



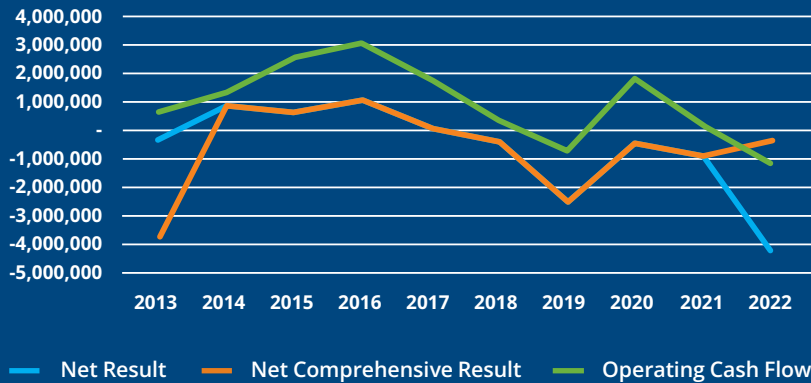
ANNUAL REPORT

2022

Harbison at a Glance

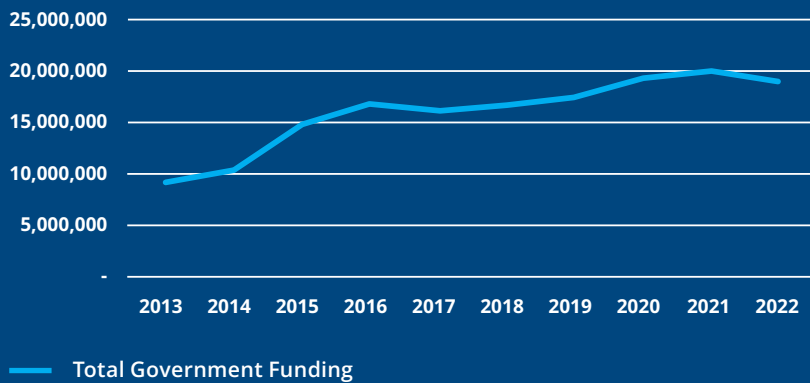
FINANCE

10 YEAR NET PROFIT TREND



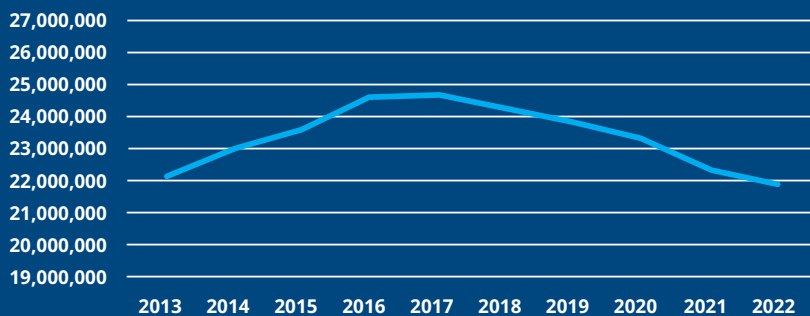
↓
-7%
Decreased revenue

10 YEAR GOVERNMENT FUNDING TREND



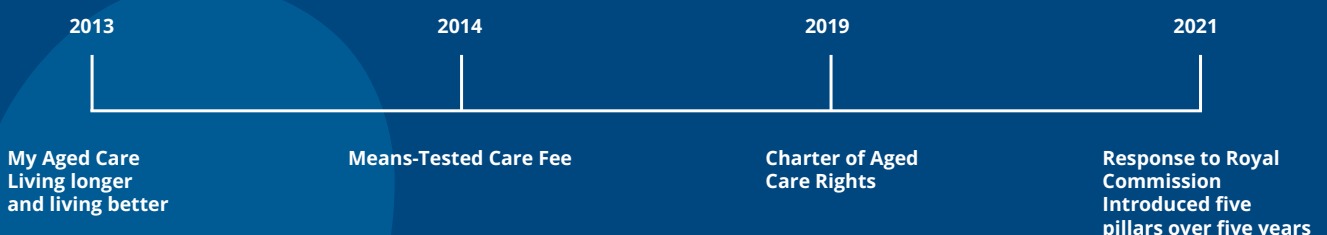
9%
Increased personnel expense

TOTAL EQUITY



85%
Average occupancy

MY AGED CARE REFORMS



WORKFORCE



204

Full Time
Equivalent Employees
on 30 June 22



100%

Workforce vaccinated
against COVID-19

LONG SERVICE

18

Employees
celebrated
5 years
of service

6

Employees
celebrated
10 years
of service

1

Employees
celebrated
20 years
of service

1

Employee
celebrated
25 years
of service

OUR RESIDENTS



421

Residents
cared for



85

Respite
Residents



215,715

Meals
Served



24%

More
compliments



-23%

Less
complaints

Our Board of Directors



KATIE CONSTANTINOU

Appointed June 2018
Chair of the Board
Member of the Built Environment
& Development Committee
Member of the
Governance Committee
Member of the
Finance Committee



DR MARK WILSON

Appointed July 2011
Deputy Chair of the Board
Chair of the
Governance Committee



DAVID CUMMINS OAM

Appointed August 1989
Chair of the Built Environment
& Development Committee



JENNY HARPER OAM

Appointed November 2004
Member of the Built Environment
& Development Committee
Member of the
Governance Committee



CHRIS MARTIN

Appointed February 2017 -
Resigned May 2022
Chair of the Built Environment
& Development Committee
Member of the
Finance & Audit Committee



CAMPBELL MACBEAN

Appointed February 2017 -
Resigned October 2021
Member of the
Governance Committee



JENNIFER ELTON

Appointed August 2020
Chair of the
Finance & Audit Committee



JAMES NETHERSOLE

Appointed June 2021
Member of the
Finance & Audit Committee

Chair's Report

*Perseverance is not a long race;
it is many short races one after
the other.*

WALTER ELLIOT

My message last year was one of hope and gratitude in the face of ongoing challenges posed by COVID-19. And, whilst hope and gratitude remain traits of our Harbison community, there is no doubt that another year of pandemic related obstacles for the aged care sector, whilst the rest of the Australian community was searching for its 'new normal', have taken their toll.

