



# ANNUAL REPORT

2018

**Together we create  
a community that  
is the best place  
to grow old in the  
Southern Highlands.**





## OUR MISSION

—

**We exist to support and nurture  
older people to maintain meaning  
and purpose in their unique lives**

# Chairman's Message

**Harbison has a proud history of service in aged care. It also has a future, full of opportunity and driven by the enthusiasm of our people.**

There are challenges as we progress; they must, of course, be carefully managed and overcome. One such challenge is our financial performance. A loss stands out. We operate in an increasingly competitive environment, substantially funded by frugal government, servicing increasingly discerning customers. It is good to realise that our operations still generate a cash surplus and we enjoy a strong balance sheet. Budget repair comes from better managing profit-sensitive areas, whilst our strategy underpins longer term improvements.

Harbison will be relevant in aged care for many years. It is uniquely positioned and has a good sense of future demand and opportunity. We have a relatively young, enthusiastic staff; we have land to develop; enjoy a healthy balance sheet; benefit from community support with broad recognition and dedicated volunteers; and we have motivated and innovative leadership in our CEO and management, overseen by the board.

We intend to provide more than one care solution on the Harbison campus; we will offer a choice of service levels and accommodation to provide a seamless care experience as needs change; specialise where there is a need for deeper care; and formulate a unique care philosophy to underpin our service approach. This philosophy is reflected in our new 'heart and home branding', and technically it is found in new ways to provide care, such as our Butterfly Household care model for dementia.

Our journey into the future has already started with new infrastructure in Burradoo: an approved concept plan for the (re)development of the campus; completion of a new maintenance shed and parking area; refurbishment of the hostel; and construction of our dementia centre.

So much is happening at Harbison that we had to introduce a new way to provide information to our members. Our Chairman's Briefing offers a mid-year opportunity to exchange ideas in an informal setting in addition to the annual general meeting.

Don Ross retired as our CEO after 5½ years service. His contribution is most visible in the new nursing home, administration centre and foyer in Burradoo. The board was delighted to find a new CEO within the ranks of Harbison; David Cochran took on the role in September 2017 and has shown great dedication.

Douglas Drysdale retired from the board after six years as a director and several years as chair of our Redevelopment Committee. His service has been outstanding and his contribution is missed. Katerina Constantinou was appointed into Doug's vacancy and she has already proven to be an asset to the board.

The board met every month of the year. All directors also contributed to one or more of the board committees for specialised work: governance, risk and audit, and redevelopment. Furthermore, directors were joined by senior staff in a strategy day. I am grateful to my fellow directors for their work and stand in awe of their contribution, which is both highly-skilled and unpaid.

Harbison awaits a future of opportunities; but success is only made possible by its people: benefactors, company members, volunteers, directors, staff and CEO, and residents and family. I thank them all for enabling our enterprise, for allowing Harbison to shine.



**HENK DEN HERTOG**

October 2018





# CEO Commentary

**Thanks to the support of our residents, their families and friends, generations of tireless volunteers, donors and benefactors, our community partners and dedicated employees, Harbison has been the leading aged care provider in the Southern Highlands for more than 60 years.**

The theme of 2018 is investment in our future to ensure we remain relevant to our community and can effectively leverage our strength and experience in care.

Harbison continues an uncompromising commitment to quality. In March 2018 we received a Better Practice Award from the Australian Aged Care Quality Agency, and in June 2018 our Moss Vale facility was re-accredited by the Agency after meeting 44 out of 44 expected quality outcomes during a three-day audit.

At Burradoo we have completed a refurbishment of the ageing Hostel and are seeking development approval to replace it by 2022. We have commenced construction, approved by council in August 2017, of a new 30-bed dementia centre as Stage 1 of the Burradoo Master Plan.

We are half way through training our dementia staff at Moss Vale in the Butterfly Household care model and expect Moss Vale to be the first Butterfly Household certified in regional NSW. We have begun a comprehensive renewal of our ageing (at least in IT terms) systems, which includes the addition of new training resources and a partnership with the University of Western Sydney College to ensure our carers have clear pathways to high-quality qualifications and opportunities.

