services and their continued improvement. The program includes nine modules. In addition to an introductory module called 'Getting to know the Standards', there is a separate module for each of the individual Quality Standards.

At 30 June 2020, 3,544 users were registered within Alis and user numbers were continuing to grow weekly.

Administrators have access to a dashboard and reporting functions, which provide a real time picture of their staff engagement with and completion of the modules.

Engaging with consumers

An important function of the Commission is consumer engagement. It enables us to develop, in consultation with aged care consumers and their representatives, best practice models for the engagement of providers with their aged care consumers and to promote those models to providers.

In 2019–20 we conducted a consumer engagement project overseen by a steering group of key stakeholders. A number of resources produced by the project were published on the Commission's website in January 2020. The resources are designed to support aged care providers in improving the way they engage with their consumers and includes the 'Care that is right for me' resource. This resource highlights that placing consumers at the centre of their care is fundamental to quality care outcomes. It focuses on assisting providers to deepen their engagement and develop a partnership with consumers in all aspects of planning, delivery and evaluation of care and services.



The Commission also conducts consumer experience interviews. From December 2019 we changed the collection of consumer experiences from a randomised sample during site audits of residential aged care services to a risk-based approach across all visits.

There has been continued interest in consumer experience in the home services sector and consumer experience interviews for home services are continuing to be trialled. From 1 July 2019, consumers were provided the opportunity to participate in a face-to-face consumer experience interview or the same interview by telephone with plans to add an online option in 2020–21.

Effective complaints resolution

We continued to promote our complaints resolution processes and to support people to resolve concerns with their service providers. Our focus is on resolving concerns in the best interest of the person receiving care. Complaints can be made about Commonwealth-subsidised aged care services received at home or in an aged care facility.

We have reviewed and improved our complaints resolution processes in relation to intake, initial and ongoing engagement with complainants, risk assessment and escalation. These improvements have been supported through additional guidance and training provided to complaints officers.

Each complaint we receive is risk-assessed and dealt with accordingly. We use flexible approaches depending on the circumstances of each case. For instance, we may support people to resolve their concerns directly with their service provider, we may raise concerns with the service provider ourselves, we may bring the parties together to seek a resolution, or we may undertake an investigation process.

Overall contacts increased from 17,579 in 2018–19 to 19,782 in 2019–20 (13 per cent increase). From these contacts, the number of complaints lodged with the Commission increased from 7,828 in 2018–19 to 8,539 in 2019–20 (nine per cent increase). Public awareness of the Commission's establishment and a broader community focus on the aged care sector are likely to have contributed to this increase, in addition to the COVID-19 pandemic as outlined below.

Complaints related to COVID-19

The impact of COVID-19 was clearly demonstrated by a dramatic increase in complaints about providers made to the Commission as public awareness of the pandemic and its effect on people living and working in aged care settings grew.

We received 2,613 contacts related to COVID-19 this year. Of these, 1,269 were complaints. The main themes raised in contacts were:

- visitor restrictions
- concerns about preparedness for and prevention of outbreaks
- impact of a COVID-19 outbreak or of visitor restrictions on the quality of care.

Rapid response to the COVID-19 pandemic

As the COVID-19 pandemic began to impact Australia and specifically the aged care sector, the Commission moved quickly to adjust its regulatory approach and prioritise the safety, health and well-being of consumers in services affected by, or at risk of being affected by, COVID-19.

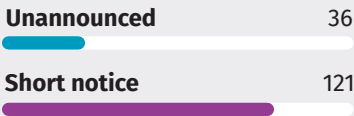
We adjusted our regulatory approach in line with latest public health and clinical advice about preventative measures to minimise infection risks to aged care consumers, staff and our own employees. We established a COVID-19 Executive Steering Committee and Taskforce to provide oversight and coordination of the Commission’s response to the pandemic. We adopted a risk-based proportionate approach that is sensitive to the challenges faced by providers during this time.

Our approach has included:

- Undertaking site visits based on assessment of risk including short notice site visits and unannounced infection control monitoring visits. Up to 30 June 2020, 157 infection control monitoring visits were undertaken; 36 were unannounced and 121 were short notice.
- Undertaking 2,503 assessment contacts with services by telephone to monitor and support the quality of care to consumers. The focus of assessment contacts has been on supporting providers’ infection control program and outbreak preparedness, and providing advice on tools and resources available to providers to assess their readiness

Infection control visits

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for COVID-19. These contacts were made to approved providers of residential services and providers of home services.

- Provision of online self-assessment survey to support providers to evaluate their infection control preparedness. Residential services completed 2,638 responses, and 1,416 responses were completed by home service providers.
- Partnering with public health responders to support the management of suspected and confirmed outbreaks of COVID-19 at aged care services and sharing information on the performance of providers to support the Commonwealth and state responses to the pandemic.
- Working closely with the Department of Health and other stakeholders to develop practical tools to assist providers as information became available.

We provided information, guidance and education to support providers and consumers during the pandemic, including:

- Posting regular updates from the Commissioner on our website about latest information on the pandemic and the Commission's regulatory responses.
- Providing education, support and advice from the Commission's Chief Clinical Advisor.
- Maintaining a frequently updated section of the Commission's website to ensure provider access to the latest information and tools to protect and enhance the safety and well-being of consumers, and to ensure that consumers could access information about COVID-19 and what to expect from their services.
- Providing webinars to providers in Victorian residential services to support their preparation and preparedness for a COVID-19 outbreak.
- Supporting compassionate application of visitor restrictions, by:
 - coordinating a problem-solving roundtable with representatives from a number of providers to understand issues around implementation of visitor restrictions imposed during COVID-19 and to share ideas for managing the issues
 - coordinating a roundtable with consumer peak bodies to share and problem-solve issues in relation to visitor restrictions
 - developing resources that support good decision-making in relation to visitor restrictions
 - issuing advice to the sector on actions providers could take while applying visitor restrictions in line with state/territory orders, and issuing guidance on how to implement entry screening procedures for staff and visitors to services.
- Resolving complaints about the impact of visitor restrictions on the care and well-being of residents.
- Introducing a consumer engagement survey for home care consumers to better understand the quality of care being provided and how services could be improved. The survey included a number of questions related to COVID-19 including whether services have been changed or cancelled and whether precautions were being taken to prevent the spread of COVID-19. The survey will continue into the next financial year, with the aim to contact more than 5,000 consumers.
- Providing good practice examples of how services across the country are exploring new ways of promoting consumer well-being and helping them to stay connected to family, friends and carers during the pandemic.

We have adjusted our work practices to keep our staff safe, with our staff quickly adapting to working remotely using new technologies, and practices and innovative solutions to support our regulatory responsibilities. We are continuing to strengthen our IT infrastructure as a critical component of our intelligence-led, risk-based regulatory strategy and to support our communication and inclusion as we maintain elements of our work in virtual environments and home-based offices. The pandemic has sharpened our focus on business continuity planning so we are well-positioned for potential future business disruptions.

Learning from experience

We continue to study and reflect on experiences of outbreaks in aged care and to apply learnings in our regulatory approach. We have engaged with regulators in other countries to share experiences and lessons.

Our close working relationship with the Department of Health is ongoing, and we are also engaging with health authorities and clinical experts in all jurisdictions.

The following sections outline our regulatory functions and key activities in 2019–20 in more detail.



Our regulatory strategy

The Commission's regulatory strategy sets out our approach to delivering regulatory functions under the ACQSC Act, in accordance with the Rules.

The regulatory strategy, initially published in June 2019, was updated in February 2020 to reflect the transfer to the Commission from 1 January 2020, and integration of specific aged care regulatory powers previously exercised by the Department of Health.

It provides clarity and transparency about our approach to regulation and outlines the way in which we use a proportionate, risk-based approach to achieving our regulatory objectives.

We provide a single point of contact about aged care quality and safety issues for consumers and providers of aged care, facilitating a responsive regulatory, compliance and complaints system informed by both consumers and aged care providers.

How we manage regulatory functions

Our complementary functions enable us to help manage risks in the aged care sector and respond appropriately to incidents and departures from expected performance or outcomes.

We work with providers not only to encourage compliance but to go beyond the minimum standards and strive for best practice within the aged care sector. The compliance and enforcement actions that we take are designed to:

- promote sector-wide compliance through deterrence and clearly establish the boundaries of the law
- hold providers who have not or are not complying to account to meet their responsibilities
- respond to non-compliance that poses an immediate and severe risk to the safety, health or well-being of consumers
- return non-compliant providers to compliance as quickly as possible
- revoke the approval of providers who are no longer suitable to provide aged care
- assure the community that government will respond to non-compliance that poses a risk to the safety, health, well-being or quality of life of consumers, and that there are consequences for providers who do not take action to meet quality and safety expectations.

The range of actions the Commission may apply includes:

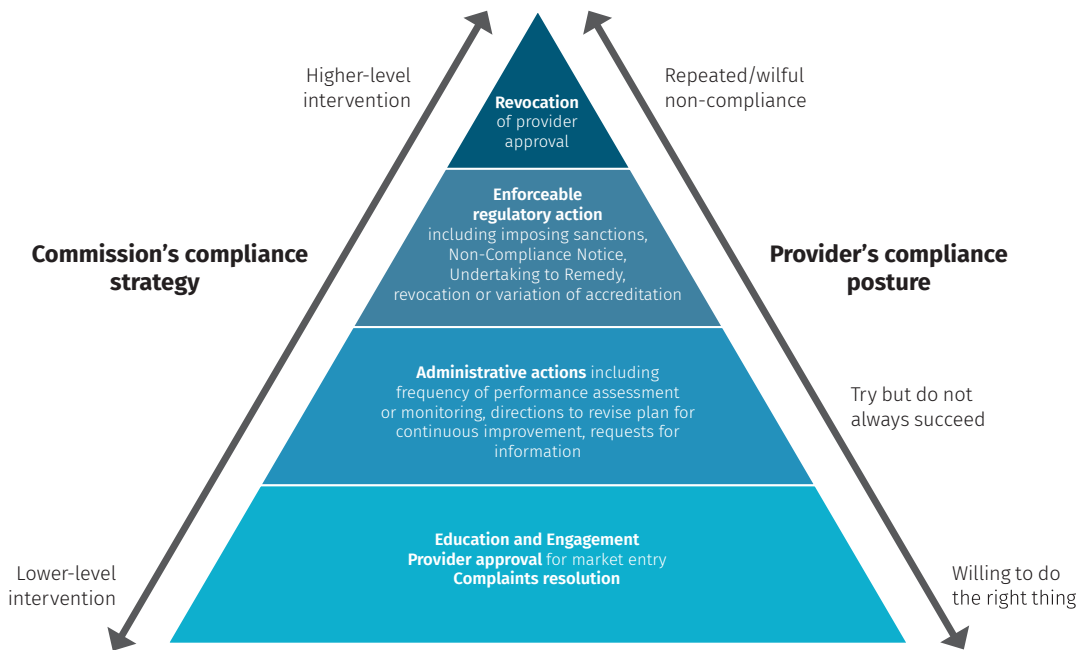
- monitoring the compliance of aged care providers
- publishing information about performance and non-compliance
- directing the provider to address areas for improvement in order that they comply
- requiring approved providers to give undertakings to remedy non-compliance
- requiring approved providers to agree to actions to protect consumers
- suspending or revoking the approval of approved providers.

The action we may take where a provider demonstrates they are willing and able to comply will be different from action taken where a provider's non-compliance is deliberate and/or calls into question their suitability to provide care, especially where the provider's actions place consumers at risk of harm.

Regulation is necessary but not enough to drive sustainable improvement in aged care. Other stakeholders who also exercise significant influence on the quality and safety of care include:

- consumers who use services alongside their representatives, family and carers
- care staff and visiting health practitioners who provide care for consumers
- aged care providers, particularly at the board, executive and management levels
- the Department of Health through its policy and funding responsibilities
- researchers and universities
- the broader community and media.

The Commission recognises that action is required by all these stakeholders to make lasting, positive changes in aged care.



Becoming an approved provider: entry to the system

To receive funding from the Australian Government under the *Aged Care Act 1997*, an aged care service must be operated by an approved organisation, and, for residential and flexible aged care services, hold an allocation of places. Approval is gained through an application and assessment process that determines whether the applicant is suitable to provide aged care.

The Department of Health was responsible for granting provider approvals for residential, home and/or flexible care before the function was transferred to the Commission on 1 January 2020.

Prior to the transfer of this function, the Department of Health carried over 79 applications for approval from 2018-19 and received 53 applications for approval from 1 July to 31 December 2019.

From 1 January 2020, the Commission received 88 applications for approval to provide aged care. There were 53 applications carried over to 2020-21. The results are shown in Table 2.

Table 2: Provider applications

| Application outcomes | Jul – Dec 2019 [†] | Jan – Jun 2020 | 2019–20 |
|--|-----------------------------|----------------|---------|
| Applications received | 39 | 88 | 127 |
| Applications approved [#] | 15 | 5 | 20 |
| Applications not approved | 54 | 19 | 73 |
| Applications that did not proceed [*] | 25 | 59 | 84 |
| Reconsiderations received | 4 | 2 | 6 |
| Applications carried over to 2020–21 | | | 53 |

[†] Data for the period July – December 2019 relates to when this function was the responsibility of the Department of Health.

[#] Includes approvals and deemed approvals. A state, territory or local government authority may seek to be deemed as an approved provider of aged care services provided by them in accordance with section 63F of the ACQSC Act.

^{*} An application may not proceed because it is either incomplete, withdrawn by the applicant, or the applicant failed to provide the requested information within legislated timeframes.

Accreditation of residential aged care services

The following information is based on data available as at 24 August 2020.

Accreditation

Residential aged care services provide a range of care options and accommodation for older people who are unable to continue living independently in their own homes.

Established by the *Aged Care Act 1997*, accreditation is a key component of the aged care regulatory environment.

Accreditation seeks to assess the quality of care and services delivered by approved providers against the Quality Standards and contributes to improved safety, quality and continuous improvement of services.

Residential aged care services must be accredited to receive Australian Government subsidies.

An approved provider of a commencing or re-commencing service may apply to the Commission for accreditation or re-accreditation of the service. The Commission considers the application and other relevant matters in making a decision about whether to accredit the service for a period of one year.

In 2019–20, 29 commencing services were accredited and two re-commencing services were re-accredited.

Subsequent re-accreditation of a service requires:

- the submission of an application for accreditation of a service
- a site audit conducted by an assessment team consisting of registered quality assessors
- a decision about whether a service will be re-accredited and the period of accreditation.

Accreditation is supported by monitoring the quality of care and services of accredited services through assessment contacts and review audits.

Flexible care services delivering short-term restorative care in a residential care setting are accredited in accordance with the Rules or are taken to be an accredited service.

Site audits

Site audits involve an assessment team carrying out a comprehensive assessment of a provider's performance against each of the eight Quality Standards in relation to a service. Site audits occur without notice to the approved provider.

In the lead up to accreditation, the provider must inform consumers and their representatives:

- that a site audit is expected to be conducted
- the anticipated period in which the site audit could occur
- that they may meet with members of the assessment team in private or contact the Commission by other means such as telephone or online survey.

The Commission gives providers the form of words to be used to tell consumers and their representatives about the site audit and a poster to display at the service.

Consumers and their representatives are able to contact the Commission if they have any feedback about the quality of care and services provided to them prior to the site audit. This feedback is then considered and followed up by the assessment team during the site audit.

The assessment team must interview at least 10 per cent of consumers and/or their representatives. It is frequently the case that a larger proportion than this is interviewed.

The assessment team also interviews key staff, management and other relevant people, observes the environment and practices of the service, and reviews documented evidence to assess the performance of the service.

The assessment team prepares a site audit report for consideration by a delegated officer of the Commissioner. The provider of the service is given a copy of the site audit report so that they have the opportunity to understand the reasons, evidence and facts that the delegate is to rely on in making their decision; and to respond to the matters identified in the report.

COVID-19 impact

During the COVID-19 pandemic the Commission modified its regulatory program and deferred conducting site audits. Exceptional circumstance provisions were applied by the Department of Health to ensure the ongoing accreditation of services whose accreditation was due to expire from 16 March to 30 June. The Commission provided advice to the sector about this issue in its Quality Bulletins.

Other forms of monitoring continued over this period.

Accreditation decisions following site audit

A delegated officer will consider the site audit report, any response made by the provider of the service and any other relevant matters to prepare a performance report and make an accreditation decision.

The decision is either to re-accredit the service or not to re-accredit the service.

If a decision is made not to re-accredit an accredited service, the delegated officer may also decide to revoke accreditation of the service.

The provider is notified of the decision along with the reasons for the decision with a copy of the delegate’s performance report.

The accreditation decision and the performance report are published on our website.

In 2019–20 we conducted 497 site audits. We found non-compliance against the Quality Standards in 209 of these audits. We also made a decision to not re-accredit one service as a result of these audits.

In the event that a performance report identifies non-compliance with the Quality Standards, the Commission’s response will be risk-based and proportionate to ensure the service returns to compliance and addresses any risks to the safety, health and well-being of consumers.

Table 3: Number of site audits by state for 2019–20, relating to decisions following the site audit to re-accredit or not to re-accredit

| | NSW | VIC | QLD | SA | WA | TAS | NT | ACT | AUS |
|----------------------------|-----|-----|-----|----|----|-----|----|-----|-----|
| Re-accreditation decisions | | | | | | | | | |
| Not to accredit | 1 | – | – | – | – | – | – | – | 1 |
| Accredit | 149 | 132 | 84 | 61 | 46 | 13 | 4 | 7 | 496 |

Review audits

A review audit may be conducted with a residential aged care service if we consider, on reasonable grounds, that the approved provider of the service may not be complying with the Quality Standards.

A review audit is a full audit of the performance of a provider of a residential aged care service against all requirements of the Quality Standards. Review audits may be announced but are typically conducted unannounced and without notice to the provider of the service.

A review audit may also be conducted if the Commissioner becomes aware that the approved provider:

- has had a change in circumstances
- has had a transfer of allocated places
- has changed premises since the service was last accredited.

At a review audit, the assessment team interviews at least 10 per cent of consumers and their representatives, staff, and other relevant people, observes the environment and practices of the service, and reviews documented evidence to assess the performance of the service.

The assessment team prepares a review audit report about the audit for consideration by a delegated officer of the Commissioner. The provider is given a copy of the report so that they have the opportunity to understand the reasons, evidence and facts that the delegate is to rely on in making a compliance decision; and to respond to the matters identified in the report.

Accreditation decisions following review audit

A delegated officer will consider the review audit report, any response made by the provider of the service and any other relevant matters to prepare a performance report and make an accreditation decision.

The decision is either to revoke or not to revoke accreditation of the service. If accreditation is not revoked, there is a further decision whether to vary the period of accreditation.

The provider is notified of a review audit decision along with the reasons for the decision with a copy of the delegate's performance report.

The review audit decision and the performance report are also published on our website.

In 2019–20 we conducted 33 review audits. We found non-compliance against the Quality Standards in 32 of these audits. We also made a decision to revoke accreditation on two services as a result of these audits.

In the event that a performance report identifies non-compliance with the Quality Standards, the Commission's response will be risk-based and proportionate to ensure the service returns to compliance and addresses any risks to the safety, health and well-being of consumers.

Table 4: Number of review audits by state for 2019–20, relating to decisions following the review audit to revoke, vary or not to revoke accreditation

| | NSW | VIC | QLD | SA | WA | TAS | NT | ACT | AUS |
|-------------------------------|-----|-----|-----|----|----|-----|----|-----|-----------|
| Review audit decisions | | | | | | | | | |
| Not to revoke or vary | 3 | 1 | 1 | 3 | 3 | 0 | 0 | – | 11 |
| Revoke | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 2 |
| Vary | 11 | 0 | 6 | 1 | 2 | 0 | 0 | 0 | 20 |

Reconsideration of accreditation decisions

The Commission Rules make provisions for reconsideration and review of certain decisions made by us.

A provider may request reconsideration of a Commission decision to:

- not accredit a commencing service
- not re-accredit a recommencing service
- not re-accredit a residential service
- determine the further period for which a residential service is to be accredited
- revoke the accreditation of an accredited service following a re-accreditation site audit or a review audit
- vary the period of accreditation of an accredited service following a review audit.

The Commissioner may reconsider a decision referred to above if satisfied that there is sufficient reason to do so.

A reconsideration decision will either:

- affirm the decision
- vary the decision
- set aside the decision and substitute a new decision.

In 2019–20, we made 665 reviewable decisions and were requested to reconsider 14 decisions by the relevant providers. Of the 14 requests, 11 decisions were affirmed and three decisions were varied.

Applications may be made to the Administrative Appeals Tribunal for review of reconsidered decisions.

At times, the Commission may also review a decision on our own initiative. No decisions in 2019–20 were reviewed on our own initiative.

Home services

Home services provide support to help people stay at home and be more independent with their day-to-day activities and in the community. This includes home care, flexible care providing short-term restorative care at home or home support.



Quality audits

We conduct quality reviews of home services to assess whether a provider delivers services in accordance with the Quality Standards, and monitor the quality of care and services through assessment contacts.

As part of a quality review, home services undergo a quality audit at least once every three years to demonstrate their performance against the Quality Standards. More frequent quality audits are undertaken if risks to the safety, health, well-being or quality of life of aged care consumers are identified.

Quality audits were introduced through amendments to the Rules on 1 January 2020. The quality audit process is more closely aligned to the process for site audits and increases consistency in the assessment process between residential services and home services, while recognising that some differences remain in the context of a home service.

If the provider is advised of the date of the quality audit, they must advise consumers and their representatives that they will have an opportunity to speak to the assessment team.

During a quality audit, the assessment team reviews a sample of consumer records and other documents such as policies, procedures, agreements and registers. Interviews are conducted with consumers or representatives as well as staff and management about their systems, processes and practices. Quality assessors observe any activities in progress at the service and any interaction with consumers or representatives.

The assessment team develops a quality audit report that assesses the provider's performance in relation to the service, against the Quality Standards. The provider is invited to respond to the information in the quality audit report before a performance report is prepared.

We then make a decision about the provider's performance against the Quality Standards. A performance report is given to the provider, which sets out the decision and, where there has been non-compliance with the Quality Standards, any areas for improvement that should be made.

Where there is non-compliance with the Quality Standards, the Commission's response will be risk-based and proportionate to ensure the service returns to compliance and addresses any risks to the safety, health, well-being and quality of life of consumers.

In 2019–20, 76 quality audits were conducted on home services.

The Commission is committed to making more information from regulatory activities available and will publish performance reports following quality reviews from 1 July 2020.



National Aboriginal and Torres Strait Islander Flexible Aged Care Program services

Services delivered under the National Aboriginal and Torres Strait Islander Flexible Aged Care Program are designed to deliver a flexible mix of residential, day care, respite care and community-based aged care.

Quality audits

We aim to conduct a quality review of each National Aboriginal and Torres Strait Islander Flexible Aged Care Program service at least once every two years to assess performance against the Quality Standards.

The audit process is similar to the home services quality audit process.

There were 35 National Aboriginal and Torres Strait Islander Flexible Aged Care Program services at 30 June 2020 and five of these services had a quality audit in 2019–20.



Short-term restorative care

The short-term restorative care program is an early intervention program that aims to reverse and/or slow functional decline in older people and improve overall well-being.

The program provides a variety of care and services for consumers for up to eight weeks, to help prevent or reduce difficulties that older people may be having with completing everyday tasks.

Short-term restorative care services may be delivered in a home care setting, a residential care setting, or a combination of both.



Assessment contacts

Monitoring the quality of care and services of aged care services is undertaken through assessment contacts. We use data and intelligence to accurately assess the risk of non-compliance with the Quality Standards and undertake assessment contacts where there is the greatest risk. We have the regulatory discretion to determine the arrangements for assessment contacts, including when an assessment contact will be conducted and for what purpose.

Assessment contacts are any form of contact (other than a site audit, a review audit or a quality audit) between a regulatory official or registered quality assessor and the provider for either or both of the following purposes:

- to assess the provider's performance, in relation to the service, against the Quality Standards
- to monitor the quality of care and services provided by the provider through the service.

The Commission is able to undertake an assessment contact with any provider of any service, including a previously accredited service. This means that, from 1 January 2020, the Commission monitors approved providers whose accreditation has been revoked but where they are still delivering care.

Assessment contacts can be conducted in several ways, depending on the risk profile of the service and the reason or purpose of the assessment contact. We may conduct an assessment contact by:

- phone or email
- participation in a survey
- conducting a visit at the service announced or unannounced
- attending a management meeting or board meeting to seek or provide information on the accreditation process and requirements or to discuss issues relating to non-compliance.

For providers operating a residential service and a home service, a single assessment contact covering all those services may be conducted at the same time.

In 2019–20 the Commission increased the number of assessment contacts at home services to ensure greater oversight of home service providers against the Quality Standards.

Assessment contacts may occur with or without notice, with the majority being undertaken without notice. Assessment contacts conducted without notice (unannounced) provide increased assurance to the public that approved providers are held to account for meeting the Quality Standards at all times.

