



Australian Government

Aged Care Quality and Safety Commission

Engage  
Empower  
**Safeguard**

A low-angle, upward-looking photograph of five diverse elderly people (three men and two women) smiling and looking towards the camera. They are arranged in a circle, with their heads tilted back. The background is a bright, out-of-focus green, suggesting an outdoor setting with trees. The overall mood is positive and joyful.

# Annual Report

## 2018–19

## **Aged Care Quality and Safety Commission**

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This report has been prepared in accordance with the Australian Government Department of Finance's Resource Management Guide No. 135: Annual report for non-corporate Commonwealth entities.

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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 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 the commencement of the Commission on 1 January 2019 until the end of the reporting period on 30 June 2019.

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

A handwritten signature in black ink that reads "J. M. Anderson". The signature is written in a cursive, slightly stylized font.

Janet Anderson PSM  
**Commissioner**  
17 October 2019





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# Message from the Commissioner

**I am pleased to present this first Annual Report for the Aged Care Quality and Safety Commission (the Commission) for the period 1 January 2019 – 30 June 2019.**

This Annual Report also includes activity data, financial and performance reporting for the former Australian Aged Care Quality Agency and activity data for the former Aged Care Complaints Commissioner for the period 1 July 2018 – 31 December 2018.

This has been a period of significant transition and change for the Commission. Since 1 January 2019, we have focused on building a new organisational culture with a clearer focus on consumer engagement and outcomes, strengthened regulation, improved information sharing, strengthened effective complaints resolution and greater transparency.

New Aged Care Quality Standards were endorsed by Government in July 2018 with a transition period to 1 July 2019. A major focus for the Commission has been supporting consumers, providers and staff to successfully transition to the new Standards. We have also worked closely with the Commonwealth Department of Health (the Department) to deliver a single Charter of Aged Care Rights by 1 July 2019.



Our regulatory model has continued to be refined during this period with the introduction of unannounced site audits for residential aged care re-accreditation. We have also sharpened our focus on risk and are using the full range of complementary functions under our Act to facilitate an approach that is informed by our dynamic appraisal of risk at both sector-wide and service-specific levels.

We developed our first Regulatory Strategy during this reporting period and revised our assessment methodology and decision-making policies in line with the new Standards.

We have continued to work with the Department to progress further reforms to the aged care regulatory model in line with recommendations from the Carnell Paterson report on the Review of Aged Care Quality Regulatory Processes.

Also receiving attention is the anticipated transfer of aged care regulatory functions from the Department to the Commission to improve the effectiveness of our functions.

We have also given a high priority to cooperating with and responding to requests from the Royal Commission into Aged Care Quality and Safety and to examining options for improving our performance emerging from written submissions and oral evidence to the Royal Commission.

We are proud of our achievements over this first six months of our operation. At the same time, we recognise that there is more work to be done to strengthen Australia's aged care regulatory model. I would like to acknowledge and thank our dedicated staff who continue to strive for our vision that older Australians trust and have confidence that aged care services protect and enhance their safety, health, well-being and quality of life.

Finally, I would like to express my thanks to our Ministers, the Hon Ken Wyatt AM MP and Senator the Hon Richard Colbeck for their support and guidance. I am also grateful to Ms Andrea Coote, Chair of the Aged Care Quality and Safety Advisory Council and to members of the Council for their advice and support.

A handwritten signature in black ink that reads "J. M. Anderson". The signature is written in a cursive, slightly stylized font.

Janet Anderson PSM  
**Commissioner**  
October 2019





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## About the Commission



### 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 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

### **As set out in the legislation<sup>1</sup>, our functions are:**

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

**2. To promote** the provision of quality care and services by:

- i) approved providers of aged care services; and
- ii) service providers of Commonwealth funded aged care services

**3. 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.

### **4. To deal 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.

### **5. To regulate aged care services**

according to the Rules by accrediting, conducting quality reviews, monitoring the quality of care and services and registering quality assessors.

### **6. To provide 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.

<sup>1</sup> The full text of our functions is available in *Aged Care Quality and Safety Commission Act, 2018*.







# Our strategic priorities

## **1. Establish the Commission as an effective organisation to protect and enhance the safety, health, well-being and quality of life of aged care consumers.**

An Aged Care Quality and Safety Commission that supports an increased focus on consumers, strengthens regulation, supports better engagement with consumers and providers, and promotes transparency.

## **2. Promote the provision of quality care and services.**

Increased commitment from aged care providers to ensure safety and quality outcomes for consumers and increased confidence and trust in the provision of aged care services.

## **3. Enhance consumer engagement functions.**

Providers using best practice models to engage with consumers in the provision of their care.

## **4. Ensure effective complaints resolution for aged care consumers.**

There is increased effectiveness and awareness of aged care complaints processes and consumer rights by consumers and providers.

## **5. Ensure effective regulation of aged care services.**

Improved quality and safety for consumers of aged care services through more effective regulation, a risk-based regulatory approach and preparation for the implementation of the new Aged Care Quality Standards.

## **6. Enhance information and education to support the Commission's functions.**

Greater confidence and trust in aged care services through empowered consumers and informed providers in relation to compliance with quality standards and best practice service provision.

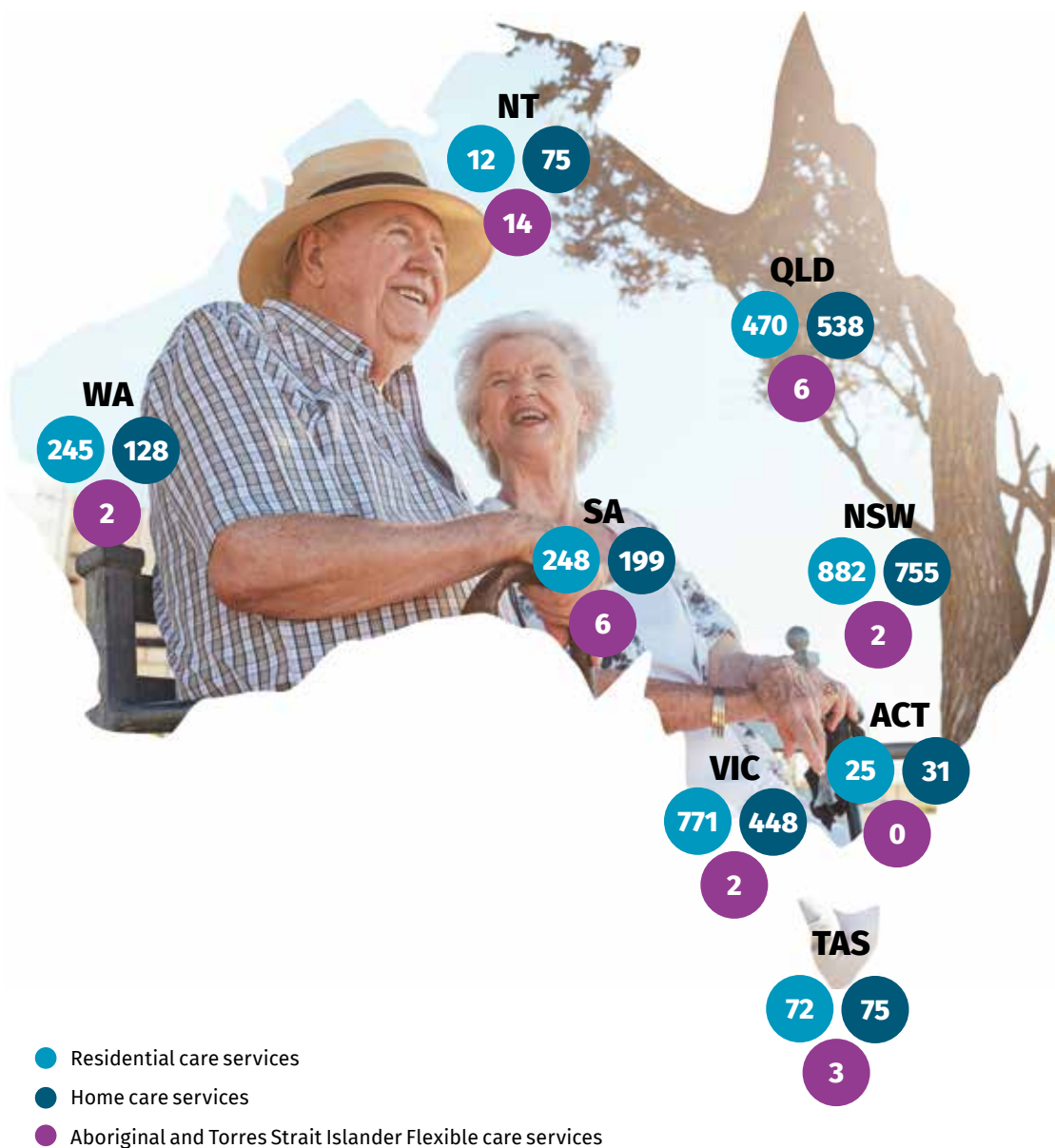
# The sector at a glance

As at 30 June 2019, there were 2,725 residential services, 2,244 home care services and 35 National Aboriginal and Torres Strait Islander Flexible Aged Care services across Australia.



Overview

The sector at a glance



# The year in review

## Establishment of the new Commission

**The Aged Care Quality and Safety Commission (the Commission) commenced on 1 January 2019, with a range of functions specified in the *Aged Care Quality and Safety Commission Act, 2018*.**

The Commission was established to protect and enhance the safety, health, well-being and quality of life of aged care consumers and to promote confidence and trust in aged care services. A new website and 1800 number provide a single point of contact for aged care consumers and providers.

A key focus during our first six months of operation was on merging two organisations with different cultures and systems and establishing the new Commission as an effective and responsive organisation with a single point of contact for consumers and providers. Our early priorities were to increase our focus on consumer outcomes, strengthen risk-based regulation and effective complaints resolution functions, improve our engagement with consumers and providers, and achieve greater transparency.

## Chief Clinical Advisor

Dr Melanie Wroth was appointed as the Commission's Chief Clinical Advisor in May 2019. She has an extensive background in geriatric medicine and provides expert advice to Commission staff, as well as assisting aged care providers to access best practice guidance on clinical care for aged care recipients.

Dr Wroth's priorities included engaging with a range of stakeholders in the aged care sector – including peak bodies representing consumers, health professionals and aged care service providers – to raise awareness of clinical issues in aged care and to promote better practice.

Dr Wroth issued her first clinical alert to the sector on 17 May 2019, which highlighted the start of the influenza season and reminded aged care providers of measures that help prevent and control the spread of influenza.

Prior to Dr Wroth's appointment, Associate Professor Michael Murray AM was the interim Chief Clinical Advisor for the Commission.





From left to right: Maree McCabe, Paul Sadler, Prof. Sue Kurrle, Dr Michael Cullen, Andrea Coote (Chair), Janet Anderson PSM (Commissioner), Carolanne Barkla, Ian Yates AM, Dr Dorothy Jones, Dr Stephen Judd and Charles Wann (ex-officio). Absent: Sally Evans and Dr Melanie Wroth (ex-officio).

## Aged Care Quality and Safety Advisory Council

**A new Aged Care Quality and Safety Advisory Council was established from 1 January 2019 with a new charter, membership and operating model to support the Council's advisory role and strategic focus.**

During the reporting period the Advisory Council identified and engaged in strategic discussions on key issues impacting on the aged care sector including a strengthened focus on consumer engagement and minimising the use of physical and chemical restraints in aged care residential services. The Advisory Council also gave a high priority to monitoring sector performance data and strategies to support the introduction of the new Aged Care Quality Standards.

## Royal Commission into Aged Care Quality and Safety

The Royal Commission into Aged Care Quality and Safety was convened in November 2018 to determine the full extent of issues in aged care and to understand how to meet the challenges and opportunities of delivering aged care services now and into the future.

We have fully cooperated with the Royal Commission by responding to information and witness notices within the required timeframes and identifying and responding to issues raised.

We continue to apply learnings from the Royal Commission to improve our operational performance and the effectiveness of our complaints and regulatory functions.

## Improved information sharing

Work to ensure that regulatory intelligence is shared across the Commission in a timely manner has received significant attention. Information gathered respectively through complaints resolution processes and quality assessment and monitoring processes is now more routinely available to front-line staff, and this has strengthened our identification of and responsiveness to risks in aged care services.

We have also focused on enhancing information sharing with other key regulatory bodies to improve the effectiveness of our regulatory and complaints functions.

We established a new Memorandum of Understanding with the Department with improved information sharing protocols.



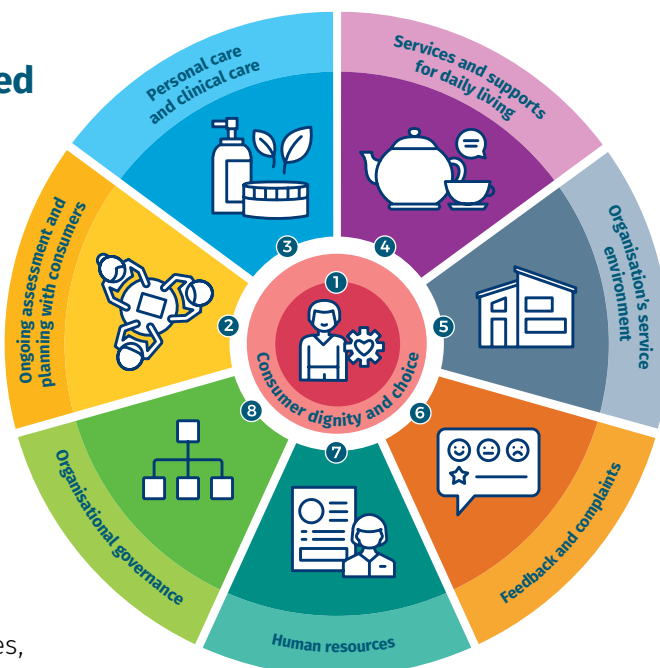
## Introduction of new Aged Care Quality Standards

Preparing the sector and Commission staff for the implementation of the new Aged Care Quality Standards was a high priority for the reporting period. New audit methodologies were piloted, tested and finalised in preparation for the implementation of the new Standards

The Commission provided information and education to the sector and developed new policies, guidance material, videos, resources and tools. Printed copies of the guidance material and resources were sent to all aged care services across Australia.

The Commissioner wrote to all aged care providers in April 2019 reminding them of their responsibilities under the new Aged Care Quality Standards and single Charter of Aged Care Rights from 1 July 2019.

During 2018-19 we delivered information sessions and education programs to support the implementation of the new Standards to more than 7,200 participants.



## Single Charter of Aged Care Rights

The Commission worked with the Department to develop a Single Charter of Aged Care Rights, which replaced previous charters of care, rights and responsibilities.

Taking effect from 1 July 2019, the new Charter provides the same rights to all people receiving aged care services, regardless of the type of subsidised care and services they receive.

The Commission supported providers to meet their key responsibilities as set out by the Charter through the development of a range of resources, including a Charter of Aged Care Rights Template for Signing in 18 languages.

## Risk-based regulation

Our first Regulatory Strategy which outlines our risk-based approach was published in June 2019.

Our Regulatory Strategy uses the full range of complementary functions under the *Aged Care Quality and Safety Commission Act 2018* to facilitate a responsive, risk-based regulatory approach.

This enables us to better manage risks and respond appropriately to instances of failure.

- Risk-based means the focus of our activities is on the areas of greatest potential harm to the safety, health and well-being of aged care consumers.
- Responsive means we respond to the context, conduct and culture of the organisations we regulate when we decide what action to take.

Our approach means that we will modify our program and direct our resources in response to the nature of risks identified to the safety, health, well-being and quality of life of aged care consumers. Our approach also includes analysing information relating to complaints about a service to assist our understanding of the service's relative risk of non-compliance with the Standards and the behaviour of the service in relation to meeting its broader responsibilities for care and services.

Our regulatory approach seeks to promote an aged care system that empowers consumers, develops safer systems of care, inculcates a culture of safety and quality, and learns from mistakes. A system operating in this way will give the community in general, and older Australians in particular, greater confidence that the aged care they access will meet their needs and provide the best possible experience and outcomes.

## Increased transparency

The Commission introduced quarterly reporting on complaints data and provider performance to increase visibility and transparency of sector-wide risks and regulatory performance.

Our published reports present information on regulatory activities and complaints, including the most frequent areas of non-compliance and most common areas of complaints about aged care services.

Publication of regulatory bulletins on key regulatory issues critical to the provision of safe, quality aged care has improved transparency and awareness of regulatory requirements.







## Effective complaints resolution processes

We continued to promote our complaints resolution processes and support people accessing Commonwealth subsidised aged care to resolve their concerns with their service providers.

We assess the risks in each complaint we receive and deal with each complaint accordingly, using flexible approaches ranging from supporting people to resolve their concerns with the aged care service provider to investigation.

The first six months of our operations have seen an increase in contacts and complaints compared with the previous six-month period. Overall contacts increased from 7,855 for the period 1 July 2018 to 31 December 2018 to 9,725 for the period 1 January 2019 to 31 June 2019 (24 per cent increase).

From these contacts, complaints lodged with the Commission increased from 3,608 (1 July 2018–31 December 2018) to 4,220 (1 January to 31 June 2019) (17 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 terms of building internal capacity, the Commission undertook a significant training effort to prepare complaints officers to apply the new Standards when resolving complaints.

## Clinical Governance

The Commission developed guidance and resources about clinical governance to help aged care providers to meet a requirement under the new Quality Standards to have a clinical governance framework, and more broadly to ensure the quality and safety of clinical care for their consumers. The guidance provided information about:

- what clinical governance is and why it is important in aged care
- the core principles that underpin clinical governance, irrespective of where or how aged care services are delivered
- how clinical governance is linked with the Quality Standards
- the actions that aged care providers need to undertake to develop a clinical governance framework
- examples and case studies about good practice in clinical governance in aged care
- tools, including self-assessment tools, that can be used by aged care providers to understand their current clinical governance arrangements.

The draft material was subject to consultation with consumers, health practitioners, aged care providers and government bodies prior to publication on our website.

## Aged care reform initiatives

The Commission worked collaboratively with the Department on the continuing development and implementation of aged care reform initiatives.

Ongoing initiatives included:

- Aged Care Quality Standards
- Single Charter of Aged Care Rights
- Transfer of aged care regulatory functions to the Commission
- Risk profiling model
- Serious Incident Response Scheme
- National Quality Indicator Program
- Open disclosure framework
- Easy to read plain English reports
- Differentiated performance rating system
- End-to-end quality and compliance system for Home Care.

## Consumer experience reporting

In 2018-19, the Commission worked with the Australian Institute for Primary Care and Ageing from La Trobe University to complete pilot testing of questions for consumer experience reports in home services. Pilot testing of the consumer experience questions was conducted in collaboration with the Older Persons Advocacy Network and the Council on the Ageing. The outcome of the pilot testing led to development work to introduce consumer experience surveys in the home services setting.

## Consumer engagement

The Commission commenced the initial development and implementation of our new consumer engagement functions.

Following consideration of advice from the Advisory Council, a Steering Group was established with representatives from key stakeholders to oversee a Consumer Engagement Project.

Key deliverables for the project were scoped and commenced including a literature review of consumer centred approaches across a range of sectors in Australia and overseas. A consumer and provider survey was also developed to better understand current awareness and understanding of consumer centred models of care.

## Broader stakeholder engagement

The Commission established a Commission Consultative Forum which met for the first time on 4 June 2019 in Canberra to discuss emerging issues and provide feedback to the Commission. The Forum comprises representatives of the key national peak bodies for aged care consumers and providers.

The Forum is complemented by our other consultation and engagement activities, including Regional Consultative Forums and separate meetings with consumer and provider peak organisations.



# Risk-based regulation

## Regulatory strategy

The Commission's Regulatory Strategy sets out our approach to delivering regulatory functions under the *Aged Care Quality and Safety Commission Act 2018*, in accordance with the Aged Care Quality and Safety Commission Rules 2018. It provides clarity and transparency about our approach to regulation.

Published in June 2019, the strategy 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 care recipients and providers of aged care, facilitating a responsive regulatory and complaints system informed by both care recipient and service provider input.

## How we manage regulatory functions

The role of the Commission is to independently accredit, assess and monitor aged care services that are subsidised by the Australian Government.

We undertake our regulatory functions under the *Aged Care Act 1997*, the *Aged Care Quality and Safety Commission Act 2018* (the Act) and the Aged Care Quality and Safety Commission Rules 2018 (the Rules).

Regulation occurs through:

- the accreditation of residential aged care services and flexible care services through which short-term restorative care is provided in a residential care setting against the Accreditation Standards
- quality review of home services against the Home Care Standards
- quality review of National Aboriginal and Torres Strait Islander Flexible Aged Care Program services against the Quality Program
- monitoring the quality of care and services provided by aged care services.

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
- care staff and visiting health practitioners who provide care for consumers
- service 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.

The Department has policy responsibility for ageing and aged care, including the regulatory framework and regulatory action taken to address non-compliance. From early 2020, subject to decisions of Government, the Commission will incorporate the Department's aged care quality and safety compliance responsibilities.

As of 1 July 2019, all services will be accredited, re-accredited, reviewed and monitored using the Aged Care Quality Standards (Quality Standards).

## Assessment methodology

As part of the new suite of tools and resources to support the introduction of the Quality Standards on 1 July 2019, the Commission introduced a new assessment methodology.

Registered quality assessors undertake performance assessments through site audits, quality reviews and assessment contacts under the Rules. A performance assessment consists of obtaining and evaluating evidence to determine performance against the Quality Standards. Quality assessors undertake a performance assessment including through observations, interviews, and review of documented evidence of the quality of care and services at a service.

The assessment methodology guides our overall approach to monitoring and assessing aged care provider performance against the Quality Standards. Further, it provides a consistent approach to assessing a provider's performance against the Quality Standards within the broader assessment program and our Regulatory Strategy. It also supports quality assessors to reach similar conclusions about provider performance against the Quality Standards in similar circumstances, which provides transparency for stakeholders about the conduct of a quality assessment.

The assessment methodology is based on common principles of social care auditing and management systems auditing. It is benchmarked against the ISO19011 International Standard for auditing management systems.

The approach is underpinned by key principles of performance assessment, including:

- integrity
- fair representation
- diligence and judgement in assessment
- independence
- evidence based approach
- risk-based assessment
- transparency and accountability.



## Residential aged care services

All data from here below for Quality Assessment and Monitoring Group (QAMG) is based on data available as at 20 August.

### 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.

### Residential care

# 2,725

## Services

As of 30 June 2019

**Table 1: Accreditation status of residential aged care services as at 30 June 2019**

	NSW	VIC	QLD	SA	WA	TAS	ACT	NT	AU
<1 year	3	0	0	0	0	1	0	0	4
1 year	35	10	15	6	2	1	3	0	72
Commencing service 1 year	7	9	13	1	3	0	0	0	33
>1 year <2 years	11	7	3	7	0	1	0	0	29
2 years	29	18	9	11	3	3	2	1	76
>2 years <3 years	7	4	5	1	2	3	1	0	23
3 years	730	698	417	166	229	60	15	10	2,326
>3 years <5 years	56	23	8	5	6	3	4	0	105
5 years	0	0	0	51	0	0	0	1	52
Subtotal	878	769	470	248	245	72	25	12	2,719*
* Does not include the services with a revoke decision	4	2	0	0	0	0	0	0	6
<b>Total services</b>	<b>882</b>	<b>769</b>	<b>470</b>	<b>248</b>	<b>245</b>	<b>72</b>	<b>25</b>	<b>12</b>	<b>2,725</b>

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

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

The accreditation of commencing services and re-accreditation of accredited or previously accredited services includes:

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

Accreditation is supported by monitoring 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 and the Accreditation Standards or are taken to be an accredited service.

