



**WONGABURRA**

PROVIDING FLEXIBLE AGED CARE SERVICES

**ANNUAL  
GENERAL  
MEETING  
REPORTS  
2019**

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**Date:** Monday 18<sup>th</sup> November 2019  
**Time:** 7.30pm  
**Venue:** Bob Berg Activities Room  
Wongaburra  
210 Brisbane Street  
Beaudesert Qld 4285

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## Who Are We?

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Wongaburra is owned and run by the people of the Beaudesert District. It is administered by the Wongaburra Society, which is an incorporated body with membership open to the general public. Members of Wongaburra's Board donate the expertise and many hours of time required to successfully implement the administration of the complex.

The Wongaburra Society was formed as a result of a public meeting called by the Beaudesert District Chamber of Commerce in May 1965 and the first Hostel residents were welcomed in August 1970.

Gradually more Hostel buildings were added and in August 1984, the 30 bed Nursing Home opened. Regular extensions and upgrades have followed, culminating in the opening of our 64 bed facility on 20<sup>th</sup> July 2007. This new work means that we can now care for up to 128 residents. Residential care is provided for ACAT assessed low care, high care, respite and extra services. Community care is also an important aspect of what we do at Wongaburra. We offer Home Care Packages, Level 1 – 4 and Community Home Support Program including FOLKS Evening Respite and Men's Shed.

## Mission Statement

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Wongaburra is an Aged Care provider supplying residential and community services that is committed to provide a flexible high quality range of services to residents and community that is supportive and responsive to the needs of individuals and their families.

## Vision

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Wongaburra – Providers of Flexible Aged Care Services.

## Values

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We believe that the contentment and quality of life of our residents is of the utmost importance. We employ staff who are compassionate and caring and with a genuine understanding of the special needs of the aged. We encourage a workplace that is safe, dignified, and happy. We believe that care should be taken to ensure that no member of staff exerts any influence on resident's decision-making, particularly in financial matters.

## Quality Statement

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Wongaburra is committed to continuous quality improvement and follows processes that comply to accreditation guidelines.

We encourage all members of staff to share with us any ideas for improvement. It is the responsibility of all employees to actively participate and contribute to the activities of Continuous Improvement by attending service improvement meetings and completing continuous quality improvement forms.

The Board and management shall provide all resources necessary to achieve these ongoing improvements.

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# Wongaburra Board and Senior Management

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<b>Chairperson:</b>	Tim Kelly
<b>Vice Chairperson:</b>	Noela Lee
<b>Secretary:</b>	Lindesay 'Fred' McDonald
<b>Audit Committee:</b>	Noela Lee, Mark Hodgson, Carlita Buchanan and John Clark
<b>Corporate Governance Committee:</b>	Blair Atthow and Clint Spence
<b>Performance and Risk Management Committee:</b>	Mark Hodgson, Blair Atthow, Carlita Buchanan and Noela Lee
<b>Projects and Works Committee:</b>	Lindesay (Fred) McDonald, Tim Kelly and staff representative
<b>Strategic Planning Committee:</b>	Mark Hodgson, Tim Kelly, Lindesay (Fred) McDonald, Clint Spence and John Clark
<b>Acting Chief Executive Officer:</b>	Atul Singh
<b>Acting Director of Nursing:</b>	Dafni Brown
<b>Support Services Manager:</b>	Michelle Smith
<b>Human Resources Manager:</b>	Tessa Schuh
<b>Charge Nurse, Nursing Home And Little Wing:</b>	Annette Kassulke
<b>Hostel Supervisor – Yalboru And Francisia:</b>	Alla Illarionova
<b>Homecare Co-Ordinator:</b>	Kylie Jones
<b>Quality and Clinical Compliance Officer:</b>	Sherie Rowan
<b>ACFI Co-Ordinator:</b>	Mohammad Afzal

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**CHAIRMAN'S 2019  
ANNUAL REPORT**  
Presented by Tim Kelly

Congratulations must go to our staff for steering Wongaburra through another busy year with the ever-changing legislation and legal obligations that accompany these changes. New standards have been introduced and we have been able to transition into these standards while still providing the necessary services to our clients.

The past 12 months for Wongaburra have seen our business steadily grow with the Board and staff adapting to this growth. I believe our staff and volunteers have done a wonderful job in coping with the challenges of expansion and in delivering the high standards expected. There has been on-going growth in Home Care and we expect this to continue. As such, we have expanded Home Care staffing to stay ahead of this growth.

This year has seen a continuation of efforts towards maximising occupancy rates and income opportunities. A result of these efforts has seen Wongaburra move back into a profitable position, although a modest one. Our budget for 2019/20 anticipates an increase in income of about \$490 000. This is offset by an expected increase in expenses of about \$940 000 which may take us back to a net financial loss, considering depreciation etc. This forecast causes even more focus on

improving income streams and maintaining strong occupancy rates. It also highlights the need for continued growth in Home Care and continuous oversight of the business of Wongaburra. Some of our operating profits will go towards capital works around the site. In the current year, we have a budget to spend over \$250 000 on such works.

One of the challenges for senior staff and the Board is to find a balance between focusing on the jobs at hand and planning for the future. As with all previous Boards, our energy goes to the proper running of the business, the ongoing search for ways to improve and the planning necessary to ensure a long and prosperous future for Wongaburra. Short term improvements that are front of mind include food and food services, the expansion of on-site parking, staff efficiencies and structures and adoption and compliance with the new National Standards.

In regard to our longer-term vision, the Board have secured the services of Fulton Trotter to progress with Master Planning for the site, with a view to a new building program in the near future.

As most are aware, our CEO Peter Kneen resigned in September 2019. Peter was heavily involved in managing the ever changing business and legislative environments impacting our Aged Care services. We thank Peter who is now pursuing further studies. Atul Singh has stepped into the role of Acting CEO, Dafni Brown as Acting DON and Sherie Rowan will take on much of the Administration Officer duties. The Board is grateful for the way staff have rallied to cover

the gaps that these changes cause. We are hopeful of appointing a new CEO soon.

I finish my first year as Chair with some satisfaction and gratitude for the many around me who contribute to Wongaburra. Firstly, thanks to my fellow Board members who have contributed greatly over the past year. Thanks and congratulations to the Ladies Auxiliary. I know you have the respect and admiration of the Board for your generosity. Thanks goes to Peter, Atul and the leadership team for the strong and considered way you have taken up the leadership challenges throughout the year. I would like to offer a huge thank you to our staff who continue to serve our community and provide the wonderful level of service that allows us to perform to such a high level. Finally, to our volunteers, thank you for your selfless contributions to Wongaburra. We would not be able to operate the way we do without you.

We now look to the next twelve months which will bring its own unique set of challenges. It will be our 50<sup>th</sup> year. We are planning a 50 years celebration which will allow us to consider the massive job done by those who came before us and will also challenge us to focus on the future ahead.

*Tim Kelly*  
*Chairperson*



**CHIEF  
EXECUTIVE  
OFFICER  
ANNUAL  
REPORT 2019**  
Presented by  
Peter Kneen

It is my privilege to report to you as the Chief Executive Officer (CEO) of the Wongaburra Society for the 2018-19 Financial Year, resigned 25 September 2019.

There have been numerous changes to the Commonwealth Governments' aged care legislation with the continued introduction of the Living Longer Living Better (LLLLB) Policy.

### **Home Care Programme**

One of the major changes enforced on us on the 27<sup>th</sup> February, 2017 was the deregulation of the Home Care Package (HCP) service provision. Originally we were licenced to provide thirty-two, Level 2 Home Care Packages. Now that the restriction has been removed, we are currently providing HCP to seventy Subsidised Clients, with package needs varying from Level 1 & 2 to Level 3 & Level 4 and an additional three Private Clients who are not subsidised by the Commonwealth, while on the National Waitlist awaiting approval to receive services. At the time of writing this report there were approx. 72,092 Clients nationally who have been approved by ACAT as eligible for services, but are held up from receiving services, as they have to ascend to the top of the nation waitlist which continues to grow. We are now open to more market driven competition forces, which has its advantages in that we can serve as many Clients as we can professionally manage at all four levels of care

provision. These competition forces are client driven and it is the clients who have told the Department of Health (DoH) via the older persons peak body advocacy group COTA that they want to be able to compare service costs through the My Aged Care Website. This has been heard by the Ex-Minister for Aged Care - Mr Ken Wyatt, who has legislated that all HCP Service Providers provide details of their costs on the My Aged Care website by the 30<sup>th</sup> November, 2018, with a further review and reformatted pricing to be in place by April, 2019. This means we were locked into our service charges for approx. four months without the ability to adjust our prices to meet market driven changes. In addition to this, the consumer has also asked for the DoH to withdraw Administration Fees, however, it was decided not to withdraw by the then Minister. This means that we, and the HCP industry, have increased our charge rates significantly to compensate for our strategic decision not to charge Administration Fees as a separate charge, but rather to include a small administration component in all Service Charges. I believe our strategy continues to be that we grow this part of our business to one hundred packages and aim to achieve this goal by 30 June, 2020, due to the slow release of packages by the DoH.