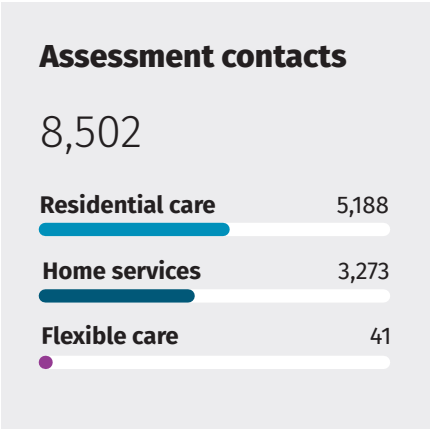
Unannounced assessment contacts focus on risk-based compliance monitoring. For example, we may assess the requirements of the Quality Standards that had the highest incidence of non-compliance across the sector in the previous financial year, or focus on one risk factor across all or part of the sector.

Risk-based responsive assessment contacts may be conducted where issues are identified in information provided by consumers or their representatives, the public, or if regulatory intelligence about the service or provider (for example, complaints or compulsory reporting information) identifies risk of harm to consumers or issues with the quality of care and services.

If a provider has been found non-compliant with one or more requirements of the Quality Standards, an assessment contact can also be used to monitor a provider’s progress against a plan for continuous improvement or assess the provider’s performance against the Quality Standards to determine if the provider has remedied the non-compliance.

Targeted assessment contacts may also be used as a quality and monitoring component of a Commission-wide regulatory campaign, or in response to certain areas of potential non-compliance or risk identified through regulatory intelligence.

Where there are reasonable grounds to form a view during an assessment contact that a provider of a service is not complying with the Quality Standards, we may escalate to a review audit for residential care services or a quality review for home services.



Where there is non-compliance with the Quality Standards, the Commission’s response will be risk-based and proportionate to ensure the service returns to compliance and addresses any risks to the safety, health and well-being of consumers.

In 2019–20, we conducted:

- 5,188 assessment contacts at residential aged care services
- 3,273 assessment contacts at home services
- 41 assessment contacts at National Aboriginal and Torres Strait Islander Flexible Aged Care Program services.

The Commission is committed to making more information from regulatory activities available and will publish performance reports following assessment contacts (performance assessments) from 1 July 2020.

Continuous improvement

Continuous improvement is a systematic, ongoing effort to improve the quality of care and services for aged care consumers.

Under the Rules, the provider of an aged care service must have a written Plan for Continuous Improvement (PCI) for the service that explains how they will assess, monitor and improve their quality of care and services. Further, Standard 8 of the Quality Standards requires the organisation's governing body to be accountable for the delivery of safe and quality care and services. This includes having effective organisation-wide governance systems relating to continuous improvement. In practice this means that organisations must have a PCI and check their progress against this plan to improve the quality and safety of care and services. This has increased the focus on self-assessment as a core component of the continuous improvement process.

We may request a copy of a service's PCI at any time. If there are circumstances where the Commissioner reasonably believes it is necessary for a service's PCI to be revised to ensure compliance with the Quality Standards, a Direction to revise a PCI may be issued. Where there are areas in which improvements in relation to the service are needed to ensure the Quality Standards are complied with, the PCI should set out how the provider of the service will make those improvements. The Commission then monitors the provider to ensure that the necessary improvements are made.



Managing non-compliance

If we find a provider has failed to meet their responsibilities under the *Aged Care Act 1997* and relevant principles, ACQSC Act, the Rules, or its funding agreement with the Australian Government, we apply a risk-based proportionate approach including monitoring and managing the compliance of approved providers to bring them back into compliance as quickly as possible. Action taken may include administrative or enforceable regulatory action.

Administrative action may be considered where risk to consumers is assessed as low or medium. This approach reflects the level of trust and confidence the Commission has in the provider's motivation and capacity to manage the risk, and return to compliance. It signals to the provider where there has been a failure to meet responsibilities and encourages the provider to rectify the non-compliance and take action to sustain improvements.

In cases where the risk to consumers is medium to immediate and severe, where a provider has failed to remedy non-compliance, or failed to give or comply with an undertaking to remedy, the Commission may respond with enforceable regulatory action. This level of regulation reflects the Commission's reduced confidence in the provider's motivation or capacity to address the non-compliance.



Enforceable regulatory action is intended to oblige the provider to take action to address quality and safety risks and to comply with their responsibilities as quickly as possible. Enforceable regulatory action also acts to deter the provider from future non-compliance. In the event there is unwillingness or inability by the provider to address non-compliance, the Commission may consider revoking the provider's approval to deliver aged care. Enforceable regulatory action includes Non-compliance Notices, Notices to Agree and sanctions.

Since January 2020, when the Commission became responsible for these regulatory powers, the Commission has issued:

- five sanctions³
- five Notices to Agree⁴
- 31 Non-compliance Notices⁵.

Table 5: Enforceable regulatory activity

| Type of enforceable regulatory activity | Jul – Dec 2019 [†] | Jan – Jun 2020 | Total 2019–20 |
|---|-----------------------------|----------------|---------------|
| Sanctions | 11 | 5 | 16 |
| Notices to agree | 0 | 5 | 5 |
| Non-compliance notices | 79 | 31 | 110 |

3 Sanctions: A penalty imposed by the Commission on operators of aged care services in cases of serious non-compliance with their responsibilities. Sanctions can include revocation of approved provider status, loss of Australian Government subsidies for new persons receiving care or revocation of allocated places.

4 Notice to Agree: Notice sent to an approved provider when the Commission is considering revocation of its approval to deliver aged care, after identified non-compliance.

5 Non-compliance Notice: A formal regulatory notice from the Commissioner to a provider stating the provider has been found non-compliant with the Quality Standards or Prudential Standards.

* Figures are for January to June 2020.

† For the period July to December 2019, the regulatory powers were a responsibility of the Department of Health.

Timetable for improvement

Prior to 1 January 2020, where there was failure by a provider of a service to comply with the Quality Standards, the Commission was required to notify the provider of any areas for improvements to ensure compliance with the Quality Standards, and the timetable for making the improvements.

From 1 January 2020, the provision has been removed from the Rules as the Commission has new powers for monitoring and enforcing compliance under the ACQSC Act.

Accordingly, no timetables for improvement were issued in the second half of 2019–20.

In relation to timetables for improvement from 1 July to 31 December 2019, the following table describes the outcomes for services placed on a timetable for improvement (TFI).

Table 6: Timetable for improvement (TFI) statistics 1 July to 31 December 2019

| | |
|--|-----|
| Residential services | |
| Number of services on TFIs at the beginning of the period | 162 |
| Number of services placed on TFIs during the period (includes services with not met expected outcomes that were not immediately placed on a TFI) | 272 |
| Number of services did resolve all not met expected outcomes by the end of TFI | 209 |
| Number of services did not resolve all not met expected outcomes by end of the TFI | 32 |
| Number of services with another TFI during the period | 67 |
| Number of services on continuing TFI at the end of the period | 193 |
| Home services | |
| Number of home care services on TFIs at the beginning of the period | 123 |
| Number of services placed on TFIs during the period (includes services with not met expected outcomes that were not immediately placed on a TFI) | 47 |
| Number of services did resolve all not met expected outcomes by the end of TFI | 20 |
| Number of services did not resolve all not met expected outcomes by end of the TFI | 8 |
| Number of services with another TFI during the period | 22 |
| Number of services on continuing TFI at the end of the period | 142 |

Serious risk

Prior to 1 January 2020, if we found that a provider of a residential aged care service or a service delivering home care packages had failed to comply with the Quality Standards, a decision had to be made as to whether there was evidence that the failure had placed, or may have placed, the safety, health or well-being of a consumer of the service at serious risk.

The serious risk provisions have been removed from the Rules as the Commission has new powers for monitoring and enforcing compliance under the ACQSC Act. These new powers include identifying where there is immediate and severe risk to consumers and considering whether to impose sanctions. This removes duplication in considering evidence of potential harm to consumers.

Assessment teams continue to be alert to potential failure in the quality of care and services and risk of harm to consumers. Any evidence of risk to consumers is referred to a delegate of the Commissioner and may result in a risk assessment and escalation for consideration of immediate and severe risk and enforceable regulatory actions.

From 1 July 2019 to 31 December 2019, there were 64 findings of serious risk in residential aged care services and six in home services.

Table 7: Decisions of finding Serious Risks 1 July 2019 to 31 December 2019

| | NSW | VIC | QLD | SA | WA | TAS | NT | ACT | AUS |
|---------------|-----|-----|-----|----|----|-----|----|-----|-----|
| Residential | 27 | 8 | 16 | 6 | 5 | 2 | 0 | 0 | 64 |
| Home services | 1 | 0 | 4 | 0 | 0 | 0 | 1 | 0 | 6 |

Strengthening home care compliance and responding to non-compliance

We continued to enhance our integrated compliance and investigation capability as an end-to-end regulator of home services. We monitor the compliance of home care approved provider responsibilities, including the requirement to provide accurate and timely information to consumers, and appropriately manage home care package funds. We take compliance action against approved providers identified through complaints, quality reviews and audits, and other external sources where information received indicates potential or actual non-compliance.

Since January 2020, we have developed an action plan of regulatory activity to target home care, which focuses on information and education to assist regulatory compliance and mitigate risk through proportionate compliance action.

Prudential compliance and non-compliance in residential aged care

The Prudential Standards outline how providers must manage the refundable accommodation payments of their residents. The Prudential Standards aim to protect the Refundable Accommodation Deposits (RAD) paid to providers by recipients of aged care services.

The four Prudential Standards (Liquidity, Records, Disclosure, and Governance) seek to reduce the risk of providers defaulting on their RAD balance refund obligations to care recipients, by requiring providers to:

- systematically assess their future obligations with RADs and the associated funding implications to ensure that they are able to meet their refund obligations as they fall due
- establish and maintain a register that records information about RADs and the care recipients who pay them
- establish and document governance arrangements for the management and expenditure of RADs (only for permitted uses)
- promote transparency of their financial management by disclosing information to care recipients, prospective care recipients and the Department of Health about their financial information and prudential compliance, and how they manage the RADs.⁶

⁶ As part of its Aged Care Financial Report, an approved provider submits its Annual Prudential Compliance Statement (APCS) to the Secretary of the Department of Health. The provider's prudential compliance is assessed by the Commission.

Providers who have charged RADs are required to complete and submit an Annual Prudential Compliance Statement (APCS) within four months of the end of their financial year (31 October for most providers), disclosing RAD holdings and compliance with charging, managing and refunding RADs against the prudential requirements.

In 2018–19, 849 providers lodged an APCS as they held one or more RADs for the financial year. See Table 8 for a high level overview of the APCS outcomes for this period.

We apply a responsive risk-based approach to regulation of prudential compliance to focus our activities on the areas of greatest potential harm to safety, finances, health and well-being of consumers.

Table 8: 2018–19 APCS assessments⁷

| Annual Prudential Compliance Statement Reported Non-Compliance | 2018–19 |
|--|----------------|
| Reported instances of non-compliance with the Records Standard | 8 |
| Reported instances of non-compliance with the Disclosure Standard | 55 |
| Reported instances of non-compliance with the Liquidity Standard | 12 |
| Reported instances of non-compliance with the Governance Standard | 9 |
| Reported instances of non-compliance with the Refunding Responsibilities * | 98 |

⁷ Providers are required to submit an APCS within four months of the end of the financial year, hence 2019–20 data will not be available until after 31 October 2020.

* Figures include reported instances of non-compliance with late refunds and applicable interest.

Transparency of performance

We are committed to providing transparency of performance information about providers to support consumer choice, promote continuous improvement and performance benchmarking with providers, and to give visibility to the Commission's work.

We publish information about a provider's performance in relation to their responsibilities as an aged care provider on our website. In addition, certain information is also published on the My Aged Care website.

The Rules require the Commission to publish certain information including site audit and review audit performance reports, accreditation and re-accreditation decisions, reconsideration decisions and Administrative Appeals Tribunal decisions.

We also publish other information about the outcomes of our regulatory and complaints functions such as:

- regulatory actions taken in response to provider non-compliance
- complaints directions
- sector performance data.

Publication of the outcomes of the Commission's regulatory and complaints functions ensures transparency and visibility to:

- help consumers make informed choices about aged care services
- drive improvements in the quality and safety of aged care services

- enable providers to benchmark their performance and manage risks and continuous improvement
- inform the public about the Commission's work.

Refer to the *Regulatory Bulletin RB 2020-11 Publication of provider performance information* on our website for further information.

Performance reports

From 1 January 2020, the Commission prepares a performance report following all performance assessments. The performance report:

- includes an assessment of the provider's performance, in relation to a service, against the Quality Standards (compliant/non-compliant decision for each assessed Standard and requirement level, where applicable)
- may specify any areas in which improvements must be made to ensure the Quality Standards are complied with
- may include any other relevant matters.

The new performance report allows for clear delineation between the report developed by the assessment team and the final performance report developed by the Commissioner.

In future years the performance reports following performance assessments will be published on the Commission's website.

Intelligence-led regulation

The Commission’s intelligence-led regulation is based on understanding and responding to both systemic risk and individual provider risk. Sector-wide risk is identified through research, sector trend analysis, and strategic conversations with consumers and providers. We use a variety of performance information and work with other regulators and stakeholders to identify and understand individual provider risk. Referrals also inform our understanding of risks.

From 1 July 2019 to 30 June 2020, the Commission received 15,662 internal and external referrals from a variety of sources. This included case intelligence from complaints, compliance and quality activities, and referrals from the public, the media and other organisations.

In 2019–20, we received 1,260 intelligence reports from state and territory government public health units; some in relation to outbreaks of infections.

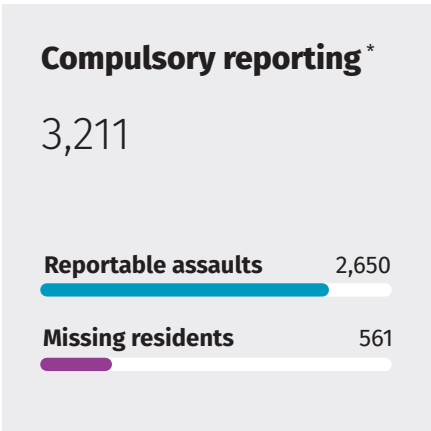
Risk-based targeting and information sharing

Leading up to 1 July 2020, the Commission supported the ‘More Choices for a Longer Life’ budget measure to strengthen regulation through risk-based targeting and information sharing. During 2019–20, the Commission worked with the Department of Health to co-develop risk profiling and information sharing tools. The tools will enable us to have a broader, integrated view of the aged care sector to improve identification of risk and protection of consumers’ health, safety and well-being. During 2020–21 we will integrate these tools into operational processes, as well undertaking further development to improve the predictive power and scope of risk areas of the targeting tools, to improve regulatory decision-making based on broader ranges of intelligence.

Table 9: Source of referrals for 2019–20

| Source of referrals | Number of referrals, 2019–20 |
|---|------------------------------|
| Internal (Complaints) | 2,164 |
| Internal (Quality Assessment & Monitoring) ⁸ | 7,355 |
| Department including Compliance | 874 |
| State Government Public Health Units | 1,260 |
| Public, media, Royal Commission, other | 4,009 |
| Total | 15,662 |

⁸ Includes referrals from consumer experience interviews and other surveys.



Compulsory reporting

To help protect aged care residents, the *Aged Care Act 1997* has compulsory reporting provisions. The responsibility for receiving, assessing, and managing compulsory reporting transferred from the Department of Health to the Commission on 1 January 2020.

This means that approved providers of residential aged care services are responsible for ensuring that suspicions or allegations of reportable assaults occurring at their services are reported within 24 hours to both local police and the Commission.

The Act also requires approved providers to report if a consumer is absent from the service without explanation and the absence has been reported to the police. The Commission requests approved providers to advise if that consumer has returned to the service. If the consumer is still absent at the time of the report, the Commission will follow up with the provider until they have been located. In addition, the Commission may also follow up to ensure that appropriate actions have been put in place to prevent reoccurrence.

These requirements ensure that those affected receive timely help and support, and that operational and organisational strategies are put in place to prevent the situation from occurring again. Such strategies help to maintain a safe and secure environment for residents.

From 1 January 2020 to 30 June 2020, the Commission received 2,650 notifications[†] in relation to assaults reported under the Act. There were 561 notifications of unexplained absences of residents.

In March 2020, the government provided additional funding to the Commission to expand its processes in relation to responding to compulsory reports. This has resulted in more detailed and timely risk assessments, and increased follow up with individual approved providers to determine the outcome of internal investigations and seek additional information where necessary.

* Figures are for 1 January to 30 June 2020.

† Includes three sub-categories of serious physical assault, sexual assault, and a combination of serious physical and sexual assault.

Consumer experience reporting

Consumer experience interviews are one way that the Commission seeks to understand the consumer sentiment about the aged care sector. Consumer Experience Reports (CERs) commenced in 2017 in residential aged care services during site audits. From December 2019, the Commission changed the consumer experience collection from a routine randomised sample during site audits to a risk-based approach across all visits.

Given interest in the consumer experience of the home services sector, we continued to trial consumer experience interviews for home services. The interview questions were based on work in collaboration with the Australian Institute for Primary Care and Ageing from La Trobe University with testing by Dementia Australia. From 1 July 2019, consumers were provided the opportunity to participate in a face-to-face consumer experience interview or the same interview by telephone. An online option will be added in 2020–21.

From May 2020, a random sample of over 5,500 consumers of Home Care Packages (HCP) was invited to participate in a telephone survey about their experience of their HCP services. The telephone survey was a final trial to evaluate the feasibility of implementing an ongoing consumer survey of this kind for home services.

The Commission uses the feedback and results from these interviews with consumers to assist in gathering evidence to assess performance of the service. Accordingly, we may use the structured interview tool at any time when we have contact with service providers or consumers.

Delegation of decision-making

Under the ACQSC Act and Rules, the Commissioner may delegate functions or powers to a member of the Commission's staff. The delegations must be in writing and the delegate must comply with any written directions of the Commissioner.

The ACQSC Act and Rules provide the framework for our statutory decisions, including matters that must be taken into account when making a decision.

When making statutory decisions, delegates outline the reasons for the decision and evidence considered in making the decision. Decisions are clearly communicated to providers and may be published on our website.

Delegated decision-makers monitor statutory and internal decision-making timeframes to ensure that all timeframes are consistently met.

Workforce

Quality assessors

Registration of quality assessors

Our performance assessments are undertaken by registered quality assessors who have:

- completed an approved course delivered by the Commission about aged care quality assessment
- satisfied a range of other requirements as specified in the Rules.

At 30 June 2020, there were 207 registered quality assessors nationally, where:

- 136 (66 per cent) were employed by the Commission on a full-time, part-time or casual basis
- 12 (six per cent) were external assessors engaged on a contract basis
- 34 (16 per cent) were external assessors engaged on a contract basis through a labour hire agency
- 25 (12 per cent) had current registration but may have ceased employment or were no longer contracted by the Commission to conduct assessment activities.

In 2019–20 we made two decisions to refuse re-registration of a quality assessor and cancelled the registrations of three quality assessors upon their request.

Of the 207 registered quality assessors, 92 (44 per cent) had nursing qualifications and experience.

Allied health professionals are among the other registered quality assessors.

A person whose registration as a quality assessor has been refused or cancelled may request reconsideration of the decision to refuse or cancel the registration. In 2019–2020 there were no requests for reconsideration of a registration decision.

Read more about our workforce in Management and Accountability from page 101.

Continuing professional development

Quality assessors are required to undertake a minimum of 15 hours of relevant training each year they are registered. At least 10 of the 15 hours must be training developed, delivered or approved by the Commission.

The Continuing Professional Development (CPD) program aims to:

- develop quality assessor skills and knowledge, and maintain currency related to the industry environment and government policy agenda
- contribute to the annual 15 hours of professional development required to be undertaken by all quality assessors to maintain their registration.

In 2019–20, we made available six hours of face-to-face training to each quality assessor through CPD workshops held in October and November 2019. Further training and reading options identified as suitable CPD by other providers were also approved by the Commission and made available to quality assessors to contribute towards the CPD requirements to maintain their registration.



Seeking provider feedback

We regularly seek feedback from providers on assessment and monitoring visits conducted by our quality assessors.

At the conclusion of a site visit, providers are invited to complete a confidential feedback form about the visit.

The responses inform the Commission's continuous improvement processes.

Collection of all feedback is completed by an independent third party, Datatime Services.

During 2019–20, the confidential site visit feedback form was revised to reflect the implementation of the Quality Standards, and to better align with our assessment methodology and quality assessor code of conduct. Data is collected from visits to residential aged care services, home services and National Aboriginal and Torres Strait Islander Flexible Aged Care Program services.

During 2019–20, 617 of the revised site visit feedback forms were received, and the summary of responses are outlined in Table 10. The majority of visits were assessment contacts (56 per cent) followed by site audits (36 per cent). Overall sentiment was positive, with 78 per cent of the core questions returning positive responses (strongly agree or agree) and 97 per cent of the focus questions returning positive responses.

Table 10: Summary of feedback received from the confidential site visit feedback form, 2019–20

| Questions | % positive responses | % neutral responses | % negative responses |
|--|----------------------|---------------------|----------------------|
| 1. On arrival, the assessment team members introduced themselves to you and gave you a written notice about their authority for the visit | 97.2% | 1.0% | 1.8% |
| 2. The assessment team explained how the assessment would be conducted | 97.7% | 1.0% | 1.3% |
| 3. The assessment team communicated effectively with you and your staff during the visit | 93.0% | 2.3% | 4.7% |
| 4. The assessment team spoke with consumers and their representatives to discuss the care and services they are receiving | 97.4% | 1.1% | 1.5% |
| 5. The assessment team were respectful during the visit | 94.3% | 2.3% | 3.4% |
| 6. The assessment team took reasonable steps to minimise the impact of their visit on the operation of the service | 92.0% | 4.7% | 3.2% |
| 7. The assessment team helped you and your staff to understand the information they were seeking | 91.4% | 4.6% | 4.1% |
| 8. The assessment team were fair in their approach | 90.4% | 5.1% | 4.6% |
| 9. A member of the assessment team met with you on the last day of the visit to discuss the key issues that the team identified during the visit | 93.7% | 3.3% | 3.0% |
| Focus question: My service engages consumers as partners in the design and delivery of care | 97.2% | 1.8% | 1.0% |

Complaints resolution

We continue to promote our complaints resolution processes and to support people to resolve concerns with their service providers.

Our focus is on resolving concerns in the best interest of the person receiving care. Anyone can raise a concern with the Commission. People who make a complaint can choose to remain anonymous or request that we keep details about themselves or the person receiving care confidential. Our complaints service is free.



We examine concerns raised about services that provide Australian Government funded:

- residential or respite care
- home care packages
- Commonwealth Home Support Program (CHSP) services
- flexible care, including transition care, innovative care or multi-purpose services and the National Aboriginal and Torres Strait Islander Flexible Aged Care Program.

We examine concerns about a service provider's responsibilities under the *Aged Care Act 1997* and associated principles, or under a government funding agreement. These responsibilities include complying with the Quality Standards, which provide an essential reference point when we work with service providers and consumers to resolve complaints.

We assess each complaint to determine the level of risk it presents to aged care consumers. We take a proportionate approach and aim to resolve complaints informally and cooperatively with the parties, where it is appropriate. Higher risk and more complex complaints are managed through a more formal process, which may include conciliation and investigation. Where necessary, the Commission can direct a service provider to demonstrate that it is meeting its responsibilities under the Act or its agreement.



Complaints are an important source of intelligence to inform how the Commission assesses risk and decides what regulatory approach is taken. Where a complaint indicates a risk to consumers, we will take immediate action. This may include an immediate discussion with the service provider, a site visit, or other activities to monitor or assess the service against the Quality Standards. We also consider complaints when determining whether formal regulatory action is taken.

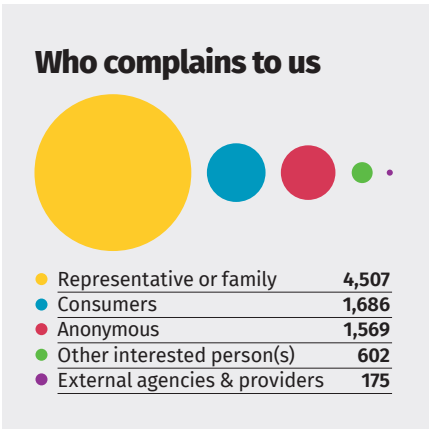
Public awareness of the Commission's establishment, a broader community focus on the aged care sector and the impact of the COVID-19 pandemic are likely to have contributed to an increase in the number of contacts and complaints in 2019–20 as outlined below.

Contacts

We received 19,782 contacts in 2019–20, a 13 per cent increase on the 17,579 contacts received in 2018–19. Of these, 5,002 (25 per cent) related to matters about non-Australian Government funded aged care services that we could not directly assist with. With such contacts, we provide limited assistance and suggest other avenues be pursued or suggest other organisations to contact.

