SOUTHCARE

Annual Report

2017 - 2018

SOUTHCARE

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QUALITY
RESPECT
INTEGRITY
COOPERATION
EMPATHY

About Us

Southcare is a community not-for-profit organisation based in Manning, South Perth. We started in 1982 as a small but determined group of some 20 volunteers helping people in need in the local area with emergency assistance of baby blankets and food hampers.

Today, we are a diverse collaboration of people, cultures, teams, services, communities and partnerships, all working together to enhance the quality of life of local residents. Through the provision of support and aged care services, we aim to help them remain independent and comfortable in their own home and community.

We provide a diverse range of government and community-funded services in aged care, aboriginal family support, financial counselling, emergency relief, social connection and community amenities. We also provide professional leadership and governance training.

In addition, we partner with other community organisations, foundations and universities for research, resource sharing and collaboration to build the capacity of the aged care and not-for-profit sectors.

In the spirit of our tradition, volunteers have a special place in our organisation, assisting us to provide valuable services in the community alongside our staff. We continue to provide hampers at Christmas to help brighten this time for people in need, and also as a special tribute to the way it all began for us over 35 years ago.

Our Vision

To be the provider of choice for aged care services in our area and the best-in-class in our sector.

Our Mission

Empowering People - Enriching Lives

Our Values

Our values (pictured left) underpin our culture, service delivery and community spirit.

Report from the Chair

It is a great pleasure to present the 2017-2018 Annual Report for Southcare. The Board, management, staff and volunteers can feel proud of their achievements this year which have resulted in growth and development of our diversification strategy for housing, and an increase in Home Care Package customers.

Over one million people currently receive aged care services in Australia, with the vast majority receiving support at home. Currently, aged care is a complex, siloed system, with multiple government defined care types. These include basic home support and assistance (e.g. meals, transport, and home maintenance), restorative type care, as well as ongoing support, personal and clinical care. Care can be provided in a person's home, in community settings, or in a residential setting.

Following the implementation of the Federal Government's Aged Care Reforms in February 2017, we introduced a 'Think Retail' culture, placing our customers' needs central to our success. With the deregulation of the home care market, all providers were faced with introducing their own fee structures as part of the new competitive market, which is ultimately beneficial to the customer. Our strategy was to position Southcare as a high quality, value-for-money service provider. Therefore, we chose to set an all-inclusive fee rate, with no case management or administration fee, which is reviewable after six months.

As a consequence of the new national process for assigning older Australians a Home Care Package (HCP), many industry providers did not fully appreciate the impact this would have on their business. As an example, the new National Waitlist process (based on how long a person has been waiting for their HCP) has resulted in over 105,000 people on the waitlist, with wait times currently over 12 months.

At our planned six-monthly review, our HCP pricing was revised to ensure our business was on a fully sustainable basis for the longer term. This is covered in detail in the Treasurer and Chief Finance Officer's Report.

Over the past year, we continue to see a shortfall in the number of HCPs being released by the government. Aged care services and care types are rationed, with Government determining the overall supply and distribution through the use of population-based service provision target ratios (growing from 113 places for every 1,000 people aged over 70 years, to 125 places by 2021–22) as well as the allocation of grants. Government has a role in providing assistance to address insufficient market response, through flexible funding streams and capital grants. However, as with the rest of the system, these are limited.

Older Australians want more control, choice and better access to the services they need. Most wish to remain in their own homes for as long as possible, which has been central to the decision to provide accessible housing for local retirees. The project is covered in more detail in this report. However, I do want to acknowledge the key Project Control Committee, being a subcommittee of the Board. This includes securing the development application approval, with the project clearly aligned to our Mission to meet a community need.

We thank Peter Wylie for his expertise and contribution, as well as Les Ozsdolay, Tim Davey and Bill Marshall for taking on the additional workload.

As our cultural change processes that commenced in 2015-2016 with the implementation of the Southcare Spirit Project continues, we remain focused on the achievement of four core strategies. Continuous improvement and marketing strategies and finding our market niche opens up great opportunities for Southcare to continue to provide services and support that are about 'Empowering People and Enriching Lives'. The details of our activities are overleaf.

We appreciate the ongoing support of the City of South Perth through partnership funding that provides an invaluable contribution towards Southcare's capacity to deliver additional support for Aboriginal families who are experiencing homelessness or are at risk of homelessness.

It is hard to believe that six years ago we received a social innovation grant for a project aimed at getting young professionals onto aged care boards. The continued growth of our Engaging Young Leaders on Aged Care and Community Boards (EYLACCB) is inspiring, and also requires an ongoing commitment to fundraising.

Over the past year, the Southcare Board farewelled a valuable Board member, Elise Croft; we thank Elise for her service. We also provided a Board Traineeship to Greg Milner a graduate of the 2016 Emerging Leaders in Governance Program and we wish him well in his new role as Councillor with the City of South Perth. My sincere thanks to all Board members for your continued positive support, knowledge and desire in leading Southcare forward.

Importantly, we continue to respect the energy and passion our leader and CEO, Dr Nicky Howe, brings to Southcare. Nicky has a clear vision and purpose and is leading the organisation with the strong and ongoing support of all the staff and volunteers, who are also very much appreciated.

John Dodman,
Chairman

Report from the CEO

Building Foundations and Re-engineering Our Business

These two themes sum up our activities for 2017-2018.