## Site audits

Site audits involve an assessment team carrying out a comprehensive assessment of a service's performance against all of the Accreditation Standards. Unannounced site audits were introduced from 1 July 2018. All site audits now occur without notice (unannounced) to the approved provider. The new Aged Care Quality Standards replace the Accreditation Standards from 1 July 2019.

The provider must inform consumers that a site audit is to be conducted; the period in which the site audit could occur; and that they or their representatives may meet with members of the assessment team in private. Consumers and their representatives are also 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.

During the site audit, the assessment team must interview at least 10 per cent of consumers and/or their representatives as well as key staff, management and volunteers. In practice, the assessment teams interview on average around 28 per cent of consumers and/or their representatives during site audits.

Quality assessors use a core set of consumer interview questions to collect data on the experiences of the care and services from those living in the residential aged care service.

### Risk-based regulation

The findings are reported in a Consumer Experience Report (CER) and published when a minimum number of interviews are conducted, alongside the site audit report for each service on our website. CERs are aimed at promoting consumer choice by capturing the consumer experience of the quality of care and services in aged care. The team then prepares and submits relevant reports to a Commission delegated officer.

### Accreditation decisions

Following a site audit, the assessment team prepares a report of the performance assessment against the Accreditation Standards for consideration by a delegated officer of the Commissioner. The provider of the service may make a response to the major findings of the assessment. We then consider the performance assessment report, any response made by the provider of the service and other relevant matters to make an accreditation decision.

The decision is either to re-accredit the service or not to re-accredit the service. If the decision is not to re-accredit the service, the delegated officer may also decide to revoke accreditation of the service.

The accreditation decision and the site audit report are published on our website and provided to the Department of Health. The Department of Health is also advised of any failure by the provider to comply with the Accreditation Standards and may apply sanctions.

### Review audits

A review audit is a site visit by an assessment team to conduct a full audit of the performance of a residential care service against the Accreditation Standards. Review audits may be announced or unannounced. Typically, they are unannounced.

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

A review audit may also be conducted if:

- the premises of the service have changed
- the provider has not complied with assessment contact arrangements
- there has been a change about which the provider is required to notify the Secretary of the Department of Health under the Aged Care Act.

A review audit must be undertaken if requested by the Secretary of the Department of Health.

At a review audit the assessment team interviews 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.

Following a review audit, we must decide whether to revoke or not to revoke accreditation of the service, and if accreditation is not revoked, whether to vary the period of accreditation.

**Table 2: Number of review audits by state for 2018–19, relating to decisions following the review audit to revoke, vary or not to revoke accreditation.**

	NSW	VIC	QLD	SA	WA	TAS	ACT	NT	Total
Not to Revoke	5	6	3	2	1	3	2	1	23
Vary	25	12	6	9	3	3	4	0	62
Revoke	4	1	0	0	0	0	0	0	5
<b>Total</b>	<b>34</b>	<b>19</b>	<b>9</b>	<b>11</b>	<b>4</b>	<b>6</b>	<b>6</b>	<b>1</b>	<b>90</b>

The provider and the Department are notified of a review audit decision along with the reasons for the decision with a copy of the review audit report. The review audit decision and the review audit report are also published on our website.

In 2018–19 we conducted 90 review audits. We found non-compliance against the standards in 89 of these audits. We also made a decision to revoke accreditation on five services as a result of these audits.

**Home services**

**Quality reviews**

Home services provide support to help people stay at home and be more independent with their day-to-day activities and in the community.

We conduct quality reviews and assessment contacts on home services to assess whether a provider delivers services in accordance with the Home Care Common Standards up until 30 June 2019. The new Aged Care Quality Standards apply to home services from 1 July 2019.

Home services undergo a quality review at least once every three years to demonstrate their performance against the Home Care Common Standards. More frequent quality reviews will be undertaken if risks to the safety, health, well-being or quality of life of aged care consumers are identified.

A quality review involves a visit to the service to carry out an assessment of performance against the Standards.

### Risk-based regulation

It includes reviewing a sample of consumer records and other documents such as policies, procedures, agreements and registers. If the provider is advised of the date of the quality review they must advise consumers and their representatives that they will have an opportunity to speak to the assessment team. 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.

After the completion of the site visit, the quality assessors develop an interim quality review report that assesses the provider's performance in relation to the service, against the Standards. The provider is invited to respond to the information in the interim quality review report before a final report is prepared.

We then make a decision about the provider's performance against the Standards. A final quality review report is given to the provider, which sets out the decision and, where there has been failure to meet the Standards, any areas for improvement that should be made.

In 2018–19, 603 quality reviews were conducted on home services. In 2018–19 the Commission increased the number of assessment contacts at home services to ensure greater oversight of home service providers against the Standards.

#### Home services

# 2,244

As of 30 June 2019

#### Home services

# 603

#### Quality reviews

In addition to quality reviews the Commission conducted 665 assessment contacts at home services in the same year.

A total of 1268 assessment contacts and quality reviews were conducted on home services in 2018–19.



**National Aboriginal and Torres Strait Islander Flexible Aged Care Program Services**

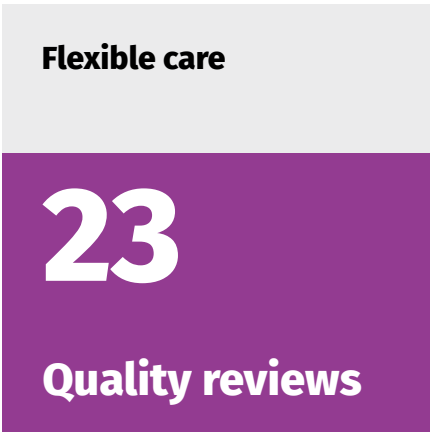
**Quality Review**

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.

We 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 National Aboriginal and Torres Strait Islander Flexible Aged Care Program Quality Standards. The Aged Care Quality Standards apply to the National Aboriginal and Torres Strait Islander Flexible Aged Care Program from 1 July 2019.

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

There were 35 National Aboriginal and Torres Strait Islander Flexible Aged Care Program services as at 30 June 2019 and 23 of these services had a quality review in the 2018–19 financial year.





## 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 range of care and services for consumers for up to eight weeks, to help prevent or reduce difficulties 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 of aged care services is undertaken through assessment contacts. We use a range of data and intelligence to accurately assess the risk of non-compliance with the applicable 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 between the Commission and a provider for one or more the following purposes:

- to assess the provider's performance in relation to the service, against the applicable standards
- to assist the provider's process of continuous improvement in relation to the service
- for residential aged care services,

to identify whether there is a need for a review audit of the service

- for home services, to identify whether there is a need for a quality review of the service
- to give the provider additional information or education about the accreditation or quality review process.

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
- attending a service
- 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.

Risk-based responsive assessment contacts may be conducted where issues are identified in information provided by consumers or their representatives, the public, as well as referrals from the Department. If a provider has been found non-compliant with one or more of the expected outcomes of the Standards, an assessment contact can also be used to assess whether the provider has made the necessary improvements in order for the Standards to be met at the end of a timetable for improvement as set by the Commission.

## Risk-based regulation

Assessment contacts at residential aged care services or home services 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 accountable to meet the standards at all times.

Unannounced assessment contacts focus on risk-based compliance monitoring. For example, we may:

- assess the expected outcomes of the Accreditation Standards which had the highest incidence of non-compliance and serious risk across the sector in the previous financial year
- focus on one risk across all or part of the sector
- focus on areas where regulatory requirements have changed.

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

In 2018–2019, we conducted:

- 3,377 assessment contacts at residential aged care services
- 665 assessment contacts at home services
- 22 assessment contacts at National Aboriginal and Torres Strait Islander Flexible Aged Care Program services.

### Residential

# 3,377

**Assessment contacts**

### Home services

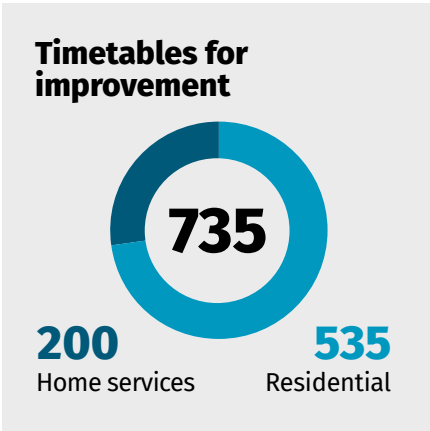
# 665

**Assessment contacts**

### Flexible care

# 22

**Assessment contacts**



**Continuous improvement**

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

Under the Commission Rules, approved providers must have a written plan that explains how they will assess, monitor and improve their quality of care and services. This has increased the focus on self-assessment as a core component of the continuous improvement process.

**Dealing with non-compliance**

If we find a provider has failed to meet the applicable standards, we will advise both the provider and the Department, including identifying any areas in which improvements must be made to meet the Standards within a prescribed timetable.

The provider must revise their plan for continuous improvement as we have directed. If a provider of a residential care service fails to meet the expected outcomes within the timetable set out for improvement, we may undertake a full review audit of the service.

In 2018–19, 535 timetables for improvement were commenced with residential aged care services.

In 2018–19, we were satisfied that the level of care and services provided complied with the standards at the end of 358 timetables for improvement. In 93 cases, the services did not comply with the standards by the end of the timetable for improvement. These include services that were on an existing timetable for improvement prior to the start of the financial year.

In 2018–19, 200 timetables for improvement were commenced with home services.

In 2018–19, we were satisfied that the level of care and services provided complied with the standards at the end of 61 timetables for improvement. In 15 cases, the service did not comply with the standards by the end of the timetable for improvement. These include 10 services that were on an existing timetable for improvement prior to start of the financial year.

As at 30 June 2019 there are 132 open timetables for improvement.

We notify the Department of any non-compliance found at the end of a service’s timetable for improvement.



Findings of serious risk

If we find that a provider of a residential service or home service has failed to comply with the applicable standards, we must decide whether there is evidence that the failure has placed, or may place, the safety, health or well-being of a consumer of the service at serious risk. We act promptly to consider the effect of the failure.

When we do make a finding of serious risk, we give the provider of the service our written decision outlining the reasons for and evidence of the risk, and also notify the Department. This ensures the provider gives prompt attention to rectifying the risk to consumers.

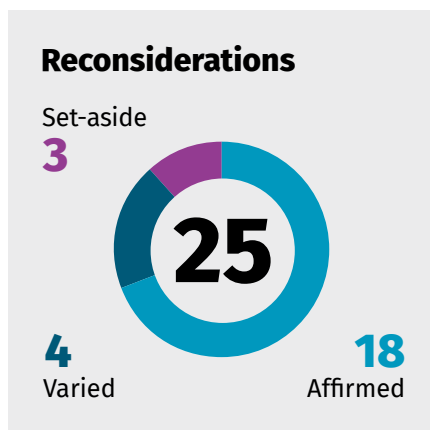
In 2018–2019, there were 170 findings of serious risk in residential aged care services, and eight findings of serious risk in home services.

Information regarding serious risk decisions in residential aged care services is published on the Commission’s website.



Table 3: Serious risk decisions by state for 2018–19

	NSW	VIC	QLD	SA	WA	TAS	ACT	NT	Total
Residential	72	39	26	14	4	7	7	1	170
Home services	4	0	2	1	0	0	0	1	8



## Reconsideration

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 an accredited service or a previously accredited service
- determine a specific period of accreditation of an accredited service or a previously accredited service
- 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.

A person whose registration as a quality assessor has been cancelled may also request reconsideration of the decision to cancel the registration.

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

A reconsideration decision will:

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

In 2018–19, we made 1,364 reviewable decisions and were requested to reconsider 25 decisions by the relevant providers. Of the 25 requests, 18 decisions were affirmed, four decisions were varied and three decisions were set aside and a new decision substituted.

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 2018–19 were reviewed on our own initiative.

Referrals and  
intelligence gathering

From 1 July 2018 to 30 June 2019 the Commission received a total of 5,955 referrals from a variety of sources. This includes 1,579 referrals from the Department of Health and 801 referrals from the Aged Care Complaints Commissioner (July to December 2018) to the Quality Agency.

Across 2018–19 we also received 990 intelligence reports from state and territory based government public health units, some in relation to outbreaks of infections.

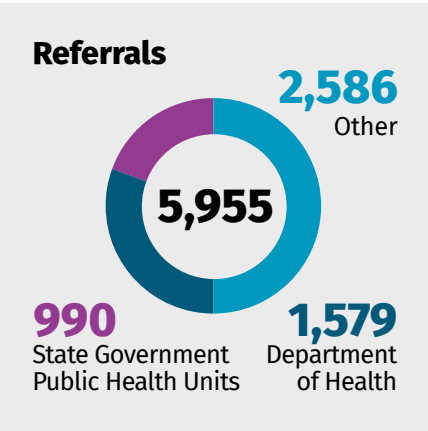


Table 4: Source of referrals for 2018–19

Source of referrals	Jul–Dec 2018	Jan–Jun 2019
Aged Care Complaints Commissioner to Quality Agency	801	–
Department of Health	794	784
State government public health units	442	548
Public, media, other	1,131	1,455
Total	3,168	2,787



Consumer Experience  
Reporting

With consumer experience reports (CERs) commencing in 2017, the Commission continues to use structured interviews in residential aged care site audits. The results for a residential aged care service CER are published on our website with the site audit report. In 2018–19, we conducted 1,092 site audits where we also published CER results.<sup>1</sup>

Where a service has a small number of care consumers, we may be unable to publish the results. The results are still useful for the provider as feedback on the service. In 2018–19, there were 56 (4.9 per cent) CER results which were released to providers but were not published on the website.

In addition to not publishing, for a small number of services who have very small numbers of consumers, we may not be able to provide the results to approved providers without identifying the respondents. In 2018–19, we received 16 (1.5%) CER results which were not released to the approved provider.

In 2018–19, the Commission worked with the Australian Institute for Primary Care and Ageing from La Trobe University to complete pilot testing of questions for consumer experience reports in home services.

We use the feedback and results from our 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.

Table 5: CER releases 2018–19

CERs not distributed or published due to low random interview numbers <sup>1</sup>		CERs released to approved providers	CERs published to the website
Percentage of 1,148 CERs conducted nationally		1.5%	98.5%
			95.1%

1 Low interview numbers can be due to a home not having enough residents to meet guidelines for release to the approved provider or for publication.

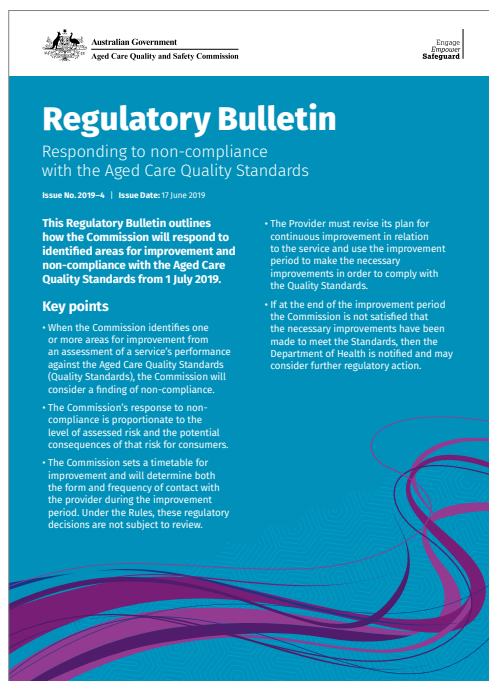


## Regulatory Bulletins

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<sup>1</sup>. Providers can subscribe to our newsletter to be notified of the release of Regulatory Bulletins.

### Regulatory Bulletins published in 2018-19

- Issue no. 2019-7.1 – Reconsideration of regulatory decisions
- Issue no. 2019-6.1 – Regulatory decision making
- Issue no. 2019-5.1 – Aged Care Quality Standards performance assessment methodology
- Issue no. 2019-4 – Responding to non-compliance with the Aged Care Quality Standards
- Issue no. 2019-3.2 – Exclusion of specific dates for unannounced visits
- Issue no. 2019-2.2 – Assessment Contacts in residential aged care
- Issue no. 2019-1.2 – Serious Risk



<sup>1</sup> <https://www.agedcarequality.gov.au/news/regulatory-bulletin>

## 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 Commission 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.

Under section 76 of the *Aged Care Quality and Safety Commission Act 2013*:

(1) The Commissioner may, in writing, delegate to a member of the staff of the Commission all or any of the Commissioner's functions or powers under this Act or the Rules.

Note: Sections 34AA to 34A of the *Acts Interpretation Act 1901* contain provisions relating to delegations.

(2) In performing a delegated function or exercising a delegated power, the delegate must comply with any written directions of the Commissioner.

## Quality assessor workforce

### Registration of quality assessors

Our quality 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 Aged Care Quality and Safety Commission Rules 2018.

At 30 June 2019 there were 273 registered quality assessors nationally, where:

- 162 (59 per cent) were employed by the Commission on a full-time, part-time or casual basis
- 47 (17.5 per cent) were external assessors engaged on a contract basis
- 44 (16.5 per cent) were external assessors engaged on a contract basis through a labour hire agency
- 20 (7 per cent) had current registration but may have ceased employment or were no longer contracted by the Commission to conduct assessment activities.

In 2018–2019 we made eight decisions to refuse re-registration of a quality assessor.

Of the 273 registered quality assessors, 138 (51 per cent) had nursing qualifications and experience. Allied health professionals are among the other registered quality assessors.

## 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 provided by the Commission.

The Continuing Professional Development (CPD) program aims to:

- develop quality assessor skills and knowledge and maintain currency related to 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 2018–19 we made available a total of 28 hours and 35 minutes of training to each quality assessor through CPD workshops. Four full-day sessions were held in August 2018 (single day), April/May 2019 (two-day session) and June 2019 (single day), with one half-day session in November 2018. A self-directed CPD learning workbook was also made available to each quality assessor in February 2019 for completion as part of ongoing CPD requirements throughout the year.

## Seeking provider feedback

The Commission regularly seeks feedback from providers on assessment and monitoring visits conducted by our quality assessors.

Data collected when providers complete the site visit confidential feedback form is used to inform our continuous improvement processes.

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

The form will be revised and updated for the 2019–20 financial year. The improved feedback form will be available in the next reporting period for residential, home and the National Aboriginal and Torres Strait Islander Flexible aged care program service providers.

**Table 6: Summary of feedback received via site visit confidential feedback form 2018-19**

Question	positive responses	neutral responses	negative responses
1. The timeliness of our notification to you about the visit	28.8%	6.7%	64.5%
2. The team leader's communication about planning for the visit	34.2%	6.9%	58.8%
3. Explaining how the visit would be conducted	88.1%	9.7%	2.1%
4. Providing useful answers to questions about the visit	85.5%	9.9%	4.7%
5. Allowing care staff to continue their duties during the visit	88.4%	9.3%	2.3%
6. Interacting with staff at your home	88.4%	8.6%	3%
7. Providing opportunity to demonstrate areas where you are doing well	82.9%	11.1%	6%
8. Coordinating interview with staff, residents and other stakeholders	85.9%	10.4%	3.7%
9. Providing regular feedback about the progress of the visit	85%	11%	4%
10. Assisting you to demonstrate your home's performance	82.2%	11.9%	5.9%
11. Informing you of the findings of the team	79.3%	10.8%	9.9%
12. Explaining the next steps to be taken in the assessment process	84.3%	11.3%	4.4%
13. The politeness of the assessment team	90.4%	6.1%	3.5%
14. The team's knowledge and understanding of aged care	89.9%	7.7%	2.4%
15. The overall responsiveness of the team to your questions	88.3%	8%	3.7%
16. The flexibility of the assessment team during the visit	88.3%	8.2%	3.5%

## Complaints resolution

**Anyone can raise a concern with the Commission. Our service is free. We can examine concerns relating to an aged care service provider's responsibilities under the Act or Government funding agreement (the Agreement).**

This includes Australian Government funded residential or respite care, Home Care Packages, Commonwealth Home Support Program (CHSP) services, and flexible care, including transition care, innovative care or multi-purpose services and the National Aboriginal and Torres Strait Islander Flexible Aged Care Program (NATSIFACP).

We assess the risks in each complaint we receive and deal with each complaint accordingly, using flexible approaches ranging from supporting people to resolve their concerns with the aged care service provider to investigation. We may visit a service to seek information. Where necessary, the Commission can direct a service provider to demonstrate that it is meeting its responsibilities under the Act or the Agreement. We can also, at any time, refer matters to the Department or to another relevant agency.

We received 17,580 contacts in 2018–19. Of these contacts, 5,141 (29 per cent) were matters which did not directly relate to our functions. The remaining 12,439 contacts included 4,534 (26 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 the provider or how to raise a concern directly with a service provider. Information is provided and they are invited to contact us again if they require further assistance. There were 52 occasions where we initiated an own resolution process (refer own initiative resolution processes page 49) and 25 related to new resolution processes which were commenced following a request for review.

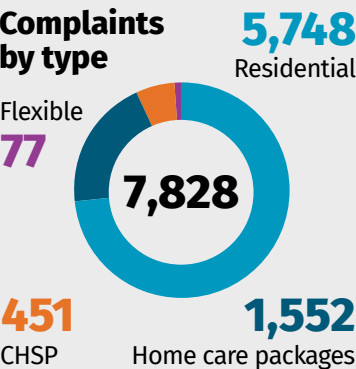




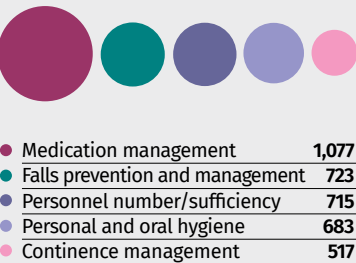
**Total complaints**

**7,828**  
**Received**

**Complaints by type**



**Most frequent complaints about residential care**



**Complaints received**

We received 7,828 complaints in 2018–19. There were 5,748 complaints about residential care, which accounted for 73 per cent of all complaints in this period. Complaints about home care packages comprised 20 per cent of complaints (1,552) and 6 per cent were about CHSP (451). There were also 77 complaints about flexible care.

Each complaint can include more than one issue and we may resolve them in different ways. We received 18,808 complaint issues during 2018–19, comprising 15,309 for residential care, 2,627 for home care packages, 674 for CHSP and 198 for flexible care.

The most common issues raised in complaints about residential aged care were about medication administration and management (1,077), falls prevention and post-fall management (723), personnel number and sufficiency (715), personal and oral hygiene (683) and constipation and continence management (517). The issues raised in complaints about residential aged care were wide ranging in nature. The most common issue represents only 7 per cent of all issues raised.

For home care packages, the most common complaint issues were fees and charges (399), lack of consultation and communication (253) and consistent client care and coordination (223).

Complaints resolution

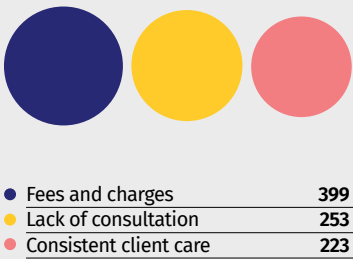
For CHSP, the most common complaint issues were fees and charges (110), lack of consultation and communication (88) and consistent client care and coordination (53). Fees and charges continue to be a major factor in complaints about both home care and CHSP, accounting for 15 and 16 per cent respectively of all complaints issues for each type.

For flexible care, there were too few issues to be able to report which were most commonly complained about.

