

Annual Report 2012

your **life**
your **choice**
your **care**

Serving our community with integrity,
respect, compassion and innovation

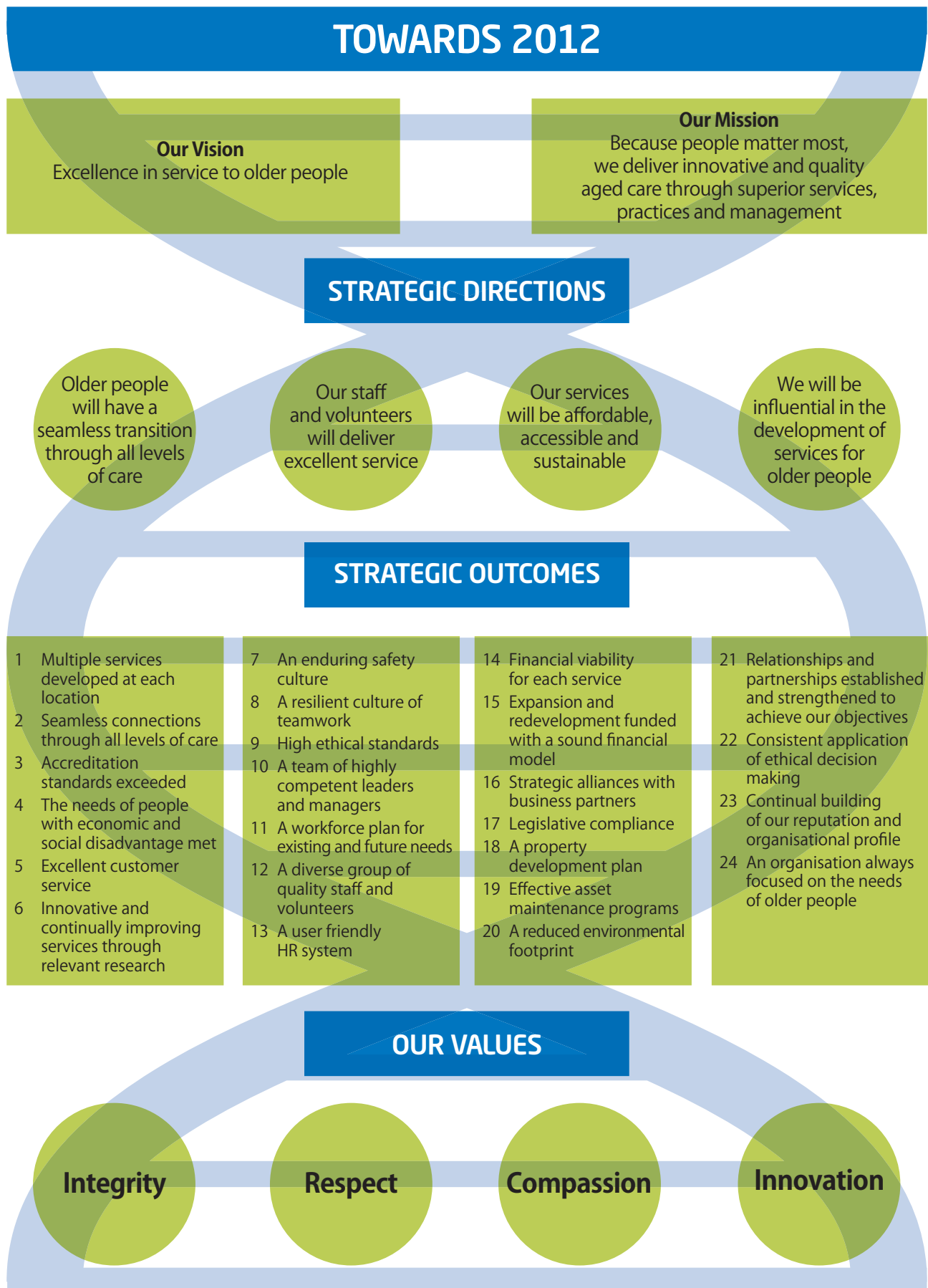




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Our Strategic Plan



The Year In Review

THE HIGHS AND LOWS OF 2012

We cared for 2084 older people

We received the EOWA Employer of Choice for Women citation for the 9th year



We continue to rapidly expand our Community Care Services

Our safety performance declined and our workers compensations costs increased

Our surplus from operations for the year was \$1,729,000

We commenced building the next stage of our expanded services at Goulburn

Our current and non-current assets grew to \$132.5 million

Our debt to the bank at the end of the year was zero

ABOUT WARRIGAL CARE

We are a non-profit public benevolent organisation, endorsed as a deductible gift recipient by the Australian Tax Office. Initiated by the Shellharbour Lions Club in 1964 and later assisted by the Kiama Soroptimists, Shellharbour Rotary Club, Shellharbour Apex club, local residents and the Shellharbour Council. The first aged care home was opened in January 1968 at Mt Warrigal.

We are committed to excellence in service to older people and to being an employer of choice.

We operate seven aged care homes, seven independent living villages, two day-respite services and three community home care services.

THE COMMUNITIES WE SERVE

We provide aged care services to Queanbeyan, Goulburn, Bundanoon, Shoalhaven, Kiama, Shellharbour and Wollongong.

OUR PEOPLE

More than 1000 people deliver our services including 318 volunteers and 767 staff.

OUR VALUES

Integrity, respect, compassion and innovation.

OUR VISION

To provide excellence in service to older people.

OUR MISSION

Because people matter most, we deliver innovative and quality aged care through superior services, practices and management.

OUR OBJECTIVE

To provide every type of care an older person may need, regardless of their ability to pay.

Report of the Chairman and Chief Executive Officer

This is our 44th year of service to the community and we continue to have a very strong commitment to what we do. Despite significant financial hurdles created by the recent federal government aged care changes, detailed documentation requirements by the Aged Care Standards Agency, and development planning hurdles created by local governments, we know more than ever that what we do is all about older people and their care and housing needs.

For our staff, we were again recognised for being an excellent employer for women by the EOWA agency. We are the only aged care organisation in Australia to have achieved this award for 9 consecutive years. Interestingly this achievement is being used to attract staff from overseas, especially New Zealand where we have focussed our attention lately. Our new workforce plan indicates we will need an additional 450 staff over the next 5 years so retaining older workers and attracting more younger people is the focus of many of our workforce initiatives.

For our managers we have been getting some of the country's best trainers and developers to teach us best practice leadership methods in mentoring, inter-generational strategies and risk management. We are also implementing new information systems to support the management of their payroll and rostering responsibilities, property maintenance functions and intranet communications.

For our customers, we keep expanding our services, especially our range of in-home services for people across the Illawarra and Southern Highlands. All these services have now been fully accredited against the new common community care standards by the federal Quality Monitoring process. The very happy clients of these services have preferential access to the other services we offer such as respite care, retirement villages and residential care, if and when they need it.

An additional 40 suites in our aged care home at Goulburn and 36 independent villas at the same location have now commenced. We have also lodged the plans with council for our new village at Shell Cove, and a total rebuild to the aged care home at Queanbeyan.

For our future, it is very important that we have good governance in place and our company members select a competent board of directors each year to carry on the good legacy of past directors. We sincerely appreciate their generous willingness to serve their community and this organisation in this important way.

In line with our value of innovation we have shifted our focus from managing the past to assessing the risks in our future. An extensive blockage review process involving all our key staff led to new improvement plans for each of our business teams. The implementation of our own online quality monitoring system called e-Improve and the expansion of our Board Finance Committee into a Business Risk and Audit Committee is also helping us to think more strategically about what is coming and how to manage it successfully.

Finally we have been learning more and more about change. People who get older know all about change and we do not take lightly the enormous role we have in assisting people through the many changes and challenges they experience as they get older. We are responding to a lot of change in the industry but most of all we are listening to our customers. We want to be responding to what they want. It is they who will tell us if we are heading in the right direction.


Alan Hardy
Chairman


Mark Sewell
CEO



1960s

1964

The Shellharbour Lions Club identified the need for services for older people.

1967

Shellharbour Lions Club, Kiama Soroptimists, Rotary and Apex, form the first Board of the Mount Warrigal Retirement Village.



1968

Mrs E Grant became the first resident of the 10-bed "rest home" located on Native Dog Hill (Mt Warrigal). Mrs Enid Baker was the first matron. All other staff were volunteers. Funding came from community donations. The land was leased from Shellharbour Council.

1970s

1971

Sixteen more residents joined.

Local service clubs met furnishing and building costs.

Fay Smith officially opens new units



1976

Mrs. Fay Smith was elected as the inaugural president of the first auxiliary.

The home expanded to accommodate another 28 residents.

1980s

1981/1982

The organisation is now incorporated as a public company under the name Mount Warrigal Retirement Village Limited, and also became a registered charity.

Opening of the Ladies Auxiliary opportunity shop, in Warilla.



1983

The organisation welcomed residents to the 12 Independent Living Units in Arcadia Street, Warilla.

1984

The original nursing home on Mt Warrigal closed and a new 50-bed home opened on the corner of George and Arcadia Streets, Warilla with additional Independent Living Units also constructed, known as Arcadia Court.

1985

The original nursing home on Mount Warrigal re-opens as a hostel, with 40 new residents, named after Joan Pearce, in recognition of her services to the Board and Auxiliary.

1988/1990

50 beds added to Mount Warrigal Nursing Home at Warilla.

30 residents are welcomed to Rowland Court at Lake Illawarra, named in recognition of Norm Rowland, a past Chairman of the Board.

1990s

1991

16 units constructed to form Reg Simpson court at Albion Park, named after the organisation's foundation Chairman.

Day Care Centre at Lake Illawarra began a community day respite program. It is named after Beryl Lewis, a long serving member of the Board and Auxiliary.

1993

An additional 101 older people are cared for in The Figtrees Retirement Village and the Coniston Nursing Home.

Albion Park Rail has 40 residents move into the John and Margaret Land Hostel and the first 10 Units of Cluff Court. The village is named after the Mackander family, the hostel after John and Margaret Land and Cluff Court after Alan and Lorraine Cluff.

49 residents are welcomed to the Goulburn Nursing Home; renamed Mirambeena Nursing Home.

The Property Services Department, at Oak Flats, opened.

1994

100 residents joined the Kawaree Retirement Village in Queanbeyan, together with 42 residents at Linkside Nursing Home and 17 at Linkside Gardens Retirement Village at Bundanoon.

The Company Administration Centre, at Albion Park Rail, occupied.

1995/1997

40 residents of Glades Bay Gardens at Gladesville, Sydney, were welcomed.

Warrigal Community Care Illawarra commenced operations.

1997

Queen Beatrix Nursing Home, in Mackander Village, opened with 41 residents.

1998

56 additional units of Cluff Court are completed.

Warrigal Community Care Queanbeyan began.

1999

Warrigal Care became the registered trading name; new logo and corporate colours adopted.

2000s

2000/2001

The company welcomed into its care the 17 residents of Pencomas Lodge, Goulburn. Warrigal Community Care Goulburn also began services.

Opening of the Albion Park Rail village hall.

2006/2007

Land purchased at Beach Street Wollongong for future expansion of services.

Community Care private services commenced at Illawarra, Goulburn and Queanbeyan.

Stage 1 of Bundanoon Aged Care home completed for 45 people



2008

Residents of Pencomas Lodge and Mirambeena Nursing Home move into the new 120 bed home at St Aubyn Road Goulburn.

Community Care Goulburn and Queanbeyan expanded with high care and dementia home services.

Day Respite Service commenced in Goulburn.

All services renamed to reflect location.

2009

Pencomas Lodge and Mirambeena Nursing home sold. Additional 45 beds opened at Bundanoon.

New Strategic Plan for next 3 years developed with 4 new strategic directions.

2010s

2010

Sold our stand alone Warrigal Care Gladesville aged care home to another non-profit provider.

Purchased land in Shell Cove to develop an integrated seamless service village for 300 people.

Administration building expanded to 60 staff.

2011

Warrigal Care Community Services expanded substantially with the acquisition of AllCare In-Home Services.

Expansion of our Albion Park Rail Village by 8 villas. The Administration Building completed.

2012

Goulburn Aged Care Home expansion and Independent Living Unit Village commenced construction.

Development Applications lodged for Queanbeyan, Shell Cove. and Wollongong projects.

Community Care Services passed first round auditing process under the new Common Standards.