We have continued to undergo significant internal transformation to position ourselves in what is now a more customer-driven and market-based aged care system. Key to our transformation has been the continuation of our Southcare Spirit Project aimed at improving both our workplace culture and results. Our Strategic Plan and Architect for Success ensure we have a clarity of vision, mission, purpose and goals. Our attention has been (and will continue to be) on improving the customer's experience, our people and culture, sales and marketing, and our systems and processes. These four pillars, along with a program we undertook on preparing for the 'new world' of home care, positioned us to be ready for the Increasing Choice in Home Care reforms that commenced on 27 February 2017.

Much of our work centres on improving our services, which meant re-engineering 'what we do and how we do it'. We have focused on the analysis and design of workflows and business processes within our organisation. A key project was the review of our home care support services. We needed to rethink how we work in order to dramatically improve customer service, cut operational costs, and become best in-class competitors.

Whilst we have not had to radically restructure our organisation, we have made some changes and focused on the ground-up design of our business processes. Our re-engineering emphasised a holistic focus on our business objectives and how our processes related to them, encouraging full-scale re-creation of processes. I thank Enda Fahy and Louise Fry for leading this exciting project and for Community Home Support staff who have been open to working differently.

Working differently means we have built new foundations for our business. We have also built new foundations through creating the development application to build 82 apartments for aged and dependent local retirees. This is a major project for Southcare as it gives us the opportunity to address an overwhelming need for suitable housing for aged and dependent people who want to remain living in their own home and community.

As a medium-sized provider, we have continued to engage with others to ensure our service offerings to customers are meeting their care needs. I am therefore pleased to report that it has been a good year for Southcare in relation to our key performance measures.

The achievements throughout the year must be accredited to the Southcare staff and volunteers. Their commitment, resilience, pride and willingness to give their all in implementing all the changes has been exceptional. Thank you for your valued effort and contribution which has been vital to our success this year.

I am appreciative of the members of the Southcare Board and the subcommittee members for bringing to Southcare their unique skills, knowledge, and experiences to ensure we are led and governed effectively. I thank John Dodman for all his many tireless hours of service. His commitment to Southcare is exceptional, always going above and beyond. At times, this year was challenging and I am very grateful to John for his wise counsel to me, for all his support, guidance, challenges and encouragement and his contribution to the leadership and governance of Southcare.

Building foundations, re-engineering our business, innovation, creating opportunities and dealing with challenges are the norm. Strategic flexibility and vision, combined with good decision-making, will ensure that Southcare will continue on a successful path into the future

Dr Nicky Howe
CEO

Treasurer and CFO Report

Southcare has returned an operating surplus of $84k from trading operations during the 2017 - 2018 financial year. The operating surplus of $84k is higher than the annual budget of $79k.

This result is a demonstration of how Southcare has repositioned from being a supplier of outsourced government services to becoming a stand-alone service provider that competes in an open market for customers. Southcare has been able to realise an overall annual increase of 17 Home Care Package (HCP) customers.

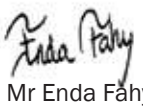
This is a positive result, given the current operating environment has seen steady increases of approved home care providers entering the market and continuing increases in the total number of people who are on the national queue waiting to be allocated an HCP. In summary, demand from people is high. However, the government continues to delay the release of additional HCPs, meaning that at the end of June 2018, over 104,000 people were waiting more than 12 months to be allocated an HCP.

As previously outlined in this report, our pricing strategy was to position Southcare as a high quality, value-for-money service provider; we set an all-inclusive fee rate, with no case management or administration fee, reviewable after six months. In mid-September, we reviewed this strategy based on our current financial performance and implemented a revised pricing strategy from 1 December 2017. This included the introduction of a 15% administration charge for HCP Level 2 customers and a 20% administration fee for HCP Level 3 and Level 4 customers, removal of the 15-minute service interval option and reallocation of staff hours to more accurately reflect time spent in customer engagement, program administration and management. These changes resulted in retaining all our existing customers, attracting new customers, continuing to provide high quality services and delivering a surplus, whilst ensuring a sustainable model for optimum service delivery to all our customers.

Southcare's cash reserves have increased from the prior year by $60,403, and at 30 June 2018, the total cash reserves were $5.66m. This, together with the high level of net assets currently held, places Southcare in a very strong and liquid financial position. Work continues on the development of accessible housing for local retirees. At 30 June 2018, the total capitalised costs incurred on this development is $698k, which is in line with the budgeted project costing schedule (this project is covered in more detail later in the report).

We thank the members of the Accounts and Finance team, namely Louise Fry for project management, and Shelley Halton and Yook Lin Ng, for their valuable contributions in ensuing the accounting and administrative functions are performed to a high standard.

Mr Tim Davey
Treasurer



Mr Enda Fahy
CFO

Building Our Brand

In the 2016 – 2017 financial year, we commenced the process of re-branding. To minimise wastage and avoid passing unnecessary costs onto our customers, a phased approach was adopted; communications (brochures, stationery, signage, website, social media, vehicles, uniforms etc.) were completed by the end of 2017.

As a community organisation, we wanted to build our brand in a way that was meaningful and added benefit to the community we have served for over 35 years. We have delivered this by introducing the Ask Nicky campaign aimed at educating the public about the changes to Aged Care.