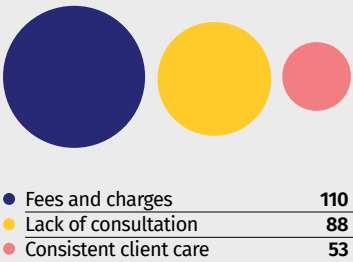
Complaints finalised

We finalised 7,329 complaints in 2018–19. We aim to resolve complaints as quickly as the circumstances permit. Our stated key performance indicators are that we aim to resolve 80 per cent of complaints within 60 days and 90 per cent of complaints within 90 days. We finalised 6,053 complaints (83 per cent) within 60 days and 6,704 (91 per cent) within 90 days. Complaints are resolved in different ways depending on risk. Where possible, we support the complainant to resolve their concerns quickly and directly with the service provider. This is called early resolution and it was achieved for 6,934 complaints (95 per cent of complaints finalised). We finalised 16,939 complaints issues during this period, of which 15,490 were finalised during early resolution.

Most frequent complaints about home care packages



Most frequent complaints about CHSP



Complaint issues finalised

15,490

Early resolution



Complaints resolution

One option during early resolution is where we decide to take no further action regarding a complaint or some of the issues within a complaint, for instance where we refer a particular issue to another area or organisation which is better placed to assist, or where the issue is withdrawn by the complainant. Following initial assessment, 6,514 issues finalised during early resolution (42 per cent) required no further action. All other issues resolved in early resolution were finalised to the satisfaction of the complainant (8,813 issues or 57 per cent) or were out-of-scope (163 issues or 1 per cent).

Where early resolution is not possible or appropriate, we employ more intensive methods 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 395 complaints resolved using these more intensive methods. These complaints were addressed using the three approaches of investigation (used in 250 complaints), provider resolution (148) and conciliation (27). These complaints comprised 1,449 issues.

Where a complaint shows a breakdown of processes or practices that affect, or may affect, a number of people receiving aged care, or a failure that has been ongoing, that information is also made available to the Quality Assessment and Monitoring Group within the Commission.



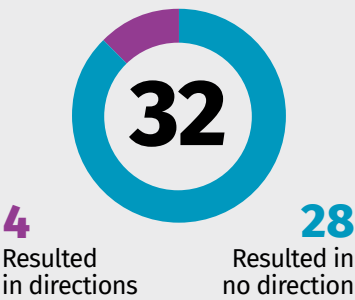
Site visits

Visits to aged care services can be an important part of the process of collecting information about a complaint and resolving it. Complaints staff may talk to residents to hear their views about their care, make independent observations and gather information. A visit may be part of an informal meeting or a more formal visit to interview staff and care recipients as part of an investigation. Visits can be announced, where the service provider is told about the planned visit beforehand, or unannounced. We use announced visits when we want to ensure that the right people and information will be available. We use unannounced visits where we judge that giving notice of the visit would be likely to affect the resolution of the issue.

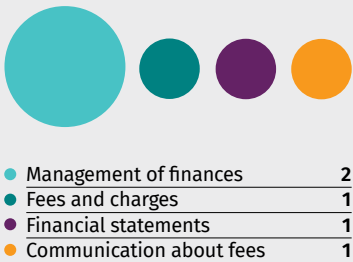
Our staff made 79 site visits in 2018–19, with 37 of these announced and 42 unannounced. There were 15 other meeting with services.



**Notices issued 2018–19**



**Complaint issues**  
Resulting in a direction



**Complaint issues**  
that resulted in a direction



**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 the 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, 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 will refer the matter to the Department so it can consider taking compliance action.

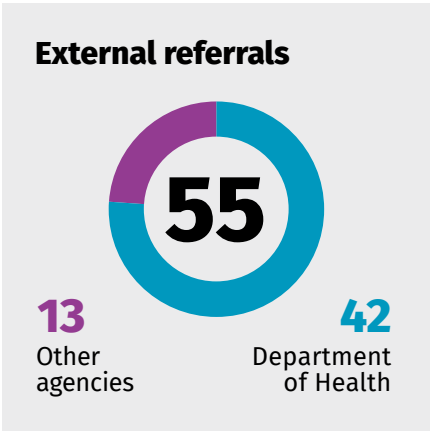
The Commission sent 32 notices during the period. Of these, 28 notices did not result in a direction being issued because the services satisfactorily addressed the concerns that were raised, or the service had not yet responded by 30 June 2019, or we were still considering the service’s response.

We issued four directions in 2018–19 which covered five complaint issues, all of which were financial comprising management of finances (2), fees and charges (1), financial statements (1) and communication about fees and charges (1). Of these five issues, four related to Home Care Packages and one related to residential services.

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. Referrals are made to the Secretary of the Department of Health where information has been received or a resolution process has identified that a service provider’s non-compliance with their responsibilities under the Act, the Principles or the Agreement is of such concern that the Department may need to take compliance action.

We made 55 referrals to external organisations, including 42 to the Secretary of the Department 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 primarily allegations of Aged Care Funding Instrument fraud, alleged Home Care Package fund misuse and concerns regarding the transfer of unspent Home Care Package funds. The other 13 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 2018–19, we commenced 52 processes on our own initiative. The issues were diverse but most related to financial fees and charges, wound management and falls prevention and management. We finalised 49 own initiative resolution processes.



# Education and engagement

## Education programs

Our education and engagement functions directly contribute to supporting the sector to improve performance against standards and outcomes for consumers. Through our engagement and education activities, we aim to build confidence and trust in the aged care system, empowering our consumers to make informed choices and promoting best practice.

In 2018–19 we conducted information sessions, education and training, which focused on preparing the sector for the new Standards. The training programs held by the Commission were attended by more than 2,000 participants. More than 5,100 participants attended the training programs conducted by the former Quality Agency.

Our education program has included:

- delivery of courses for the sector on the new Standards
- collaborating with the Department of Health to provide support and information to the sector via aged care provider webinar sessions.

## Courses and workshops

Our courses and workshops help us engage with the sector in performance assessment and continuous improvement.

## Core training programs

In 2018–19, our core training programs focused on the new Standards and were well-received nation-wide. This included the following programs:

- Quality Agency (September–December 2018): 151 half day sessions on **Getting to know the Standards** attended by 3,731 participants. This workshop was designed to raise awareness of the new Standards and support aged care services to engage with the guidance materials to ensure they understood the intent and requirements of each Standard.
- Commission (February–June 2019): 73 one-day **Preparing for the new Standards** workshops attended by 1,191 participants. This workshop was designed to provide services with the knowledge, skills and practical experiences to prepare services for the new Standards.
- Six one-day **Preparing for the new Standards** events held in Perth, Adelaide, Parramatta, Campbell Town (Tasmania), Melbourne and Brisbane. In addition, 1.5 days Better Practice events were held in Alice Springs and Darwin. A total of 908 participants attended these events. This event series focused on providing practical support to aged care providers to assist with preparing for the new Standards.

**Preparing for the new Standards**

**Better Practice series**

The Better Practice series commenced in mid-February 2019 with one day state-based events in Adelaide, Brisbane, Campbell Town, Melbourne, Perth and Sydney. The series concluded with 1.5 day Better Practice events in Alice Springs and Darwin on 27-28 May and 29-30 May.

Participants in these sessions were provided with practical information about the steps they can take to prepare for quality assessment against the new Standards. A workshop was included which encouraged and supported providers to apply the new Standards to case studies relating to both residential and home care services. These events were attended by almost 1000 delegates.

The need for targeted support to transition to the new Standards has been identified for rural and remote aged care providers. Taking this into account, these events were tailored for remote/rural services. In addition, remote/rural services were offered complimentary registrations.

Due to significant demand, an additional 73 standalone ‘Preparing for the new Standards’ workshops were delivered. These workshops reached an additional 1,191 representatives.



**Perth**  
**149**  
**Participants**

**Adelaide**  
**139**  
**Participants**





Sydney

**183**

Participants

Melbourne

**185**

Participants

Alice Springs

**25**

Participants

Tasmania

**43**

Participants

Brisbane

**142**

Participants

Darwin

**42**

Participants



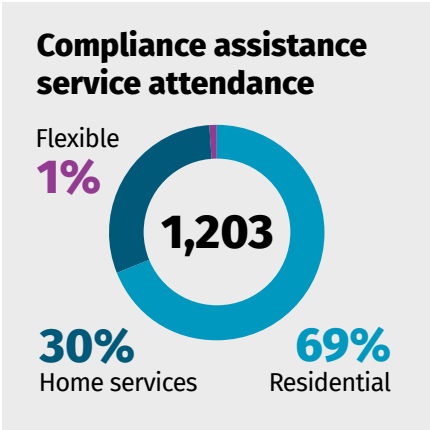
**Other training programs**

The former Quality Agency also offered 59 other training programs, which were attended by 866 participants. The workshop topics were:

- *Enhancing Consumer Engagement* in partnership with Council on the Ageing (COTA) Queensland
- *Understanding Accreditation*
- *Managing accreditation performance.*

**Getting to know the new Standards compliance assistance**

The former Quality Agency delivered a national program of face to face compliance assistance between September and December 2018. A total of 151 sessions were delivered in 100 locations across Australia including metropolitan, regional, rural and remote areas. These sessions were attended by 3,731 representatives from 1,203 services.



Of the 1,203 services that participated, 69 per cent were residential service providers, 30 per cent represented home care services and 1 per cent represented National Aboriginal and Torres Strait Islander Flexible Aged care services. Of the services represented, 50 per cent were located in major cities, 31 per cent in inner regional, 16 per cent outer regional, two per cent remote and one per cent very remote.

Participants in these sessions were provided with information about each of the Standards and practical information to assist them to engage with the guidance materials.

A webinar session was also delivered on Friday 30 November 2018, to which 250 participants logged in. A video of the session was made available and has been viewed more than 7,300 times.

**Qassist**

Qassist is our compliance education program that provides tailored and targeted education sessions related to the applicable standards, quality principles, continuous improvement and the accreditation and quality review processes for those services that need it most.

We also offer selected modules online for providers to work through in their own time.

## Complaints education

Education sessions are available to service providers, consumers and their representatives, and the public in relation to the Commission's complaints resolution functions.

These sessions 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
- Tips for consumers on how to raise a complaint.

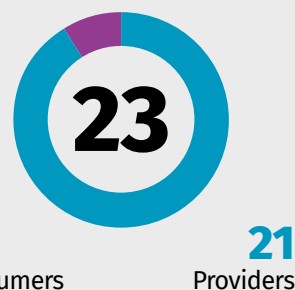
Since 1 January 2019 we have delivered 21 education sessions on complaints processes to aged care providers and two sessions for consumers. We presented information on the Commission's complaints functions at seven conferences including LASA state conferences in QLD/WA, NSW/ACT, Law for Home & Disability Care manager conference in VIC, NSW, QLD and the Aged Care Consumer Experience Conference held in Melbourne. We also held two information booths at consumer events: the ACT Seniors Expo, run by Council on the Ageing (COTA), and the Dementia and Family Expo run by Carers Victoria. Our staff attend these booths to provide the public with copies of our resources and answer questions about our complaints processes and how the Commission can help them.

## Information and resources

### Supporting the sector to transition to the new Aged Care Quality Standards

A range of new information and resources was developed to support the sector to transition to the new Aged Care Quality Standards. We are continuing to review all our current courses, information and resources to align with these new Standards. We will also continue to provide information sessions, webinars and other resources such as fact sheets and videos.

### Complaints education sessions

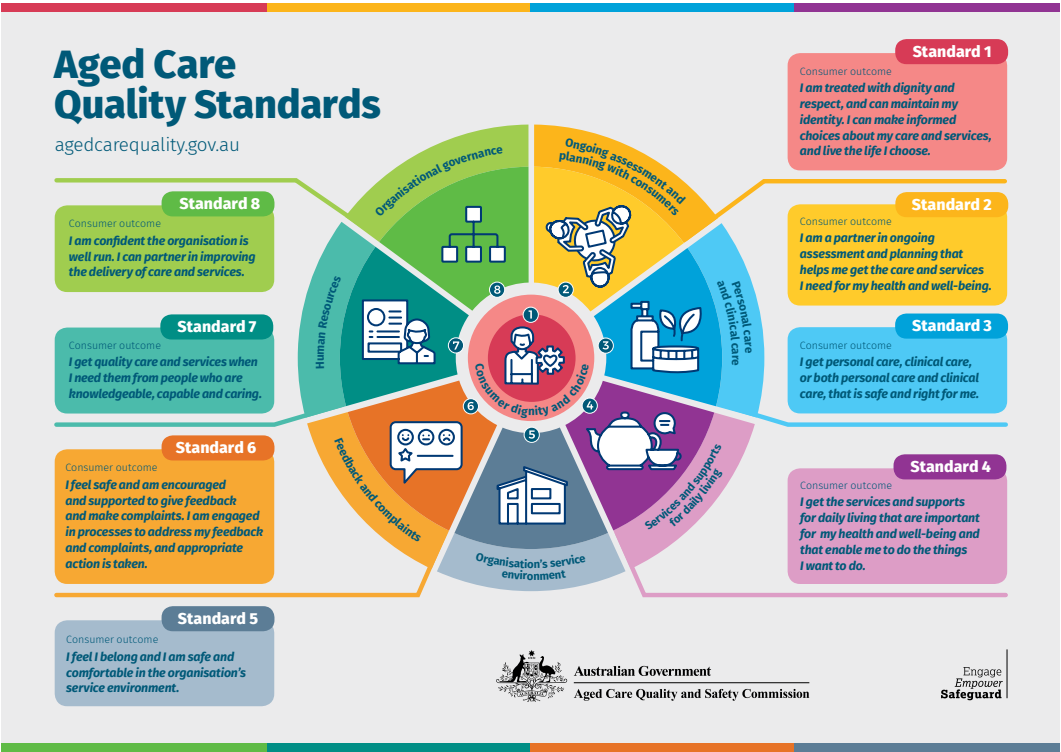
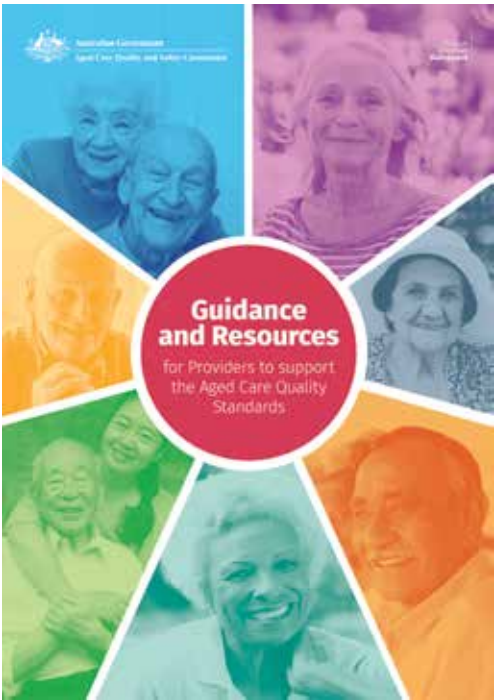




New resources and tools

A range of resources and tools were made available on the Commission’s website to support the new Standards. They include:

- Guidance material and resources
- Self-assessment guide and tool
- Standards Poster
- Consumer resources
- Chatter box game
- Videos for providers and consumers.





Preparing for the new Standards video



Altura Learning – Aged Care Quality Standards video



Aged care consumers video

## Video Resources

A short video was developed to provide a summary of the steps providers should take to prepare for the new Standards. The video was uploaded to YouTube on 9 September 2018. A rebranded version was made available on 3 January 2019.

## Altura Learning – Aged Care Quality Standards Video program

The Commission collaborated with Altura Learning to create a video program relating to the new Aged Care Quality Standards. The video introduces the Commission and each of the new Standards.

This video is available to the sector via both the Commission and Altura websites. Since the launch on 24 April 2019, the video had nearly 50,000 views, with a retention rate of 98 per cent.

## Consumer video

This short video is aimed at aged care consumers and their families. It provides information about the new Aged Care Quality Standards.

The video was made available to the sector on 2 May 2019. Since this time, it has been viewed more than 5,000 times through the Commission website and Facebook page.

The Commission plans to translate this video into an additional 24 languages.



### Consumer engagement functions

An important new function of the Commission is our consumer engagement function, which requires the Commission:

*(a) to develop, in consultation with aged care consumers and their representatives, best practice models for the engagement of approved providers of aged care services, and service providers of Commonwealth-funded aged care services, with their aged care consumers and the representatives of those consumers; and*

*(b) to promote those best practice models to such approved providers and service providers.*

In order to progress implementation of this function, we established a Steering Group with representatives from key stakeholders to oversee a Consumer Engagement Project. The deliverables for the project include:

- 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**, drawing on the survey report, literature review and other background information, which outlines the goals, objectives and desired outcomes of best practice consumer engagement by service providers, and proposes core characteristics of best practice models and strategies, and criteria for use by providers in assessing existing consumer engagement practices
- a **forum** of key stakeholders to explore issues in the discussion paper with the purpose of informing 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 and documentation 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.



Communications activities

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. At 30 June 2019, the *Bulletin* had more than 11,000 subscribers.

The *Bulletin* is aimed at people with an interest in aged care including providers, consumers and other members of the sector.



New website

A new website was created for the Commission’s commencement on 1 January 2019. Built on the GovCMS platform, the new website has had more than 240,000 visitors since it went live.

# Annual performance statements

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Outcome and program structure	65
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# Financial performance

## 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.

The report on performance covers the six months ending 30 June 2019.

The Commission's performance was impacted by:

- incorporating policies and procedures throughout the new organisation
- significant investment in ICT services and systems
- investment in operation systems in preparation for the new Single Quality Framework
- making a significant contribution to the Royal Commission into aged care quality and safety.

## Financial activities

### Operating results

The Commission returned a surplus before depreciation of \$4,525 against a break-even position for the financial year and a total net deficit of \$897,011 against a targeted net deficit of \$830,000.

### Operating revenue

The total operating income was \$42,381,665 and consisted of the following:

- Government appropriations of \$34,190,088
- Sales of goods and rendering of services of \$7,267,755
- Other revenue of \$923,822.

### Operating expenses

Total operating expenses were \$43,278,676 and consisted of:

- Employee benefits of \$24,914,901
- Supplier expenses of \$17,462,270
- Depreciation and amortisation of \$901,536.

Balance sheet

Net asset position

The net assets at 30 June 2019 were \$16,402,468.

Total assets

Total assets at 30 June 2019 were \$40,192,824 which is represented by:

- Cash \$3,677,381
- Trade and other receivables (including undrawn appropriations) \$31,819,275
- Non-financial assets \$4,696,168.

Total liabilities

Total liabilities at 30 June 2019 were \$23,790,355, which is represented by:

- Supplier payables \$5,351,525
- Unearned revenues \$3,275,781
- Other payables \$483,090
- Employee provisions \$13,381,179
- Other provisions \$1,298,781.

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, and 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.

Net assets

\$16.4  
million

At 30 June 2019

Total assets

\$40.2  
million

At 30 June 2019

Total liabilities

\$23.8  
million

At 30 June 2019





## Outcome and program structure

### **This section covers our performance against the outcome and program's framework and performance information set out in the *Portfolio Budget Statements 2018–2019*.**

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.

There are no reportable performance information contained in the 2018-19 Portfolio Budget Statements for the Commission. Performance information has been developed for the 2019-20 reporting period.

### **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.



## Delivery

The Commission protects and enhances 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.

- Consult with consumers to develop and promote best practice models for provider engagement with consumers
- Effective assessment and monitoring of aged care services against aged care standards
- Provide information and education to consumers, providers and the public to supports the Quality and Safety Commission's functions
- Timely and effective resolution of complaints about aged care services

## Outcome expense statement

Refer to the Annual Financial Statements on page 137.



# Corporate plan

## 1. Establish the Commission as an effective organisation to protect and enhance the safety, health, well-being and quality of life of aged care consumers

Focus Area	Our aim	Performance measure	Result Jan–Jun 2019
<b>Corporate Governance</b>	Effective and joined up delivery of Commission functions	A Commission structure in place that supports an increased focus on consumers, strengthens regulation and promotes transparency	<b>Ongoing</b> Work underway to plan and implement a structure
	Role of the Chief Clinical Advisor established and Clinical Panel in place	Chief Clinical Advisor appointed to assist the Commission in areas of clinical care and options developed for an expert clinical panel	<b>Achieved</b> Chief Clinical Advisor appointed in May 2019. Options developed for accessing expert clinical advice
	New Charter and strategic operating model for the Aged Care Quality and Safety Advisory Council established	A new Charter and strategic operating model in place to support the Advisory Council's strategic focus	<b>Achieved</b>
	Plan and support the transfer of regulatory functions from the Department of Health from 1 January 2020	Active engagement with the Department of Health to support legislative changes to strengthen regulation and transition the Department of Health regulatory compliance staff to the Commission from 1 January 2020	<b>Achieved</b>

Focus Area	Our aim	Performance measure	Result Jan–Jun 2019
<b>Royal Commission into Aged Care Quality and Safety</b>	Respond to information and witness notices within required timeframes	100% of requests from the Royal Commission responded to within requested timeframes to support the Royal Commission's work	<b>Achieved</b>
	Apply learnings from the Royal Commission in a timely way to improve operational performance	100% of issues identified and responded to throughout the Royal Commission to inform operational improvements	<b>Achieved</b>
<b>Corporate resources and capability</b>	Establish the Commission as a single, trusted point of contact for aged care consumers	Evidence of positive consumer uptake of the website and 1800 telephone line	<b>Ongoing</b> Growth in contacts to 1800 number and website
	Implement a staff engagement and communication strategy to support change processes	Staff engagement and communication strategy designed and implemented to support change processes	<b>Achieved</b>
	Implement a quality assurance framework to support continuous improvement	A quality assurance framework designed that supports the Commission's continuous improvement of its operations	<b>Ongoing</b> An analysis undertaken of the quality assurance mechanisms in place in the Commission is informing development and implementation of a broader quality governance framework in 2019-20
	Implement an improved Performance Development Framework to support staff capability	Performance Development Framework implemented to support staff capability	<b>Ongoing</b> Performance Development Framework has been developed, online learning module being finalised for release to staff

Focus Area	Our aim	Performance measure	Result Jan–Jun 2019
	Ensure effective corporate services in place to support functions	Corporate services projects delivered on time and to budget	<b>Partly Achieved</b> All projects on track except the ACCMIS project which is on hold. The Commission is focusing on business requirements for regulation of Home Care services in preparation for implementation. Remainder of Corporate projects delivered on time and within budget (CAAT, O365, Intranet consolidation, hardware replacement)
	Commence enterprise bargaining for a new enterprise agreement for Commission staff	Enterprise bargaining commenced on a new Commission enterprise agreement	<b>Achieved</b>
<b>Information sharing</b>	Enhance information sharing across the Commission and other key regulatory bodies and establish Memorandum of Understandings (MOUs)	MOU in place with the Department of Health	<b>Achieved</b>
		MOUs with other regulatory bodies identified and scoped	<b>Achieved</b>

## 2. Promote the provision of quality care and services

Focus Area	Our aim	Performance measure	Result Jan–Jun 2019
<b>Risk-based regulation</b>	Develop and publish a risk-based regulatory strategy	A risk-based regulatory strategy developed and operationalised to inform the Commission's risk-based approach to regulation	<b>Achieved</b>
	Publish regular regulatory bulletins/ alerts to explain risks, regulatory approach and data on regulatory trends	Regulatory bulletins and alerts published on key risks, the Commission's regulatory approach and trends	<b>Achieved</b>
<b>Greater transparency</b>	Implement quarterly reporting on complaints data and provider performance against the standards	Publication of the Commission's first quarterly report to provide greater visibility and transparency of sector wide risks and regulatory performance	<b>Achieved</b>
<b>Leadership on aged care quality regulation</b>	Provide leadership on key issues relating to aged care quality and safety through information and regulatory campaigns and research partnerships	Participation in key stakeholder forums	<b>Achieved</b>
		Communication and engagement plan in place that identifies opportunities to promote aged care quality and safety	<b>Achieved</b>
		Publication of articles and regulatory bulletins on topics critical to the provision of safe, quality aged care that are informed by data and research	<b>Achieved</b>



