

# **AGED CARE STANDARDS AND ACCREDITATION AGENCY LTD**

## **Agency resources and planned performance**



# Aged Care Standards and Accreditation Agency Ltd

Health and Ageing Portfolio Agency

ACSAA

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## Section 1: Agency Overview and Resources

### 1.1 Strategic Direction Statement

The Australian Government, through Aged Care Standards and Accreditation Agency Ltd (ACSAA), manages the accreditation and ongoing supervision of Australian Government-subsidised aged care facilities<sup>1</sup>, and promotes high quality care to care recipients, by providing information, education and training services. ACSAA strategically manages aged care facilities working towards accreditation, and liaises with the Department of Health and Ageing about facilities that do not comply with the Accreditation Standards under the *Aged Care Act 1997*.

The role and functions of ACSAA, as the accreditation body, are set out under Division 80 of the *Aged Care Act 1997*, and the *Accreditation Grant Principles 2011*. ACSAA is a wholly owned Commonwealth Company limited by guarantee and is subject to the *Commonwealth Authorities and Companies Act 1997* and the *Corporations Act 2001*.

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<sup>1</sup> Residential aged care is regulated by the Australian Government, which provides subsidies to approved providers, whose care and services have been accredited against the Accreditation Standards.

## 1.2 Agency Resources

Table 1.2.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by Departmental classifications.

**Table 1.2.1 ACSAA Resource Statement – Budget Estimates for 2012-13 as at Budget May 2012**

	Estimate of prior year amounts available in 2012-13 \$'000	Proposed at Budget 2012-13 \$'000	Total estimate 2012-13 \$'000	Estimated available appropriation 2011-12 \$'000
<b>Opening balance/reserves at bank</b>	24,103	-	24,103	20,563
<b>FUNDS FROM GOVERNMENT</b>				
<b>Ordinary annual services<sup>1</sup></b>				
Outcome 1	-	-	-	-
<b>Total ordinary annual services</b>	-	-	-	-
<b>Other services<sup>2</sup></b>				
Non-operating	-	-	-	-
<b>Total other services</b>	-	-	-	-
<b>Total annual appropriations</b>	-	-	-	-
<b>Payments from related entities<sup>3</sup></b>				
Amounts from the Portfolio				
Department	-	26,081	26,081	20,162
Amounts from other agencies	-	-	-	-
<b>Total payments</b>	-	<b>26,081</b>	<b>26,081</b>	<b>20,162</b>
<b>Total funds from Government</b>	-	<b>26,081</b>	<b>26,081</b>	<b>20,162</b>
<b>FUNDS FROM OTHER SOURCES</b>				
Interest	-	1,100	1,100	661
Sale of goods and services	-	10,980	10,980	20,962
Other	-	-	-	-
<b>Total other sources</b>	-	<b>12,080</b>	<b>12,080</b>	<b>21,623</b>
<b>Total net resourcing for ACSAA</b>	<b>24,103</b>	<b>38,161</b>	<b>62,264</b>	<b>62,348</b>

All figures are GST exclusive.

ACSAA is not directly appropriated as it is a CAC Act body. Appropriations are made to the Department of Health and Ageing which are then paid to ACSAA and are considered 'departmental' for all purposes.

<sup>1</sup> Appropriation Bill (No.1) 2012-13.

<sup>2</sup> Appropriation Bill (No.2) 2012-13.

<sup>3</sup> Funding provided by a Government body that is not specified within the annual appropriation bills as a payment to the CAC Act body.

## 1.3 Budget Measures

Section 1.3 is not applicable to ACSAA in 2012-13.