The strategy was executed with the development of a series of videos designed as guidelines for people to understand the options that are available to support them or their loved ones to live independently in their own home and community. The following videos were produced:

- How to get Aged Care Services at Home
- How to choose an Aged Care Provider
- What is a Home Care Package (HCP)?
- Hours of Service in a Home Care Package
- Where to find more Information on Aged Care
- Aged Care Worker Accountability and Safety

The Ask Nicky campaign is supported by a monthly community radio segment on Curtin FM where the CEO talks with Jenny Seaton, a segment with a high listenership of people aged 65+. The sessions are centered on the CEO covering a particular aged care theme, and listeners are invited to call in with any questions, which Nicky answers. This has proved to be very useful in raising the public's awareness about aged care and increasing our brand awareness.

In addition to the video and community radio aspects of the Ask Nicky campaign, we also offer a free seminar where the CEO and our expert aged care staff guide people through the 'aged care maze', addressing all their questions. These seminars have been conducted on a monthly basis at Southcare and have also been delivered offsite to a number of community groups. Key topics include:

- How seniors access aged care services in their own home.
- The subsidies and funding options available to pay for home care services.
- The services and products that are available to support seniors to in live in their own homes.
- Case studies and tools to compare fees.

These sessions help people understand the options that are available to support them to live independently in their own home and community. Promotion at public events has seen the CEO and Marketing Manager out in the community at various events including the Manning Farmers Markets and Waterford Plaza.

Community Home Support

Home and Community Care (HACC) Services

As people age and become incapacitated due to various factors, it can be increasingly difficult to remain independent and do all the things they like to do in their own home and within the community.

At Southcare, we support people who are older, frail-aged and young people with a disability, to live independently in their own home and participate in the local community, and make social connections that enhance their health and well-being.

We use a wellness approach which maximises the customer's independence and autonomy by helping them to restore and maintain skills to carry out essential everyday activities and improve their quality of life and social participation.

Southcare provides these services in the community with Home and Community Care (HACC) funding provided by the State and Commonwealth Governments.

- Domestic Assistance
  Help everyday household tasks
- Personal Care
  Supporting independence in activities such as showering, dressing and basic foot care
- Maintenance
  Minor work in thehome or yard to maintain safety, independence and access
- Transport
  Enabling attendance to appointments and participatoin community events
- Social Connection & Companionship
  Participation in group social activities or one-to-one companionship
- Meals
  Assistance with the preparation or delivery of meals
- Home Modification
  Minor structural changes to help maintain independence and safety, such as installation of hand rails
- Nursing Care
  Such as wound care and insulin injections, assistance with diabetes management, continence and pressure by a registered or enrolled nurse
- Allied Health
  Such as physiotherapy or nutrition adviceto help maintain healthy diet, physical fitness, independence and safety

Social Centre

Moving Towards a Wellness Centre

The Social Centre is funded by the State Government under the Home and Community Care Program (HACC).

The HACC Program is based on the philosophy of supporting older people and people with disabilities to be more independent at home and in the community, thereby enhancing their quality of life and/or preventing their untimely admission to long-term residential care.

The approach assists customers to accommodate their functional disability by learning or re-learning the skills necessary for daily living. For those individuals where reskilling is not appropriate, the approach focuses on minimising the functional losses and future dependencies that may develop because of disease processes.

The Social Centre provides an opportunity for customers to attend and participate in social connections which are conducted in, or from, our centre. These activities and outings are designed to support social interaction and independent living. Essentially, our Social Centre is seen as more like an extension of our customer's home.

As part of our commitment to our Dementia customers, Southcare continues to partner with Alzheimer's WA to develop and implement a Household Model of Care. The Household Model sits well within the Wellness and Independence philosophy of the HACC program, moving away from the scenario where the staff were doing almost everything for the members. The Model now encourages them to take part in the daily set up and serving of morning tea in order to utilise their current skills and abilities.

We continue to have customers who arrive a little earlier than others, just so they can participate in setting up for morning tea. This includes setting the table and laying out the crockery. Customers enjoy being a part of the team, feel valued by others and take pride in their contribution to the day's activities.

Southcare embraces continuous improvement; the Social Centre is one area where we are committed to developing new service offerings that enhance our customers' health and well-being. We are transitioning the Social Centre towards a 'Wellness Centre' that is able to cater to our customers' physical, mental and emotional well-being by introducing outings, activities, presentations and events that focus on wellness and independence.

Home Care Packages

More Choice and Control

In early 2017, the Commonwealth Government introduced changes to the way in which consumers access Home Care Packages. As previously discussed, much of the year focused on ensuring we re-engineered our business processes and service delivery to support the actions required to deliver customer value.

We also sought to position Southcare as a high quality, value-for-money service provider by setting an all-inclusive fee rate (no case management or administration fee). However, with the introduction of the new nationally-consistent process for assigning older Australians a Home Care Package (HCP), our pricing strategy was revised as previously outlined in this report.

We are pleased to report that our Home Care Packages continue to be delivered on a Consumer Directed Care (CDC) basis. This means our model of care is focused on making an impact on customers' quality of life by:

- Providing opportunities to integrate physical, mental and spiritual well-being.
- Empowering and enriching people to live healthy, vibrant, independent lives.
- Ensuring intellectual and social connection and a living environment that sets up the customer for success.

Being customer-focused is fundamental to Southcare's CDC model and ensures that the customer has an integral part to play in all aspects of the planning process. The service meets the synergy of needs and wants for the customer, including physical, mental, cultural and spiritual requirements. The customer is included in the decision-making process, and in collaboration with the case coordinator, determines the services required to meet their needs and support independent living.

Southcare values customer feedback as it assists us to improve the way we support our customers. This year, we continued to collect compliments and customer concerns, which are vital components to improving our services. This also provides an opportunity for our customers to not only influence the way we do business, but importantly to connect with like-minded individuals who have an interest in the future of our aged care services.