Focus Area	Our aim	Performance measure	Result Jan–Jun 2019
	Participate in the next phase of aged care reforms including risk profiling, developing options for a Serious Incident Response Scheme, Charter of Rights and differentiated performance	Active participation in development and implementation of policy reforms and budget measures	<b>Achieved</b>
<b>Regulatory performance framework</b>	Monitor performance and seek feedback against the regulatory performance framework to identify improvements	Improved performance against the regulatory performance framework self-assessment for 2018–19	<b>Ongoing</b>
		A plan developed to address areas of deficiency	<b>Ongoing</b> Implementation of new Regulatory Strategy in context of new Aged Care Quality Standards is being monitored

### 3. Enhance consumer engagement functions

Focus Area	Our aim	Performance measure	Result Jan–Jun 2019
<b>Consumer experience reporting</b>	Undertake further analysis and research into consumer experience report (CER) data	Improved information from CER in residential care informs the Commission's priorities, campaigns and regulatory services	<b>Achieved</b>
	Develop CER questions and methodology to support CER implementation in home care under a single quality framework from 1 July 2019	Resources and systems in place to implement and conduct CER interviews in home care by 1 July 2019	<b>Achieved</b>
<b>Consumer information</b>	Develop and publish consumer information to support implementation of the new Aged Care Quality Standards and other reforms	Information developed and accessible to support consumer awareness of the new Aged Care Quality Standards and other reforms	<b>Achieved</b>
	Ensure consumers are empowered to make a complaint about their aged care services	Information developed and accessible to promote awareness of the Commission's functions and powers in relation to resolving complaints about aged care providers	<b>Achieved</b>
<b>New consumer engagement function</b>	Undertake consultation to establish new consumer engagement functions	A consultation and engagement plan in place to inform consumer engagement functions	<b>Achieved</b>

4. Ensure effective complaints resolution for aged care consumers

Focus Area	Our aim	Performance measure	Result Jan–Jun 2019
Management of complaints	Ensure efficient and effective management of complaints to meet performance targets	>70% of complaints closed within 30 days, 80% within 60 days and 90% within 90 days	<b>Not achieved</b> For the period:  52% of complaints were closed in 30 days  78% of complaints were closed in 60 days  89% of complaints were closed in 90 days
	Seek feedback to inform improvements to complaints resolution processes	≥85% of people who complete the complaint feedback survey express satisfaction with the service, fairness and impartiality and transparency of the process	<b>Not achieved</b> Of those who completed the complaint feedback survey:  77% were satisfied with service  74% were satisfied with fairness and impartiality  75% were satisfied with explanation of our process
		A plan in place to mitigate risk to performance targets resulting from any increase in volume of complaints	<b>Ongoing</b> Analysis completed on range of contacts received by Commission, and work plan developed to explore more efficient and effective way of receiving and triaging contacts

Focus Area	Our aim	Performance measure	Result Jan–Jun 2019
<b>Joined up processes</b>	Review complaints processes to support the Single Charter of Rights and new Aged Care Quality Standards	Complaints processes established and in place that support the Single Charter of Rights and new Aged Care Quality Standards	<b>Ongoing</b> Training of all Complaints officers undertaken
<b>Complaints officer workforce</b>	Support effective recruitment, training, performance management and professional development of complaints officers	A recruitment and development plan that is contemporary and supports workforce needs	<b>Achieved</b>

## 5. Ensure effective regulation of aged care services

Focus Area	Our aim	Performance measure	Result Jan–Jun 2019
<b>New Aged Care Quality Standards</b>	Implement a program of work to support the transition to the new Aged Care Quality Standards (both internally and externally) including sector information, tools and resources to support quality assessment from 1 July 2019	Audit methodologies developed and tested prior to implementation	<b>Achieved</b>
		Guidance material improvements implemented prior to implementation	<b>Achieved</b>
		Information updates provided in a timely manner	<b>Ongoing</b>
<b>Regulatory program</b>	Deliver program of regulatory work to meet performance standards and targets	100% site and review audits conducted within statutory timeframes	<b>Not achieved</b> 60.4% of audits conducted within statutory timeframes
		98% of services providing care in the home and community receive a quality review within legislative timeframes	<b>Not achieved</b> 80% of active home services have received a quality review in the last three years.
		100% Regulatory Performance Framework Targets achieved	<b>Ongoing</b> Targets not available for 2018-19 (given that Commission commenced on 1 January 2019). Commission has consulted with Department of Health's Best Practice Regulation Unit on most appropriate way to measure performance for the Commission



## Our corporate plan

Focus Area	Our aim	Performance measure	Result Jan–Jun 2019
		100% of applications for re-accreditation completed within the statutory timeframes	<b>Not achieved</b> 80% of decisions on applications for accreditation were completed within statutory timeframes
		An Unannounced site visit conducted on 100% of residential aged care services within the year	<b>Not achieved</b> 86.4% of active residential services received an unannounced visit
	Implement enhanced risk profiling and increase information sharing to inform risk-based approach	Streamlined triage and collection of information to inform timely, risk-based regulatory monitoring	<b>Ongoing</b>
		Contribution to Department of Health development of business case for IT infrastructure for risk-based approach	<b>Achieved</b>
<b>Assessor workforce</b>	Support effective recruitment, training, performance management and professional development of quality assessors	Deliver face-to-face and online professional development	<b>Achieved</b>
		Recruitment strategy is contemporary and increases the pool of available quality assessors	<b>Achieved</b>
		Continuing Professional Development program developed and in place to support quality assessor capability	<b>Achieved</b>

Focus Area	Our aim	Performance measure	Result Jan–Jun 2019
<b>Regulatory policies and practices</b>	Develop policies and guidance material to support consistent quality assessment under the new Aged Care Quality Standards	Program implemented to support quality assessor workforce transition to the new Aged Care Quality Standards	<b>Achieved</b>
		A framework developed to quality assure the consistency of assessment outcomes and decisions	<b>Ongoing</b> Strategies in place to support consistency of assessment outcomes and decisions
<b>Regulation of home care services</b>	Implement improvements to home care regulation to manage risks	98% of quality reviews conducted in home care services within statutory timeframes	<b>Not achieved</b> 80% of active home services received a quality review in the last three years
		Increased use of information and intelligence to inform regulation of home care services	<b>Ongoing</b> Project in place to develop consumer experience interviews in home services
		98% Regulatory Performance targets achieved for home care services	<b>Not achieved</b> 80% of active home services received a quality review in the last three years

## 6. Enhance information and education to support the Commission's functions

Focus Area	Our aim	Performance measure	Result Jan–Jun 2019
<b>Effective education programs</b>	Develop and deliver effective education programs to support transition to the new Aged Care Quality Standards from 1 July 2019	Sector engagement activities planned and promoted throughout 2019	<b>Achieved</b>
		>90% of people who complete the education program feedback survey are satisfied with the Commission's education and engagement activities	<b>Achieved</b>
	Develop an online learning platform to support sector wide education and internal professional development	Online learning platform established to support sector wide education and internal professional development	<b>Ongoing</b> Online learning platform scoped and development commenced in May 2019
<b>Sector engagement and communication</b>	Develop a strategy to support sector engagement and communication to support Commission's functions	A strategy developed and operationalised to support sector engagement and communication of the Commission's functions including proactive media	<b>Achieved</b>
<b>Enhanced information and communication</b>	Consult on and develop enhanced information and communication for consumers, providers and the public	Enhanced information and communication for consumers, providers and the public	<b>Achieved</b>

# Entity resource statement

## 2018–19 Entity resource statement for the period ended 30 June 2019

	Year	Opening	New	Drawdown	Closing
<b>Ordinary annual services</b>					
<b>Departmental appropriation</b>					
Annual	2017–18	–	4,893,000	(4,000,000)	893,000
	2018–19	–	47,042,231	(36,370,000)	10,672,231
		–	51,935,231	(40,370,000)	11,565,231
DCB	2018–19	–	1,020,000	(1,020,000)	–
		–	1,020,000	(1,020,000)	–
<b>Total ordinary annual services</b>		–	52,955,231	(41,390,000)	<b>11,565,231</b>
<b>Other services</b>					
<b>Departmental non-operating</b>					
Equity	2016/17	17,737,592	–	–	17,737,592
		17,737,592	–	–	17,737,592
<b>Total other services</b>		17,737,592	–	–	<b>17,737,592</b>
<b>Total available annual appropriations and payments</b>		17,737,592	52,955,231	(41,390,000)	<b>29,302,823</b>



# Management and accountability

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# 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 *Aged Care Quality and Safety Commission Act 2018*. 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 (ELG) to assist in ensuring effective operational governance.

The ELG comprises the Commissioner, Executive Directors, the National Manager Complaints Operations, the General Manager of Corporate Services and the Chief Clinical Advisor. The Group meets weekly.

## Executive Leadership Group

The ELG provides strategic, whole-of-organisation leadership to the Commission. The ELG 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, Quality Assessment and Monitoring Operations
- Executive Director, Industry Engagement and Communications
- Executive Director, Performance, Education and Policy – Complaints
- Executive Directory, Regulatory Policy and Performance
- Executive Director, Compliance Transition and Strategy
- National Manager, Complaints Operations
- General Manager, Corporate Services.

The biographies of the Commissioner and Executive Directors can be found on page 90.

## Risk and Audit Committee

In accordance with the Public Governance, Performance and Accountability Act 2013 (PGPA Act) the Commission established its Risk and Audit Committee. The Risk and Audit 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 focus of the Risk and Audit Committee includes reviewing the Commission's performance statements, risk management and fraud 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 service firm to conduct internal audits. This is to ensure that appropriate systems and internal controls 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 to the Risk and Audit Committee.

## Fraud control

Our fraud control plan is designed to prevent, detect and deter fraud.

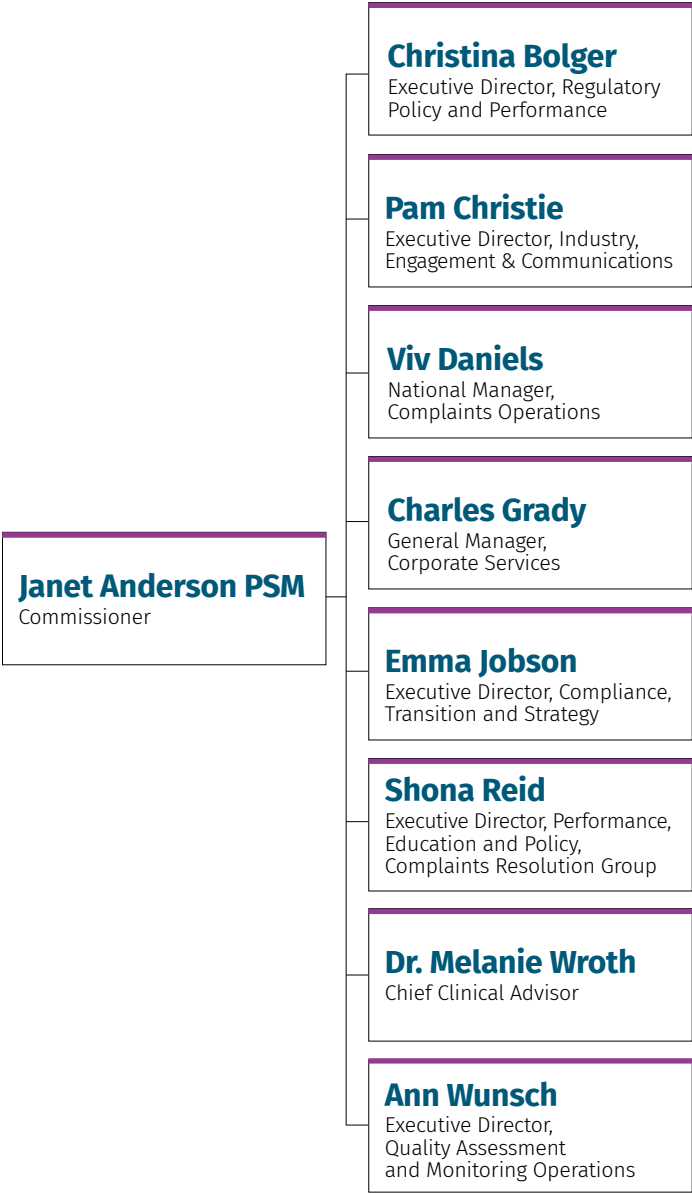
It includes a:

- 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.



Figure 1: Organisational chart



## Portfolio structure

We are an Australian Government statutory authority within the Health portfolio. Ms Janet Anderson PSM is the Commissioner.

## Responsible ministers

For the reporting period there were two responsible Ministers:

- The Hon Ken Wyatt AM, MP, Minister for Senior Australians and Aged Care and Minister for Indigenous Health (to 25 May 2019)
- Senator the Hon Richard Colbeck, Minister for Aged Care and Senior Australians and Minister for Youth and Sport (from 26 May 2019)

## 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).

Our functions as set out in the ACQSC Act are:

- 1. To protect** and enhance the safety, health, well-being and quality of life of aged care consumers
- 2. To promote** the provision of quality care and services by:
  - i. approved providers of aged care services; and
  - ii. service providers of Commonwealth-funded aged care services
- 3. 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.
- 4. To deal 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.
- 5. To regulate aged care services** according to the Rules by accrediting, conducting quality reviews, monitoring the quality of care and services and registering quality assessors.
- 6. To provide 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.

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 team**

**The executive team is responsible for the overall management of the Commission's assessment of aged care services provided to the community and our day-to-day operations. Their leadership helps to ensure that the day-to-day work of the Commission meets its strategic objectives.**

### Our leadership team



#### OUR LEADERSHIP TEAM

From left to right: **Ann Wunsch**, Executive Director, Quality Assessment and Monitoring Operations; **Pam Christie**, Executive Director Industry Engagement and Communications; **Dr Melanie Wroth**, Chief Clinical Advisor; **Viv Daniels**, National Manager, Complaints Operations; **Janet Anderson PSM** – Aged Care Quality and Safety Commissioner; **Emma Jobson**, Executive Director, Compliance Transition and Strategy; **Christina Bolger**, Executive Director Regulatory Policy and Performance; **Shona Reid**, Executive Director, Performance, Education and Policy – Complaints Resolution Group; **Charles Grady**, General Manager, Corporate Services.

## Janet Anderson PSM

### **Aged Care Quality and Safety Commissioner**

Janet Anderson is a career public servant who for the last 20 years has held a range of executive positions at Commonwealth, State and regional levels, working in the areas of health and aged care policy, strategy and planning.

After tenures in the NSW Department of Health, the Commonwealth Department of Veterans' Affairs and the Commonwealth 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.



In 2009, Janet was awarded a Public Service Medal for her contributions to health system policy.

### **Commissioner's Role**

The Commissioner is the statutory head of the Commission and is governed by the *Aged Care Quality and Safety Commission Act 2018* and the *Aged Care Quality and Safety Commission Rules 2018*.

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 function or powers under the Act or the Rules. The Commissioner is responsible for the performance of the following functions described in the Act, set out in sections 16-20 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; complaints; and regulatory: accreditation, quality assessment, review and compliance monitoring.



## Dr Melanie Wroth

### Chief Clinical Advisor

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.

## Shona Reid

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

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 federal government departments.

In 2015, Shona led the transitioning 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.

On 1 January 2019 Shona moved into the role of Executive Director, Performance, Education & Strategy for the Complaints Resolution Group within the new Aged Care Quality and Safety Commission.



### **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 Operations decisions 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 an aged care services.

## Viv Daniels

### **National Manager, Complaints Operations**

Viv Daniels has had a successful and varied career in both the public and private sectors during the last 30 years. Viv held the same role at the former Aged Care Complaints Commissioner from 2016 and she has responsibility for the 130 employees who make up the Complaints Operations Group; this includes Complaints Officers and support staff.



### **Role**

The Complaints Operations group has staff in every capital city except Darwin. Complaints Officers work to resolve complaints about government funded aged care services. These services include residential care or residential respite care, home care packages, the Commonwealth Home Support Programme, and flexible care, which includes transition care, innovative care or multi-purpose services and the National Aboriginal and Torres Strait Islander Flexible Aged Care Program (NATSIFACP).



## Ann Wunsch

### **Executive Director, Quality Assessment and Monitoring Operations**

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 ACQSC 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 237 staff including regional directors.

## Christina Bolger

### **Executive Director, Regulatory Policy and Performance**

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 leadership 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.

**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.

**Pam Christie****Executive Director, Industry Engagement and Communications**

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

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.

Pam was previously Managing Director of TAFE NSW with responsibility for forging partnerships and driving transformational change across the organisation.

### Our leadership team

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).



## Charles Grady

### General Manager, Corporate Services

Charles Grady brings significant experience across state and federal government in business and executive services.

Prior to joining the Quality Agency in 2014, Charles worked in various human service departments in Queensland. He has experience in leading and delivering corporate services, executive services, strategic and operational planning within the public sector context.

Charles holds a Bachelor of Commerce degree with majors in Finance and Economics from Bond University.

### 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.

## Emma Jobson

### **Executive Director, Compliance Transition and Strategy**

Emma Jobson brings significant experience working across health and social services in policy design, program implementation and service delivery.

She has over 10 years' experience in senior roles in the Australian Public Service, including as State Manager of the NSW/ACT Office of the Department of Health where she led the implementation of aged care regulation, and health care programs across aged and primary health care. Most recently she has 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 Compliance Transition and Strategy section provides a Project Management Office (PMO) supporting the Commission to implement key reforms including transition to the new quality standards from 1 July 2019 and preparations for the transition of additional regulatory and compliance functions from the Department of Health. Following the transfer, the Commission will become the primary regulator of Commonwealth funded aged care providers.







# Aged Care Quality and Safety Advisory Council

**The Aged Care Quality and Safety Advisory Council (Advisory Council) is established under Section 37 of the *Aged Care Quality and Safety Commission Act 2018* (ACQSC Act).**



Andrea Coote



Carolanne Barkla



Dr Matthew Cullen



Sally Evans



Dr Dorothy Jones

The legislated functions of the Advisory Council are:

- 1.** On its own initiative or at the request of the Commissioner, to provide advice to the Commissioner in relation to the Commissioner's functions; and
- 2.** 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 three times between 1 January and 30 June 2019.

Between January and June 2019, members of the Advisory Council included:

- **Ms Andrea Coote** (Chair)
- **Ms Carolanne Barkla** (from April 2019)
- **Dr Matthew Cullen**
- **Ms Sally Evans** (from April 2019) <sup>1</sup>
- **Dr Dorothy Jones**
- **Dr Stephen Judd**
- **Professor Susan Kurrle** (from April 2019)
- **Ms Maree McCabe**
- **Mr Paul Sadler**



Dr Stephen Judd



Professor Susan Kurrele



Maree McCabe



Paul Sadler



Ian Yates AM



Janet Anderson PSM



Charles Wann



Dr Melanie Wroth

- **Mr Ian Yates AM**
- **Ms Janet Anderson PSM**, Commissioner (ex-officio)
- **Ms Maria Jolly** (ex-officio) Department of Health (January to April 2019)
- **Mr Charles Wann**, Department of Health (ex-officio) (from April 2019)
- **Associate Professor Michael Murray**, Interim Chief Clinical Advisor (ex-officio) (January – May 2019)
- **Dr Melanie Wroth**, Chief Clinical Advisor (ex-officio) (from May 2019).

Between January and June 2019, the Advisory Council:

- promoted the work and vision of the Commission
- provided advice to assist with the establishment of the Commission
- worked with the Commission to identify trends and risks in non-compliance with the standards
- engaged in strategic discussion about issues relevant to the Commission's functions
- provided advice and feedback on the Commission's Corporate and Operational Plans.

# Staff and turnover

## Workforce planning, staff retention and turnover

The size of our workforce varies according to the cyclical accreditation workload and volume of complaints. At 30 June 2019, our headcount was 472.

Of the Commission's 472 headcount:

- 82 per cent are full-time employees
- 92 per cent are ongoing employees
- 75 per cent of staff are female
- Leadership roles range from EL1 to SES level and are held by 117 staff, of which 72 per cent are female and 28 per cent male
- 30 per cent are APS-employed quality assessors
- 26 per cent are complaints officers
- There was a total of 38 separations during the reporting period, of which
  - six were non-ongoing employees
  - nine were executive level employees
  - nine were quality assessors
  - one was a complaints officer

### Commission

# 472

### Headcount

At 30 June 2019

### Quality assessors

# 30%

### Complaints officers

# 26%

## Management of human resources

**Table 7: All ongoing employees current 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	–	–	–	–	–	–	–	–	–	–
OS	–	–	–	–	–	–	–	–	–	–
<b>Total</b>	<b>100</b>	<b>8</b>	<b>108</b>	<b>267</b>	<b>61</b>	<b>328</b>	–	–	–	<b>436</b>

**Table 8: All non-ongoing employees current 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	–	–	–	–	–	–	–	–	–	–
OS	–	–	–	–	–	–	–	–	–	–
<b>Total</b>	<b>6</b>	<b>3</b>	<b>9</b>	<b>14</b>	<b>13</b>	<b>27</b>	–	–	–	<b>36</b>

## Australian Public Sector (APS) classification and gender

**Table 9: Australian Public Service Act ongoing employees current 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
EL 2	6	1	7	19	21	21	–	–	–	28
EL 1	25	–	25	49	55	55	–	–	–	80
APS 6	52	5	57	152	197	197	–	–	–	254
APS 5	9	1	10	14	17	17	–	–	–	27
APS 4	4	–	4	12	14	14	–	–	–	18
APS 3	4	1	5	17	20	20	–	–	–	25
APS 2	–	–	–	–	–	–	–	–	–	–
APS 1	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
<b>Total</b>	<b>100</b>	<b>8</b>	<b>108</b>	<b>267</b>	<b>61</b>	<b>328</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>436</b>

**Table 10: Australian Public Service Act non-ongoing employees current 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	–	12	–	–	–	2
APS 3	1	–	1	–	–	–	–	–	–	1
APS 2	–	–	–	–	–	–	–	–	–	–
APS 1	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
<b>Total</b>	<b>6</b>	<b>3</b>	<b>9</b>	<b>14</b>	<b>13</b>	<b>27</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>36</b>



## Australian Public Sector (APS) classification and gender

**Table 11: Australian Public Service Act ongoing employees previous report period (2017–18)<sup>1</sup>**

	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	–	–	–	–	–	–	–	–	–	–
EL 2	–	–	–	–	–	–	–	–	–	–
EL 1	–	–	–	–	–	–	–	–	–	–
APS 6	–	–	–	–	–	–	–	–	–	–
APS 5	–	–	–	–	–	–	–	–	–	–
APS 4	–	–	–	–	–	–	–	–	–	–
APS 3	–	–	–	–	–	–	–	–	–	–
APS 2	–	–	–	–	–	–	–	–	–	–
APS 1	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

<sup>1</sup> The Aged Care Quality and Safety Commission commenced on 1 January 2019. As such, no reporting data for the 2017–18 reporting period is available.