In addition to these HCP changes the Government has changed the rules as to where the money goes once a person leaves us as their Service Provider. Where a transfer to another Service Provider is arranged, we must forward any unspent funds held to the next Service Provider after paying us an "Exit Amount" of \$300. Should the Client die, the unspent funds will be returned to the

Government. Our Current Liability on the Balance Sheet is \$539.6K as at 30 June, 2019. Wongaburra have set aside cash funds in a separate Bank account & Term Deposit to offset this liability. The nation as a whole has approx. \$600M sitting on the balance sheets of service providers. The main reason for this growth is that Clients are reluctant to spend the total of their package, preferring to receive minimal services now and retain the surplus for an emergency. The problem with this strategy is that the client is restricting their ability gain "Wellness & Reablement" now and run the risk of losing these funds, should they need to seek accommodation as a Permanent Residential Resident. Please refer to the Homecare Coordinators Report for more details.

### **Community Home Support Programme**

Our Community Home Support Program (CHSP) was originally expected to change on 1<sup>st</sup> July, 2018 by being incorporated into the Home Care Programme. This has officially been deferred until 1<sup>st</sup> July 2022, with the current "Block Funding" arrangements being extended until 2022. We currently provide Social Support & Allied Health services to as many in the community as possible and have been authorised to provide Transport, Maintenance and Gardening services with no additional funding provided. We find we are able to provide a broader range of services within the current funding model. This is evidenced by the increase of the Men's Shed activities from two days to three days a week.

CHSP will become individualised, similar to the current HCP where each Client has an individualised budget that informs the client what fees they pay, and subsidies received to

provide Consumer Directed Care services to achieve the personal goals set to enable wellness & restorative care in their home.

Yes the cost of provision of Aged Care is changing due to legislation; however, Wongaburra continues to follow our culture of continuous improvement in caring for our current & prospective Residents & Clients.

We still need to do some considerable work to respond and keep pace with the changes but we are committed to responding to the challenges ahead.

More information about these changes can be accessed through the Department of Health Website [www.myagedcare.gov.au](http://www.myagedcare.gov.au).

### **Aged Care - Future Direction**

It appears the Government has affected the Aged Care Industry through funding cuts to the point where 53.3% of all Aged Care Service Providers which participated in the StewartBrown Aged Care Financial Performance Survey 2019 are making a negative result. Wongaburra, with the assistance of the National Peak Bodies; LASA & ACSA, have a responsibility to follow the direction of the Government, which tends to cost us more in accreditation & compliance and usually a reduction to our funding base, each time a change is made. The RUCS Study commissioned by the DoH was conducted by the University of Wollongong to gather information to identify from a broad sample of Service Providers what the true costs of care provision are. Hopefully this study has provided evidence to the government that we need additional injections of funds to the Aged Care Industry as a whole if we are to continue to

provide these essential community services to the elderly.

We are Wongaburra Society and our Vision: Wongaburra Society – Providers of Flexible Aged Care Services, anticipates change by stating we are flexible.

## Finances

I turn your attention to the major features of Wongaburra Society's financial performance for the year 2018-19.

Wongaburra's financial performance for the year is a **Total Operating Income of \$13,730,884** less **Operating Expenses of \$12,627,585** to report an Earnings Before, Tax, Depreciation & Amortisation (**EBTDA**) of **\$1,103,299 Operating Surplus**. To determine our net performance for the year we deduct from the Operating Surplus the **Net Non-operating income & expenses of \$792,670** (the major component being depreciation) to record a **Net Surplus of \$310,629**.

To allow a comparison to the previous year, I have included the results for the 2017-18 financial year as follows: Total Operating Income of \$11,959,054 less Operating Expenses of \$11,778,921 to report an Earnings Before, Tax, Depreciation & Amortisation (EBTDA) of \$180,133 Operating Surplus. To determine our net performance for the year we deduct from the Operating Surplus the Net Non-operating income & expenses of \$1,241,071 to record a Net Deficit of (\$1,060,938).

**The results for the 2018-19 financial year show an improved performance on last financial year by \$1,371,567**, mainly

attributable to a once only supplementary residential subsidy payment of \$190,000 approx. received during 20 March and 30 June 2019. Plus an estimated increase of income by \$1,771,830 due to higher occupancy rates with an annual average of 97.5% occupancy. An increase in the cost of wages of \$468,631 due to 2.5% wage raise and the need for additional Staff to care for the increase in resident & HCP care needs, Bad Debts of \$88,375: a total of \$1,214,824.

We have invested current operating surpluses into accumulation of funds in cash deposits to add to our financial security and investment in future Buildings.

A detailed copy of our General Purpose Financial Reports (GPFR) and Auditors Report are included in this book of reports for the AGM.

## Budget 2019-20

It is pleasing to advise that our income for the current Financial Year 2019-20 is budgeted to increase by \$490K due to increase in HCP packages to 100 Clients and Fees & Charges through the introduction of Additional Services and increased interest income through DAP & DAC and financial deposits.

The loss of the Beaudesert Whiddon Star laundry contract, due to them building their own laundry facilities in a recent building project, which included the addition of 25 beds will cost Wongaburra \$133K approx. in lost income.

Every effort is being made through our ACFI Coordinator & DON to maximise the gain in subsidy funds and to continue to provide essential pain management. We have been successful with our application to generate

more income by applying for the Hostel RACS to be recognised for having had major renovations invested since 2012. This should add approx. \$155K to our income. Our admissions processes have improved over the past eighteen months, which results in higher occupancy rates and quicker turn around times.

We have budgeted for an increase in operating expenses by approx. two and one half percent, which is mainly due to increases in wages to staff, as documented in the Enterprise Agreements that were accepted in a Ballot held on 24<sup>th</sup> October, 2016, with a further ballot expected in December 2019/January 2020. Taking into account these changes, I estimate that we are expecting to show a Net Deficit for the 2019-20 financial year of approx. (\$193,045).

I assure the Wongaburra Society that the Management Team are looking at all expenses with a view to reduce our costs and identify & eliminate any waste.

### **Volunteers**

The programs which we provide and the depth of choice that our Residents have, is in no small way underpinned by the number of volunteers who assist us and the level of commitment they demonstrate towards Wongaburra and those we serve. The value of the work you do cannot be expressed in monetary terms, but rather by accepting our heart felt thanks. We hope that you notice the smiles on our Residents' faces. We certainly do and we encourage you to continue the great work and friendships you cultivate with our Residents and Clients.

### **Community, Board & Staff Support**

We are here to serve the Beaudesert and surrounding community and there will always be a place for people to receive quality care from our loving & caring staff.

It's appropriate that I take a moment to thank a few people:

Firstly, to the Senior Management Team who have continued to grow in professionalism over the past twelve months. In particular, I would like to thank Atul Singh – DON and Tessa Schuh - HRM for their unwavering support. Wongaburra has a professional team with the addition of Michelle Smith – Manager Support Services that serves well the management needs of Wongaburra Society. I also acknowledge the support provided by Noelle Drummond (Accountant) who was the essence of our successful recording of General Purpose Financial Reports & Notes to the Accounts and Audit. I also thank the Administration staff who continue to be flexible to change and an ever increasing workload.

Secondly, I would like to acknowledge the Board for their time, commitment and counsel. Their direction and support is central to ensuring we remain a viable and vibrant force into the future.

To the Ladies Auxiliary who play such a vital role in the day to day fabric of Wongaburra. Through the years they have provided much equipment which has often been the seeding to great positive change within our business. Again this year they have been fantastic with their financial support, without which, the continued growth of our assets could not have happened.

I'd also like to acknowledge the broader Beaudesert Community for your ongoing and unwavering support. From community groups to our suppliers, your support has been tremendous.

It is with deep regret that I tendered my Resignation from the position of Chief Executive Officer, Wongaburra Society effective close of business 25 September 2019.

It has been an honour to serve the Residents, Staff, Society Members and Board of the Wongaburra Society since my employment as the Operation Manager, which began 22 April 2014. I believe I have contributed to the vision of the Wongaburra Society – Providers of Flexible Aged Care Services - by managing and directing the improvements to Wongaburra's operational efficiencies and growth of aged care services to the Beaudesert and surrounding community during the past five and a half years.

I hope and pray for the Society to continue in the delivery of quality aged care services and in supporting the local community with safe & flexible employment.

May Wongaburra Society continue to flourish and identify clearly its strategic direction in consultation with the Beaudesert & surrounding Community; so it will continue to be recognised as a preferred provider of aged care services of excellence.

I respectfully present the annual report for 2018-19.

*Peter Kneen*  
*Chief Executive Officer (Resigned)*

## **Wongaburra's Strategic Direction**

On the point of Wongaburra's Strategic Direction, I find it necessary that we take this opportunity to respond to the many changes & challenges that the Living Longer Living Better Roadmap is taking us through.

The Wongaburra Board began a review of our Strategic Plan in light of having been approved for an additional forty-two residential places in 2015.

A Needs Analysis Report – Beaudesert and Logan River Valley Region was commissioned through James Underwood & Associates and has been analysed by the Board. It was encouraging to confirm that Beaudesert has above the National average need for Aged Care Services for the next 25 years based on 2016 ABS data provided in the report.

