

Annual General Meeting CEO Commentary 2020

Distinguished guests, colleagues, ladies and gentlemen,

Looking back on 2020 it seems like yesterday that I received the first reports of staff impacted by local bushfires. In fact, it was 11 months ago almost to the day. I want to talk about the fires, because I think there are valuable stories to be told, that say much about the character of Harbison and her people.

We expect the unexpected in aged care, so initial reports did not raise any immediate alarms. Summer fires are a fact of life in rural Australia, and I have learned over the past three years that our organisation has deep wells of resourcefulness that can quickly be deployed in response to unusual problems. I knew that affected staff would find support where they needed it.

The first inkling that this time might be different was an increasing number of staff arriving each morning with their worldly possessions, including pets, packed into their cars in case they could not return home. Very soon I found myself at ad hoc emergency briefings with the SES, RFS, and Police, sometimes under a steady rain of ash in hastily convened venues. Shortly after that I saw, not for the last time, the charcoal smeared face of someone who had fought on the fire line all night before working a shift at Harbison. It was, I was learning, a very Harbison moment.

While I became addicted to the RFS scanner and began contemplating the reality of potential evacuations and disruptions to staffing and supply chains, a manager who was to become our key liaison with emergency services throughout the crisis, took the initiative and coordinated a large donation of basic supplies, like drinks, disposable masks, and soap, to the local RFS volunteers. Thanks to Danny, Harbison was the first local business, in partnership with our generous suppliers, to provide practical support to the Moss Vale RFS. It was a very Harbison moment.

Annual General Meeting CEO Commentary 2020

No plan survives first contact with reality. In an example of 'Christchurch rules' I decided our existing emergency management plan would not do. Within hours a manager who had herself faced a close call with the fires (and would soon face a flood), drafted a new plan that much better met our needs and distributed it to every manager. Thanks to Sam, the new plan more clearly defined roles and responsibilities, allowing us to leverage our resources more effectively. It also established a much stronger decision algorithm that would guide us in important life-and-death decisions, like whether to evacuate residents if the fire brigade could not respond. I still carry that folder with me wherever I go. It was a very Harbison moment. Of course, at Christmas half of our managers were on holidays, albeit too often in evacuation centres, so the on-duty managers were wearing multiple hats and burdened with phone calls from me at all hours, including at the peak of the Morton fire a 4am Sunday muster. We all knew people who had lost something, and in some cases someone, to the fires. Not for the last time people stepped up beyond their roles and responsibilities and asked how they could help. These were very Harbison moments.

Against this awful backdrop the year had begun very well. Two important projects had reached key milestones. The first was our ACFI Optimisation project, which involved completely redesigning the systems we use to manage our government subsidy claims and retraining our staff to better align the needs of our residents with the care funding offered by the Commonwealth. In the first full year of the project \$1.5M additional revenue was generated, and more is expected in 2021. Improving the efficiency of our care revenue management allows us to optimise the amount of direct care we can provide to each resident.

The second was completion of construction of our new dementia service at Burradoo, Harbison Dementia Living. The new building had been handed over to us for commissioning on schedule at the end of September 2019 and was ready to welcome the first resident by December. Within days our inaugural Dementia Living resident found herself hosting refugees from a retirement village which had been forced to evacuate as the fires advanced. You might imagine the adaptability required by everyone in such a dynamic situation, and I recall checking in with the staff and our temporary guests only to find children calmly helping. Their farm was threatened by fire, so Mum brought the kids to work not knowing whether they would have a home to go to at the end of the shift. In another example of dedication, staff walked across burnt fields to reach work because the roads were cut off.

Annual General Meeting CEO Commentary 2020

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The formal opening of Harbison Dementia Living coincided with the fire quenching rains, which in some places became home wrecking floods. Again, our staff were impacted, although you would hardly know from the ripple of complaint they put up. Throughout this season of natural disaster there was a notable calm among our staff and residents. They simply rolled up their sleeves and did what needed to be done, and they did it with selfless compassion.