A toll on our residents who continued to face interruptions to their daily life including ongoing visitor restrictions, on families whose interactions with their loved ones were limited and, of course, Harbison's loyal and dedicated staff who, at various times, were working extraordinary hours to provide ongoing care and support to residents through outbreaks and significant staff furloughs.

And so, what I have observed over the last 12 months amongst our Harbison community is remarkable **perseverance** to continue to deliver exceptional care and support of our residents. At the same time, Harbison's activities and infrastructure offering has continued to grow to respond to the needs and wishes of existing and future residents. This included the completion of the renovation projects at Moss Vale, expansion of Motiview across both villages, re-accreditation (until 2025) of both Harbison Moss Vale and Burradoo, engagement with more local schools in the innovative Grandfriends program and, excitingly for all the dog lovers, news that Harbison's new resident dog, Milo, was getting ready to move in.

As a regional, relatively small, community-owned organisation, Harbison also punched well above its weight when it came to external awards and acknowledgements – from the Slow

Speed Demons finishing 5th place (Burradoo) and 9th place (Moss Vale) globally in the 2021 Road Worlds for Seniors competition to Harbison receiving the 2021 UDIA NSW award for Excellence in Aged Care design for Harbison Dementia Living. Amazing achievements – both reflecting a significant amount of planning, broad input and support and, again, **perseverance**.

On behalf of the Board, thank you to all staff, volunteers and contractors for another year of delivering above and beyond. I would also like to acknowledge Harbison's Partners in Care who have offered significant support and engagement to Harbison residents including during the most difficult periods of staff furloughs and outbreaks.

