



ANNUAL REPORT

2019

Our Directors



DAVID CUMMINS OAM

Appointed Aug 1989

Member of the Built Environment
& Development Committee



JAN EDWARDS

Appointed June 2004

Chair of the
Risk & Audit Committee



JENNY HARPER OAM

Appointed Nov 2004

Member of the Built Environment
& Development Committee

WE HAD 29 COMPANY MEMBERS AT YEAR END



HENK DEN HERTOEG

Appointed Sept 2008

Chair of the Board of Directors
Member of the Built Environment
& Development Committee

Member of the
Risk & Audit Committee

Member of the Governance Committee



DR MARK WILSON

Appointed July 2011

Member of the
Governance Committee



CAMPBELL MACBEAN

Appointed Feb 2017

Chair of the
Governance Committee

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



CHRIS MARTIN

Appointed Feb 2017

Member of the Built Environment
& Development Committee

Member of the
Risk & Audit Committee



TANYA SCHILLER

Appointed Feb 2017

Member of the Built Environment
& Development Committee

Member of the
Risk & Audit Committee



KATIE CONSTANTINO

Appointed June 2018

Member of the
Governance Committee

Chair of the Built Environment
& Development Committee



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.

Chair's Report

Harbison is not just good at providing care and services to the aged and disabled in the Southern Highlands. We also set a good example for our sector.

I am thinking about some of the new ways we do things; and the new setting for our residents to enjoy daily life. This is underpinned by our strategy (innovate, diversify and specialise) and new Constitution, adopted in June 2019.

I am enthusiastic about what has already been achieved and eagerly anticipate the future. But change is not easy. The comfort and safety of the tried and trusted is not lightly exchanged for innovation and a new approach. Furthermore, financial challenges remain.

Our financial accounts speak for themselves. Two years of losses, which may be followed by another. Board and management have been guided by an action plan to turn the organisation around. The pain-points are known, and green shoots are becoming visible. Our strong balance sheet with significant reserves has been very helpful.

We have invested some of our capital in a renovation of the Burradoo Hostel, the construction of the Harbison Dementia Living building, and early works for a renovation of Moss Vale. The work of our Built Environment and Development Committee (chaired by Katie Constantinou, who succeeded David Cummins) was of great assistance.

Other committees which assist the board in specialised work are the Governance Committee (chair Campbell MacBean) and the Risk and Audit Committee (chair Jan Edwards). Their analysis and recommendations were invaluable. The Art Committee continues its wonderful work, but now reports to the CEO.

Members of Harbison attended two formal meetings. Our AGM (October 2018) and an Extraordinary Meeting to approve the new

Constitution (June 2019). Two Chairman's Briefings (August 2018 and June 2019) offered an opportunity to meet in an informal setting.

My message is mixed this year. Disappointment about financial performance, although well-managed by management and receiving continuing and careful oversight from the board. Pride in the people of Harbison: benefactors, company members, volunteers, directors, staff and CEO. And Harbison's wonderful achievements in care and living environment. Here we are doing so well, and we must persist.

HENK DEN HERTOG

CHAIRPERSON

September 2019

CEO Report

Harbison is a care company. We've been in the business of looking after older people for more than 60 years.

Despite challenging market conditions Harbison remains strongly committed to our purpose and is investing for the future in our people and our business.

Our core commitment to care and quality was recognised with the re-accreditation of our Burradoo services until June 2022. This means all our services have successfully achieved 44/44 quality outcomes in stringent re-accreditation audits in the past two years. This success was achieved against a backdrop of intense industry scrutiny from the Royal Commission into Aged Care Quality and Safety and an exponential increase in sanctions and notices of non-compliance issued to other providers.

The Government announced the biggest reform to aged care in 20 years with the introduction of a single Charter of Aged Care Rights and the new Aged Care Quality Standards. When the Royal

Commission reports in November 2020 the new standards may be subject to further significant change. The costs of implementing change can be significant.

The Royal Commission and bad press about the aged care sector means that new residents are more discerning than ever. Occupancy increased from 89% to 91%, compared to declining sector occupancy and despite construction work at Burradoo. The proportion of residents who cannot meet their own accommodation costs increased from 40% to 47%.