The remaining 14,780 contacts were within our scope and included 6,164 (31 per cent of the total) enquiries. Enquiries that are in scope can include matters such as requests for information from people who want to better understand the responsibilities of a provider or how to raise a concern directly with a service provider. We provide information to the person who has contacted us and invite them to contact us again if they require further assistance. We also managed 56 own initiative resolution processes and 21 new resolution processes as the result of requests for review (see below for explanation of these processes).

The remaining 8,539 contacts (43 per cent) were classified as complaints.



Complaints received

The number of complaints lodged with the Commission increased from 7,828 in 2018–19 to 8,539 in 2019–20 (a nine per cent increase). Of the 8,539 complaints received in 2019–20:

- 6,335 were about residential care (74 per cent)
- 1,790 were about home care packages (21 per cent)
- 340 were about CHSP (four per cent)
- 74 were about flexible and community care (one per cent).

In 2019–20, more than half of all complaints (53 per cent) were raised by a representative or family member of the consumer (4,507). Consumers raised 20 per cent of complaints (1,686) on their own behalf, other interested person(s) raised seven per cent (602) and other complainant types including external agencies and service providers accounted for two per cent (175) of complaints. The remaining 18 per cent were raised anonymously (1,569).

Issues included in complaints

Each complaint can include more than one issue and we may resolve them in different ways. We received 19,625 complaint issues during 2019–20, comprising 15,667 for residential care, 3,265 for home care packages, 525 for CHSP and 168 for flexible and community care.

The most common issues raised in complaints about residential aged care were:

- medication administration and management
- personnel number/sufficiency
- falls prevention and post-fall management
- infectious diseases/infection control
- representative/family consultation and communication.

For home care packages, the most common complaint issues were:

- fees and charges
- lack of consultation/communication
- consistent client care and coordination
- management of finances
- communication about fees and charges.

For CHSP, the most common complaint issues were:

- lack of consultation/communication
- fees and charges
- domestic assistance
- consistent client care and coordination
- management of finances.

For flexible and community care, there were too few issues to be able to report on common categories.

We received 74 requests for a review of a complaint decision. We commenced 21 new resolution processes, as a result of requests for review.

Complaints finalised

We finalised 8,087 complaints in 2019–20. We aim to resolve complaints as quickly as the circumstances permit. Our stated key performance indicator is that we resolve 80 per cent of complaints within 60 days. We finalised 6,053 complaints (75 per cent) within 60 days.

Complaints are resolved in different ways depending on the risk and complexity of the issues raised. When we receive a complaint, assessment of risk to aged care consumers determines how quickly we need to act. Where a complaint suggests a higher level of risk, we will commence a process within 24 hours, while we may take longer to begin a process when a complaint indicates a lower risk. Early in the process, we may collect information from the parties involved in the complaint, including the person who raised the complaint, the consumer or their representative, and the service provider. We assess this information and decide how to address the concern. Where a risk to consumers has been identified, we also determine if further assessment and monitoring actions, such as an unannounced site visit, are required.

Early resolution

Where possible, we support the complainant to resolve their concerns directly with the service provider using an early resolution process. In this phase, we may facilitate conversations between the complainant and the service provider and we may ask the service to provide information to us to show how they have addressed the complainant's concerns. While the process is relatively informal, it can still take some time to achieve a resolution. Throughout this process, we provide updates to the complainant about how the complaint is progressing and we assess new information as it is received to identify any change to the risk to consumers. A total of 7,701 of the 8,087 complaints that were finalised this year (95 per cent) were finalised using early resolution. Of the 18,678 complaint issues we finalised in 2019–20, 17,264 (92 per cent) were finalised during early resolution.

During early resolution we may decide to take no further action about a complaint or some of the issues within a complaint. This includes where:

- we refer a particular issue to another area or organisation that is better placed to assist
- the issue is withdrawn by the complainant
- we are satisfied that the provider has taken sufficient action to address the concerns.

Of the issues finalised during early resolution, 7,511 issues (44 per cent) required no further action.

Formal resolution approaches

Where early resolution is not possible or appropriate because of the risk to consumers or the complexity of the issues, we employ more formal approaches to resolve issues. Different issues within a complaint may be approached differently so that more than one approach can be used in a single complaint.

There were 386 complaints resolved using these more intensive methods. These complaints were addressed using the three approaches of investigation (used in 325 complaints), provider resolution (66) and conciliation (17). These complaints comprised 1,414 issues. Complaints that require more intensive approaches may also need advice from the Commission's clinical advisors or legal team, and this can increase the time required to resolve the complaint.

Notices of intention to give directions (notices) and directions

During a resolution process, the Commission may decide to direct a service provider to take action to comply with its responsibilities under the Act and the Aged Care Principles or under an agreement. Before giving a direction, we must give a notice to the service provider that we intend to give a direction. The notice explains the preliminary findings on any issues of concern and gives the service provider the opportunity to respond to the concerns by identifying how it has addressed, or will address the issues identified. If the response to the notice is inadequate, we must direct the service provider to take certain action to comply with its responsibilities. Service providers are required to comply with such a direction. If we are not satisfied with the service provider's response, we may take compliance action against the provider.

The Commission sent six notices during the period. All six notices did not result in a direction being issued because the services satisfactorily addressed the concerns that were raised, or the service had not yet responded by 30 June 2020, or we were still considering the service's response.

We issued five directions in 2019–20, which were all based on notices that were issued in 2018–19.

External referrals

In certain circumstances the Commission releases information to other organisations such as the Department of Health, state and territory governments, Public Health Units, the police, coroners, the Australian Health Practitioner Regulation Agency, and health care complaints bodies. We do this when the other organisation is better placed to assist or to act on the information.

We made 77 referrals to external organisations, including 41 to the Department of Health where matters were out of scope for the Commission or were of a nature that the Department was the more appropriate agency to deal with them. The matters referred to the Secretary of the Department were about management of finances, and fees and charges.

The other 36 referrals were to other external agencies such as state and territory governments, advocacy organisations and coroners.

Own initiative resolution processes

The Commission can also initiate a resolution process based on information received from a source other than a complaint. During 2019–20, we commenced 56 processes on our own initiative. The issues were diverse but most related to change of clinical status/deterioration, physical abuse, falls prevention and post-fall management, and fees and charges. We finalised 46 own initiative resolution processes.

Education and engagement

Our education and engagement function directly contributes to supporting the sector to improve performance against the Quality Standards and outcomes for consumers. Through our engagement and education activities, we aim to build confidence and trust in the aged care system, empower consumers, support providers to comply with the Quality Standards, and promote best practice service provision.

In 2019–20, the Commission's education program continued to focus on the Quality Standards, with specific emphasis on ensuring aged care providers could confidently assess their performance. The education program included:

- the establishment of the Aged Care Learning Information Solution (Alis)
- delivery of workshops for the sector on the Quality Standards
- providing support and information to the sector via the website and aged care provider webinar sessions.

Aged Care Learning Information Solution

The Commission launched the online Alis program to the sector on 20 February 2020.

Alis provides the sector with access to the Commission's educational programs anywhere and at any time. The initial modules have been designed to focus on the Quality Standards. These modules are consistent with the information in guidance and resources. However, the information is delivered as an interactive online learning experience through the use of infographics, case studies and knowledge checks.

Users who complete the Quality Standards learning program will understand:

- the intent and application of each of the Quality Standards
- some of the key concepts within the Quality Standards and what these mean in practice
- the steps they can take to prepare their organisation for performance assessment against the Quality Standards.

The program includes nine modules. In addition to an introductory module called ‘Getting to know the Standards’, there is a separate module for each of the individual Standards. The modules can be completed in any order and are designed to support staff of aged care providers in the delivery of quality aged care services.

Each aged care service was offered up to four free licences to access the learning content within Alis. At 30 June 2020, 3,544 users were registered with Alis.

Of these users, 1,338 represent active learners, with the remaining users representing the management accounts held by service providers. Of the 1,338 learners, the average completion rate for the Standards modules is 66 per cent. User and completion numbers continue to grow weekly.

Learners are encouraged to provide a review of each module as they are completed. The current reviews rate each of the Standards modules as four out of five stars.

Alis users

3,544

Active learners 1,338

Management accounts 2,206

Courses and workshops

The Commission's courses and workshops help us engage with the sector in relation to performance assessment and continuous improvement. In 2019–20, our courses and workshops focused on the assessment of performance against the Quality Standards and were well received nationwide.

The education sessions held by the Commission during 2019–20 were attended by more than 620 participants. While the number of face-to-face courses and workshops were lower than anticipated due to COVID-19, service providers were encouraged to take up their four free licences within Alis to access educational content in relation to the Quality Standards. Prior to the deferral of our face-to-face workshops, the following took place:

- During the previous financial year, 73 one-day 'Preparing for the new Standards' workshops were conducted during February and June 2019. These sessions were concluded in July 2019 with an additional six workshops attended by 72 participants.
- New workshops, 'Assessing the Standards' were launched in January 2020. Two versions of this workshop were available – one tailored to staff of residential aged care facilities and the other to staff from home services. Prior to the deferral of these workshops due to COVID-19, a total of 18 residential workshops were attended by 263 participants. In addition, 17 home services workshops were delivered to 263 participants.

Information and resources

In addition to the content within Alis and the educational courses and workshops, aged care providers accessed a variety of educational resources through the Commission's website. A number of resources were published in 2019–20.

Storyboards

Aged Care Quality Standards storyboards were designed to provide a pictorial representation of how each of the Quality Standards apply. They were developed to support consumers, staff and others interacting with aged care services. Imagery was tailored to those in a rural and remote context.

The initial suite of storyboard resources was published in December 2019 and included 11 topics – an introduction to the Quality Standards, a separate explanation of each individual Quality Standard, dignity of risk and open disclosure. The storyboards were accompanied by a detailed user guide providing further context on the background to each story. This user guide was intended to support facilitators who might incorporate these resources into training for their aged care staff.

Consumer engagement resource

The Commission published a resource that identifies and develops a range of best practice strategies and tools for providers of aged care when they engage with consumers and their representatives.

In addition to these resources, a 'design your care' activity was developed to raise awareness of the importance of individual identity, culture and diversity.

More information about our consumer engagement activities and development of the consumer engagement resource is available in the Consumer engagement section.

Webinars/videos

More than 370 representatives from aged care organisations registered to attend the webinar 'Accountabilities of governing bodies in aged care' in November 2019. A recording of this webinar was made available following the session and has had over 3,400 views.

A webinar was offered to providers in Victorian residential services to support their preparation and preparedness for a COVID-19 outbreak, which was attended by 487 participants.

The Commission expanded the range of video resources on the website, including:

- a recording of the 'Accountabilities of governing bodies in aged care' webinar, which was tailored for members of governing bodies and senior executives of aged care services and included governing bodies' accountabilities under Standard 8 – Organisational Governance and the main components of clinical governance
- a short video providing information about open disclosure, developed in collaboration with online training services provider, Altura Learning.

Complaints education sessions

40

Service providers 36

Consumer groups 4

Translated resources

The Commission translated resources to provide support to both providers and consumers from culturally and linguistically diverse communities. The translated resources added in 2019–20 included:

- the consumer video, ‘What the new Aged Care Quality Standards mean for you’
- the poster, ‘Aged Care Quality Standards Consumer Outcomes’.

These resources have been translated into 25 languages.

Complaints education

Complaints officers regularly provide education sessions to service providers, consumers and their representatives, and the public, about the Commission’s complaints resolution functions.

These sessions typically include information about:

- who we are and what we do
- raising concerns
- what happens when a complaint is raised with us
- how our complaints process works
- top complaint issues in both residential and home care settings
- tips for consumers on how to raise a complaint.

In 2019–20, we delivered 36 sessions to service providers and four sessions to consumer groups.

The Commission presented at a series of Inclusive Approach to Service Delivery in Aged Care workshops across the country, organised by the Partners in Culturally Appropriate Aged Care (PICAC). These workshops were aimed at service providers and discussed how culturally inclusive care and cultural safety are fundamental concepts in the Quality Standards, the Charter of Aged Care Rights, and the *Aged Care Act 1997*. Aged care and services are expected to be responsive, inclusive and sensitive to consumers from culturally and linguistically diverse communities, Aboriginal and Torres Strait Islander peoples, and LGBTI communities.

We also presented at the 4th National LGBTI Ageing and Aged Care Conference in June, where similar concepts were discussed.

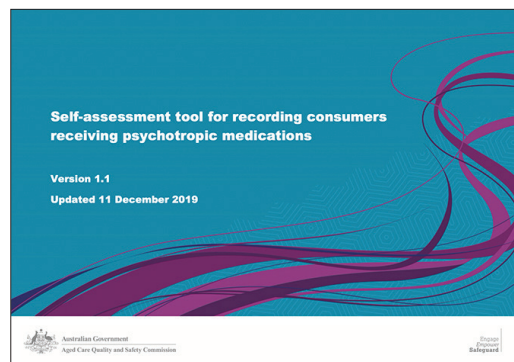
New resources and tools

A range of resources and tools were made available on the Commission's website to support the implementation of the Quality Standards from 1 July 2019:

- A new language glossary to reflect the work of every member of staff in the Commission and support our goal of one voice and one culture.
- A reviewed and updated quality assessor training program, assessment methodology and other procedures to optimise quality assurance checks and balances.
- Guidance on Clinical Governance in the form of tailored fact sheets to support performance under Standard 8 Organisational Governance, and guidance on open disclosure to support providers to practice open disclosure with consumers when things go wrong.
- A range of resources, self-assessment tools and case studies of different scenarios to promote better practice in minimising the use of physical and chemical restraints. The Commission is participating in the review of the restraints principles, managed by the Department of Health.

An interim review of the Quality Standards Guidance and Resources was completed in early 2020. Outcomes from the interim review indicate broader stakeholder engagement will be valuable to support our learnings and inform the next stage of evaluation. We have committed to review the Standards Guidance and Resources to ensure it remains contemporary and reflects best practice.

The Commission's Chief Clinical Advisor is establishing themed Expert Advisory Groups and developing resources in some high-risk clinical areas, initially around nutrition in aged care.



Consumer engagement

An important function of the Commission is consumer engagement, where we develop, in consultation with aged care consumers and their representatives, best practice models for the engagement of providers with their aged care consumers and to promote those models to providers.

A key initiative of consumer engagement in 2019–20 was the Consumer Engagement Project, overseen by a steering group of key stakeholders. The project included:

- a literature review of successful co-design models and practices across a range of industry sectors both in Australia and internationally, which could have relevance to the Australian aged care sector
- a survey report providing views of consumers and providers about existing successful models of co-design of aged care services
- a discussion paper that outlines the goals, objectives and desired outcomes of best practice consumer engagement by service providers, proposes core characteristics of best practice models and strategies, and offers criteria for use by providers in assessing existing consumer engagement practices

- a forum of key stakeholders to inform the development of contemporary, practical guidance to aged care providers on best practice consumer engagement in the planning and delivery of their aged care services
- development of a range of initial best practice consumer engagement models and strategies across different care settings, and implementation tips for aged care providers
- a plan to promote these initial best practice models through the Commission's education and information functions
- strategies to continue the development and improvement of models and strategies of consumer engagement and co-design to develop a sustainable model for accepted best practice into the future.

As an outcome of this project, a number of resources were published on the Commission's website in January 2020. These resources were designed to support aged care providers in improving the way they engage with their consumers and included the 'Care that is right for me' resource, a literature review and a report of the survey findings.

Communications activities

The Commission's communications activities support the promotion and provision of information to aged care providers, consumers and the general community. The activities support and enhance our consumer engagement, education and engagement functions. We have a number of methods for communicating with our audiences.

Media relations

The Commission receives requests for information and comment from media outlets including television, radio, newspaper and online. In 2019–20, the Commission received more than 300 media enquiries.



Website

We continue to use the Commission's website as the key source of information for the sector and community. During the COVID-19 pandemic, the Commission established a dedicated COVID-19 section with a direct link from the homepage to a collection of resources and information from a range of reliable sources that was regularly updated.

During 2019–20, we prepared for the publishing of performance reports resulting from assessment contacts. These will provide greater transparency of information about provider performance. The functionality is due to go live in July 2020.

Quality Standards app

In November 2019, the Commission launched its Quality Standards mobile app. The app gives users instant, on-the-go access to information on the Quality Standards via a mobile device. It includes all the key information about each of the Quality Standards, including the consumer outcome and organisation statement, and the requirements that underpin the Quality Standards. As well as a glossary, the app has links to further information, guidance and resources on the Commission's website.

The app is available from the App Store (for Apple devices) or Google Play (for android devices). At 30 June 2020, the app had 4,579 downloads on the Apple App Store and 1,654 downloads on Google Play.

Installed on a total of 6,233 devices in seven countries (Australia, UK, US, India, Ethiopia, China and New Zealand), the app is overwhelmingly used on mobile phones more than larger screen devices like tablets or iPads.

Over time, the app will be further developed to include more information for providers and consumers to ensure that anyone needing Quality Standards content will be able to access it anywhere, anytime.

Aged Care Quality Bulletin

Our newsletter, the Aged Care Quality Bulletin, is distributed monthly via email and is also available on the Commission's website. During the COVID-19 pandemic, the Bulletin moved to a fortnightly edition. At 30 June 2020, the Quality Bulletin had more than 12,000 subscribers. The Bulletin is for people with an interest in aged care including providers, consumers and other members of the sector.

Regulatory Bulletins

Regulatory Bulletins provide targeted communication to assist providers to understand how specific requirements and processes fit into the overarching aged care regulatory framework – articulating expectations and underlying reasons for the Commission's approach.

Regulatory Bulletins are published on our website. Providers can subscribe to our newsletter to be notified of the release of Regulatory Bulletins.

Regulatory Bulletins published or updated in 2019–20:

- Issue no. 2020-11 – Publication of provider performance information
- Issue no. 2020-10 – Quality assessor registration
- Issue no. 2020-09 – Assessment Contacts in residential and home services
- Issue no. 2019-08 – Regulation of physical and chemical restraint
- Issue no 2019-07 – Reconsideration of regulatory decisions
- Issue no. 2019-06 – Regulatory decision-making
- Issue no. 2019-05 – Aged Care Quality Standards performance assessment methodology
- Issue no. 2019-04 – Responding to non-compliance with the Aged Care Quality Standards

Regulatory Bulletins superseded in 2019–20:

- Issue no. 2019-02 – Assessment contacts in residential services (superseded by issue no. 2020-09)

Rescinded Regulatory Bulletin:

- Issue no 2019-01 – Serious risk (made obsolete due to the removal of the serious risk provisions from the Aged Care Quality and Safety Commission Rules from 1 January 2020).



**Annual
performance
statements**

Introduction

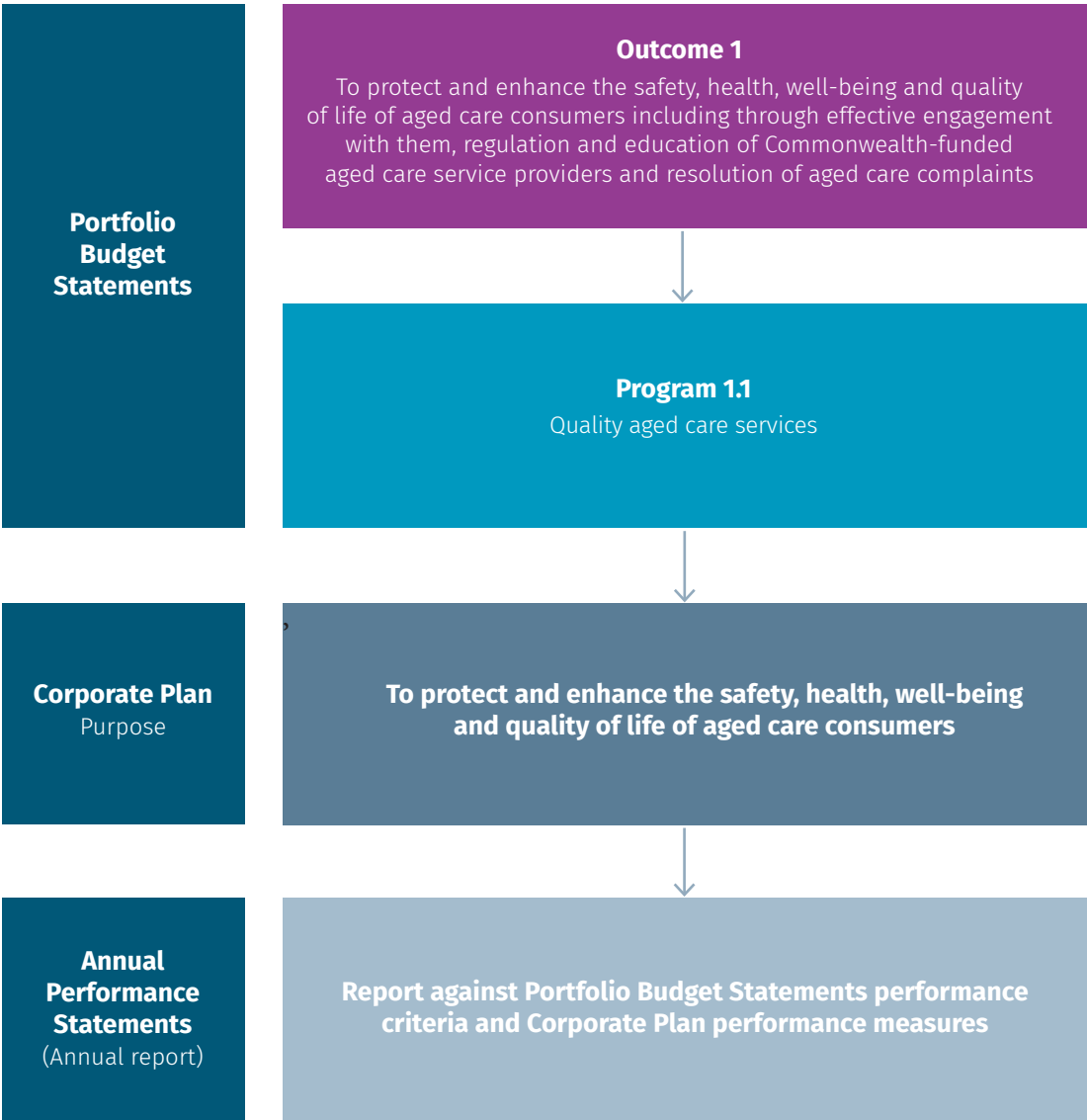
I, Janet Anderson, as the accountable authority of the Aged Care Quality and Safety Commission, present the 2019–20 annual performance statements of the Commission, as required under section 39(1)(a) of the PGPA Act. In my opinion these annual performance statements accurately reflect the performance of the Commission and comply with section 39(2) of the PGPA Act.

The annual performance statements include:

- an outline of our performance against the outcome and program framework and performance information set out in the Portfolio Budget Statements 2019–20
- a report against the performance measures included in our 2019–20 Corporate Plan.
- a report on the Commission’s financial performance including a summary of the total resources of the Commission and total payments made during 2019–20 (entity resource statement)

Figure 6 on the following page shows the link between the Commission’s Portfolio Budget Statements, the purpose set out in our Corporate Plan, and our annual performance statements.

Figure 6: Relationship between Portfolio Budget Statements, Corporate Plan and Annual Performance Statements



Report on performance

The Aged Care Quality and Safety Commission commenced operations on 1 January 2019 as a result of a Machinery of Government change. The functions, people and net assets of the Australian Aged Care Quality Agency and the Aged Care Complaints Commissioner, were transferred to the Commission.

On 1 January 2020, the Commission became responsible for approval of providers, aged care compliance (including Prudential Standards) and compulsory reporting, which were previously the responsibility of the Department of Health.

The report on performance covers the year ended 30 June 2020.

The Commission's performance was impacted by:

- full year effect of the Machinery of Government movement of 1 January 2019
- incorporating policies and procedures throughout the new organisation
- significant investment in ICT services and systems
- investment in operation systems in further enhancing safety and quality in residential and home care aged services
- making a significant contribution to the Royal Commission into Aged Care Quality and Safety
- integrating additional regulatory functions into the Commission from 1 January 2020
- impacts of COVID-19 on our monitoring, regulatory and corporate functions
- introducing the new AASB 16 Leasing accounting standard.

Outcome and program structure

This section covers our performance against the outcome and program's performance information set out in the Portfolio Budget Statements 2019–20.

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements.

Entities are required to identify the programs that contribute to government outcomes over the Budget and forward years.

The Commission is responsible for a single government outcome as described below with its related program and the performance indicators and targets used to assess and monitor its performance in achieving the outcome.

Deliverables for the 2019–20 Portfolio Budget Statements for the Commission are under Outcome 1, Program 1.1 Quality Aged Care Services.

Outcome 1

Protect and enhance the safety, health, well-being and quality of life of aged care consumers, including through effective engagement with them, regulation and education of Commonwealth-funded aged care services providers and resolution of aged care complaints.