Table 12: Australian Public Service Act non-ongoing employees  
previous report period (2017–18)<sup>1</sup>

	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	–	–	–	–	–	–	–	–	–	–
EL 2	–	–	–	–	–	–	–	–	–	–
EL 1	–	–	–	–	–	–	–	–	–	–
APS 6	–	–	–	–	–	–	–	–	–	–
APS 5	–	–	–	–	–	–	–	–	–	–
APS 4	–	–	–	–	–	–	–	–	–	–
APS 3	–	–	–	–	–	–	–	–	–	–
APS 2	–	–	–	–	–	–	–	–	–	–
APS 1	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
Total	–	–	–	–	–	–	–	–	–	–

1 The Aged Care Quality and Safety Commission commenced on 1 January 2019.  
As such, no reporting data for the 2017–18 reporting period is available.

## Employment type by full-time and part-time status

**Table 13: Australian Public Service Act employees by full time and part time status current 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	–	–	–	–	–	–	–
<b>Total</b>	<b>367</b>	<b>69</b>	<b>436</b>	<b>20</b>	<b>16</b>	<b>36</b>	<b>472</b>

**Table 14: Australian Public Service Act employees by full time and part time status previous report period (2017–18)<sup>1</sup>**

	Ongoing			Non-Ongoing			Total
	Fulltime	Part Time	Total ongoing	Fulltime	Part Time	Total non-ongoing	
SES 3	–	–	–	–	–	–	–
SES 2	–	–	–	–	–	–	–
SES 1	–	–	–	–	–	–	–
EL 2	–	–	–	–	–	–	–
EL 1	–	–	–	–	–	–	–
APS 6	–	–	–	–	–	–	–
APS 5	–	–	–	–	–	–	–
APS 4	–	–	–	–	–	–	–
APS 3	–	–	–	–	–	–	–
APS 2	–	–	–	–	–	–	–
APS 1	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
<b>Total</b>	–	–	–	–	–	–	–

<sup>1</sup> The Aged Care Quality and Safety Commission commenced on 1 January 2019. As such, no reporting data for the 2017–18 reporting period is available.

**Table 15: Australian Public Service Act employment type by location  
current 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	–	–	–
Overseas	–	–	–
<b>Total</b>	<b>436</b>	<b>36</b>	<b>472</b>

**Table 16: Australian Public Service Act employment type by location  
previous report period (2017–18)<sup>1</sup>**

	Ongoing	Non-ongoing	Total
NSW	–	–	–
QLD	–	–	–
SA	–	–	–
TAS	–	–	–
VIC	–	–	–
WA	–	–	–
ACT	–	–	–
NT	–	–	–
Overseas	–	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>

<sup>1</sup> The Aged Care Quality and Safety Commission commenced on 1 January 2019. As such, no reporting data for the 2017–18 reporting period is available.

## Indigenous employment

**Table 17: Australian Public Service Act indigenous employment  
current report period (2018–19)**

	Total
Ongoing	3
Non-ongoing	1
<b>Total</b>	<b>4</b>

**Table 18: Australian Public Service Act indigenous employment  
previous report period (2017–18)<sup>1</sup>**

	Total
Ongoing	–
Non-ongoing	–
<b>Total</b>	<b>–</b>

1 The Aged Care Quality and Safety Commission commenced on 1 January 2019.  
As such, no reporting data for the 2017–18 reporting period is available.



## Employment arrangements of SES and non-SES employees

**Table 19: Australian Public Service Act employment arrangements  
current report period (2018–19)**

	SES	Non-SES	Total
Individual flexibility agreement		1	1
<b>Total</b>			<b>1</b>

## Salary ranges by classification level

**Table 20: Australian Public Service Act employment salary ranges by  
classification level (minimum/maximum) current report period (2018–19)**

	Minimum salary	Maximum salary
SES 3	–	–
SES 2	–	–
SES 1	–	–
EL 2	119,908	141,965
EL 1	100,502	114,624
APS 6	81,784	92,265
APS 5	73,057	79,008
APS 4	68,160	72,019
APS 3	60,161	66,683
APS 2	–	–
APS 1	–	–
Other	–	–

## Key management personnel

### Information about remuneration for senior executives

#### Policies and practices

Under section 24 of the *Aged Care Quality and Safety Commission Act 2018*, the Minister for Senior Australians and Aged Care appointed the Commissioner of the Aged Care Quality and Safety 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) and key management personnel (KMP) are employed under Section 22 of the Public Service Act 1999. 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 Public Service Act 1999.

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; and
- flexible working arrangements (where applicable).

Other highly paid staff are remunerated under the terms and conditions of the Commission's section 24(1) Determination (non-SES employees) 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.

**Table 21: Aged Care Quality and Safety Commission executive remuneration for key management personnel for the six months ended 30 June 2019**

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
<b>Janet Anderson</b> Aged Care Quality and Safety Commissioner	202	–	33	3	–	238
<b>Christina Bolger</b> Executive Director, Regulatory Policy and Performance	115	2	21	4	–	142
<b>Ann Wunsch</b> Executive Director, Quality Assessment and Monitoring Operations	113	2	17	5	–	137
<b>Pam Christie</b> Executive Director, Industry Engagement and Communications	127	1	19	2	–	149
<b>Shona Reid</b> Executive Director, Performance, Education and Policy – Complaints Resolution Group	92	13	17	2	–	124
<b>Dr Melanie Wroth<sup>1</sup></b> Chief Clinical Advisor	32	3	5	–	–	40
<b>Total</b>	<b>681</b>	<b>21</b>	<b>112</b>	<b>16</b>	<b>–</b>	<b>830</b>

<sup>1</sup> Commenced 10 May 2019

**Table 22: Aged Care Quality and Safety Commission executive remuneration for other highly paid staff for the six months ended 30 June 2019**

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	1	93	–	14	3	–	111
<b>Total</b>		<b>93</b>	<b>–</b>	<b>14</b>	<b>3</b>	<b>–</b>	<b>111</b>

## Governance arrangements

The Aged Care Quality and Safety 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 Public Service Act 1999.

## 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 Aged Care Quality and Safety Commission executive remuneration for the six months ended 30 June 2019.

Consultants

Table 23: Number and expenditure on consultants  
current report period (2018–19)

	Total
Number of new contracts entered into during the period	4
Total actual expenditure during the period on new contracts (inc. GST)	\$133,774
Number of ongoing contracts engaging consultants that were entered into during a previous period	0
<b>Total actual expenditure during the period on ongoing contracts (inc. GST)</b>	<b>4</b>

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 two quality assessor recruitment rounds since 1 January 2019. As a result we have engaged four quality assessors nationally as on-going employees. We also engaged 24 Complaints Officers.

We have advertised and filled 15 other nationwide vacancies through APS Jobs.

Salary ranges and advancement

The Commission’s *Determination 2019–01 pursuant to section 24(1) of the Public Service Act 1999* details our classification structure and salaries.

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

Table 24: Recruitment per state

State	Quality assessor / Senior quality surveyor	Complaints Officer
NSW	1	3
ACT	0	0
SA	2	5
NT	0	0
VIC	0	10
QLD	1	2
WA	0	1
TAS	0	3





## Learning and development

Our staff are our greatest asset and we continually develop and build their capabilities. 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 workforce 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 begun implementation of 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 EL1 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. Since 1 January 2019, eight staff accessed study assistance and/or study leave, and 32 days of study leave were approved. There were nine requests approved by HR Services for individuals to participate in external learning events including workshops, courses and conferences.

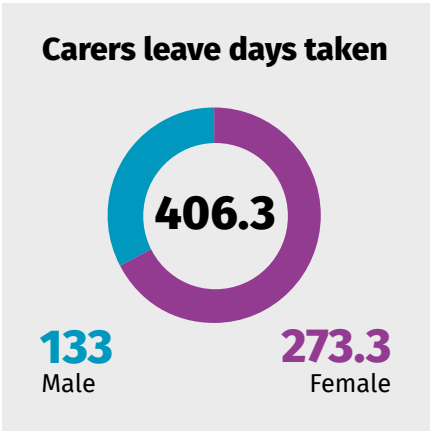
Carer reporting

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 its employees to provide care, support and assistance in the role of carer.

We support access to personal/ carers leave for all employees. Our Commission’s s24.1 Determination has provisions for personal/carers leave and flexible working hours to manage carer responsibilities.

Since 1 January 2019, 28 per cent of our staff, of which 29 per cent were males, accessed carers leave. There was a total of 406.30 days taken as carers leave, and 133 of those days were taken by males. We will continue to foster an organisational culture in which carers are encouraged and supported.



Disability reporting

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](https://dss.gov.au).

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

## 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 which 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 at work.

There were 30 early intervention cases lodged during this period and eight workers' compensation claims submitted, three of which were accepted. One hundred and three days were lost due to compensable injuries. The early intervention strategy has allowed us to manage cases without them requiring to be lodged 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 have run two flu vaccination programs this year for all our employees, including contractors. During this period, we offered employees and contractors access to vaccination programs 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 53 per cent.

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

## Indigenous reporting

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.

## Diversity

The diversity of our staff is very important to us. We welcome and actively encourage applications from people with disability, people with culturally and linguistically diverse backgrounds, and Aboriginal and Torres Strait Islander backgrounds. We recognise the richness of diverse backgrounds and the unique knowledge these employees can bring to our workplace, policy development and service delivery.

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

We currently have a Diversity Strategy working party collaborating with employees across the Commission to develop a robust and inclusive Diversity Strategy.

Events have been organised to celebrate diversity including:

- National Aborigines and Islanders Day Observance Committee Week
- Harmony Day

## Staff engagement

### National Leadership Group

The National Leadership Group consists of the ELG as well as EL2 directors. The group meets monthly, via videoconference, to discuss strategic issues impacting the Commission, and to share information, insights and innovation.

The group has also had one face-to-face meeting to date, and plans to have at least two such meetings every year.

### Engaging with Staff

The Commissioner and executive engage regularly with staff both on the frontline and in centralised roles in Canberra and Parramatta.

In 2018-19 the Commissioner travelled to all regional offices to meet with frontline staff, including regional executives, quality assessors and complaints officers.

End of month ELG and NLG meetings are also rotated through regional offices to ensure the executive can meet with and hear from staff across the country.







# External scrutiny

## 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 2018–19, no contracts were let that did not require the Auditor-General to have access to the contractor's premises.

## 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 2018–19, there were no contracts considered exempt from publication in AusTender.

## Consultancies

During 2018–19 four new consultancy contracts were entered into involving expenditure of \$133,774.

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 *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and related regulations.

## Consultancy trend data

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 [tenders.gov.au](https://tenders.gov.au).

Table 25: Consultancies

	Number	Expenditure \$000's (GST inclusive)
New consultancies let in the current year	4	133.7
Ongoing active consultancies	–	–

Table 26: Consultancy contracts

	2018-19
Number of new contracts	4
Consultancy expenditure \$000's	133.7
Number of ongoing contracts	–
Consultancy expenditure \$000's	–

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.

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.

## Office of the Australian Information Commissioner decisions

We were not notified of any new review applications before the Office of the Australian Information Commissioner in the period from 1 January 2019 to 30 June 2019.

We carried over four Information Commissioner reviews of FOI decisions made by the Aged Care Complaints Commissioner, one of which was finalised in the period. There were no Information Commissioner reviews carried over in relation to Australian Aged Care Quality Agency FOI decisions.

## Regulator performance framework

The Australian Government's Regulator Performance Framework (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 self-assess and report against six key performance indicators each financial year. For the 2017–18 self-assessment, we sought feedback from the Aged Care Sector Committee during the 2018–19 year.

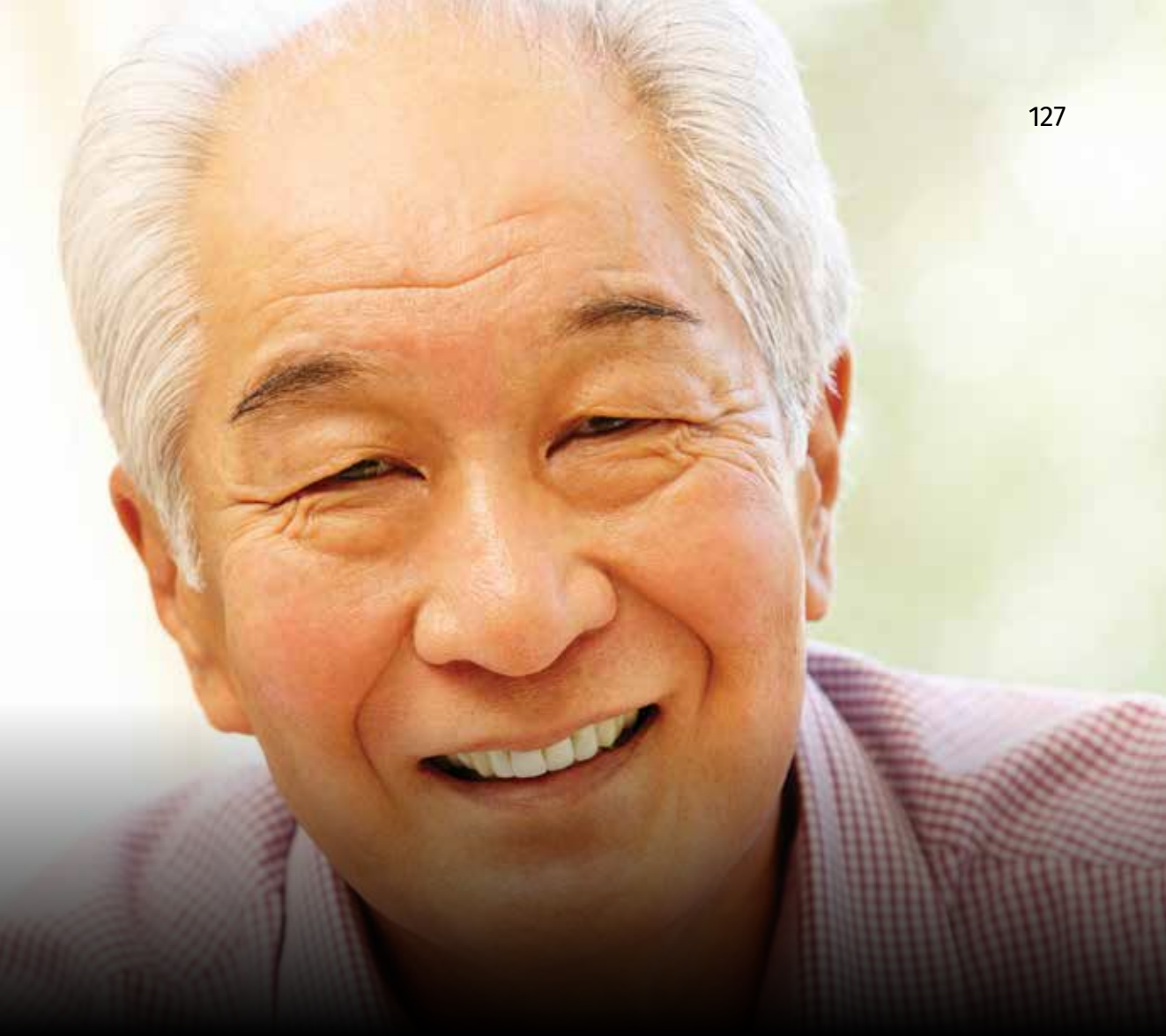
## Parliamentary accountability

On 20 February 2019, the Commission attended the Community Affairs Legislation Committee Additional Estimates Hearing.

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

In February 2019, the Commissioner attended a hearing of the Senate Community Affairs References Committee inquiry into the 'Effectiveness of the Aged Care Quality Assessment and Accreditation Framework for protecting residents from abuse and poor practices, and ensuring proper clinical and medical care standards are maintained and practised'.

We responded to 13 questions on notice from the Committee following the hearing and contributed to the Department of Health portfolio questions on notice as requested. The Committee's report was published in April 2019.



## Other accountability reporting

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## 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 their 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 Surveyor Training Program is accredited by ISQua against the ISQua Surveyor Training Programme Standards, 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.

In September 2018, Pam Christie (Executive Director, Industry Engagement and Communications) and Mary Murray (Senior Quality Surveyor) attended ISQua's 35th International Conference in Kuala Lumpur to deliver a presentation called 'Sharpening the Focus on Risk in Australian Aged Care'.



# Freedom of Information

**The Aged Care Quality and Safety Commission had four Freedom of Information (FOI) requests on hand at 1 January 2019. It received 32 new FOI applications in the period from 1 January 2019 to 30 June 2019. Twenty-four of these requests were finalised during the same period, and one request was withdrawn. Six requests have been carried over to the new financial year.**

Of the 24 FOI decisions made, in 18 cases we gave the FOI applicant partial or full access to the documents they sought. Eight requests were refused in full under s 47E(d) of the *Freedom of Information Act 1982* because of the extent of protected information in the documents.

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 two of the requests in order to release more information to the applicant. One request was carried over into the new financial year.

## The Aged Care Complaints Commissioner

### 1 July 2018 – 31 December 2018

The Aged Care Complaints Commissioner had three FOI requests on hand on 1 July 2018 and received 13 FOI applications in the period from 1 July 2018 to 31 December 2018. Thirteen requests were finalised during the same period, and three were withdrawn. One of these requests was carried over to the new calendar year.

Of the 13 decisions made, in 10 cases we gave the FOI applicant partial or full access to the documents they sought. Three requests were refused in full under s 38(1) of the FOI Act because of the extent of protected information in the documents.

The Aged Care Complaints Commissioner received two requests for internal review of FOI decisions in the period. We varied the original decisions on both requests and released more information to the applicant.

## The Australian Aged Care Quality Agency

### 1 July 2018 – 31 December 2018

The Australian Aged Care Quality Agency had seven FOI requests on hand on 1 July 2018 and received 14 FOI applications in the period from 1 July 2018 to 31 December 2018. Seventeen requests were finalised during the same period, and one request was withdrawn. Three of these requests were carried over to the new calendar year.

Of the 17 decisions made, in 10 cases the FOI applicant was given partial or full access to the documents they sought. Seven decisions were made to refuse the request in full under s 38(1) of the FOI Act because of the extent of protected information in the documents

## Information Publication Scheme

Entities subject to the *Freedom of Information Act 1982* (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](https://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.**

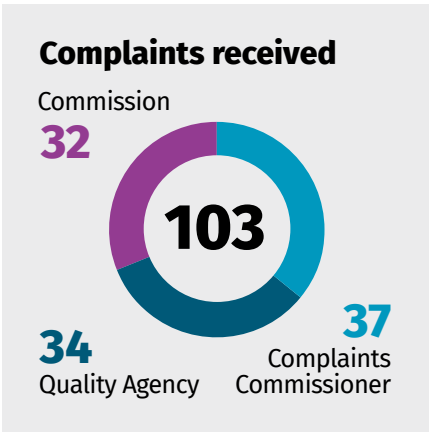
Once we receive a service complaint, we respond with information that may include: an outline of our complaints process, expected time frames, the progress of the complaint and reasons for any delay, the complainant’s involvement in the process, and the possible or likely outcome of the complaint.

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 103 complaints during the year, compared with 33 the previous financial year:

- 32 complaints from 1 January 2019 under the Commission, 10 of which have been closed
- 34 complaints between 1 July 2018 and 31 December 2018 under the Quality Agency, 27 of which have been closed
- 37 complaints between 1 July 2018 and 31 December under the Complaints Commissioner.

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



## Advertising

### Campaigns

During 2018–19, the Commission did not conduct any advertising campaigns.

## Corrections

### Corrections from 2017–18

There are no corrections to report.



# Financial statements

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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 half year ended 30 June 2019:

- (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 2019 and its financial performance and cash flows for the half year ended 30 June 2019.

The financial statements of the Aged Care Quality and Safety Commission, which I have audited, comprise the following statements as at 30 June 2019 and for the half year ended 30 June 2019:

- Statement by the Accountable Authority and Chief Finance 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* (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.

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

**Auditor's responsibilities for the audit of the financial statements**

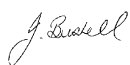
My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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 Aged Care Quality and Safety Commission's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioner;
- conclude on the appropriateness of the Commissioner'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 Aged Care Quality and Safety Commission'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

15 October 2019



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 2019 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.

Janet Anderson PSM  
Accountable Authority

Kevin Smith  
Director Finance (CFO)

14 October 2019

1800 951 822  
[agedcarequality.gov.au](http://agedcarequality.gov.au)

## Statement of comprehensive income

### Statement of comprehensive income for the six months ended 30 June 2019

		6 months to 30 June 2019	Estimated actual
	Notes	\$'000	\$'000
<b>Net cost of services</b>			
<b>Expenses</b>			
Employee benefits	2A	<b>24,915</b>	23,148
Suppliers	2B	<b>17,462</b>	14,422
Depreciation and amortisation	5A, 5B	<b>902</b>	830
Finance costs		<b>–</b>	7
<b>Total expenses</b>		<b>43,279</b>	38,407
<b>Own-source income</b>			
Sale of goods and rendering of services	3A	<b>7,268</b>	5,272
Other revenue	3B	<b>924</b>	–
<b>Total own-source income</b>		<b>8,192</b>	5,272
Net cost of services		<b>(35,087)</b>	(33,135)
Revenue from Government	3C	<b>34,190</b>	32,305
<b>Total comprehensive income on continuing operations</b>		<b>(897)</b>	(830)

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

As this is the first year of operations there are no comparative numbers for the prior year.

Estimated actual refers to the estimated actuals as published in the 2019-20 Portfolio Budget Statements.

**Statement of financial position  
as at 30 June 2019**

	Notes	As at 30 June 2019 \$'000	Estimated actual \$'000
<b>Assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	4A	<b>3,677</b>	1,167
Trade and other receivables	4B	<b>31,819</b>	26,913
<b>Total financial assets</b>		<b>35,496</b>	28,080
<b>Non-financial assets</b>			
Property, plant and equipment	5A	<b>1,604</b>	2,531
Intangibles	5B	<b>2,742</b>	3,897
Prepayments		<b>350</b>	489
<b>Total non-financial assets</b>		<b>4,696</b>	6,917
<b>Total assets</b>		<b>40,192</b>	34,997
<b>Liabilities</b>			
<b>Payables</b>			
Suppliers		<b>5,351</b>	2,375
Unearned revenue	6A	<b>3,276</b>	1,297
Other payables	6B	<b>483</b>	–
<b>Total payables</b>		<b>9,110</b>	3,672
<b>Provisions</b>			
Employee provisions	11	<b>13,381</b>	11,997
Other provisions	7	<b>1,299</b>	330
<b>Total provisions</b>		<b>14,680</b>	12,327
<b>Total liabilities</b>		<b>23,790</b>	15,999
<b>Net assets</b>		<b>16,402</b>	18,998
<b>Equity</b>			
Contributed equity		<b>17,299</b>	21,174
Retained surplus/(deficit)		<b>(897)</b>	(2,176)
<b>Total equity</b>		<b>16,402</b>	18,998

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

As this is the first year of operations there are no comparative numbers for the prior year.

Estimated actual refers to the estimated actuals as published in the 2019-20 Portfolio Budget Statements.

### Statement of changes in equity for the six months ended 30 June 2019

	6 months to 30 June 2019	Estimated actual
	\$'000	\$'000
<b>Contributed equity</b>		
Opening balance	–	–
Contributions by owners:		
Equity injection	<b>16,279</b>	20,154
Departmental capital budget	<b>1,020</b>	1,020
Total transactions with owners	<b>17,299</b>	21,174
Closing balance as at 30 June	<b>17,299</b>	21,174
<b>Retained earnings</b>		
Opening balance	–	(1,346)
Deficit for the period	<b>(897)</b>	(830)
Closing balance as at 30 June	<b>(897)</b>	(2,176)
<b>Total equity</b>	<b>16,402</b>	18,998

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

As this is the first year of operations there are no comparative numbers for the prior year.

