

20 Ray Avenue,
Busselton

Residential Care Facility
Retirement Village
Community Services
Adult Day Centre

Our Mission

“To provide efficient, accessible, high quality aged care for the people of the South West”

Our Vision

“To continuously develop and improve our organisation, its staff and its services so that it is at the forefront of aged care in our region, both now and in the future”

Our Values

*“We believe we should -
Value all people highly,
Treat them with respect and dignity,
Be caring and empathetic,
Be professional
Show true hospitality”*



Annual Report 2011 - 2012

CHAIRMAN'S REPORT

The 2011/12 year has brought significant changes at Capecare. None more significant than the appointments of new CEO, Greg Holland and a new Director of Care Services, (DCS) Nardeen Fenton. We said farewell to our long serving CEO, Des Campbell and Jo Penman our DCS and my personal thanks go to Des and Jo for their committed and exemplary service to Capecare. Greg and Nardeen bring a wealth of experience and enthusiasm with them and we look forward to them providing outstanding leadership in their new roles.

In September 2012, the Minister for Seniors, Robin McSweeney MLC, opened the Ray Village Community Centre which provides Adult Day Care and a much needed Centre for our village residents.

Strelley Grange which for many years provided Adult Day Care to the community will be sold to help offset the \$3.5m cost of the new Centre.

Last year I reported that the release of the Productivity Commission Report “Caring for Older Australians” was imminent. It arrived with some fanfare and general approval of the aged care sector. However, the Federal Government in implementing some aspects of the report has ensured that the sector is facing potential funding cuts to care subsidies. This could have implications for the level of care being delivered to our residents and together with other not for profit providers we are pressing the Government to reconsider.

We are now close to a decision on our proposal to build aged care facilities in Dunsborough. A recommendation from the EPA on the Public Environmental Review we have published should go to the Minister for the Environment early in the New Year. We trust this will be a successful conclusion to an exhaustive 8 year process.

The Board has decided to build 54 new beds to replace the older parts of our Hostel. The project will cost upwards of \$12.0m and construction should commence in February 2013.



The Board:

Long serving Board member Dr John Caldwell has moved to Perth and we thank him for his outstanding contribution over 14 years. John was a passionate advocate for the aged and this passion together with his medical knowledge made him an invaluable member of our Board.

However we have been extremely fortunate in his replacement. Dr Michael Massey, from the same practice as John agreed to join us and we look forward to his contribution.

The Board as at October 2012 is as follows:

Mr John Reid (Chairperson)

Mr Max Jensen (Deputy Chairperson)

Mrs Coralie Tarbotton

Mrs Linda Nixon

Mrs Kris Carter

Mrs Barbara Jeffery

Dr Jon Mulligan

Mr Rob Davis

Mrs Nadine Carter

Dr Michael Massey (appointed February 2012)

In Conclusion

It has been a momentous year for Capecare with some exciting projects commencing and challenging decisions on funding facing us in 2013.

It has been said many times by many people and in finishing my report I will say it again. The people make Capecare the successful organisation it is today and my thanks go once again to staff, volunteers and Board members, all wonderful Capecare people.

John Reid
Chairman

CEO's REPORT

This is my first CEO's Report and having been in the role for only 3 months, I would like to thank all the staff, volunteers, the Board and particularly my predecessor, Des Campbell, for my welcome and their support in my early days at Capecare.



Aged Care Reform:

This has been a significant year for aged care reforms. The Federal Government's response to the "Caring for Older Australians" Productivity Commission (PC) report called "Living Longer, Living Better" was released in April 2012. However, the Government has really cherry picked the recommendations of the PC report with many of the provisions in the reform package not due to come into place until mid-2014 and even then it is unclear whether this will be enough to stimulate the WA aged-care sector.

The impact of the funding changes will be felt incrementally as more residents become assessed under the post 1 July 2012 funding formula, with more changes due from 1 January 2013 and then in July 2014. 95% of all aged care residents are forecast to be appraised under the new funding formula by the end of 2014.

Moving forward, given the current lack of clarity on funding and cost impacts due to these changes, Capecare will have to focus more on evaluating our services and financial sustainability, looking at new service models and preparing for future developments such as the new workforce compact and the proposed user pays evolution.

Senior Management:

We have had some changes during the last year. Des Campbell retired after 19 years in the top job and our new Director of Care Services, Nardeen Fenton commenced with us in January 2012, replacing Jo Penman. All other key senior management positions remain unchanged.