Unfortunately, Harbison's financial position as at 30 June 2022, with both an operating loss and negative cash result, again reflects the difficult operational circumstances experienced by not only Harbison but many residential aged care facilities. Frustratingly, Harbison's applications to the government's COVID-19 grant scheme, for reimbursement of pandemic-related expenses, did not materialise by year end¹.

The Board has continued to work closely with the CEO throughout the year, again balancing each and every financial decision with our responsibilities to deliver the best possible care to residents and support Harbison's workforce. We look forward to the new Government following through on the commitments made to the aged care sector both in relation to the reimbursement of pandemic-related expenses and, more broadly, sensible and sustainable aged care reform. The evidence has been available to successive governments over many years as to what is required to reform the sector – through various inquiries, reports and a Royal Commission – and action is overdue for both current and future residents and the aged care workforce. I hope that next year's report can talk to the positive impacts of the reform process.



This year saw further changes at the Board table. Sadly, we farewelled Campbell MacBean in October 2021, after 10 years of service on the Board, in several capacities, including Chair of the Governance Committee and Deputy Board Chair. We thank Campbell for his significant contribution to Harbison and wish him and Nel well in their new venture in Canberra. We also farewelled Chris Martin in May 2022, with over five years of service on the Board including as a member of the Finance & Audit Committee and, most recently, Chair of the Built Environment & Development (BED) Committee. Chris' skills and experience in real estate and property management and investment are sorely missed. We wish Chris well in his retirement.

We were delighted to welcome James Nethersole as a Director and member of the Finance & Audit Committee in September 2021. James' brings with him a wealth of experience in international finance, taxation and legal matters and as a Board Director.

Following Chris Martin's departure, David Cummins was elected Chair of the BED Committee. Thank you to David for taking on this role and to Jen Elton and Mark Wilson, Chairs of the Finance & Audit and Governance Committees respectively, noting the additional work required to plan, prepare and run Committee meetings.

The Board continued to meet virtually, where necessary, and in person, whenever possible, holding 32 Board and Committee meetings throughout the financial year. In addition to these meetings, Directors have focused this year on connecting more broadly with the Harbison community – to hear and learn from your views and perspectives. We have done so by attending other events and meetings at Harbison including the Company AGM (again, virtually), ANZAC Day services, Harbison Moss Vale's opening, Resident Advisory Committee meeting, Family Zoom meetings and just spending time at both villages either walking around or sitting in the coffee shop and talking with residents, staff and family

members. I thank my fellow Board Directors for their ongoing dedication and commitment, as a volunteer Board, to Harbison and its mission.

I also acknowledge the tireless efforts of Harbison's CEO, David Cochran, to lead this organisation through an extraordinary period. David has just completed his fifth year as CEO and, as I have recently written elsewhere, the last five years² have been anything but ordinary. Whilst occurring after the end of the financial year, it is important to note David's re-appointment as CEO for a further 5 years. I will repeat what I noted in my announcement to the Harbison community at the time, ***"Our congratulations to David on his reappointment. He has been a forward-thinking, dedicated and passionate leader for Harbison. We are delighted to have him at the helm for a further five years."***

It has indeed been another year of uncertainty and change for Harbison and everyone within our Harbison community. However, with each challenge, we have continued to grow and learn from each other. And, as we have faced the next challenge, we have been stronger and done better – it has been difficult but we have **persevered** knowing the importance of what we collectively achieve for each of our residents. That is the Harbison way.

KATIE CONSTANTINOU
CHAIR

October 2022

¹ Harbison received advice in September 2022 of grant approval of majority of the costs claimed.

² To September 2027

CEO Report

The real story of the past year cannot be reduced to numbers, but the focal point of an annual report is inevitably the financial result. There are five sub-themes behind the key theme of a record loss.

First, the COVID-19 pandemic. Since early 2020 our credo has been to act fast and do whatever it takes to keep people safe. As the financial year began, we assessed the risk of a mass outbreak in residential care services and decided to invest heavily in our emergency response capability by purchasing substantial supplies of personal protective equipment (PPE) and first-generation rapid antigen tests.