## Section 2: Outcomes and Planned Performance

### 2.1 Outcomes and Performance Information

Outcome 1 – High quality residential aged care for older people, including through accrediting Australian Government funded aged care homes, identifying best practice, and providing information and education to the aged care sector

#### Outcome Strategy

The Australian Government is committed to providing high quality residential aged care for older people. One mechanism to achieve this is through the residential aged care accreditation process. This accreditation process assesses the home's performance against the Accreditation Standards.<sup>2</sup> The Australian Government, through ACSAA, supervises and monitors compliance with the Accreditation Standards to ensure residents receive a high standard of care in aged care facilities.

ACSAA communicates with industry and the public about issues and developments in aged care. Its role assists to raise aged care industry standards in general, leading to better outcomes in the provision of care to residents.

#### ACSAA Budgeted Expenses and Resources

Table 2.1.1 provides an overview of the total expenses for ACSAA by Program.

**Table 2.1.1: Budgeted Expenses and Resources for ACSAA**

	2011-12 Estimated actual \$'000	2012-13 Budget \$'000	2013-14 Forward year 1 \$'000	2014-15 Forward year 2 \$'000	2015-16 Forward year 3 \$'000
<b>Program 1.1: Accrediting, monitoring and promoting high quality care through information, education and training for Australian Government funded aged care homes</b>					
Revenue from Government					
Amounts from the Portfolio					
Department	20,162	26,081	24,655	25,123	25,600
Revenues from independent sources	21,623	12,080	8,962	20,600	12,520
Operating deficit (surplus)	-	(50)	(50)	(50)	-
<b>Total for Program 1.1</b>	<b>41,785</b>	<b>38,111</b>	<b>33,567</b>	<b>45,673</b>	<b>38,120</b>
<b>Total expenses for Outcome 1</b>	<b>41,785</b>	<b>38,111</b>	<b>33,567</b>	<b>45,673</b>	<b>38,120</b>
	<b>2011-12</b>	<b>2012-13</b>			
<b>Average staffing level (number)</b>	231	231			

<sup>2</sup> Available at: <[www.accreditation.org.au](http://www.accreditation.org.au)>.

## **Program 1.1: Accrediting, monitoring and promoting high quality care through information, education and training for Australian Government funded aged care homes**

### **Program Objectives**

#### *Manage accreditation of aged care services*

The Australian Government, through ACSAA, manages the accreditation process for all Australian Government subsidised aged care homes to protect the health, safety and wellbeing of residents, and promote high quality care. In 2012-13 ACSAA will conduct accreditation audits of approximately 970 aged care homes whose accreditation is due for review. This involves the assessment of compliance against the 44 outcomes of the Accreditation Standards set out in the *Quality of Care Principles 1997*.

#### *Monitor compliance with the Accreditation Standards*

The Australian Government, through ACSAA, promotes high quality aged care by monitoring aged care providers' compliance with the Accreditation Standards, using assessment contacts<sup>3</sup> and review audits.

ACSAA conducts at least one unannounced assessment contact each year at every Australian Government-subsidised aged care facility, and undertakes follow-up assessment contacts and review audits as required.

#### *Develop education activities to promote high quality aged care*

The Australian Government, through ACSAA, will continue to assess and develop strategies to promote high quality care for residents of aged care facilities. During 2012-13, ACSAA will conduct six Better Practice Conferences, and will deliver up to 450 QUEST sessions (free education sessions to industry) covering the Accreditation Standards, as well as 52 seminars and 79 courses. ACSAA will also provide a range of educational resources, including self-directed educational packages, on its website.<sup>4</sup> The educational activities will target approved providers of residential aged care services, helping to improve care for residents and strengthen management systems that support delivery of aged care services for residents. ACSAA will obtain feedback from attendees to identify knowledge gaps and further improve these activities.

In 2012-13, ACSAA will continue to provide information to the aged care industry on improving the quality of care for residents through its monthly publication, *The Standard*, and a series of fact sheets on risk management, infection control, continuous improvement, emergency planning and information systems.

<sup>3</sup> An assessment contact is a visit to an aged care home for the purpose of monitoring the facility and assisting with its continual improvement.