During the year our staff were involved in the development of our re-stated mission and values (Respect, Optimism, Authenticity and Dedication) which has led to a decision to take us back to our roots by changing our name to Harbison. This reflects the origins of Harbison, which was envisaged by a group of local volunteers in response to the needs of our community. Their kindness and generosity live on today in our current volunteers, without whom we simply would not be Harbison.

Despite increasing revenue by 3.5% and cash balances by more than \$10M, for FY18 we find ourselves among the 43% of Australian aged care providers who are, according to StewartBrown, operating at a loss.

This result reflects sector trends, expenses related to re-accreditation and renewal of ageing infrastructure and technology, and the combined effects of a strong preference by residents to pay a refundable accommodation deposit (instead of a daily fee) and continuing low-interest returns on investments.

Revenue was also affected by pressure on occupancy, which was impacted by lockdowns at both facilities during the unusually severe Australian influenza season in the first half of the financial year, and by the refurbishment of the Burradoo Hostel.

The Commonwealth Government funds aged care through the Aged Care Funding Instrument, or ACFI, which is Harbison's main source of income. In FY18 ACFI indexation was 0% and the rules were changed to make it more difficult to obtain funding for complex care.

Meanwhile, according to ABS figures, inflation for FY18 was 2.2%, health costs rose by 3.4%, and our staff enjoyed a minimum 2.4% increase in wages under our Enterprise Agreement, which also flows through as an uplift to our provision for accrued leave entitlements.

In 2018 the Government delivered a mid-term review of its 10-year aged care reform package, which recommended further reform as the sector moves towards deregulation, increased competition, and a proliferation of new services and products to meet the increasing demand and expectations of the next generation of care recipients – the baby boomers.

At this stage of the political cycle we do not expect any courageous funding decisions from government, and believe we are still several years away from meaningful ACFI reform. Accordingly, we expect revenue pressure to continue and innovative management and the ability to scale our business will be more important than ever.

A series of highly publicised aged care scandals rocked the sector in FY18. Oakden, a government-run mental-health aged care facility in South Australia, was the most shocking. Abuse of our elderly is completely unacceptable, and while these stories quite rightly raise community concerns they do not in any way represent the loving care provided at Harbison.

We welcome Prime Minister Morrison's announcement of a Royal Commission into the sector as an opportunity for a national conversation about the future of aged care, while noting it promises to be distressing for residents and families, the broader community, and care employees throughout Australia.

It's my privilege to work every day with the staff and residents of Harbison. I thank our team for their inspiring, quiet commitment to our residents, which regularly goes above and beyond expectations. I thank our residents for allowing me into their home, and their lives. It's also my privilege to work with our volunteer Board of Directors, who provide me and my Executive team with the support we need to implement our strategy.

Finally, I thank the families and friends of Harbison residents for their involvement and support, many of whom are also members of our wonderful volunteers.

Harbison has a strong balance sheet, a leading position in our market, a clear strategy, dedicated and talented people, and several exciting opportunities to develop innovative services in a sector that is in the early stages of a long, strong growth phase. We are confident we can overcome the financial challenges of FY18 while maintaining excellence in care and positioning for an exciting and dynamic future. We look forward to sharing the next stage of our journey with you.



**DAVID COCHRAN**

October 2018

# Our Directors



**DAVID CUMMINS OAM**

Appointed Aug 1989  
Chair of the  
Redevelopment Committee



**JAN EDWARDS**

Appointed June 2004  
Chair of the  
Risk & Audit Committee



**JENNY HARPER**

Appointed Nov 2004  
Member of the  
Redevelopment Committee

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WE HAD 29 COMPANY MEMBERS AT YEAR END

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**HENK DEN HERTOOG**

Appointed Sept 2008  
Chair of the Board of Directors  
Member of the  
Redevelopment Committee  
Member of the  
Risk & Audit Committee  
Member of the Art Committee  
Member of the Governance Committee



**MARK WILSON**

Appointed July 2011  
Member of the  
Governance Committee



**CAMPBELL MACBEAN**

Appointed Nov 2011  
Deputy Chair of the Board  
of Directors  
Chair of the  
Governance Committee

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37 BOARD AND COMMITTEE MEETINGS  
WERE HELD BY OUR VOLUNTEER  
BOARD OF DIRECTORS

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**CHRIS MARTIN**

Appointed Feb 2017  
Member of the  
Risk & Audit Committee  
Member of the  
Redevelopment Committee



**TANYA SCHILLER**

Appointed Feb 2017  
Member of the  
Risk & Audit Committee  
Member of the  
Governance Committee



**KATIE CONSTANTINO**

Appointed June 2018  
Member of the  
Governance Committee  
Member of the  
Redevelopment Committee



# Development Milestones

- 1956 -

Mr and Mrs Sefton Cullen generously donated 13 acres of land at Burradoo. This gift was graciously accepted by the Harbison Memorial Homes Committee.