We successfully completed refurbishment of the Burradoo Hostel and commenced construction of stage 1 of the Burradoo Master Plan, to be known as Harbison Dementia Living. With the opening of the new building in late 2019 the number of beds we dedicate to dementia will increase from 32 to 62. But we're not just building; we're building a new way to provide dementia care. By the time the new building opens we expect Moss Vale to be accredited as a Butterfly Home, completing a two-year training project to refresh dementia care.

The Government approved 14 additional residential care places, granted flexible care provider status, and allocated 10 short-term restorative care places to Harbison. Harbison now provides independent living, residential aged care, home care, Commonwealth home support packages, NDIS and flexible care in the Southern Highlands.

We lodged a development application for stage 2 of the Burradoo Master Plan. While we wait for approval of this stage, we are planning a significant refurbishment of Moss Vale.

We introduced new systems for monitoring clinical quality indicators, medication management and feedback and complaints. We contracted a new physiotherapist and dietician to expand allied health care. For the second year in a row we achieved a 99% influenza vaccination rate for our workforce. To build sustainability we commissioned a new 100kW solar system at Burradoo.

Revenue increased by 3% due to increasing occupancy and a focus on achieving record government subsidy income. We re-invested \$6.8M in the business to replace ageing equipment and infrastructure and construct new facilities. Management responded to increased compliance risk from the announcement of the Royal Commission and new Quality Standards by bringing forward plans to repair or replace outdated equipment, increasing our learning and development investment, and deferring some cost management. Unfortunately, these decisions adversely impacted the budget and we again find ourselves among the 45% of providers reporting a loss.

Despite the financial result and uncertainty from ongoing reform we are focused on the long term. We are carefully working to ensure we can fund the care our community expects while growing our business. We are committed to keeping our people safe, healthy and happy in their work to ensure we attract and retain the talent we need. Our learning and development initiatives are creating our future leaders. We are innovating and investing to improve our care and services, and our ownership structure continues to serve the community well by allowing us to do the right thing, even if it costs us in the short-term.

I thank our residents and their families for putting their trust in Harbison. I value the contribution from everyone who shows up every day, and I'm grateful for what you do whether you're a member of the Board, a volunteer, a nursing veteran, a member of my management team, or just starting out.

DAVID COCHRAN
CHIEF EXECUTIVE OFFICER
September 2019

Investing in the Future



HARBISON DEMENTIA LIVING

In September 2018, Harbison commenced construction of a new, progressive, 30-bed dementia home at Burradoo. Construction concluded in August 2019, and the home is scheduled to be operational by November 2019.

Consisting of two wings, each wing is centred around a large kitchen, dining and lounge room with direct access to a private and secure garden. The bedrooms each have ensuite bathrooms that incorporate the latest in ergonomic and antimicrobial bathroom fittings.

To preserve the home-like environment, the safety systems are unobtrusive and state of the art. In a first for Australia, the bedroom and bathroom floors are fitted with a smart floor sensor system from Germany. The sensors under the floor instantly detect a fall and monitor when people are in or out of bed. This enables staff to monitor resident safety while maintaining residents' privacy.

Residents will be free to come and go from the house, secure within the garden perimeter. Instead of locked doors, a smart camera system will monitor residents in the common areas and gardens.





MOSS VALE REFURBISHMENT

From October 2019, Harbison Moss Vale will be undergoing extensive renovations. A primary focus of the new design is improving and expanding resident common areas and introducing smart and innovative technology to respond to resident needs.

To foster a more community-based environment, the entrance, lounge, dining room and activities room will be designed with a “town-square” concept in mind to encourage residents to pursue their different interests and activities in a communal setting. Improved amenities such as a new dining room, hairdressing salon, coffee shop, activities room, outdoor terrace, and meeting room will be constructed. A rehabilitation and treatment room will be available to residents to support and enable their independence while addressing their care needs.

To ensure Harbison continues to deliver high standards of care, Moss Vale will receive an upgrade to technology and safety systems including a new nurse call system, WiFi and internet access, phone system and security camera system.

BUTTERFLY TRAINING

Alpine Lodge in Moss Vale has undergone a significant transformation and is on track to receive Butterfly Household Accreditation at the end of November 2019. Since the launch of the Butterfly Model of Care in April 2018, Alpine has been transformed from a traditional, clinical care environment to a warm and inviting home.