Program objective

The objective of Program 1.1 Quality Aged Care Services is to protect and enhance the safety, health, well-being and quality of life of aged care consumers through the accreditation, assessment and monitoring of aged care services that are subsidised by the Australian Government, and the timely and effective resolution of complaints about these services. The Commission aims to build confidence and trust in the provision of aged care services, empower consumers, advise providers on compliance with Quality Standards, and promote best practice service provision through engagement and education activities.

Program delivery

How the program is delivered:

- Consult with consumers to develop and promote best practice models for provider engagement with consumers.
- Effectively assess and monitor aged care services against aged care standards.
- Provide information and education to consumers, providers and the public to support the Commission's functions.
- Provide timely and effective resolution of complaints about aged care services.

Results

The Commission has 39 performance measures in its 2019–20 Corporate Plan. The majority (27) were achieved and 10 were partially achieved and most of these are ongoing in the 2020–21 year. Two were not achieved, mainly due to activities impacted by COVID-19 and the need to divert resources to monitoring activities and areas of high risk.

The Commission's regulatory program was adjusted in March 2020 to focus additional effort on risks arising from the COVID-19 pandemic and to ensure that providers were doing everything possible to keep aged care consumers safe. The Commission's modified regulatory program increased the frequency of assessment contacts with providers, replaced unannounced site visits with 'short-notice' visits on a risk basis, deferred residential re-accreditation audits and reprioritised home services quality audits. Unannounced site visits were resumed in June 2020.

We also prioritised provision of information, guidance and education programs for providers and consumers in line with latest public health and clinical advice.

More information about our response to the COVID-19 pandemic is included in the Year in review section. Other factors that impacted on the Commission's performance are outlined in the Report on performance section.

Table 11: Results against performance criteria

| Portfolio Budget Statement performance criteria | 2019–20 target | Result | Reference in Corporate Plan |
|---|--|--|---|
| Consult with consumers to develop and promote best practice models for provider engagement with consumers | Develop and promote best practice models for provider engagement with consumers | Achieved A range of best practice models were developed in consultation with consumers and ongoing promotion of models and strategies is in place using resources developed | Priority three: Enhance engagement of aged care consumers Focus area 3.1: Consumer engagement project |
| Assess and monitor aged care services' compliance with the Aged Care Quality Standards | Services are assessed against the aged care standards in accordance with the Rules and compliance monitoring is targeted to areas of identified risk | Not achieved Some statutory timeframes and activity levels not met for site and quality audits due to diversion of resources to areas of high risk, including COVID-19 related risks | Priority five: Deliver effective risk-based regulation against the Aged Care Quality Standards Focus area 5.2: Regulatory program |
| Complaints are resolved within 60 days | 80 per cent | Not achieved 75 per cent of the 8,087 complaints resolved were resolved within 60 days compared with 83 per cent of the 7,329 complaints resolved in 2018–19. The performance criterion was not met due to increase in complaint numbers and complexity, and a surge in complaints arising from COVID-19 | Priority four: Deliver effective complaints resolution for aged care consumers Focus area 4.1: Management of complaints |

Corporate plan

The following tables report on the Commission’s results against the performance measures for the six priorities in the 2019–20 Corporate Plan and the associated focus areas for each priority.

Comments have been included to explain results in which performance measures have been partially achieved or not achieved and to provide information about work that is continuing during the period of the 2020–21 Corporate Plan.



Our purpose

To protect and enhance the safety, health, well-being and quality of life of aged care consumers.

Priority one: Continue building the Commission as a trusted and effective regulator

Intended result

A Commission that is trusted by consumers, providers and the community as a fair and effective regulator of aged care services

Table 12: Priority one results

| Focus area | Aim | Performance measure | Result |
|-----------------------------|---|---|--|
| 1.1 Corporate governance | To ensure that the Commissioner and Minister have access to valued, strategic advice | The Aged Care Quality and Safety Advisory Council is supported to provide timely and strategic advice to the Commissioner, and to the Minister on request | Achieved |
| | To implement a corporate governance framework to manage risk and support continuous improvement of the Commission's operation | Risk register and quality assurance framework in place and monitored | Partially achieved Regulatory risk management framework developed and Regulatory Integration Project ongoing. With transfer of additional regulatory functions in January 2020, further work underway to develop organisation-wide quality assurance framework. |
| | To fully operationalise the Chief Clinical Advisor's role and support structures | A model established to support the role of the Chief Clinical Advisor | Achieved |

'Partially achieved' is used to describe aims which have commenced, are not complete and are continuing at the end of the period. 'Not achieved' is used to describe aims that have either not commenced or where quantitative targets have not been achieved.

| Focus area | Aim | Performance measure | Result |
|---|---|--|--|
| 1.2 Integrated compliance functions | To build an end-to-end, effective regulatory framework | Compliance and other regulatory functions successfully transitioned to the Commission from January 2020 | Achieved |
| 1.3 Royal Commission into Aged Care Quality and Safety | To ensure the Commission is supporting and informing the work of the Royal Commission into Aged Care Quality and Safety | 100% of requests from the Royal Commission responded to within requested timeframes | Achieved |
| | To be responsive to the findings and recommendations of the Royal Commission | Work with government to respond to findings and recommendations of the Royal Commission within established timeframes Proactively communicate changes implemented as part of the government's response to the Royal Commission's findings and recommendations | Achieved Responded to Interim Report. Royal Commission extended and responsiveness ongoing. |

| Focus area | Aim | Performance measure | Result |
|---|--|---|---|
| 1.4 Corporate capability and resources | To ensure the Commission's workforce is capable, skilled and engaged to deliver its functions | A strategic workforce plan in place to support contemporary recruitment, training and performance management of staff | Partially achieved Delayed to December 2020 due to diversion of resources to COVID-19 response. |
| | To implement an improved performance development framework and learning strategy to build staff capability | A contemporary performance development framework and learning strategy implemented | Achieved |
| | To ensure staff have appropriate IT equipment, access to technology and business system improvements | Devices, technology and business systems continue to meet changing business needs | Partially achieved Ongoing improvement to business systems. |
| | To provide advice to government on resource requirements and ensure efficient utilisation of resources to meet the Commission's priorities | Expenditure is within allocated budget | Achieved |
| | To review and enhance internal communication and engagement strategies | Improved staff engagement and satisfaction with the Commission's internal communication strategies | Achieved Results of Pulse survey demonstrated improved satisfaction and engagement. |

Priority two: Promote the provision of quality care and services

Intended result

Increased confidence and trust in the quality and safety of aged care services and commitment from providers to continuous improvement

Table 13: Priority two results

| Focus area | Aim | Performance measure | Result |
|---|---|---|--|
| 2.1 Risk-based regulation | To develop and apply a regulatory strategy which supports the Commission's risk-based approach | The Commission's Regulatory Strategy published and operationalised and regulatory bulletins published on a regular basis | Achieved |
| 2.2 Manage risk-based intelligence | To apply risk-based intelligence to the delivery of the Commission's regulatory functions in a timely way | Improvements made to processes for internal information sharing | Achieved Regulatory Integration Project ongoing including communication protocols for sharing of intelligence. |
| | To ensure the appropriate referral of information and exchange of risk-based intelligence and data with other key regulatory bodies | The Commission has protocols in place to share risk-based intelligence and data with the Department of Health and relevant regulators | Achieved Improvements to risk-based intelligence and data sharing ongoing. |

| Focus area | Aim | Performance measure | Result |
|---|--|--|---|
| 2.3 Regulatory performance | To implement quarterly reporting of regulatory performance data to provide greater visibility and transparency of sector-wide risks and promote continuous improvement across the sector | Publication of quarterly data reports and provider performance on the Commission's website | Achieved |
| 2.4 Engagement on aged care quality regulation | To provide leadership on key issues relating to aged care quality and safety through industry and consumer engagement and communication | The Commission's engagement and communication activities promote better practice and improved aged care quality and safety | Achieved |
| | To work with the Department of Health to develop and implement the next phase of aged care reforms | Milestones for key policy reforms and budget measures achieved | Partially achieved Some milestones delayed. Collaborative work with Department of Health ongoing. |
| 2.5 Regulatory performance framework | To be accountable for our own regulatory performance | Regulatory performance framework targets assessed and published | Partially achieved Reporting delayed due to transition of functions into the Commission. |

Priority three: Enhance engagement of aged care consumers

Intended result

Consumers are engaged in the planning and delivery of their aged care services

Table 14: Priority three results

| Focus area | Aim | Performance measure | Result |
|--|---|---|--|
| 3.1 Consumer engagement project | To understand the successful application of consumer-centred care and to provide initial guidance to the sector and to consumers on best practice consumer engagement and co-design | Promotion of best practice models | Achieved |
| 3.2 Consumer information | To ensure consumers find it easy to contact the Commission and to have their concerns dealt with appropriately | Improvements made to information intake and handling to improve consumer experiences | Partially achieved Analysis of current processes completed and options for a single contact centre being explored. |
| | To work with peak consumer bodies to support consumers' awareness of the Aged Care Quality Standards and the Charter of Aged Care Rights | Information developed and accessible to support consumer awareness of the Aged Care Quality Standards and the Charter of Aged Care Rights | Achieved |

| Focus area | Aim | Performance measure | Result |
|--------------------------------------|--|---|----------|
| | To ensure that consumers understand their rights and are aware of avenues for assistance in resolving concerns and complaints about aged care services | Promote awareness of the Commission's functions in relation to resolving complaints about aged care providers | Achieved |
| 3.3 Consumer experience reporting | To implement new consumer experience reporting (CER) questions and methodology in home services from 1 July 2019 to better inform consumers of our regulatory approach | Promote and conduct CER interviews in home services from 1 July 2019 and develop options for publication | Achieved |

Priority four: Deliver effective complaints resolution for aged care consumers

Intended result

Consumers trust that making a complaint leads to better outcomes

Table 15: Priority four results

| Focus area | Aim | Performance measure | Result |
|---------------------------------|---|---|--|
| 4.1 Management of complaints | <p>To ensure that consumers are confident that a complaint to the Commission will lead to improvements in care</p> <p>To ensure efficient, effective, impartial and fair resolution of complaints</p> | <p>>85% of people who complete the complaint feedback survey express satisfaction with the Commission’s approach, fairness, impartiality, and transparency of the process</p> <p>>80% of complaints closed within 60 days and >90% within 90 days</p> <p>A plan in place to mitigate risk to performance targets resulting from increase in volume of complaints</p> | <p>Not achieved</p> <p>79% of 1,479 complainants and service providers who completed the feedback survey expressed satisfaction. This was below the target of greater than 85% but it was an improvement from the 2018–19 result of 77% of 1,392 complainants and service providers who completed the survey.</p> <p>75% of the 8,087 complaints resolved were resolved within 60 days (compared with 83% of the 7,329 complaints resolved in 2018–19) and 85% were resolved within 90 days (compared with 91% in 2018–19).</p> |

| Focus area | Aim | Performance measure | Result |
|--|--|---|---|
| | | | Target not met due to increase in complaint numbers and complexity, and surge in complaints due to COVID-19. Nationally consistent processes put in place to improve the complaints process for complainants and escalation to manage risk to consumers. |
| | To ensure the resolution of complaint supports the implementation of the Aged Care Quality Standards and the continuous improvement of providers | Complaints processes revised to align with the Aged Care Quality Standards | Achieved |
| 4.2 Joined up processes | To ensure that the complaints and regulatory functions are aligned to support the implementation of the Aged Care Quality Standards | Enhanced capability and complaints processes that interact with and support the Aged Care Quality Standards and Charter of Aged Care Rights | Achieved |

Priority five: Deliver effective risk-based regulation against the Aged Care Quality Standards

Intended result

Improved consumer experience through more effective regulation against the Aged Care Quality Standards

Table 16: Priority five results

| Focus area | Aim | Performance measure | Result |
|--|--|---|--|
| 5.1 Aged Care Quality Standards | To monitor and evaluate the implementation of the Aged Care Quality Standards and ensure a proportionate approach to regulation | Data on trends in compliance, serious risk and regulatory responses monitored | Partially achieved Evaluation of the implementation of the Quality Standards is ongoing as is continuous improvement of data and monitoring |
| 5.2 Regulatory program | To deliver a program of regulatory work that ensures adequate and appropriate oversight of risk and that supports continuous improvement | A program of regulatory activity in place that meets statutory requirements and supports continuous improvement | Not achieved Regulatory program adjusted to ensure adequate and risk-based oversight of aged care providers. Activities impacted by COVID-19 and need to divert resources to monitoring activities and areas of high risk. The Commission conducted 497 site audits on residential aged care services and 76 quality audits on home service providers. |

| Focus area | Aim | Performance measure | Result |
|--|--|--|---|
| | | | <p>These audits were supplemented with 8,502 assessment contacts (both on site and non-site) to support sector continuous improvement.</p> <p>Statutory timeframes met in 34% of site audits and quality audits.</p> <p>53% of commencing home or recommencing home applications completed within statutory timeframes.</p> |
| | To implement enhanced risk profiling and increased information sharing to inform our risk-based approach | Streamlined triage and collection of information to inform timely risk-based regulatory monitoring | <p>Partially achieved</p> <p>Integration of information and analysis across the Commission commenced and informed regulatory activities in the second half of the year.</p> <p>Collaborative work with Department of Health underway for risk profiling model and IT systems for operationalising in 2020-21.</p> |
| 5.3 Regulatory policies and practices | To implement a new Regulatory Decisions Policy and Assessment Methodology to support sound, consistent decisions and quality assessments under the Aged Care Quality Standards | A framework developed to quality assure the soundness and consistency of assessment outcomes and decisions | <p>Partially achieved</p> <p>Decision-maker training implemented and further development of the framework ongoing.</p> |

| Focus area | Aim | Performance measure | Result |
|--|--|--|---|
| | | >90% of appeals escalated to the Administrative Appeals Tribunal are found to uphold the Commission's decision | Achieved |
| 5.4 Improve regulation of home services | To implement end-to-end improvements to strengthen regulation of home services | A program of quality reviews and assessment contacts in place that provides appropriate oversight of risk and promotes continuous improvement in home services | Partially achieved Work has commenced on home services Quality Standards assessment approach. |
| | | Increased use of CERs and intelligence to inform regulation of home services | Achieved |

**Priority six:
Deliver timely information
and education to promote
the Commission’s functions**

Intended result

Consumers are empowered and providers informed through access to information and education about the Commission’s functions

Table 17: Priority six results

| Focus area | Aim | Performance measure | Result |
|---|---|---|-----------------|
| 6.1 Effective education programs | To enhance the relevance and effectiveness of education programs to support performance consistent with the Aged Care Quality Standards | Best practice models of consumer-centred care promoted through our education programs | Achieved |
| | | >90% of people who complete our education program feedback survey are satisfied with the Commission’s education and engagement activities | Achieved |
| | To ensure our compliance assistance is targeted to areas of risk including in home services | A program of targeted compliance assistance in place including for home services | Achieved |
| 6.2 Sector engagement and communication | To improve sector engagement and communication to support the Commission’s functions | A strategy developed and operationalised to support sector engagement and communication of the Commission’s functions and priorities | Achieved |

| Focus area | Aim | Performance measure | Result |
|---|--|---|-----------------|
| 6.3 Enhanced information and communication | To seek feedback from key stakeholders and continue enhancement of information and communication for consumers, providers and the public | Enhanced information and communication for consumers, providers and the public including through our website and social media | Achieved |
| | To improve provider access to information on best practice clinical care | Enhanced information and communication to providers on best practice clinical care including clinical governance | Achieved |

Financial activities

Operating results

The Commission returned a surplus of \$1,341,245 before depreciation of assets other than lease right-of-use assets and a total net deficit of \$733,816 against a budgeted deficit of \$1,775,000. After allowing for the impact of AASB 16 on operating leases, the Commission’s net surplus is \$1,406,867 against a budget net deficit of \$0.

Operating revenue

The total operating income was \$90,933,912 and consisted of the following:

- government appropriations of \$83,431,035
- sales of goods and rendering of services of \$7,091,487
- other revenue of \$411,390.

Operating expenses

Total operating expenses were \$91,667,788 and consisted of:

- employee benefits of \$54,654,800
- supplier expenses of \$33,293,074
- finance costs on right-of-use assets \$40,926
- depreciation and amortisation of \$2,075,061
- depreciation of right-of-use assets of \$1,603,535
- losses from asset sales of \$392.

Net assets

\$17,477,365

Total assets \$53,574,920

Total liabilities \$36,097,555

Balance sheet

Net asset position

The net assets at 30 June 2020 were \$17,477,365.

Total assets

Total assets at 30 June 2020 were \$53,574,920, which is represented by:

- cash \$11,006,008
- trade and other receivables (including undrawn appropriations) \$35,869,763
- non-financial assets \$6,699,149.

Total liabilities

Total liabilities at 30 June 2020 were \$36,097,555, which is represented by:

- supplier payables \$5,915,640
- unearned revenues \$7,063,214
- other payables \$954,717
- lease liabilities for right-of-use assets \$3,389,504
- employee provisions \$17,447,520
- other provisions \$1,326,960.

Table 18: Entity resource statement for the period ended 30 June 2020

| | Actual available appropriation 2019–20 \$'000 (A) | Payments made 2019–20 \$'000 (B) | Balance remaining 2019–20 \$'000 (A)–(B) |
|---|---|---|---|
| Departmental | | | |
| Prior year appropriation available | 11,565 | (11,565) | – |
| Annual appropriations | | | |
| <i>Ordinary annual services</i> | | | |
| Departmental appropriation | 85,607 | (64,931) | 20,676 |
| S74 retained revenue receipts | 12,358 | (12,358) | – |
| Departmental capital budget | 1,692 | (1,692) | – |
| <i>Other services</i> | | | |
| Equity injection | 17,738 | (3,738) | 14,000 |
| Total departmental annual appropriations | 117,395 | (82,719) | 34,676 |
| Total resourcing for the Commission | 128,960 | (94,284) | 34,676 |



**Management
and accountability**

Corporate governance

Our governance framework provides the context within which we operate to achieve our objectives, ensuring transparent, ethical and accountable evidence-based decision-making, and to effectively manage risk and stakeholder relationships.

We are governed under the ACQSC Act. Under the Act, the Commissioner has the power to do all things necessary or convenient to be done for, or in connection with, the performance of the Commissioner's functions. The functions of the Commissioner are described in the Act.

The Commissioner has the power to delegate all or any of the Commissioner's functions and powers to a member of the staff of the Commission. The Commissioner has established the Executive Leadership Group to assist in ensuring effective operational governance.

Executive Leadership Group (ELG)

The ELG provides strategic, whole-of-organisation leadership to the Commission. The ELG meets weekly and ensures effective decision-making, management and oversight of the Commission's operations and performance.

The ELG is chaired by the Commissioner and comprises:

- Chief Clinical Advisor
- Executive Director, Performance, Education and Policy – Complaints Resolution Group
- Executive Director, Quality Assessment and Monitoring Operations
- Executive Director, Regulatory Policy and Performance
- Executive Director, Industry Engagement and Communications
- Executive Director, Provider Approvals and Compliance
- National Manager, Complaints Operations
- National Manager, Organisational Development
- Chief Operating Officer.

The biographies of the Commissioner and Executive Directors can be found at Our leadership team.

Risk and Audit Committee

In accordance with the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)* the Commission has a Risk and Audit Committee which operates independently of management.

The Committee's function is to report to the Commissioner on matters relating to compliance with obligations under the PGPA Act, any regulations and Finance Minister's Orders and provide a forum of communication between the Commissioner, senior managers, internal auditors and the Auditor-General. The Risk and Audit Committee provides independent advice to the Commissioner on the Commission's financial and performance reporting, risk oversight and management and system of internal control.

Membership of the Risk and Audit Committee comprises an external Chair and three external members with diverse backgrounds and specialist capabilities to deliver on its functions.

We engage an external professional services firm to conduct internal audits. They undertake reviews of systems and internal controls to ensure they are in place and are working efficiently and effectively in order to satisfy the compliance requirements of the PGPA Act and associated regulations. The internal auditor reports their findings and recommendations to the Risk and Audit Committee.

A copy of the Risk and Audit Committee charter is available at agedcarequality.gov.au/media/88590.

Table 19: Membership of the Risk and Audit Committee

| Member name | Qualifications, knowledge, skills or experience | Number of meetings attended / total number of meetings | Total annual remuneration (GST exclusive) |
|---------------------------------------|--|--|---|
| Geoffrey Applebee (Chair) | CA ANZ, FAICD. Retired Senior partner of EY and previous registered company auditor. Experienced Company Director and audit committee chair for companies and agencies in private and public sectors over many years. | 6 / 6 | \$16,000 |
| Carol Lilley (Deputy Chair) | FCA ANZ. Retired partner of PwC and previous registered company auditor. Experienced independent Company Director and audit committee member. Undertakes QA of financial statements for many government entities as part of audit committee work. | 6 / 6 | \$14,000 |
| Chris Champ | FCPA Australia, 30 years senior financial and regulatory roles with APRA. Prior experience with the Commission's predecessor organisations on audit committees and as CFO for five years. | 6 / 6 | \$14,000 |
| Peter Rayner | FCPA Australia, FAICD. Experienced Company Director & Trustee – audit, risk and investment committees. Extensive private equity, company valuation, COO and CFO experience. 20+ years domestic and international senior funds management roles (inc. as CEO Allianz Global Investors). Former manager at EY and Nelson Parkhill. | 6 / 6 | \$14,000 |

Fraud control

Our fraud control plan is designed to prevent, detect, deter and deal with fraud in accordance with the requirements of section 10 of the PGPA Rule.

It includes a:

- statement of the Commission's policy on, and approach to, fraud risks
- description of our fraud control responsibilities and strategies
- direction for fraud control, fraud response and fraud awareness
- description of fraud reporting obligations within the Commission.

Our fraud control policy encompasses staff training in minimising the risk of fraud and corruption from both internal and external threats. Fraud awareness and security training is provided to staff as they join the Commission and on an ongoing basis, as required.

Organisational chart



Janet Anderson PSM

Aged Care Quality and Safety Commissioner



Christina Bolger

Executive Director,
Regulatory Policy and Performance



Pam Christie

Executive Director, Industry,
Engagement and Communications



Emma Jobson

Chief Operating Officer (interim),
Corporate Services



Shona Reid

Executive Director, Performance,
Education and Policy –
Complaints Resolution Group



Anthony Speed

Executive Director,
Provider Approvals and Compliance



Dr Melanie Wroth

Chief Clinical Advisor



Ann Wunsch

Executive Director, Quality Assessment
and Monitoring Operations



Nicola Dunbar

National Manager,
Organisational Development



Sally Ross

Acting National Manager
Complaints Operations

Members of leadership team who served for part of the reporting period include: Charles Grady, General Manager, Corporate Services (position now titled Chief Operating Officer) July to December 2019; Viv Daniels, National Manager, Complaints Operations, July 2019 to February 2020.

Enabling legislation

The Commission operates independently and objectively in performing its functions and exercising its powers as set out in the *Aged Care Quality and Safety Commission Act 2018* (ACQSC Act) and the Aged Care Quality and Safety Commission Rules 2018 (the Rules).

We are an Australian Public Service (APS) agency that engages staff under the *Public Service Act 1999* and is subject to the PGPA Act.

Our leadership team¹¹

Aged Care Quality and Safety Commissioner

Janet Anderson PSM

Janet Anderson has held executive positions at Commonwealth, state and regional levels in the public service for the last 20 years, working in the areas of health and aged care policy, strategy and planning.

After tenures in the NSW Department of Health, the Australian Government Department of Veterans' Affairs and the Australian Government Department of Health, Janet took up the position of Deputy CEO, and then acting CEO, of the Northern Territory Department of Health. While in the Northern Territory, she was also in charge of leading the government's response to the Royal Commission into Child Protection and Youth Justice.



Role

The Commissioner is the statutory head of the Commission and is governed by the ACQSC Act and Rules.

The Commissioner reports directly to the Minister for Aged Care and Senior Australians, and has the power to delegate to a member of staff any of the Commissioner's functions or powers under the Act or the Rules. The Commissioner is responsible for the performance of the functions set out in sections 16–20 of the Act, which include:

- protect and enhance the safety, health, well-being and quality of life of aged care consumers
- promote the provision of quality care and services
- consumer engagement, education and complaints resolution
- regulatory requirements of accreditation, quality assessment, monitoring, compliance and enforcement.

¹¹ Members of leadership team who served for part of the reporting period include: Charles Grady, General Manager, Corporate Services (position now titled Chief Operating Officer) July to December 2019; Viv Daniels, National Manager, Complaints Operations, July 2019 to February 2020.

Executive Director, Regulatory Policy and Performance

Christina Bolger

Christina Bolger has held leadership roles in the APS across policy, regulation and service delivery, with experience in a range of program areas including health, rehabilitation, quality and safety.

