



# Annual Report 2017-18



# Welcome to Catholic Homes



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A popular phrase used around Catholic Homes is, "everyone has a story." Responding to the uniqueness of each person's narrative and life circumstance is key to our model for care, Care with Purpose. We celebrate stories.

The Catholic Homes' story has evolved and continues to do so. Over 50 years of care and service, grounded in our Catholic tradition and identity, has led to a maturity and capacity to endure difficult times.

We are dedicated to training our staff and volunteers, not only in the compulsory training required for ongoing accreditation, but also surrounding our Montessori-based principles built on our care model. As a result, our individual staff and teams have reached extraordinary achievements as well as improvements in care and the quality of life for many. Their passion continually inspires our vision of being the first choice in aged care.

Intelligent and discerning leadership, firmly based on our Values and history, is integral to moving into the future. Catholic Homes is committed to developing leaders who understand that the Values of Love, Joy and Hospitality must inform all tasks of leadership and change management. Our leadership team continually rise to the challenge.

In the telling and re-telling of the Catholic Homes' story, it has been my privilege to support the leaders, staff, volunteers and those in our community of care. At the recent Circle of Men book launch, we joyfully celebrated with those involved in the Circle meetings on the publication of their stories.

As 2018 closes, let's celebrate and give thanks to those who bring the story of care at Catholic Homes to life in countless ways each day. May we continue to be blessings to each other.

**Bernadette Brady**  
Executive Manager Mission



*Catholic Homes achieved a solid performance for the year*



## A Message from the Chairman

With pleasure I present the 2018 Annual Report for Catholic Homes Inc. (CHI), my first year as Chairman of the Board. It has been a challenging year, and yet a rewarding one.

We at Catholic Homes continue to focus on our core Values of Christ like Love, Joy and Hospitality. We're committed to ensuring that quality of care is our first priority.

In the last year alone, Catholic Homes has served approximately 800 residents and clients as well as their families across Residential, Home Care and our Independent Living Villas. Our average residential occupancy rate was 97.77%.

To enable us to provide top quality care, we have sought to ensure that our facilities are maintained to a comfortable standard for our existing residents and attractive to prospective new residents. To this end, we completed the \$1.78 million upgrade to Ocean Star Village and commenced

the \$30 million redevelopment to St Vincent's. We're planning continuous improvement projects also across our sites that include upgrades to residential aged care rooms and bathrooms.

*We continue to focus on our mission and the delivery of our strategic plan to care for the aged in our community.*

From a financial perspective, Catholic Homes achieved a solid performance for the year. We recorded a surplus of \$1.6 million. Our strong balance sheet suggests that Catholic Homes is well placed as we enter into the exciting next phase of our development program.

We have responded to numerous ongoing Government reviews across all aspects of aged care in Australia including Voluntary Assisted Dying and Euthanasia. We'll continue to promote the improvement of End of Life Care outcomes that uphold the sanctity of life.

We face challenges in the coming year as we continue to focus on our mission and the delivery of our strategic plan to care for the aged in our community. Our particular priorities include those with chronic and complex health issues.

This year, we farewelled two long serving Board Members to whom we express our heartfelt appreciation. Peter Messer joined the Board in 2004 and became Board Chairman in October 2015 until his retirement from the Board in October 2017. Peter made a personal and substantial contribution to the Board during a period of significant change in the industry and for Catholic Homes.

Margaret Haydon joined the Board in 2004. Margaret's extraordinary contribution over thirteen years, which included serving as Chair of the Review Committee, was critical to improving organisational governance.

This year we welcomed three new Board members. Fr Vincent Conroy is the nominee of Archbishop Timothy Costelloe SDB. Paul Andrew and Daniel Lynch joined the Board as well and will bring a great deal of experience and knowledge to the Board.

### Financial Highlights

4.73%	\$59.74m
revenue increase	net assets
\$1.60m	\$49.16m
surplus	cash

Finally, I wish to thank our Chief Executive, Mr John Fitzgerald, the staff, and all who make Catholic Homes a leading Catholic provider of aged care services to Western Australians. May God continue to bless you as you continue the healing ministry of Jesus Christ.

**John F Ogilvie KSG**  
Chairman



## A Message from the Chief Executive

The 2017-2018 Financial Year was an exciting and extremely busy year for Catholic Homes.

Three of our facilities, namely Archbishop Goody Hostel, Trinity Village and Servite Village, met all 44 quality objectives and were reaccredited for a further three years by the Australian Aged Care Quality Agency (AACQA). Most pleasing was the positive feedback received by AACQA about Catholic Homes from interviews with residents and families. These outcomes are testament to the hard work of all our staff and their dedication to, and delivery of, quality person-centred aged care.