The Board have identified the need for assistance when considering our Strategic Plan and Master Building Plan for the future and have engaged the services of StewartBrown, renowned consultants to the Aged Care Sector in Accounting, Auditing and Strategic Direction Planning. StewartBrown offer a financial Benchmarking service second to none and conduct an Annual Aged Care Financial Performance Survey Report each year covering some 24,952 HCP and 974 Residential care facilities in the 2018 Reports. I know the Board are keen to consult with our Residents, Clients, Staff & Community for input and feedback on the future direction of the Wongaburra Society. Evidence of this is their approval, to engage Reality Performance to conduct a series of Workshops from December 2017 to August, 2018 with our Staff entitled,

“Strategic Engagement” – where we will look at our Vision, Mission, Values & Philosophy and “Moments of Truth” – a Culture Review & Customer Service Awareness Training programme. I am excited to think upon this time in the life of the Wongaburra Society as an opportunity to morph ourselves into the Aged Care Service Provider of choice for the next fifty years.



**ACTING DIRECTOR OF  
NURSING  
ANNUAL REPORT 2018-  
2019**

**Presented By Dafni Brown**

It is my pleasure to present the Wongaburra Society, Director of Nursing/Acting General Manager Annual Report for 2018-2019. It has been a privilege and honour to be in this position and to focus my attention of achieving quality of care and wellbeing for the Residents of Wongaburra, along with the growth and development of my nursing team.

**Thankyou**

Wongaburra Society has achieved exceptional outcomes this year and our achievements are a direct result of our staff and management sharing a vision which enables our residents to live in an environment of a caring and supportive community.

Our sincere thanks to our wonderful Ladies Auxiliary fund raisers for your many years' dedication and selfless hard work in supporting Wongaburra and its Residents. Management and Employees are full of gratitude for your donations which improves our Residents wellbeing, life experience and their stay at Wongaburra. Without your support, genuine caring nature and dedication, we would not have been able to expand and flourish to this level.

What a contribution!!! And many many thanks to each and every one of you for never ceasing efforts and everlasting support to Wongaburra. It would be remiss of me not to acknowledge the wonderful support of our volunteers who willingly donate their time to improve the quality of life of our residents. A sincere thank you is

extended to all of the volunteers including the Board members for their unwavering support, dedication and contribution to Wongaburra, your selfless devotion, compliments and without your day to day efforts Wongaburra would not be able to provide the holistic care to our precious residents.

**Unannounced Reaccreditation Audit**

In a year full of many challenges within the aged care sector, and high level of scrutiny placed on the assessment process, Wongaburra's unannounced reaccreditation audit was conducted on the 16, 17 and 18 October 2019 by the Aged Care Quality Agency. Initial feedback on our performance was very positive, which was confirmed in writing by the department one week later. An unannounced visit by the Aged Care Quality Agency served to confirm our position of delivering quality care.

It is apparent that there are very few facilities across Australia that have undergone the new system of unannounced reaccreditation audits who have successfully met all the standards in the current environment where Aged Care Providers are under intense scrutiny and pressure, from public, government departments, and in particular the media.

To achieve such a positive and good result, much planning and preparations have been undertaken by Wongaburra. We were not able to achieve this without positive engagement and participation of staff through training and education and setting clear objectives and goals.

We not only reviewed the effectiveness of our systems and created hundreds of new policies,

procedures and competencies, resources manuals, position descriptions, work instructions and many more, but also through constant and diligent monitoring, auditing, continuous evaluation and follow up, by a group of dedicated employees we were able to achieve a fantastic result.

We are grateful for the dedication, support and commitment shown by each individual Staff member, Management Team, and Volunteers. The care offered to our residents backed by a supportive community environment has continued to deliver exceptional results.

This outcome has also been possible because of a committed and unified management Board who freely give their time to ensure we enhance the quality of life for our residents in a caring and supportive community.

I extend my appreciation to our Wongaburra Society Board for the professional and supportive contribution they have given to all of us.

Our results this year are a testimony to the dedication of our staff who continue to strive for excellence across all facets of our facility.

#### **ACFI Review Audit**

We are due for a review audit. We were given a date but it was cancelled.

We are expecting a review audit sooner than later.

#### **ACFI performance 2018- 2019**

Another area under the spotlight this year has been our endeavour to constantly improve our Utilization of the Aged Care Funding Instrument parameters. Ongoing staff training;

frequent ACFI meetings and feedback from care staff have enabled us to optimize our level of government funding. It is important to remember that all governments share the view that aged care funding is not a bottomless pit of money. Wongaburra's achievements in regards to ACFI funding are due to intensive management and attention to detail. Our ACFI Coordinator is a dedicated employee of Wongaburra Society, who has managed and maintained our ACFI subsidies and funding, during a year of very high occupancy turnover.

- June 2018 – Average ACFI per bed per day is \$174.27
- November 2018- Average ACFI per bed per day is \$180.19

We have made consistent effort to increase our funding but as you all are aware that cost of care and maintaining and delivering full hotel services has gone up by many fold. We do need government support to provide the best quality care and Hotel service contemporary with new residents and their family expectation.

#### **Food Service Departments**

Wongaburra management has decided to go for fresh cooking onsite as per residents demands. Now we are running our kitchen 7 days a week from 6 am to 6 pm. This has put extra amount of financial burden on Wongaburra society without any extra cost being recovered from our clients. Wongaburra is aiming for best quality outcome in this area. We have started monthly food focus committee meeting to get resident feedback to the kitchen staff so that they take corrective action immediately if required.

## Aged Care Reform

The Australian aged care sector has undergone considerable reform over the past two decades, the most significant elements of which have taken place in the last seven years. Since 2012, the following key reforms have changed the aged care landscape:

- My Aged Care website and contact centre and the introduction of Consumer Directed Care (CDC) Home Care packages.
- The requirement for residential aged care providers to publish accommodation prices on My Aged Care; changes to means testing in home care and residential care; and the commencement of review of home care services by the Quality Agency.
- In 2015, the application of CDC to all home care packages, the roll out of the Commonwealth Home Support Program (in all states excluding Victoria and Western Australia, which have joined subsequently); and the management of all assessments and referrals for aged care through the My Aged Care portal.
- In 2016, the transferring of aged care complaints from the department to the Aged Care Complaints Commissioner.
- In 2017, the implementation of Increasing Choice in Home Care enabling consumers to choose and change their home care provider.
- In 2018, the Government restructure of the aged care program funding to enable unused funds from the residential aged care program to be retained and utilised for home care packages as part of its More Choices for a Longer Life budget measure,

and funding of an additional 20,000 packages over 2017 Budget provisions.

Future reforms committed to by the current Government but not yet implemented include:

- The development of a Single Quality Framework which includes the introduction of new consumer focused aged care standards across both residential and home care, to come into effect on 1 July 2019, with a new single Charter of Aged Care Rights.
- The legislation for the Single Quality Framework was passed by Parliament on 11 September, and the new Standards have been released as an Exposure Draft.
- An in-principle support by the Government “to transition the allocation of residential care places through the Aged Care Approvals Round (ACAR) to alternative arrangements that provide real choice for older Australians” subject to an impact analysis to understand the effect of such and how it would best be implemented, which is now underway.
- From 1 January 2019, commencement of the new Aged Care Quality and Safety Commission, to merge existing functions of the Australian Aged Care Quality Agency, Aged Care Complaints Commissioner and from 1 January 2020, the sanction powers of the Department of Health.
- The Bill to implement this decision was introduced to Parliament on 12 September.
- The trialling of “aged care system navigators’ – face to face services to assist and guide older Australians and their families to get the best outcomes from the aged care system, including outreach

services to help older Australians make informed choices about their aged care needs

- A range of other measures in the 2018 Federal Budget's More Choices for a Longer Life Package, which contained in total 19 aged care measures of which we have referenced four here.
- Mandatory requirement for approved care providers to publish their prices on My Aged Care by the end of December 2018 and participate in an aged care pricing comparison tool by May.

## **Year Ahead**

### **Residential Care**

The Australian Government is making fundamental reforms to the aged care system to ensure that it provides high-quality services that meet consumer needs and preferences. The reforms place consumers at the center of their care, and have a significant focus on giving people greater choice and flexibility. Changes are being progressively implemented to create a competitive, market-based system where consumers drive quality and where red tape is reduced for organisations, which is contrary to recent announcement that Government is putting more Red Tape.

Currently, there are some changes that have been made in accreditation Standards, in terms of Consumers (Care recipients) surveys and interviews. Now the number of Resident satisfaction surveys has been increased, and the result will form a part of the reporting system which will be displayed on Government websites for public access.

It has also been confirmed that all Residential Aged Care and Home Care providers will now

be charged for each unannounced support visit. In the past, only reaccreditation visits incurred these charges.

### **Royal Commission**

In September 2018, the Minister for Aged Care and the Prime Minister announced an enquiry into Aged Care in the form of a Royal Commission.

The terms of reference were announced in October 2018. The expected duration of this enquiry was one year. Now it has been extend for another 6 months.

The Interim report had been delivered in October 2019.

### **Home Care Accreditation**

Application for reaccreditation was submitted in October 2018. This visit should be an announced visit, to prepare Home Care Clients to participate in the audit. Based on our internal audits and client surveys, we expect a very positive outcome.

Additional support is being provided to the Home Care Coordinator to assist in ensuring a positive Accreditation outcome.

Home care providers are now required to publish their hourly rates on the website (My Aged Care) by 30<sup>th</sup> of November 2018.

### **Regulatory Changes**

The new audit system was a key recommendation of the Review of National Aged Care Quality Regulatory Processes, released in October 2017, and was enacted by the Federal Government in March of this year.

Minister for Aged Care says the introduction of the unannounced audits, which will see aged

care homes no longer receive notice of the date of their re-accreditation audit, marks the beginning of a “quantum shift” in aged care quality compliance and customer-directed care.