Community Visitors Scheme

The Community Visitors Scheme (CVS) program is a national program funded by the Department of Health. CVS is about creating companionship and friendship for seniors in our community who are socially isolated or lonely. Having someone who is willing to sit and have a chat about books, movies, music or football, take a walk in the garden, or play a game goes a huge way towards helping these people feel more connected each week.

Southcare's CVS volunteers connect with seniors living in the South East Metro area of Perth, who have been identified as being socially or culturally isolated. Southcare recruits volunteers, carefully matching each volunteer with a senior in need of companionship. CVS volunteer visitors make one-on-one or group visits to aged care homes, and also one-on-one visits to home care package customers.

The long-standing program has been very successful in helping lonely seniors stay connected to the community, alleviating the feeling of isolation and allowing them to continue to enjoy a full and vibrant life.

Recruitment for CVS volunteers is ongoing as we seek to attract people who are from diverse cultures and backgrounds.

My experience as a Community Visitor with Southcare

'My name is Cassandra, I'm 28, a master's student at Curtin University and a community visitor through Southcare.

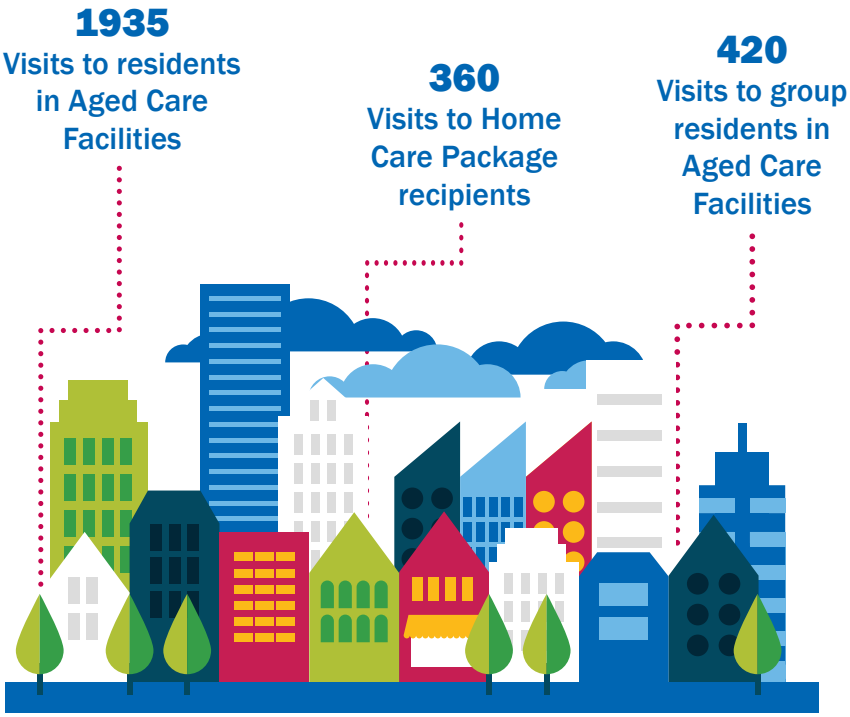
Last year, I found myself with some extra time. I don't have any nursing skills, or a background in aged care, but I do have time. So, I decided to volunteer my time to someone who might like some company.

In March I met Denise, 92-year-old lady from Mauritius. During the week, Denise is often alone, so once a week I spend some time with her.

At first, Denise kept asking me why I was visiting her. She wondered what I was getting out of the visits and reassured me that I could stop coming whenever I got bored. I appreciated her honesty and I could tell we were going to get along fine.

When Denise reminisces about growing up in Mauritius, I'm taken to a different time and place. We talk about her late husband and my boyfriend, my life plans, and her grandchildren. We share an interest in literature and movies, and often discuss terrible soapies. We talk about the differences between our generations and find similarities in our lives.

I still look forward to hearing about her week whenever I see her. I'm happy I chose to volunteer with Southcare because I've made a lovely friend in Denise.'



Our Community

Accessible Housing for Local Retirees

The Development

Southcare continues to work towards our strategic goal of providing accommodation, care and support to active retirees. We are developing our sites on both sides of Bickley Crescent (between Pether and Manning Roads) to create a community precinct and apartment lifestyle for local retirees. In this highly-anticipated development, we aim to support residents to live well through being connected to high quality care available in their own stylish home. We plan to have an exceptionally picturesque cul de sac, café and community centre that supports retirees to keep living well and safely in their own home, whilst remaining linked to the community.

Progress towards achieving this goal has included successfully securing the Town Planning Scheme No. 6, Amendment No. 45, Occupation of New Dwellings achieved in 2015 - 16. In July 2017, we submitted our Development Application to the City of South Perth and were advised that the COSP officers recommended approval of our development application as it met all the planning requirements. On 25 October 2017, we made our deputation to a Special COSP Council Meeting. Five members of the local community, who were opposed to the development, spoke against our plans, and the CEO and Urban Designer, Malcolm Mackay, spoke for the development. The outcome of the meeting was that the Council did not support our application.

Our application was then considered by the Metro Central Joint Development Assessment Panel (JDAP) on 31 October 2017 where, in accordance with the provisions of the City of South Perth and City of Perth Town Planning Scheme No.6, it was resolved to refuse the application on the following grounds:

- Notwithstanding the zoning of the land and the absence of some, if not all, controls on development of this land now contained in Town Planning Scheme No. 6, the proposed development represents an overdevelopment of the site.
- The amenity impact on surrounding single residential developments, including the proposed level of landscaping, traffic generation, anticipated parking in Pether Road, and the visual bulk and scale of the development are not acceptable in the form presently proposed.