Estimated actual refers to the estimated actuals as published in the 2019-20 Portfolio Budget Statements.



## Cash flow statement for the six months ended 30 June 2019

	Notes	6 months to 30 June 2019 \$'000	Estimated actual \$'000
<b>Operating activities</b>			
<b>Cash received</b>			
Appropriations		32,922	27,412
Sale of goods and rendering of services		6,759	5,272
Other		400	–
Net GST received		211	–
<b>Total cash received</b>		<b>40,292</b>	32,684
<b>Cash used</b>			
Employees		(23,263)	(18,255)
Suppliers		(16,044)	(13,892)
<b>Total cash used</b>		<b>(39,307)</b>	(32,147)
<b>Net cash from operating activities</b>		<b>985</b>	537
<b>Investing activities</b>			
<b>Cash used</b>			
Purchase of property, plant and equipment		(885)	(585)
Purchase of computer software		(1,001)	(972)
<b>Total cash used</b>		<b>(1,886)</b>	(1,557)
<b>Net cash used by investing activities</b>		<b>(1,886)</b>	(1,557)
<b>Financing activities</b>			
<b>Cash received</b>			
Departmental capital budget		1,020	1,020
Other financing activity		3,558	1,167
<b>Total cash received</b>		<b>4,578</b>	2,187
<b>Net cash from financing activities</b>		<b>4,578</b>	2,187
Net (decrease)/increase in cash held		3,677	1,167
Cash and cash equivalents at the beginning of reporting period		–	–
Cash and cash equivalents at the end of reporting period	4A	3,677	1,167

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

As this is the first year of operations there are no comparative numbers for the prior year.

Estimated actual refers to the estimated actuals as published in the 2019-20 Portfolio Budget Statements.

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# Overview

## Establishment

The Aged Care Quality and Safety Commission (the Commission) is a statutory agency established on 1 January 2019 by the *Australian Aged Care Quality and Safety Commission Act 2018*. The Commission is subject to the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The Commission brings together the functions of the Aged Care Complaints Commissioner and the Australian Aged Care Quality Agency.

## Objectives of the Aged Care Quality and Safety Commission

The role of the Commission is to protect and enhance the safety, health, well-being and quality of life of people receiving aged care. It promotes high quality care and services to safeguard everyone who is receiving Australian Government funded aged care.

The role and functions of the Aged Care Quality and Safety Commission are set out under the *Aged Care Quality and Safety Commission Act 2018* and the *Quality of Care Amendment (Single Quality Framework) Principles 2018*.

The Commission is structured to meet one outcome:

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.

The continued existence of the Commission in its present form and with its present programs is dependent on government policy and continuing appropriations by Parliament for the Commission's administration and programs.

## Events after the reporting period

The Commission received an equity injection of \$17.738 million as part of the Machinery of Government changes under which it was created in January 2019. This was received with the assets and liabilities of the previous Australian Aged Care Quality Agency (AACQA), which was closed and its operations transferred to the Commission.

The equity injection was originally provided to AACQA under Appropriation Act (No. 4) 2016-2017 and transferred to the Commission under the Public Governance, Performance and Accountability (Section 75 Transfers) Amendment Determination 2016-2017 (No.11) of 20 December 2018. On 1 July 2019 the funding under the original Appropriation Act (No. 4) 2016-2017 was repealed by the automatic operation of its own provisions and the equity injection has consequently been withdrawn from the Commission.

## Notes to and forming part of the financial statements

### **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.

### **New accounting standards**

#### **Adoption of new Australian accounting standards requirements**

All new, revised, amending statements and/or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on the entity's financial statements.

### **Taxation**

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

**Note 1: Departmental budget commentary**

The Commission's financial statements are prepared for the six months ended 30 June 2019.

As the Commission was only formed on 1 January 2019 it has no budget in the 2018-19 Portfolio Budget Statements to provide a point of comparison and the Commission has accordingly used its estimated actuals as published in the 2019-20 Portfolio Budget Statements for this purpose. Comments on significant variances are provided in the table below.

Explanation of major variances	Affected line item
<b>Employee benefits</b> Increased level of staff to address the compliance requirements of the Royal Commission into Aged Care Quality and Safety and development of the new single quality framework.	Employee benefits – Statement of Comprehensive Income  Employee provisions – Statement of Financial Position  Cash Used for Employees – Statement of Cash Flows
<b>Suppliers</b> Greater utilisation of contract assessors due to increasing demands of compliance and monitoring; increased legal advice and temporary contractors to assist with compliance related to the Royal Commission into Aged Care Quality and Safety; expanded project development; additional resources required in preparing for the new single quality framework.	Supplier costs – Statement of Comprehensive Income  Cash used for suppliers – Cash Flow Statement  Cash used for investing activities – Cash Flow Statement
<b>Own source income</b> Higher number of accreditation audits than expected as a result of unannounced visits; additional income for work sponsored by the Department of Health with regard to the Single Quality Framework	Total own source revenue – Statement of Comprehensive Income  Unearned revenues from external parties – Cash Flow Statement  Cash from sale of goods and rendering of services – Cash flow Statement

# Financial performance

This section analyses the financial performance of the Commission for the six months ended 30 June 2019.

## Note 2: Expenses

	6 months to 30 June 2019
	\$'000
<b>Note 2A: Employee benefits</b>	
Wages and salaries	20,482
Superannuation:	
Defined contribution plans	938
Defined benefit plans	2,370
Leave and other entitlements	1,125
<b>Total employee benefits</b>	<b>24,915</b>

## Accounting policy

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



6 months to  
30 June 2019

\$'000

**Note 2B: Suppliers**

Goods and services provided	
Communications	611
Consultants	134
Contractors	8,119
IT Services	1,018
Legal	1,377
Travel	2,066
Other	1,734
<b>Total goods and services provided</b>	<b>15,059</b>
Other suppliers	
Operating lease rentals	2,297
Workers compensation expenses	106
Total other suppliers	2,403
<b>Total suppliers</b>	<b>17,462</b>

Operating lease commitments

Leases for office accommodation

Lease payments are subject to review in accordance with the lease agreement. The reviews are generally annual and are either a predetermined increase or a review against market. Where offered, lease renewal and options range from one to five years.

There are no contingent rentals in the agreements.

Leases for motor vehicles

The Commission maintains a small fleet of pooled cars for the purposes of accreditation, quality review and complaints resolution.

Lease payments are fixed for the life of the operating leases, which range from one to three years.

There are no contingent rentals nor are there any options to purchase the vehicles at the end of the lease.

Other rentals

Other rentals include the cost of minimum payments for office machines.

	As at 30 June 2019
	\$'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:	
Within one year	1,643
Between one to five years	2,995
<b>Total operating lease commitments</b>	<b>4,638</b>

Accounting policy

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Note 3: Revenue

6 months to 30 June 2019
\$'000

<b>Note 3A: Rendering of services</b>	
Rendering of services	7,268
<b>Total rendering of services</b>	<b>7,268</b>

Accounting policy

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the Commission retains no managerial involvement or effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Commission.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Commission.

The Commission receives its main source of income from accreditation fees and providing educational activities. Accreditation fees are paid on application and brought to revenue on completion of the accreditation audit. The funds are shown as unearned income in the Statement of Financial Position until brought to revenue.

Education income is recognised in the same period in which training is conducted. Income received from publications is recognised upon receipt.

	6 months to 30 June 2019
	\$'000
<b>Note 3B: Other revenue</b>	
Assessor registration fees and guides	56
Recoveries from joint development projects	830
Resources received free of charge	
Remuneration of auditors	38
<b>Total other revenue</b>	<b>924</b>

### 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.

Other income is recognised as revenue depending on the stage of completion of the project.

	6 months to 30 June 2019
	\$'000
<b>Note 3C: Revenue from Government</b>	
Departmental appropriations	34,190
<b>Total revenue from government</b>	<b>34,190</b>

### 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.

## 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 4: Financial assets

	As at 30 June 2019 \$'000
<b>Note 4A: Cash and cash equivalents</b>	
Cash at bank	3,676
Cash on hand	1
<b>Total cash and cash equivalents</b>	<b>3,677</b>

### Accounting policy

Cash is recognised at its nominal amount.

	As at 30 June 2019 \$'000
<b>Note 4B: Trade and other receivables</b>	
Receivables for goods and services	5
Receivables other	538
Receivable employee entitlements	441
Departmental appropriations receivable	11,565
Equity injection receivable	17,738
GST receivable from the Australian Taxation Office	1,532
<b>Total trade and other receivables (gross)</b>	<b>31,819</b>
There are no trade or other receivables expected to be recovered in more than 12 months.	

### Accounting policy

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance amount. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

**Note 5: Non financial assets**

	As at 30 June 2019
	\$'000
<b>Note 5A: Reconciliation of opening and closing balances of property, plant and equipment</b>	
Opening balance as at 1 January 2019	–
Acquisition through Administrative Arrangements Orders <sup>1</sup>	1,041
Additions by purchase	885
Depreciation expense	(322)
<b>Total as at 30 June 2019</b>	<b>1,604</b>
Total as at 30 June 2019 represented by:	
Gross book value	1,926
Accumulated depreciation	(322)
<b>Total as at 30 June 2019</b>	<b>1,604</b>

<sup>1</sup> Assets transferred from Australian Aged Care Quality Agency at net book value as at 31 December 2018.

**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 2019. 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. Revaluation**

Following initial recognition at cost, property, plant and equipment are carried at 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. 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.

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.

**3. 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 three to five years.

**4. 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.

	As at 30 June 2019
	\$'000
<b>Note 5B: Reconciliation of opening and closing balances of intangibles</b>	
Opening balance as at 1 January 2019	–
Acquisition through Administrative Arrangements Orders <sup>1</sup>	<b>2,321</b>
Additions by purchase	<b>1,001</b>
Amortisation expense	<b>(580)</b>
<b>Total as at 30 June 2019</b>	<b>2,742</b>
Total as at 30 June 2019 represented by:	
Gross book value	<b>3,322</b>
Accumulated amortisation and impairment	<b>(580)</b>
<b>Total as at 30 June 2019</b>	<b>2,742</b>

<sup>1</sup> Assets transferred from Australian Aged Care Quality Agency at net book value as at 31 December 2018.

## 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 three to five years.

All software assets were assessed for indicators of impairment as at 30 June 2019.

**Note 6: Payables**

	As at 30 June 2019
	\$'000
<b>Note 6A: Unearned revenue</b>	
Total unearned revenue	<b>3,276</b>

**Accounting policy**

Unearned revenues 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.

	As at 30 June 2019
	\$'000
<b>Note 6B: Other payables</b>	
Salaries and wages	<b>336</b>
Employee deductions	<b>6</b>
Superannuation	<b>5</b>
Accrued expense	<b>30</b>
Lease incentives	<b>106</b>
<b>Total other payables</b>	<b>483</b>

## Note 7: Provisions

	As at 30 June 2019
	\$'000
Other provisions	
Make good	314
Contractor entitlements	985
<b>Total other provisions</b>	<b>1,299</b>
Reconciliation of provision for make good	
Opening balance as at 1 January 2019	314
Additional provisions made/(utilised)	–
<b>Total as at 30 June 2019</b>	<b>314</b>
Reconciliation of provision for contractor entitlements	
Opening balance as at 1 January 2019	985
Additional provisions made/(utilised)	–
<b>Total as at 30 June 2019</b>	<b>985</b>

### Provision for makegood

The Commission currently has 5 agreements for the leasing of premises which 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 entitlements

The provision for contractor entitlements was transferred to the Commission from the Australian Aged Care Quality Agency following advice from the Australian Taxation Office of additional entitlements that accrued to certain of that agency's contractors. 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 8: Annual appropriations (recoverable GST exclusive)

		6 months to 30 June 2019
	Notes	\$'000
Ordinary annual services:		
Appropriation Act (No.3) 2018-19		8,660
PGPA Act Section 74 (Appropriation Act (No.1) 2018-19)		7,448
PGPA Act Section 74 (Appropriation Act (No.1) 2018-19)		35,827
<b>Total ordinary annual services appropriation</b>		<b>51,935</b>
Appropriation applied (current and prior years)		(40,370)
Variance	Note 1	11,565
Capital budget:		
PGPA Act Section 75 (Appropriation Act (No.1) 2018-19) – DCB		1,020
Total capital budget appropriation		1,020
Appropriation applied (current and prior years)		(1,020)
Variance		–
Equity injection:		
PGPA Act Section 75 (Appropriation Act (No.4) 2016-17)		17,738
Total equity injection		17,738
Appropriation applied (current and prior years)		–
Variance	Note 2	17,738
<b>Total change in appropriation receivable</b>		<b>29,303</b>

**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 employee entitlements and these have reduced the need to draw down on the appropriation for ordinary annual services. These will be drawn down as the entitlements fall due.

**2. Equity injection variance**

The material 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 another Australian Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

**Note 9: Unspent appropriations (recoverable GST exclusive)**

	6 months to 30 June 2019
	\$'000
Departmental annual appropriation	
<i>PGPA Act Section 75</i>	<b>11,565</b>
Cash at bank	<b>3,677</b>
Total unspent departmental annual appropriation	<b>15,242</b>
Equity injection appropriation	
<i>PGPA Act Section 75</i>	<b>17,738</b>
Total unspent equity injection appropriation	<b>17,738</b>
<b>Total unspent appropriations</b>	<b>32,980</b>

**Note 10: Net cash appropriation arrangements**

	6 months to 30 June 2019
	\$'000
Total comprehensive income less depreciation/amortisation expenses previously funded through revenue appropriations	<b>5</b>
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	<b>(902)</b>
<b>Total comprehensive income – as per the Statement of Comprehensive Income</b>	<b>(897)</b>



## 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 11: Employee provisions

	As at 30 June 2019
	\$'000
Leave	13,272
Separations and redundancies	109
<b>Total employee provisions</b>	<b>13,381</b>
Employee provisions are expected to be settled	
No more than 12 months	11,425
More than 12 months	1,956
<b>Total employee provisions</b>	<b>13,381</b>

**Accounting Policy**

Liabilities for 'short-term employee benefits' (as defined in AASB 119 Employee Benefits) and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

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 commission 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 2019. 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 12: Key management personnel remuneration

Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly including, any director (whether Executive or otherwise) of that entity. During the six months ended 30 June 2019, Aged Care Quality and Safety Commission had six executives who met the definition of key management personnel. Their names and terms of service are summarised below:

Name – Position Title	Term as KMP
<b>Janet Anderson</b> – Aged Care Quality and Safety Commissioner	Full term <sup>1</sup>
<b>Christina Bolger</b> – Executive Director, Regulatory Policy and Performance	Full term
<b>Ann Wunsch</b> – Executive Director, Quality Assessment and Monitoring Operations	Full term
<b>Pam Christie</b> – Executive Director Industry Engagement and Communications	Full term
<b>Shona Reid</b> – Executive Director, Performance, Education and Policy – Complaints Resolution Group	Full term
<b>Dr Melanie Wroth</b> – Chief Clinical Advisor	Part term – Appointed 10 May 2019

<sup>1</sup> Full term represents the six months period 1 January 2019 to 30 June 2019

	6 months to 30 June 2019 <sup>2</sup>
	\$'000
<b>Key management personnel remuneration for the reporting period</b>	
Short-term employee benefits	
Salary	<b>681</b>
Other benefits and allowances	<b>21</b>
Total short-term employee benefits	<b>702</b>
Superannuation	<b>112</b>
Long-service leave	<b>16</b>
<b>Total key management remuneration expenses</b>	<b>830</b>

<sup>2</sup> Represents reporting period beginning 1 January 2019 when the Aged Care Quality and Safety Commission commenced operations

## **Note 13: 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 executives, and other Australian government entities.

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 14: 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 bank guarantees in respect of office lease guarantees with a total of \$175,876.

#### **Unquantifiable contingencies**

At 30 June 2019, The Commission has an unquantifiable contingency in relation to potential additional contractor entitlements arising from historic services provided by contractors to prior entities. An unquantifiable contingency has been disclosed because an obligation has not yet been determined and it is not possible to estimate the amounts of any eventual payments that may be required in relation to these entitlements. Refer to note 7 above.

**Note 15: Financial instruments**

	As at 30 June 2019
	\$'000
<b>Categories of financial instruments</b>	
Financial assets	
Financial assets at amortised cost	
Cash and cash equivalents	<b>3,677</b>
Trade and other receivables	<b>543</b>
<b>Total financial assets at amortised cost</b>	<b>4,220</b>
Financial liabilities	
Financial liabilities measured at amortised cost	
Supplier payables	<b>5,351</b>
Unearned revenue	<b>3,276</b>
Other payables	<b>483</b>
<b>Total financial liabilities measured at amortised cost</b>	<b>9,110</b>

**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 entity'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 entity 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 Aged Care Quality and Safety 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 categorised 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 16: Departmental restructuring

	Australian Aged Care Quality Agency <sup>1</sup>	Department of Health & Ageing <sup>2</sup>
	\$'000	\$'000
<b>Functions assumed</b>		
<b>Assets recognised</b>		
Cash and cash equivalents	3,558	–
Trade and other receivables	38,125	5,048
Property plant and equipment	1,041	–
Intangibles	2,321	–
Prepayments	178	–
<b>Total assets recognised</b>	45,223	5,048
<b>Liabilities recognised</b>		
Suppliers	(1,342)	–
Unearned revenue	(17,726)	–
Other payables	(963)	–
Employee provisions	(6,685)	(4,956)
Other provisions	(1,299)	–
<b>Total liabilities recognised</b>	(28,015)	(4,956)
<b>Net assets (liabilities) recognised</b>	17,208	92

1 The quality assessment and quality review of aged care services in the community were assumed by the Commission from the Australian Aged Care Quality Agency on 1 January 2019.

2 The functions of the Aged Care Complaints Commissioner were transferred to the Commission on 1 January 2019.

3 The net assets assumed from all entities were \$17,299,514.

4 In respect of functions assumed, the net book values of assets and liabilities were transferred to the entity for no consideration.

Note 17: Aggregate assets and liabilities

	As at 30 June 2019 \$'000
<b>Assets expected to be recovered in:</b>	
No more than 12 months	35,846
More than 12 months	4,346
<b>Total assets</b>	<b>40,192</b>
<b>Liabilities expected to be settled in:</b>	
No more than 12 months	20,383
More than 12 months	3,407
<b>Total liabilities</b>	<b>23,790</b>



# Australian Aged Care Quality Agency

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# Corporate plan

## 1. Lead a successful transition to the new Commission

Focus Area	Our aim	Performance measure	Result Jul–Dec 2018
<b>Joined up regulation</b>	Work collaboratively with DoH and ACCC to support transition to the new Commission from 1 Jan 2019	Active engagement with the DoH and ACCC including through the Commission Establishment Committee and associated working groups	<b>Achieved</b> Participated in weekly Commission Establishment Committee meetings  Participated in weekly MoG transition working group, and associated sub-groups
	Provide leadership in shaping the design of the future risk-based regulatory approach	Active participation in policy development of new budget measures	<b>Ongoing</b> Represented on Risk Advisory Working Group  Actively involved with DoH in early work on developing differentiated performance model
<b>Stakeholder engagement and support</b>	Facilitate input to legislative changes to establish the new Commission  Implement a strategic communication and engagement plan to support stakeholder engagement  Communicate provider roundtable outcomes to the Minister and sector	Timely advice to the Minister on the establishment of the Advisory Council to the new Commission	<b>Achieved</b> Facilitated consultation between Advisory Council and DoH on the draft legislation  Advisory Council provided advice to the Minister on Advisory Council function in new Commission communicated to Minister in letter of outcomes of 22 August meeting  Reports to the Minister following each Advisory Council meeting

Focus Area	Our aim	Performance measure	Result Jul–Dec 2018
		<p>&gt;85% of stakeholders are satisfied with the Quality Agency's information, education and engagement</p> <p>Targets within strategic communications and engagement plan met</p> <p>Engagement activities with key stakeholders planned on an annual basis</p>	<p><b>Ongoing</b> 100% of participants who responded to the post education session survey either agreed or strongly agreed that their program met their expectations</p> <p><b>Ongoing</b> New eQuality intranet went live at end June 2018 and stories updated every 2-3 days.</p> <p>Build of website for Aged Care Quality and Safety Commission</p> <p><b>Ongoing</b> Provider Roundtable report published in July 2018 including recommendation to undertake annual roundtables.</p>
<b>Machinery of Government (MOG)</b>	Actively participate in the MOG process to inform the new Commission and regulatory model	Staff change and engagement strategy in place to support the transition to the new Commission	<p><b>Achieved</b> Participated in all MoG meetings and provided leadership in key corporate services areas including:</p> <ul style="list-style-type: none"> <li>• ICT</li> <li>• HR including working conditions</li> <li>• Payroll</li> <li>• Finance</li> </ul> <p>s.24 Determination sent to all staff in December 2018 with transition checklist</p> <p>Staff welcome pack for new Commission provided in December 2018</p>

## 2. Ensuring quality and safety in aged care

Focus Area	Our aim	Performance measure	Result Jul–Dec 2018
<b>Regulator performance</b>	Timely and responsive accreditation and quality review activities based on information and intelligence	100% site and quality review audits within statutory timeframes <sup>1</sup>	<b>Not achieved</b> 84% of site and review audits were completed within statutory timeframes
		98% of services providing care in the home and community receiving a quality review within legislative timeframes	<b>Not achieved (at risk)</b> Due to the cycle of accreditation, quality reviews extend across three years. As at December 2018, this KPI is at risk due to diversion of resources to residential monitoring. If this continues this measure will not be achieved
		100% of applications for re-accreditation completed within the statutory timeframes	<b>Achieved</b> 98% of decisions on applications for accreditation were completed within statutory timeframes
		Unannounced site visits conducted to 100% of residential aged care services	<b>Not achieved (at risk)</b> 34.6% of active residential services received an unannounced visit (as at 24 December 2018)
		Unannounced re-accreditation visits implemented from 1 July 2018	<b>Achieved</b> Unannounced re-accreditation audits commenced from 1 July 2018 and all remaining announced re-accreditation visits completed by 6 December



Focus Area	Our aim	Performance measure	Result Jul–Dec 2018
<b>Risk-based approach</b>	Continue to strengthen our focus on risk	A new risk framework is developed and operationalised	<b>Ongoing</b> Participated in DoH Risk Advisory Working Group
	Support implementation of 2018-19 budget measures to enhance risk profiling of providers	Development of risk profiling model by July 2019	<b>Ongoing</b> Participated in DoH Risk Advisory Working Group – procurement process completed
<b>Compliance monitoring and assistance</b>	Timely and responsive compliance monitoring activities	Act on 98% of referrals from Aged Care Complaints Commissioner and the Department of Health within agreed timeframes	<b>Not achieved</b> 100% of ACCC Type 3 referrals were acted on within agreed timeframes
	Compliance assistance activities support aged care services with identified need	90% of service providers maintain compliance with the standards for the 12 months following a timetable for improvement decision	<b>Not achieved</b> 93% of Dept Type 3 and ACCC Type 2 referrals were acted on within agreed timeframes  80% of services maintained compliance with the standards for 12 months (scope TFIs during the period 1/7/17 to 31/12/17)

1 This measure was incorrectly listed in the Corporate Plan.  
It should read '100% site and review audits within the statutory timeframes'.