Our Executive Management Team

PETER HUTCHINSON

Executive Manager – Property and Sustainability

Property Development
Environmental
Sustainability
Asset Maintenance

MARINA BOLTON

Executive Manager – Human Resources

Payroll
Organisation Development
Volunteer Services
Health & Safety
Recruitment and Retention

IAN MCCLINTOCK

Executive Manager – Community Services

Community Care, Day
Respite, Independent
Living

- Illawarra
- Goulburn
- Queanbeyan
- Shoalhaven

Strategic Planning

Quality Improvement

MARK SEWELL

Chief Executive Officer

Company Secretary

KERRIE GRAHAM

Executive Manager – Residential Services

Low Care, High Care,
Merged Care

- Illawarra
- Goulburn
- Bundanoon
- Queanbeyan

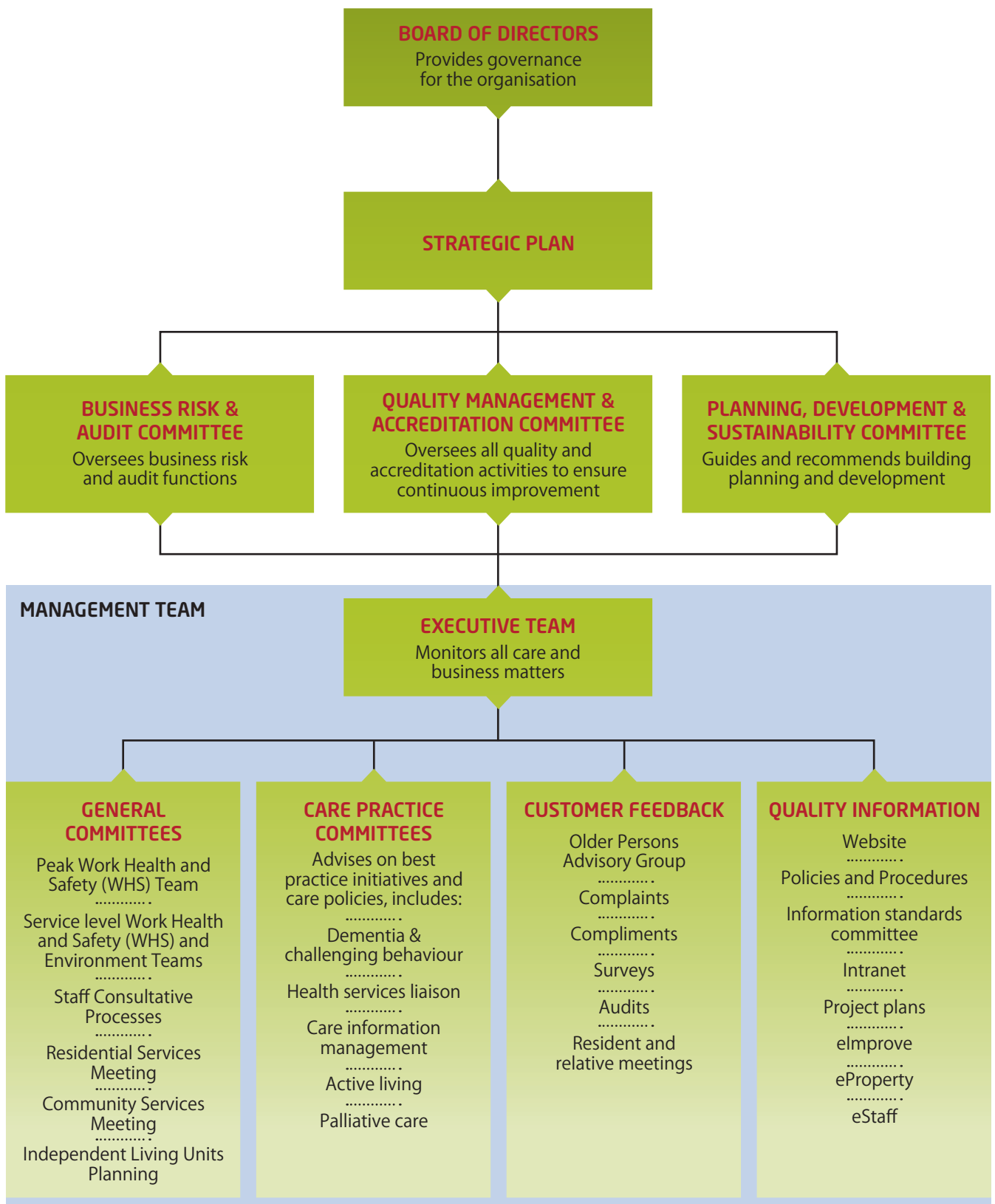
Hospitality Services

WAYNE TEMBY

Executive Manager – Finance and Administration

Financial Services
Community Relations
Information Services
Client Services
Procurement
Business Improvement

Our Quality Management Framework



Our performance against our strategic directions

DIRECTION

Older people will have a seamless transition through all levels of care

RESULTS

- The services offered at each location is a primary strategic report to our Board. To fill the gaps we are building an independent living village at Goulburn and have approval for additional home care places at Bundanoon to support seamless transitions through all levels of care at these locations.
- Our customers speak to our client services team via a free call number and are provided with information and assistance to support a seamless transition through all levels of care for everything they need.
- Our 10 integrated services at Albion Park Rail enable people to move through all stages of care at one location.
- 8 of our residents have moved from independent living into residential care as their care needs have increased and 20 clients receiving in-home care moved into residential care this year.

Our staff and volunteers will deliver excellent service

- Negotiated with Unions and employees an Enterprise Agreement with enhanced terms and conditions for our staff.
- Implemented an upgrade to our Human Resource Information System (HRIS)
- Training Needs and Skills Analysis increased and improved training and development opportunities targeted towards service needs.
- A New Graduate Registered Nurse Program supported the clinical development of 7 New Graduates this year.
- A Southern Highlands Volunteer Services Officer was employed to support Volunteer growth in this region.
- Staff Engagement Surveys and feedback sessions were repeated at each services location with improved level of response and workplace satisfaction.

Our services will be affordable, accessible and sustainable

- A variety of financial entry options have been introduced to new village residents at Goulburn and Warilla to ensure more affordable and accessible villages.
- We exceeded the government's affordability concessional ratios at all residential care services to ensure we are always affordable.
- Developed energy efficiency projects and regular emissions report to reduce our environmental footprint and manage costs.
- Participated with Sustainability Advantage modules and partnerships with the University of Wollongong, Sustainable Building Research Centre, ensure we are adopting a strategic approach to environmental sustainability.

We will be influential in the development of services for older people

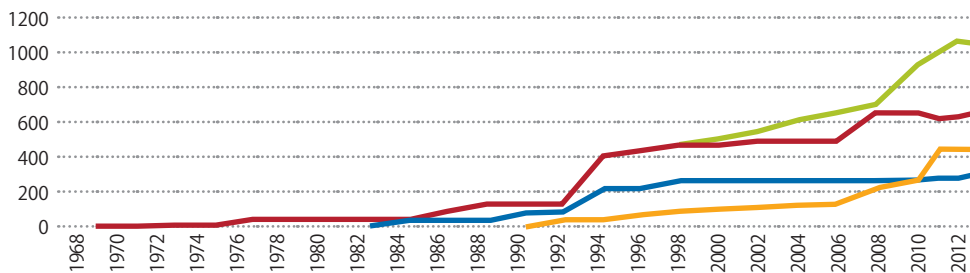
- We continually and actively promoted this year the development of Community Care Services as this is what more older people want. This year we launched 'The Care Factor', a short documentary film following a Warrigal Care Community Carer throughout her day.
- We are members of 8 ACS advisory committees, and our CEO is an ACS NSW/ACT Director and the Illawarra Regional ACS Chair.
- We have 17 active research partnerships that are recommending continual improvements to the way we deliver services.



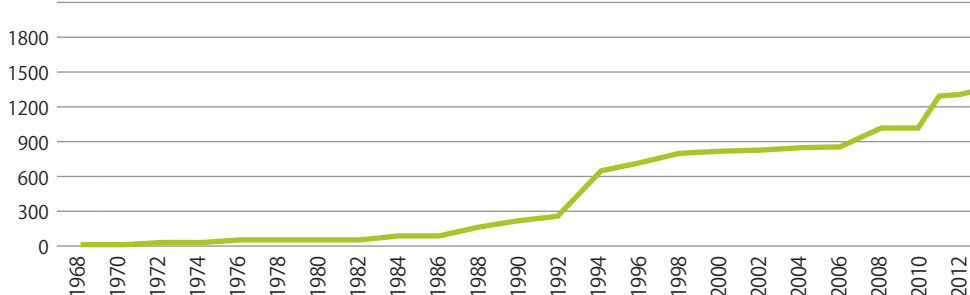
Older people will have a seamless transition through all levels of care

HISTORY OF SERVICE GROWTH

- Provisional allocated bed licences
- Community Services
- Operational bed licences
- Independent living



ALL SERVICES GROWTH HISTORY



Our Residents and Their Adventures

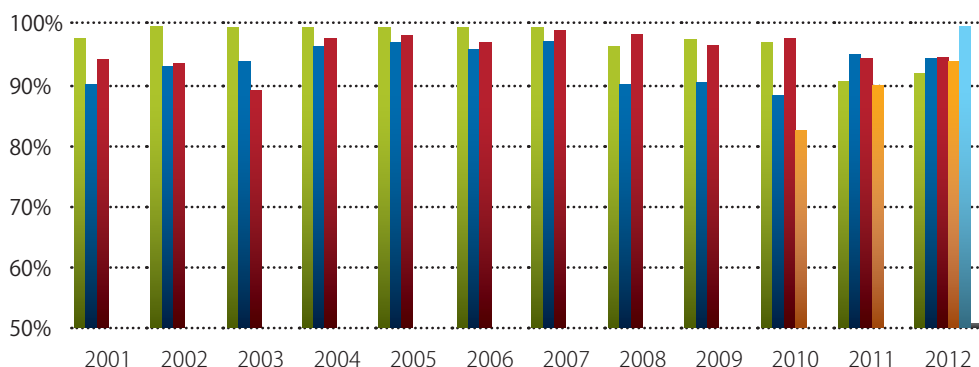
In July this year some of our Residents visited the Scottish Arms Hotel, Bowral for lunch. Sumptuous food and a large fire place was all that was needed to make this visit a roaring success. They also visited the Tram Museum at Loftus, taking the tram into the Royal National Park, with a guided tour of the Tram Museum and a scrumptious BBQ lunch.

Older people will have a seamless transition through all levels of care

(Every type of care an older person may need)

OCCUPANCY RATES 2012

■ Low Care Homes	92.23%	■ High Care Homes	94.50%
■ Retirement Villages	94.57%	■ Merged Care Homes	94.08%
■ Community In-Home Care	99.90%	■ Respite Care	50.24%



Olympic Fever at Queanbeyan

So another day begins at Warrigal Care Queanbeyan - Olympics Day. Excitement is mounting the ribbons are displayed, the bikes are polished and the staff are ready for this exciting event that only comes around every four years.

The staff are lined up ready with the flame marching to the tune of "Tie Me Kangaroo Down Sport". As we enter our arena the crowd goes wild with anticipation of what events are going to take place.

The first event on the program was pole vaulting. This was followed up with an amazing exhibition on the balance beam. We had bike racing, shooting, aerobics, wrestling and lastly basketball. All winners were drug tested and the dispute committee were busy dealing with appeals.

Medals were awarded to winners by our very own royalty Rhoddy.

OPERATIONAL & PROVISIONAL SERVICES AT EACH LOCATION

Location	High Care	Low Care	Dementia Care	Extra Service Status	Provisional Allocations	Independent Living Units	Day Respite	Community Aged Care Packages	Extended Aged Care at Home	Extended Aged Care at Home - Dementia	Private Services	Home and Community Care	DVA
Queanbeyan	0	45	0	0	80	57	0	40	2	2	8	3	16
Goulburn	54	17	25	24	40	0	15	44	7	9	39	15	4
Bundanoon	10	17	18	45	30	12	0	0	0	0	0	0	0
Wollongong	48	0	14	70	140	39	0	0	0	0	109	111	14
Shellharbour	83	97	67	86	98	151	25	20	0	0	74	86	9
Shoalhaven	0	0	0	0	0	0	0	0	0	0	1	26	10
Totals	195	176	124	225	348	259	40	104	9	11	231	241	53

OUR CARE PRACTICE COMMITTEES

Warrigal Care has five care practice committees that were formed in 2004 to map and monitor care practice and initiate care quality improvements within the organisation. Membership of these committees includes staff, managers, community stakeholders and industry specialists who are able to recommend policy and practice, focus training and development and advise the best use of resources.

The five care practice committees are:

1. Palliative care – a focus group for the Specialised Care Program.
2. Care information management – oversees the way our iCare and other data systems enable the monitoring of care.
3. Health services liaison – keeps up to date with the proposed Primary Health Care Outlets and Local Area Networks, and manages our relationship with health providers.
4. Dementia care and challenging behaviours – researches new initiatives in caring for people with dementia.
5. Active Living – focuses on active living initiatives and innovative care philosophies.



CUSTOMER FEEDBACK

We encourage all our customers to 'Have Your Say'.

Formal complaints and compliments regarding resident/client care	2006	2007	2008	2009	2010	2011	2012	Change
Complaints resolved internally	47	48	45	39	36	25	31	▼
Complaints referred to external agencies	2	-	6	4	3	13	4	▼
	1	-	-	-	-	-	-	-
	1	1	-	2	1	4	-	-
Total complaints	52	49	47	45	40	42	35	▼
Total written compliments	117	84	100	26	48	76	72	▼

Care in your home - our community services

ANNUAL COMMUNITY SERVICES CLIENT SATISFACTION SURVEY

Location	% surveys returned	Age range (yrs)	No. clients at location	Significant results
Queanbeyan	56	67-100	46	80% of respondents were very satisfied with shopping and social support services
Goulburn	54	67-98	78	Majority of the respondents (93%) indicated the staff and volunteers provide the care they need with dignity and respect
Day Respite Goulburn	67	62-97	43	100% of respondents indicated confidence in staff and finding them caring and respectful
Illawarra	75	57-97	239	97% of clients indicated that "staff are caring in their interaction" with them
Day Respite Illawarra	71	65-97	47	All respondents (100%) indicated they had the freedom to choose the activities and felt the staff provided care with dignity and respect

The Annual Community Satisfaction Survey was completed by 307 residents this year. The survey was completed by clients receiving community care and respite services. The average over all response rate for all community care services was 64%. The survey covered 9 domains: Personal Care, Medication Monitoring, Shopping, Transport, Food Services, Domestic Services, Social Support, Respite and Accounts. The oldest participant was 100 years and the youngest 57 years old.