We were advised that there is a right of review by the State Administrative Tribunal in accordance with Part 14 of the Planning and Development Act 2005. Such an application must be made within 28 days of the determination, in accordance with the State Administrative Tribunal Act 2004.

Following legal advice from Belinda Moharich from Moharich and More, the decision was taken by the Southcare Board to appoint Moharich and More and lodge an application to the State Administrative Tribunal (SAT).

A SAT directions hearing was held on 19 December 2017 and the Project Control Team (PCT) worked with our architects, Cameron Chisholm and Nicol (CCN), and Urban Designer to progress the order set by the SAT. At a further SAT hearing on 16 February 2018, members presented the Amended Development Application.

On 4 April 2018, Southcare attended the Joint Development Application Panel (JDAP). There were 11 people who spoke; six against and five for the proposal. We are pleased to advise that the development application was approved, subject to a set of conditions which we have included and that will enhance the streetscape and visual privacy of residents.

Subsequently, the next stage of the project has been to complete the design development interior for each of the apartments. Central to this is ensuring that the apartments meet the 16 Livable Housing Design Elements which include: dwelling access, dwelling entrance, car parking, internal doors and corridors, toilets, showers reinforcement of bathroom and toilet walls, internal stairways, kitchen space, laundry space, ground (or entry level bedroom space), switches and power points, doors and tap hardware, family/living room space, and window sill and flooring. Inherent in the design is to create apartments that are aimed at helping make homes easier to access, navigate and live in, as well as attractive and more cost effective to adapt when life's circumstances change.

The Project Control Team

The Southcare Board is the overarching governing body for this project and the Housing for Local Retirees Project Management Committee is chaired by the CEO. Members of the committee include Dr Nicky Howe (CEO Southcare), John Dodman (Chairman Southcare), Les Ozsdolay (Deputy Chairman Southcare), Tim Davey (Treasurer Southcare), Enda Fahy (CFO Southcare), Peter Wylie and Bill Marshall.

Consultants engaged in the project include George Georgiu (Project Manager, Johnstaff), Chris Fagri (Project Manager, Johnstaff), Malcolm Mackay (Mackay Urban Design), Cameron Chisholm Nicol Architects, Peter Keleman, Craig Forman, Tor Dahl and Angie Rosato. Our Real Estate Consultative Committee included Simmon Sardelic (Sardelic Real Estate), Alan Bourke, (Bourkes Real Estate), and Ian Hutchison and Steve Lally (Ian Hutchison Real Estate).

Aboriginal Family Support

Aboriginal Family Support (AFS) provides support, advocacy, referral and assistance options to individuals and families through one-on-one appointments and group activities. Our service develops the capabilities of our customers in the areas of health, well-being, positive coping skills and confidence building. Customers are supported to respond to current and future issues and challenges impacting their lives, through consultation and case management options that help develop their knowledge, confidence and skills to identify and build on their strengths to effectively manage their own lives.

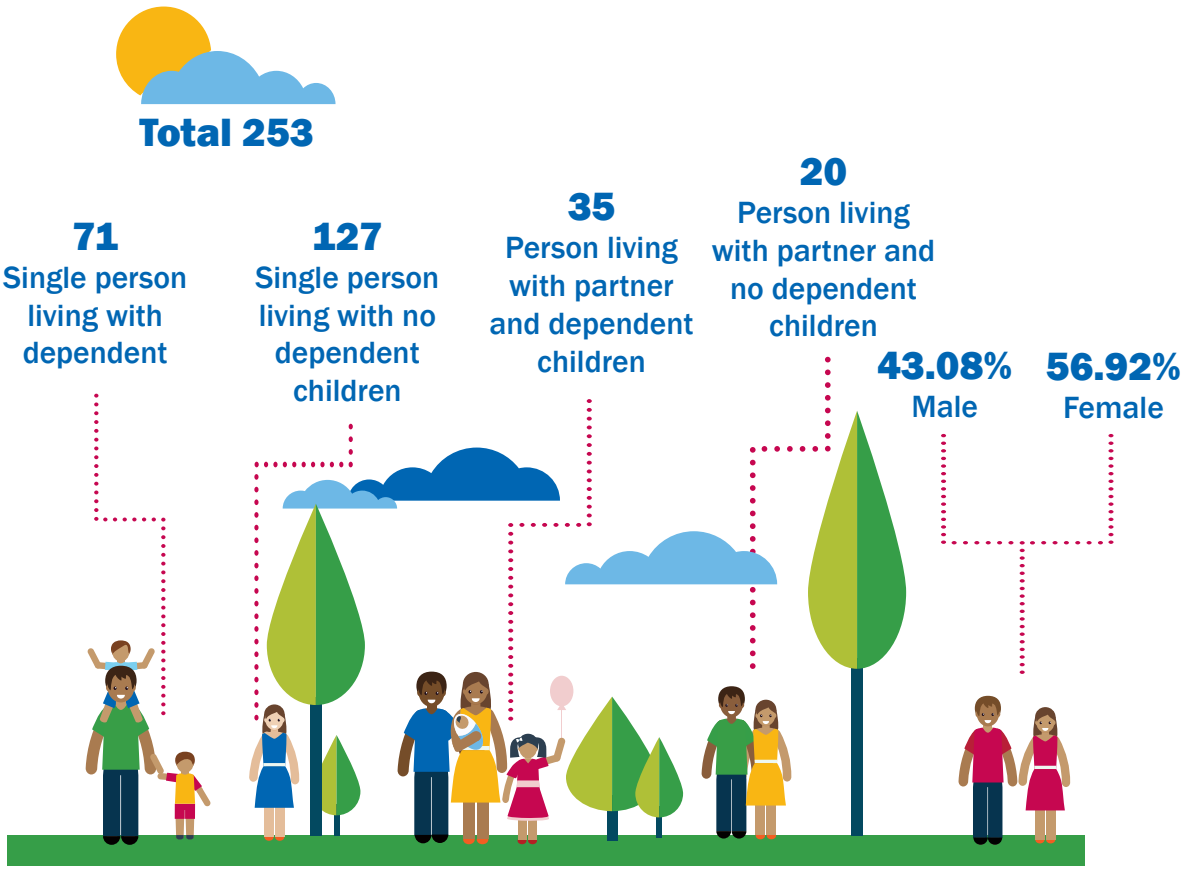
Presenting issues and challenges are quite varied and include housing, i.e. priority listing, transfers, tenancy obligations, maintenance and secondary homelessness (make-shift living at friends and relatives' housing), family breakdowns in relationships, parenting, lack of life skills, financial problems, grief and loss, mental health, low self-esteem and social isolation.