Previous roles include Director Scheme Design at Comcare (the Commonwealth statutory authority for Work Health and Safety and Workers' Compensation), Manager of the Workplace Injury Prevention Program, ACT Government (Chief Minister's Department), and Senior Professional Officer, Staff Health and Injury Prevention at Calvary Health Care (ACT).

Christina has a strong history of collaboration with others to understand problems and deliver innovative solutions that can improve outcomes for the community.

Christina holds a Bachelor of Applied Science (Physiotherapy) (CCHS), a Bachelor of Arts (ANU), a Graduate Certificate in Ergonomics (La Trobe), an Executive Masters in Public Administration (ANZSOG, ANU) and is a graduate of the Australian Institute of Company Directors (GAICD).



Role

The Regulatory Policy and Performance Branch is responsible for the Commission's programs to support a risk-based approach and effective performance of its regulatory functions through:

- policy framework for regulatory operations and statutory decisions
- quality assurance and registration of quality assessors
- sector performance reporting and information for consumers on the quality of care and services
- supporting improvement in regulatory design and leading the Commission's involvement in regulatory reforms.

Executive Director, Industry Engagement and Communications

Pam Christie

Pam Christie has extensive experience working across a range of government, statutory and senior executive roles in the areas of regulation and vocational education and training.

Prior to her role with the Commission, Pam worked as Executive Director, Regulatory Operations at the Australian Skills Quality Authority with responsibility for leading student-centred reforms to the national regulatory model.

Throughout her career, Pam has maintained a passion for changing lives and improving outcomes for individuals by accessing the best quality services to meet their needs.

She is a member of the Australian Institute of Company Directors, an Honorary Senior Fellow, L H Martin Institute, University of Melbourne, and a graduate of the ANZSOG Executive Fellows Program. Ms Christie holds a Bachelor of Arts (Macquarie University), Diploma of Education (University of Sydney) and Graduate Diploma of Special Education (University of Wollongong).



Role

The Industry Engagement and Communications Branch is responsible for the Commission's communication and engagement with key internal and external stakeholders, including peak bodies and other representative groups to ensure the best possible outcomes for people accessing aged care.

Functions include delivery of education and engagement activities, management of communications and media engagement, support for staff engagement and change management, provision of secretariat support for the Aged Care Quality and Safety Advisory Council and the Commission Consultative Forum, and a range of corporate affairs and planning functions.

**Chief Operating Officer
(interim)**

Emma Jobson

Emma Jobson has over 20 years experience working across health and social services in policy design, program implementation and service delivery.

Prior to joining the Commission Emma undertook senior executive roles in the Australian Government Department of Health, including as State Manager of the NSW/ACT Office where she led the implementation of aged care regulation, and health care programs. She later held national roles leading the design and implementation of regulation in aged care compliance. Emma has also held corporate leadership roles and brings expertise in organisational redesign, capacity building and change management.

Emma has a Bachelor of Social Work (Hons) from the University of NSW.



Role

The Corporate Services Branch is responsible for ensuring the Commission has effective capability to undertake its mandated legislative responsibilities and that it also acts as an accountable APS agency.

Executive Director, Performance, Education and Policy – Complaints Resolution Group

Shona Reid

Shona Reid has had a public sector career spanning 20 years, including a period of time consulting in the private sector. Shona has bachelor qualifications in education and has worked at the senior executive level in a number of small and large Commonwealth government departments.

In 2015, Shona led the transition of the Aged Care Complaints Scheme from the Department of Health to an independent Aged Care Complaints Commissioner, and for three years held the position of Assistant Aged Care Complaints Commissioner.



Role

The Performance, Education and Policy Branch of the Complaints Resolution Group is responsible for the business support of the Complaints Operations Branch, reviewing complaints decisions, providing clinical advice and managing FOI requests for the Commission. The branch engages with consumer groups and service providers to ensure people know where and how they can make a complaint about aged care services.

Acting Executive Director, Provider Approvals and Compliance

Anthony Speed

Anthony has over 25 years' experience in health and social services policy design, program delivery and regulatory roles.

Prior to joining the Commission, Anthony worked in senior executive roles in the Australian Government Department of Health, where he most recently led the Aged Care Compliance functions before transitioning to the Commission on 1 January 2020. He previously worked across the Health portfolio in a National Health Reform executive role, and as state manager with a primary focus on stakeholder engagement and policy delivery in several states. Prior to the APS, Anthony worked in health promotion roles in the community sector and has served as a board member for several not-for-profit organisations.

Anthony holds a Bachelor of Arts (Hons) and a Master of Public Administration (ANZSOG, Monash).



Role

The Provider Approvals and Compliance Group (PACG) undertakes compliance and enforcement activities. The PACG monitors provider compliance through a range of mechanisms, including information received from performance assessments against the Quality Standards, compulsory reporting and complaints. This information is assessed to determine the Commission's response based on the identified risks to care recipients.

The PACG also reviews the financial operations of both residential and home care providers to ensure they are appropriately managing all fees and payments including refundable deposit balances, accommodation bond balances, home care budgets and unspent home care funds. The PACG has powers to undertake detailed investigations of providers where necessary including requesting documentation and undertaking site visits. The PACG also assesses and determines the suitability of incorporated organisations that apply to become an approved provider of home, flexible or residential aged care.

Chief Clinical Advisor

Dr Melanie Wroth

Dr Melanie Wroth graduated from the University of Sydney in 1981 and became a Fellow of the Royal Australasian College of Physicians in 1992. She began her longstanding involvement in medical care for older Australians in 1990.

Dr Wroth is a Senior Staff Specialist in Geriatric Medicine at Royal Prince Alfred Hospital. She has been extensively engaged in clinical teaching, especially in Geriatric Medicine, and is a Clinical Senior Lecturer in the Faculty of Medicine and Health, University of Sydney. She has been a consultant to the NSW Medical Council and is a senior member of the Guardianship Division of the NSW Civil and Administrative Tribunal.



Role

The Chief Clinical Advisor is responsible for providing high level expert clinical advice to Commission staff and assisting aged care providers to source and access guidance on best practice clinical care for people receiving aged care services. The role also works on a sector-wide basis to help raise awareness of clinical issues in aged care that includes leading and supporting engagement with key stakeholders, with a particular focus on communicating with aged care providers, consumers, health professionals, and peak bodies representing both providers and consumers. Dr Wroth's role at the Commission is 0.8 full-time equivalent (FTE).

Executive Director, Quality Assessment and Monitoring Operations

Ann Wunsch

Ann Wunsch transitioned into her current role from her position as Executive Director of the Operations Branch in the Quality Agency. Prior to that, she held various roles in the Quality Agency's predecessor, the Accreditation Agency.

Before joining the Accreditation Agency in 2005, Ann worked in the NSW disability sector in a range of roles from service management through to serving on boards of management. Ann has also worked in the NSW regulatory environment at the Community Services Commission and in a policy role at NSW Health.

Ann served as a part-time member of the NSW Administrative Decisions Tribunal for 10 years in the Guardianship and Protected Estates Division where she heard appeals on guardianship matters.

Ann has been a surveyor for the International Society for Quality in Health Care (ISQua) since 2010 and currently represents the Commission on the ISQua Accreditation Council.



Role

The Quality Assessment and Monitoring Operations Group is responsible for the accreditation program for residential aged care services and the quality review program for home care services across Australia. It also manages the program of assessment contacts with all aged care services. Operations provides the overall leadership and management of approximately 244 staff including regional directors.

**National Manager,
Organisational Development**

Nicola Dunbar

Nicola Dunbar has a background in health research, program management and policy development and has worked for government, universities and non-government organisations at local, state and national levels. She has a PhD in neuropsychology and HIV infection, and a Master in Policy.

Prior to joining the Commission in February 2019, she spent 12 years at the Australian Commission on Safety and Quality in Health Care as its Director of Strategy.



Role

The National Manager Organisational Development works across the Commission to optimise organisational performance. The National Manager works closely with the Executive and National Leadership Groups and teams across the Commission to make improvements in areas such as well-being, workplace culture, communication and quality.

Acting National Manager, Complaints Operations

Sally Ross

Sally Ross has extensive experience in public administration in health and community services including in complaints resolution, program management and delivery and human resources management. Prior to taking on the acting role of National Manager Complaints Operations Sally was Director Complaints Operations for NSW/ACT for five years. Sally holds a Bachelor of Arts (Hons) and a Graduate Diploma in Communications.



Role

The Complaints Operations team is responsible for receiving and resolving complaints about Australian Government funded aged care services. Complaints Operations has staff in every capital city except Darwin. Complaints Officers work with consumers, their representatives and service providers to resolve complaints using a range of approaches including less formal early resolution approaches through to more formal approaches such as conciliation and investigation.

Aged Care Quality and Safety Advisory Council

The Aged Care Quality and Safety Advisory Council (Advisory Council) is established under Section 37 of the ACQSC Act. Council members have a wealth of knowledge and experience in aged care, with diverse backgrounds in areas including clinical care, service delivery and consumer representation.

The legislated functions of the Advisory Council are:

- On its own initiative or at the request of the Commissioner, to provide advice to the Commissioner in relation to the Commissioner's functions.
- At the request of the Minister, to provide advice to the Minister about matters arising in relation to the performance of the Commissioner's functions.

The Advisory Council met six times in 2019–20.

The Advisory Council members are:

- Ms Andrea Coote (Chair)
- Ms Carolanne Barkla
- Dr Matthew Cullen
- Ms Sally Evans
- Dr Dorothy Jones
- Dr Stephen Judd¹²
- Professor Susan Kurrle
- Ms Maree McCabe
- Mr Paul Sadler
- Mr Ian Yates AM
- Ms Janet Anderson PSM, Commissioner (ex-officio)
- Dr Melanie Wroth, Chief Clinical Advisor (ex-officio)
- Ms Amy Laffan, Department of Health (ex-officio).

In December 2019 the Advisory Council provided advice, at the request of the Minister for Aged Care and Senior Australians, Senator the Hon Richard Colbeck, on additional powers that the Commission should have to achieve its objectives, further to those transferred to the Commission from the Department of Health on 1 January 2020.

¹² Dr Judd was a member of the Advisory Council until 18 May 2020.

The advice provided was in the form of an options paper framed around eight areas identified for change. The advice included work already underway, as well as options which would require consideration of legislative change and resourcing.

As requested by the Minister, the development of the options paper considered the Interim Report of the Royal Commission into Aged Care Quality and Safety and recommendations of the Carnell Inquiry into events at Earle Haven in identifying and developing priorities for change.

In January 2020, the Minister notified the Advisory Council that he had shared the options paper with the Royal Commission to assist with its consideration of quality and safety regulation. In April 2020, senior staff from the Royal Commission met with the Advisory Council to discuss the contents of the options paper.

The Advisory Council continues to consider the options outlined for reform and provide advice to the Commissioner and the Minister.

Other strategic issues on which the Advisory Council provided advice in 2019–20 included:

- performance ratings of providers
- other issues arising from the hearings of the Royal Commission into Aged Care Quality and Safety
- meeting the needs of people from diverse communities
- managing provider prudential risk in the sector
- responding to the COVID-19 pandemic
- the preparation of the Commission's 2020–21 Corporate Plan.

Management of human resources

Our staff are our greatest asset and we continually develop and build their capabilities.

The following sections provide key workforce statistics and other key indicators of effectiveness in managing and developing employees to achieve our objectives, including:

- workplace arrangements
- our approach to learning and development
- staff engagement
- work health and safety
- diversity.

Workforce planning, staff retention and turnover

At 30 June 2020, our headcount was 516.

Of the Commission's 516 headcount:

- 84 per cent are full-time employees
- 97 per cent are ongoing employees
- 74 per cent of staff are female
- leadership roles range from EL 1 to SES level and are held by 149 staff, of which 69 per cent are female and 31 per cent male
- 25 per cent are APS-employed quality assessors
- 24 per cent are complaints officers.

There was a total of 72 separations during the reporting period, of which:

- five were non-ongoing employees
- 12 were executive level employees
- 34 were quality assessors (includes 11 casuals)
- six were complaints officers.

Workforce statistics

Table 20: All ongoing employees current report period (2019–20)

| | Male | | | Female | | | Indeterminate | | | Total |
|----------------------|----------|-----------|------------|----------|-----------|--------------|---------------|-----------|---------------------|-------|
| | Fulltime | Part time | Total male | Fulltime | Part time | Total female | Fulltime | Part time | Total indeterminate | |
| NSW | 47 | 3 | 50 | 95 | 21 | 116 | – | – | – | 166 |
| QLD | 12 | 1 | 13 | 43 | 15 | 58 | – | – | – | 71 |
| SA | 9 | – | 9 | 35 | 7 | 42 | – | – | – | 51 |
| TAS | 4 | – | 4 | 12 | – | 12 | – | – | – | 16 |
| VIC | 24 | 1 | 25 | 53 | 13 | 66 | – | – | – | 91 |
| WA | 7 | – | 7 | 20 | 6 | 26 | – | – | – | 33 |
| ACT | 19 | 3 | 22 | 42 | 7 | 49 | – | – | – | 71 |
| NT | – | – | – | – | – | – | – | – | – | – |
| External territories | – | – | – | – | – | – | – | – | – | – |
| OS | – | – | – | – | – | – | – | – | – | – |
| Total | 122 | 8 | 130 | 300 | 69 | 369 | – | – | – | 499 |

Table 21: All non-ongoing employees current report period (2019–20)

| | Male | | | Female | | | Indeterminate | | | Total |
|----------------------|----------|-----------|------------|-----------|-----------|--------------|---------------|-----------|---------------------|-----------|
| | Fulltime | Part time | Total male | Fulltime | Part time | Total female | Fulltime | Part time | Total indeterminate | |
| NSW | 2 | | 2 | 3 | 1 | 4 | – | – | – | 6 |
| QLD | – | – | – | 2 | 1 | 3 | – | – | – | 3 |
| SA | – | – | – | – | – | – | – | – | – | – |
| TAS | 1 | – | 1 | – | – | – | – | – | – | 1 |
| VIC | – | – | – | – | 1 | 1 | – | – | – | 1 |
| WA | – | – | – | 1 | – | 1 | – | – | – | 1 |
| ACT | – | – | – | 4 | 1 | 5 | – | – | – | 5 |
| NT | – | – | – | – | – | – | – | – | – | – |
| External territories | – | – | – | – | – | – | – | – | – | – |
| OS | – | – | – | – | – | – | – | – | – | – |
| Total | 3 | – | 3 | 10 | 4 | 14 | – | – | – | 17 |

Table 22: All ongoing employees previous report period (2018–19)

| | Male | | | Female | | | Indeterminate | | | Total |
|----------------------|------------|-----------|------------|------------|-----------|--------------|---------------|-----------|---------------------|------------|
| | Fulltime | Part time | Total male | Fulltime | Part time | Total female | Fulltime | Part time | Total indeterminate | |
| NSW | 37 | 3 | 40 | 96 | 15 | 111 | – | – | – | 151 |
| QLD | 12 | 2 | 14 | 43 | 17 | 60 | – | – | – | 74 |
| SA | 6 | – | 6 | 34 | 5 | 39 | – | – | – | 45 |
| TAS | 3 | – | 3 | 4 | – | 4 | – | – | – | 7 |
| VIC | 26 | 2 | 28 | 51 | 13 | 64 | – | – | – | 92 |
| WA | 5 | – | 5 | 18 | 5 | 23 | – | – | – | 28 |
| ACT | 11 | 1 | 12 | 21 | 6 | 27 | – | – | – | 39 |
| NT | – | – | – | – | – | – | – | – | – | – |
| External territories | – | – | – | – | – | – | – | – | – | – |
| OS | – | – | – | – | – | – | – | – | – | – |
| Total | 100 | 8 | 108 | 267 | 61 | 328 | – | – | – | 436 |

Table 23: All non-ongoing employees previous report period (2018–19)

| | Male | | | Female | | | Indeterminate | | | Total |
|----------------------|----------|-----------|------------|-----------|-----------|--------------|---------------|-----------|---------------------|-----------|
| | Fulltime | Part time | Total male | Fulltime | Part time | Total female | Fulltime | Part time | Total indeterminate | |
| NSW | 3 | 1 | 4 | 1 | 10 | 11 | – | – | – | 15 |
| QLD | – | 1 | 1 | 3 | 1 | 4 | – | – | – | 5 |
| SA | 1 | – | 1 | 2 | – | 2 | – | – | – | 3 |
| TAS | 1 | – | 1 | – | – | – | – | – | – | 1 |
| VIC | – | 1 | 1 | 3 | 2 | 5 | – | – | – | 6 |
| WA | – | – | – | – | – | – | – | – | – | – |
| ACT | 1 | – | 1 | 5 | – | 5 | – | – | – | 6 |
| NT | – | – | – | – | – | – | – | – | – | – |
| External territories | – | – | – | – | – | – | – | – | – | – |
| OS | – | – | – | – | – | – | – | – | – | – |
| Total | 6 | 3 | 9 | 14 | 13 | 27 | – | – | – | 36 |

Australian Public Sector (APS) classification and gender

**Table 24: Australian Public Service Act ongoing employees
current report period (2019–20)**

| | Male | | | Female | | | Indeterminate | | | Total |
|--------------|------------|-----------|------------|------------|-----------|--------------|---------------|-----------|---------------------|------------|
| | Fulltime | Part time | Total male | Fulltime | Part time | Total female | Fulltime | Part time | Total indeterminate | |
| SES 3 | – | – | – | – | – | – | – | – | – | – |
| SES 2 | – | – | – | – | – | – | – | – | – | – |
| SES 1 | 1 | – | 1 | 6 | – | 6 | – | – | – | 7 |
| EL 2 | 9 | – | 9 | 26 | 1 | 27 | – | – | – | 36 |
| EL 1 | 33 | 2 | 35 | 56 | 11 | 67 | – | – | – | 102 |
| APS 6 | 69 | 4 | 73 | 168 | 45 | 213 | – | – | – | 286 |
| APS 5 | 5 | – | 5 | 18 | 3 | 21 | – | – | – | 26 |
| APS 4 | 3 | 1 | 4 | 14 | 3 | 17 | – | – | – | 21 |
| APS 3 | 2 | 1 | 3 | 12 | 6 | 18 | – | – | – | 21 |
| APS 2 | – | – | – | – | – | – | – | – | – | – |
| APS 1 | – | – | – | – | – | – | – | – | – | – |
| Other | – | – | – | – | – | – | – | – | – | – |
| Total | 122 | 8 | 130 | 300 | 69 | 369 | – | – | – | 499 |

**Table 25: Australian Public Service Act non-ongoing employees
current report period (2019–20)**

| | Male | | | Female | | | Indeterminate | | | Total |
|--------------|----------|-----------|------------|-----------|-----------|--------------|---------------|-----------|---------------------|-----------|
| | Fulltime | Part time | Total male | Fulltime | Part time | Total female | Fulltime | Part time | Total indeterminate | |
| SES 3 | – | – | – | 1 | – | 1 | – | – | – | 1 |
| SES 2 | – | – | – | – | – | – | – | – | – | – |
| SES 1 | – | – | – | – | 1 | 1 | – | – | – | 1 |
| EL 2 | 1 | – | 1 | 1 | – | 1 | – | – | – | 2 |
| EL 1 | – | – | – | – | – | – | – | – | – | – |
| APS 6 | 1 | – | 1 | 5 | 3 | 8 | – | – | – | 9 |
| APS 5 | – | – | – | 2 | – | 2 | – | – | – | 2 |
| APS 4 | – | – | – | 1 | – | 1 | – | – | – | 1 |
| APS 3 | 1 | – | 1 | – | – | – | – | – | – | 1 |
| APS 2 | – | – | – | – | – | – | – | – | – | – |
| APS 1 | – | – | – | – | – | – | – | – | – | – |
| Other | – | – | – | – | – | – | – | – | – | – |
| Total | 3 | – | 3 | 10 | 4 | 14 | – | – | – | 17 |

Table 26: Australian Public Service Act ongoing employees previous report period (2018–19)

| | Male | | | Female | | | Indeterminate | | | Total |
|--------------|------------|-----------|------------|------------|-----------|--------------|---------------|-----------|---------------------|------------|
| | Fulltime | Part time | Total male | Fulltime | Part time | Total female | Fulltime | Part time | Total indeterminate | |
| SES 3 | – | – | – | – | – | – | – | – | – | – |
| SES 2 | – | – | – | – | – | – | – | – | – | – |
| SES 1 | – | – | – | 4 | – | 4 | – | – | – | 4 |
| EL 2 | 6 | 1 | 7 | 19 | 2 | 21 | – | – | – | 28 |
| EL 1 | 25 | – | 25 | 49 | 6 | 55 | – | – | – | 80 |
| APS 6 | 52 | 5 | 57 | 152 | 45 | 197 | – | – | – | 254 |
| APS 5 | 9 | 1 | 10 | 14 | 3 | 17 | – | – | – | 27 |
| APS 4 | 4 | – | 4 | 12 | 2 | 14 | – | – | – | 18 |
| APS 3 | 4 | 1 | 5 | 17 | 3 | 20 | – | – | – | 25 |
| APS 2 | – | – | – | – | – | – | – | – | – | – |
| APS 1 | – | – | – | – | – | – | – | – | – | – |
| Other | – | – | – | – | – | – | – | – | – | – |
| Total | 100 | 8 | 108 | 267 | 61 | 328 | – | – | – | 436 |

Table 27: Australian Public Service Act non-ongoing employees previous report period (2018–19)

| | Male | | | Female | | | Indeterminate | | | Total |
|--------------|----------|-----------|------------|-----------|-----------|--------------|---------------|-----------|---------------------|-----------|
| | Fulltime | Part time | Total male | Fulltime | Part time | Total female | Fulltime | Part time | Total indeterminate | |
| SES 3 | – | – | – | 1 | – | 1 | – | – | – | 1 |
| SES 2 | – | – | – | – | – | – | – | – | – | – |
| SES 1 | – | – | – | – | 1 | 1 | – | – | – | 1 |
| EL 2 | 1 | – | 1 | 1 | – | 1 | – | – | – | 2 |
| EL 1 | – | – | – | 1 | – | 1 | – | – | – | 1 |
| APS 6 | 2 | 3 | 5 | 2 | 12 | 14 | – | – | – | 19 |
| APS 5 | 2 | – | 2 | 7 | – | 7 | – | – | – | 9 |
| APS 4 | – | – | – | 2 | – | 2 | – | – | – | 2 |
| APS 3 | 1 | – | 1 | – | – | – | – | – | – | 1 |
| APS 2 | – | – | – | – | – | – | – | – | – | – |
| APS 1 | – | – | – | – | – | – | – | – | – | – |
| Other | – | – | – | – | – | – | – | – | – | – |
| Total | 6 | 3 | 9 | 14 | 13 | 27 | – | – | – | 36 |

Employment type by full-time and part-time status

**Table 28: Australian Public Service Act employees
by full-time and part-time status current report period (2019–20)**

| | Ongoing | | | Non-Ongoing | | | Total |
|--------------|------------|-----------|---------------|-------------|-----------|-------------------|------------|
| | Fulltime | Part Time | Total ongoing | Fulltime | Part Time | Total non-ongoing | |
| SES 3 | – | – | – | – | – | 1 | 1 |
| SES 2 | – | – | – | – | – | – | – |
| SES 1 | 7 | – | 7 | – | 1 | 1 | 8 |
| EL 2 | 35 | 1 | 36 | 2 | – | 2 | 38 |
| EL 1 | 89 | 13 | 102 | – | – | – | 102 |
| APS 6 | 237 | 49 | 286 | 6 | 3 | 9 | 295 |
| APS 5 | 23 | 3 | 26 | 2 | – | 2 | 28 |
| APS 4 | 17 | 4 | 21 | 1 | – | 1 | 22 |
| APS 3 | 14 | 7 | 21 | 1 | – | 1 | 22 |
| APS 2 | – | – | – | – | – | – | – |
| APS 1 | – | – | – | – | – | – | – |
| Other | – | – | – | – | – | – | – |
| Total | 422 | 77 | 499 | 13 | 4 | 17 | 516 |

**Table 29: Australian Public Service Act employees
by full-time and part-time status Previous report period (2018–19)**

| | Ongoing | | | Non-Ongoing | | | Total |
|--------------|------------|-----------|---------------|-------------|-----------|-------------------|------------|
| | Fulltime | Part Time | Total ongoing | Fulltime | Part Time | Total non-ongoing | |
| SES 3 | – | – | – | 1 | – | 1 | 1 |
| SES 2 | – | – | – | – | – | – | – |
| SES 1 | 4 | – | 4 | – | 1 | 1 | 5 |
| EL 2 | 25 | 3 | 28 | 2 | – | 2 | 30 |
| EL 1 | 74 | 6 | 80 | 1 | – | 1 | 81 |
| APS 6 | 204 | 50 | 254 | 4 | 15 | 19 | 273 |
| APS 5 | 23 | 4 | 27 | 9 | – | 9 | 36 |
| APS 4 | 16 | 2 | 18 | 2 | – | 2 | 20 |
| APS 3 | 21 | 4 | 25 | 1 | – | 1 | 26 |
| APS 2 | – | – | – | – | – | – | – |
| APS 1 | – | – | – | – | – | – | – |
| Other | – | – | – | – | – | – | – |
| Total | 367 | 69 | 436 | 20 | 16 | 36 | 472 |

Employment by location

Table 30: Australian Public Service Act employment type by location
current report period (2019–20)

| | Ongoing | Non-Ongoing | Total |
|----------------------|------------|-------------|------------|
| NSW | 166 | 6 | 172 |
| QLD | 71 | 3 | 74 |
| SA | 51 | – | 51 |
| TAS | 16 | 1 | 17 |
| VIC | 91 | 1 | 92 |
| WA | 33 | 1 | 34 |
| ACT | 71 | 5 | 76 |
| NT | – | – | – |
| External Territories | – | – | – |
| Overseas | – | – | – |
| Total | 499 | 17 | 516 |

Table 31: Australian Public Service Act employment type by location previous report period (2018–19)

| | Ongoing | Non-Ongoing | Total |
|----------------------|------------|-------------|------------|
| NSW | 151 | 15 | 166 |
| QLD | 74 | 5 | 79 |
| SA | 45 | 3 | 48 |
| TAS | 7 | 1 | 8 |
| VIC | 92 | 6 | 98 |
| WA | 28 | - | 28 |
| ACT | 39 | 6 | 45 |
| NT | - | - | - |
| External Territories | - | - | - |
| Overseas | - | - | - |
| Total | 436 | 36 | 472 |

Indigenous employment

**Table 32: Australian Public Service Act indigenous employment
current report period (2019–20)**

| | Total |
|-------------|-------|
| Ongoing | 3 |
| Non-ongoing | 1 |
| Total | 4 |

**Table 33: Australian Public Service Act indigenous employment
previous report period (2018–19)**

| | Total |
|-------------|-------|
| Ongoing | 3 |
| Non-ongoing | 1 |
| Total | 4 |

Employment arrangements of SES and non-SES employees

Table 34: Australian Public Service Act employment arrangements
current report period (2019–20)

| | SES | Non-SES | Total |
|----------------------------------|-----|---------|-------|
| Individual flexibility agreement | – | 4 | 4 |
| Total | – | 4 | 4 |

Salary ranges by classification level

Table 35: Australian Public Service Act employment salary ranges by classification level (minimum/maximum) current report period (2019–20)

| | Minimum salary \$ | Maximum salary \$ |
|-----------------------|-------------------|-------------------|
| SES 3 | – | – |
| SES 2 | – | – |
| SES 1 | – | – |
| EL 2 | 122,306 | 144,804 |
| EL 1 | 102,512 | 116,916 |
| APS 6 | 83,420 | 94,110 |
| APS 5 | 74,518 | 80,588 |
| APS 4 | 69,523 | 73,459 |
| APS 3 | 61,364 | 68,017 |
| APS 2 | 53,100 | 57,946 |
| APS 1 | 45,434 | 51,026 |
| Other | – | – |
| Minimum/maximum range | – | – |

Key management personnel

The Commission provides the following information about remuneration for senior executives.