### 3. Sharpen our focus on the consumer

Focus Area	Our aim	Performance measure	Result Jul–Dec 2018
<b>Aged care reforms</b>	Implement new Aged Care Quality Standards and finalise guidance material	Publish guidance material to support the Standards during the transition period	<b>Achieved</b> Guidance material published on website
	Implement unannounced re-accreditation audits for residential aged care	100% of re-accreditation audits unannounced from 1 July 2018	<b>Achieved</b> Unannounced re-accreditation audits commenced from 1 July 2018 and all remaining announced re-accreditation visits completed by 6 December
	Implement consumer experience reporting for home care		
	Work with the Department to support implementation of 2018–19 budget measures to:	CER in home care fully implemented by 1 January 2019	<b>Ongoing</b> Piloting underway to test interview questions with providers and consumers
	Introduce differentiated performance ratings and simplified plain English site audit reports and Consumer Experience Report on myAged Care website	CAAT II development complete to enable differentiated performance reporting under new Aged Care Quality Standards by July 2019	<b>Ongoing</b> Specifications being developed to enable efficient data collection and mapping to new Standards during the audit process
		Simplified plain English audit reports and Consumer Experience Reports developed by July 2020	<b>Ongoing</b> Not yet commenced

Focus Area	Our aim	Performance measure	Result Jul–Dec 2018
<b>Performance information</b>	Publish a self-assessment of our performance under the Regulatory Performance Framework (RPF)	Publish 100% audit reports, serious risk and accreditation decision within statutory timeframes	<b>Ongoing</b> Process underway to develop new metrics for the RPF self-assessment
	Publish performance information on the quality of care and services	Evidence of increasing access to consumer experience reports	<b>Achieved</b> Audit reports for accreditation and reaccreditation decisions are published in a timely manner  Serious risk decisions are published as soon as possible  <i>NB. There are no statutory timeframes for publishing</i>
		Publish quarterly regulatory performance data	<b>Ongoing</b> 2017–18 CER data released – summary of over 15,000 interviews from over 1,100 residential aged care services  <b>Ongoing</b> 2017–18 CER data published December 2018  12 month regulatory snapshot published for the first time December 2018
<b>Information and Education</b>	Provide a range of education programs, information and events to support consumer led reforms to aged care	Education programs, information and events realigned to support the implementation of the new Standards	<b>Ongoing</b> ‘Getting to know the Standards’ – 151 information sessions delivered in 100 locations and webinar  CPD for Quality Surveyors includes session on new Standards
		>80% of participants satisfied with Quality Agency education programs, information and events	<b>Ongoing</b> 100% of participants who responded to the post education session survey agreed or strongly agreed that their program met their expectations

## 4. Advance our capability and support the change

Focus Area	Our aim	Performance measure	Result Jul–Dec 2018
<b>Resource management</b>	Manage resources in accordance with the PGPA Act 2013	Financial result is within 0.5% of budget	<b>Achieved</b> Refer to Annual Financial Statements for additional information
	Prioritise resources to support change process	Change management plan fully costed and budgeted	<b>Ongoing</b> Work is continuing on transition planning for the implementation of the Standards. Royal Commission related work has been costed and budgeted
<b>Agency capability</b>	Implement a comprehensive change program to support staff in the transition to the new Commission and engaging with current and future reforms	Change management plan in place to support staff in transition to the new Commission by July 2018	<b>Achieved</b> Participated in all MoG meetings and provided leadership in key corporate services areas including HR including working conditions  s.24 Determination sent to all staff in December 2018 with transition checklist  Staff welcome pack for new Commission provided in December 2018
		Staff engagement scores in APS census improved	<b>Achieved</b>
		Recommendations from review of State Offices fully implemented	<b>Achieved</b> Regional Office structure in place and additional EL1 recruitment completed in December

Focus Area	Our aim	Performance measure	Result Jul–Dec 2018
<b>Quality surveyor workforce</b>	Manage and develop capabilities of our quality assessor workforce to support current and future reforms	All registered Quality Assessors meet minimum requirements for 15 hours of Continuing Professional Development (CPD) program	<b>Ongoing</b> All registered Quality Assessors who have been reregistered have met the minimum 15 hour CPD requirement
		Capability framework in place to inform Quality Assessor CPD program	<b>Ongoing</b> 10 hours of CPD delivered CPD aligned to core competencies relevant to the Quality Assessor role
<b>Business and IT systems</b>	Invest in Information Technology solutions to deliver our services more efficiently	Upgrades of Better Business program fully implemented within planned timeframes	<b>Ongoing</b> Changes to Better Business scope and requirements have delayed the implementation of the project and resulted in increases to the required budget
	Review our business systems to align with regulatory reforms	Change road map tool in place to support improved project management by September 2018	<b>Achieved</b> Change Roadmap finalised and implemented in August 2018. Report provided to ELT on monthly basis

# Performance against the portfolio budget statement

## Performance criteria

Ensuring high quality care for persons receiving Australian Government subsidised aged care through the efficient and effective delivery of services under the *Australian Aged Care Quality Agency Act 2013* and in accordance with the *Quality Agency Principles 2013*.

- Accredited residential aged care services
- Quality review aged care services provided in the home and community
- Monitor compliance with the applicable standards
- Promote high quality care and innovation through sector engagement, information and training
- Publish performance information on the quality of care and services
- Maintain a register of Quality Assessors.

## Material changes to Program 1.1 resulting from the following measures:

There are no material changes to Program 1.1 resulting from measures.

### Percentage of service providers who maintain compliance with the Standards for the twelve months following a timetable for improvement decision

2018-19 Target	2018-19 Actual	Comment
≥85%	80%	80% of services maintained compliance with the Standards for 12 months

### Percentage of applications for re-accreditation completed within the statutory timeframes

2018-19 Target	2018-19 Actual	Comment
≥92%	97%	97% of site audits were completed within the statutory timeframes

### Percentage of services providing care in the home and community receiving a quality review within the legislated timeframes

2018-19 Target	2018-19 Actual	Comment
≥90%	57%	57% of quality reviews within statutory timeframes

### Percentage of service providers who are satisfied with Quality Agency information, engagement and education

2018-19 Target	2018-19 Actual	Comment
≥80%	100%	100% of participants who responded to the post education session survey agreed or strongly agreed that their program met their expectations



# Executive remuneration

## Policies and practices

Under section 16 of the *Australian Aged Care Quality Agency Act 2013*, the Minister for Senior Australians and Aged Care appointed the Chief Executive Officer for the Australian Aged Care Quality Agency. The terms and conditions of this appointment were determined in accordance with the *Remuneration Tribunal Determination 2013/24*.

Senior executives (SES employees) and key management personnel (KMP) were employed under Section 22 of the *Public Service Act 1999*. Remuneration of SES employees was determined by the CEO in accordance with the Agency's SES employees' remuneration, conditions and performance policy and the APS Executive Remuneration Policy. Their terms and conditions of employment were provided through a section 24(1) determination under the *Public Service Act 1999*.

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 Agency's applicable policies and guidelines; and
- flexible working arrangements (where applicable).

Other highly paid staff were remunerated under the terms and conditions of the Agency's Enterprise Agreement 2016–2019 which may have been 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 CEO. An IFA needed to have met the genuine needs of the Agency and the employee, mutually agreed between the two, and based on capability, experience and qualifications of the employee.

## Governance arrangements

The CEO had the authority to determine the remuneration for Key Management Personnel, Senior Executives and Other Highly Paid employees under section 24(1) of the *Public Service Act 1999*.

## Basis of determining remuneration

The CEO determined executive remuneration individually for each executive level employee under their 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 policy in place for all SES employees. Salary progression is not automatic.

The following tables provide disaggregated information related to Australian Aged Care Quality Agency executive remuneration for the six months ended 31 December 2018.

**Table 27: Australian Aged Care Quality Agency executive remuneration for the six months ended 31 December 2018**

Key management personnel	Short-term benefits		Post-employment benefits	Other long-term benefits	Termination benefits	Total remuneration
	Base salary	Other benefits and allowances	Superannuation	Long service leave		
Name and position title	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Nick Ryan</b> Chief Executive Officer	186	–	17	12	116	331
<b>Christina Bolger</b> Executive Director, Regulatory Policy and Performance	103	2	21	3	–	129
<b>Ann Wunsch</b> Executive Director, Operations	106	2	17	3	–	128
<b>Pam Christie</b> Executive Director, Industry Engagement and Communications	129	1	19	2	–	151
<b>Charles Grady</b> General Manager, Corporate Services	103	3	15	2	–	123
<b>Total</b>	<b>627</b>	<b>8</b>	<b>89</b>	<b>22</b>	<b>116</b>	<b>862</b>



### INDEPENDENT AUDITOR'S REPORT

#### To the Minister for Aged Care and Senior Australians

#### Opinion

In my opinion, the financial statements of the Australian Aged Care Quality Agency (the Quality Agency) for the half year ended 31 December 2018:

- (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 31 December 2018 and its financial performance and cash flows for the six months then ended.

The financial statements of the Quality Agency, which I have audited, comprise the following statements as at 31 December 2018 and for the half year ended:

- Statement by the Commissioner of the Australian Aged Care Quality and Safety Commission (the Commission) and Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Overview 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* (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.

#### The Commissioner for the Australian Aged Care Quality and Safety Commission responsibility for the financial statements for the half year ended 31 December 2018

Per the *Public Governance, Performance and Accountability Rule* – section 17A (3) as the functions of the Quality Agency ceased to exist on 31 December 2018 and its functions were transferred to the Aged Care Quality and Safety Commission (the Commission). The Commissioner of the Aged Care Quality and Safety Commission 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 under the *Public Governance, Performance and Accountability Rule* – section 17A (3).

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In preparing the financial statements, the Commissioner is responsible for assessing the ability of the Quality Agency to continue as a going concern, taking into account whether the Quality Agency'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.

**Auditor's responsibilities for the audit of the financial statements**

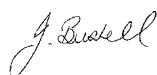
My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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 Quality Agency's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioner;
- conclude on the appropriateness of the Commissioner'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 Quality Agency'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 Quality Agency 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

15 October 2019



**Australian Government**  
**Australian Aged Care Quality Agency**

**Australian Aged Care Quality Agency**  
**Statement by the Commissioner of the Aged Care Quality and Safety**  
**Commission and Chief Financial Officer**

The Australian Aged Care Quality Agency ceased to exist on 31 December 2018 and its functions were transferred to the Aged Care Quality and Safety Commission, which was created on 1 January 2019.

Under section 17A of the *Public Governance, Performance and Accountability Rule* the Commissioner of the Aged Care Quality and Safety Commission, as the accountable authority, is responsible for preparing the annual financial statements of the Australian Aged Care Quality Agency.

In our opinion therefore, the attached financial statements for the period ended 31 December 2018 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(1) and (2) of the PGPA Act.

The debts of the Australian Aged Care Quality Agency have been transferred to the Aged Care Quality and Safety Commission and there are reasonable grounds to believe that any outstanding debts will be paid by the Commission as and when they fall due.

*J. M. Anderson*

Janet Anderson PSM  
Commissioner  
Aged Care Quality and Safety Commission

Kevin Smith  
Director Finance (CFO)

On behalf of the Australian Aged Care Quality Agency, transferred by administrative instrument to the Aged Care Quality and Safety Commission on 1 January 2019.

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ABN 69 605 091 341

# Financial statements

## Statement of comprehensive income for the period ended 31 December 2018

		6 months to 31 Dec 2018	Year to 30 June 2018	PBS
	Notes	\$'000	\$'000	\$'000
<b>Net cost of services</b>				
<b>Expenses</b>				
Employee benefits	3A	<b>13,769</b>	27,239	29,529
Suppliers	3B	<b>11,223</b>	15,795	14,725
Depreciation and amortisation	6A, 6B	<b>754</b>	1,040	1,625
Finance costs		<b>–</b>	16	16
<b>Total expenses</b>		<b>25,746</b>	44,090	45,895
<b>Own-source income</b>				
Sale of goods and rendering of services	4A	<b>8,762</b>	15,437	14,286
Other revenue	4B	<b>87</b>	162	38
Gain/(loss) from sale of assets	4C	<b>(1)</b>	2	–
<b>Total own-source income</b>		<b>8,848</b>	15,601	14,324
Net cost of services		<b>(16,898)</b>	(28,489)	(31,571)
Revenue from Government	4D	<b>16,061</b>	27,285	29,946
<b>Total comprehensive income on continuing operations</b>		<b>(837)</b>	(1,204)	(1,625)

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

**Statement of financial position  
as at 31 December 2018**

		31 Dec 2018	30 Jun 2018	PBS
	Notes	\$'000	\$'000	\$'000
<b>Assets</b>				
<b>Financial assets</b>				
Cash and cash equivalents	5A	<b>3,558</b>	1,081	1,400
Trade and other receivables	5B	<b>38,125</b>	27,871	20,081
Total financial assets		<b>41,683</b>	28,952	21,481
<b>Non-financial assets</b>				
Property, plant and equipment	6A	<b>1,041</b>	1,143	3,787
Intangibles	6B	<b>2,321</b>	2,601	3,794
Prepayments		<b>178</b>	489	829
Total non-financial assets		<b>3,540</b>	4,233	8,410
<b>Total assets</b>		<b>45,223</b>	33,185	29,891
<b>Liabilities</b>				
<b>Payables</b>				
Suppliers		<b>1,342</b>	1,957	2,297
Unearned revenue	7A	<b>17,726</b>	5,229	2,746
Other payables	7B	<b>963</b>	964	–
Total payables		<b>20,031</b>	8,150	5,043
<b>Provisions</b>				
Employee provisions	12	<b>6,685</b>	6,854	7,469
Other provisions	8	<b>1,299</b>	1,299	345
Total provisions		<b>7,984</b>	8,153	7,814
<b>Total liabilities</b>		<b>28,015</b>	16,303	12,857
<b>Net assets</b>		<b>17,208</b>	16,882	17,034
<b>Equity</b>				
Contributed equity		<b>20,420</b>	19,257	20,442
Retained surplus/(deficit)		<b>(3,212)</b>	(2,375)	(3,408)
<b>Total equity</b>		<b>17,208</b>	16,882	17,034

The assets and liabilities of the Quality Agency at 31 December 2018 were taken over by the Aged Care Quality and Safety Commission at their book values on 1 January 2019.

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



## Statement of changes in equity for the period ended 31 December 2018

	6 months to 31 Dec 2018	Year to 30 Jun 2018	PBS
	\$'000	\$'000	\$'000
<b>Contributed equity</b>			
Opening balance as at 1 July	<b>19,257</b>	18,084	19,279
Departmental capital budget	<b>1,163</b>	1,173	1,163
Closing balance	<b>20,420</b>	19,257	20,442
<b>Retained surplus/(deficit)</b>			
Opening balance at 1 July	<b>(2,375)</b>	(1,171)	(1,783)
Deficit for the period	<b>(837)</b>	(1,204)	(1,625)
Closing balance	<b>(3,212)</b>	(2,375)	(3,408)
<b>Total equity</b>	<b>17,208</b>	16,882	17,034

The assets and liabilities of the Quality Agency at 31 December 2018 were taken over by the Aged Care Quality and Safety Commission at their book values on 1 January 2019.

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

**Cash flow statement for the period  
ended 31 December 2018**

		6 months to 31 Dec 2018	Year to 30 Jun 2018	PBS
	Notes	\$'000	\$'000	\$'000
<b>Operating activities</b>				
<b>Cash received</b>				
Appropriations		20,430	23,150	35,792
Sale of goods and rendering of services		7,418	17,057	9,750
Other		75	263	–
Net GST received		738	1,213	1,378
<b>Total cash received</b>		<b>28,661</b>	<b>41,683</b>	<b>46,920</b>
<b>Cash used</b>				
Employees		(13,941)	(26,858)	(28,804)
Suppliers		(12,340)	(16,329)	(17,493)
<b>Total cash used</b>		<b>(26,281)</b>	<b>(43,187)</b>	<b>(46,297)</b>
<b>Net cash from/(used by) operating activities</b>		<b>2,380</b>	<b>(1,504)</b>	<b>623</b>
<b>Investing activities</b>				
<b>Cash received</b>				
Sale of property, plant and equipment		–	9	–
<b>Total cash received</b>		<b>–</b>	<b>9</b>	<b>–</b>
<b>Cash used</b>				
Purchase of property, plant and equipment		(180)	(514)	(1,700)
Purchase of intangibles		(193)	(1,654)	–
<b>Total cash used</b>		<b>(373)</b>	<b>(2,168)</b>	<b>(1,700)</b>
<b>Net cash used by investing activities</b>		<b>(373)</b>	<b>(2,159)</b>	<b>(1,700)</b>
<b>Financing activities</b>				
<b>Cash received</b>				
Departmental capital budget		470	1,758	1,163
<b>Net cash from financing activities</b>		<b>470</b>	<b>1,758</b>	<b>1,163</b>
Net (decrease)/increase in cash held		2,477	(1,905)	86
<b>Cash and cash equivalents at the beginning of reporting period</b>		<b>1,081</b>	<b>2,986</b>	<b>1,314</b>
<b>Cash and cash equivalents at the end of reporting period</b>	5A	<b>3,558</b>	<b>1,081</b>	<b>1,400</b>

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

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## Overview

### Objectives of the Australian Aged Care Quality Agency

The Australian Aged Care Quality Agency (Quality Agency) was a statutory agency established under the *Australian Aged Care Quality Agency Act 2013* and was subject to the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

During the period covered by this report the Quality Agency managed the accreditation and ongoing supervision of Australian Government-subsidised aged care facilities, and the quality review of aged care in the community. It promoted high quality care to care recipients by providing information, education and training services.

### Events after the reporting period

The *Australian Aged Care Quality Agency Act 2013* was repealed by the *Aged Care Quality and Safety Commission (Consequential Amendments and Transitional Provisions) Act 2018*, and the Quality Agency consequently ceased operations on 31 December 2018. Its role and its functions were transferred to a newly formed agency, the Aged Care Quality and Safety Commission on 1 January 2019.

All assets and liabilities of the Quality Agency at 31 December 2018 were taken over by the Aged Care Quality and Safety Commission at book value.

### Basis of preparation of the financial statements

The financial statements are classified as 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); 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.

**New accounting standards****Adoption of new Australian accounting standards requirements**

All new, revised, amending statements and/or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on the entity's financial statements.

**Taxation**

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

**Prior-period adjustment**

Following advice from the Australian Taxation Office the Quality Agency became aware of additional entitlements that accrued to certain of its contractors. As these entitlements arose in prior periods, the prior periods have been restated to reflect the additional costs that should have been recorded at that time.

The effect of the adjustment is shown in Note 1 below.

## Note 1: Amendments to prior year results

30 June 2018 Comparative year

		Original 2018	Additional entitlements	Restated 2018
Financial statement line item/balance affected	Notes	\$'000	\$'000	\$'000
<b>Statement of comprehensive Income (extract)</b>				
<b>Expenses</b>				
Suppliers	(a)	15,622	173	15,795
Total expenses		43,917	173	44,090
Net cost of services		(28,316)	(173)	(28,489)
Total comprehensive income on continuing operations		(1,031)	(173)	(1,204)
<b>Statement of financial position (extract)</b>				
<b>Payables</b>				
Other payables	(b)	125	839	964
Total payables		7,311	839	8,150
<b>Provisions</b>				
Other provisions	(c)	314	985	1,299
Total provisions		7,168	985	8,153
Total liabilities		14,479	1,824	16,303
Net assets		18,706	(1,824)	16,882
<b>Equity</b>				
Retained surplus/(deficit)	(d)	(551)	(1,824)	(2,375)
Total equity		18,706	(1,824)	16,882
<b>Statement of changes in equity (extract)</b>				
<b>Retained earnings</b>				
Opening balance at 1 July	(d)	480	(1,651)	(1,171)
Deficit for the period	(d)	(1,031)	(173)	(1,204)
Closing balance as at 30 June		(551)	(1,824)	(2,375)

### Notes

(a) Cost of additional entitlements for contractors on the results of the year not previously reported.

(b) Increase in liability for additional entitlements not yet paid.

(c) Provision for historic additional entitlements.

(d) Reduction in retained earnings as a result of increased additional entitlements in the current and prior periods.

## Note 2: Departmental budget commentary

Comments on significant variances between the Quality Agency's original budget estimates, as published in the 2018–19 Portfolio Budget Statements, and the actual expenditure and net assets for the year are provided in the table below.

The Quality Agency's financial statements were prepared for the 6 months ended 31 December 2018 however the budget estimates, as published in the 2018–19 Portfolio Budget Statements, reflect a full 12 month period.

Explanation of major variances	Affected line item
<b>Reduced workforce:</b> The Quality Agency utilised a greater proportion of contractors in the period than expected to provide flexibility in the workforce while the effect of the rescheduling of accreditation audits, which was implemented to smooth the workload, was evaluated.	Employee benefits – Statement of Comprehensive Income Cash used for employees – Cash Flow Statement
<b>Additional supplier expenses:</b> A greater use of contractors to support the permanent workforce; preliminary costs relating to software development projects; additional serious risk considerations arising from the audits of homes.	Suppliers – Statement of Comprehensive Income Cash used for the purchase of assets – Cash Flow Statement Departmental Capital Budget – Cash Flow Statement
<b>Depreciation &amp; amortisation:</b> Expenditure on assets was lower than expected leading to a saving in depreciation expense.	Depreciation and amortisation – Statement of Comprehensive Income Cash used for suppliers – Cash Flow Statement Departmental capital budget – Cash Flow Statement
<b>Higher own-source income:</b> Additional income received from homes that were previously scheduled in the prior financial year.	Sale of goods and rendering of services – Statement of Comprehensive Income Trade and other receivables – Statement of Financial Position Unearned revenue – Statement of Financial Position Cash received from the sale of goods – Cash Flow Statement
<b>Trade &amp; other receivables:</b> Only 6 months of appropriations have been drawn down.	Statement of Financial Position
<b>Unearned revenue:</b> Appropriations remaining at the end of the six-month period represent funding that will be transferred to the new entity and receipts in advance for accreditation audits that were higher than expected.	Statement of Financial Position.



# Financial performance

This section analyses the financial performance of the Quality Agency for the period ended 31 December 2018

## Note 3: Expenses

	6 months to 31 Dec 2018	Year to 30 June 2018
	\$'000	\$'000
<b>Note 3A: Employee benefits</b>		
Wages and salaries	<b>11,860</b>	23,317
Superannuation:		
Defined contribution plans	<b>1,489</b>	3,014
Defined benefit plans	<b>364</b>	654
Leave and other entitlements	<b>(310)</b>	254
Separation and redundancies	<b>366</b>	–
<b>Total employee benefits</b>	<b>13,769</b>	27,239

## Accounting policy

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

	6 months to 31 Dec 2018	Year to 30 June 2018
	\$'000	\$'000
<b>Note 3B: Suppliers</b>		
Goods and services provided		
Consultants	94	402
Contractors	4,987	5,130
Travel	1,865	3,652
IT Services	899	884
Other	2,320	3,701
<b>Total goods and services provided</b>	<b>10,165</b>	<b>13,769</b>
Other suppliers		
Operating lease rentals	923	1,808
Workers compensation expenses	135	218
Total other suppliers	1,058	2,026
<b>Total suppliers</b>	<b>11,223</b>	<b>15,795</b>

## Operating lease commitments

### Leases for office accommodation

Lease payments are subject to review in accordance with the lease agreement. The reviews are generally annual and are either a predetermined increase or a review against market. Where offered, lease renewal and options range from one to five years.

There are no contingent rentals in the agreements.

### Leases for motor vehicles

The Quality Agency maintains a small fleet of pooled cars for the purposes of accreditation and quality review.

Lease payments are fixed for the life of the operating leases, which range from one to three years.

There are no contingent rentals nor are there any options to purchase the vehicles at the end of the lease.

### Other rentals

Other rentals include the cost of minimum payments for office machines.