As well as the introduction of the unannounced audits, the Federal Government has also been working on the nation’s new independent Aged Care Quality and Safety Commission, which began operations on 1 January 2019, as well as dedicating a funding commitment of more than \$32 million for the Commission to “intensify compliance and strengthen risk profiling of aged care providers, with the aim of preventing care lapses before they occur.”

The Minister for Aged Care highlights that the Commission will also combine the functions of the current Australian Aged Care Quality Agency, the Aged Care Complaints Commissioner and the aged care regulatory role of the Department of Health, as well as develop a Serious Incident Response Scheme, in consultation with the aged care sector.

### **Aged Care Workforce Strategy Taskforce**

Australian Bureau of Statistics workforce data highlight aged care as one the nation’s fastest growing job markets. Yet evidence gathered through the course of the taskforce’s work suggests that there are considerable challenges within the industry associated with:

- high employee turnover, including significant movement between organisations;
- poor employee engagement and enablement;
- difficulty in attracting talent;

- ineffective and inefficient design of work organisation and jobs;
- undervalued jobs with poor market positioning;
- suboptimal workforce planning;
- casualization of the workforce, particularly in home-based care;
- leadership effectiveness gaps;
- key capability gaps and skills and competencies misalignment;
- career progression bottlenecks;
- ineffective recruitment, induction and on-boarding processes.

These challenges are amplified outside major cities and metropolitan areas, particularly in remote and very remote settings.

Professor John Pollaers from Australia’s Aged Care workforce strategy taskforce recommended fourteen strategic actions. These recommendations provide aged care industry and the Government to prepare the workforce for the future and improve the quality of aged care for all.

It sets out the pragmatic actions to bring about lasting change for the people who matter most – consumers and the workforces that look after them.

1. Creation of a social change campaign to reframe caring and promote the workforce.
2. Voluntary industry code of practice.
3. Reframing the qualification and skills framework – addressing current and future competencies and skills requirement.
4. Defining new career pathways including accreditation.

5. Developing cultures of feedback and continuous improvement.
6. Establishing a new standard approach to workforce planning and skills mix modelling.
7. Implementing new attraction and retention strategies for the workforce.
8. Developing a revised workforce relations framework to better reflect the changing nature of work.
9. Strengthening the interface between aged care and primary/acute care.
10. Improved training and recruitment practices for the Australian Government aged care workforce.
11. Establishing a remote accord.
12. Establishing an Aged Care Centre for Growth and Translational Research.
13. Current and future funding considerations, including staff remuneration.
14. Transitioning the existing workforce to new standards.

These strategic actions will provide Wongaburra with the road map to shift views and attitudes in our quest to grow, sustain and provide aged care services that can meet the care needs of the wider community, our current resident's, future residents in both residential care and home care settings.

### **New Aged Care Quality Standards**

Organisations providing Commonwealth subsidised aged care services are required to comply with the Aged Care Quality Standards (Quality Standards). Wongaburra will be assessed and must be able to provide evidence of their compliance with and performance against the Quality Standards from 1 July 2019.

The Quality Standards focus on outcomes for consumers and reflect the level of care and services the community can expect from organisations that provide Commonwealth subsidised aged care services.

The Quality Standards are made up of eight individual standards:

Each of the Quality Standards is expressed in three ways:

- a statement of outcome for the consumer;
- a statement of expectation for the organisation;
- organisational requirements to demonstrate that the standard has been met.

1. Consumer dignity and choice
2. Ongoing assessment and planning with consumers
3. Personal care and clinical care
4. Services and supports for daily living
5. Organisation's service environment
6. Feedback and complaints
7. Human resources
8. Organisational governance

Compliance with the Quality Standards is mandatory from the date of commencement. Wongaburra will be required to demonstrate performance on an ongoing basis to meet Australian Government requirements.

The Standards provide a framework of core requirements for quality and safety and depending on the types of care and services Wongaburra provides.

Wongaburra Management will be actively working to implement these changes through:

- aligning our system, policies and practices with the new standards;

- support staff to understand the requirements of the new standards;
- support care recipients and their families, carers and representatives to understand what the changes mean for them.

The continuing trend of Residents entering Wongaburra Residential Care, for short stays only, with high palliative care needs, evidence by our statistics of “bed movements” from our system, with we have had 123 Residents permanently discharged since 01/01/2016 till the current date, 64 Discharges over the past 12 months, the aged of long term tenures in Residential care is no more.

### **Wongaburra Occupancy statistics**

<b>Month</b>	2017-2018	2018-2019	2019-2020
July	93.34%	90.97%	98.61%
August	96.50%	93.96%	97.60%
September	91.81%	94.88%	98.37%
October	90.24%	92.46%	98.76%
November	91.04%	96.03%	
December	89.96%	97.52%	
January	90.99%	99.25%	
February	93.37%	98.54%	
March	92.67%	99.02%	
April	93.01%	99.07%	
May	93.80%	99.33%	
June	88.43%	97.47%	

### **Clinical Governance**

We are on track with our Clinical Governance Management and continue to seek improvement and guidance in Corporate Governance, Regulatory Compliance, Risk Management, Continuous Improvement, HR Management, Documentation, Data

Collection, Auditing, Safety, Quality and appropriate delivery of Resident Care.

### **Training and Education**

Our modern approach to implement more flexible staff training systems to staff to attend mandatory training, inductions and other relevant topics has proven to be popular, we have increased and improved attendants, staff skills and knowledge so they can competently and efficiently. Our reaccreditation and Consumer experience feedback, also confirmed staff have the skills to perform effectively in their roles.

Based on this successful trial in 2017 and subsequent feedback, Wongaburra has now purchased the complete W & L Online education and training modules to continue to provide staff with the flexibility to attend ongoing education and our mandatory education requirements.

### **Sectors financial viability hinges on increasing revenue streams**

Regulatory changes and staff costs put undue pressure on residential facilities operators, as the aged care sector is currently undergoing rapid transformation in respect of the aging population, consumer expectations and requirements, demographic influences and moving from a funded model to more of an equity model.

It's clear that the cost associated with appropriately servicing increased resident and consumer acuity in residential aged care and in-home will require an increase to revenue streams to ensure the ongoing financial viability of the sector.

The impact of the regulatory change and costs pressures (particularly staff costs), has resulted in the alarming statistic that 45 percent of residential facilities reported an operating loss for the six months to June 2018, and even more disconcerting is that 21.3 percent of facilities had negative earnings before interest, taxes depreciation and amortization (indicating a cash loss from operations).

Of further note is that the direct care staffing hours per resident per day increased from 2.91 hours to 3.06 hours. With no additional

revenue to compensate for these increased staffing hours and combined with wage rate increases from pre-existing enterprise agreements, rising staff costs have been a major contributor to these results.

The ACFI residential care subsidies are now increasing at a lower rate than the costs of providing direct (refer to below graph) and this will create further financial tension and risk the need to actually reduce staffing costs in an attempt to remain financially viable.

	2007 \$pbd	2017 \$pbd	Cumulative Increase
ACFI and Supplements (including Means Tested care fee)	\$96.66	\$171.84	77.8%
Expenditure – Direct Care Services	\$71.63	\$134.58	87.9%

### Significant refurbishment

Wongaburra has applied to the Department of Health for a significant refurbishment application for higher accommodation supplement. It has been approved by the department, Wongaburra will receive an additional 190 – 200K per year in additional funding for the Hostel RACS ID 5085.

### Closing

Finally our hardworking staff and the Wongaburra Board Members dedication and compassionate support on which we base our reputation, is invaluable. Without them, we would not be able to supply many of the things residents currently enjoy.

Our sincere thanks to all of our staff, all of our volunteers, our ever present hardworking

bank of ladies, the Ladies Auxiliary and community and resident donations.

From all of us at Wongaburra, stay well, and drive safely over the Christmas break, if you are intending to go away, have a happy Christmas and New Year.

We look forward to the Christmas festivities and seeing you all again in 2020.

*Dafní Brown*

*Acting Director of Nursing  
Wongaburra Society*



## **SUPPORT SERVICES ANNUAL REPORT 2019**

Presented by Michelle Smith

### **Wongaburra**

With the change in aged care, accreditation standards from four standards to eight on the 1<sup>st</sup> of July 2019, these are exciting times in aged care. The focus has become more person centred looking at the individual living experience. For support services staff there is more consideration given to resident dining experiences and how we can enhance meal times.

#### **Quality Standards**

1. Consumer dignity and choice
2. Ongoing assessment and planning with consumers
3. Personal care and clinical care
4. Services and supports for daily living
5. Organisations service environment
6. Feedback and complaints
7. Human resources
8. Organisational governance

During 2018-2019, Wongaburra staff have looked at ways to implement the new standards, seeking out examples of best practice procedures and initiatives.

#### **Food Services**

We have reviewed our kitchen and implemented a cook fresh system, revising the kitchen operation to a 7-day operation from 6am to 6pm. This enables us to provide food, which is cooked and served straight to

residents, maximising flavour opportunities. Our Home Care clients and Meals On Wheels services continue to grow and functions are ongoing with feedback from residents loving the Bob Berg Room functions.

Monthly Food Focus meetings have been implemented so that residents can provide feedback, recipes and have their say about the configuration of the menu.