Policies and practices

Under Section 24 of the ACQSC Act, the Minister for Senior Australians and Aged Care appointed the Commissioner of the Commission. The terms and conditions of this appointment are determined in accordance with the Remuneration Tribunal Amendment Determination (No. 4) 2018.

Senior executives (SES employees) are employed under section 22 of the PS Act. Remuneration of SES employees is determined by the Commissioner in accordance with the Commission's SES employees' remuneration, conditions and performance policy and the APS Executive Remuneration Policy. Their terms and conditions of employment are provided through a section 24(1) determination under the PS Act.

The section 24(1) determination includes:

- annual salary
- superannuation arrangements
- provision for parking of the employee's vehicle
- leave, official travel and other entitlements in accordance with the Commission's applicable policies and guidelines
- flexible working arrangements (where applicable).

Other highly paid staff are remunerated under the terms and conditions of the Commission's Enterprise Agreement 2019–2022, which may be varied by an Individual Flexibility Arrangement (IFA) as per the provisions of Schedule 2.2 of the Fair Work Regulations 2009, if approved by the Commissioner.

An IFA needs to meet the genuine needs of the Commission and the employee, is mutually agreed between the two, and is based on capability, experience and qualifications of the employee.

Executive remuneration

Table 36: Executive remuneration for key management personnel current reporting period (2019–20)

| Key management personnel | Short-term benefits | | Post-employment benefits | Other long-term benefits | Termination benefits | Total remuneration |
|--|---------------------|-------------------------------|--------------------------|--------------------------|----------------------|--------------------|
| Name and position title | Base salary | Other benefits and allowances | Superannuation | Long service leave | | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Janet Anderson Aged Care Quality and Safety Commissioner | 419 | – | 65 | 9 | – | 492 |
| Christina Bolger Executive Director, Regulatory Policy and Performance | 217 | – | 42 | 7 | – | 266 |
| Pam Christie Executive Director, Industry Engagement and Communications | 246 | – | 38 | 6 | – | 291 |
| Emma Jobson Chief Operating Officer (interim) | 187 | 25 | 33 | 5 | – | 249 |
| Shona Reid Executive Director, Performance, Education and Policy – Complaints Resolution Group | 192 | 26 | 35 | 5 | – | 258 |
| Anthony Speed* Executive Director, Provider Approvals and Compliance | 84 | 12 | 18 | 2 | – | 116 |
| Dr Melanie Wroth Chief Clinical Advisor | 225 | 27 | 36 | 5 | – | 293 |
| Ann Wunsch Executive Director, Quality Assessment and Monitoring Operations | 229 | – | 34 | 6 | – | 269 |
| Totals | 1,799 | 90 | 301 | 45 | – | 2,234 |

Note: Key management personnel are the senior executive within the Commission, so only one data template is included.

* For the period 1 January 2020 – 30 June 2020, as the position transferred to the Commission on 1 January 2020.

**Table 37: Executive remuneration for other highly paid staff
current reporting period (2019–20)**

| Other highly paid staff | | Short-term benefits | | Post-employment benefits | Other long-term benefits | Termination benefits | Total remuneration |
|-------------------------|-----------------------------------|---------------------|-------------------------------|--------------------------|--------------------------|----------------------|--------------------|
| Remuneration Band | Number of other highly paid staff | Base salary | Other benefits and allowances | Superannuation | Long service leave | | |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| \$0-\$220,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Executive remuneration

**Table 38: Information about remuneration for senior executives
current reporting period (2019–20)**

| Remuneration bands | Number of senior executives | Short-term benefits | | | Post-employment benefits | Other long-term benefits | | Termination benefits | Total remuneration |
|-----------------------|-----------------------------|---------------------|-----------------|---------------------------------------|---------------------------------------|----------------------------|----------------------------------|------------------------------|----------------------------|
| | | Average base salary | Average bonuses | Average other benefits and allowances | Average super-annuation contributions | Average long service leave | Average other long-term benefits | Average termination benefits | Average total remuneration |
| \$0 – \$220,000 | 1 | 84 | – | 12 | 18 | 2 | – | – | 116 |
| \$220,001 – \$245,000 | – | – | – | – | – | – | – | – | – |
| \$245,001 – \$270,000 | 4 | 206 | – | 26 | 36 | 6 | – | – | 261 |
| \$270,001 – \$295,000 | 2 | 236 | – | 27 | 37 | 6 | – | – | 292 |
| \$295,001 – \$320,000 | – | – | – | – | – | – | – | – | – |
| \$320,001 – \$345,000 | – | – | – | – | – | – | – | – | – |
| \$345,001 – \$370,000 | – | – | – | – | – | – | – | – | – |
| \$370,001 – \$395,000 | – | – | – | – | – | – | – | – | – |
| \$395,001 – \$420,000 | – | – | – | – | – | – | – | – | – |
| \$420,001 – \$445,000 | – | – | – | – | – | – | – | – | – |
| \$445,001 – \$470,000 | – | – | – | – | – | – | – | – | – |
| \$470,001 – \$495,000 | 1 | 419 | – | – | 65 | 9 | – | – | 492 |

Governance arrangements

The Commissioner has the authority to determine the remuneration for key management personnel, senior executives and other highly paid employees under section 24(1) of the PS Act.

Basis of determining remuneration

The Commissioner determines executive remuneration individually for each executive level employee under the Commission's section 24(1) determination, considering the APS Executive Remuneration Management Policy and other guidance provided by the Australian Public Service Commission.

The SES employees' remuneration, conditions and performance policy does not allow for any bonus component related to performance. Progression to a higher salary is based on an annual performance assessment conducted in July under the Performance Development Scheme (PDS) in place for all SES employees. Salary progression is not automatic.

The preceding tables provide disaggregated information related to Commission executive remuneration for the reporting period (2019–20).

Workplace arrangements

Recruitment

Applicants are assessed on their demonstrated ability, skills, knowledge, experience and qualifications to perform the role. These requirements are in line with the APS Work Level Standards.

We have undertaken three quality assessor recruitment rounds in 2019–20. As a result we have engaged 27 quality assessors nationally as ongoing employees. We also engaged nine complaints officers and five compliance officers.

We have advertised and filled eight other nationwide vacancies through APS Jobs.

Table 39: Recruitment per state (2019–20)

| | Snr/Quality assessor (1 July 2019 – 30 June 2020) | Complaints officer (1 July 2019 – 30 June 2020) | Compliance officer* (1 Jan 2020 – 30 June 2020) |
|--------------|---|---|---|
| NSW | 6 | 2 | – |
| QLD | 6 | 1 | – |
| SA | 3 | 1 | – |
| TAS | – | 1 | 1 |
| VIC | 10 | 2 | – |
| WA | 1 | 1 | 1 |
| ACT | 1 | 1 | 3 |
| NT | – | – | – |
| Total | 27 | 9 | 5 |

* This function transferred to the Commission on 1 January 2020.

Salary ranges and advancement

The Commission's Enterprise Agreement 2019–2022 details our classification structure and salaries.

The opportunity for salary advancement for employees occurred in the first full pay period in August 2019.

The Commission does not pay performance pay.

Our approach to learning and development

We identify individual job capabilities, functions and roles to effectively manage the Commission's business. Our aim is to have a dynamic and educated workforce that meets our capability requirements now and into the future.

We have continued to provide a wide range of learning and development opportunities to all staff. We use Learnhub as a core learning platform for the induction of new starters. All staff are required to complete mandatory learning modules and we continually add and update modules to ensure we are compliant with regulation.

To support diversity in the Commission, the 'Core Cultural Learning: Aboriginal and Torres Strait Islander Australia' module has been added for all staff to access.

Skillsoft has also been added to our Learnhub platform, which allows all Commission employees to access a suite of 40,000 multi-modal courses, videos, books and micro-learning modules in six key business skills solution areas; created and procured by Skillsoft to support staff.

To support building and sustaining strong leadership throughout the Commission, we have implemented the Leadership and Management Development Program. The program balances the relationship between leadership, management and technical skills required for our APS 6 emerging leaders and EL 1 current leaders. So far, 30 participants have undertaken the first module: 'Building and Leading High Performing Teams'.

Employee pursuit of professional qualifications continues to be supported.

In 2019–20, six staff accessed study assistance and/or study leave, and 24 days of study leave was approved. There were 19 requests approved by HR Services for individuals to participate in external learning events including workshops, courses and conferences.

Staff engagement

Engagement with staff continued to be an important focus for the Commission with new ways of informing, consulting and engaging teams throughout the year.

In 2019, extensive face-to-face engagement occurred at team meetings, and visits by the Commissioner and Executive Leadership Group to each of the Commission's 11 offices. These engagement processes then successfully moved online due to the COVID-19 pandemic. In May 2020, more than half of our staff participated in discussions about the strategic direction of the Commission and these insights contributed to the development of our 2020–21 Corporate Plan.

During the COVID-19 pandemic, our workforce largely moved to working remotely. While offices remained open for those staff who could not work remotely, we conducted regular pulse surveys with staff to understand levels of engagement, emerging issues and to identify new ways to keep staff feeling connected to the workplace.

Monthly webinars

A new monthly all-staff webinar initiative commenced in April 2020. During the webinars, staff hear from the Commissioner and other members of the National Leadership Group about important issues, strategic updates and innovative initiatives from across the Commission.

Feedback from staff has been positive with many valuing the opportunity to hear directly from the Commissioner in this online format.

National Leadership Group

The National Leadership Group consists of the ELG as well as EL 2 officers. The group met monthly, via video conference, to discuss strategic issues impacting the Commission, and to share information, insights and innovation.

Staff Participation Forum

The Commission established a Staff Participation Forum as its peak employee consultation mechanism. The forum provides a means for consulting with employees about the enterprise agreement, proposed changes to workplace policies, and issues and events of significance to the whole of the Commission.

The forum comprised staff, management and union representatives, and met quarterly via an electronic platform.

Work Health and Safety (WHS)

The workers' compensation scheme contained in the *Safety, Rehabilitation and Compensation Act 1988* (SRC Act) governs employees of Commonwealth and ACT statutory authorities. The SRC Act provides rehabilitation and workers' compensation to employees covered by the scheme for a work-related injury or illness. The Commission is covered by Comcare for the management of its workers' compensation liability.

We are committed to providing and maintaining a safe and healthy workplace and meeting our responsibilities under the SRC Act. We have an early intervention program in place that provides support and injury management assistance for injured or ill employees as soon as possible after an injury or illness occurs. The injury or illness could have been sustained at work, or be a non-work-related condition, which is impacting the employee's ability to remain at or be engaged in work.

There were 77 early intervention cases lodged during 2019–20 and six workers' compensation claims submitted, two of which were accepted. A total of 439 days were lost due to compensable injuries. The early intervention strategy has allowed us to manage cases without them requiring lodgement as workers' compensation claims, which has provided us with a considerable saving in our workers' compensation premium.

Each case was managed in a timely manner and, more importantly, facilitated an early return to work for our employees.

There has been an increase in uptake of early intervention assistance, particularly since the commencement of the Commission, assisting employees to work safely with rehabilitation assessments and ergonomic equipment being supplied as part of the early intervention strategy.

We offered a flu vaccination program this year for all employees, including contractors, across each state, as well as reimbursement of flu vaccinations from employees' local treating doctor or pharmacy outlet. This program continues to work well and there has been an increased uptake compared with last year, with this year's participation rate being 80 per cent.

Diversity

We value the diversity of our staff.

Our Respectful Workplace Framework was established to embrace and value differences in our workplace, such as age, gender and race. The framework is a part of our commitment to fostering a diverse and inclusive workplace and to reduce the risk of discrimination.

We welcome and actively encourage applications from people with disability, people from multicultural communities, and people from Aboriginal and Torres Strait Islander backgrounds. We recognise the richness of diversity and the unique knowledge all employees can bring to our workplace, policy development and service delivery.

All our employees are required to complete a mandatory online course about Diversity and Discrimination, which is part of the induction for new starters.

A diversity strategy working party is collaborating with employees across the Commission to develop a robust and inclusive approach.

Events have been organised to celebrate diversity including NAIDOC Week and International Women's Day. Further events usually held across the Commission were suspended due to working from home arrangements implemented in March 2020 in response to COVID-19.

Staff with carer responsibilities

Through the *Carer Recognition Act 2010* (the Carers Act) and the *Carer Recognition Act 2010 Guidelines April 2016*, the Australian Government recognises the contribution made by unpaid carers.

The aim of the Carers Act is to increase recognition and awareness of the role carers play in providing daily care and support to people with disability, a medical condition, mental illness or who are frail and aged. The Commission recognises the need of some of its employees to provide care, support and assistance in the role of carer.

We support access to personal/carers leave for all employees. Our enterprise agreement has provisions for personal/carers leave and flexible working hours to manage carer responsibilities.

In 2019–20, 12 staff (2 per cent), of whom three (0.6 per cent) were males, accessed carers leave. There was a total of 243 days taken as carers leave, and 39 of those days were taken by males. We will continue to foster an organisational culture in which carers are encouraged and supported.

Indigenous staff

In March 2015, the government announced a new target of three per cent Aboriginal and Torres Strait Islander representation in the Commonwealth public sector by 2018. To monitor progress against the target, Aboriginal and Torres Strait Islander representation is to be reported.

Our staff can nominate as being either of Aboriginal or Torres Strait Islander origin and four staff members have done so in the reporting period.

Reporting on disability

The *Commonwealth Disability Strategy 2010–20* sets out a 10-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. Reports tracking progress against each of the six outcome areas of the strategy are available at dss.gov.au.

We offer employees reasonable adjustment in the workplace and accessible workplaces.

External scrutiny

Office of the Australian Information Commissioner decisions

We were notified of three new review applications before the Office of the Australian Information Commissioner in the period from 1 July 2019 to 30 June 2020. All three of these new review applications were withdrawn following the release of additional information to the FOI applicant, prior to a decision being made by the Information Commissioner.

We carried over three Information Commissioner reviews of FOI decisions made by the Aged Care Complaints Commissioner. Two of these were finalised in the period. In one case, the Information Commissioner affirmed the Commission's decision, while the other was finalised by the Information Commissioner after receipt of the Commission's initial submissions. The outstanding review is awaiting a decision by the Information Commissioner.

Commonwealth Ombudsman

The Commonwealth Ombudsman commenced two investigations under section 8 of the *Ombudsman Act 1976* and made three section 7A preliminary inquiries about how we handle specific complaints. We provided information in response to all five matters, and were subsequently advised by the Ombudsman that no further action was required in relation to any of the five cases.

Regulator performance framework

The Commission is accountable to the government for our performance as a regulator. The Australian Government's Regulator Performance Framework (RPF) sets out the government's expectations of Commonwealth regulators. The RPF encourages regulators to undertake their functions with minimum impact to achieve regulatory objectives and give businesses and the community confidence that regulators effectively and flexibly manage risk.

Under the terms of the RPF, we are required to monitor and self-assess our performance and report against six key performance indicators each financial year. The Commission's self-assessment report to 30 June 2020 is currently being prepared.

Parliamentary accountability

On 23 October 2019, the Commission attended the Community Affairs Legislation Committee supplementary budget estimates hearing. On 4 March 2020, the Commission attended the Community Affairs Legislation Committee additional estimates hearing.

During the reporting period, we responded to 23 questions on notice from estimates hearings and contributed to the Department of Health portfolio questions on notice as requested.

Additionally, the Commissioner appeared before the Senate Select Committee on COVID-19 on 26 May 2020. The Committee was established to inquire into the Australian Government's response to the COVID-19 pandemic. The Commission responded to 21 questions on notice from the Committee and contributed to the Department of Health portfolio questions as requested.

Royal Commission into Aged Care Quality and Safety

The Royal Commission into Aged Care Quality and Safety is examining the full extent of issues in aged care now and into the future. We have given a high priority to cooperating with and responding in a timely way to requests from the Royal Commission. Supporting and informing its work has been a key focus area in our 2019–20 Corporate Plan. As outlined in the report on performance against our Corporate Plan, all performance measures in relation to responsiveness to the Royal Commission have been met.

Administrative Appeals Tribunal (AAT)

There were four active matters during the 2019–20 financial year.

All four were under review at the AAT when regulatory functions were transferred from the Department of Health to the Commission on 1 January 2020. Of these, one was finalised during the period with the decision previously made by the Department of Health upheld. The other three matters are still in progress at 30 June 2020.

Assessment of effectiveness of assets management

This item is not applicable because assets management is not a significant aspect of the strategic business of the Commission and none of the asset base has a life of 50 years or greater.

Purchasing

All purchasing is carried out in line with the requirements of the Commonwealth Procurement Rules and financial policies and procedures, and in keeping with the core principles of value for money, ethical, efficient, effective and economical conduct. Templates covering all aspects of purchasing and approval are maintained and used consistently.

All procurements in excess of \$10,000 are reported in AusTender.

Consultancies

During 2019–20, three new consultancy contracts were entered into involving total actual expenditure of \$123,129. In addition, one ongoing consultancy contract was active during the period involving total actual expenditure of \$7,700.

The Commission contracts providers of professional services after considering the skills and resources required for the task, internal capacity, and the cost effectiveness of contracting an external service provider. The decision to engage a consultant is made in accordance with the PGPA Act and related regulations.

Table 40: Consultancies 2019–20

| | Number | Expenditure \$'000s (GST inclusive) |
|---|--------|--|
| New consultancies let in the current year | 3 | 123.1 |
| Ongoing active consultancies | 1 | 7.7 |

Table 41: Consultancy trend data

| | 2018–19 | 2019–20 |
|---------------------------------|---------|---------|
| New contracts | | |
| Number of new contracts | 4 | 3 |
| Consultancy expenditure \$'000s | 147.1 | 123.1 |
| Ongoing contracts | | |
| Number of ongoing contracts | – | 1 |
| Consultancy expenditure \$'000s | – | 7.7 |

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the Austender website at tenders.gov.au

Australian National Audit Office access clauses

Departments must provide details of any contract let during the reporting period of \$100,000 or more (inclusive of GST) that does not provide for the Auditor-General to have access to the contractor's premises.

During 2019–20, no contracts were let that did not require the Auditor-General to have access to the contractor's premises.

Procurement initiatives to support small business

We support small business participation in the Australian Government procurement market wherever possible.

Where whole-of-government travel requirements cannot be met due to remote locations, we seek to book accommodation with local small business accommodation venues.

Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website.

Exempt contracts

If any contract in excess of \$10,000 (inclusive of GST) or a standing offer has been exempted by the Commissioner from being published in AusTender on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*, the fact the contract has been exempted and the value of the contract or standing offer must be reported to the extent that doing so does not in itself disclose the exempt matters.

During 2019–20, there were no contracts considered exempt from publication in AusTender.



**Other
accountability
reporting**

ISQua accreditation

We strive to be a best practice regulator and ensure our accreditation framework is consistent with internationally recognised accreditation frameworks.



We are accredited by the International Society for Quality in Health Care (ISQua) under its *Guidelines and Standards for External Evaluation Organisations, 4th edition*. ISQua assesses the standards of organisations that set the benchmarks in healthcare safety and quality.

It is the only international organisation that specifically uses health and social care standards.

Our Quality Assessor Training Program is accredited by ISQua against its *Guidelines and Standards for Surveyor Training Programmes, 2nd edition*.

We participate in the ISQua International Accreditation Program as members of survey teams, surveying other accreditation organisations, standards and surveyor training programs.

As active members of the ISQua Accreditation Council, we promote quality improvement in external evaluation programs through sharing and discussion with accreditation bodies across Australia and internationally, and researching evidence-based external evaluation practice.

Freedom of Information

The Aged Care Quality and Safety Commission had five Freedom of Information (FOI) requests on hand at 1 July 2019.

We received 46 new FOI applications in the reporting period. Of these, 35 requests were finalised during the same period, and nine requests were withdrawn. Six requests have been carried over to the new financial year.

Of the 35 decisions made, in 29 cases we gave the FOI applicant partial or full access to the documents they sought. Five requests were refused in full under s 38(1) of the *Freedom of Information Act 1982* (FOI Act) because of the extent of protected information in the documents. One request was refused under s 24A(1) of the FOI Act as no documents relating to the request existed in our records.

In the same period, we received four requests for internal review of FOI decisions. We affirmed the original decision for one of the requests and varied the original decisions for three of the requests in order to release more information to the applicant.

Information Publication Scheme

Entities subject to the FOI Act are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements.

The Aged Care Quality and Safety Commission's plan can be found at agedcarequality.gov.au/about-us/access-information/information-publication-scheme-ips.

Complaints about our service

We are committed to the continuous improvement of our own processes and use the feedback provided by our stakeholders, including complaints about our service, to guide improvements.

When we receive a service complaint, we respond with information that may include: an outline of our complaints process, expected timeframes, the progress of the complaint and reasons for any delay, the complainant's involvement in the process, and the possible or likely outcome of the complaint.

We advise the complainant as soon as possible when we are unable to deal with any part of the complaint and provide advice about where such issues and/or complaints may be directed.

We received 67 complaints during the year, compared with 158 the previous financial year.

Complaints are analysed to identify process improvement opportunities and to inform our learning and development programs.

Advertising campaigns

During 2019–20, the Commission did not conduct any advertising campaigns.

Corrections

There are no corrections to report from 2018–19.



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INDEPENDENT AUDITOR'S REPORT

To the Minister for Aged Care and Senior Australians

Opinion

In my opinion, the financial statements of the Aged Care Quality and Safety Commission for the year ended 30 June 2020:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2020 and its financial performance and cash flows for the year then ended.