<sup>4</sup> Available at: <[www.accreditation.org.au](http://www.accreditation.org.au)>.

**Program 1.1: Deliverables<sup>5</sup>**

**Table 2.1.2: Qualitative Deliverables for Program 1.1**

Qualitative Deliverables	2012-13 Reference Point or Target
<b>Develop education activities to promote high quality aged care</b>	
Develop and deliver publications and education services that promote high quality care	Delivery of Better Practice conferences, seminars, courses and QUEST seminars

**Table 2.1.3: Quantitative Deliverables for Program 1.1**

Quantitative Deliverables	2011-12 Revised Budget	2012-13 Budget Target	2013-14 Forward Year 1	2014-15 Forward Year 2	2015-16 Forward Year 3
<b>Manage the accreditation of aged care services</b>					
Number of aged care homes assessed <sup>6</sup>	1,465	970	544	1,509	970
Percentage of site audits completed within statutory timeframes following receipt of a valid application	100%	100%	100%	100%	100%
<b>Monitor compliance with the Accreditation Standards</b>					
Number of unannounced visits per aged care home per year	≥1	≥1	≥1	≥1	≥1

<sup>5</sup> In 2012-13, all deliverables and key performance indicators have been reviewed and updated to ensure targeted performance reporting.

<sup>6</sup> The period of accreditation of aged care homes varies between approximately six months and three years. Therefore each year the number of homes being accredited varies according to their expiry date of accreditation.



**Program 1.1: Key Performance Indicators**

**Table 2.1.4: Qualitative Key Performance Indicators for Program 1.1**

Qualitative Indicator	2012-13 Reference Point or Target
<b>Develop education activities to promote high quality aged care</b>	
Residential aged care providers are made aware of methods and strategies to improve aged care and strengthen management systems	Attendance by aged care providers at Better Practice conferences, seminars, courses and QUEST sessions held by ACSAA

**Table 2.1.5: Quantitative Key Performance Indicators for Program 1.1**

Quantitative Indicators	2011-12 Revised Budget	2012-13 Budget Target	2013-14 Forward Year 1	2014-15 Forward Year 2	2015-16 Forward Year 3
<b>Manage accreditation of aged care services</b>					
Percentage of aged care homes that complied with the Accreditation Standards at the last accreditation audit	>92%	>92%	>92%	>92%	>92%
<b>Monitor compliance with the Accreditation Standards</b>					
Number of facilities assessed to be non-compliant during the year	<300	<300	<300	<300	<300
Percentage of homes achieving compliance by the end of the 'timetable for improvement' period	≥90%	≥90%	≥90%	≥90%	≥90%
<b>Develop education activities to promote high quality care</b>					
Education activities meet attendee needs (measured by percentage of positive feedback from attendees)	>85%	>85%	>85%	>85%	>85%
Number of downloads of flexible learning education packages	13,700	14,400	15,100	15,900	16,000

## **Section 3: Explanatory Tables and Budgeted Financial Statements**

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2012-13 Budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government Indigenous expenditure.

### **3.1 Explanatory Tables**

#### **3.1.1 Movement of administered funds between years**

Section 3.1.1 is not applicable to ACSAA.

#### **3.1.2 Special Accounts**

Section 3.1.2 is not applicable to ACSAA.

#### **3.1.3 Australian Government Indigenous Expenditure**

In 2012-13, the Australian Government Indigenous Expenditure Statement is not applicable because ACSAA has no specific Indigenous expenses.

## **3.2 Budgeted Financial Statements**

### **3.2.1 Differences in agency resourcing and financial statements**

Section 3.2.1 is not applicable to ACSAA.

### **3.2.2 Analysis of budgeted financial statements**

An analysis of ACSAA's budgeted financial statements is provided below.

#### **Departmental Resources**

##### **Comprehensive Income Statement**

Income for ACSAA is predominately provided by Government through the Department of Health and Ageing and aligns with the three year accreditation cycle. The peak of the cycle is planned for 2014-15.