The Australian Government had announced a grant-based scheme to reimburse aged care providers for direct COVID-19 expenses, but the scheme excluded costs incurred more than 12-weeks before an outbreak. Understandably, many providers chose not to outlay funds in advance of an outbreak because of this rule, but we decided that the time to act was when supplies were reasonably available and relatively inexpensive, rather than when competition for these vital resources would be high.

On 18 October 2021, NSW reached 80% full vaccination and community restrictions under the *Public Health Act 2010* were eased. Six weeks later, there were 127 resident cases of COVID-19 in 28 Australian residential aged care services. By Christmas Eve, the number of outbreaks had almost quadrupled to 105, including Harbison. By 28 January 2022, there were 9,643 infected residents in 1,261 Australian services.

By then, 14,257 aged care workers were infected and thousands more were in isolation and unavailable for work. This was the first of three waves which would roll through the second half of the financial year. The speed of community transmission overwhelmed the public health testing system and revealed the inadequacy of the national PPE stockpile, leaving many services in highly vulnerable circumstances.


By the end of June 2022, more than 95% of Australian residential aged care homes had experienced at least one outbreak, more than

27% of residents had been infected, and 2,881 residents had died. These results are likely underreported.

The decision to invest in our own resources had a serious financial impact. Of an estimated \$1.4M direct cost of managing the first wave in FY22, Harbison expects to recover \$925k in FY23. It reflects poorly on public policy coordination that organisations which took steps to prepare for inevitable community transmission when restrictions eased have been financially disadvantaged. However, thanks to these investments our response to the first wave was very effective, and we would make the same decision if similar circumstances arose.

The second theme is the significant refurbishment of our Moss Vale home, and the upgrade of our Burradoo home. These essential projects required us to close rooms and reduce occupancy, with expected impacts on revenue. Because of the pandemic, we revised our construction schedules more than once to control the risks for residents and staff. These deliberate delays increased the opportunity costs of the projects, while at the same time we took a very considered decision to maintain our workforce despite lower occupancy. During this time, we also decided to commence the decommissioning of the Burradoo hostel which is due to close in FY23.

The third theme is the ongoing investment in our future. This year, we invested \$5M in our business, reduced debt by \$580k, and recorded a \$3.8M increase in the value of our land. This brings the total investment in our business to \$14.5M since FY18. The insured replacement value of our buildings has increased to \$104M, compared to a carrying value of \$31M. These investments are intended to ensure that we can meet the needs of our community and that our services are fit for purpose. The decision to continue to invest through the pandemic reflects our commitment to sustainability.



The fourth theme is depreciation, which is partly related to increased level of investment since FY18 and partly to a change in accounting policy. The Government confirmed in September 2021 that bed licences will be abolished as part of aged care reform, which means that the carrying value of those licences will be written off over three years. The impact in FY22 was an amortisation expense of \$575k. In addition, accelerated depreciation of the Burradoo hostel resulted in a charge of \$211k, bringing total depreciation for the year to \$3.1M.

The fifth theme is the ongoing inadequacy of funding indexation under the COPO system, which was announced as 1.7% p.a. for FY23 compared to the June 2022 consumer price index (CPI) of 6.1% p.a. and wage price index (WPI) of 2.6% p.a. Chronic underinvestment in aged care funding is a major constraint on meeting consumer and community expectations. Since the introduction of the Aged Care Act 1997, subsidy funding has increased by 53.4% compared to an 83.8% increase in CPI and 110.9% increase in WPI. In FY18 the aged care sector reported aggregate losses of \$86M. In FY22 the loss is forecast to exceed \$1.3B. In March 2022, an estimated 64% of established residential services recorded operating losses.