- 1957 -

First Annual General Meeting of the Harbison Memorial Homes Committee, with over 40 members attending.

- 1959 -

Harbison Memorial Homes for the Aged was officially opened at Burradoo by Hon. Mr Hugh Robertson, Minister for Social Services. The first buildings opened were Cullen House — which still operates today — and Junior Farmer's Lodge. These two buildings provided accommodation for two married couples and four single ladies.

- 1974 -

The Harbison Memorial Homes Retirement Village Hostel was officially opened at Burradoo by Mrs Blanche Emery, president of the Harbison Memorial Homes Committee.

- 1979 -

Mr George Fox became the first resident of the Harbison Memorial Retirement Village Nursing Home, two months prior to the official opening. Mr Fox had previously been a resident of Harbison for eight years.

- 1979 -

Harbison Memorial Retirement Village Nursing Home officially opened at Burradoo.

- 1997 -

Harbison Hostel Moss Vale officially opened by John Fahey, Premier of New South Wales. It was built on land acquired from Wingecarribee Council as part of its commitment to the elderly in the Southern Highlands.

- 2010 -

New residential aged care accommodation, including two specialised memory care units, officially opened at Moss Vale by Mayor Duncan Gair.

- 2014 -

Brand-new nursing home at Burradoo officially opened by The Hon. Marie Bashir, then-Governor of New South Wales.

- 2018 -

Construction of a new dementia centre at Burradoo begins.

## ACHIEVEMENTS



**99.9%**

**Staff compliance with influenza vaccination**



**Harbison Moss Vale**  
passes re-accreditation,  
meeting all 44 outcomes



**Harbison Graduate Nurse Program**  
was awarded the Australian Aged Care Quality  
Agency Better Practice Award



**7**

### Users of Scott Hall

Southern Highlands Computer Users Group, Bong Bong Quilters, The Woodies (Wood Turners), Self-care Residents, Sunday Quilters, The Red Cross, The Glams