2017-18 also saw the completion of the first full year of operations of Catholic Homes' Comfort Care Centre, the first of its kind in Western Australia. Designed specifically for those approaching the end of their lives and support for their families, the Centre has been full since opening. Families have been overwhelmed by this service and are extremely grateful for its existence. In a period of increased public debate about Voluntary Assisted Dying and Euthanasia,

the Centre is a powerful demonstration of how terminally ill Western Australians can be cared for.

Responding to the introduction of consumer directed funding in the home care sector early in 2017, Catholic Homes strategically repositioned its Home Care service team. This resulted in increased demand from consumers for Catholic Homes' services including use of the Day Therapy Centre and our Short Term Restorative Care (STRC) programme to full capacity. This has resulted in Catholic Homes applying for additional STRC places in the most recent Aged Care Approvals Round.

Catholic Homes' staff continue to receive national industry recognition for their outstanding care. Castledare's "Date Nights" was awarded the 2017 OSCAR Catering Innovation of the Year Award and the Comfort Care Centre was a finalist in the HESTA Awards for Innovative Care Services. Our facilities at Ocean Star and Castledare

were awarded International Montessori Quality Assured Status.

The year also saw the commencement of construction of the new St Vincent's facility in Guildford. This exciting new 81 bed facility is scheduled to be completed in the 4th quarter of 2019. The start of construction required that we transition a number of services, such as the kitchen and laundry, into the current facility without impacting on ongoing operations. This has posed many challenges particularly in its location next to a construction site and I'm most grateful to all staff involved in ensuring a seamless transition.

We expanded our Registered Nurses and new Facility Managers' Mentoring Programmes, including the development of a Facility Managers' Handbook. Negotiations for two Enterprise Bargaining Agreements, one for our Registered Nurses and the other for our Carers, Hospitality and Therapy Staff were successfully completed and lodged with the Fair Work Commission.

Major information system upgrades, especially in Human Resources, were implemented and a major review of our Business Information System and Information Technology needs was completed to help plan for future investment.

Safety is paramount to our Care Model and across all our sites. This year saw the introduction of new Fire Warden Training for all staff as well completion of independent, third party electrical, fire and building compliance reviews.

During the year Catholic Homes contributed to a number of Commonwealth Government

reviews into the aged care industry. These included the Legislated Review of Aged Care authored by David Tune and the Review of National Aged Care Quality Regulatory Processes by Kate Carnell and Professor Ron Paterson. Both these reviews made a series of findings and recommendations that have the potential to impact on how aged care services will be delivered in the future.

*Our facilities at Ocean Star and Castledare were awarded International Montessori Quality Assured Status.*

An increased emphasis on brand exposure saw active participation at numerous aged care industry shows and expos, and revamped monthly newsletters and the quarterly Dove Magazine. Working closely with key media outlets, we have increased our advertising and editorial content in print, online and on radio.

I wish to acknowledge the performance of the Executive Team and all our wonderful staff who continue to wholeheartedly care and support our residents and clients to enjoy life. Delivered from the heart, their devotion is both humbling and inspiring.

Finally, I wish to thank the Board of Catholic Homes for their ongoing support and for their unwavering commitment to the delivery of the highest quality of aged care to the Catholic Homes community.

**John Fitzgerald**  
Chief Executive



*Catholic Homes' staff continue to receive national industry recognition for their outstanding care*



## Board Members

as on 30 June 2018

## Executive Team

as on 30 June 2018



**John Ogilvie**  
Chairman



**Marina Re**  
Deputy Chairperson



**Michael Hughes**



**John Fitzgerald**  
Chief Executive



**Gautam Gupta**  
Executive Manager  
Finance



**Bayram Jashari**  
Executive Manager  
Property Services



**Julie Waylen**



**David Barnao**



**Helen Marchesani**



**Bernadette Brady**  
Executive Manager  
Mission



**Julie Smith**  
Executive Manager  
Residential Care Services



**Jackie Hadida**  
Executive Manager  
Human Resources



**Daniel Lynch**



**Paul Andrew**



**Stephen Psaila-Savona**



**Margaret Haydon**  
*(Retired from the Board  
11 October 2017)*



**Peter Messer**  
*(Retired from the Board  
11 October 2017)*



**Fr Vincent Conroy**



# Home Care

## Short Term Restorative Care

Remaining in the comfort of our homes surrounded by our loved ones can improve wellbeing, until the gradual decline of ageing makes living independently difficult.