OUR COMMUNITY SERVICES

This year Warrigal Care Community Services cared for 1334 older people in the Illawarra, Goulburn and Queanbeyan regions.

Services continued to expand with considerable growth in private and brokerage services, additional Home and Community Care (HACC) funding in the Illawarra, and Veterans Home Care funding from the Department of Veterans Affairs in the Illawarra, Goulburn and Queanbeyan.

The lack of success in achieving growth in packaged care in all three locations has been frustrating with the result that we are as yet unable to offer all types of community care in all locations. It is hoped that with the commonwealth government's new emphasis on home support programs that we will be able to expand our services to meet the growing demand in all of our locations.







Community Care Passes Accreditation

Community Services in Goulburn and the Illawarra both passed the first ever Community Care audit with flying colours. The quality review was completed in July with both sites successful in meeting all 18 outcomes. The assessors were extremely impressed with how positive our clients are and how they value Warrigal Care's staff coming into their homes to provide care and assistance.

This result means we can be certain our services are fully compliant with the high standards set by the commonwealth government.

SERVICES IN PARTNERSHIP

Ongoing partnerships with other organisations have resulted in new service types being able to be delivered more frequently over this past year. For example in Goulburn, overnight respite care was provided for the first time thanks to a successful partnership with a large not for profit organisation which required this service.

Private and brokerage client numbers in all locations have grown rapidly from 220 in 2011 to 594 this year.

DAY RESPITE SERVICES

Our Day Respite Service Illawarra offers a day service for carers of older people, people with dementia and people with disabilities. It was funded through the Home and Community Care (HACC) program, supplemented by client fees and volunteer staff. The service provided respite to 69 clients during the year. The program has benefited considerably by having funding for dementia specific services to be delivered every Monday at the centre. This service has proved to be popular with clients and their families.

Our Day Respite Service in Goulburn is in its third year of operation with funding from the Commonwealth Department of Health and Ageing through the National Respite for Carers Program. The service has provided extended hours respite care for 84 clients during the year, Monday to Saturday. Our client surveys confirm we continue to provide an excellent service. Towards the end of the financial year the Commonwealth Minister for Ageing announced a continuation of the funding for a further 2 years. This was excellent news and enables us to continue to deliver respite services in Goulburn for another 2 years.

In early 2012 selected Year 11 students from Mulwaree High School in Goulburn began to participate in the Day Respite program. The school implemented a Community Service Project for students to volunteer at the Day Respite service every Thursday. This was an excellent initiative which encourages students who may be thinking about a career in aged care, and promotes positive cross generational interaction.



“Seven very happy years so far! Great atmosphere, great organisation, great friendships formed! Easy to settle in – lovely friendships – good care!”

**Lillian Neate
Resident**

COMMUNITY CARE

Community Care packages assist people to remain living at home with support. We provide cleaning, transport, social outings, personal care, maintenance and emergency respite. This year we supported 1,190 older people in their own homes.

The Department of Health and Ageing requires Community Care providers to produce a Quality Monitoring report. These reports ensure the service conforms to community expectations and funding rules. In July 2012 all Goulburn and the Illawarra received positive results for all 18 outcomes in the community care common standards. This is an excellent result and provides assurance that Warrigal Care's services meet the highest quality standards set by the commonwealth government.

INDEPENDENT LIVING

The Village Services team added a new part-time position of Village Services Officer during the year. This position provides much needed additional assistance for ILU residents to provide an enjoyable and rewarding living environment.

Our 7 independent living villages offer purpose built accommodation for older people. Consultation with our 303 village residents is through monthly visits to each location by managers, bi-monthly resident committee meetings, and quarterly combined resident committee meetings. The Village Services team continues to work with the residents to plan a program including an annual holiday, attendance at concerts and shows, and regular recreational activities which ensure residents get the most out of village life. The team also provides ongoing support to residents as they age and their needs change.

Construction is now underway for 36 new villas at Goulburn. Once completed (in 2013) we will be able to offer all service types from our Goulburn location.



integrity

respect

compassion

innovation

Care in our homes - our residential services

WHO WERE OUR RESIDENTS?

This year Warrigal Care Residential Services cared for 824 older people in the Illawarra, Bundanoon, Goulburn and Queanbeyan regions. We provided permanent care for 722 residents, with an average stay of 767 days, and respite care for 102 residents, with an average stay of 22 days. The average age of our residents was 82 years. 271 were men, 553 women. There is an average of 18.45% culturally and linguistically diverse residents across our residential aged care homes. Macedonian is the most prevalent identified nationality and primary language spoken, followed by Italian and Dutch.

WELLNESS PROGRAM

A Specialised Palliative and Pain Management Program was piloted at our residential aged care homes at Albion Park Rail and Warilla in 2011. Due to the program's success we have rolled it out to our other 5 residential aged care homes. The program has

been renamed 'The Wellness Program' as the results indicate residents involved are enjoying a greater degree of independence and happiness. This is due to a reduction in the amount of pain experienced, increased mobility and an unanticipated increase in social engagement.

The wellness program requires residents to participate in the wellness activities for at least 4 days per week for 20 minute sessions. The wellness clinic has become a social meeting place where residents can chat as they receive their heat or massage treatments and enjoy each others company during the mini gym sessions. Our skilled team of physiotherapists, physiotherapy aids, personal carers and specialised palliative registered nurses help to improve the quality of life of residents with chronic pain and those at the end of life.

Maximising funding from the Aged Care Funding Instrument (ACFI) allowed us to resource the extended

program. The number of residents who have benefited from the program has risen from 171 in 2011 to 278 in 2012. On average, over 50% of residents living in our residential aged care homes are benefiting from our wellness services.

ASSESSMENT BY AN INDEPENDENT AUTHORITY

All residents are required to be assessed as eligible by an Aged Care Assessment Team (ACAT) before being considered for commonwealth funded aged care. Fees and charges are based on income, assets and level of care required. They are determined by the Aged Care Act, 1997. The Aged Care Accreditation Standards set benchmarks for compliance and conduct visits between major audit rounds each year.

All Warrigal Care aged care homes were found to be fully compliant with all 44 Aged Care Standards and Accreditation Agency outcomes in the Major Round of Audits, Round 5, in 2012.

“You couldn't get any better care or community spirit, it's a wonderful place to live”

Audrey Fay Michell
Resident



Mt Warrigal

Mount Warrigal held their own style of Olympics to rival that of London's. To the strains of Chariots of Fire, the residents held a torch relay within the facility. After singing Waltzing Matilda, events were held and the long tally of points resulted in gold medals for all. Participation was voluntary but the laughter and teamwork was infectious.



Queen's Jubilee Celebrations

Mt Warrigal, Warilla & Coniston

A great celebration of the Queen's Jubilee was held at Mt Warrigal with Betty, Lucy and June amongst 60 other residents and volunteers and staff and friends.

Kellie Marsh the Mayor of Shellharbour initiated the idea of Jubilee parties at our aged care homes across Shellharbour and took the time to attend every one.

VALIDATION AUDITS CONDUCTED BY THE DEPARTMENT OF HEALTH AND AGEING

Location	Month	Files reviewed	Results
Queanbeyan	Aug-11	10	No downgrades
Coniston	Sep-11	10	4 downgrades – 3 for palliative care
Mt Warrigal	Oct-11	6	
Coniston	Nov-11	4	All downgraded - Appeal unsuccessful.
APR	Dec-11	20	2 upgrades, no downgrades
Mt Warrigal	May-12	11	1 upgrade

ANNUAL AGED CARE RESIDENT SATISFACTION SURVEY

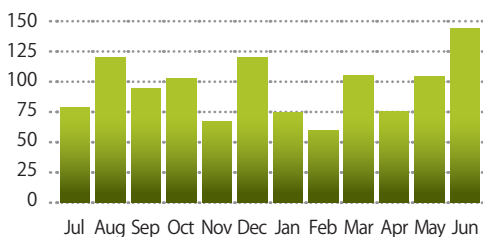
Location	% surveys returned	Age range (yrs)	No. clients at location	Significant results
Queanbeyan	69	69-98	44	"Are your belongings well protected" was 84% in 2011 up to 100% in 2012 Privacy and feeling at home in room was felt by 100% of participants
Goulburn	44	66-101	116	100% of participants felt they are provided with enough to eat 100% of participants felt staff "provide care with dignity and respect"
Mt Warrigal	73	65-99	40	Provision of care with dignity and respect and the manager knowing residents by name was indicated by 100% of participants
Warilla	27	58-97	98	"Opportunity for outdoor activities" was 45% in 2011 up to 92% in 2012
Albion Park Rail	36	71-94	145	Of the participants 94% felt that "staff make your family and visitors feel welcome"
Bundanoon	58	63-101	81	Having confidence and trust in staff was indicated by 98% of participants. Having enough privacy and feeling at home in room was felt by 100% of participants
Coniston	43	61-96	55	Confidence and trust in staff was indicated by 100% of participants

The Annual Resident Satisfaction Survey was completed by 256 residents this year. Our oldest participant was 101 years old, the youngest 58 years old. The survey questions cover five domains: Environment, Care, Feelings, Food and Activities. Continuous improvement planning has commenced from the resident feedback.

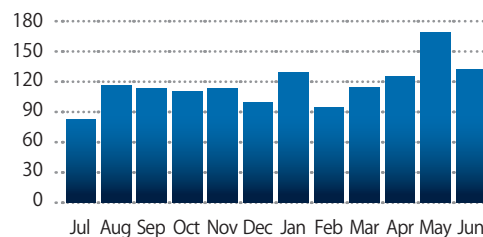


CLINICAL INDICATORS OF HEALTH 2011 - 2012

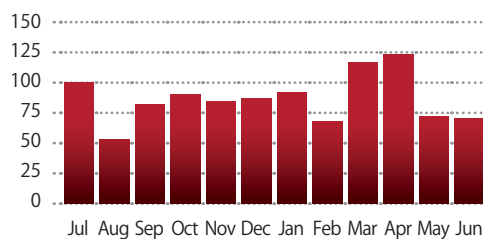
Infections



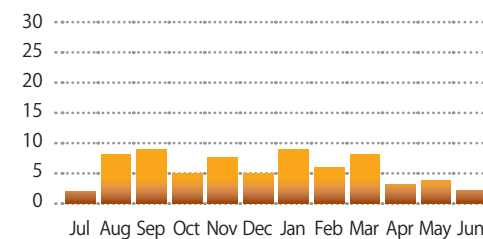
Falls



Medication Incidents



Pressure Ulcers



Christmas in July Celebrations at Mt Warrigal

Residents enjoyed their Christmas in July celebrations with a terrific entertainer and a full Christmas Lunch of turkey and ham with all the trimmings. Decorations were in place and a small gift was given to each resident. Residents are counting down for the Real Christmas Day



Cooks Training Day 2012

Moss Vale Golf Club.

Cooks were treated to samples of new dessert products from Nestle, heard about how to clean and care for their electrical equipment, were given an update on Infection Control and viewed a presentation from UOW dietetics students on differences between price and quality of fresh versus pre prepared fruit and vegetables. The highlight of the day was a presentation by Melissa, one of the cooks at Mt Warrigal, who shared her experiences of growing a kitchen herb garden and all the versatile ways to use the fresh produce. Also some clever but simple ways of giving desserts the wow factor with a little bit of mint and some colourful coulis

OUR FRESH FOOD COMMITMENT

Warrigal Care is committed to a fresh cook service at every location. This year a review was undertaken to compare the cost and nutritional differences between pre-prepared and frozen products and overwhelming the results point toward fresh being best! Our fresh cook meal delivery service continues to residents of our independent living units at Albion Park Rail and Warilla delivering 12 hot meals per day.

New vulnerable persons legislation was introduced in 2008 and amended in 2011.

All our fresh food services are now audited regularly.

FOOD SAFETY AUDITS

Location	Audit Date	Results	Action Required
Goulburn	20.9.2012	B	Staff are required to have Calibration Training
Warilla	13.5.2012	A	Repair covering in doorway to dry store
Queanbeyan	20.4.2012	B	Staff to ensure that all opened food have an open date and a use by date attached. NSW Food Authority to review WC FSM
Coniston	8.4.2012	A	Nil
Albion Park Rail	30.3.2012	A	Nil
Illawarra Day Respite	19.12.2011	A+	Nil
Mt. Warrigal	22.11.2011	A	Nil
Albion Park Rail	5.4.2011	A	Nil
Bundanoon	7.3.2011	A	Staff training required on pureed foods cooling procedure

The NSW Food Authority applies the following ratings to all licensed food businesses.