Against this background, in FY22 Harbison achieved reaccreditation of both homes until 2025. We were awarded the *Excellence in Aged Care* design award from the Urban Design Institute of Australia (NSW) for Harbison Dementia Living at Burradoo, and our *Road Worlds for Seniors* teams earned the title of *Crew of the Year* against a field of 260 teams from 11 countries. Our intergenerational *Grandfriends* project proved invaluable during COVID-19 lockdowns and was recognised with a grant of \$20k from the Southern Highlands Foundation to support expansion of the program. Motiview continued to receive support from the local community, including grants for the purchase of additional therapy bikes from local and state government. The refurbished Moss Vale home was officially opened by General Sir Peter Cosgrove, AK, CVO, MC, and Lady Cosgrove in November 2021, and Her Excellency the Honourable Margaret Beazley, AC, KC, Governor of New South Wales, continued as Patron of Harbison. *Cycling Without Age* was successfully

represented by Harbison in the Bowral Classic, Mudgee Classic, and Snowy Classic, and we strengthened our relationships with the University of Wollongong, University of Western Sydney, University of Tasmania, Swinburne University, and TAFE NSW.

Throughout the year we focused on communication, our workforce, infection prevention and control, medical and clinical care, supporting families, older adult mental health, mitigating social isolation, and developing the leadership and management team.

Because of the pandemic, Sue Golightly deferred her retirement as our Executive Assistant but has now been ably succeeded by Fran McPherson. We wish Sue every happiness in retirement and thank her for her service to Harbison.

I thank the Board of Harbison for their ongoing dedication, inspiration, and support. They are the bedrock of this organisation. I am humbled by the work of our staff and volunteers, who have proven themselves worthy heroes in the face of countless difficulties. We are a charity, but they are the essence of humanity.

Ultimately, our performance is measured by the experience of our residents and their families. I acknowledge the hurt and harm which has been suffered during the pandemic and thank every member of the Harbison community for their encouragement, understanding, resilience, and cooperation. We are grateful for the opportunity to support you and are committed to working with you to achieve successful ageing outcomes and the best quality of life.

After COVID, there will be other challenges like the increasing prevalence of dementia, protecting the rights of an ageing population, meeting the demand for skilled and experienced workers, climate change, and technological advance. We will lean into these challenges the same way we have since a small group of volunteers came together to solve the problem of local aged care, 65 years ago. It's just who we are.

DAVID COCHRAN
CHIEF EXECUTIVE OFFICER
October 2022

The Year in Review

Grandfriends Program

INTERGENERATIONAL ACTION IN CARE

Despite home schooling and myriad COVID-19 restrictions, Grandfriends continued to play a vital role in the lives of our residents. This year, the program expanded to include more than 200 young students from Bowral Public School and Oxley College. The Kindness Rocks project by Oxley Kindergarten students was a wonderful way to keep residents and students engaged during the worst of restrictions. Socially distanced Easter parades preceded the resumption of regular visits, and the program was recognised with a generous grant from the Southern Highlands Foundation and a mention in dispatches by the NSW Department of Education.



Koori Kulcha

On the 17th of June 2022, Harbison residents first met with local Indigenous organisation, Koori Kulcha. The program focuses on educating organisations to improve service delivery and engagement with their Aboriginal and Torres Strait Islander clients. Harbison's Indigenous residents have been attending Koori Kulcha every Friday morning to tell their stories and get in touch with their Indigenous history timelines while having one on one bonding time with Auntie Marie. Harbison is excited to introduce more residents, staff and volunteers to the Koori Kulcha educational program 'Cultural Training' which will be held across both sites in September and October with Auntie Marie.



Tulip Time

Eliza Stankovic-Mowle AM – Paralympian, Olympian, Commonwealth Games Champion, Chevalier College Alumnus (and Harbison's 2022 Tulip Time Ambassador!) 23rd May 2022

One of the last events of the year was the ceremonial planting of the first of more than 75,000 bulbs for Tulip Time. This year, Harbison was honoured to be selected as the 2022 Tulip Time Charity Partner, and resident Thomas May and Harbison ambassador Eliza Stankovic-Mowle AM were on the tools at Corbett Garden for the ceremony. Harbison won the Festival of Flowers in 1958, so Tulip Time is a wonderful opportunity to celebrate our community heritage.