The benefits of receiving a Home Care service are many, ranging from helping keep families together to alleviating the pressures placed on caregivers. Catholic Homes' Home Care service includes Short Term Restorative Care (STRC) programmes promoting independent living and the delay or avoidance of entering long-term care.

Available in the homes of individuals, in the community or in aged care facilities, or a mix of these depending on the level of care needs, STRC is available for up to eight weeks. Care is delivered by a team of health professionals including your existing doctor to identify and treat any medical conditions.

The types of services available through STRC are extensive and may include physiotherapy, occupational therapy, nutrition advice, emotional support, home maintenance, transport and medical assistance.

There are no citizenship or residency restrictions, and eligibility is determined by an Aged Care Assessment Team. STRC is ideal for those needing support with everyday tasks, who are motivated to restore their own wellbeing and wish to remain independent and out of long-term ongoing care arrangements for as long as possible. People receiving a Home Care Package are not eligible for this program.

**Additional Home Care services include Day Therapy, which offers a range of services.**

This includes podiatry, occupational therapy and physiotherapy. Home Care also provides access to affordable Home Care Packages including Wellness programs, respite care for family members who are caregivers, pastoral care and private services for those requiring a little more support.



*The Circle of Men book has received positive exposure from the media*



# Circle of Men

## Book Launch

On 22nd August 2018, the Circle of Men book launch filled the room at Castledare Village.

The book emerged from a facilitated meeting called Circle of Men, where the male residents of Catholic Homes regularly come together in a safe space to engage in conversation and storytelling. Across several facilities, each man is invited to speak freely in turn while the rest of the group listen in confidence and without judgement.

With help from Senior Occupational Therapist Elizabeth Oliver, Circle of Men was introduced to Catholic Homes in 2013 by volunteer Peter Fry, who had witnessed a similar model being successfully run in Queensland. Initially trialled at Archbishop Goody with a small group of men, the project was eventually expanded into other facilities.

The Circle of Men book set out to honour the men and their stories, validate the work of the volunteers involved and to promote Catholic Homes' meaningful work in the aged care sector.

Featuring the heartfelt tales of sixteen of Catholic Homes' male residents, the stories are told in the third person through a series of interviews and edited by volunteer and facilitator Ross Prout.

The book has received positive exposure from the media and the meetings have won Catholic Homes two Better Practice Awards.

Feedback has been equally positive within the Catholic Homes community too, with the families of the men openly expressing their appreciation for the project. Not to mention the way the men's faces lit up when they received their copy of the book at the launch.

***The initiative promotes friendship and learning and helps reduce feelings of isolation while providing enjoyment.***

Often moved by the empathy of the men involved, Ross says, "It's a great honour to enable these men to go a little deeper even at this late stage of their journey."

In our understanding of the power of listening and learning from our older community, Catholic Homes has proudly created a lasting legacy.



# Financial Statements

## 2017/18 Concise Financial Report

### Statement of Profit or Loss

	2018	2017
	\$	\$
<b>Revenue</b>		
Revenue	31,346,653	30,796,539
Other Income	2,180,812	1,217,075
	<b>33,527,465</b>	<b>32,013,614</b>
<b>Expenses</b>		
Employee Expenses	21,117,082	19,820,980
Food and Provision Expenses	1,171,873	1,174,298
Cleaning and Domestic Expenses	617,832	668,707
Care and Support Expenses	476,536	520,952
Property Services, Repairs and Maintenance	2,956,274	2,878,102
Corporate Costs	1,482,211	1,572,530
Borrowing Costs	5,119	3,551
Depreciation and Amortisation	1,612,677	1,541,134
Loss on Investment Properties	2,485,000	1,675,000
	<b>31,924,604</b>	<b>29,855,254</b>
<b>Surplus/(Deficit) Before Income Tax</b>	<b>1,602,861</b>	<b>2,158,360</b>
Income Tax Expense	-	-
<b>Surplus/(Deficit) After Income Tax</b>	<b>1,602,861</b>	<b>2,158,360</b>

### Statement of Comprehensive Income

	2018	2017
	\$	\$
Surplus From Operations	1,602,861	2,158,360
<b>Other Comprehensive Income</b>		
Net Gain/(Loss) on Revaluation of Land	90,000	-
<b>Total Comprehensive Income</b>	<b>1,692,861</b>	<b>2,158,360</b>