The new international standards for Texture Modified Meals (IDDSI) commenced in May 2019 and Wongaburra is in the process of implementing these standards. These standards are recommendations only, in line with our philosophy of seeking best practices we are currently implanting these standards.

Purchase of new Robot Coupe for the main kitchen \$4,749.90

#### **Equipment, Capital Purchases, Operational**

The CEO has been working with the SSM to provide additional phone lines and improved IT services to Wongaburra. This project is due for completion in early 2020. Costing and providing additional phone lines totalled \$80,000 plus an annual fee.

The purchase of two new Heated Cambro Food Transport Trolleys – \$7,000

Shade Blinds in Little Wing / Nursing Home courtyard – \$3,276

Lino Dugandan wing corridors – \$13,896

Purchase of Beds and Mattresses:

Beds \$6,944.50

Mattresses \$7,804.00

Sliding door for the Bob Berg Room – \$12,615

The CEO has applied for an exemption on the levy for waste removal products from the council. We are waiting on the outcome of this application.

### **Cleaning and Laundry**

We have an amazing team of staff who look after the laundry and cleaning within the residence.

Feasibility study to transition to microfiber cleaning systems, currently undertaking this will provide greater efficiencies for cleaning staff, almost eliminates the need for single use cloths unless an outbreak situation.

Laundry staffed 6 days per week, recognising the need to have flexible weekend laundry arrangements to minimise infection risk.

### **Ladies Auxiliary**

The Wongaburra Ladies Auxiliary continue to do an outstanding job in their continued support and tireless efforts on behalf of Wongaburra. We are extremely privileged to have their dedication, enthusiasm and amazing fundraising efforts.

Our anticipated Resident and Family Christmas Luncheon will be held on Thursday 12<sup>th</sup> December in the Bob Berg Room. Please ring Reception on 5540 1400 and book early for this day.



### **Family Christmas Luncheon**

#### **Main Course**

Baked Ham, Roast Turkey, Roast Chicken, Roast Pork

Baked Vegetables, Steamed Green Vegetables

Freshly Baked Bread Rolls

Condiments: Apple Sauce, Cranberry Sauce, Gravy, Onion Seasoning

#### **Desert**

Homemade Plum Pudding and Brandy Custard

Raspberry Pavlova Roulade.

Tea, Coffee and Chocolates

**Adults: \$30.00**

**Children over 4 and under 16: \$15.00**

An alcoholic beverage offered upon arrival (Beer or Wine)

*Regards*

*Michelle Smith*

*Support Services Manager*



## LEISURE AND LIFESTYLE REPORT 2019

Presented by Robyn Bonke,  
Acting Leisure and Lifestyle Co-ordinator

### INTRODUCTION

My name is Robyn Bonke and I am Acting Leisure and Lifestyle Co-ordinator while Heather Rogers is on sick leave. I was first employed at Wongaburra in 2007.

As 2019 is fast coming to an end, it is time to reminisce on this year's activities. It has been another lively and rewarding year for all who took part in this active lifestyle. The stimulation, fun and companionship enjoyed by both residents and staff, is all worth the time and work which goes into these activities.

### ACTIVITIES

Our residents have once again had the option to participate in whatever activities, in-house functions or outings they choose. Apart from the usual local monthly outings, the residents are also enjoying excursions to other towns and areas. This is always a great experience and adventure for all involved.

Another project is the residents having their own garden where they help to grow amazing plants. These plants are then sold to raise money for activities.

Here they sit in the lovely fresh air, chatting and having their sensory needs, such as smell and touch, stimulated.



One resident who had a wonderful garden prior to coming into Wongaburra, goes out to the garden every day and said, "the garden has saved her".



In-house functions are always especially popular with residents and the families who attend. This gives both parties valuable time together.



Apart from our annual Mother's and Father's Days, St Patrick's Day and Easter, we also have visiting artists who selflessly give up their time to entertain our residents with old time dancing, singing and playing musical instruments.



The Melbourne Cup Day is a big function which is always a lot of fun. Along with the excitement of watching the Big Race, there was a fashion parade, sweeps, raffles and games. This day is an opportunity for residents to interact with each other and families. A fabulous day enjoyed by all.



To top off a very eventful year, we have our Christmas celebrations to come. This will include a trip to Elysium Village to see the lights and the Residents and Families Christmas Luncheon on Thursday 12<sup>th</sup> December 2019.

### DEMENTIA SECURE UNIT

The Dementia Secure Unit have been going on bus outings once a month. The pleasure and benefit that the residents receive is so special to see. DSU residents joined other residents from Wongaburra to visit the Butterfly House on the Gold Coast, followed by lunch on the beach.



## BRIBIE ISLAND

As it always is, this was another successful holiday where residents and members from the Community FOLKS group mingled together to enjoy this time away from the usual day to day lives that they live. This year they visited the Bird Sanctuary, Maritime Museum, Butterfly House and went Op Shopping (always a favourite). They enjoyed swimming at the beach and in the pool and joined in Easter activities at the House of Happiness.



At the Butterfly House, one resident was so happy when a number of butterflies landed on her.



### **PARKINSONS SUPPORT GROUP**

The Parkinsons Support Group meet on the second Tuesday of the month but have changed their venue to the No 1 Training Room. They are very happy here and stated that the convenience of being able to drive right up to the door is an advantage to them.

### **RELAY FOR LIFE**

Wongaburra had entered a team into the Relay For Life this year. It was scheduled to take place on Saturday 12 October 2019, but was cancelled due to bad weather. Our organisers, who are staff members, had put in a wonderful effort fundraising for a great cause, and were still able to donate \$5,389 to Relay For Life for Cancer Research.

### **GARAGE SALE**

Our second garage sale of the year was held on 4<sup>th</sup> and 5<sup>th</sup> October 2019. The money raised, which totalled \$2,208.30, is being donated to Relay For Life for Cancer Research. Thank you so much to the amazing volunteers and staff who put in their own time, working so hard to make this event successful.



### **VOLUNTEERS / LADIES AUXILIARY**

Where would we be without your unwavering and tremendous support that you all give to all of us, all of the time. We are sincerely grateful. In fact, we are like a big family who pull together to enrich our residents/clients lives.



At this point I would like to thank the Scenic Rim Regional Council for kindly giving the Ladies Auxiliary a grant of \$654 for the Glad Girls Concert. This was hosted on 8<sup>th</sup> October 2019.

Lastly, I would like to thank our hard working Leisure and Lifestyle team who show our residents so much love, care and support. They are always making them smile with their cheerfulness and crazy banter that takes place daily.

*Robyn Bonke*

*Acting Leisure and Lifestyle  
Co-Ordinator*



**WONGABURRA LADIES  
AUXILIARY ANNUAL  
REPORT 2019**  
Presented by  
Heather Barnes, President

Chair, Guests and Members,

I have much pleasure in presenting the Auxiliary 51<sup>st</sup> Annual Report for the 12 months 2018 – 2019.

Our meetings are held in the Bob Berg Room at Wongaburra at 11am on the first Monday of the month in February, April, June, August, November and our AGM is held in September. Meetings are held at 11am. We have 12 members.

Our Guest Speaker at last year's AGM was Kay Tommerup, who gave us a nice talk about her family dairy farm in Kerry, which provides farm stay accommodation and school excursions for a real country farm experience.

Four Street Stalls were held in 2018-2019 outside Mitre 10 in William Street, which were held on the fifth Friday of August, November, March and May. The Ladies Auxiliary would like to thank Mitre 10 for storing the tables and helping to set up on the Street Stall days.

Thank you Dulcie and some of the residents for cooking for our Street Stalls. Thank you also to members for cakes, jam, pickles, cushions, crochet items and to other people for their donations of knitting and crochet rugs for our Cent Auctions and Street Stalls. Thank you to Lyn Coburn for all the craft work she made for the Ladies Auxiliary. We held Cent Auctions in September 2018 and April 2019 and we were very successful. Thank you to the helpers and the public for their support.

The Ladies Auxiliary held their Christmas Luncheon on Monday 5<sup>th</sup> December 2018 and celebrated the Ladies Auxiliary's 50<sup>th</sup> Year. The day was enjoyed by all involved, with former Director of Nursing Jean Heron and Carol Price in attendance. We expressed our thanks to Carol Price for giving us copies of her fiction novel. Peter Kneen was thanked for chairing the day, also Jo Windle and the kitchen staff for the lovely food provided on the day for 49 people.

The Auxiliary Ladies work the trolley Friday mornings. This year the Ladies Auxiliary have donated \$10,000 toward installation of CCTV cameras at Wongaburra and three benches for the Sensory Garden in the Dementia Secure Unit.

The Ladies Auxiliary would like to thank the following:

- Mitre 10
- Joy Dresher for our news in the Beaudesert Times
- Ray Southwell and Associates for auditing our books at no cost

I would like to thank the executive and members for their friendship and hard work with Cent Auctions and Street Stalls and for their support over the last 12 months.

Also, I am privileged to have been presented with the Ladies Auxiliary 40 Years Service Badge last year.



*Heather Barnes*  
*President, Wongaburra Ladies Auxiliary*

**Wongaburra Society**  
**ABN 60 633 552 611**  
**NAPS ID: 1003**

**Financial Report**

**For the Year Ended 30 June 2019**

**Wongaburra Society**  
**Contents**  
**For the Year Ended 30 June 2019**

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**Wongaburra Society**  
**ABN 60 633 552 611**

**Committee Members' Report**  
**30 June 2019**

The committee members present their report on Wongaburra Society for the financial year ended 30 June 2019.