The financial statements of the Aged Care Quality and Safety Commission, which I have audited, comprise the following as at 30 June 2020 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Aged Care Quality and Safety Commission, the Commissioner is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Commissioner is also responsible for such internal control as the Commissioner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Commissioner is responsible for assessing the ability of the Aged Care Quality and Safety Commission to continue as a going concern, taking into account whether the Aged Care Quality and Safety Commission's operations will cease as a result of an administrative restructure or for any other reason. The Commissioner is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

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Phone (02) 6203 7300 Fax (02) 6203 7777

Auditor's responsibilities for the audit of the financial statements

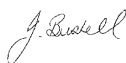
My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Commissioner regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Josephine Bushell
Senior Director

Delegate of the Auditor-General
Canberra
21 September 2020



Australian Government
Aged Care Quality and Safety Commission

Engage
Empower
Safeguard

Aged Care Quality & Safety Commission

Statement by the Accountable Authority and Chief Financial Officer

In our opinion the attached financial statements for the year ended 30 June 2020 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the non-corporate Commonwealth entity will be able to pay its debts as and when they fall due.

J. M. Anderson

Janet Anderson
Accountable Authority

A handwritten signature in blue ink, appearing to read 'K. Smith'.

Kevin Smith
Chief Financial Officer

1800 951 822
agedcarequality.gov.au

Statement of Comprehensive Income

For the year ended 30 June 2020

| | Notes | 2020 \$'000 | 6 Months to 30 June 2019 \$'000 | PBS \$'000 |
|---------------------------------------|-------|----------------|---------------------------------------|----------------|
| Net cost of services | | | | |
| Expenses | | | | |
| Employee benefits | 3A | 54,655 | 24,915 | 50,264 |
| Suppliers | 3B | 33,293 | 17,462 | 26,834 |
| Depreciation and amortisation | 6A-6C | 3,679 | 902 | 1,775 |
| Finance costs | 3C | 41 | – | 16 |
| Total expenses | | 91,668 | 43,279 | 78,889 |
| Own-Source Income | | | | |
| Revenue from contracts with customers | 4A | 7,092 | 7,268 | 7,754 |
| Other revenue | 4B | 411 | 924 | 38 |
| Total own-source income | | 7,503 | 8,192 | 7,792 |
| Net cost of services | | 84,165 | 35,087 | 71,097 |
| Revenue from Government | 4C | 83,431 | 34,190 | 69,322 |
| Total comprehensive deficit | | (734) | (897) | (1,775) |

The above statement should be read in conjunction with the accompanying notes.

Statement of Financial Position

For the year ended 30 June 2020

| | Notes | 2020 \$'000 | 2019 \$'000 | PBS \$'000 |
|---|-------|----------------|----------------|---------------|
| Assets | | | | |
| Financial assets | | | | |
| Cash and cash equivalents | 5A | 11,006 | 3,677 | 1,001 |
| Trade and other receivables | 5B | 35,870 | 31,819 | 26,879 |
| Total financial assets | | 46,876 | 35,496 | 27,880 |
| Non-financial assets¹ | | | | |
| Buildings | 6A | 2,912 | – | – |
| Property plant and equipment | 6B | 2,196 | 1,604 | 2,991 |
| Computer software | 6C | 1,493 | 2,742 | 5,060 |
| Prepayments | | 98 | 350 | 439 |
| Total non-financial assets | | 6,699 | 4,696 | 8,490 |
| Total assets | | 53,575 | 40,192 | 36,370 |
| Liabilities | | | | |
| Payables | | | | |
| Suppliers | | 5,916 | 5,605 | 2,388 |
| Unearned income | 7A | 7,063 | 3,276 | 2,079 |
| Other payables | 7B | 955 | 483 | – |
| Total payables | | 13,934 | 9,364 | 4,467 |
| Interest bearing liabilities | | | | |
| Lease liabilities | 8 | 3,390 | – | – |
| Provisions | | | | |
| Employee provisions | 13 | 17,447 | 13,127 | 12,642 |
| Other provisions | 9 | 1,327 | 1,299 | 346 |
| Total provisions | | 18,774 | 14,426 | 12,988 |
| Total Liabilities | | 36,098 | 23,790 | 17,455 |
| Net assets | | 17,477 | 16,402 | 18,915 |
| Equity | | | | |
| Contributed equity | | 19,002 | 17,299 | 22,866 |
| Accumulated deficit | | (1,525) | (897) | (3,951) |
| Total equity | | 17,477 | 16,402 | 18,915 |

1 Right-of-use assets are included in Buildings and Property plant and equipment.
The above statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2020

| | 2020 \$'000 | 2019 \$'000 | PBS \$'000 |
|--|----------------|----------------|---------------|
| Contributed equity | | | |
| Opening balance | 17,299 | – | 21,174 |
| <i>Distributions to owners:</i> | | | |
| Return of capital | (17,727) | – | – |
| <i>Contributions by owners:</i> | | | |
| Equity injection | 17,738 | 16,279 | – |
| Departmental capital budget | 1,692 | 1,020 | 1,692 |
| Total transactions with owners | 1,703 | 17,299 | 1,692 |
| Closing balance as at 30 June | 19,002 | 17,299 | 22,866 |
| Accumulated deficit | | | |
| Opening balance | (897) | – | (2,176) |
| Adjustments for changes in accounting policy | 106 | – | – |
| Adjusted opening balance | (791) | – | (2,176) |
| Deficit for the period | (734) | (897) | (1,775) |
| Closing balance as at 30 June | (1,525) | (897) | (3,951) |
| Total equity | 17,477 | 16,402 | 18,915 |

The above statement should be read in conjunction with the accompanying notes.

Cash Flow Statement

For the year ended 30 June 2020

| | Notes | 2020 \$'000 | 6 Months to 30 June 2019 \$'000 | PBS \$'000 |
|---|-------|----------------|---------------------------------------|----------------|
| Operating activities | | | | |
| Cash received | | | | |
| Appropriations | | 74,320 | 32,922 | 69,363 |
| Sale of goods and rendering of services | | 10,911 | 6,759 | 8,392 |
| Other | | 949 | 400 | – |
| Net GST received | | 2,928 | 211 | – |
| Total cash received | | 89,108 | 40,292 | 77,755 |
| Cash used | | | | |
| Employees | | (49,494) | (23,517) | (49,482) |
| Suppliers | | (35,141) | (15,790) | (27,895) |
| Interest payments on lease liabilities | | (41) | – | – |
| Total cash used | | (84,676) | (39,307) | (77,377) |
| Net cash from operating activities | | 4,432 | 985 | 378 |
| Investing activities | | | | |
| Cash received | | | | |
| Proceeds from sale of property, plant and equipment | | 40 | – | – |
| Total cash received | | 40 | – | – |
| Cash used | | | | |
| Purchase of property, plant and equipment | | (955) | (885) | (1,157) |
| Purchase of computer software | | (91) | (1,001) | (1,079) |
| Total cash used | | (1,046) | (1,886) | (2,236) |
| Net cash used by investing activities | | (1,006) | (1,886) | (2,236) |
| Financing activities | | | | |
| Cash received | | | | |
| Departmental capital budget | | 5,441 | 1,020 | 1,692 |
| Other financing activity | | – | 3,558 | – |
| Total cash received | | 5,441 | 4,578 | 1,692 |
| Cash used | | | | |
| Principal repayments of lease liabilities | | (1,538) | – | – |
| Total cash used | | (1,538) | – | – |
| Net cash from financing activities | | 3,903 | 4,578 | 1,692 |
| Net (decrease)/increase in cash held | | 7,329 | 3,677 | (166) |
| Cash at the beginning of the period | | 3,677 | – | 1,167 |
| Cash at the end of the period | 5A | 11,006 | 3,677 | 1,001 |

The above statement should be read in conjunction with the accompanying notes.

Overview

Objectives of the Aged Care Quality and Safety Commission

The Aged Care Quality and Safety Commission (the Commission) is a non-corporate Commonwealth entity established by the *Australian Aged Care Quality & Safety Commission Act 2018*. The Commission is subject to the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The Commission commenced operations on 1 January 2019, bringing together the functions of the Aged Care Quality Agency (which was abolished on 31 December 2018), the Aged Care Complaints Commissioner and, from 1 January 2020, the aged care regulatory functions previously performed by the Department of Health. The comparative numbers for the 2019 year are, accordingly, for a six-month period only.

The Commission's functions are:

- approving providers of aged care services;
- promoting the provision of quality care and services by approved providers;
- education functions;
- ensuring compliance of aged care services with the relevant legislation;
- regulatory functions including accreditation of residential aged care services;
- imposing and lifting sanctions on aged care providers;
- reconsidering and reviewing decisions;
- consumer engagement functions; and
- complaints functions.

There were no events after the reporting period that would significantly affect the ongoing structure and financial activities of the Commission.

Basis of preparation of the financial statements

The financial statements are general purpose financial statements and are required by Section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- *Public Governance Performance and Accountability (Financial Reporting) Rule 2015* (FRR), incorporating amendments in the *Public Governance, performance and Accountability (Financial Reporting) Amendments Rules 2019*; and
- Australian Accounting Standards and Interpretations – Reduced Reporting Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis, and in accordance with the historical costs convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values.

Significant accounting estimates and judgements

Except where specifically identified and disclosed, the Commission has determined that no accounting assumptions and estimates have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

New accounting standards

Adoption of new Australian accounting standards requirements

No new, revised, amending statements and/or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period had a material effect on the Commission's financial statements.

Application of AASB 16 Leases

The Commission adopted AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2019 is not restated, that is, it is presented as previously reported under AASB 117 and related interpretations.

The Commission elected to apply the practical expediency of not reassessing whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under AASB 117 were not reassessed. The definition of a lease under AASB 16 was applied only to contracts entered into or changed on or after 1 July 2019.

AASB 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The Commission adopted the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Excluding initial direct costs from the measurement of right-of-use assets at the date of initial application for leases where the right-of-use asset was determined as if AASB 16 had been applied since the commencement date;
- Relying on previous assessments on whether leases are onerous as opposed to preparing an impairment review under AASB 136 Impairment of assets as at the date of initial application; and
- Applying the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application.

As a lessee, the Commission previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under AASB 16, the Commission recognises right-of-use assets and lease liabilities for most leases. However, the Commission has elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less.

On adoption of AASB 16, the Commission recognised right-of-use assets and lease liabilities in relation to leases of office space and motor vehicles that had previously been classified as operating leases.

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the Commission's incremental borrowing rate as at 1 July 2019. The Commission's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 1.0%.

The right-of-use assets were measured as follows:

- a) Office space: measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.
- b) All other leases: the carrying value that would have resulted from AASB 16 being applied from the commencement date of the leases, subject to the practical expedients noted above.

Impact on transition to AASB 16

The impact on transition is summarised in note 1.

Application of AASB 15 Revenue from contracts with Customers / AASB 1058 Income for Not-For-Profit-Entities. AASB 15 Revenue from Contracts with Customers and AASB 1058 Income for Not-For-Profit Entities became effective on 1 July 2019.

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including *AASB 118 Revenue*, *AASB 115 Construction Contracts*, and *Interpretation 13 Customer Loyalty Programmes*. The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

AASB 1058 is relevant in circumstances where AASB 15 does not apply. AASB 1058 replaces most of the Not-For-Profit (NFP) provisions of *AASB 1004 Contributions*, and applies to transactions where the consideration to acquire an asset principally to enable the entity to further its objectives is significantly less than its fair value, and where volunteer services are received.

Under the new income recognition model the Commission first determines whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are sufficiently specific.

In terms of AASB 1058, the Commission is required to recognise volunteer services at fair value if those services would have been purchased had they not been provided voluntarily, and if the fair value of those services can be measured reliably.

Impact on transition to AASB 15 and AASB 1058

The requirements of AASB 15 and AASB 1058 are consistent with the way in which the Commission is currently, and historically, has accounted for its revenue from third parties, hence there is no impact from the adoption of these standards.

Impact of COVID-19

The COVID-19 pandemic has impacted the Commission's operations and required adjustments to some regulatory functions focusing additional effort where needed to monitor the wellbeing and safety of consumers. Additional resources were committed to developing alternative methodologies utilising remote computer technology. The Commission's workforce was equipped to facilitate working from home arrangements and this involved an investment in portable computer devices and cloud-supported technology. The Commission's workforce was realigned and enhanced where needed to support the response to COVID-19, including provision of education and advice to the sector.

Notwithstanding these revised work practices the Commission was not able to complete all of the revenue-generating audit assessments that it would have undertaken, with a number of them having to be deferred to the next financial year.

Taxation

The Commission is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Financial performance

This section analyses the financial performance of the Commission for the year ended 30 June 2020

Note 1: Impact of transition to AASB 16

Impact on transition

On transition to AASB 16, the Commission recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below:

| | 1 July 2019 \$'000 |
|--|-----------------------|
| Departmental | |
| Right-of-use assets – buildings | 4,388 |
| Right-of-use assets – property plant & equipment | 62 |
| Lease liabilities | (4,450) |
| Lease incentives | 106 |
| Retained earnings | (106) |

The following table reconciles the departmental minimum lease commitments disclosed in the Commission's 30 June 2019 annual financial statements to the amount of lease liabilities recognised on 1 July 2019:

| | 1 July 2019 \$'000 |
|--|-----------------------|
| Minimum operating lease commitment at 30 June 2019 | 4,638 |
| Less: short-term leases not recognised under AASB 16 | (101) |
| Less: low-value leases not recognised under AASB 16 | (17) |
| Undiscounted lease payments | 4,520 |
| Less: effect of discounting using the incremental borrowing rate as at the date of initial application | (70) |
| Lease liability recognised on 1 July 2019 | 4,450 |

Note 2: Departmental budget commentary

Comments on significant variances between the Commission's original budget estimates, as published in the 2019-20 Portfolio Budget Statements, and the actual expenditure and the net assets for the year are provided in the table below.

| Explanation of major variances | Affected line item |
|--|---|
| Employee benefits Increased level of staffing to cope with greater demands for complaints resolution and compliance-based activities as well as enhancing safety, quality and integrity in the home care compliance through the home care compliance framework. | Employee benefits – Statement of Comprehensive Income Employee provisions – Statement of Financial Position Cash Used for Employees – Cash Flow Statement |
| Suppliers Greater level of contract assessors and casual administration staff due to increasing demands of compliance and monitoring to further enhance safety, quality & integrity in home care, ongoing aged care reforms including risk-based targeting and information sharing, regulatory integration and COVID-19 response; uncapitalised project costs related to integrating operational software. | Supplier costs – Statement of Comprehensive Income Cash used for suppliers – Cash Flow Statement Cash used for investing activities – Cash Flow Statement |
| Depreciation and amortisation Lower than expected capitalised costs relating to integration of operational software; Implementation of new AASB 116 <i>Leases</i> accounting standard. | Depreciation & amortisation – Statement of Comprehensive Income Non financial assets – Statement of Financial Position |
| Own source income Lower level of accreditation audits as a result of COVID-19. | Total own source revenue – Statement of Comprehensive Income Unearned revenues from external parties – Statement of Financial Position Cash from sale of goods and rendering of services – Cash Flow Statement |
| Revenue from Government Additional appropriation for ongoing aged care reforms with the transfer of compliance function to the Commission from 1 January 2020 as well as funding for COVID-19 response and response to the Royal Commission into Aged Care Quality and Safety. | Revenue from Government – Statement of Comprehensive Income Trade and other receivables – Statement of Financial Position Cash from appropriations – Cash Flow Statement |

Note 3: Expenses

Note 3A: Employee benefits

| | 2020 \$'000 | 6 months to 30 June 2019 \$'000 |
|--------------------------------|----------------|---------------------------------------|
| Wages and salaries | 44,725 | 20,482 |
| Superannuation | | |
| Defined contribution plans | 5,095 | 2,370 |
| Defined benefit plans | 2,115 | 938 |
| Leave and other entitlements | 2,659 | 1,125 |
| Separation and redundancies | 61 | – |
| Total employee benefits | 54,655 | 24,915 |

Accounting Policy

Accounting policies for employee related expenses are contained in the People and Relationships section.

Note 3B: Suppliers

| | 2020 \$'000 | 6 months to 30 June 2019 \$'000 |
|--|----------------|---------------------------------------|
| Goods and services provided | | |
| Communications | 2,034 | 611 |
| Consultants | 119 | 134 |
| Contractors | 17,644 | 8,119 |
| IT Services | 1,353 | 760 |
| Legal | 1,654 | 1,377 |
| Serviced facilities | 4,170 | 1,149 |
| Shared services fees | 1,173 | 381 |
| Travel | 2,375 | 2,066 |
| Other | 2,313 | 1,610 |
| Total goods and services provided | 32,835 | 16,207 |
| Other suppliers | | |
| Operating lease rentals ¹ | – | 1,149 |
| Short-term leases | 195 | – |
| Low-value leases | 9 | – |
| Workers compensation expenses | 254 | 106 |
| Total other suppliers | 458 | 1,255 |
| Total suppliers | 33,293 | 17,462 |

- 1 The Commission has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117. The above lease disclosures should be read in conjunction with the accompanying notes. The Commission does not have any short-term lease commitments as at 30 June 2020.

Accounting Policy

Short-term leases and low-value leases:

The Commission has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). The entity recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Note 3C: Finance costs

| | 2020 \$'000 | 6 months to 30 June 2019 \$'000 |
|----------------|----------------|---------------------------------------|
| Finance leases | 41 | – |

The Commission has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117. The above lease disclosures should be read in conjunction with the accompanying notes 1, 3B, 7B, 8 and 17.

Accounting Policy

All borrowing costs are expensed as incurred.

Note 3D: Gain/(loss) from asset sales

| | 2020 \$'000 | 6 months to 30 June 2019 \$'000 |
|--|----------------|---------------------------------------|
| Property, plant and equipment | | |
| Proceeds from sale | 40 | – |
| Carrying value of assets sold | (40) | – |
| Net gain/(loss) from sale of assets | – | – |

Accounting Policy

Gains or losses from disposal of assets are recognised when control of the asset has passed to the buyer.

Note 4: Own-source income

Note 4A: Revenue from contracts with customers

| | 2020 \$'000 | 6 months to 30 June 2019 \$'000 |
|----------------------|----------------|---------------------------------------|
| Accreditation fees | 6,915 | 6,726 |
| Educational services | 171 | 542 |
| Licence fees | 6 | – |
| | 7,092 | 7,268 |

Accounting Policy

Revenue from the sale of goods and services is recognised when control has been transferred to the buyer.

A contract is within the scope of AASB 15 when a contract gives rise to specific performance obligations which are sufficiently specific to enable the Commission to determine when they have been satisfied.

The following is a description of principal activities from which the Commission generates its revenue:

The Commission receives its main source of income from accreditation fees and providing educational activities. Accreditation fees are paid on application and held in unearned revenue in the Statement of Financial Position and brought to revenue, when the performance obligations are met, on completion of the accreditation audit.

Fees for educational services are paid in advance, at the time the customer reserves their place, and are held in unearned revenue in the Statement of Financial Position until the activity has been conducted.

Annual licence fees for the Commission's on-line learning platform are taken directly to revenue at the time of payment as customers are given immediate access at the time of payment.

The transaction price is the total amount of consideration to which the Commission expects to be entitled in exchange for transferring promised goods and services to a customer. The consideration promised in a contract with a contractor is a fixed amount.

Note 4B: Other revenue

| | 2020 \$'000 | 6 months to 30 June 2019 \$'000 |
|--|----------------|---------------------------------------|
| Assessor registration fees and guides | 65 | 56 |
| Revenue from joint development projects | 292 | 830 |
| Resources received free of charge | | |
| Remuneration of auditors | 54 | 38 |
| | 411 | 924 |

Accounting Policy

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Assessor registration fee income is recognised as revenue on receipt of the registration fees.

Revenue from joint development projects is recognised as revenue over time depending on the stage of completion of the services provided. Generally these agreements have specific time lines and deliverables for completion which informs the timing of the revenue recognition.

Note 4C: Revenue from Government

| | 2020 \$'000 | 6 months to 30 June 2019 \$'000 |
|-----------------------------|----------------|---------------------------------------|
| Departmental appropriations | 83,431 | 34,190 |

Accounting Policy

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the entity gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

Note 4D: Unsatisfied obligations

The Commission expects to recognise as income any liability for unsatisfied obligations associated with contracts with customers within the following periods:

| | 2020 \$'000 | 6 months to 30 June 2019 \$'000 |
|---------------------------------|----------------|---------------------------------------|
| Contracts with customers | | |
| 1 year | 6,140 | 3,276 |

The liability for unsatisfied obligations is represented on the Statement of Financial Position as unearned income and is disclosed in Note 7A.

Financial position

The section analyses the Commission's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

Note 5: Financial assets

Note 5A: Cash and cash equivalents

| | 2020 \$'000 | 2019 \$'000 |
|--|----------------|----------------|
| Cash at bank | 11,005 | 3,676 |
| Cash on hand | 1 | 1 |
| Total cash and cash equivalents | 11,006 | 3,677 |

Accounting Policy

Cash is recognised at its nominal amount.

Note 5B: Trade and other receivables

| | 2020 \$'000 | 2019 \$'000 |
|--|------------------------|------------------------|
| Receivables for goods and services | 2 | 5 |
| Receivables other | – | 538 |
| Receivable employee entitlements | 130 | 441 |
| Departmental appropriations receivable | 20,676 | 11,565 |
| Equity injection receivable | 14,000 | 17,738 |
| GST receivable from the Australian Taxation Office | 1,062 | 1,532 |
| Total trade and other receivables (gross) | 35,870 | 31,819 |

There are no trade or other receivables expected to be recovered in more than 12 months.

Accounting Policy

Financial assets:

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

Note 6: Non-financial assets

Note 6A: Reconciliation of opening and closing balances of buildings

| | 2020 \$'000 | 2019 \$'000 |
|--|----------------|----------------|
| As at 1 July 2019 | | |
| Recognition of right-of-use assets on initial application of AASB 16 | 4,388 | – |
| Depreciation expense | (1,476) | – |
| Total as at 30 June 2020 | 2,912 | – |
| Total as at 30 June 2020 represented by: | | |
| Gross book value | 4,388 | – |
| Accumulated depreciation | (1,476) | – |
| Total as at 30 June 2020 | 2,912 | – |

Note 6B: Reconciliation of opening and closing balances of property, plant and equipment

| | 2020 \$'000 | 2019 \$'000 |
|--|----------------|----------------|
| As at 1 July 2019 | | |
| Gross book value | 1,925 | – |
| Accumulated depreciation and impairment | (321) | – |
| Opening balance | 1,604 | – |
| Recognition of right-of-use assets on initial application of AASB 16 | 62 | – |
| Total as at 1 July 2019 | 1,666 | – |
| Acquisition through administrative arrangements orders ¹ | – | 1,041 |
| Additions by right-of-use | 478 | – |
| Additions by purchase | 955 | 885 |
| Disposal | (40) | – |
| Depreciation expense | (863) | (322) |
| Total as at 30 June 2020 | 2,196 | 1,604 |
| Total as at 30 June 2020 represented by: | | |
| Gross book value | 3,250 | 1,925 |
| Accumulated depreciation | (1,054) | (321) |
| Total as at 30 June 2020 | 2,196 | 1,604 |

1 Assets transferred from the Australian Aged Care Quality Agency at net book value.

Accounting Policy

Acquisition of assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to restructuring.

Depreciation

Depreciable property, plant and equipment assets are written down to their estimated residual values over their estimated useful lives to the Commission using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods as appropriate.

Impairment

All assets were assessed for impairment at 30 June 2020. 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 of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Commission were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Property, plant and equipment

1. Assets recognition threshold

Purchases of property, plant and equipment are initially recognised at cost in the Statement of Financial Position, except for purchases costing less than \$1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total). The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

2. Lease right-of-use assets

Lease right-of-use assets are capitalised at the commencement date of the lease and comprise the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

On initial adoption of AASB 16 the Commission has adjusted the right-of-use assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Lease right-of-use assets continue to be measured at cost after initial recognition.

3. Revaluation

Following initial recognition at cost, property, plant and equipment (excluding right-of-use assets) is carried at fair value (or an amount not materially different from fair value) less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to the asset revaluation reserve in equity except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the Statement of Comprehensive Income except to the extent that they reverse a previous revaluation increment for that class.

Revaluation decrements for a class of assets are recognised directly through the Statement of Comprehensive Income except to the extent that they reverse a previous revaluation increment for that class of asset. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

4. Depreciation

Property, plant and equipment is depreciated on a straight-line basis over its anticipated useful life. The useful lives of the Commission's property, plant and equipment are 3 to 5 years (2019: 3 to 5 years).

The depreciation rates for right-of-use assets are based on the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

5. Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Note 6C: Reconciliation of opening and closing balances of intangibles

| | 2020 \$'000 | 2019 \$'000 |
|---|----------------|----------------|
| As at 1 July 2019 | | |
| Gross book value | 3,322 | – |
| Accumulated amortisation and impairment | (580) | – |
| Total as at 1 July 2019 | 2,742 | – |
| Acquisition through administrative arrangements orders ¹ | – | 2,321 |
| Additions by purchase | 91 | 1,001 |
| Amortisation expense | (1,340) | (580) |
| Total as at 30 June 2020 | 1,493 | 2,742 |
| Total as at 30 June 2020 represented by: | | |
| Gross book value | 3,413 | 3,322 |
| Accumulated amortisation and impairment | (1,920) | (580) |
| Total as at 30 June 2020 | 1,493 | 2,742 |

1 Assets transferred from the Australian Aged Care Quality Agency at net book value.

Accounting Policy**Intangibles**

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

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Commission's software are 3 to 5 years (2019: 3 to 5 years).