# Harbison at

## OUR RESIDENTS



**118**

**Residents were supported**



**468**

**Residents' bus outings**



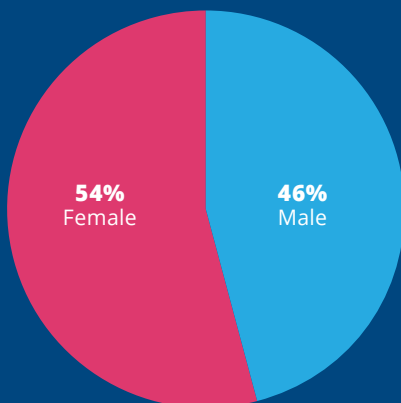
**462**

**Residents were cared for**

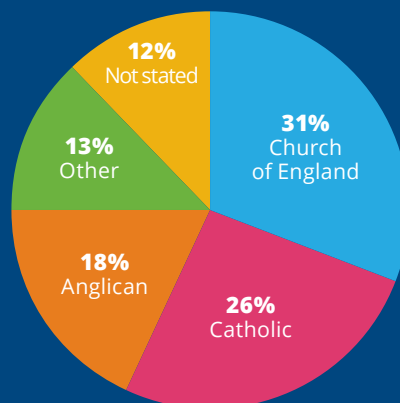


**308,382**

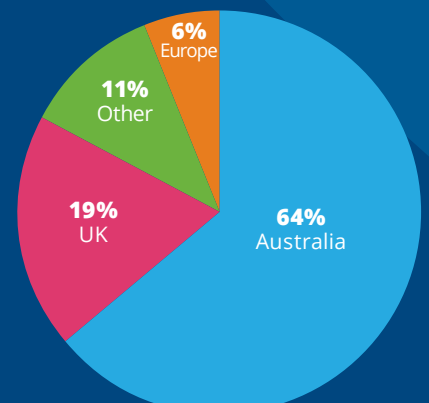
**Meals were served**



**Resident Gender**



**Resident Religion**



**Resident Place of Birth**

## REDEVELOPMENT



# 41

### Rooms were refurbished

38 hostel rooms, 1 lounge, 1 dining and 1 treatment room



New maintenance  
shed built



New BBQ area with  
its own Boules pitch



# 50+

New car spaces  
were created



# 2

Consulting  
rooms created

# a Glance

## OUR OTHER RESIDENTS



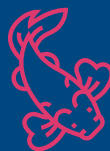
# 9

Chickens



# 3

Cattle



# 1

Cockatoo



# 1

Guinea Pig



# 17

Budgies



# Harbison Health

**As a Quality initiative this year we created a report that provides a comprehensive review of six key clinical care indicators for each facility, as well as an organisational overview.**

The key areas of care being reported are:

1. Falls
2. Pressure Injuries
3. Wounds Management
4. Medication Incidents
5. Urinary Tract Infections
6. Bowel Health

The report is provided to the CEO, General Manager (Care) and Operational Nurse Managers on a monthly basis, and highlights areas of improvement, as well as areas where improvement is needed. The information captured in this report also forms the basis of our industry Benchmarking tool, which assists the Operational Nurse Managers to identify trends in the delivery of care across their facilities and the aged care sector in general.

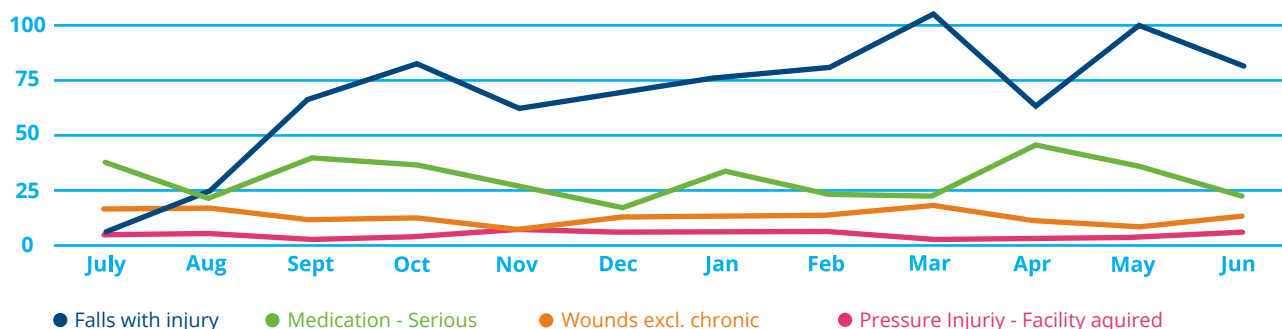
The Key Indicators, along with other areas of care, are also scrutinised by the auditors from the Australian Aged Care Quality Agency during the regular Re-Accreditation Audit, generally every three years, as well as the routine 'Unannounced' agency audit visits (at least annually).

Each of these parameters are viewed in relation to the acuity of care needs of our residents, however, where there are large numbers of residents being affected by any of these key areas, a 'Red Flag' alerts clinical staff to review issues affecting resident care.

The Key Indicators also assist in identifying areas where additional staff education may be required, or other resources such as staffing levels and 'skill mix' may need reassessment and adjustment to rostering.

In general, Harbison has a good record in delivering quality care to our community, and we continually strive to improve all of the care and services offered to our residents, their family members and friends.