Customers are case-managed and assisted by building their capacity to work through and find solutions to issues, and to set and achieve goals. The AFS program seeks to enhance the well-being of the community by strengthening families and individuals through the use of the four key community service principles of engagement, inclusiveness, collaboration and capacity building.

We create opportunities for people by referring them to community support networks and other community resources such as the local Moorditj Keila Community group based at the City of South Perth Manning Community Hub precinct.

We would like to acknowledge the Department of Local Government and Communities and the City of South Perth for their ongoing commitment and support.

Family Structure of Assisted Clients



Service Outcomes of Note Include

Health
A six-week course run by senior health staff from East Metro Health Service for people living with, or caring for, someone with a chronic condition. Some of the participants then joined and completed a 'Journey of Living with Diabetes' course.

Education
A large collaborative effort with service providers is assisting a young student, facing many socio-health issues with minimal extended family support, to engage at school and connect with positive peers and mentors to help with his development and well-being.

Housing
Homelessness is an ever-increasing issue and our service has developed strong collaborative relationships with a number of agencies resulting in several customers being housed and others linked to crisis accommodation options. Many customers have been allocated Housing Authority priority listing and granted transfers following our advocacy and support.

Community Development
The Southcare men's empowerment group was involved in a community engagement gardening project at Waterford Plaza. The work involved extensive mulching and the group was supported with equipment donated by Bunnings, Victoria Park.

Employment
A member of the men's group recently obtained mining FIFO work travelling to various mines to the north and east of WA. The young man attributes his progress to the men's group community work who help the vulnerable and needy. The young man commented,

"The group supported me and lifted me up when times were tough and helped me get part-time work gardening in Como. I enjoy outdoors work as I've worked in landscaping and construction before and now it's up to me to make a go of it in my new job."

Emergency Relief

A combination of the many people struggling to find work and the rising cost of living has seen an ongoing demand for Emergency Relief. Thanks to Lotterywest, we have been able to help people in crisis with food vouchers, purchase of food, or with the purchase of household goods or clothing from the Southcare Opportunity Shop. We also provide assistance with accommodation costs, medical expenses, and utility accounts by paying the account on the customers' behalf.

Where necessary, we refer customers to our Financial Counsellor who can build their financial literacy with budgeting assistance. Without the support from government, it is becoming increasingly challenging to meet the needs of the large number of people who come to us each week. A big thank you to the volunteers who use their skill, knowledge and empathy when interviewing people who find themselves in difficult circumstances.

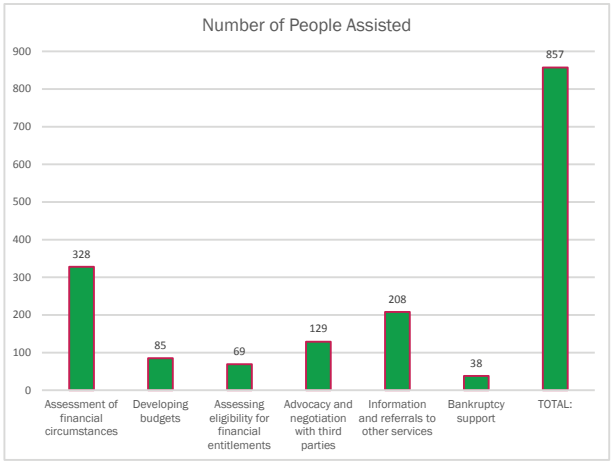
There were 1096 Southcare assisted individuals in the community with emergency relief this year.

Financial Counselling

As part of the Financial Counselling Network, Southcare continued to provide people experiencing financial difficulties with independent and confidential support. A welcome reinstatement of State Government funding now sees 15 member organisations across the network delivering financial counselling in 25 different locations across the Perth Metropolitan area.