### Statement of Financial Position

	2018	2017
	\$	\$
Current Assets	50,360,446	51,700,341
Non - Current Assets	93,043,888	90,855,202
<b>Total Assets</b>	<b>143,404,334</b>	<b>142,555,543</b>
Current Liabilities	81,874,726	82,523,096
Non - Current Liabilities	1,787,622	1,983,322
<b>Total Liabilities</b>	<b>83,662,348</b>	<b>84,506,418</b>
<b>Net Assets</b>	<b>59,741,986</b>	<b>58,049,125</b>
Asset Revaluation Reserve	14,416,500	14,326,500
Accumulated Surplus	45,325,486	43,722,625
<b>Total Equity</b>	<b>59,741,986</b>	<b>58,049,125</b>

## Statement of Cash Flows

	2018 \$	2017 \$
<b>Cash Flows From Operating Activities</b>		
Receipts from Government Subsidies	21,457,647	20,077,360
Receipts from Residents	6,773,540	7,334,259
Payments to Suppliers and Employees	(27,418,914)	(26,347,124)
Interest Received	1,985,395	1,900,310
Other Receipts	296,547	215,667
Interest Expensed	(5,119)	(3,551)
<b>Net Cash Provided By Operating Activities</b>	<b>3,089,096</b>	<b>3,176,921</b>
<b>Cash Flows From Investing Activities</b>		
Acquisition of Fixed Assets	(5,604,995)	(4,562,002)
Proceeds from Sale of Fixed Assets	158,998	134,570
Capital Grant Receipt	-	457,000
<b>Net Cash Flow Provided By/(Used In) Investing Activities</b>	<b>(5,445,997)</b>	<b>(3,970,432)</b>
<b>Cash Flows From Financing Activities</b>		
Bonds and RADs Received	12,044,494	13,366,081
Bonds and RADs Refunded	(12,030,271)	(8,673,472)
Loans Received from Residents	3,835,000	2,692,000
Loans Repaid to Residents	(3,247,649)	(3,045,971)
<b>Net Cash Flows Provided By Financing Activities</b>	<b>601,574</b>	<b>4,338,646</b>
<b>Net Increase In Cash Held</b>	<b>(1,755,327)</b>	<b>3,545,135</b>
Cash at the Beginning of the Financial Year	50,919,752	47,374,617
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	<b>49,164,425</b>	<b>50,919,752</b>

## Notes to the Financial Statement for the Year Ended 30 June 2018

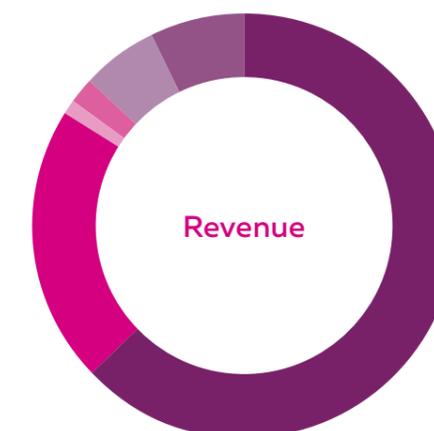
## Basis of Preparation

The summarised financial statements comprising the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows have been derived from the full financial report for the year ended 30 June 2018 of Catholic Homes Incorporated.

A full description of the accounting policies adopted by Catholic Homes Incorporated is provided in the financial report for the year ended 30 June 2018.

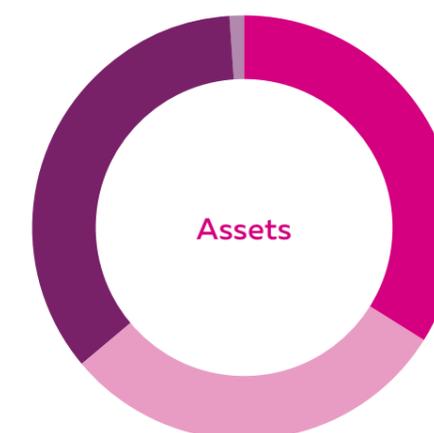
## Composition of Revenue

Government Subsidies	63%
Resident Income	21%
Accommodation Payments	1%
ILU Management Fees	2%
Interest	6%
Grant, Donations and Others	7%



## Composition of Assets

Cash and Cash Equivalent	34%
Residential Aged Care Properties	30%
Independent Living Units	35%
Others	1%



## Statement by Members of the Board

In the opinion of the Board, the accompanying accounts, as set out on pages 5 to 38\*, are in accordance with the Australian Charities and Not for Profits Commission Act 2012 and present fairly the financial position of Catholic Homes Incorporated as at 30 June 2018 and its performance for the year ended on that date and comply with Australian Accounting Standards and the Australian Charities and Not for Profits Commission Regulation 2013.