A: Acceptable, B: Acceptable, C: Marginal, D: Unacceptable, E: Unacceptable

OUR RESEARCH PARTNERSHIPS

Institution	Research Activity
Curtin University Curtin Health Innovation & Research Institute Professor Gill Lewin	Missing workers: retaining mature age women workers to ensure future labour security
Greater Southern Area Health Service/ Australian National University Tushara Wickramariyaratne (PhD candidate)	Cognitive Behaviour Therapy (CBT) for adults with anxiety and depressions
NSW/ACT Dementia Training Study Centre Chris Shanley	The dementia-related educational needs of overseas qualified nurses
NSW/ACT Dementia Study Training Centre Professor Richard Fleming	Environmental Assessment Tool. Development of iPad application and staff training to assess the strengths and weaknesses of the physical environment for residents with dementia
Southern NSW Local Health District, Aged Care Evaluation Unit Dr Sarah MacPherson	Evaluation of an instrument for management of behavioural & psychological symptoms of dementia in aged care
The University of Sydney Professor Deborah Black	Heat Ready Study Identifying the practices and strategies that can be used by Aged Care Facilities during periods of extreme heat to assist in caring for staff and residents.
University of Wollongong Faculty of Commerce Dr Lynnaire Sheridan	Commerce Internship Program
University of Wollongong School of Information Systems and Technology	Industry Student Placement Project
University of Wollongong School of Health Sciences Meredith Kennedy	Dietetics Food Service Projects
University of Wollongong School of Health Sciences Dr Deanne Condon-Paoloni	Annual Resident and Community Services Satisfaction Survey: Benchmarking and Quality Improvement Project
University of Wollongong School of Information Systems and Technology Dr Ping Yu; Esther Munyisia, Ning Wang, Kieren Diment	ARC funded project into outcomes of IT documentation. E-doc Research Study
University of Wollongong School of Information Systems and Technology Dr Ping Yu; Malatsi Galani	Battling the challenge of continuous training of health care workers to use clinical IT systems through self-management of cognitive load.
University of Wollongong School of Medicine Dr Judy Mullan; Janette Ellis	Pain Medication Management Study The interaction between health literacy, social networks and attitude to health on the safe use of medicines by people with arthritis
University of Wollongong School of Psychology Assoc Professor Craig Gonsalvez; Louise Turner	Predictors of wellbeing and psychopathology in an ageing population: The effects of age and illness self-perceptions
University of Wollongong School of Psychology Dr Gerard Stoyles; Fiona Calvert	Simulated Presence Therapy and Agitation in Dementia: A comparison of audio-only and audio-visual interventions.
University of Wollongong School of Psychology Dr Gerard Stoyles; Hannah Taylor and Emma Munro	Examining the psychological factors that contribute to the level of adjustment in older people living in Independent Living Units
University of Wollongong School of Psychology Illawarra Institute for Mental Health Dr Hamish McLeod; Johanna Allsopp	Reminiscence in depressed and healthy adults: An exploration of the effects of cue modality on autobiographical memory retrieval.

integrity

respect

compassion

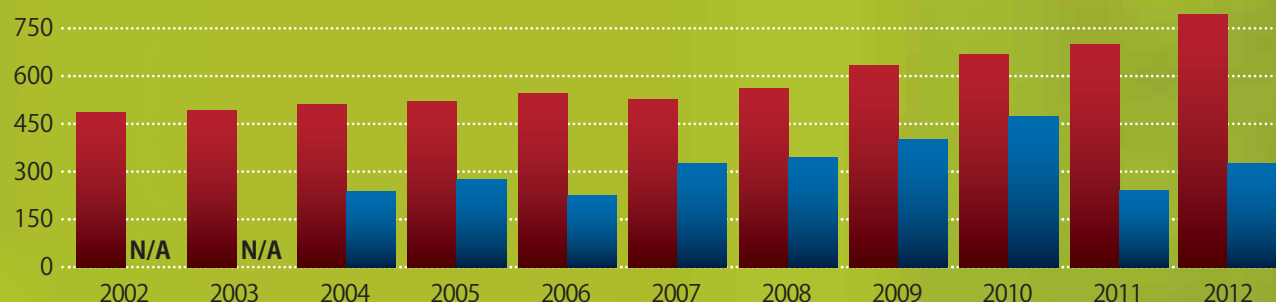
innovation

Our Staff and Volunteers Will Deliver Excellent Service

OUR GROWTH OF PEOPLE

■ Staff ■ Volunteers

Staff and Volunteer Numbers



Warrigal Care is a major employer in the Illawarra and Southern Highlands. Our 767 employees are our organisations most valued asset. Through these people, we have contributed \$26,237,394 in wages and superannuation to the communities we serve.

POSITIVE PEOPLE STRATEGIES

Our people matter most and a number of positive people strategies have been implemented in 2012 to support our dedicated team of staff and volunteers.

Staff Engagement Surveys were repeated at each service location in 2012 with increased responses of 172 compared with 143 in 2011. Follow up Staff Engagement Sessions were again facilitated by the CEO and Executive Manager Human Resources to gain important feedback, increase communication and improve the quality of work relationships. Our staff again overwhelmingly reported that working with residents and clients was the most satisfying aspect of their employment, demonstrating the collective compassion and commitment of our organisation, in providing excellence in service to older people. This year availability of qualified experienced staff was identified as an area for improvement.

In line with our workforce plan, developed in 2011, we have endeavoured to implement effective recruitment and retention strategies in 2012. As a result a New Zealand recruitment drive was undertaken and an Employment Sponsorship of International Applicants policy and procedure implemented. A retention program including team building, conflict management and the role of the supervisory nurse was executed and management development undertaken in the areas of communication, performance management and mentoring. This work will continue to assist us in achieving our future growth plans, ensuring positive staffing levels are sustained, and our residents and clients continue to receive quality care services from a strong team of dedicated and professional employees.

We were again successful in achieving the Employer of Choice for Women citation from the Equal Opportunity for Women in the Workplace Agency (EOWA). Warrigal Care is one of only two organisations listed under Health Care and Social Assistance to have received the citation for 9 years or more and this demonstrates our ongoing commitment to the welfare and development of our workforce.

IMPROVED PAY AND CONDITIONS

A new Enterprise Agreement was negotiated with Union and individual employee representatives and implemented this year to provide enhanced pay and conditions for all Warrigal Care employees. Our staff will continue to benefit from increases in salary, enhanced flexibility provisions and salary packaging arrangements over the next two years. Purposeful partnerships with unions and employee representatives have been developed and no days were lost to industrial action this year.

Our Human Resource Information System (HRIS) was upgraded this year to improve efficiencies in rostering and payroll. Introduction of employee self service, known as eStaff, commenced within Support Services this year and will be implemented at all locations by 2013.

STAFF DEVELOPMENT OPPORTUNITIES

Training and development programs this year included a New Graduate Registered Nurse Development Program and ongoing Clinical, Community Services, Support Services and Management Development Programs.



“I work in care services and have some amazing colleagues who give so much of their time, patience and kindness to all of our residents. I enjoy working for older people, and there are some great opportunities for me to expand my knowledge and skills to help older people achieve their optimum quality of life”

Sally Andori
Staff
Age 23

Training needs analysis and skills audits were conducted across all Warrigal Care services and information gained was utilised to provide increased and improved training opportunities targeted towards staff development and service needs.

Our staff attended 606 other training sessions throughout the year totalling 14,900 hours. This has increased from 472 sessions and 10,384 hours last year. 49 traineeships were offered and 52 government funded qualifications were accessed by our staff.

WORK HEALTH AND SAFETY

The 2011-2012 has been one of many challenges. This has included the increase in the number and cost of workers compensation claims as well as changes to the Work Health and Safety (WHS) Legislation. However, we have updated our WHS system to support compliance with the new legislation; updated the training of our WHS Teams; extending WHS communication to all parts of the organisation; and, improving WHS interaction with our volunteers.

The Safety Culture Survey conducted in 2010 was repeated in 2011. The results demonstrated an average of 10% improvement in all criteria across the organisation overall. The measures included training and supervision, safe work procedures, consultation, reporting safety, management commitment and injury management and return to work.

Plans are in place to enhance our emergency response processes and business continuity planning. These actions will ensure that we are able to manage the immediate threats more effectively and with greater confidence whilst also ensuring that we can continue to deliver services in the aftermath of a significant incident that affects our operations.

OUR VOLUNTEERS

Warrigal Care Volunteers are an inspiring group of individuals who provide invaluable support to our staff and positively impact upon the lives of older people in our communities.

Our Volunteers are provided with the same orientation, training and development opportunities as our staff and are supported in their roles at the service location and by our support services team. A new Southern Highlands Volunteer Services Officer was implemented this year to further support the important work of our Volunteers in this region.

Currently Warrigal Care receives assistance from 318 inspiring Volunteers.

INJURY MANAGEMENT

We continue to focus on an early intervention model. The recruitment of an Injury Management Officer for Bundanoon, Goulburn and Queanbeyan will only strengthen our commitment to facilitating the safe and durable return to work of injured workers. This will build on an improved hazard and incident reporting process that commenced in late 2011.

Our goal is to facilitate effective injury and claims management to ensure we deliver better services for our residents and clients.

Unfortunately our Lost Time Injury Frequency Rate (LTIFR) has increased for the first time in many years. The number of claims for workers compensated injuries has increased this year from 52 to 69. Our analysis indicates that the causes are multi-factorial. As such, we are working even harder on both our injury management and work health and safety strategies to address this.

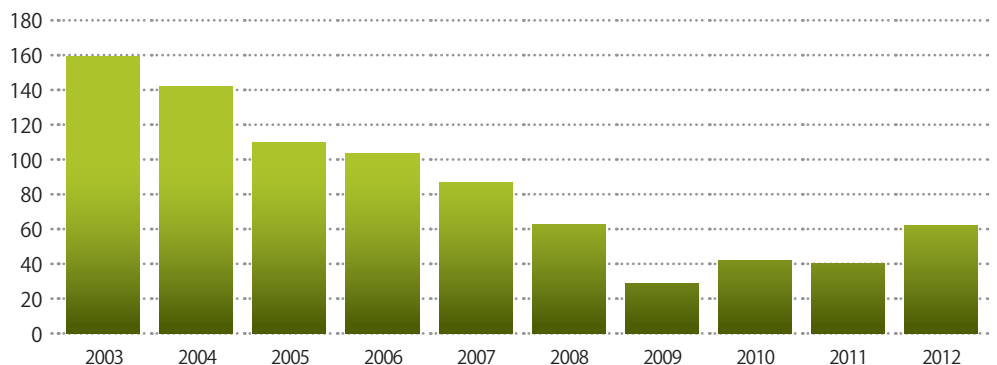


Albion Park Rail Welcomes their Newest Addition to the Family - A Juke Box

Staff and residents celebrated in style with hamburgers and milkshakes to the sound of Elvis and the Beatles, a great time was had by all ... we even had a few rockers and a great deal of singing by staff and residents alike!



LOST TIME INJURY RATE 2002-2012



Our Code of Conduct

OUR COMMITMENT:

We, as representatives of Warrigal Care, are committed to:

- 1 Providing care services that recognise the dignity, rights, values and beliefs of residents and their families;
- 2 Ensuring that funds and resources provided by Governments, communities and individuals are effectively and efficiently used in providing care services to residents and clients;
- 3 Providing quality care services through the development of a co-operative and collaborative work environment, free from bullying and harassment, where trust, honesty and integrity are used to ensure harmonious relationships between residents, clients, their families and Warrigal Care;
- 4 Ensuring the right to privacy and confidentiality for residents, clients and their families through the proper and secure collection, use, handling, storage and disposal of personal and sensitive information;
- 5 Keeping up to date with changes in the delivery of services we provide, by actively participating in the Company's training and development program;
- 6 Ensuring the safety of residents, clients, employees and any visitor in the workplace, by adhering to safety policies and practices and the correct and appropriate use of safety equipment and protective clothing;
- 7 Complying with the intent and spirit of the law;
- 8 Ensuring there is no conflict of interest, benefit or gain outside the normal conditions of service during or after the course of such engagement;
- 9 Promoting a positive image of aged care in the community;
- 10 Ensuring our conduct does not bring at any time, the Company's reputation into disrepute.

Staff Service Awards

5 YEARS

Bolton, Marina
Crilly, Anthony
Edwards, Rachael
Fieldus, Kerry
Frost, Lyndall
Hancock, Ann
Harper, Kelly

Hazelton, Susan
Hiscocks, Melinda
Irvine, Leone
King, Lynette
Kollias, Purisima
Mackander, Leonor
Maher, Jill
Mcdougall, Darren

Milne, Lisa
Muehlbauer, Michelle
Oakley, Sandra
Peisley, Marion
Phelps, Kylie
Pirrie, Louise Anne
Sevimli, Ayla
Smith, Fiona

Wagener, Judith
Wilkie, Karen

10 YEARS

Baker, Thomas
Boland, Julliet
Clarke, Cynthia
Corcoran, Shirley

Our Supporters

VOLUNTEER LIST

Adam, Elizabeth
Aldridge, Zenda
Allen, Janet
Alles, Sharon
Anable, Pat
Angus, John
Arki, Marika
Bailey, Ashleigh
Bale, Mary
Ball, Gregory
Bartlett, Jordan
Bassingthwaite, Debra
Baxter, Pauline
Beer, Alanna
Belfield, Allan
Bennett, Eva
Beringer, Lynnette
Berwick, Fay
Bird, Judith
Black, Irene
Bonham, Jackie
Borg, Gregory
Bousfield, David
Bowley, Marie
Boyce, Olivia
Boyd, Heidi
Braithwaite, Anne
Briffa, Emanuel
Briffa, Lisa
Brown, Lyn
Brown, Keith
Brown, Emily
Bui, Hoang xuan
Buikstra, Jan
Bullock, Charles
Burgess, Don
Bush, Freda
Butler, Racheal
Byrne, Cathy
Calladine, Amy
Callanan, Amanda
Calvert, Teah
Candelaria, Connie
Carbone, Natalie
Carlson, Rita
Carter, Faye
Carter, Robert
Case, Denise
Ceramidas, Kate
Chadwick, Julie
Chidembo, Alfred