	As at 31 Dec 2018	As at 30 Jun 2018
	\$'000	\$'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within 1 year	<b>1,591</b>	1,639
Between 1 to 5 years	<b>4,367</b>	4,350
<b>Total operating lease commitments</b>	<b>5,958</b>	5,989

### Accounting policy

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

## Note 4: Revenue

	6 months to 31 Dec 2018	Year to 30 Jun 2018
	\$'000	\$'000
<b>Note 4A: Sale of goods and rendering of services</b>		
Sale of goods	–	3
Rendering of services	<b>8,762</b>	15,434
<b>Total sale of goods and rendering of services</b>	<b>8,762</b>	15,437

## Accounting policy

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the Quality Agency retains no managerial involvement or effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Agency.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the agency.

The Quality Agency receives its main source of income from accreditation fees and providing educational activities. Accreditation fees are paid on application and brought to revenue on completion of the accreditation audit. The funds are shown as unearned income in the Statement of Financial Position until brought to revenue.

Education income is recognised in the same period in which training is conducted. Income received from publications is recognised upon receipt.

	6 months to 31 Dec 2018	Year to 30 June 2018
	\$'000	\$'000
<b>Note 4B: Other revenue</b>		
Assessor registration fees and guides	45	108
Resources received free of charge		
Remuneration of auditors	38	50
ICT equipment	4	4
<b>Total other revenue</b>	<b>87</b>	<b>162</b>

## 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.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government agency or authority as a consequence of a restructuring of administrative arrangements.

	6 months to 31 Dec 2018	Year to 30 June 2018
	\$'000	\$'000
<b>Note 4C: Gain/(loss) from asset sales</b>		
Property, plant and equipment		
Proceeds from sale	–	9
Carrying value of assets sold	(1)	(7)
<b>Net gain/(loss) from sale of assets</b>	<b>(1)</b>	<b>2</b>

### Accounting policy

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

	6 months to 31 Dec 2018	Year to 30 June 2018
	\$'000	\$'000
<b>Note 4D: Revenue from Government</b>		
Departmental appropriations	16,061	27,285
<b>Total revenue from government</b>	<b>16,061</b>	<b>27,285</b>

### Accounting policy

For the current six month period, amounts appropriated for departmental expenditure for the full year (adjusted for any formal additions and reductions) have been recognised as Revenue from Government to the extent that the appropriation matched the planned expenditure. Where amounts relate to activities that are reciprocal in nature, revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

# Financial position

The section analyses the Quality Agency'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

	As at 31 Dec 2018 \$'000	As at 30 June 2018 \$'000
<b>Note 5A: Cash and cash equivalents</b>		
Cash at bank	3,557	1,080
Cash on hand	1	1
<b>Total cash and cash equivalents</b>	<b>3,558</b>	<b>1,081</b>

## Accounting policy

Cash is recognised at its nominal amount.

	As at 31 Dec 2018 \$'000	As at 30 June 2018 \$'000
<b>Note 5B: Trade and other receivables</b>		
Receivables for goods and services	7	6
Receivables other	14	2
Departmental appropriations receivable	19,289	9,773
Undrawn equity injection	17,738	17,738
Departmental capital budget	866	173
GST receivable from the Australian Taxation Office	211	179
<b>Total trade and other receivables (gross)</b>	<b>38,125</b>	<b>27,871</b>

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

## Accounting Policy

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance amount. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

## Note 6: Non financial assets

	As at 31 Dec 2018 \$'000	As at 30 June 2018 \$'000
<b>Note 6A: Reconciliation of opening and closing balances of property, plant and equipment</b>		
As at 1 July		
Gross book value	4,392	3,924
Accumulated depreciation and impairment	(3,249)	(2,651)
Total as at 1 July	1,143	1,273
Additions by purchase	180	514
Disposal	(1)	(7)
Depreciation expense	(281)	(637)
End of period	1,041	1,143
Total as at end of period represented by:		
Gross book value	4,194	4,392
Accumulated depreciation	(3,153)	(3,249)
End of period	1,041	1,143

## 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 Quality Agency 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 2019. 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 Quality Agency 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. Revaluation**

Following initial recognition at cost, property, plant and equipment are carried at 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. 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.

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.

**3. Depreciation**

Property, plant and equipment is depreciated on a straight-line basis over its anticipated useful life. The useful lives of the Quality Agency's property, plant and equipment are three to five years (2017–18: three to five years).

**4. 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.

**5. Transfer property plant & equipment to the Aged Care Quality and Safety Commission**

Property plant and equipment was measured on a going concern basis as the value of these assets were transferred to the new Commission and will be used for the remainder of their useful lives.



	As at 31 Dec 2018	As at 30 June 2018
	\$'000	\$'000
<b>Note 6B: Reconciliation of opening and closing balances of intangibles</b>		
As at 1 July		
Gross book value	<b>6,288</b>	4,634
Accumulated amortisation and impairment	<b>(3,687)</b>	(3,284)
Total as at 1 July	<b>2,601</b>	1,350
Additions by purchase	<b>193</b>	1,654
Amortisation expense	<b>(473)</b>	(403)
End of period	<b>2,321</b>	2,601
Total as at end of period represented by:		
Gross book value	<b>6,424</b>	6,288
Accumulated amortisation and impairment	<b>(4,103)</b>	(3,687)
End of period	<b>2,321</b>	2,601

## Accounting policy

### Intangibles

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

#### 1. Amortisation

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Quality Agency's software are three to five years (2017-18: three to five years).

All software assets were assessed for indicators of impairment as at 31 December 2018.

#### 2. Transfer intangible assets to the Aged Care Quality and Safety Commission

Property plant and equipment were measured on a going concern basis as the value of these assets were transferred to the new Commission and will be used for the remainder of their useful lives.

## Note 7: Payables

	As at 31 Dec 2018	As at 30 June 2018
	\$'000	\$'000
<b>Note 7A: Unearned revenue</b>		
Unearned revenue	<b>3,841</b>	5,229
Unrecognised appropriation	<b>13,885</b>	–
<b>Total unearned revenue</b>	<b>17,726</b>	5,229

### Accounting policy

Unearned revenues 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.

The Quality Agency is funded for its net cost of services by Australian Government Appropriation (*Appropriation Act (No.1) 2018–2019*). The unrecognised appropriation represents those services that have not yet been provided and for which costs have not yet been incurred. The amount unrecognised was transferred to the Aged Care Quality and Safety Commission following a restructure of administrative arrangements.

	As at 31 Dec 2018	As at 30 June 2018
	\$'000	\$'000
<b>Note 7B: Other payables</b>		
Accrued expense	<b>858</b>	860
Lease incentives	<b>105</b>	104
<b>Total other payables</b>	<b>963</b>	964

## Note 8: Provisions

	As at 31 Dec 2018 \$'000	As at 30 June 2018 \$'000
Other provisions		
Make good	314	314
Additional contractor entitlements	985	985
<b>Total other provisions</b>	<b>1,299</b>	<b>1,299</b>
<b>Reconciliation of provision for make good</b>		
As at 1 July 2018	314	314
Additional provisions made/(utilised)	–	–
End of Period	314	314
<b>Reconciliation of provision for contractor entitlements</b>		
As at 1 July 2018	985	985
Additional provisions made/(utilised)	–	–
End of Period	985	985

### Provision for make good

The Quality Agency had five (2017–18: five) agreements for the leasing of premises with provisions requiring the Quality Agency to restore the premises to their original condition at the conclusion of the lease. The Quality Agency has made a provision to reflect the present value of this obligation.

### Provision for contractor entitlements

Following advice from the Australian Taxation Office the Quality Agency became aware of additional entitlements that accrued to certain of its contractors. These entitlements arose in prior periods and reflect the additional costs that should have been recorded at that time. The provision reflects claims for those entitlements expected to be paid in future periods. Refer to the prior-period adjustment paragraph in the overview and to note 1.

## Funding

This section identifies the Quality Agency's funding structure.

### Note 9: Annual appropriations

	6 months to 31 Dec 2018	Year to 30 June 2018
	\$'000	\$'000
Ordinary annual services:		
<i>Appropriation Act (No.1) 2018-19</i>	<b>29,946</b>	27,285
<i>PGPA Act Section 74 Appropriation Act (No.1) 2018-19</i>	<b>7,494</b>	17,320
Total ordinary annual services appropriation	<b>37,440</b>	44,605
Appropriation applied (current and prior years)	<b>(27,924)</b>	(40,470)
Variance	<b>9,516</b>	4,135
Capital budget:		
<i>Appropriation Act (No.1) 2018-19 – DCB</i>	<b>1,163</b>	1,173
Total capital budget appropriation	<b>1,163</b>	1,173
Appropriation applied (current and prior years)	<b>(470)</b>	(1,000)
Variance	<b>693</b>	173
Equity injection:		
<i>Equity injection Appropriation Act (No. 4) 2016-17</i>	–	–
Appropriation applied (current and prior years)	–	(758)
Variance	–	(758)
<b>Total change in appropriation receivable</b>	<b>10,209</b>	3,550

### 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.

## Note 10: Unspent appropriations (recoverable GST exclusive)

	As at 30 June 2018 \$'000	As at 30 June 2018 \$'000
Departmental annual appropriation		
<i>Appropriation Act (No.1) 2018-19</i>	<b>19,289</b>	9,773
<i>Appropriation Act (No.1) 2018-19 – DCB</i>	<b>866</b>	173
Cash at bank	<b>3,558</b>	1,081
Total unspent departmental annual appropriation	<b>23,713</b>	11,027
Equity injection appropriation		
<i>Appropriation Act (No.4) 2016-17</i>	<b>17,738</b>	17,738
Total unspent equity injection appropriation	<b>17,738</b>	17,738
<b>Total unspent appropriations</b>	<b>41,451</b>	28,765

## Note 11: Net cash appropriation arrangements

	6 months to 30 June 2018 \$'000	Year to 30 June 2018 \$'000
Total comprehensive income less depreciation/amortisation expenses previously funded through revenue appropriations	<b>(83)</b>	(164)
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	<b>(754)</b>	(1,040)
<b>Total comprehensive income – as per the Statement of Comprehensive Income</b>	<b>(837)</b>	(1,204)

From 2010–11 the Government introduced net cash appropriations whereby revenue appropriations for depreciation and amortisation expenses ceased. The Quality Agency now receives a separate equity appropriation for its capital budget. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

## 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 12: Employee provisions

	As at 31 Dec 2018 \$'000	As at 30 June 2018 \$'000
Leave	<b>6,576</b>	6,379
Separations and redundancies	<b>109</b>	475
<b>Total employee provisions</b>	<b>6,685</b>	6,854
Employee provisions are expected to be settled		
No more than 12 months	<b>5,046</b>	5,160
More than 12 months	<b>1,639</b>	1,694
<b>Total employee provisions</b>	<b>6,685</b>	6,854

The employees of the Quality Agency became the employees of the Aged Care Quality and Safety Commission on 1 January 2019 and consequently all current and non current employee entitlements were transferred to the new Commission on this date.

**Accounting Policy**

Liabilities for 'short-term employee benefits' (as defined in AASB 119 Employee Benefits) and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

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 Quality Agency'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 2019. 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 Quality Agency 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 Quality Agency 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 Quality Agency 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 31 December represents outstanding contributions for the final fortnight of the period for all staff.

## Note 13: Key management personnel remuneration

Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly including, any director (whether executive or otherwise) of that entity. During the reporting period ended 31 December 2018, Australian Aged Care Quality Agency had five (2017-18: five) executives who met the definition of key management personnel. Their names and the term of service as KMP are summarised below:

Name – Position Title	Term as KMP
<b>Nick Ryan</b> – Chief Executive Officer	Full term <sup>1</sup>
<b>Christina Bolger</b> – Executive Director, Regulatory Policy and Performance	Full term
<b>Ann Wunsch</b> – Executive Director, Operations	Full term
<b>Pam Christie</b> – Executive Director, Industry Engagement and Communications	Full term
<b>Charles Grady</b> – General Manager, Corporate Services	Full term

<sup>1</sup> Full term represents the six months ended 31 December 2018.

	6 months to 31 Dec 2018 <sup>2</sup>	Year to 30 June 2018 <sup>3</sup>
	\$'000	\$'000
<b>Key management personnel remuneration for the reporting period</b>		
Short-term employee benefits		
Salary	<b>627</b>	1,148
Other benefits and allowances	<b>8</b>	–
Total short-term employee benefits	<b>635</b>	1,148
Post-employment benefits		
Superannuation	<b>89</b>	134
Other long-term employee benefits		
Long-service leave	<b>22</b>	27
Termination payment	<b>116</b>	–
<b>Total key management remuneration expenses</b>	<b>862</b>	1,309

<sup>2</sup> Represents key management personnel remuneration for the half year ended 31 December 2018 when the Quality Agency ceased operations and all of its functions were transferred to the Aged Care Quality and Safety Commission on 1 January 2019.

<sup>3</sup> Comparatives for prior year have been restated and reclassified retrospectively to ensure consistency with current year's presentation and classification.



## **Note 14: Related party disclosures**

### **Related party relationships**

The Quality Agency is an Australian government controlled entity. Related parties to this entity are key management personnel including the portfolio minister and executives, and other Australian government entities.

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 Quality Agency, it has been determined that there are no related party transactions to be separately disclosed.

## Managing uncertainties

This section analyses how the Quality Agency manages financial risks within its operating environment.

### **Note 15: 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 Quality Agency has two bank guarantees in respect of office lease guarantees (2017-18: two) with a total of \$175,876 (2017-18: \$175,876).

#### **Unquantifiable contingencies**

At 31 December 2018, The Quality Agency had an unquantifiable contingency in relation to potential additional contractor entitlements arising from historic services and services provided to a prior entity. An unquantifiable contingency has been disclosed because an obligation has not yet been determined and it was not possible to estimate the amounts of any eventual payments that may be required in relation to these entitlements. Refer to note 8 above.

## Note 16: Financial instruments

	As at 31 Dec 2018 \$'000	As at 30 June 2018 \$'000
<b>Categories of financial instruments</b>		
<b>Financial assets under AASB 139</b>		
Loans and receivables		
Cash and cash equivalents		1,081
Trade and other receivables		8
<b>Total loans and receivables</b>		1,089
<b>Financial assets under AASB 9</b>		
Financial assets at amortised cost		
Cash and cash equivalents	3,558	
Trade and other receivables	21	
<b>Total loans and receivables</b>	3,579	
<b>Total financial assets</b>	3,579	1,089
<b>Financial liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Supplier payables	1,342	1,957
Unearned revenue	3,841	5,229
Other payables	963	964
<b>Total financial liabilities measured at amortised cost</b>	6,146	8,150

## Classification of financial assets on the date of initial application of AASB 9

	AASB 9 carrying amount at 1 July 2018	AASB 139 carrying amount at 1 July 2018
	\$'000	\$'000
<b>Cash and cash equivalents</b>		
AASB 139 original classification – Held to maturity		1,081
AASB 9 new classification – Amortised cost	<b>1,081</b>	
<b>Total cash and cash equivalents</b>	<b>1,081</b>	1,081
<b>Trade and other receivables</b>		
AASB 139 original classification – Held to maturity		8
AASB 9 new classification – Amortised cost	<b>8</b>	
<b>Total trade and other receivables</b>	<b>8</b>	8
<b>Total financial assets</b>	<b>1,089</b>	1,089

## 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 entity'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 entity 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.

Comparatives have not been restated on initial application.

Under AASB 9 Financial Instruments, the Quality Agency 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 Agency categorised 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 17: Departmental restructuring

On 1 January 2019 the Aged Care Quality and Safety Commission assumed all of the quality assessment and review functions of the aged care services from the Quality Agency. The assets and liabilities of the Quality Agency were transferred to the Aged Care Quality and Safety Commission at the following book values:

	As at 31 Dec 2018 \$'000
<b>Assets transferred</b>	
Cash and cash equivalents	3,558
Trade and other receivables	38,125
Property plant and equipment	1,041
Intangibles	2,321
Prepayments	178
<b>Total assets transferred</b>	<b>45,223</b>
<b>Liabilities transferred</b>	
Suppliers	(1,342)
Unearned revenue	(17,726)
Other payables	(963)
Employee provisions	(6,685)
Other provisions	(1,299)
<b>Total liabilities transferred</b>	<b>(28,015)</b>
<b>Net assets transferred</b>	<b>17,208</b>

## Note 18: Aggregate assets and liabilities

	As at 31 Dec 2018 \$'000	As at 30 Jun 2018 \$'000
<b>Assets expected to be recovered in:</b>		
No more than 12 months	<b>41,861</b>	29,412
More than 12 months	<b>3,362</b>	3,773
<b>Total assets</b>	<b>45,223</b>	33,185
<b>Liabilities expected to be settled in:</b>		
No more than 12 months	<b>25,940</b>	14,180
More than 12 months	<b>2,075</b>	2,123
<b>Total liabilities</b>	<b>28,015</b>	16,303



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# Glossary

Abbreviation	Term
<b>AASB</b>	Australian Accounting Standards Board
<b>AACQA</b>	Australian Aged Care Quality Agency
<b>ACCC</b>	Aged Care Complaints Commissioner
<b>ACQSC Act</b>	<i>Aged Care Quality and Safety Commission Act 2018</i>
<b>ANAO</b>	Australian National Audit Office
<b>APS</b>	Australian Public Service
<b>AusTender</b>	The Australian Government tender system
<b>CAAT</b>	Computer-Assisted Audit Tool
<b>CEO</b>	Chief Executive Officer
<b>CER</b>	Consumer Experience Report
<b>CHSP</b>	Commonwealth Home Support Program
<b>Commencing services</b>	Accreditation for new Residential Aged Care services
<b>Commissioner</b>	Aged Care Quality and Safety Commissioner
<b>CPD</b>	Continuing Professional Development
<b>CSS</b>	Commonwealth Superannuation Scheme
<b>DCB</b>	Departmental Capital Budgets
<b>Department</b>	Department of Health
<b>DoH</b>	Department of Health
<b>DSS</b>	Department of Social Services
<b>EA</b>	Enterprise Agreement
<b>ED</b>	Executive Director
<b>EL</b>	Executive Level
<b>ELG</b>	Executive Leadership Group
<b>FBT</b>	Fringe Benefits Tax
<b>FOI</b>	<i>Freedom of Information Act 1982</i>
<b>FRR</b>	Financial Reporting Rule

Abbreviation	Term
<b>FTE</b>	Fulltime Equivalent
<b>GST</b>	Goods and Services Tax
<b>ICT</b>	Information and Communication Technology
<b>ISQua</b>	International Society for Quality in Health Care
<b>MOU</b>	Memorandum of Understanding
<b>NATSI FACP</b>	National Aboriginal and Torres Strait Islander flexible aged care program
<b>NLG</b>	National Leadership Group
<b>PBS</b>	Portfolio Budget Statements
<b>PGPA Act</b>	<i>Public Governance, Performance and Accountability Act 2013</i>
<b>PMO</b>	Project Management Office
<b>PSPF</b>	Protective Security Policy Framework
<b>PSSap</b>	Public Sector Superannuation accumulation plan
<b>Quality Agency</b>	Australian Aged Care Quality Agency
<b>SES</b>	Senior Executive Service
<b>TFI</b>	Timetable for Improvement



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PGPA Rule Reference	Part of report	Description	Requirement
<b>17AD(g)</b>	<b>Letter of transmittal</b>		
17AI	Page i	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
<b>17AD(h)</b>	<b>Aids to access</b>		
17AJ(a)	Page iii	Table of contents.	Mandatory
17AJ(b)	Page 224	Alphabetical index.	Mandatory
17AJ(c)	Page 220	Glossary of abbreviations and acronyms.	Mandatory
17AJ(d)	Page 229	List of requirements.	Mandatory
17AJ(e)	Inside front cover	Details of contact officer.	Mandatory
17AJ(f)	Inside front cover	Entity's website address.	Mandatory
17AJ(g)	Inside front cover	Electronic address of report.	Mandatory
<b>17AD(a)</b>	<b>Review by accountable authority</b>		
17AD(a)	Page 1	A review by the accountable authority of the entity.	Mandatory
<b>17AD(b)</b>	<b>Overview of the entity</b>		
17AE(1)(a)(i)	Page 5 – 6	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	Page 85	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	Page 65	A description of the outcomes and programs administered by the entity.	Mandatory
17AE(1)(a)(iv)	Page 68	A description of the purposes of the entity as included in corporate plan.	Mandatory

PGPA Rule Reference	Part of report	Description	Requirement
17AE(1)(aa)(i)	Page 161	Name of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(ii)	Page 161	Position title of the accountable authority or each member of the accountable authority	Mandatory
17AE(1)(aa)(iii)	Page 161	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
<b>17AD(c)</b>	<b>Report on the Performance of the entity</b>		
	<b>Annual performance Statements</b>		
17AD(c)(i); 16F	Page 61 – 80	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory
<b>17AD(c)(ii)</b>	<b>Report on Financial Performance</b>		
17AF(1)(a)	Page 62	A discussion and analysis of the entity's financial performance.	Mandatory
17AF(1)(b)	Page 80	A table summarising the total resources and total payments of the entity.	Mandatory
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

PGPA Rule Reference	Part of report	Description	Requirement
<b>17AD(d)</b>	<b>Management and Accountability</b>		
	<b>Corporate Governance</b>		
17AG(2)(a)	Page 83	Information on compliance with section 10 (fraud systems).	Mandatory
17AG(2)(b)(i)	Page 1	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory
17AG(2)(b)(ii)	Page 1	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 1	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 82	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
	<b>External Scrutiny</b>		
17AG(3)	Page 122	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory
17AG(3)(a)	n/a	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)	n/a	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
<b>Management of Human Resources</b>			
17AG(4)(a)	Page 117	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory
17AG(4)(aa)	Page 103	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)	Page 104 – 111	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 112, 115	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory
17AG(4)(c)(i)	Page 112	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 112	The salary ranges available for APS employees by classification level.	Mandatory
17AG(4)(c)(iii)	Page 117	A description of non-salary benefits provided to employees.	Mandatory
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

PGPA Rule Reference	Part of report	Description	Requirement
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
<b>Assets Management</b>			
17AG(5)	Page 123	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory
<b>Purchasing</b>			
17AG(6)	Page 63	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory
<b>Consultants</b>			
17AG(7)(a)	Page 114	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 122	A statement that “ <i>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].</i> ”	Mandatory
17AG(7)(c)	Page 122	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 122	A statement that “ <i>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.</i> ”	Mandatory

PGPA Rule Reference	Part of report	Description	Requirement
<b>Australian National Audit Office Access Clauses</b>			
17AG(8)	Page 122	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
<b>Exempt contracts</b>			
17AG(9)	Page 122	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
<b>Small business</b>			
17AG(10)(a)	Page 123	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 123	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

PGPA Rule Reference	Part of report	Description	Requirement
<b>Financial Statements</b>			
17AD(e)	Page 133 –	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory
<b>Executive Remuneration</b>			
17AD(da)	Page 161 – 170	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule.	Mandatory
<b>17AD(f)</b>	<b>Other Mandatory Information</b>		
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 127	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 118	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	Page 129	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)	Page 132	Correction of material errors in previous annual report.	If applicable, mandatory
17AH(2)		Information required by other legislation.	mandatory



# Act requirements index

## Index of annual reporting requirements of the *Aged Care Quality and Safety Commission Act 2018*

Ref S52	Part of report	Description	Requirement
(a)	68 – 79	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)	68 – 79	Particulars of any variations of the annual operational plan during the period;	Mandatory
(c)	68 – 79	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





**Australian Government**

**Aged Care Quality and Safety Commission**

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