Engaging with our elected representatives

During the year, residents had opportunities to let our elected representatives know about their experience of aged care, with visits from Stephen Jones MP, Wendy Tuckerman MP, Lisa Miscamble GM, Nathaniel Smith MP, and Viv May PSM.



Urban Development Institute of Australia NSW Awards 2021 (UDIA)

Harbison Dementia Living opened at Burradoo in 2020. This year, the Urban Development Institute of Australia NSW awarded the Excellence in Aged Care design award to Harbison for its dementia-friendly design principles. "The judges agreed wholeheartedly that if dementia care was required for their relatives, that Harbison in Burradoo would be the most suitable facility.

The cottage community is an outstanding example of how peace and tranquillity can provide enrichment to those needing care. While many facilities that were visited provided a range of outdoor spaces, Harbison actively promotes outdoor activity for their guests, and this connection with the elements and nature generates a calm that prevails."



Cycling Without Age

2021 BOWRAL CLASSIC

The Bowral Classic returned in December for the first time since the pandemic, and Harbison was represented by a team of residents and their pilots riding our fleet of two Cycling Without Age trishaws in the 35km social ride race and many riders were racers wearing Harbison jerseys in the road races. Harbison had a stall in the village during the event, which provided the community with an opportunity to see how Harbison supports dignity and quality of life and reduces the risks of loneliness, boredom, and helplessness associated with traditional aged care.

2021 Road Worlds for Seniors

HARBISON WINS CREW OF THE YEAR

The *Slow Speed Demons*, our Motiview Team, completed their 4th annual Road Worlds for Seniors, completing 8,978.5 km and winning the Crew of the Year award. Our 85 residents were among the more than 5,000 older people competing in 260 teams from 11 countries, and Moss Vale resident, Dot Robinson placed 2nd in the world in the women's category, with an individual tally of 1,380.5 km. Dot received her trophy from former Governor-General of Australia, General Sir Peter John Cosgrove, AK, CVO, MC. Motiview is available to all residents during the year thanks to the ongoing support of our Motiview volunteers and financial support from donors, including Wingecarribee Shire Council, and the NSW Government.



Refurbishment of Moss Vale

During the year, we completed the significant refurbishment of Moss Vale, delivering new communal spaces including the salon, general store, gym, treatment room, activities lounge, library, drawing room, café, and dining room. Penrose and Joadja were completely refurbished, and Berrima was redecorated. New suites were introduced in Mandemar, Wingello, and Avoca, and a new wing – Meryla – was created. A state-of-the-art laundry and kitchen, staff lounge,

medication rooms, storerooms, a loading dock, and major IT upgrade have transformed the back-of-house operations. The refurbished home was ceremonially reopened by General Sir Peter John Cosgrove, AK, CVO, MC, and Lady Lynne Cosgrove. Sir Peter said: "I have been in the aged care space and have toured many facilities, and after today this has to be one of the best. It is impressive how Harbison provides such exceptional and modern services for older Australians."



\$324,752

Received in donations, grants, and bequests.

This excludes amounts received from Covid-19 related grants during the year.

Harbison is a charity

Harbison depends on the ongoing support of our community to ensure that older people receive the care which they deserve and should expect. Donations are tax deductible.