Southcare's financial counsellor deals with vulnerable families and individuals experiencing financial hardship. We aim to empower customers so they have the capacity to deal with their financial situation or advocate and negotiate on their behalf, when required. Specifically, the financial counsellor can:

- Provide support to individuals and families risking disconnection of essential services such as electricity, gas and water
- Advocate and negotiate in relation to housing issues (home loans, private landlord, community and public housing providers)
- Negotiate with telephone/internet service providers, financial institutions, debt collectors and other creditors
- Advocate for/ provide information about consumer rights including information about consumer credit and independent dispute resolutions schemes
- Improve budgeting and negotiation skills
- Provide information about bankruptcy and early release of superannuation
- Assist and ensure access to concessions and entitlements
- Apply for various grants, i.e. Hardship Utility Grant Scheme (HUGS), Power Assist, Alinta Care
- Make appropriate referrals to legal services, emergency relief services and other local services
- Assist clients with WA No Interest Loan Scheme applications



Western Australia continues to have one of the highest unemployment rates in Australia, which has consistently sat above 6 per cent for the majority of the past year. This is very much reflected in the issues with which financial counselling customers have been presenting. The predominant issues are relating to meeting basic living costs. In particular, single people and families reliant on a Centrelink income are unable to meet ongoing energy and housing costs. It is apparent that many low income households have become dependent on accessing the State Government's Hardship Utility Grants Scheme (HUGS) to meet their energy costs, as those costs have dramatically increased, while incomes have remained stagnant. Recent changes to the HUGS scheme have made it far more difficult to access, and as a result customers who attend are in arrears with their power and gas, unable to bring the balance of those arrears down because they are not able to access the lump sum that the HUGS grant provided. A review of the customer's income and expenditure often indicates that the customer cannot meet their average energy costs on an ongoing basis without incurring significant hardship.

The depressed housing market remains a significant issue for many of our customers experiencing financial difficulty for two reasons. Firstly, people looking to sell their residential and/or investment properties are finding that any equity they had in their property has either diminished significantly, or is negative, which makes the option of selling the property to access funds to clear debt unattractive.

Secondly, if the customer is forced to sell they are often left with a significant residual debt which needs to be addressed. In some cases, the residual amount after the sale of the property can be well over $100,000, and a payment plan with the lender or mortgage insurer then needs to be negotiated. This has been highlighted in the Banking Royal Commission, where it is evident that poor lending standards have meant people have been able to borrow money to purchase a property with little or no deposit.

Over the 2017-2018 year the total presenting debt for our customers was $36,151,110 for the 290 closed cases. That is an average debt of $124,659 per person. To put this into perspective further, 68 per cent of our customers had a household income under $40,000 per annum. With such high debt levels, some of the cases we are currently seeing are extremely complex and as such can be very time-consuming to address. As an example, we had one customer who had over $300,000 in unsecured debt to 10 different creditors. A change in his circumstances and pending retirement meant he was not in a position to service these debts. We assisted the customer to negotiate interim payment arrangements with all creditors, while he arranged to sell his residential property with the view of using the proceeds to settle with his creditors. Once the property was sold and settled, we then negotiated reduced lump sum settlements with each of his creditors which left enough money for the customer to move interstate to be with his family.

Community Spirit

Supporting other not-for-profit organisations

When Janet Elder bequeathed a donation to Southcare, she knew her assets were in good hands. What she could not have known was just how much her bequest would touch the lives of so many Western Australians.

We continue to honour her spirit of generosity by supporting other organisations that are in need. The following are a few of the organisations we help so they, too, can make a difference.

GRAI is a Western Australian community-based group with a mission to create a responsive and inclusive mature-age environment that promotes and supports a quality life for older and ageing people of diverse sexualities and gender identities. It is a voluntary group that works actively within the policy and political environment, and they welcomed our support and involvement. Southcare continues to support GRAI by providing pro-bono office space, training and boardroom facilities.

POOPS is an organisation that is all about keeping people and pets together - and is as much about human well-being, as animal welfare. If age or disability prevents a person from fully caring for their pet, POOPS caters specifically for people over 65 years (or palliative-care/disabled people of any age) who have no relatives or friends able to assist in times of need. Southcare provides pro-bono training and boardroom facilities.

In addition, we share our meeting rooms, community hall, equipment and facilities with Soroptimist International South Perth and Canning, Starick Inc., Penguin Club, 100 Women, Moorditj Keila, Storytelling Tribe, Ontological Practitioners, Girls for Girls, Empowering Women Leadership Circle, Conscious Capitalism and Mind and Movement. This helps make them and us a strong community.

Community Shops

Mankara Low Cost Food Store
Following a review of the number of customers who were accessing Mankara Low Cost Food Store, we closed the Mankara Shop on 13 December 2017, and used all remaining stock for customers who sought Emergency Relief. We continue to support those in need of food through food vouchers and free bakery items. Whilst it is always a difficult decision to close services, it is vital that we use our resources to provide the maximum social impact.

Mankara volunteers who wanted to continue supporting Southcare are now volunteering in other services within the organisation.

Mankara Opportunity Shop
With the closure of the Mankara food shop, we re-located the Op shop to inside the administration building. We re-named the new shop “Mankara Op Shop” so our history can be maintained. The move was executed through the help of three dedicated volunteers who set up the shop fittings and moved the stock. Mankara Op Shop opened on 15 January 2018 and has received a lot of interest from the community.

With the help of a dedicated team of volunteers, sales have continued to be good and we have received many positive comments from our customers. The local community continues to be very generous, always choosing Southcare to help recycle their unwanted clothes, books and small household goods. Sales have been designed to manage stock by focusing on one particular type of goods, if it is in oversupply. For example, we will have a “Scarf Sale” when we seem to be inundated with scarves! Having more space has allowed for better displays and also made it easier for customers to find items, and volunteers to keep everything tidy and tempting.

