

Annual General Meeting CEO Commentary 2021

This is my 5th annual address to the company, and it should come as no surprise that the financial year just ended was unprecedented. But was it unforeseeable, and what does it teach us for the future?

Almost 20-years ago I was a member of a swimming team which crossed Lake Argyle in Western Australia to raise funds for the Royal Flying Doctor Service. My bunkmate on that trip was an epidemiologist, and an exceptional ocean swimmer, named Dominic Dwyer. He explained to me that he was confident there would be a global pandemic during his working life. He sounded like he would be professionally disappointed if he was wrong. I equated pandemic with the developing world and didn't think too much about it.

Dominic's message came back to me in February 2020 as the first snippets of news escaped from Wuhan about a SARS-like epidemic. One year later, Professor Dwyer was a member of the World Health Organisation team which visited Wuhan to investigate the origins of the pandemic.

I will not recap the effect of the pandemic on Harbison during the past year, other than to acknowledge the relentless commitment, resilience, and agility of our workforce and the resilience and optimism of our residents and their families.

I wrote 33 letters in FY21 which detail our zigs and zags as we fought to avoid an outbreak. The pandemic brings into sharp focus the fact that unprecedented does not mean unforeseeable. In a global world no organisation is immune from existential risks like emerging pathogens, cybersecurity, or climate change. The warnings are there, and we must heed them.

No business can anticipate everything, but every business must have sufficient capacity and capability to manage risk and effectively respond to incidents, emergencies, and crises. This year, one of the most significant reforms in aged care was the introduction of the Serious Incident Response Scheme, or SIRS, which requires Approved Providers to have effective incident management systems and to report eight classes of incident to the Commission.

Annual General Meeting CEO Commentary 2021

We reported 57 serious incidents from commencement of SIRS in April to June. To date, none of these reports have resulted in further regulatory action but the scheme reflects increased expectations for transparency and accountability and drives a renewed focus on high-impact, high-prevalence risks to people living in residential care.

COVID-19 is an example of a high-impact, high-prevalence risk. Other high-impact, high-prevalence risks include hydration and nutrition, choking, medication management, pain management, pressure injury care, restrictive practices, delirium, hearing loss, and perhaps the highest of all – falls prevention and management. These risks are often related with each other or with other risks including diabetes, complex clinical needs e.g., tracheostomies, the built environment, social and emotional needs, third-party services, technology, assault, absconding, continence management, transition into care (including into respite care), transfer to and return from hospital, suicidal ideation, depression, cultural safety, workforce availability, power failure, etc, etc.

This highlights the complexity of aged care. But COVID-19 also highlights the trade-off required between minimising risks and maximising quality of life. The cost of restrictions to minimise the risk of outbreak is not just financial; it carries a high price for the emotional and social wellbeing of residents and staff. The low point of the year for me was witnessing the anguish of families who could not attend funerals during the peak of community restrictions before the game changing arrival of vaccines in the 2nd half.

Fortunately, throughout the pandemic public health advice has generally permitted a balanced approach to end-of-life care. We have always maintained contact between families and residents at end-of-life and on compassionate grounds where contact plays a critical role in the care of a resident, like cases of people living with advanced dementia or other progressive conditions. I would like to acknowledge the work of the Board to always ensure that management struck the right balance between the risks of outbreak and wellbeing. At times, the decisions we made were difficult because they were often made in ambiguity, but I am proud of the deep commitment to this issue by our staff and believe that we consistently delivered the best possible outcomes for both safety and quality of life during the year.

Annual General Meeting CEO Commentary 2021

Of course, there is always room for improvement and FY21 marked the next stage in the development of our leadership team and our future leaders. Harry Varvaressos and Susan Macdonald departed the leadership team to take up senior roles in aged care closer to their new homes in Sydney and the Illawarra respectively. At the start of the year Mark Jeffery joined from Hammond Care to oversee the transformation of Moss Vale, Charlene Shi took up the role of Finance Manager mid-year to lead a significant project to modernise our finance functions, Samantha Evison was elevated to the Executive Leadership team to reflect the increased importance placed on human resources, and Danny Turner and Jodie Hill continue to lead by example in their respective roles in Residential Services and Clinical Psychology. At the end of the year, after turning me down in 2018, Mary Elliott joined Harbison as Director of Clinical Care. Our future leadership program included promotions for several staff in every department, and the appointment of new recruits to key roles in the management team. I believe the leadership team has a depth and breadth which is unrivalled in the history of Harbison.