Christie, Doreen
Clapham, Ted
Clapham, Mary
Clark, Barry
Clark, Sheila
Clemmentt, Keith
Cobby, Terence
Coles, Nolene
Collett, Doreen
Coogan, Rhiannon
Cook, Kahliah
Cotton, Mary
Coulter, Carlene
Cousins, Margaret
Crisp, Wendy
Cristia, Cristina
Crozier, Valerie
Cunningham, Caroline
Curtis, Dennis
Daly, Mary
Davies, Norma
Davitt, Cath
Dean, Diane
Debra, Bailey
Delaney, Allan
DeOrnelas, Rebecca
Devere, Lucy
Dine, Russell
Dine, Therese
Driscoll, Betty
Dunn, Barbara
Ellsmore, Colleen
Falk, Margaret
Feeney, Jean
Fidge, Ros
Flanagan, Jackie
Ford, Helen
Forskitt, Irene
Forskitt, Robert
Foster, Gerda
Galea, Tony
Garraway, Amie
Gell, Jamie-Lee
Gill, Carolyn
Gillespie, Craig
Gorton, Betty
Green, Edna
Greenfield, Veronica
Gregg, Wilf
Grey, Sam
Grgic, Wendy
Gribble, Carol

Grover, Fran
Gruaski, Steven
Halpin, Rex
Hamshere, Sylvia
Hanigan, Mona
Hansen, Julie
Harding, Alan
Harding, Alan
Harmer, Warren
Harrington, Narelle
Hart, Heather
Hartley, Kerry
Hartley, Elizabeth
Harvie, Ashleigh
Hatcliffe, Ronald
Hawksley, Helen
Heaven, Carole
Hempstead, Catherine
Hickey, Carolyn
Higgons, Carmel
Hinton, Margaret
Hockey, Michael
Holding, Coraline
Hooker, Jenny
Hooper, Norma
Howard, Shirley
Hudson, Mary
Hudson, Susan
Hudson, Joan
Hulme, Margaret
Hyman, Alan
Jablonski, Helen
James, Olive
Janice, Liddiard
Jefferies, Frank
Jochheim, Jillian
Johns, Sue
Johnston, Stella
Jones, Alan
Jones, Joan
Keen, Inga
Keir, Maree
Kerns, Barbara
King, Margaret
King, Pixie
Korgitta, Lorraine
Kotevsca, Cena
Kotevska, Cena
Kotrevska, Vera
Kranitis, Kurt
Kruger, Karmen
Kuleas, Sophia

Lane, Kellie
Langlois, Val
Larkham, Bob
Lawrence, Pat
Lees, Janelle
Leishman, Ian
Leshnik, Anna
Lewis, Beryl
Lillis, Mauren
Logan, William
Lyon, Lorraine
Lyons, Peter
Macleay, Pat
Macleay, Robert
MacNamara, Denise
Magnee, Marilyn
Mancell, Wendy
Martinez, Roxana
Mary, Mary
Maryvale, Georgia
Mason, Francis
Mason, Fran
Matthews, Robert
McAlister, Don
McCarter, Ann
McCormack, Noreen
McEntee, Renae
McFarlane, Jan
McGill, Don
McGrath, John
McGrath, Amber
McKay, Pauline
McKay, Margaret
McKechnie, Jan
McNamara, June
Meikle, Wendy
Miller, Garry
Mitrovska, Stonja
Moffitt, Joanne
Monk, Janette
Montieth, Michael
Mooney, Shane
Moore, Sue
Moore, Maureen
Motherway, Bill
Mulder, Lydia
Nakata-Young, Aio
Neate, Alan
Nettlebeck, George
Nettlebeck, Valerie
Neve, Brian
Nicholson, Janet

Cotterill, Susan
Furzer, Debborah
Hamilton, Wendy
Hepworth, Dylan
Holt, Diane
James, Cheryl
Lowe, Elizabeth
Mckay, Frances

Noar, Sue
Sewell, Mark
Shirley, Merridy
Sing, Priscilla
Temby, Wayne
Tredgold, Julie
Tuck, Joan
Warburton, Julie

15 YEARS

Bell, Tony
Bullock, Geraldine
Dummett, Yvonne
Eagleton, Mary
Muldoon, Mary
Turner, Patricia
Whyte, Mary

20 YEARS

Kelly, Ronald
Long, Desiree

25 YEARS

Buckley, Bronwyn
Hill, Sheila

Noonan, Deborah
Norris, Fay
Norris, Robert
Nurse, Julie
O'Brien, Helen
O'Brien, Anne
O'Connor, Bob
O'Connor, Patricia
Orange, David
Orellana, Blanca
O'Rourke, Allan
O'Rourke, Linda
Pae, Cho
Pauling, Elaine
Payne, Laraine
Peacock, Norm
Peacock, Betty
Peacock, Jason
Pearson, Sandra
Peterson, Audrey
Phelps, Roslyn
Piggott, Jean
Pill, Linda
Pincham, Greg
Pooley, Gordon
Power, Margery
Puckeridge, Simone
Pulido, Josephine
Pulley, Neville
Quigg, Dorothy
Quigg, Wendy
Quinn, Kathleen
Rakovski, Yolanda
Rayner, Edith
Read, Ronald
Read, Shirley
Redfern, Sandra
Redhead, Ann
Richards, Amanda
Rickards, Darrell
Rickards, Evelyn
Robinson, Mitchell
Robinson, Verne
Ron, Knowles
Rowland, Norman
Rowlands, Pat
Rutherford, Anne
Ryan, Christene
Savell, Phyl
Sayers, Samuel
Schuback, Lynette

Seville, Roger
Sharp, Rosie
Shaw, Jeanette
Shead, Anne
Shier, Jan
Silby, Bernice
Sinclair, Sue
Slater, Mary
Smith, Ella
Smithers, Alison
Stampton, Melanie
Staubner, Helen
Steep, Anne
Stephen, Anne
Stevenson, Ralph
Stevenson, Gail
Stewart, Emma
Storrier, Oswald
Strachan, Lyn
Stumbles, Colleen
Sweeney, Barbara
Swire, Wendy
Symonds, Margaret
Teasdale, Marina
Thayer, Alan
Thomas, Lyn
Thomas, Rosemary
Thomas, Graham
Thorn, Mary
Toparis, Sam
Tuck, Joan
Turner, Jenny
Twible, Carol
Tyson, Beth
Uren, Betty
Vance, Victoria
Varga, Zuzana
Villy, William
Waite, Rita
Walsh, Ian
Wason, Megan
Watterson, Daphne
Webber, Marion
Webber, Anne
Webster, Elsie
Wheaton, Patricia
White, Janny
White, Joyce
Wiktor, Natalie
Williams, Louise
Williams, Valerie

Wilson, Jillian
Wilson, Carol
Wilson, David
Wilson, Dawn
Windolf, Margaret
Woods, Daphne
Wright, Ginny
Yates, Leanne
Yeadon, Kate

COMPANY MEMBERS

Bayo, Neil William
Clapham, Mary
Clapham, Edward
Cluff, Alan
Cluff, Lorraine
Collins, Margaret
Del Turco, Maria Del Milagro (Mili)
Doorn, Anne
Downs, Roger
Gorton, Betty
Gribble, Carol
Hadlow, Helen M
Hamshere, Sylvia
Hardy, Marion
Hardy, Alan
James, Olive
Janssen, Wynand
Keyes, Peter
Korgitta, Lorraine
Lewis, Beryl
Lucas, Kay
Mackander, Wayne
Mackander OAM, Brian
McKenzie, Brian
Monk, Brian
Monk, Janette May
Moolhuyzen, John
Moolhuyzen, Elaine
Morris, Wayne
Mullan, John
Mullan (DR), Judy
Newman, Helen Louise
Pearson, Sandra
Pickford, Ronald
Rowland OAM, Norman
Smith, Diane
Steep, Anne Elizabeth
Stevenson, Eric Cyril
Thompson OAM, Philip
Uren, Betty Hazel

Walsh, Brian
Walsh, Janet
Weir, Brian
Wilson, Jillian Margaret
Windolf, Margaret Ann

In memory of the valuable contribution made to Warrigal Care by Company Member Fay Smith who passed away 11th July 2011.

MAJOR BUSINESS PARTNERS WERE

ArjoHuntleigh
Assaf Cleaning Service
Bendigo and Adelaide Bank Group
Bethanie Group
Bidvest
Chem-Pack Supplies
DVM Medical Supplies
Eclipse
Employers Mutual Ltd
EPAC
Epicor
Flagstaff Group
Goulburn Mulwaree Council
Gow Gates Insurance Brokers
Grindley Construction
Harrigan Ford
HESTA
Hirotec Maintenance
Hodges Shorten Architects
i-Care
Independence Health Solutions
James Underwood & Associates
Jones Nicholson Pty Ltd
Kells the Lawyers
KPMG
Marketability
Microsolve
NSW Starz Nurses
Premier Consulting
Programmed Facility Management
Shellharbour City Council
Southern Cross Protection
Talon Construction Group
The INS Group
University of Wollongong
Warilla Bowls & Recreation Club
Westpac



integrity

respect

compassion

innovation

Our Services Will be Affordable, Accessible and Sustainable

STATUTORY, REGULATORY AND POLICY

Warrigal Care obtained an unmodified set of Statutory Financial Accounts signed off by our auditors KPMG for the previous year. A consultant was engaged to provide marketing valuations for the required impairment assessments for our aged care facilities at Albion Park Rail, Bundanoon and Goulburn.

From 1 October 2011, there are clearer and stronger arrangements to protect residents' savings held in the form of accommodation bonds. The Governance Standard requirements took effect from 1 February 2012.

These requirements apply to all bonds managed by approved providers, regardless of when the bonds were charged. Disclosure statements, policies and a monthly report on the permitted use of accommodation bonds have been implemented.

The Department of Health and Ageing (DoHA) announced on 21 June 'claw back' revenue initiatives via a change in the Aged Care Funding Instrument (ACFI) scores used for personal hygiene, and a change to the complex health score matrix. Internal and external analysis undertaken with our business partners reported the impact of lost funding totalled \$772k. In addition the DoHA advised that the annual Commonwealth Own Purpose Outlays (COPO) increase for the year 2012-13 estimated as 1.5% would not occur. The revenue loss as a result of this decision was \$431k. A review process of cost reduction and/or revenue increases has commenced targeting a break even operational budget for 2012/13.

New Investment and Treasury policies were developed and implemented to supplement the revised DoHA Prudential Requirements.

USING TECHNOLOGY FOR BETTER COMMUNICATIONS

In 2011-2012 we provided an additional 135 email accounts to staff, meaning 350 staff now have a Warrigal Care email account. 30 new terminals were deployed, bringing the total to 175. Over 700 staff now have access to the Warrigal Care Intranet web portal. In 2011-2012 there were 1424 computer problems reported to our IT business partner.

The continuous improvement database elmprove was developed and implemented at all service locations allowing continuous improvement evidence to be accessed electronically. elmprove enables our services and support services teams to initiate and manage their own improvements and efficiency reforms. A new Clinical Care Manual to support elmprove and a specialised care program report card were developed and implemented by the Care Systems Officer as part of the Information Services continuous improvement accreditation process.

The core Information Technology infrastructure upgrade and user migration project was completed this year including terminal flashing to the new firmware operating system and migration to the new XenApp environment for all services. Feedback from all staff through an online survey has been utilised to fine tune outstanding customer service issues and enhance performance.

A new version of the Intranet was released which has added a CEO Twitter link, a news and announcements commenting blog section, an email tab to provide access to webmail for all users and an Aged Care Funding Instrument (ACFI) live reporting functionality. The iPhone roll out to a variety of staff to improve communication and work flow processes was completed.

A cinema projector and speaker installation was completed for the Albion Park Rail, Bundanoon and Goulburn aged care homes.

DUE DILIGENCE

This year we implemented a Business Risk and Audit Committee (BRAC) to meet quarterly, replacing the monthly Finance Committee, and ensuring a focus on effectively managing current and future business risks. New reports were developed for the Board, BRAC and Executive resulting from this change and a business risk management process was undertaken in partnership with KPMG. Action plans have been developed for the thirteen major risks identified.

We engaged a business partner to undertake a needs analysis for proposed expansions across Shell Cove and Wollongong. Financial modeling for the stage 2 development of Goulburn incorporating an additional 40 single ensuited aged care rooms and 36 Independent Living Units was completed to verify the financial viability of the \$16m project.

The Members Voluntary Liquidation of Warrigal Care Gladesville via ASIC was undertaken and the dissolution of the company known as Warrigal Care Gladesville was resolved on the 28th October 2011.

INCOME GROWTH

This year our aged care homes at Coniston, Bundanoon and Goulburn implemented the Specialised Care Program attracting additional ACFI funding. We also continued to use a Business Partner to assist us with the recovery of backdated unclaimed funds from the Department of Health and Ageing. A Payroll Tax supplement audit was undertaken for the last 26 months with \$56k recovered from the Department of Health and Ageing (DoHA).

The appointment of five part-time Aged Care Funding Instrument (ACFI) Officer's across five aged care homes resulted in a significant uplift in funding. A framework including online ACFI support via the intranet, training package, position descriptions, Key Performance Indicators and reporting processes were developed to support these roles.

In the annual Aged Care Allocations Round we were successful in obtaining an additional 16 high care ESS places for stage 2 of the Goulburn aged care home, and 60 high care ESS places for Queanbeyan's aged care home. \$60k GST was successfully recovered from our brokered business partners.

The Board approved a \$16m drawdown with the BAB for the construction of stage 2 of the Goulburn development. The application for exemption from stamp duty for the purchase of land at 208-212 Corrimal Street, Wollongong, was successful at the second attempt. \$123K was recovered from the Office of State Revenue working in partnership with Kells The Lawyers.