Care staff in Alpine Lodge have all completed their “Being a Butterfly” training which has helped Harbison move from “task-based” care to a model where feelings matter most. The leadership team recently undertook a two-day training program to learn to assess the care experience using the Quality of Interactions Schedule (QUIS) audit tool to enable us to apply and evaluate the principles we have learnt through the Butterfly program to the rest of Harbison.

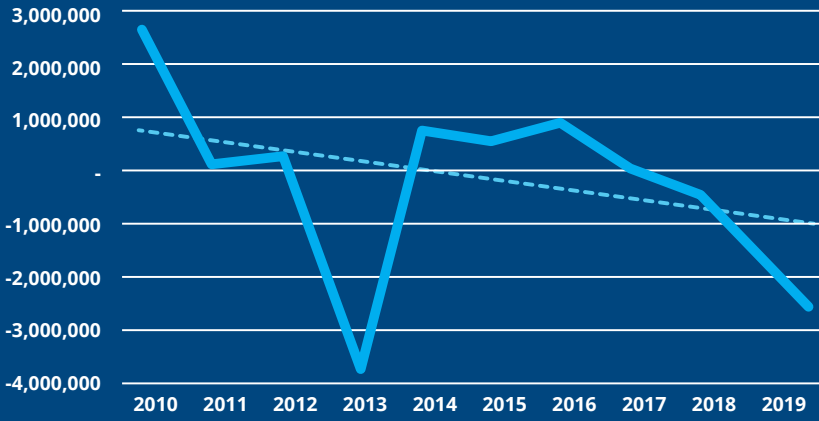
We would like to thank all the staff that have been involved in the Butterfly project to date and we are excited to continue training this model of care throughout Harbison.

Financial Snapshot

FINANCIAL SNAPSHOT	2019 (\$)	2018 (\$)
Profit & Loss		
Government Funding	17,563,772	16,674,308
Total Revenue	25,150,259	24,410,445
Expenses		
Resident Care	-16,888,099	-15,699,167
Catering	-3,599,288	-2,838,081
Cleaning	-658,588	-663,069
Laundry	-359,901	-238,706
Maintenance	-1,298,213	-1,108,276
Utilities	-680,670	-697,214
Administration	-2,558,294	-2,728,517
Other expenses	-1,938,988	-1,596,163
Total Expenditure	-27,982,041	-25,569,193
Net interest	305,317	732,040
(Deficit)/Surplus before Income Tax	-2,526,465	-426,708
Balance Sheet		
Current Assets	17,690,517	25,014,190
Non-current Assets	47,573,746	40,443,782
Total Assets	65,264,263	65,457,972
Current Liabilities	41,333,359	41,113,137
Non-current Liabilities	144,695	132,161
Total Liabilities	41,478,054	41,245,298
Net Assets/Total Equity	23,786,209	24,212,674
Cash Flows		
Cash (used in)/generated from Operating Activities	-770,401	302,106
Cash (used in)/generated from Investing Activities	-7,456,623	-836,567
Cash (used in)/generated from Financing Activities	-819,302	10,832,504

To view the full Financial Statements, please visit: <https://harbison.org.au/about-us/harbison-annual-reports/>

10 YEAR NET PROFIT



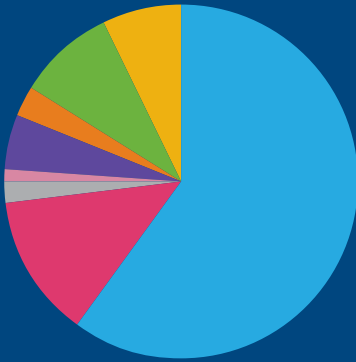
Note: 2010 & 2013 include revaluations of property plant and equipment