**1. General information**

**Information on committee members**

The names of each person who has been a committee member during the year and to the date of this report are:

Carlita Buchanan

Christopher Mark Hodgson

Clint Spence

John Clark

Ken Hargraves (resigned July 2018)

Lindsay Fred McDonald

Noela Lee

Robert Blair Atthow

Tim Kelly

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Principal activities**

The principal activity of Wongaburra Society during the financial year was to provide residential aged care services.

No significant changes in the nature of the Society's activity occurred during the financial year.

**2. Operating results and review of operations for the year**

**Operating results**

The profit of the Society after providing for income tax amounted to \$ 310,629 (2018: loss of \$ 1,060,938).

**Dividends paid or recommended**

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

**3. Other items**

**Significant changes in state of affairs**

There have been no significant changes in the state of affairs of the Society during the year.

**Events after the reporting date**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Society, the results of those operations or the state of affairs of the Society in future financial years.

Wongaburra Society  
ABN 60 633 552 611

Committee Members' Report  
30 June 2019

3. Other items

**Objectives**

The objective of the Society is to continue to provide residential and other aged care services to the community.

**Environmental issues**

The Society's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

**Indemnification and insurance of officers and auditors**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Wongaburra Society.

**Auditor's independence declaration**

The lead auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30 June 2019 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Committee Members:

Committee member:



Committee member:



Dated this 21<sup>st</sup> day of October 2019

**Wongaburra Society**  
**ABN 60 633 552 611**

**Auditor's Independence Declaration**  
**30 June 2019**



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Australia

**DECLARATION OF INDEPENDENCE BY K L COLYER TO THE DIRECTORS OF WONGABURRA SOCIETY**

As lead auditor of Wongaburra Society for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the section 60-40 of *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'K L Colyer'. The signature is fluid and cursive, with a large loop at the end.

**K L Colyer**  
Director

**BDO Audit Pty Ltd**

Brisbane, 21 October 2019

**Wongaburra Society**  
**ABN 60 633 552 611**

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 30 June 2019**

		2019	2018
	Note	\$	\$
Revenue	3	13,591,397	11,838,361
Other income		147,335	120,693
Employee benefits expense		(9,500,999)	(9,027,685)
Resident care expenses		(1,288,409)	(1,295,004)
Depreciation and amortisation expense		(786,390)	(1,241,071)
Occupancy expenses		(862,348)	(777,022)
Finance costs	4	(63,534)	(82,602)
Other expenses		(926,423)	(596,608)
<b>Profit/(Loss) before income tax</b>		<b>310,629</b>	<b>(1,060,938)</b>
Income tax expense	1(b)	-	-
<b>Profit/(Loss) for the year</b>		<b>310,629</b>	<b>(1,060,938)</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<b>310,629</b>	<b>(1,060,938)</b>

The accompanying notes form part of these Financial Statements.

**Wongaburra Society**  
**ABN 60 633 552 611**

**Statement of Financial Position**  
**As At 30 June 2019**

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	9,601,363	4,909,790
Trade and other receivables	6	556,228	347,559
Inventories	7	118,535	108,417
Other assets	8	149,606	152,080
<b>TOTAL CURRENT ASSETS</b>		<u>10,425,732</u>	<u>5,517,846</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	28,096,586	28,484,830
<b>TOTAL NON-CURRENT ASSETS</b>		<u>28,096,586</u>	<u>28,484,830</u>
<b>TOTAL ASSETS</b>		<u>38,522,318</u>	<u>34,002,676</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	14,770,387	10,798,022
Borrowings	11	28,841	9,655
Employee benefits	12	895,371	805,050
<b>TOTAL CURRENT LIABILITIES</b>		<u>15,694,599</u>	<u>11,612,727</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	11	62,267	17,692
Employee benefits	12	510,079	427,513
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>572,346</u>	<u>445,205</u>
<b>TOTAL LIABILITIES</b>		<u>16,266,945</u>	<u>12,057,932</u>
<b>NET ASSETS</b>		<u>22,255,373</u>	<u>21,944,744</u>
<b>EQUITY</b>			
Reserves	13	19,249,163	19,249,163
Retained earnings		3,006,210	2,695,581
<b>TOTAL EQUITY</b>		<u>22,255,373</u>	<u>21,944,744</u>

The accompanying notes form part of these Financial Statements.

**Wongaburra Society**  
**ABN 60 633 552 611**

**Statement of Changes in Equity**  
**For the Year Ended 30 June 2019**

**2019**

	Retained Earnings	General Reserve	Total
Note	\$	\$	\$
<b>Balance at 01 July 2018</b>	2,695,581	19,249,163	21,944,744
Profit attributable to members of the parent entity	310,629	-	310,629
<b>Balance at 30 June 2019</b>	<u>3,006,210</u>	<u>19,249,163</u>	<u>22,255,373</u>

**2018**

	Retained Earnings	Reserves	Total
Note	\$	\$	\$
<b>Balance at 01 July 2017</b>	3,756,519	14,914,433	18,670,952
Loss attributable to members of the parent entity	(1,060,938)	-	(1,060,938)
Increase in asset revaluation reserve	-	4,334,730	4,334,730
<b>Balance at 30 June 2018</b>	<u>2,695,581</u>	<u>19,249,163</u>	<u>21,944,744</u>

The accompanying notes form part of these Financial Statements.

**Wongaburra Society**  
**ABN 60 633 552 611**

**Statement of Cash Flows**  
**For the Year Ended 30 June 2019**

	2019	2018
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	12,956,695	11,240,214
Payments to suppliers and employees	(12,389,937)	(11,536,487)
Interest received	571,521	355,345
Interest and finance costs paid	(63,534)	-
Net bonds received/(repaid) to residents	3,950,864	(48,301)
Other receipts	-	48,823
Net cash provided by/(used in) operating activities	5,025,609	59,594
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	7,400	-
Payment for property, plant and equipment	(317,158)	(167,000)
Net cash used in investing activities	(309,758)	(167,000)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds/(repayment) of borrowings	(24,278)	(6,470)
Net cash provided by/(used in) financing activities	(24,278)	(6,470)
Net increase/(decrease) in cash and cash equivalents held	4,691,573	(113,876)
Cash and cash equivalents at beginning of year	4,909,790	5,023,666
Cash and cash equivalents at end of financial year	5 9,601,363	4,909,790

The accompanying notes form part of these Financial Statements.

**Wongaburra Society**  
**ABN 60 633 552 611**

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2019**

The financial report covers Wongaburra Society ("the entity" or "the society") trading as Wongaburra Nursing Home, as an individual entity. Wongaburra Society is a not-for-profit Society incorporated in Queensland under the *Associations Incorporation Act (QLD) 1981* (as amended by the *Associations Incorporation and Other Legislation Amendment Act (QLD) 2007*) ('the Act').

The principal activities of the Society for the year ended 30 June 2019 was the operation of residential aged care facilities.

The financial report was authorised for issue by the members of the Society on 21 October 2019.

## **1 Change in Accounting Policy**

### **Financial instruments - adoption of AASB 9**

The Society has adopted AASB 9 *Financial Instruments* for the first time in the current year with a date of initial adoption of 01 July 2018.

As part of the adoption of AASB 9, the Society adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 *Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income. In the comparative year, this information was presented as part of other expenses.
- AASB 7 *Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, this disclosures have been provided for the current year.

The key changes to the Society's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except the Society has not restated any amounts relating to classification and measurement requirements including impairment which have been applied from 01 July 2018.

### **Classification of financial assets**

The financial assets of the Society have been reclassified into one of the following categories on adoption of AASB 9 based on primarily the business model in which a financial asset is managed and its contractual cash flow characteristics:

- Measured at amortised cost
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income - debt instruments (FVOCI - debt)
- Fair value through other comprehensive income - equity instruments (FVOCI - equity).

### **Impairment of financial assets**

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost, contract assets and fair value through other comprehensive income. This has resulted in the earlier recognition of credit loss (bad debt provisions).

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2019**

**1 Change in Accounting Policy**

**Financial instruments - adoption of AASB 9**

**Impairment of financial assets**

The Society has one type of financial asset that is subject to AASB 9's new expected credit loss model:

- trade receivables

The Society was required to revise to impairment methodology under AASB 9 for the class of asset. There was no material impact of the change in impairment methodology on the Society's retained earnings and equity.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, there was no material impairment loss identified.

*Trade receivables*

The Society applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due.

*Transition adjustments*

In accordance with the transition provisions in AASB 9, the Society has adopted the new rules retrospectively. However, there was no material impact on the amounts disclosed previously and as a result there has been no restatement required as a result of reclassification or remeasurement.

Refer to Note 2(l) for the updated accounting policy.

**2 Summary of Significant Accounting Policies**

**(a) Basis of preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012, the Associations Incorporation Act (QLD) 1981 and the Aged Care Act 1997 and associated regulations.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared, except for the cash flow information, on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**Wongaburra Society**  
**ABN 60 633 552 611**

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2019**

**2 Summary of Significant Accounting Policies**

**(a) Basis of preparation**

The financial report is presented in Australian dollars, which is the functional and presentation currency of the Society and rounded to the nearest dollar.

**(b) Income tax**

No income tax is payable as the Society is exempt from income tax in accordance with Section 50(30) of the Income Tax Assessment Act 1997.