Notwithstanding the shortfall in working capital, the Board considers that at the date of this statement there are reasonable grounds to believe that Catholic Homes Incorporated will be able to pay its debts as and when they fall due. This is because, as noted in note 2(c)(x), the shortfall of current assets to current liabilities arises due to the requirement to classify resident loans, accommodation bonds and refundable accommodation deposits as current liabilities as the Association does not have an unconditional right to defer settlements for a period greater than twelve months. History suggests that a resident in a retirement village is staying on average for nine years and a resident in an aged care facility for an average of three years. The Association anticipates that it will repay approximately \$19.0 million of resident loans, accommodation bonds and refundable accommodation deposits in the next twelve months, which will largely be funded by contributions from incoming residents.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:



**John Ogilvie**  
Chairperson



**Marina Re**  
Deputy Chairperson

Dated: 3rd October 2018

\*Page numbers refer to the full financial report.



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## Independent Auditor's Report

To the Members of Catholic Homes Incorporated

Report on the Audit of the Concise Financial Report

### Opinion

We have audited the concise financial report of Catholic Homes Incorporated ("Entity"), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and related notes, derived from the audited financial report of Catholic Homes Incorporated for the year ended 30 June 2018.

In our opinion, the accompanying concise financial report of Catholic Homes Incorporated complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

### 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 Concise Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the *Associations Act 2015* and *Australia Charities and Not-for-profit Commission Act 2012* 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 concise 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.

### Concise Financial Report

The concise financial report does not contain all the disclosures required by the Australian Accounting Standards in the preparation of the financial report. Reading the concise financial report and the auditor's report thereon, therefore, is not a substitute for reading the financial report and the auditor's report thereon. The concise financial report and the financial report do not reflect the effects of events that occurred subsequent to the date of our report on the financial report.

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**Responsibilities of the Board**

The Directors are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 Concise Financial Reports, the Associations Incorporation Act 2015 and Australian Charities, Not-for-profits Commission Act 2012, and for such internal control as the directors determine are necessary to enable the preparation of the concise financial report.

**Auditor's Responsibility for the Audit of the Concise Financial Report**

Our responsibility is to express an opinion on whether the concise financial report, complies in all material respects, with AASB 1039 Concise Financial Reports based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements.

**Information Other than the Concise Financial Report and Auditor's Report Thereon**

The Directors are responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the concise 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, 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.

**Matters Relating to the Electronic Publication of the Audited Financial Report**

This auditor's report relates to the annual financial report of the Catholic Homes Incorporated for the year ended 30 June 2018 included on the Entity's website. The Entity's management is responsible for the integrity of the Entity's website. This audit does not provide assurance on the integrity of the Entity's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

C A Becker  
Partner – Audit & Assurance Services

Perth, 01 November 2018

# Celebrating Our Awards and Milestones

## Congratulations to all Catholic Homes staff

### 20+ Years of Service

Julieta Martin

### 15+ Years of Service

Dennis Caudrey

Robert Theta

### 10+ Years of Service

Birgitt Beaton

Carey Brown

Fiona Peskett

Hegafolia Jones

Julie McNeill

Kim-Hung Mak

Nancy Lowthe

Robyn Gibbons

### 5+ Years of Service

Barbara Myers

Bernadette Brady

Brenda Ranford

Carey Bray

Carina Harvey

Christine Savage

Dorothy Galpin

Elizabeth Oliver

Gaurangi Potdar

Henry Fingleton

Jacqueline Hadida

Janet Groom

Kay Smith

Liliosa Zimucha

Lisa Buchanan

Lynette Carney

Ma Louie Habana

Ma Victoria Lana

Madilen Unlayao

Melina Romeo

Milagros Mooc

Mollie Tiakia

Nasrin Ahmadi Kalayeh

Natalie Penn

Neuza Lourenco

Sarinya Loo

Shiralee Buchanan

Shona Giblett

Tracey Showler

Vironique Botha

Zita Moyenge

### Award Finalists

#### Marist Lodge

2018 Hospitality and Lifestyle Aged Care Awards

(2018 Facility Event/ Theme Day Award)

#### Individual

2018 Hospitality and Lifestyle Aged Care Awards

(Carey Bray, 2018 Hospitality Manager Award)

### Award Winners

#### Castledare Village

2018 OSCAR Hospitality Aged Care Hospitality Awards

(Chef Kris Gorayah Chef/ Cook of the Year 2018)

(Facility Catering Service of the Year 2018)



*care with  
purpose*



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