All software assets were assessed for indicators of impairment at 30 June 2020.

Note 7: Payables

Note 7A: Unearned income

| | 2020 \$'000 | 2019 \$'000 |
|--|----------------|----------------|
| Unearned revenue from customers | 6,140 | 3,276 |
| Unearned revenue from joint venture projects | 923 | – |
| | 7,063 | 3,276 |

Accounting Policy

Unearned revenues from customers represent a liability for cash receipts for accreditation and education services that have been paid in advance. Revenue is recognised from the liability when the accreditation activities or education services have been provided.

Unearned other income represents funds received in advance from project sponsors to undertake specified activities under the project. Funds will be recognised as income once the specified outcomes have been completed.

Note 7B: Other payables

| | 2020 \$'000 | 2019 \$'000 |
|-------------------------------|----------------|----------------|
| Salaries and wages | 866 | 336 |
| Employee deductions | 8 | 6 |
| Superannuation | 1 | 5 |
| Accrued expense | 80 | 30 |
| Lease incentives ¹ | – | 106 |
| Total other payables | 955 | 483 |

- 1 The Commission has applied AASB16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.

Note 8: Interest bearing liabilities

| | 2020 \$'000 | 2019 \$'000 |
|-------------------------------|----------------|----------------|
| Lease liabilities | | |
| Buildings | 2,977 | – |
| Property plant and equipment | 413 | – |
| | 3,390 | – |
| Current lease liabilities | 1,259 | – |
| Non-current lease liabilities | 2,131 | – |
| | 3,390 | – |

- 1 The Commission has applied AASB16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117.
The total cash outflow for leases for the year ended 30 June 2020 was \$1,578,272 (2019: \$2,297,478).

Note 9: Provisions

| | 2020 \$'000 | 2019 \$'000 |
|--|----------------|----------------|
| Other provisions | | |
| Make good | 282 | 314 |
| Contractor and employee entitlements | 1,045 | 985 |
| | 1,327 | 1,299 |
| Reconciliation of provision for make good | | |
| Opening balance | 314 | 314 |
| Additional provisions made/(utilised) | (32) | – |
| Total as at 30 June | 282 | 314 |
| Reconciliation of provision for contractor and employee entitlements | | |
| Opening balance | 985 | 985 |
| Additional provisions made/(utilised) | 60 | – |
| Total as at 30 June | 1,045 | 985 |

Provision for make good

The Commission currently has 4 (2019: 5) agreements for the leasing of premises that have provisions requiring the Commission to restore the premises to their original condition at the conclusion of the lease. The Commission has made a provision to reflect the present value of this obligation.

Provision for contractor and employee entitlements

The provision for contractor and employee entitlements covers additional entitlements that may accrue to certain contractors and employees under arrangements made by the Commission's predecessor, the Australian Aged Care Quality Agency. The provision reflects claims for those entitlements expected to be paid in future periods by the Commission.

Funding

This section identifies the Commission's funding structure.

Note 10: Annual appropriations

(recoverable GST exclusive)

| | Notes | 2020 \$'000 | 6 Months to 30 June 2019 \$'000 |
|--|--------|----------------|---------------------------------------|
| Ordinary annual services | | | |
| <i>Appropriation Act (No.1) 2019-20</i> | | 41,819 | – |
| <i>Appropriation Act (No.3) 2019-20</i> | | 11,744 | 8,660 |
| <i>PGPA Act Section 74 Appropriation Act (No.1) 2019-20</i> | | 8,212 | 7,448 |
| <i>PGPA Act Section 74 Supply Act (No. 1) 2019-20</i> | | 4,146 | – |
| <i>PGPA Section 75 Appropriation Act (No.1) 2019-20</i> | | 2,176 | 35,827 |
| <i>Supply Act (No. 1) 2019-20</i> | | 27,143 | – |
| <i>Appropriation (COVID-19 Eco Response Pack) Act (No.1) 2019-20</i> | | 2,725 | – |
| Total ordinary annual services appropriation | | 97,965 | 51,935 |
| Appropriation applied (current and prior years) | | (88,854) | (40,370) |
| Variance | Note 1 | 9,111 | 11,565 |
| Capital budget | | | |
| <i>PGPA Act Section 75 (Appropriation Act (No.1) – DCB 2019</i> | | – | 1,020 |
| <i>Supply Act (No.1) – DCB 2019-20</i> | | 705 | – |
| <i>Appropriation Act (No.1) – DCB 2019-20</i> | | 987 | – |
| Total capital budget appropriation | | 1,692 | 1,020 |
| Appropriation applied (current and prior years) | | (1,692) | (1,020) |
| Variance | Note 2 | – | – |

| | Notes | 2020 \$'000 | 6 Months to 30 June 2019 \$'000 |
|--|--------|-----------------|---------------------------------------|
| Equity injection | | | |
| <i>PGPA Act Section 75 (Appropriation Act (No.4) 2016-17</i> | | – | 17,738 |
| <i>Appropriation Act (No.4) Equity Injection 2019-20</i> | | 17,738 | – |
| Total equity injection | | 17,738 | 17,738 |
| Appropriation applied (current and prior years) | | (21,476) | – |
| Variance | Note 2 | (3,738) | 17,738 |
| Total change in appropriation receivable | | 5,373 | 29,303 |

Notes

1. Ordinary annual services variance

The Commission receives S74 revenue in advance of performing services and this reduces the need to draw down the appropriation for ordinary annual services until the services have been rendered, which can be in a future financial year.

Additional cash resources were received from the Department of Health under a S75 arrangement to fund the employee entitlements of employees transferred and these have reduced the need to draw down on the appropriation for ordinary annual services. These will be drawn down as entitlements fall due.

2. Equity injection variance

The variance in the equity injection relates to undrawn funding for liabilities transferred from the Australian Aged Care Quality Agency, which will fall due in future periods.

Accounting policy

Transactions with the Australian Government as owner:

Equity injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Restructuring of administrative arrangements

Net assets received from or relinquished to another Australian Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Other distributions to owners

The FRR requires that distributions to owners be debited to contributed equity unless it is in the nature of a dividend.

Note 11: Unspent appropriations

(recoverable GST exclusive)

| | 2020 \$'000 | 2019 \$'000 |
|--|----------------|----------------|
| Departmental annual appropriation | | |
| <i>Appropriation Act 1</i> | 6,756 | – |
| <i>PGPA Act section 75</i> | 2,176 | 11,565 |
| <i>Appropriation Act 3</i> | 11,744 | – |
| Cash at bank | 11,006 | 3,677 |
| Total unspent departmental annual appropriation | 31,682 | 15,242 |
| Equity injection appropriation | | |
| <i>PGPA Act section 75</i> | – | 17,738 |
| <i>Appropriation Act (No.4) Equity Injection 2019-20</i> | 14,000 | – |
| Total unspent equity injection appropriation | 14,000 | 17,738 |
| Total unspent appropriations | 45,682 | 32,980 |

Note 12: Net cash appropriation arrangements

| | 2020 \$'000 | 2019 \$'000 |
|---|----------------|----------------|
| Total comprehensive income less depreciation/amortisation expenses previously funded through revenue appropriations | 1,407 | 5 |
| Plus: depreciation/amortisation expenses previously funded through revenue appropriation | (2,075) | (902) |
| Plus: depreciation right-of-use assets | (1,604) | – |
| Less: principal repayments – leased assets | 1,538 | – |
| Total comprehensive income as per the Statement of Comprehensive Income | (734) | (897) |

From 2010-11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through entity appropriations. Capital budgets are appropriated in the period when cash payment for capital equipment is required.

The inclusion of depreciation/amortisation expenses related to right-of-use leased assets and lease liability principal repayment amounts reflects the cash impact on implementation of AASB 16 Leases, it does not directly reflect a change in appropriation arrangements.

People and relationships

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

Note 13: Employee provisions

| | 2020 \$'000 | 2019 \$'000 |
|----------------------------------|----------------|----------------|
| Leave | 17,277 | 13,018 |
| Separations and redundancies | 170 | 109 |
| Total employee provisions | 17,447 | 13,127 |

Accounting Policy

Liabilities for short-term employee benefits and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as the net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the agency is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the Commission's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the estimated future cash flows to be made in respect to all employees as at 30 June 2020. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. The Commission recognises a provision for termination when it has developed a detailed formal plan for the terminations or where the circumstances indicate that separations and redundancies are more likely to occur than not.

Superannuation

The majority of the staff of the Commission are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The Commission makes employer contributions to the CSS and PSS superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The entity accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the period for all staff.

Note 14: Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling activities of the Commission, directly or indirectly, including any director (whether executive or otherwise) of the Commission. The Commission has determined the key management personnel to be the Commissioner and the Senior Executive Service staff as follows:

| | 2020 \$'000 | 6 months to 30 June 2019 \$'000 |
|--|----------------|---------------------------------------|
| Expenses recognised in relation to key management personnel | | |
| Short-term employee benefits | | |
| Salary | 1,799 | 681 |
| Other benefits and allowances | 90 | 21 |
| Total short-term employee benefits | 1,889 | 702 |
| Superannuation | 301 | 112 |
| Long-service leave | 44 | 16 |
| Total key management remuneration expenses | 2,234 | 830 |

The total number of key management personnel that are included in the above table is 8 (2019: 6).

The above key management personnel remuneration excludes the remuneration and other benefits of the portfolio minister. The portfolio minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the Commission.

Note 15: Related party disclosures

Related party relationships

The Commission is an Australian government controlled entity. Related parties to this entity are key management personnel including the portfolio minister and other Australian government entities.

Transactions with related parties

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans.

Significant transactions with related parties can include:

- the payments of grants or loans;
- purchases of goods and services;
- asset purchases, sales transfers or leases;
- debts forgiven; and
- guarantees.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the Commission, it has been determined that there are no related party transactions to be separately disclosed.

Managing uncertainties

This section analyses how the Commission manages financial risks within its operating environment.

Note 16: Contingent assets and liabilities

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

Quantifiable contingencies

The Commission has two (2019: two) bank guarantees in respect of office lease guarantees with a total of \$175,876 (2019: \$175,876).

Unquantifiable contingencies

At 30 June 2020, the Commission has an unquantifiable contingency in relation to potential additional contractor entitlements arising from historical services provided by contractors to prior entities. An unquantifiable contingency has been disclosed because an obligation has not yet been determined and is not yet possible to estimate the amounts of any eventual payments that may be required in relation to these entitlement. Refer note 9 above.

Significant remote contingencies

The Commission had no significant remote contingencies.

Note 17: Financial instruments

| | 2020 \$'000 | 2019 \$'000 |
|---|----------------|----------------|
| Categories of financial instruments | | |
| Financial assets | | |
| Financial assets at amortised cost | | |
| Cash and cash equivalents | 11,006 | 3,677 |
| Trade and other receivables | 2 | 543 |
| Total financial assets at amortised cost | 11,008 | 4,220 |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | | |
| Supplier payables | 5,916 | 5,605 |
| Unearned revenue | 7,063 | 3,276 |
| Other payables | 955 | 483 |
| Total financial liabilities measured at amortised cost | 13,934 | 9,364 |

Accounting Policy

Financial assets

With the implementation of AASB 9 Financial Instruments for the first time in 2019, the financial assets are classified in the following categories:

- (a) financial assets at fair value through profit or loss;
- (b) financial assets at fair value through other comprehensive income; and
- (c) financial assets measured at amortised cost.

The classification depends on both the Commission's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the Commission becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash, and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Under AASB 9 Financial Instruments, the Commission classified its financial assets at amortised cost using the effective interest method.

Financial assets at amortised cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective interest method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period based on expected credit losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

The Commission categorises its financial liabilities at amortised cost.

Financial liabilities at amortised cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Other information

Note 18: Departmental restructuring

| | Department of Health ¹ \$'000 |
|-------------------------------------|---|
| Functions assumed | |
| Assets recognised | |
| Trade and other receivables | 2,176 |
| Total assets recognised | 2,176 |
| Liabilities recognised | |
| Employee provisions | (2,166) |
| Total liabilities recognised | (2,166) |
| Net assets recognised | 10 |

1 The functions of aged care compliance were transferred to the Commission from the Department of Health on 1 January 2020.
The net assets assumed from the Department of Health were \$10,280.

Note 19: Aggregate assets and liabilities

| | 2020 \$'000 | 2019 \$'000 |
|---|----------------|----------------|
| Assets expected to be recovered in: | | |
| No more than 12 months | 46,974 | 35,846 |
| More than 12 months | 6,601 | 4,346 |
| Total assets | 53,575 | 40,192 |
| Liabilities expected to be settled in: | | |
| No more than 12 months | 31,507 | 20,383 |
| More than 12 months | 4,591 | 3,407 |
| Total liabilities | 36,098 | 23,790 |



**References
and appendices**

Glossary

| Abbreviation | Term |
|--------------|--|
| AASB | Australian Accounting Standards Board |
| AAT | Administrative Appeals Tribunal |
| ACQSC | Aged Care Quality and Safety Commission |
| ACQSC Act | <i>Aged Care Quality and Safety Commission Act 2018</i> |
| AHPRA | Australian Health Practitioner Regulation |
| ANAO | Australian National Audit Office |
| APCS | Annual Prudential Compliance Statement |
| APS | Australian Public Service |
| AusTender | The Australian Government procurement information system |
| CAAT | Computer-Assisted Audit Tool |
| CEO | Chief Executive Officer |
| CER | Consumer Experience Report |
| CHSP | Commonwealth Home Support Programme |
| Commissioner | Aged Care Quality and Safety Commissioner |
| CPD | Continuing Professional Development |
| CSS | Commonwealth Superannuation Scheme |
| DCB | Departmental Capital Budgets |
| Department | Department of Health |
| EA | Enterprise Agreement |
| ED | Executive Director |
| EL | Executive Level |
| ELG | Executive Leadership Group |
| FBT | Fringe Benefits Tax |
| FOI | Freedom of Information |

| Abbreviation | Term |
|--------------|---|
| FOI Act | <i>Freedom of Information Act 1982</i> |
| FRR | Financial Reporting Rule |
| FTE | Fulltime Equivalent |
| GST | Goods and Services Tax |
| HCP | Home Care Packages |
| ICT | Information and Communication Technology |
| IFA | Individual Flexibility Arrangement |
| IPS | Information Publication Scheme |
| ISQua | International Society for Quality in Health Care |
| MOU | Memorandum of Understanding |
| NLG | National Leadership Group |
| OPAN | Older Persons Advocacy Network |
| PACG | Provider Approvals and Compliance Group |
| PBS | Portfolio Budget Statements |
| PCI | Plan for Continuous Improvement |
| PDS | Performance Development Scheme |
| PGPA Act | <i>Public Governance, Performance and Accountability Act 2013</i> |
| PICAC | Partners in Culturally Appropriate Aged Care |
| PMO | Project Management Office |
| PSPF | Protective Security Policy Framework |
| PSSap | Public Sector Superannuation accumulation plan |
| RAD | Refundable Accommodation Deposits |
| RPF | Regulator Performance Framework |
| SES | Senior Executive Service |

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List of requirements – non-corporate Commonwealth entities

| PGPA Rule Reference | Part of Report | Description | Requirement |
|------------------------|--|--|-------------|
| 17AD(g) | Letter of transmittal | | |
| 17AI | Page 3 | A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report. | Mandatory |
| 17AD(h) | Aids to access | | |
| 17AJ(a) | Pages 4 – 7 | Table of contents. | Mandatory |
| 17AJ(b) | Pages 204 – 208 | Alphabetical index. | Mandatory |
| 17AJ(c) | Pages 202 – 203 | Glossary of abbreviations and acronyms. | Mandatory |
| 17AJ(d) | Pages 209 – 217 | List of requirements. | Mandatory |
| 17AJ(e) | Page 2 | Details of contact officer. | Mandatory |
| 17AJ(f) | Page 2 | Entity's website address. | Mandatory |
| 17AJ(g) | Page 2 | Electronic address of report. | Mandatory |
| 17AD(a) | Review by accountable authority | | |
| 17AD(a) | Pages 8 – 10 | A review by the accountable authority of the entity. | Mandatory |
| 17AD(b) | Overview of the entity | | |
| 17AE(1)(a)(i) | Pages 12 – 16 | A description of the role and functions of the entity. | Mandatory |
| 17AE(1)(a)(ii) | Page 18 | A description of the organisational structure of the entity. | Mandatory |
| 17AE(1)(a)(iii) | Page 81 | A description of the outcomes and programmes administered by the entity. | Mandatory |

| PGPA Rule Reference | Part of Report | Description | Requirement |
|----------------------------|--|--|-----------------------------------|
| 17AE(1)(a)(iv) | Page 84 | A description of the purposes of the entity as included in corporate plan. | Mandatory |
| 17AE(1)(aa)(i) | Page 18 | Name of the accountable authority or each member of the accountable authority. | Mandatory |
| 17AE(1)(aa)(ii) | Page 18 | Position of the accountable authority or each member of the accountable authority. | Mandatory |
| 17AE(1)(aa)(iii) | Page 18 | Period as the accountable authority or member of the accountable authority within the reporting period. | Mandatory |
| 17AE(1)(b) | n/a | An outline of the structure of the portfolio of the entity. | Portfolio departments – mandatory |
| 17AE(2) | n/a | Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change. | If applicable, Mandatory |
| 17AD(c) | Report on the Performance of the entity | | |
| | Annual performance Statements | | |
| 17AD(c)(i); 16F | Pages 78 – 98 | Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule. | Mandatory |
| 17AD(c)(ii) | Report on Financial Performance | | |
| 17AF(1)(a) | Page 99 | A discussion and analysis of the entity's financial performance. | Mandatory |
| 17AF(1)(b) | Page 100 | A table summarising the total resources and total payments of the entity. | Mandatory |

| PGPA Rule Reference | Part of Report | Description | Requirement |
|---------------------|--------------------------------------|---|---------------------------|
| 17AF(2) | n/a | If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results. | If applicable, Mandatory. |
| 17AD(d) | Management and Accountability | | |
| | Corporate Governance | | |
| 17AG(2)(a) | Page 3 | Information on compliance with section 10 (fraud systems). | Mandatory |
| 17AG(2)(b)(i) | Page 3 | A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared. | Mandatory |
| 17AG(2)(b)(ii) | Page 3 | A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place. | Mandatory |
| 17AG(2)(b)(iii) | Page 3 | A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity. | Mandatory |
| 17AG(2)(c) | Page 3 | An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance. | Mandatory |
| 17AG(2)(d) – (e) | n/a | A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance. | If applicable, Mandatory |

| PGPA Rule Reference | Part of Report | Description | Requirement |
|---------------------------------|-----------------------|--|--------------------------|
| <i>Audit Committee</i> | | | |
| 17AG(2A)(a) | Page 104 | A direct electronic address of the charter determining the functions of the entity's audit committee. | Mandatory |
| 17AG(2A)(b) | Page 105 | The name of each member of the entity's audit committee. | Mandatory |
| 17AG(2A)(c) | Page 105 | The qualifications, knowledge, skills or experience of each member of the entity's audit committee. | Mandatory |
| 17AG(2A)(d) | Page 105 | Information about the attendance of each member of the entity's audit committee at committee meetings. | Mandatory |
| 17AG(2A)(e) | Page 105 | The remuneration of each member of the entity's audit committee. | Mandatory |
| <i>External Scrutiny</i> | | | |
| 17AG(3) | Page 147 | Information on the most significant developments in external scrutiny and the entity's response to the scrutiny. | Mandatory |
| 17AG(3)(a) | Page 147 | Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity. | If applicable, Mandatory |
| 17AG(3)(b) | Page 147 | Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman. | If applicable, Mandatory |
| 17AG(3)(c) | n/a | Information on any capability reviews on the entity that were released during the period. | If applicable, Mandatory |

| PGPA Rule Reference | Part of Report | Description | Requirement |
|--------------------------------------|-----------------|---|-------------|
| Management of Human Resources | | | |
| 17AG(4)(a) | Page 143 | An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives. | Mandatory |
| 17AG(4)(aa) | Pages 123 – 125 | Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location. | Mandatory |
| 17AG(4)(b) | Pages 126 – 134 | Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: Statistics on staffing classification level; Statistics on full-time employees; Statistics on part-time employees; Statistics on gender; Statistics on staff location; Statistics on employees who identify as Indigenous. | Mandatory |
| 17AG(4)(c) | Pages 137, 143 | Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the Public Service Act 1999. | Mandatory |
| 17AG(4)(c)(i) | Page 135 | Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c). | Mandatory |
| 17AG(4)(c)(ii) | Page 136 | The salary ranges available for APS employees by classification level. | Mandatory |
| 17AG(4)(c)(iii) | Pages 143 – 145 | A description of non-salary benefits provided to employees. | Mandatory |

| PGPA Rule Reference | Part of Report | Description | Requirement |
|--------------------------|----------------|--|--------------------------|
| 17AG(4)(d)(i) | n/a | Information on the number of employees at each classification level who received performance pay. | If applicable, Mandatory |
| 17AG(4)(d)(ii) | n/a | Information on aggregate amounts of performance pay at each classification level. | If applicable, Mandatory |
| 17AG(4)(d)(iii) | n/a | Information on the average amount of performance payment, and range of such payments, at each classification level. | If applicable, Mandatory |
| 17AG(4)(d)(iv) | n/a | Information on aggregate amount of performance payments. | If applicable, Mandatory |
| Assets Management | | | |
| 17AG(5) | Page 149 | An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities. | If applicable, Mandatory |
| Purchasing | | | |
| 17AG(6) | Page 149 | An assessment of entity performance against the Commonwealth Procurement Rules | Mandatory |
| Consultants | | | |
| 17AG(7)(a) | Page 150 | A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). | Mandatory |
| 17AG(7)(b) | Page 150 | A statement that “During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]”. | |

| PGPA Rule Reference | Part of Report | Description | Requirement |
|--|----------------|--|--------------------------|
| 17AG(7)(c) | Page 150 | A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged. | Mandatory |
| 17AG(7)(d) | Page 151 | A statement that "Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website." | Mandatory |
| Australian National Audit Office Access Clauses | | | |
| 17AG(8) | Page 152 | If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract. | If applicable, Mandatory |
| Exempt contracts | | | |
| 17AG(9) | n/a | If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters. | If applicable, Mandatory |

| PGPA Rule Reference | Part of Report | Description | Requirement |
|-------------------------------|-----------------|--|-----------------------------|
| Small business | | | |
| 17AG(10)(a) | Page 152 | A statement that “[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance’s website.” | Mandatory |
| 17AG(10)(b) | Page 152 | An outline of the ways in which the procurement practices of the entity support small and medium enterprises. | Mandatory |
| 17AG(10)(c) | n/a | If the entity is considered by the Department administered by the Finance Minister as material in nature – a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.” | If applicable, Mandatory |
| Financial Statements | | | |
| 17AD(e) | Pages 157 – 200 | Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act. | Mandatory |
| Executive Remuneration | | | |
| 17AD(da) | Pages 138 – 141 | Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule. | Mandatory |

| PGPA Rule Reference | Part of Report | Description | Requirement |
|-----------------------|------------------------------------|---|--------------------------|
| 17AD(f) | Other Mandatory Information | | |
| 17AH(1)(a)(i) | n/a | If the entity conducted advertising campaigns, a statement that “During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.” | If applicable, Mandatory |
| 17AH(1)(a)(ii) | Page 156 | If the entity did not conduct advertising campaigns, a statement to that effect. | If applicable, Mandatory |
| 17AH(1)(b) | n/a | A statement that “Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].” | If applicable, Mandatory |
| 17AH(1)(c) | Page 146 | Outline of mechanisms of disability reporting, including reference to website for further information. | Mandatory |
| 17AH(1)(d) | Page 155 | Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found. | Mandatory |
| 17AH(1)(e) | n/a | Correction of material errors in previous annual report. | If applicable, mandatory |
| 17AH(2) | Pages 144 – 145 | Information required by other legislation. | Mandatory |

Act requirements index

Index of annual reporting requirements of the *Aged Care Quality and Safety Commission Act 2018*

| Reference S52 | Part of Report | Description | Requirement |
|---------------|----------------|--|-------------|
| (a) | Pages 84 – 100 | An assessment of the extent to which the Commission’s operations during the period have contributed to the priorities set out in the annual operational plan for the period. | Mandatory |
| (b) | Pages 84 – 100 | Particulars of any variations of the annual operational plan during the period. | Mandatory |
| (c) | Pages 84 – 100 | An evaluation of the Commission’s overall performance during the period against the performance indicators set out in the annual operational plan for the period. | Mandatory |
| (d) | Page 50 | Information about sanctions imposed under Part 7B for noncompliance with aged care responsibilities, including the nature of the noncompliance and the sanctions imposed. | Mandatory |



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