**(c) Revenue and other income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Society and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

**Government subsidies**

Revenue from government subsidies are recognised as an accrual based on actual resident clients with any adjustments being made upon receipt of funds from the Government.

**Interest revenue**

Interest is recognised using the effective interest method.

**Rendering of services**

Revenue in relation to rendering of services to residents is recognised when the services is provided to the resident.

**Retention amounts**

The retention amount for accommodation bonds is recognised monthly in accordance with the retention amount allowed under the terms of the Accommodation Bond agreement and in compliance with the Aged Care Act 1997 (Cth).

**(d) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2019**

**2 Summary of Significant Accounting Policies**

**(e) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Society are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

**(f) Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

**(g) Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash and cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position where applicable.

**(h) Trade and other receivables**

Trade receivables are recognised at fair value less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Society has applies the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2019**

**2 Summary of Significant Accounting Policies**

**(i) Fair value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is based on the presumption that the transaction takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market. The principal or most advantageous market must be accessible to, or by, the Society.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The fair value measurement of a non-financial asset takes into account the market participants ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset at its highest and best use.

In measuring fair value, the Society uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurements.

For recurring and nonrecurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Society becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

**(j) Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

**(k) Property, plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment.

**Wongaburra Society**  
**ABN 60 633 552 611**

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2019**

**2 Summary of Significant Accounting Policies**

**(k) Property, plant and equipment**

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is estimated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The carrying amount of property, plant and equipment is reviewed annually by Committee Members to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets employment and subsequent disposal. The decrement in the carrying amount is recognised as an expense in the net profit or loss in the reporting period in which the recoverable amount writedown occurs. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

**Depreciation**

Property, excluding freehold land, is depreciated on a straight-line basis and plant and equipment is depreciated on a reducing balance basis over the assets useful life to the Society, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Buildings	2.5%
Plant and Equipment	10% to 66.67%
Furniture, Fixtures and Fittings	10% to 50%
Motor Vehicles	10% to 25%
Website	33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When the assets are disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

**(l) Financial instruments**

Financial instruments are recognised initially on the date that the Society becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

**Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2019**

**2 Summary of Significant Accounting Policies**

**(l) Financial instruments**

**Financial assets**

*Classification*

On initial recognition, the Society classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Society changes its business model for managing financial assets.

*Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Society's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

*Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Society considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Society's historical experience and informed credit assessment and including forward looking information.

**Wongaburra Society**  
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**Notes to the Financial Statements**  
**For the Year Ended 30 June 2019**

**2 Summary of Significant Accounting Policies**

**(l) Financial instruments**

**Financial assets**

The Society uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Society uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Society in full, without recourse to the Society to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Society in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

*Trade receivables and contract assets*

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Society has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Society renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

*Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

**Financial liabilities**

The Society measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Society comprise trade payables and finance lease liabilities.

**Impairment of financial assets**

At the end of the reporting period the Society assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2019**

**2 Summary of Significant Accounting Policies**

**(m) Impairment of non-financial assets**

At the end of each reporting period the Society determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

**(n) Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the entity prior to the year end and which are unpaid. These amounts are unsecured and in the case of trade creditors have payment terms of up to 60 days. In the case of other payables the term is by arrangement.

**(o) Accommodation bonds and refundable accommodation deposits**

A liability is recorded in respect of accommodation bonds and refundable accommodation deposits received by residents upon their admission. The recorded amount represents the amount received less any retention, interest amounts and other charges due in accordance with the terms of the resident agreement in compliance with the Age Care Act 1997 (Cth). Any applicable retention amount is calculated based on the entry anniversary date each month. Accommodation bonds and refundable accommodation deposits liabilities are classified as current liabilities as the entity does not have the unconditional right to defer settlement for at least 12 months after the reporting date. The obligation to settle could occur any time.

**(p) Employee benefits**

Provision is made for the Society's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

**Wongaburra Society**  
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**Notes to the Financial Statements**  
**For the Year Ended 30 June 2019**

**2 Summary of Significant Accounting Policies**

**(p) Employee benefits**

Employee benefits are presented as current liabilities in the statement of financial position if the Society does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

**(q) Provisions**

Provisions are recognised when the Society has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**(r) Going concern**

As at the reporting date, current liabilities exceed current assets by \$5,268,867. Notwithstanding the deficiency in net assets, the Society has determined the financial report should be prepared on the going concern basis for the following reasons:

- Based on current occupancy levels at the aged care facilities, adequate cash flows will be generated in the next 12 months to meet current debt commitments;
- \$13,575,291 (2018: \$9,719,003) of current liabilities relate to resident accommodation bonds and refundable accommodation deposits which are required by accounting standards to be recognised as current liabilities. However, based on historical refunds of accommodation bonds, it is unlikely that all accommodation bonds and refundable accommodation deposits would have to be refunded in the next 12 months;
- The entity continues to receive the support of its external financiers.

Having regard to these factors, the Society is of the opinion that it will be able to pay its debt as and when they fall due.

**(s) New accounting standards for application in future periods**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The members have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Society. Their assessment of the pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2019 to not-for-profit entities). The Society is in the process of completing its impact assessment of AASB 15. Based on a preliminary assessment, the effects of AASB 15 are not expected to have a material effect on the Society.

**Wongaburra Society**  
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**Notes to the Financial Statements**  
**For the Year Ended 30 June 2019**

**2 Summary of Significant Accounting Policies**

**(s) New accounting standards for application in future periods**

AASB 1058: Income for Not-for-Profit (NFP) Entities (applicable to annual reporting periods beginning on or after 1 January 2019 to not-for-profit entities).

AASB 1058 establishes principles and guidance when accounting for:

- Transactions where the consideration to acquire an asset is significantly less than the fair value, principally to enable a NFPs to further its objectives, and
- The receipt of volunteer services.

AASB 1058 supersedes all current income recognition requirements for private sector NFPs, and most of the requirements for public sector NFPs currently contained in AASB 1004 Contributions.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019). The Society is in the process of completing its impact assessment of AASB 16. Based on a preliminary assessment, the effect of AASB 16 is not expected to have a material effect on the Society. It is impracticable at this stage to provide a reasonable estimate of such impact.

**(t) Critical accounting estimates and judgments**

The committee members make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements. However, as additional information is known, then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

**Key estimates - impairment of property, plant and equipment**

The Society assesses impairment at the end of the reporting year by evaluating conditions specific to the Society that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

**Key estimates - estimation of useful lives of assets**

The Society determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or nonstrategic assets that have been abandoned or sold will be written off or written down.

**Wongaburra Society**  
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**Notes to the Financial Statements**  
**For the Year Ended 30 June 2019**

	2019	2018
	\$	\$
<b>3 Revenue and Other Income</b>		
Operating revenue		
- Government subsidies	9,663,531	8,277,699
- Revenue from residents	3,156,590	2,962,515
- Recoverable expenses	199,432	223,238
- Accommodation bond retentions	323	19,564
	<b>13,019,876</b>	<b>11,483,016</b>
Finance income		
- Bank interest	153,847	87,744
- Interest on unpaid bonds	417,674	267,601
	<b>571,521</b>	<b>355,345</b>
<b>Total revenue</b>	<b>13,591,397</b>	<b>11,838,361</b>
<b>4 Result for the Year</b>		
The result for the year was derived after charging / (crediting) the following items:		
Finance Costs		
- Interest paid	49,534	68,602
- Other finance costs	14,000	14,000
<b>Total finance costs</b>	<b>63,534</b>	<b>82,602</b>
<b>5 Cash and Cash Equivalents</b>		
Cash at bank	9,597,700	4,899,011
Other cash and cash equivalents	3,663	10,779
	<b>9,601,363</b>	<b>4,909,790</b>
<b>Reconciliation of cash</b>		
Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:		
Cash and cash equivalents	9,601,363	4,909,790
<b>Balance as per statement of cash flows</b>	<b>9,601,363</b>	<b>4,909,790</b>

**Wongaburra Society**  
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**Notes to the Financial Statements**  
**For the Year Ended 30 June 2019**

**5 Cash and Cash Equivalents**

**(a) Reconciliation of liabilities arising from financing activities**

	Opening balance	Cash inflows	Cash outflows	Non cash charges	Closing balance
	\$	\$	\$	\$	\$
Finance leases	27,347	-	(24,278)	88,039	91,108
<b>Total</b>	<b>27,347</b>	<b>-</b>	<b>(24,278)</b>	<b>88,039</b>	<b>91,108</b>

2019  
\$

2018  
\$

**6 Trade and Other Receivables**

CURRENT

Trade receivables	487,123	420,891
Less: allowance for expected credit losses (2018: provision for impairment)	(30,000)	(79,709)
	<u>457,123</u>	<u>341,182</u>
GST receivable	-	6,377
Other receivables	99,105	-
<b>Total current trade and other receivables</b>	<b><u>556,228</u></b>	<b><u>347,559</u></b>

The Society has recognised a credit loss of \$30,000 in the profit or loss in respect of the expected credit losses for the year ended 30 June 2019 (2018: \$79,709).