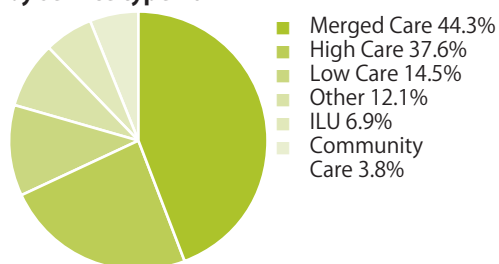
IMPROVING THE WAY WE DO BUSINESS

A number of contractual arrangements with our suppliers and contractors were reviewed this year to increase cost efficiencies and improve flexibility. Tender panels and improved contracts were implemented progressively with our top 20 suppliers. Our current fleet mix and strategy was reviewed to lower costs. The delegations of expenditure and decision authority were revised, approved and implemented to streamline processes and remove some identified blockages.

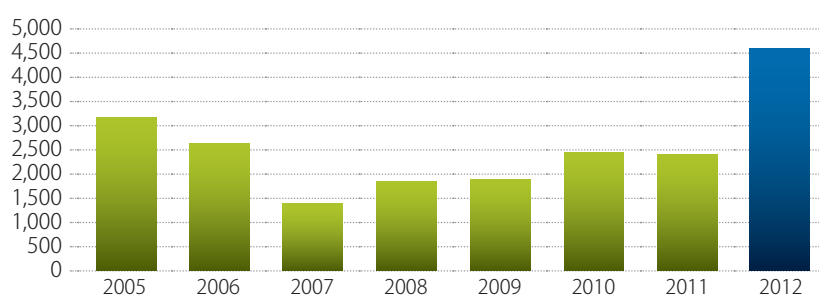
The Department of Health and Ageing (DoHA) approved the application for the merging of the Residential Aged Care Service Identifications (RACS IDs) for Warrigal Care Albion Park Rail and Queen Beatrix House effective 1st November 2011. This will reduce workloads in the areas of accreditation, certification and contracts. It also allowed the establishment of a resident assessment area in the ESS wing, maximising the collection of high care bonds. The merger was delayed to ensure that no capital grant repayments to DoHA would be necessary.

The iCare Medication Management Pilot was finalised with training program participants selected and the iCare mobile application software installed, configured and tested. The Information Services Manager replaced 19 Xerox multi-function printers in 2011 and savings of at least \$22k in annual lease costs, plus at least \$1k per month in copy costs, were realised.

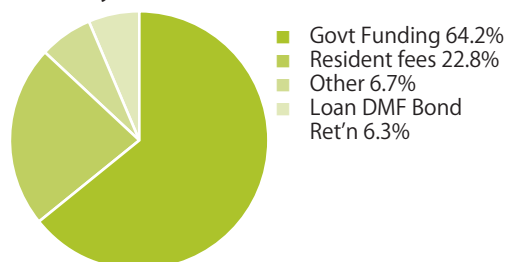
Summary of expenditure by service type 2012



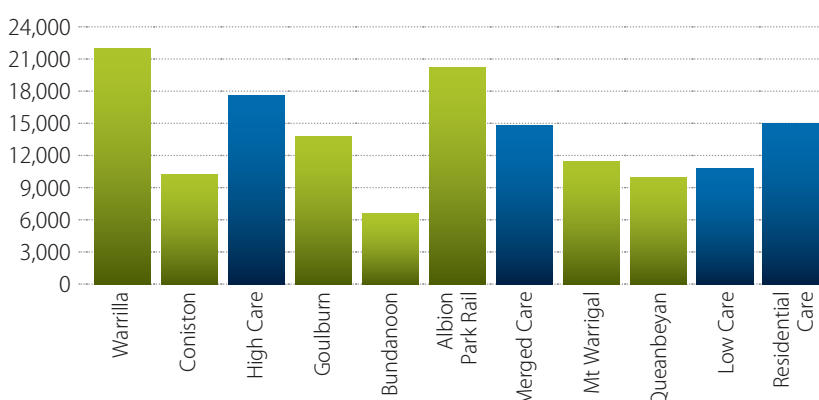
Cash from operating activities



Summary of income sources 2012



2011-2012 Earnings before interest, tax, depreciation and amortisation for high, merged and low care facilities per bed



Our Land and Buildings

EFFECTIVE ASSET MAINTENANCE PROGRAMS

This year Property Services staff responded to 9517 requests for general maintenance from our residents and staff up from 8600 last year. 28 Independent Living Unit (ILU) refurbishments were completed and 60 room refurbishments were completed in our aged care homes.

50 capital and major maintenance projects were completed as part of the Property and Equipment Plan (PEP). This included an upgraded staff station and staff room at Warilla, landscaping upgrades including privacy screen, boundary fence replacement and paving paint to pedestrian paths at our Lake Illawarra village, and storm water rectification works at Albion Park Rail. The Coniston Aged Care Home also underwent a major internal upgrade which will significantly improve the living experience for our residents.

The Property Services Manager role was streamlined to improve delivery of asset maintenance and Environmental Sustainability programs and allocation of maintenance hours/staff per site was benchmarked against industry standards. 6 additional maintenance positions were approved by the Board including 2 new Maintenance Supervisor roles.

Research and selection of an Asset Management System was undertaken to improve the way we plan and deliver maintenance, reactive maintenance, contractor management and Work Health and Safety compliance. Staff and customer training commenced in June with the first trial in July 2012 at Albion Park Rail.

PROPERTY COMPLIANCE

All Warrigal Care aged care homes maintained their Certification in 2011/12.

Our Annual Fire Safety Statements and fire engineer inspections were completed and fire safety systems maintained and certified this year.

After 2 electrical accidents, upgraded electrical safety switches were fitted at all Warrigal Care sites to ensure safety of our residents and staff.

OUR PROPERTY DEVELOPMENT PLAN

The appointment of a Property Development Coordinator to streamline delivery of service expansion projects occurred this year with a 10 year service expansion and funding plan drafted. The Department of Health and Ageing (DoHA) Provisional Allocation licenses were extended in June 2012 until July 2013 and beyond.

Our Land and Environment Court appeal for the planned Wollongong service expansion was lodged in May 2011 and a Development Application successfully achieved for our 120 bed Aged Care Home and ancillary services in February 2012. The Planning Proposal to rezone the site was lodged in March 2011, endorsed by the Department of Planning and was heard by Council in August 2012.

Our expansion of the Goulburn Independent Living Unit (ILU) village and Aged Care Home moved forward with 15 ILU pre sales achieved to commence the project. Grindley Construction commenced building the 36 villas and 40 suites in May 2012 and are targeted for completion in June 2013.

The Development Application was prepared and lodged for our planned Shell Cove development in March 2012. This is progressing well with approval for the 98 Independent Living Unit village and 128 bed Aged Care Home anticipated to occur by the end of 2012.

The Development Application for our planned Queanbeyan 125 bed Aged Care Home was prepared and lodged in April 2012 and progressing well with approval anticipated by the end of 2012.

Our Bundanoon Construction Certificate is being prepared for an additional wing for the Bundanoon Aged Care Home and is anticipated for completion in August 2012.

Development Consent has been activated in June 2012 for 125 bed Aged Care Home on the Bradman Avenue Site, Lake Illawarra. The land lease at Mount Warrigal was renewed with Shellharbour Council for the next 5 years plus a further 5 year option and residential property, 5 O'Gorman Street, Albion Park was acquired for future consolidation and extension of our Independent Living Unit village Albion Park in the future.



Shell Cove Service Expansions project in sight

140 people who had registered their interest in our Shell Cove service' expansion project attended a 2 hour information session, the invitation-only event was an opportunity for people who had formally registered their interest in the project to get an update on our vision and plans to offer more services to older people in the Shellharbour areas. The DA has been submitted and is now being considered by Shellharbour Council.

Our Environment

We are continually reviewing our buildings and how they can be more efficient. As Warrigal Care's homes run 24 hours, 7 days per week, any efficiency improvements we can make have 365-day ramifications.

We are adopting a more strategic approach to energy usage, not only to manage costs, but also to reduce our carbon footprint. Raising awareness across Warrigal Care communities has been a key strategy to ensure ongoing change.

It is a golden age for energy efficiency, increasing electricity network prices, and the introduction of a carbon price in July 2012 has shortened the payback of energy efficiency projects. However, our commitment to being green is not a short term fashion. Warrigal Care has developed collaborative partnerships with the Office of Environment and Heritage and the University of Wollongong, Sustainable Building Research Centre to ensure an ongoing sustainability focus that works very well

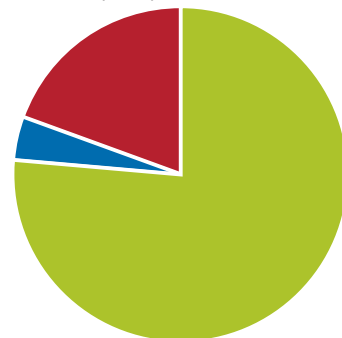
with older people and their intense interest in energy efficiency and recycling.

AUDITING OUR ENERGY USE

Warrigal Care has developed a robust and independent emissions reporting system and is one of the first aged care organisations in Australia to independently and transparently report its emissions.

Emissions by source for 2011-2012

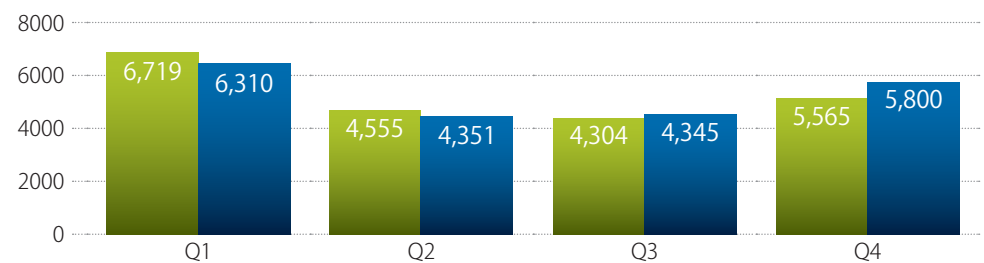
Energy	76.5%
Waste	19.2%
Fleet (Fuel)	4.3%



This graph shows energy consumption (GJ) per quarter for the whole organisation for the last 2 years.

Quarterly Comparison to Previous Years

■ 2010-2011 ■ 2011-2012



ENERGY EFFICIENCY PROJECTS

Energy consumption for the 2011-12 financial year represents approximately 76% of Warrigal Care's emissions. As a

result, energy efficiency projects are a key priority in order to reduce our impact on the environment. We have installed LED lighting, cold water systems and other trial initiatives.

Summary of energy reduction projects completed in 2011-12 financial year.

Project	Site	Energy Savings	Project Payback period (Yrs)
140 low wattage CFLs installed	Albion Park Rail ACF	24 MWh	2.3
188 LEDs installed	Albion Park Rail ACF	79 MWh	1.6
Convert laundry to cold water	Albion Park Rail ACF	48 GJ	2.5
23 LEDs installed	Administration	6.5MWh	3.3
261 LEDs installed	Bundanoon ACF	77 MWh	1.2
Recommissioning HVAC system	Goulburn ACF	8 MWh	1.6
313 LEDs installed	Goulburn ACF	83 MWh	2
		277.5 MWh/48 GJ	Ave 2.03



Building a Tight Knit Community at Goulburn

The Warrigal Care board approved a \$16 million advance limit with our business partner the Bendigo and Adelaide Bank. This loan was utilised to engage Grindley Constructions to construct an additional forty single suites at our aged care home (all with private bathrooms) as well as 36 two and three bedroom independent living villas.

Construction started in May 2012 and we are expecting to welcome our first new residents at our new retirement living village in 2013 (weather permitting of course)



We will be influential in the Development of Services to Older People

COMMUNICATING AND REINFORCING OUR BRAND AND REPUTATION

Building on partnerships within the communities in which we operate, we continued to strengthen our relationships with our residents and with local organisations through effective communication, business events, innovative community relations and trustworthy media partners.

This year we focussed on our brand and reputation through our brand strategists 'principals'. Together we undertook extensive focus groups with our residents, their families and selected business partners. Staff and volunteers were also engaged and attended several staff workshops to better understand who we are as an organisation and how to effectively communicate our philosophy, incorporating fun, family, food and friendships.

The IRIS Research Group were appointed to further our understanding of who our customers and clients are and what they perceived us to be, the outcome of this in the Illawarra and Wollongong LGA's were that Warrigal Care were the 2nd most well known aged care provider in Wollongong, and in Goulburn we emerged as the No1 Aged Care provider in the area.

We consulted further with our residents and conducted paper residential surveys and community services specific surveys. Online Staff surveys were also generated, giving us an accurate and positive approach to our future communication strategies.

Our regular media and advertising communication tools continued, with a regular monthly CEO column in all of our regional newspaper publications, we also produced an extremely well received documentary on our community services called "The Care Factor" available on DVD and through our YouTube channel.



Mt Warrigal Scores \$1000 Grant

Warrigal Care successfully applied for a \$1000 grant from Origin energy to go towards improving the organisations energy efficiency.

In addition, we received an energy efficiency assessment which will guide decision making on what improvements are to be made at the Mt Warrigal home.

Brand Survey - What do you think about Warrigal Care?

As part of the ongoing Brand Awareness project, 450 of our residents and community care clients were recently surveyed on why they chose Warrigal Care and what they like most about living here and/or receiving our services.

Responses have been received from each of our villages and aged care homes, giving us a great perspective of how our residents perceive us as an organisation and a brand.

The results so far paint a very promising picture for Warrigal Care, with 61% of respondents stating that Warrigal Care was the first and only organisation they considered when thinking about retirement living and aged care, and 41% said that the reason they chose Warrigal Care is our friendly and caring staff. 72% stated that it was very important to them that Warrigal Care offered support and care through all stages of ageing.