## HARBISON HEALTH





# Staff at a Glance

## TRAINING

**512**

Training sessions  
were conducted

**298**

Staff attended  
training

**11**

Staff studied  
mental health

**13**

Staff studied  
nursing

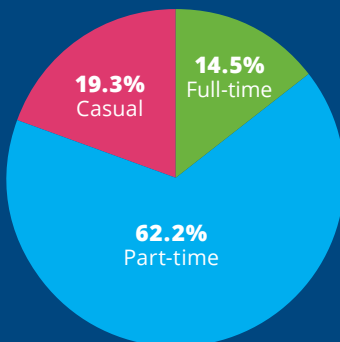
**6**

Staff transitioned  
into EENs

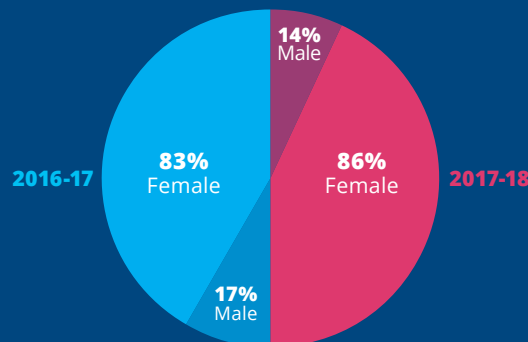
**4**

Staff transitioned  
into RNs

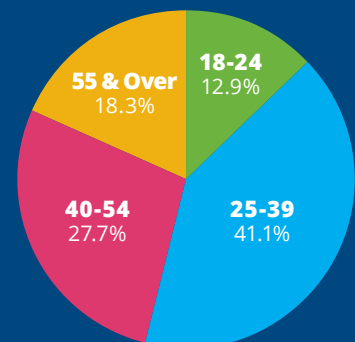
## STATISTICS



311 Staff Employed



Staff Gender



Staff Ages

## LONG SERVICE

**14**

Staff celebrated  
5 years of service

**6**

Staff celebrated  
10 years of service

**1**

Employee celebrated  
15 years of service

**1**

Employee celebrated  
20 years of service

**2**

Staff celebrated  
30 years of service



# Specialised Dementia Care

**In April this year we were proud to become the fifth Australian aged care organisation — and first rural aged care facility on the East Coast of Australia — to adopt the Butterfly Household Model of Care, a new approach to caring for people living with dementia.**

This revolutionary model was pioneered by UK-based Dementia Care Matters. It shifts care from the more traditional (clinical-based) approach to a person-centred model which empowers residents. Since the model was first rolled out in the UK more than 20 years ago, aged care homes have seen significant improvements in the health, quality of life and well-being for residents with dementia.

This model focuses on the emotional lives of people suffering from dementia and seeks to create improvements in terms of:

- Understanding and recognition
- Decreasing pain
- Decreasing use of neuroleptic, sedative and psychotropic medication
- Emotional reactions and distress responses
- Meaningful engagement and occupation
- Longer life expectancy
- Fewer falls
- Increased wellbeing

Harbison and Dementia Care Matters are united in their vision to transform the way aged care organisations deliver care for older Australians living with dementia, and adopting the model was a big step forward in achieving this positive change.

To date Harbison has begun the conversion of memory care at Moss Vale into Butterfly Households and is training more than 70 specialist care staff over a 2 year period.

## Dementia at a Glance

- Every three seconds someone in the world develops dementia.
- In 2018 there is an estimated **425,416** Australians living with dementia.
- Dementia is the second leading cause of death in Australia.
- Females account for **64.4%** of all dementia-related deaths. It became the leading cause of death in Australian females in 2016, surpassing heart disease.
- There is an estimated **26,443** people with younger onset dementia in 2018.
- Without medical breakthrough, the number of people living with dementia is expected to increase over **25%** by 2025 and almost **160%** by 2056!

*Taken from Dementia Australia, Key Facts and Statistics as of January 2018; World Health Organisation, Dementia Key Facts, 12 December 2017.*

# Burradoo Dementia Centre

Due to be opened by October 2019

## FEATURES

### A COUNTRY HOME

The new dementia centre at Burradoo has been designed as a country home to suit its Burradoo location.

### SECURE AND PRIVATE

Secure and private with state-of-the-art dementia monitoring systems.

### DAILY ACTIVITIES

Designed to involve residents in meaningful daily activities which simulates living in their own home.

### TWO HOUSEHOLDS

It will cater for two households of up to 15 residents each.

### ROOM TO MOVE

It will feature large gardens with a BBQ area and men's shed.