Despite the pandemic, we pushed forward with vital strategic projects, including the significant refurbishment of Moss Vale, the stage 2 development application for Burradoo, and education initiatives in partnership with the University of Tasmania, University of Wollongong, and Swinburne University. In 2022 we aim to provide individual education and professional development pathways for as many staff as possible and formalise the implementation of interprofessional practice and education. I am pleased to report that a graduate of our inaugural school-based apprenticeship and traineeship program has joined Harbison, and we hope the engagement with local schools will provide ongoing opportunities.

The significant refurbishment of Moss Vale was officially opened by General Sir Peter Cosgrove, AK, CVO, MC and Lady Cosgrove on the 9th of November 2021. Sir Peter is not only a former Governor-General of Australia but served as Chairman of Leading Age Services Australia until 2014. His interest in and support of our project to modernise Moss Vale is sincerely appreciated.

During the past year we secured development approval for construction of stage 2 of the Burradoo master plan. The approved design includes 72 aged care places and 9 independent living units located adjacent to the current “hostel”. The “hostel” has reached end of useful life and will be progressively decommissioned during the FY22 and FY23 years. In response to the Royal Commission into Aged Care Quality and Safety the Government has announced a 5-year reform roadmap.

Annual General Meeting CEO Commentary 2021

The details of reform are not known, which means there is current uncertainty about future aged care funding. For this reason, we have completed a strategic property review and decided to defer construction of stage 2 in favour of reassessing an existing development approval for independent living units at Moss Vale. If feasibility analysis stacks up in FY22, we aim to deliver the project in FY24.

Aged care reform will fundamentally change the sector, and the next 3-years are expected to be challenging as significant and rapid change is implemented. But the long-term challenge for aged and dementia care is not built environment, regulation, or funding; it is workforce. Like the population in general, the aged care workforce is ageing, and half of the existing Australian workforce is expected to retire in the next 15-years. At the same time, the number of people aged 85-years and over is forecast to increase by 1.2M in the next 30-years, and they are expected to live 5-years longer. This equates to an additional 6 million years of care, at a time when the ratio of working-aged to this “older-older” group will decline from 101:1 in 1978 to 15:1 in 2058.

And we won't just need more workers, we will need a deeper mix of skills. The prevalence of complex comorbidity and neurological disorders like Alzheimer's Disease is increasing, which means increasing numbers of older people with an impaired ability to live without continuous assistance. Also, there are exciting opportunities created by a shift towards preventative care and reablement, which requires interprofessional teams to help people achieve their goal to defer or avoid residential care.

Harbison already has a strong advantage in the form of a younger workforce. If we can provide an attractive workplace and support professional development opportunities, then we will continue to be well placed to meet the needs of older Australians.

The complex, overlapping impacts and unknown timeframe of the pandemic have challenged our team and demanded adaptive problem solving. The risk of sudden escalation is constant, albeit it significantly reduced by high vaccination rates. We refuse to be defined by any crisis. Instead, we define ourselves by our efforts to prevent escalation, exercise clear and well-rehearsed decision making, and constantly train and evaluate our capabilities. I am fortunate to be supported by our tireless volunteer Board and an energetic and inspiring leadership team.

Annual General Meeting CEO Commentary 2021

We do not always get it right, and when things go wrong the responsibility is mine. I am sorry to everyone who has suffered harm during the pandemic, but I am proud that we achieved our core objective in FY22 – keeping everyone safe. Thank you to our extraordinary volunteers, the Resident Advisory Committee, our residents and their families and representatives, our company members, and the schools and other local community organisations who supported our residents through a difficult year. Despite headwinds, Harbison has made progress and we are clear eyed about the challenges and opportunities of the next few years.

But the biggest thanks go to our most important asset, our workforce. Thank you for turning up every day and caring for our residents and each other through all the ups and downs and uncertainty of the past year. We would not be Harbison without you.

David Cochran
Chief Executive Officer

16th November 2021