ACSAA is planning for a modest surplus for the next three years.

##### **Balance Sheet**

Assets and liabilities will remain stable over the budget and forward years.

### 3.2.3 Budgeted financial statements tables

**Table 3.2.1: Comprehensive income statement (showing net cost of services)  
(for the period ended 30 June)**

	Estimated actual 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>EXPENSES</b>					
Employee benefits	30,768	27,607	26,268	32,629	28,712
Supplier expenses	9,841	9,518	6,283	11,998	8,383
Depreciation and amortisation	1,176	986	1,016	1,046	1,025
<b>Total expenses</b>	<b>41,785</b>	<b>38,111</b>	<b>33,567</b>	<b>45,673</b>	<b>38,120</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	20,962	10,980	7,862	19,500	11,420
Interest	661	1,100	1,100	1,100	1,100
<b>Total revenue</b>	<b>21,623</b>	<b>12,080</b>	<b>8,962</b>	<b>20,600</b>	<b>12,520</b>
<b>Gains</b>					
Other	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>21,623</b>	<b>12,080</b>	<b>8,962</b>	<b>20,600</b>	<b>12,520</b>
<b>Net cost of (contribution by) services</b>	<b>20,162</b>	<b>26,031</b>	<b>24,605</b>	<b>25,073</b>	<b>25,600</b>
Revenue from Government	20,162	26,081	24,655	25,123	25,600
<b>Surplus (Deficit)</b>	<b>-</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>-</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>-</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>-</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>-</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>-</b>

Table 3.2.2: Budgeted Departmental balance sheet (as at 30 June)

	Estimated actual 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	24,103	22,043	21,355	23,644	21,665
Receivables	421	421	421	421	421
Other Financial Assets	859	859	859	859	859
<b>Total financial assets</b>	<b>25,383</b>	<b>23,323</b>	<b>22,635</b>	<b>24,924</b>	<b>22,945</b>
<b>Non-financial assets</b>					
Land and buildings	85	180	345	525	690
Property, plant and equipment	878	857	947	1,037	1,124
Intangibles	160	270	264	248	273
<b>Total non-financial assets</b>	<b>1,123</b>	<b>1,307</b>	<b>1,556</b>	<b>1,810</b>	<b>2,087</b>
<b>Total assets</b>	<b>26,506</b>	<b>24,630</b>	<b>24,191</b>	<b>26,734</b>	<b>25,032</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	1,074	1,074	1,074	1,074	1,074
Other payables	7,878	5,952	5,463	7,956	6,254
<b>Total payables</b>	<b>8,952</b>	<b>7,026</b>	<b>6,537</b>	<b>9,030</b>	<b>7,328</b>
<b>Provisions</b>					
Employees	3,168	3,168	3,168	3,168	3,168
Other provisions	228	228	228	228	228
<b>Total provisions</b>	<b>3,396</b>	<b>3,396</b>	<b>3,396</b>	<b>3,396</b>	<b>3,396</b>
<b>Total liabilities</b>	<b>12,348</b>	<b>10,422</b>	<b>9,933</b>	<b>12,426</b>	<b>10,724</b>
<b>Net assets</b>	<b>14,158</b>	<b>14,208</b>	<b>14,258</b>	<b>14,308</b>	<b>14,308</b>
<b>EQUITY</b>					
Contributed equity	-	-	-	-	-
Retained surpluses or accumulated deficits	14,158	14,208	14,258	14,308	14,308
<b>Total equity</b>	<b>14,158</b>	<b>14,208</b>	<b>14,258</b>	<b>14,308</b>	<b>14,308</b>

**Table 3.2.3: Departmental statement of changes in equity — summary of movement  
(Budget year 2012-13)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2012</b>					
Balance carried forward from previous period	14,158	-	-	-	<b>14,158</b>
Surplus (deficit) for the period	50	-	-	-	<b>50</b>
<b>Estimated closing balance as at 30 June 2013</b>	<b>14,208</b>	-	-	-	<b>14,208</b>