We received considerable positive media attention and accolades upon release of this insightful film. We have expanded our online website listings whilst reporting through google analytics on our most successful referral base, therefore streamlining our online advertising mediums. Our 'social media' presence has also increased, expanding our use of electronic social networking to better connect with our staff, our communities and our business partners.

In addition to our media and advertising activities, we held some extremely positive events to create awareness of our service expansion in Wollongong. Both the Illawarra Business Chamber before hours event, hosted by Warrigal Care at our Albion Park Rail location and our forum on "Reshaping Illawarra's Economic Base" were successful in achieving positive future business partnerships within Wollongong and the Illawarra region. The Illawarra Mercury Retirement Expo was again extremely enlightening for both Warrigal Care staff and our prospective residents and clients, with valuable data collected through surveys which were handed out and filled in on the day.

We continued to engage our prospective residents and clients through our information sessions on our Shell Cove Services Expansion and engagement events for our prospective new residents of our new Retirement Village in Goulburn. Our village open days at Warilla and Lake Illawarra attracted large crowds through our extensive campaign work to achieve full residency at these locations.

Our support services team, valued communities and our residents this year lent their support to the "Age Well Campaign" to spread the word around improving older people's experiences and actively championing "Ageing Well" through fun, friendships and activity.

ENGAGING AND SUPPORTING OUR COMMUNITIES

Auxiliaries

Our 3 auxiliaries are located in Goulburn, Illawarra and Bundanoon. They are each incorporated as separate associations, but remain significant stakeholders in our organisation as volunteers, fundraisers and community advocates. We sincerely thank them for their impressive and loyal ongoing support.

“ I really enjoy living at Warrigal Care Figtree, I have built up a lot of trust and a good rapport with the staff, and have made many great friends over the years. ”

Eric Stevens
Resident
Age 92

Warrigal Care Goulburn Auxiliary Report

Funds raised \$17,252.96

The Warrigal Care Goulburn Auxiliary fundraising ventures this year have included raffles, fetes, morning teas and luncheons. This great work has enabled the Auxiliary to purchase much needed equipment to support the care, safety and comfort of our Goulburn residents and clients.

President – Wendy Crisp
Secretary – Barbara Dunn
Treasurer – Freda Bush
Total Members – 16

Warrigal Care Illawarra Auxiliary Report

Funds raised \$86,147.80

The Warrigal Care Illawarra Auxiliary fundraising has been very successful this year and has included fashion, dancing and music exhibitions. The Opportunity Shop, attended to by our wonderful volunteers, and under the guidance of Carol Gribble, has provided our main source of funding. Bendigo Bank has been a great supporter of our activities this year making a donation of \$1000.

This great work has enabled the Auxiliary to purchase much needed equipment to support the care, safety and comfort of our Illawarra residents and clients.

President – Betty Gorton
Secretary – Lorraine Korgitta
Treasurer – Wendy Meikle
Total Members – 38

Warrigal Care Bundanoon Auxiliary Report

Funds raised; \$6,101.02

The Warrigal Care Bundanoon Auxiliary fundraising has continued to receive enormous support from local community members and organisations through their generous donations and attendance at fundraising events including raffles, luncheons and BBQ events.

This great work has enabled the Auxiliary to purchase much needed equipment to support the care, safety and comfort of our Bundanoon residents and clients.

President – Dorothy Quigg
Secretary – Margaret Hinton
Treasurer – Ann McCarter
Total Members – 11

Warrigal Care is No1 in Goulburn

IRIS research conducted a telephone survey of 107 people in Goulburn and we came out on top! It was our modern facilities and nice location that people knew us for.

This is an excellent result and shows the great work our managers, staff, volunteers, residents and relatives do to promote older people and the work of Warrigal Care

Directors' Report

The directors present their report together with the financial report of Warrigal Care, (the company) and the consolidated financial report of the group, being the Company and its controlled entities, for the financial year ended 30 June 2012 and the auditors report therein.



ALAN HARDY

Chairman

Independent Non-Executive Director

Age 70 years

Member of the Quality Management and Accreditation Committee

Member of Planning Development and Sustainability Committee

Member of Project Control Group

Mr Hardy was appointed director in 1984. He is a retired teacher and holds a Bachelor of Arts (Economics) Degree. Mr Hardy is a Justice of the Peace.



BRIAN MONK

Vice Chairman

Independent Non-Executive Director

Age 68 years

Member of Planning Development and Sustainability Committee

Mr Monk was appointed director in 1988. Mr Monk is now semi retired after working for 48 years and has run four successful small businesses in industrial and catering sectors. He has qualifications in supervision and management as well as three mechanical trades. Professional interests include transport, tourism, OHS&E and building construction.



MR ROGER J DOWNS

Vice Chairman

Independent Non-Executive Director

Age 58 years

Member of Business Risk and Audit Committee

Mr Downs was appointed director in 1997. He is a Lawyer and Chairman of Partners at Kells The Lawyers. Mr Downs holds degrees in Commerce and Law and a postgraduate diploma in Management, and is also an Accredited Specialist in Property Law and Business Law. He is a member of the Business Law Committee of the Law Society of NSW, a Director of Community Alliance Credit Union Ltd and a member of the Illawarra Shoalhaven Local District Health Board. His community involvement includes 18 years in Corrimal Apex Club and many years as honorary legal adviser to Surf Life Saving Illawarra.



(PETER) WAYNE MORRIS

Independent Non-Executive Director

Age 54 years

Chairman of Business Risk and Audit Committee

GAICD, ACIS, ACIM, MIPA, AIMM, AIFS and AMP (Harvard).

Appointed as director in 2009. CEO of CareWorks Inc & Secretary of Churches of Christ in NSW Property Trust. 30 year career at IMB Ltd including 7 years as CFO and 9 years as CEO. Voluntary business consultant to various community, charity and church organisations. Also on the boards of Newcastle Permanent Building Society Ltd, Illawarra Performing Arts Centre Inc., Southern Illawarra Church of Christ, Wollongong Symphony Orchestra Foundation Ltd and the Advisory Council to Illawarra Venues Authority. Previously board member of an industry association, a financial planning company, a not-for-profit research organisation, a private school and other community organisations.



MARGARET COLLINS

Independent Non-Executive Director

Age 59 years

Member of Business Risk and Audit Committee

Mrs Collins was appointed as Director in 1997. She has over 30 years experience in the financial services industry, is a Fellow of the Institute of Financial Services and has completed the Diploma of Financial Planning through Deakin University. Mrs Collins is presently a Financial Planner with Smart Financial. Past community involvement includes serving as Secretary of Warilla Chamber of Commerce, Treasurer of Skills with Advancement and Training, Branch Delegate for Shellharbour Junior Surf Life Saving Club and Shellharbour Netball Club.



**PHILIP THOMPSON
OAM**

Independent Non-Executive Director

Age 62 years

Chairman of Planning Development and Sustainability Committee

Member of Project Control Group

Mr Thompson was appointed as Director in 1999. He holds qualifications in Civil Engineering and is presently a Subdivision and Development Engineer for Shellharbour City Council. He has held voluntary positions with the Salvation Army Red Shield Appeal as their Shellharbour/Kiama area chairman from 2000 – 2007, was the Association of Apex Clubs NSW State President in 1989 and Illawarra District Governor in 1985 and 1986. He was an inaugural member of the Illawarra Life Education units, past Treasurer of the Illawarra branch of the Automotive and Mechanical Engineers, past Secretary of the Oak Flats Junior Hockey Club and is a Justice of the Peace.



JUDY MULLAN

Independent Non-Executive Director

Age 52 years

Member of the Quality Management and Accreditation Committee

Member of the Active Ageing Committee

Dr Judy Mullan was appointed director in 2000. She is a registered pharmacist and Senior Lecturer in the Graduate School of Medicine at the University of Wollongong. Judy holds a Bachelor degree in Pharmacy and the Arts, as well as a PhD in Public Health. She is a fellow of the Society of Hospital Pharmacists of Australia and an Australian Accredited Consultant Pharmacist. Her community involvements include voluntary work for aged care services and multicultural organisations. Her focus is to improve the 'Quality Use of Medicines', 'Patient Education' and 'Quality of Life and Care' for older consumers.



PATRICIA ANNE DOORN (NEE CLEARY)

Independent Non-Executive Director

Age 67 years

Member of the Quality Management and Accreditation Committee

Appointed a director in 2009. Mrs Doorn is a Registered Nurse with decades of hospital and aged care management experience, and retired in 2004 and is active in her community and church and an honorary member of Kiama Rotary Club.



HELEN NEWMAN

Independent Non-Executive Director

Age 53 years

Member of Planning Development and Sustainability Committee

Mrs Newman was appointed director in 2004. She is a Registered Nurse currently working at Shellharbour Hospital in Nursing Administration. She has several certificates related to post graduation nursing studies and a Graduate Diploma in Nursing (Critical Care). She is a member of the Australian College for Infection Prevention and Control. She has helped St Vincent de Paul as a collector for the annual door knock appeal over the last several years.



MARK SEWELL

Company Secretary

MBA, B.Soc Sci, AIMM, MAICD

Mr Mark Sewell was appointed to the position of Chief Executive Officer and Company Secretary in April 2008. He was the Deputy Chief Executive Officer of Warrigal Care since 2001 and previously held management positions with the NSW Government Departments of DADHC, DoCS and IAHS. He is a director on a number of non-profit boards and is a director and the regional chairperson for the Aged and Community Services Association NSW/ACT.

Directors' Report

DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

Meetings								
Director	Board of Directors meeting and extraordinary meetings		Business Risk and Audit Committee meetings		Planning and Development Sustainability Committee meetings		Quality Management and Accreditation Committee meetings	
	Eligible to attend [#]	Attended	Eligible to attend [#]	Attended	Eligible to attend [#]	Attended	Eligible to attend [#]	Attended
A Hardy	10	10	3	5*	1	1	4	3
B Monk	10	7	3	3*	1	1	-	-
R Downs	10	10	6	6	-	-	-	-
PW Morris	10	9	6	6	-	-	-	-
M Collins	10	8	6	5	-	-	-	-
P Thompson	10	10	-	2*	1	1	-	-
J Mullan	10	6	-	1*	-	-	4	1
P Doorn	10	7	-	-	-	-	4	2
H Newman	10	9	-	-	1	-	-	-

[#] Number of meetings eligible to attend in a formal capacity as a committee member

* Includes meetings attended as an observer, not in the capacity as a committee member

OBJECTIVES

The long term objective of the Company is to provide excellence in service to older people. The Company aims to deliver innovative and quality aged care through superior services, practices and management. The four (4) strategic directions underpinning this objective are: older people will have a seamless transition through all levels of care; staff and volunteers will deliver excellent service; services will be affordable, accessible and sustainable; and, the Company will be influential in the development of services for older people.

The Company's 2012 Strategic Plan outlines a total of twenty four (24) short term objectives (strategic outcomes) linked to the strategic directions.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year were the provision and operation of:

- High care – Warilla and Coniston;
- Low care – Mount Warrigal and Queanbeyan;
- Merged care – Goulburn, Bundanoon and Albion Park Rail;
- Independent living villas – Warilla, Lake Illawarra, Albion Park, Figtree, Albion Park Rail, Queanbeyan and Bundanoon;
- Day Respite centres – Illawarra and Goulburn;

- National Respite for Carers Programme (NRCP) – Goulburn;
- Extended Aged Care at Home (EACH) and EACH Dementia programs in Goulburn and Queanbeyan;
- Home and Community Care (HACC) programs at Goulburn, Queanbeyan and the Illawarra; and
- Community Care (CACP) programs in the Illawarra, Queanbeyan and Goulburn.

There were no significant changes in the nature of the activities of the Company during the year.

The monthly performance report by management to the board outlines progress on how the Company's activities are aligned to the Company's strategic outcomes.

REVIEW AND RESULTS OF OPERATIONS

	2012	2011
	\$'000	\$'000
Result		
Net surplus	6,502	(362)

The result for the year includes a dividend of \$4.77 million from the liquidation of Warrigal Care Gladesville Limited. Excluding that dividend, the Company's income increased from \$42.21 million to \$48.73 million (an increase of \$6.52 million or 15.43%) due to increases in government funding and care recipient contributions from higher numbers of residents and clients.

Excluding accelerated depreciation, expenditure increased from \$41.59 million to \$47.68 million (an increase of \$6.10 million or 14.66%). This was mainly due to the increases in wages and care costs necessary to maintain our standards of care and for additional costs of expanded services.

Residential care continues to be the Company's core business, contributing 91% of the total result excluding interest and depreciation.

This statement is to be read in conjunction with the Chief Executive Officer's Report.

EVENTS SUBSEQUENT TO REPORTING DATE

The tripartite agreement for construction of thirty six (36) independent living villas and forty (40) additional places at the aged care facility at Goulburn was signed with Grindley Constructions and the bank in July 2012, thereby making \$16m loan funds available for construction. The first loan drawdown was on 3 August 2012.

On 13 August 2012 Wollongong Council voted not to accept the rezoning proposal for the Wollongong property. The board is considering the proposed development in light of the timing of Council developing a vision for the future development of the Wollongong South precinct under the CBD Action Plan. Expected timing is the medium term 2013-2016. Should the board decide to proceed with an alternative development then the portion of capitalised costs relating to the current proposal will be written off. Capitalised costs to 30 June 2012 total \$1.27m.