The Senior Management Team as at October 2012 is as follows:

Mr Greg Holland - Chief Executive Officer (commenced in July 2012)

Mr David Mottram – Director Business Services

Mrs Nardeen Fenton - Director Care Services (commenced in January 2012)

Mr Dominic Trombetta – General Manager Operations

Finance:

The financial outcomes for the 2011-12 financial year have been very good. Operating Income increased by \$518k or 5.9% and it was very pleasing to see that Operating Expenditure only increased by \$269k or 2.9% over the prior year. This allowed Capecare to decrease our Operating Loss by \$249k or 44%, which made a significant contribution to our overall Net Profit for the year increasing by \$713k or 76% to \$1.65m. The other major driver for the increase in Net Profit was from Non-Operating Items which returned an increased profit of \$464k or 31% over the prior year. This was all income related and included a one-off \$250k HACC grant for the new Day Centre and increased interest earnings of \$78k .

Our financial position as at 30 June 2012 remains strong. With Net Assets increasing by \$1.35m or 5.5% and our Current Ratio (a liquidity test that compares Current Assets with Current Liabilities) remaining solid at 1.56 (compared to FY 2010/11 of 1.61). This will help support future planned major capital expenditure programs.

However, I need to comment that going forward the outlook is more conservative and will present some challenges. In FY 2012-13 we are facing a fall in government funding in real terms, with no indexation this year and also a change to the funding rules that will mean less funding for some categories of residents. Also interest rates are falling, a positive for borrowers but a negative for organisations relying on income from resident bond investments.

A summarised financial statement is included on the back cover of this report. Full audited accounts are available from the Administration Office and have been circulated to all Board Members.

Occupational Safety and Health:

The Board continues its strong commitment to the health and safety of all our staff and volunteers and remains committed to ensuring all equipment, resources and systems required are available. This governance process is overseen by the OSH Committee which meets monthly throughout the year. The Committee is chaired by the Director Care Services and includes Board Member, Linda Nixon and representatives of staff and management and provides reports to the Board through the Board's Care Sub-Committee.



Building Works:

Work to improve facilities for residents and clients has continued during the year and planning for future upgrading is ongoing.

Monks Dining Room Renovation

This project provided a newly fitted out dining area in our Monks wing largely where the old Boardroom was located, this was needed due to the planned closure of the central dining area. This area also incorporates our Coffee Club area on a Tuesday and Thursday.

Kitchen Extension/Conference Room

With the new Village Centre and Adult Day Centre opening the kitchen needed some additional chiller/freezer space and so the old central dining area has been converted into this extra kitchen space to cater for an increased level of service and the remainder of the area has now been converted into the new Boardroom/Conference Room/Church service area.

New Village Centre and Adult Day Centre

The new Ray Village Community Centre commenced operations in late August 2012 after 6-7 years of planning and obtaining approvals. This facility incorporates the Village Centre and Adult Day Centre (previously operating from Strelley Grange).

Future Developments:

Replacement of Hostel

Planning work for the replacement of the original hostel buildings is complete and the Board have approved us going to tender for the work with the aim that a successful builder will be announced in December 2012. Work should commence early in the New Year and will be a 2 year plus build in several stages, to be fully completed by May 2015. The rebuild will be the largest and most costly undertaking by the organisation and will complete the upgrade of the residential care facilities on the Ray Village site.

Dunsborough – The Long Road...

After 8 years of planning and obtaining approvals the proposed aged care facility development to be located on Armstrong Reserve in Dunsborough is in the Public Environmental Review stage, with submissions closing on 29 October. Due to largely environmental constraints, the development footprint has moved from the whole site to currently being 30% or 1.28ha of the site. This will limit what Capecare can build on the site to accommodation on 3 levels for 40-50 independent and “highly supported” units, an adult day centre, community facilities and meeting rooms for the CWA, with no nursing home beds to be built at this location.

People should have the opportunity to stay in the communities in which they live as they age and at this time the Dunsborough community has no aged care facilities. Capecare has made a substantial investment in terms of time and money to reach this stage of the process and is focussed on working with the local community to achieve the goal of an aged care facility in Dunsborough.