Tax deductible donations to our building costs can be made at [donations@harbisoncare.org.au](mailto:donations@harbisoncare.org.au)

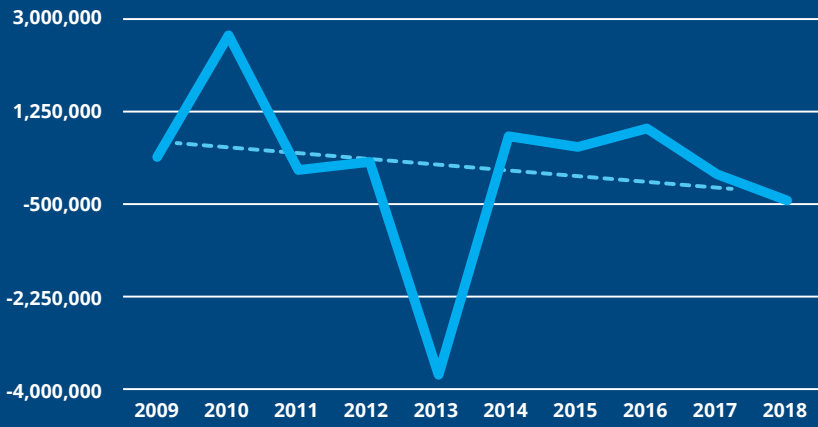
# Financial Snapshot

FINANCIAL SNAPSHOT	2018 (\$)	2017 (\$)
<b>Profit &amp; Loss</b>		
Government Funding	16,674,308	16,332,696
<b>Total Revenue</b>	<b>24,410,445</b>	<b>23,579,314</b>
<b>Expenses</b>		
Resident Care	-15,699,167	-13,789,856
Catering	-2,838,081	-2,881,833
Cleaning	-663,069	-620,603
Laundry	-238,706	-322,203
Maintenance	-1,108,276	-913,434
Utilities	-697,214	-634,668
Administration	-2,728,517	-2,724,750
Other expenses	-1,596,163	-2,189,540
<b>Total Expenditure</b>	<b>-25,569,193</b>	<b>-24,076,887</b>
Net interest	732,040	572,105
<b>(Deficit)/Surplus before Income Tax</b>	<b>-426,708</b>	<b>74,532</b>
<b>Balance Sheet</b>		
Current Assets	25,014,190	15,541,081
Non-current Assets	40,443,782	39,734,735
<b>Total Assets</b>	<b>65,457,972</b>	<b>55,275,816</b>
Current Liabilities	41,113,137	30,354,609
Non-current Liabilities	132,161	281,825
<b>Total Liabilities</b>	<b>41,245,298</b>	<b>30,636,434</b>
<b>Net Assets/Total Equity</b>	<b>24,212,674</b>	<b>24,639,382</b>
<b>Cash Flows</b>		
Cash generated from Operating Activities	302,106	2,106,747
Cash generated from Investing Activities	-836,567	-1,693,625
Cash generated from Financing Activities	10,832,504	-1,037,707

For a more detailed Financial Report, please visit <https://harbison.org.au/about-us/harbison-annual-reports/>



## 10 YEAR NET PROFIT



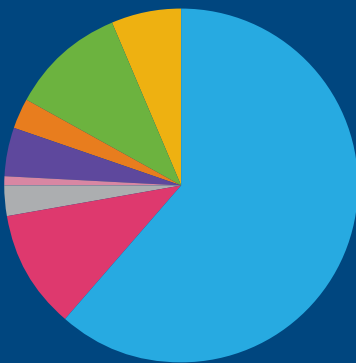
Note: 2010 & 2013 include revaluations of property plant and equipment