**7 Inventories**

CURRENT

At cost	118,535	108,417
	<u>118,535</u>	<u>108,417</u>

**8 Other Assets**

CURRENT

Prepayments	149,606	152,080
	<u>149,606</u>	<u>152,080</u>

**Wongaburra Society**  
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**Notes to the Financial Statements**  
**For the Year Ended 30 June 2019**

	2019	2018
	\$	\$
<b>9 Property, Plant and Equipment</b>		
<b>Land and buildings</b>		
Freehold land		
At fair value	3,500,000	3,500,000
Total land	<u>3,500,000</u>	<u>3,500,000</u>
Buildings		
At fair value	24,153,689	24,115,000
Accumulated depreciation	(603,187)	-
Total buildings	<u>23,550,502</u>	<u>24,115,000</u>
<b>Total land and buildings</b>	<u>27,050,502</u>	<u>27,615,000</u>
<b>Plant and equipment</b>		
Capital works in progress		
At cost	33,384	24,537
	<u>33,384</u>	<u>24,537</u>
Plant and equipment		
At cost	2,868,190	2,632,490
Accumulated depreciation	(2,240,637)	(2,132,308)
	<u>627,553</u>	<u>500,182</u>
Furniture, fixture and fittings		
At cost	1,100,203	1,021,178
Accumulated depreciation	(835,972)	(788,017)
	<u>264,231</u>	<u>233,161</u>
Motor vehicles		
At cost	321,021	310,229
Accumulated depreciation	(206,043)	(206,799)
	<u>114,978</u>	<u>103,430</u>
Computer software		
At cost	14,577	13,486
Accumulated depreciation	(8,639)	(4,966)
	<u>5,938</u>	<u>8,520</u>
<b>Total plant and equipment</b>	<u>1,046,084</u>	<u>869,830</u>
<b>Total property, plant and equipment</b>	<u>28,096,586</u>	<u>28,484,830</u>

**Wongaburra Society**  
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**Notes to the Financial Statements**  
**For the Year Ended 30 June 2019**

	2019	2018	
	\$	\$	
<b>9 Property, Plant and Equipment</b>			
<b>(a) Valuations of land and buildings</b>			
The basis of valuation of land and buildings is fair value as disclosed in Note 2(k). The increase between the carrying value and the fair value is adjusted to the Asset Revaluation Reserve account (Note 13).			
<b>(b) Movements in carrying amounts</b>			
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:			
	Land	Buildings	Capital Works in Progress
	\$	\$	\$
<b>Year ended 30 June 2019</b>			Plant and Equipment
			\$
Balance at the beginning of the year	3,500,000	24,115,000	24,537
Additions	-	9,263	253,746
Disposals	-	-	-
Transfers	-	29,426	(244,899)
Depreciation	-	(603,187)	-
<b>Balance at the end of the year</b>	<b>3,500,000</b>	<b>23,550,502</b>	<b>33,384</b>
	Furniture, Fixtures and Fittings	Motor Vehicles	Website development costs
	\$	\$	\$
<b>Year ended 30 June 2019</b>			Total
			\$
Balance at the beginning of the year	233,161	103,430	8,520
Additions	12,010	41,848	1,091
Disposals	-	(7,055)	-
Transfers	67,015	-	-
Depreciation	(47,955)	(23,245)	(3,673)
<b>Balance at the end of the year</b>	<b>264,231</b>	<b>114,978</b>	<b>5,938</b>
			<b>28,096,586</b>

**Wongaburra Society**  
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**Notes to the Financial Statements**  
**For the Year Ended 30 June 2019**

	2019	2018
	\$	\$
<b>10 Trade and Other Payables</b>		
CURRENT		
Trade payables	229,021	262,268
GST payable	72,738	-
Accommodation bonds & refundable accommodation deposits	13,575,291	9,719,003
Other payables	893,337	816,751
	<b>14,770,387</b>	<b>10,798,022</b>
	<b>14,770,387</b>	<b>10,798,022</b>
<b>11 Borrowings</b>		
CURRENT		
Secured liabilities:		
Lease liability	14      28,841	9,655
<b>Total current borrowings</b>	<b>28,841</b>	<b>9,655</b>
	<b>28,841</b>	<b>9,655</b>
NON-CURRENT		
Secured liabilities:		
Lease liability	14      62,267	17,692
<b>Total non-current borrowings</b>	<b>62,267</b>	<b>17,692</b>
	<b>62,267</b>	<b>17,692</b>
<b>Total borrowings</b>	<b>91,108</b>	<b>27,347</b>
	<b>91,108</b>	<b>27,347</b>
<b>(a) Assets pledged as security:</b>		
The overdraft facility has a limit of \$2,000,000 of which no amount has been utilised at balance date.		
Lease liabilities for motor vehicles and laundry equipment are secured against the assets to which the borrowings relate. Refer to Note 14 for leasing commitments.		
<b>12 Employee Benefits</b>		
CURRENT		
Provision for annual leave	835,207	740,818
Provision for long service leave	60,164	64,232
	<b>895,371</b>	<b>805,050</b>
	<b>895,371</b>	<b>805,050</b>

**Wongaburra Society**  
**ABN 60 633 552 611**

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2019**

	2019	2018
	\$	\$
<b>12 Employee Benefits</b>		
NON-CURRENT		
Provision for long service leave	510,079	427,513
	<u>510,079</u>	<u>427,513</u>
<b>13 Reserves</b>		
Asset realisation reserve	18,350,187	18,350,187
General reserve	898,976	898,976
	<u>19,249,163</u>	<u>19,249,163</u>

**(a) Asset revaluation reserve**

The asset revaluation reserve records realised gains on revaluation of property, plant and equipment recorded at fair value.

**(b) General reserve**

The general reserve records Government subsidies received for capital projects undertaken in past years.

**14 Capital and Leasing Commitments**

**(a) Finance leases**

Minimum lease payments:

- not later than one year	28,841	9,655
- between one year and five years	62,267	17,692
Minimum lease payments	<u>91,108</u>	<u>27,347</u>

Finance lease commitments includes contracted amounts for laundry equipment secured under finance leases expiring within five years and motor vehicles expiring within three years.

**Wongaburra Society**  
**ABN 60 633 552 611**

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2019**

	2019	2018
	\$	\$
<b>14 Capital and Leasing Commitments</b>		
<b>(b) Operating leases</b>		
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	22,914	28,748
- between one year and five years	72,864	74,659
	95,778	103,407

A five year contract was entered during the year with Programmed Property Maintenance Group Pty Ltd for painting of the facilities. The first instalment is due 19 July 2019.

A contract was entered for a Holden Colorado lease which is due to expire on 27 June 2021. The option to purchase the vehicle at the end of the lease is available for a residual of \$12,380.

**15 Contingencies**

Wongaburra Society had the following contingent liabilities at the end of the reporting period:

**(a) Queensland Department of Housing**

The Society has entered into an agreement with the Queensland Department of Housing whereby the Department provided a grant of \$321,000 for the Society to construct three, one bedroom duplex buildings. These buildings are to be rented to aged and disabled persons. The grant monies of \$321,000 were provided during the 1991 financial year. In accordance with the terms of the agreement, should the Society sell or otherwise dispose of the property, or use the property for another purpose, the Society will be required to repay the grant monies adjusted for CPI since 1991. No provision has been provided for within these financial statements.

**(b) Scenic Rim Regional Council**

The Society has an agreement with the Scenic Rim Regional Council for the completion of landscaping on the grounds of the Society. If the landscaping is not completed to the satisfaction of the Council, the bond will be forfeited.

Queensland Department of Housing	567,866	558,923
Scenic Rim Regional Council	40,000	40,000
	607,866	598,923

**Wongaburra Society**  
**ABN 60 633 552 611**

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2019**

**16 Key Management Personnel Disclosures**

The total remuneration paid to key management personnel of the Society is \$ 359,755 (2018: \$ 365,754).

**17 Related Parties**

(a) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 16: Key Management Personnel Disclosures.

Other transactions with KMP and their related entities are shown below.

(b) Transactions with related parties:

There were no transactions with related parties during the current or previous year.

**18 Events Occurring After the Reporting Date**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Society, the results of those operations, or the state of affairs of the Society in future financial years.

**19 Entity Details**

The registered office and principal place of business of the Society is:

Wongaburra Society  
210 Brisbane Street  
BEAUDESERT QLD 4285

**20 Accreditation**

Wongaburra Society has achieved accreditation from the Aged Care Standards and Accreditation Agency Ltd as follows:

Wongaburra Garden Settlement Hostel	(RACS ID: 5085)	Accreditation Until 6 February 2022
Wongaburra Nursing Home	(RACS ID: 5521)	6 February 2022

Wongaburra Society  
ABN 60 633 552 611

Directors' Declaration

The directors of the Society declare that:

1. The financial statements and notes, as set out on pages 4 to 26, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, the Aged Care Act 1997 and the ACNC Regulations 2013 and:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the Society.
  
2. In the directors' opinion, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



Director



Dated this 21<sup>ST</sup> day of October 2019

## INDEPENDENT AUDITOR'S REPORT

To the members of Wongaburra Society

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Wongaburra Society (the registered entity), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of Wongaburra Society, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation (QLD) Act 1981*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Wongaburra Society's committee members' report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of responsible entities for the Financial Report**

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and the *Association Incorporations (QLD) Act 1981*, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered entity's financial reporting process.

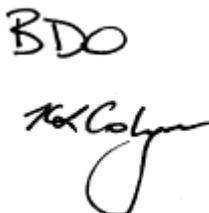
#### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

**BDO Audit Pty Ltd**



**Kim Colyer**  
Director

Brisbane, 21 October 2019