During August 2012 the Aged Care Standards and Accreditation Agency (the Agency) conducted a review audit of Warrigal Care's high care facility at Warilla. The Agency determined that the facility did not meet a number of expected outcomes of the Accreditation Standards and it decided to revoke the Accreditation of the Warilla facility effective 18 October 2012. Warrigal Care is addressing the findings of the review audit and should all of the outcomes be met to the Agency's satisfaction by 18 October 2012 there is an expectation that accreditation will be extended beyond that date.

As a result of the action currently taken by the Agency and the Department of Health and Ageing in relation to the Warilla facility, Warrigal Care is unable to accept any new government funded residents into the facility. Should Accreditation end on 18 October 2012, Warrigal Care may decide

to cease to operate the facility. This would result in a loss of revenue to Warrigal Care estimated to be \$6,038,000 and would reduce the operating result for the 2013 year by an estimated \$819,000.

In addition, the costs of improvements to meet the Accreditation Standards are estimated to be \$968,000, of which \$89,000 relates to capital expenditure and \$879,000 of operating expenditure.

Apart from the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in subsequent financial years.

LIKELY DEVELOPMENTS

Construction of the sixth and final wing at the Goulburn merged care facility is expected to be completed by June 2013. Once construction is completed the forty (40) places obtained in the 2008 ACAR will be activated, bringing total capacity to one hundred and sixty (160) beds in the ACF at that site.

Construction of thirty six (36) independent living villas at Goulburn is expected to be completed by June 2013.

A development application for the expansion and redevelopment of services at Queanbeyan was lodged in April 2012 and is expected to be approved by the end of 2012. Sixty (60) high care places were obtained in the 2010 ACAR and approved for ESS in the 2011 ACAR.

The timing of construction of a fifth wing at Bundanoon is under consideration by the board. Once construction is completed the thirty (30) high care places obtained in the 2008 ACAR will be activated, bringing total capacity to one hundred and twenty (120) places at that site. The development of new independent living villas at Bundanoon is in the pre-construction phase with works not expected to commence before June 2013.

It is expected that existing operations will continue at Mount Warrigal in line with the lease with Shellharbour Council. The value of Warrigal Care Mount Warrigal will be written down over that period, resulting in accelerated depreciation expense up to 31 December 2020.

A development application for an independent living village and one hundred and twenty eight (128) beds ACF at the Shell Cove site was lodged in March 2012 and is expected to be approved by the end of 2012. Ninety eight (98) high care licences were obtained in the 2010 ACAR with forty six (46) approved for ESS.

Land has been purchased in Wollongong to provide additional aged care facilities utilising the one hundred and forty (140) places obtained in the 2008 and 2007 ACARs. A range of aged care services, including independent living villas, are planned at this site. Development is not expected to commence before March 2013.

It is expected that existing capacity at Coniston will transfer to Shell Cove or Wollongong on completion, expected to be June 2016. The value of Warrigal Care Coniston will be written down over the next four years to 30 June 2016, resulting in accelerated depreciation expense.

Property has been purchased in Oak Flats, Lake Illawarra and Albion Park for the purpose of providing additional aged care facilities and services. The development consent for a one hundred and twenty five (125) bed ACF at Lake Illawarra was activated in June 2012, with timing of construction subject to the overall service expansion plan.

ENVIRONMENTAL REGULATION

The Company's operations are not subject to any significant environmental regulations under the Commonwealth or State legislation. However, the Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the directors there were no significant changes in the state of affairs of the Company that occurred during the year under review.

DIRECTORS' INTEREST AND BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements, by reason of a contract made by the Company, its controlled entities,

or a related body corporate with a director or with a firm of which a director is a member, or with an entity in which a director has a substantial interest, other than as disclosed in Note 19 to the financial statements.

INDEMNIFICATION AND INSURANCE OF OFFICERS

The Company paid a premium in respect of a contract insuring directors and officers of the Company against liability. The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability insurance contract, as such disclosure is prohibited under the terms of the contract.

A deed of indemnity has been entered into with RJ Downs, a director of the Company, to indemnify him from and against any liability incurred in his position as a director of the Company, including reasonable defence costs. This deed excludes indemnity to the extent that such indemnity would be prohibited by: Section 241 of the Corporations Act 2001; or any other statutory provision or the common law.

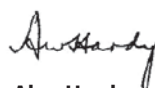
LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 28 and forms part of the directors' report for the financial year ended 30 June 2012.

ROUNDING OFF

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made with a resolution of the directors:



Alan Hardy
Chairperson of the Board



(Peter) Wayne Morris
Director

Signed at Albion Park Rail, this 24th day of September 2012



Make an Inspiring Choice to be Involved in the Care of Older People!

VOLUNTEER WITH US

- Visit your older friends and relatives regularly
- Participate in the functions and special events at your local service location
- Become a donor to Warrigal Care: you can donate by secure credit card payment online at www.givenow.com.au/warrigalcare - all donations over \$2 are tax deductible

VOLUNTEERING IS INTENSELY REWARDING

We need your time and talent to:

- Help in the garden
- Read to the visually impaired
- Cook the BBQ at a special event
- Organise a fundraising event
- Assist at meal times
- Drive one of our buses
- Join our Chaplaincy and Pastoral Care Program

These are just a few of the ways you could assist us. If you have some time or a special talent you can offer, please call our Volunteer Services Officer on 02 4257 4257.

We would love to hear from you.

WORKING WITH US CAN BE VERY EXCITING

The aged care industry has some of the most caring and generous people working in it from our community. Those who work directly with residents offer kindness, respect and friendly professionalism in all aspects of their work. It's a fulfilling role to make a person's life fun and interesting as they get older.

Warrigal Care has been acknowledged as an Employer of Choice for Women by the Australian Government's Equal Opportunity for Women in the Workplace Agency since 2001. We provide extensive support, training, development, information, excellent conditions and a wonderful team of people to work with.

Visit the employment page on our website for more information and positions vacant.

www.warrigalcare.org

Our Services

AGED CARE HOMES

Coniston / 60 places

91 Bridge Street
Coniston NSW 2500
Manager: Yvonne Frankham
Phone: 02 4229 4433
Email: yfrankham@warrigal.com.au

Bundanoon / 90 places

20 Hill Street
Bundanoon NSW 2578
Manager: Vernia Blundell
Phone: 02 4884 6100
Email: vblundell@warrigal.com.au

Goulburn / 120 places

7 St Aubyn Road
Goulburn NSW 2580
Manager: Leslie Carter
Phone: 02 4823 0600
Email: lcarter@warrigal.com.au

Warilla / 102 places

1 Arcadia Street
Warilla NSW 2528
Manager: Rosalie Simpson
Phone: 02 4297 0999
Email: rsimpson@warrigal.com.au

Albion Park Rail / 149 places

2 Pine Street
Albion Park Rail NSW 2527
Manager: Joanne McGoldrick
Phone: 02 4230 8150
Email: jmcgoldrick@warrigal.com.au

Mount Warrigal / 40 places

5 Rowland Avenue
Mount Warrigal NSW 2528
Co-ordinator: Helen Spyt
Phone: 02 4297 0211
Email: hspyt@warrigal.com.au

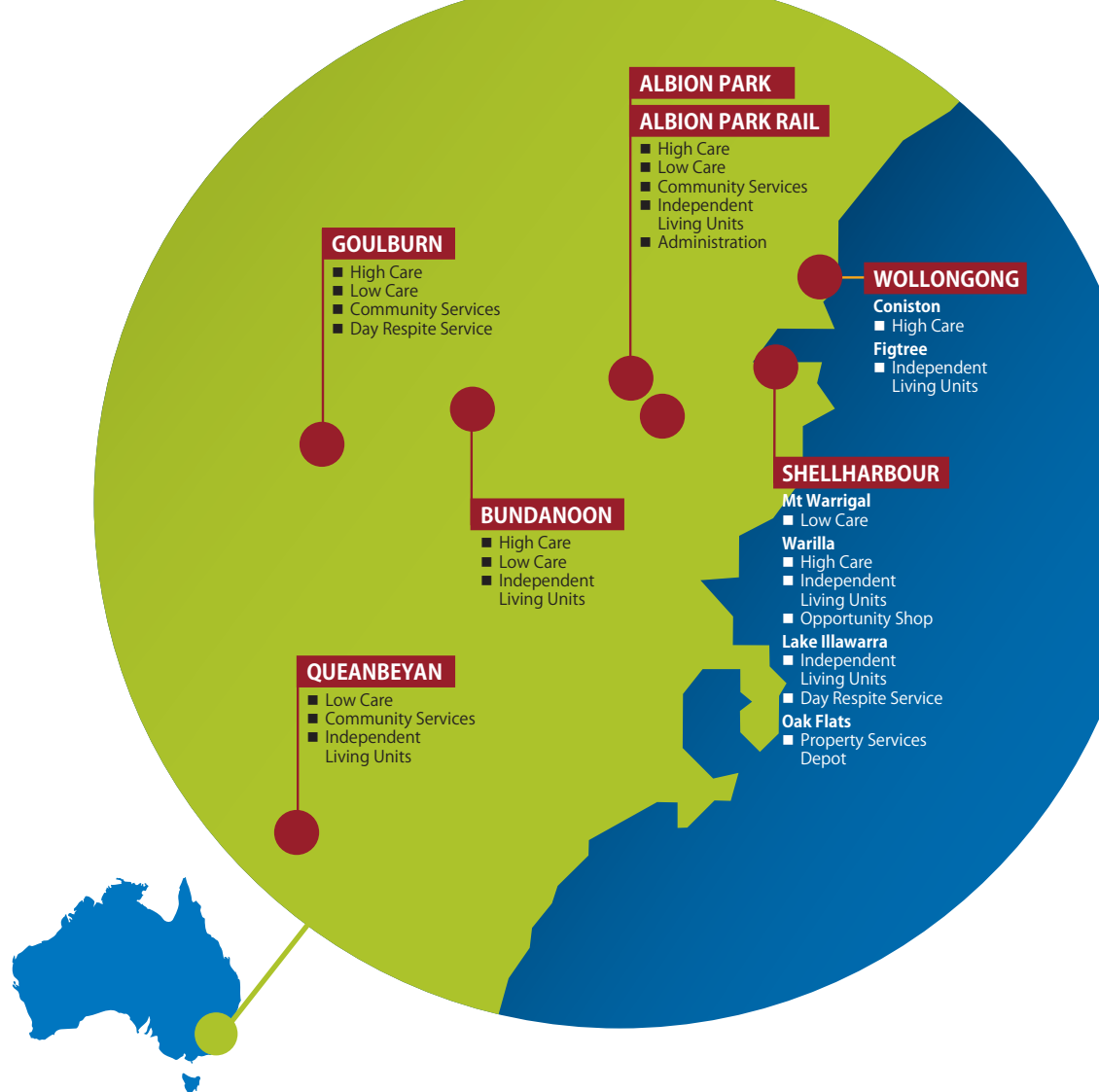
Queanbeyan / 45 places

Cnr Canberra Avenue & Campbell Street
Queanbeyan NSW 2620
Co-ordinator: Julie Riches
Phone: 02 6299 3876
Email: jriches@warrigal.com.au

COMMUNITY CARE

Illawarra / 262 clients

2 Pine Street
Albion Park Rail NSW 2527



Manager: Sue Piper
Phone: 02 4256 7880
Email: spiper@warrigal.com.au

Goulburn / 60 clients

7 St Aubyn Road
Goulburn NSW 2580
Manager: Belinda McClelland
Phone: 02 4823 0608
Email: bmccllland@warrigal.com.au

Queanbeyan / 48 clients

Cnr Canberra Avenue & Campbell Street
Queanbeyan NSW 2620
Co-ordinator: Beatrice Vann
Phone: 02 6297 3511
Email: bvann@warrigal.com.au

DAY RESPITE SERVICES

Illawarra 25 places on 5 days per week

29 View Street
Lake Illawarra NSW 2528
Co-ordinator: Debbie Heiss
Phone: 02 4297 2692
Email: dheiss@warrigal.com.au

Goulburn 15 places on 6 days per week

7 St Aubyn Road
Goulburn NSW 2580
Co-ordinator: Rowena Jenkins
Phone: 02 4823 0605
Email: rjenkins@warrigal.com.au

INDEPENDENT LIVING

Co-ordinator: Lynell Ratcliffe
2 Pine Street
Albion Park Rail NSW 2527
Phone: 02 4230 8106
Email: lratcliffe@warrigal.com.au

Warilla / 40 units

1 Arcadia Street
Warilla NSW 2528

Lake Illawarra / 30 units

1-7 Grove Circuit
Lake Illawarra NSW 2528

Albion Park / 16 units

7-19 O'Gorman Street
Albion Park NSW 2527

Figtree / 39 units

69 O'Briens Road
Figtree NSW 2525

Albion Park Rail / 64 units

2 Pine Street
Albion Park Rail NSW 2527

Queanbeyan / 57 units

18 George Street
Queanbeyan NSW 2620

Bundanoon / 12 units

20 Hill Street
Bundanoon NSW 2578

SUPPORT SERVICES

Administration Centre
2 Pine Street
Albion Park Rail NSW 2527
Phone: 1800 626 670 or 02 4257 4257
Fax: 02 4257 4232

Illawarra Auxiliary Op Shop
George Street
Warilla NSW 2528

Phone: 02 4296 3794

Property Services Depot
121 Industrial Road
Oak Flats NSW 2527

Contact details

Warrigal Care Registered Office
ABN 34 002 392 636

2 Pine Street
Albion Park Rail NSW 2527

Toll free 1800 626 670

Phone 02 4257 4257

Fax 02 4257 4232

Email warrigal@warrigal.com.au

Web www.warrigalcare.org

For more information about this annual report, contact Community Relations on (02) 4257 4257

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