Board Members:

John Reid
Chairman

Max Jensen
Deputy Chairman

Coralie Tarbotton

Dr Michael Massey

Linda Nixon OAM

Kristine Carter

Barbara Jeffery

Dr John Mulligan

Rob Davis

Nadine Carter



Village Independent Living:

The Village includes 55 designer built 2 and 3 bedroom units located right on the beautiful Geographe Bay. These units currently provide accommodation for about 70 residents, who are now enjoying the opening of their new Community Centre. The past year has seen some activity and sale of units but the market is still somewhat "price sensitive". At the time of writing this report 2 new units and 3 existing (resale units) were vacant.

Care Update:

Capecare offers a unique multi level service all accessed through one organisation, so the physical and emotional wellbeing of our clients continues to be met as their needs change.

Residential

Residential Aged Care provided by Capecare can be either in our Nursing Home (High Care) or Hostel (Low Care). Both our Nursing Home (44 beds) and Hostel (68 beds) have achieved high levels of occupancy during the past year and at the time of writing are both full.

Community

Capecare has services to help seniors remain living at home happily and independently, with a bit of help when they need it. We offer in-home services throughout Busselton and Dunsborough and day respite at our new adult day care centre at Ray Village.

Capecare believes in the importance of community services as part of a continuum of care and is well positioned to meet future demand from an ageing population that will require the provision of aged care services to much larger numbers of people with increasing diversity in their care needs and preferences.

Our people and volunteers:

We now have over 190 committed staff (110 FTE) and 120 amazing volunteers at Capecare. These groups provide the lifeblood and are the pulse that keeps Capecare thriving and continuing to provide high quality care and services.

The calibre and engagement of our staff and volunteers is our most important asset and we continue to be fortunate in maintaining good levels of high quality staff at this time. We may however face some challenges in the next few years as new aged care providers take up residence in Busselton.

We have recently acknowledged several staff for significant milestones of service. They are as follows:

10 Years: Rosemary Golding, Merryl Watkins and Mavis McTaggart.

10 Years plus: Vicki Brown, Heather Prosser, Delys Trott, Sheryl Cockin, Sue Fowler, Cheryl Chadwick, Judith Jumeaux, Margaret Hall, Kate Dean, Libby Manuel, Zaiga Staley, Tracey Bolton, Valerie Kirke, Susan Herring, Sandra Brennan and Sandra Vernon-Rose.

15 Years: Margaret Poole.

20 Years: Corinne Young and Peter Cinkurs.

20 Years plus: Lorraine Bussell, Margaret Unsworth, Judith Wilder and Adele Berg.

Special acknowledgement goes to Brenda Drummond who has celebrated 30 years of service with Capecare. Congratulations Brenda, an amazing achievement.

In Conclusion:

Unity comes more from our purpose than from our people. No matter how great our people are, we are all different and it is the "reason we are here" or our purpose that unites and drives us forward. The reason we are here is "to provide efficient, accessible, high quality aged care for the people of the South West".

I feel privileged to take up the CEO role at Capecare and I look forward to the year ahead with great excitement and enthusiasm. With any time of change also comes a time for us all to respond to opportunities in new and fresh ways.

Greg Holland
Chief Executive Officer

Balance Sheet as at 30th June 2012

Last Year		This Year
	Accumulated Funds	
11,840,581	Revaluation and Grant Funding Reserves	11,376,989
12,843,258	Accumulated Surplus (Retained Earnings)	14,657,623
24,683,839	TOTAL FUNDS	26,034,612
	Represented By:	
35,553,812	Fixed Assets	37,196,470
18,272,273	Current Assets	20,792,876
2,439,141	Non-Current Assets	2,276,987
56,265,226	TOTAL ASSETS	60,266,333
11,378,943	Current Liabilities	13,342,810
20,202,444	Non-Current Liabilities	20,888,911
31,581,387	TOTAL LIABILITIES	34,231,721
24,683,839	TOTAL NET ASSETS	26,034,612

Profit & Loss Account for the year to 30th June 2012

Last Year		This Year
	INCOME	
2,345,211	Customer charges	2,385,997
6,385,520	Govt funding	6,862,910
8,730,731		9,248,907
	Less: EXPENDITURE	
6,881,888	Wages and wage related expenses	7,279,718
2,415,219	Other Expenses	2,286,871
9,297,107		9,566,589
-566,376	OPERATING LOSS	-317,682
	NON OPERATING ITEMS	
2,426,428	Income	2,910,287
(923,096)	Expenses	(942,789)
1,503,332	NON OPERATING PROFIT	1,967,498
936,956	NET PROFIT	1,649,816