8%

Increase spend on care

90%

Average occupancy



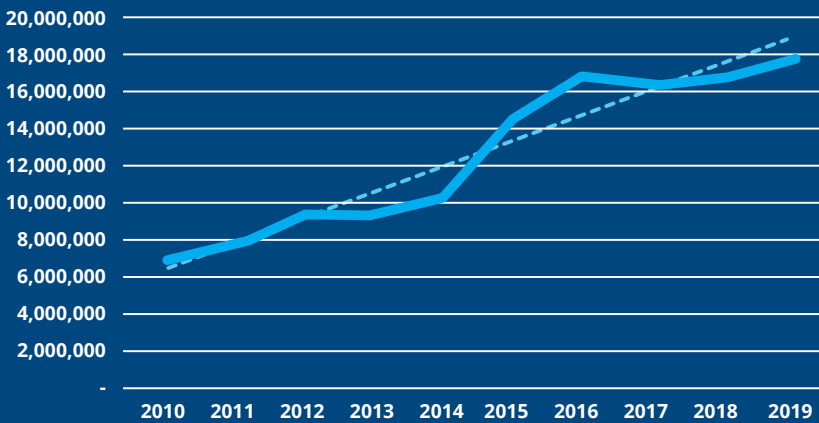
EXPENSES BY DEPARTMENT

- Resident Care
- Catering
- Cleaning
- Maintenance
- Utilities
- Administration
- Laundry
- Other Expenses

203%

Increase on purchase of plant and equipment

10 YEAR GOVERNMENT FUNDING TREND



47%

Residents supported by the government at 30 June 2019



442

Residents were cared for

\$7,055,167

Work in Progress

New Quality Standards

On 1 July 2019 a new single set of Aged Care Quality Standards came into effect. The new quality standards are the biggest reform to aged care in 20 years.

It has been a significant challenge for our workforce to prepare for the new standards at the same time as preparing for re-accreditation under the old accreditation standards. The new quality standards describe a new approach to the delivery of the care and services prescribed under the Aged Care Act 1997, with consumer dignity and choice the lens through which every other requirement is viewed.

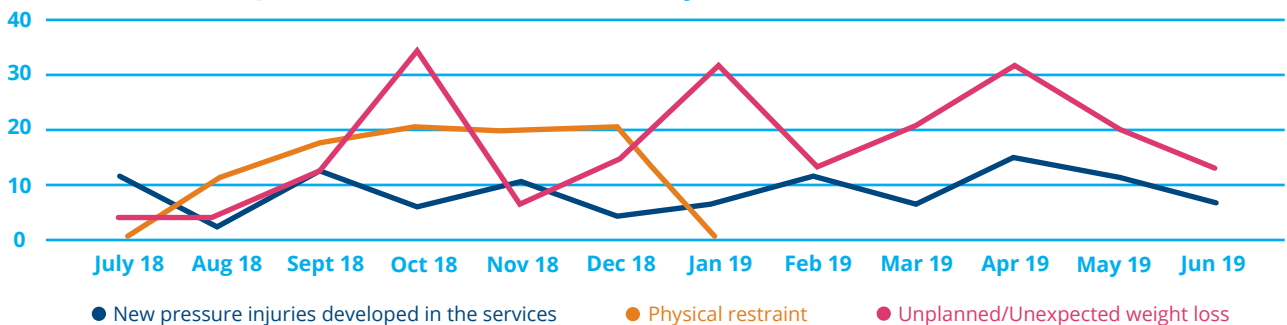
1. Consumer dignity and choice
2. Ongoing assessment and planning with consumers
3. Personal care and clinical care
4. Services and supports for daily living
5. Organisation's service environment
6. Feedback and complaints
7. Human resources
8. Organisational governance



Source: Aged Care Quality and Safety Commission website: agedcarequality.gov.au

Harbison collects data on a wide range of clinical quality indicators to drive continuous improvement. From 1 July 2019 we are participating in the new National Aged Care Mandatory Quality Indicator Program. The Department of Health will collect data on pressure injuries, use of physical restraints, and unplanned weight loss. We will be able to benchmark our clinical quality indicators against a consistent national data set. Our recent performance for these quality indicators is set out below.

MANDATORY QUALITY INDICATORS FROM 1 JULY 2019



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, we are still creating new ways to care for people, such as Harbison Dementia Living and Short-term Restorative Care.

As a not-for-profit organisation we reinvest in developing new and better care services instead of paying dividends to shareholders. 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 safe and quality care experience.

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.

Donations

www.harbison.org.au/donations

or email

donations@harbisoncare.org.au



CONTACT US



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