The rain was still falling as Her Excellency the Honourable Margaret Beazley AC QC, Governor of New South Wales, officially opened Harbison Dementia Living in February 2020, accompanied by her husband, Mr Wilson. As the Chair and I stood and waved goodbye to Her Excellency I reflected on the surreal experiences of the year so far and enjoyed a Harbison moment. I assumed we would gather ourselves and reflect on the important lessons learned during the fires, but something was happening in China...

Within weeks Harbison was scaling our infection prevention and control plans in response to the emerging global pandemic, and on declaration of the biosecurity threat we closed our doors to the public and began the steep climb up a learning curve that was changing by the hour. In the early stage of the pandemic conflicting and incomplete information and advice was all we had, and speculation and disbelief were rampant. Once again, a sense of calm prevailed at Harbison as staff went to work understanding the implications for our vulnerable population of residents. While everyone was still reeling from the relentless Summer, the experience of managing the fire crisis now stood us in good stead. We worked quickly and decisively as an experienced team, and I believe Harbison quickly established a leadership position in the local community. It was another Harbison moment.

I will not dwell on the pandemic because I have written frequently about it. Despite the distractions of 2020, we did achieve significant financial improvements compared to our 2019 result and industry benchmarks. We are among the 64% of homes estimated to achieve a loss, but we increased occupancy and revenue and outperformed the average operating deficit of \$4.01M reported in the annual StewartBrown survey.

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Looking forward to 2021 we continue to invest in the sustainability of our business. We are about to deliver the second stage of the significant refurbishment of Moss Vale, which adds a new dining room, café, salon, treatment room, library, general store, offices, and a resident meeting room to the new state-of-the-art kitchen, laundry and staff lounge delivered earlier this year. The third stage includes upgraded resident rooms, a second lift to Mandemar, a new entrance for Alpine, and new landscaping. A fourth stage is planned, to increase the availability of refurbished rooms and new suites but has not yet been approved due to our cautious approach to finances while the risk of an outbreak remains high.

We are investing significant sums in reviewing and modernising data networks and systems, including our nurse call, clinical care, catering, and financial systems. This work will ensure we are ready for new technologies, like tele-health, and ensure our staff are supported by modern software to provide the best and safest care possible. Our Pathways training and education project is developing well and will underpin our growing investment in our most important assets, our people. We are upgrading our electrical and fire safety systems at both locations to ensure we continue to keep our people safe.

The aged care Royal Commission will hand up a final report in February 2021, paving the way for significant reform to the sector. The interim report and final submissions by counsel assisting indicate sweeping change is in the wind, but strong, bipartisan political leadership will be required for genuine improvement to occur. Serious work has been done throughout the year to try and highlight to our elected officials the need for stronger public leadership as an antidote to the destructive media commentary and sometimes unfortunate political messaging which simply undermines the very system we are trying to improve. The dangerously demoralising effect on aged care staff should not be underestimated and is a double-standard in a health emergency where our staff and residents bravely face the highest risks.

As we approach this Christmas the risk of bushfire has been replaced by the heavy burden on staff, residents, and families caused by COVID-19 safety measures. We have made mental health and wellbeing a priority throughout the year. We must be realistic about the likely duration of the pandemic and accept that the post-COVID world will require change. But we are optimistic and believe that we can successfully live with the virus, particularly if the promising news about vaccine trials becomes fact.

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I am sorry for the hurt that people have experienced in 2020, but I am proud of the way Harbison has responded. In a crisis it is easy to find excuses to postpone working on more mundane challenges, but we have stayed on course as much as possible and made real progress on our strategic objectives, even if sometimes it felt like there were 30 hours in a day and 365 days in a month. In 2017 our staff selected respect, optimism, authenticity, and dedication as our core values. Values have no meaning unless they are demonstrated. I believe this year has been a showcase for those values, and we are a stronger organisation for it. I thank my colleagues – all 300+ of you who turned up through thick and thin this year – our resilient residents and their supportive families, our tireless volunteer board of directors, our growing and revitalised band of volunteers, our contractors and suppliers who work closely with us to help us achieve our goals, and the community of the Southern Highlands for their ongoing support.

David Cochran

17 November 2020