**Table 3.2.4: Budgeted Departmental statement of cash flows  
(for the period ended 30 June)**

	Estimated actual 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	24,431	9,054	7,373	21,993	9,718
Grants	20,162	26,081	24,655	25,123	25,600
Interest	661	1,100	1,100	1,100	1,100
Net GST received	1,234	857	875	875	875
Other cash received	-	-	-	-	-
<b>Total cash received</b>	<b>46,488</b>	<b>37,092</b>	<b>34,003</b>	<b>49,091</b>	<b>37,293</b>
<b>Cash used</b>					
Employees	30,768	27,607	26,268	32,629	28,712
Suppliers	9,841	9,518	6,283	11,998	8,383
Net GST paid	1,234	857	875	875	875
<b>Total cash used</b>	<b>41,843</b>	<b>37,982</b>	<b>33,426</b>	<b>45,502</b>	<b>37,970</b>
<b>Net cash from (or used by) operating activities</b>	<b>4,645</b>	<b>(890)</b>	<b>577</b>	<b>3,589</b>	<b>(677)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	1,105	1,170	1,265	1,300	1,302
<b>Total cash used</b>	<b>1,105</b>	<b>1,170</b>	<b>1,265</b>	<b>1,300</b>	<b>1,302</b>
<b>Net cash from (or used by) investing activities</b>	<b>(1,105)</b>	<b>(1,170)</b>	<b>(1,265)</b>	<b>(1,300)</b>	<b>(1,302)</b>
<b>Net increase (or decrease) in cash held</b>	<b>3,540</b>	<b>(2,060)</b>	<b>(688)</b>	<b>2,289</b>	<b>(1,979)</b>
Cash and cash equivalents at the beginning of the reporting period	20,563	24,103	22,043	21,355	23,644
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>24,103</b>	<b>22,043</b>	<b>21,355</b>	<b>23,644</b>	<b>21,665</b>

**Table 3.2.5: Capital budget statement**

	Estimated actual 2011-12 \$'000	Budget estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	-	-	-	-	-
Funded internally from departmental resources	1,105	1,170	1,265	1,300	1,302
<b>Total acquisitions of non-financial assets</b>	<b>1,105</b>	<b>1,170</b>	<b>1,265</b>	<b>1,300</b>	<b>1,302</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
<b>Total purchases</b>	1,105	1,170	1,265	1,300	1,302
<b>Total cash used to acquire assets</b>	<b>1,105</b>	<b>1,170</b>	<b>1,265</b>	<b>1,300</b>	<b>1,302</b>



**Table 3.2.6: Statement of asset movements (2012-13)**

	<b>Buildings</b>	<b>Other property, plant &amp; equipment</b>	<b>Intangibles</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>As at 1 July 2012</b>				
Gross book value	85	3,824	3,030	<b>6,939</b>
Accumulated depreciation/amortisation and impairment	-	2,946	2,870	<b>5,816</b>
<b>Opening net book balance</b>	<b>85</b>	<b>878</b>	<b>160</b>	<b>1,123</b>
<b>CAPITAL ASSET ADDITIONS</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - internal resources	95	295	780	<b>1,170</b>
<b>Sub-total</b>	<b>95</b>	<b>295</b>	<b>780</b>	<b>1,170</b>
<b>Other movements</b>				
Depreciation/amortisation expense	-	316	670	<b>986</b>
<b>As at 30 June 2013</b>				
Gross book value	180	4,119	3,810	<b>8,109</b>
Accumulated depreciation/amortisation and impairment	-	3,262	3,540	<b>6,802</b>
<b>Closing net book balance</b>	<b>180</b>	<b>857</b>	<b>270</b>	<b>1,307</b>