Financial Snapshot

FINANCIAL SNAPSHOT	2022 (\$)	2021 (\$)
Profit & Loss		
Government funding	19,184,985	20,254,044
Total Revenue	27,938,364	29,968,562
Expenses		
Resident Care	-18,191,453	-18,192,950
Catering	-3,564,330	-4,195,834
Cleaning	-683,501	-667,200
Laundry	-301,700	-322,432
Maintenance	-1,141,845	-1,059,070
Utilities	-736,289	-684,370
Administration	-3,976,879	-3,470,901
Other expenses	-3,440,703	-2,248,865
Total Expenditure	-32,036,700	-30,841,622
Net Interest	-158,908	-53,827
Deficit for the Year	-4,257,244	-926,887
Balance Sheet		
Current Assets	9,030,113	15,685,726
Non-current Assets	63,806,565	58,069,735
Total Assets	72,836,678	73,755,461
Current Liabilities	50,572,907	51,189,578
Non-current Liabilities	352,635	197,503
Total Liabilities	50,925,542	51,387,081
Net Assets/Total Equity	21,911,136	22,368,380
Cash Flows		
Cash generated from/(-used) Operating Activities	-1,183,474	148,629
Cash generated from/(-used) Investing Activities	-5,020,872	-2,781,145
Cash generated from/(-used) Financing Activities	-573,856	5,747,114
Total Cash Flow	-6,778,202	3,114,598
Personnel expenses	20,272,378	18,639,776

A Structure that Serves Our Community

Harbison has served our community for more than 60 years by helping people to maintain their independence in safety and comfort.

We will continue to serve the community we care about, by improving our services in making a difference for loved ones. We are a not-for-profit aged care organisation with a volunteer board of directors ensuring we provide quality and safe care and accommodation while making a difference to the lives of our residents. We are proudly owned by our Southern Highlands community which allows us to innovate for the benefit of our residents and staff. Our Harbison residents were the first Australians to participate in Motiview and the international Road Worlds for Seniors competition in 2021. Harbison Dementia Living is the first Australian care home to use the smart SensFloor system. Find out more about our award-winning dementia care home on our website. Harbison provides the following specialised care: Dementia, Geriatric Mental Health, Palliative Care, End of Life, Residential Aged Care, Respite and Short-Term Restorative Care. We welcome you to join us.

DONATIONS

One of the best ways to support your community-owned aged care provider is to donate. You can do this by using the QR code available by scanning with your phone or using the [link](#) provided.

Quest Payment System: A Charity Donation System to help Harbison provide safety / care and to help give back to your loved ones
- located outside Harbison Burradoo & Moss Vale.

VOLUNTEER

Another way to support our residents is to become a volunteer. Volunteering is a rewarding experience. We are always looking for people from diverse backgrounds to share their interests and time with our grateful residents. Anyone over the age of 16 years can volunteer and we provide all the training you need to meet aged care standards. To find out more or apply to be a volunteer go to our [Harbison website](#).

ONLINE COMMUNITY

Keep up to date via our website and social media:

Website harbison.org.au

Facebook [@harbisoncare](#)

Instagram [@harbison_](#)



Scan to donate



Quest Payment System



RESPECT



OPTIMISM



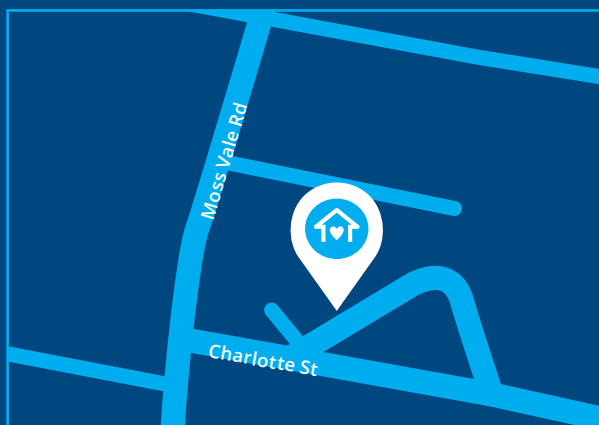
AUTHENTICITY



DEDICATION



CONTACT US



BURRADOO (REGISTERED 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

Phone: 02 4868 6200 **Email:** enquiries@harbisoncare.org.au

Postal Address: PO Box 349 Bowral NSW 2576

Website: www.harbison.org.au


harbison
Heart & Home