**14%**

Increase  
spend on care

**6%**

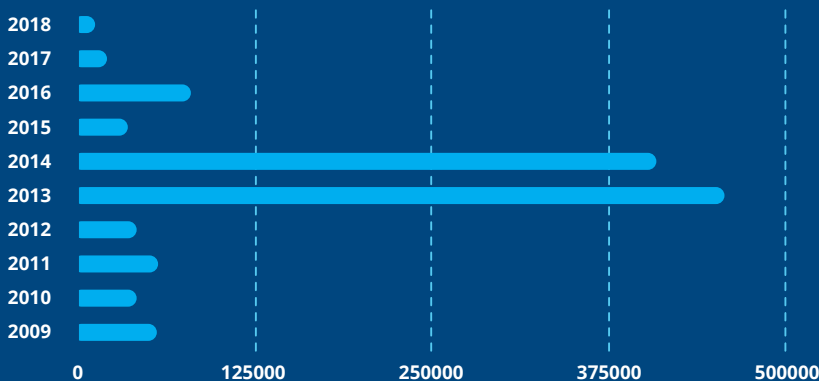
Increase  
spend on wages



## EXPENSES BY DEPARTMENT



## DONATIONS & BEQUESTS



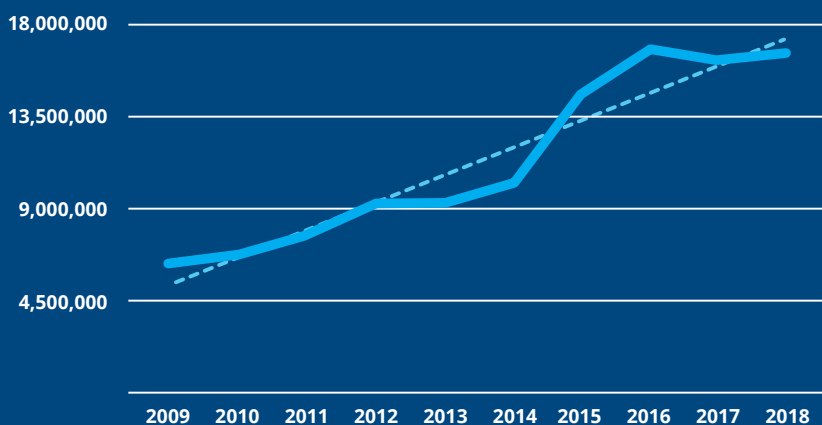
**120%**

Increase on  
purchase of plant  
and equipment

**41%**

Increase on Entry  
Contributions and  
Accommodation  
Bonds

## 10 YEAR GOVERNMENT FUNDING TREND



**\$2,377,080**

Work in Progress

# How to Help

**Harbison began with a dedicated and optimistic group of community volunteers. They set out to create something that did not exist at the time in the Southern Highlands. Today, Harbison is the oldest and largest provider of integrated aged care in the Southern Highlands.**

True to our origins as a not-for-profit organisation, we reinvest in developing new and better care services instead of paying dividends to shareholders. Approximately 70% of our funding is provided by the Commonwealth in the form of care and accommodation subsidies. We do not receive ongoing funding for the construction or refurbishment of our buildings and infrastructure, and modern infrastructure is a key ingredient in providing a high-quality care experience for our residents.

As we have since our inception, we continue to rely on the generous donations and bequests from members of our community to help fund our development and growth.

Donations above \$2 are tax deductible and may be made on a one-off or recurring basis. Supporting Harbison in this way helps ensure that community-owned aged care of the highest quality will continue to be an option for families in our community for another 60 years.

Particularly if you are unable to donate time as a volunteer, please consider making a donation to support your community aged care provider.

## DONATIONS

[www.harbisoncare.org.au/donations](http://www.harbisoncare.org.au/donations)  
or email  
[donations@harbisoncare.org.au](mailto:donations@harbisoncare.org.au)



**Thank you to our volunteers.  
We simply wouldn't be Harbison  
without you.**

If you have time to spare and would like to help make a difference in our residents' lives, please consider joining our volunteer program. We are always looking for volunteers of all skill levels to share their interests and time with our residents.

### When you volunteer at Harbison:

- You become active and involved in your community
- You are valued for your skills and experience
- You meet new people
- You learn new skills
- You become a role model
- You become a member of the Harbison family

If you are interested in volunteering at Harbison please send an email to [friends@harbisoncare.org.au](mailto:friends@harbisoncare.org.au)



## DEDICATION

We are whole-heartedly devoted to making a difference in the lives of older people.



## AUTHENTICITY

We are true to our cause and are genuine in everything we do.



## RESPECT

We believe each person is unique and worthy of respect, dignity and inclusion.



## OPTIMISM

We choose a positive outlook and hopeful view of the world.

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## CONTACT US

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### HEAD OFFICE

2 Charlotte Street Burradoo NSW 2576

**Phone:** 02 4868 6200 **Fax:** 02 4868 6476



### MOSS VALE

36 Yarrawa Road Moss Vale NSW 2577

**Phone:** 02 4868 6200 **Fax:** 02 4869 3214

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**Phone:** 02 4868 6200 **Email:** [reception@harbisoncare.org.au](mailto:reception@harbisoncare.org.au)

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