Thank you to all the wonderful volunteers who give their time so freely and are passionate about our shop and supporting those in need in our community.

Annual Christmas Appeal 2017

Once again the local community, service clubs, churches and schools were amazing in terms of donating non-perishable food and gifts for our annual Christmas appeal. In early December, Southcare volunteers, the Lion Club of South Perth, City of South Perth and Waterford Plaza worked together to ensure a very successful day of playing 'Santa' to 710 local families by providing them with a food hamper and gifts for the children. This year we received sufficient donations of toiletry items which allowed us to make up small packs for Mums, Dads and Grandparents and for the children and teenagers who they support. Our helpers were very touched by the smiles on recipients' faces and all agreed that helping with the appeal contributed to a more joyful Christmas for them as well as those they helped.

Boronia Pre-release Centre for Women Partnership

Boronia Pre-release Centre for Women manages minimum-security female prisoners and their children in a community-style setting. It adopts a forward-looking model that recognises the diverse needs of women in prison. For several years, Southcare has worked with the Centre to enable female prisoners to volunteer to maintain the gardens at the Southcare premises. The partnership has provided a win-win solution, giving the women ongoing opportunity to be part of a community whilst helping keep the grounds and gardens tidy. This relationship has also been beneficial to the women who have needed help when released with feeling comfortable about asking for a helping hand with small household items and clothes.

Engaging Young Leaders on Aged Care and Community Boards Program

On 7 February 2018 the 2018 Emerging Leaders in Governance Program (ELGP) launched.

Now in its sixth year, the ELGP welcomed 20 young (under 40 years of age) professionals from a diverse range of corporate, government and not-for-profit backgrounds into the program. Over 50 people attended the event which included the 20 Young Leaders, the Southcare Board and Community Partners.

With 58 applications for 20 places, this program is highly sought-after by young leaders who share a common passion to use their professional skills to contribute to Board governance within the WA aged care and not-for-profit sectors. Many of these professionals are already skilled leaders in their own field of expertise. This program not only builds on their existing skills and knowledge, it also affords them direct exposure to Board executives and leadership coaching and governance training, exclusive to the not-for-profit sector. This then supports them to be in a position to progress to their first community Board directorship. This year's participants came from a wide range of professional backgrounds including law, accounting, engineering, commerce, marketing, mass communications, community development, mathematics, economics, medicine, applied corporate governance, human services, project management, occupational therapy and business administration.

Part of the requirements of the ELGP is a group project focused on creating a resource for the sector. This year's five groups produced the following resources which are available on the online toolkit section of the program's website: www.youngleadersonboards.com.au.

Tool Kit Contributions

- Diversifying Boards: Beyond Tokenism
- The Business Benefits of ELGP Placement on Boards
- Creating an Effective Board Culture: A Best Practice Guide
- The Role of Boards in Governing Organisational Culture in the West Australian Not-For-Profit Sector
- An Innovation Tool Kit – to assist Boards in cultivating innovation during the strategic planning process

In May, it was graduation time and many graduates accepted their first Board position soon after. To date, three graduates are undertaking a Board traineeship and one has secured a Board position.

Unconventions

Community Partners, Emerging Leaders in Governance Participants and other Community Leaders gathered at Unconventions in August 2017 and April 2018.

Disruption in the Boardroom Unconvention
On 15 August, Woodside sponsored our 10th Unconvention which was attended by over 65 people. This Unconvention explored how to think like a disruptor, so not-for-profit boards and organisations are not 'left behind'. Participants had the opportunity to meet change makers, rule breakers and several industry innovators to explore ideas and actions to future-proof their not-for-profit organisation. Key note speakers included Jahna Cedar, Executive Officer of Gumala Aboriginal Corporation and First among Equals Business News 40 under 40 Winner, as well as Robert Gordon, International Governance Expert and CEO, Board Accord. Feedback from participants was very positive.

Strategy and Design Unconvention
On 9 April, PWC sponsored our 11th Unconvention which was attended by over 80 people. This Unconvention focused on participants being exposed to the various approaches relating to board strategy, innovation and the various design-thinking tools that can be used by boards. Key note speakers included Professor Peter Klinken, Chief Scientist of Western Australia, who spoke about his leadership lessons. A session on Approaches to Board Strategy saw Jennifer Lawrence (CEO, Brightwater), Andrew Edwards (Chair, Activ) and Elizabeth Tylich (Partner) Jackson McDonald offered their approaches and insights. Cettina Raccuia, Innovation Capability Manager (RACWA), conducted a very impressive session titled 'The Imperative for Innovation on Boards'. This was followed by a panel session on 'Strategy and Design'; panel members included Sue van Leeuwen (Chair, The Patricia Giles Centre), Justin Eve (Chair, YMCA) and Dylan Smith (Executive Officer at the Fremantle Foundation).

These forums provided an opportunity to have candid conversations about Unconvention topics and provided participants with a place to meet new people and build relationships and networks.

At the April 2018 Unconvention, we also launched the Difference Maker Awards WA for 2018, aimed at recognising a Board and Board Director who are championing diversity on boards.

State of the Nation Community Partner Event

On 19 June, over 50 people attended the State of the Nation event which:

- Updated Community Partners about the performance and achievements of the program.
- Showcased the research projects the young leaders had developed as part of their ELGP.
- Sought to increase the number of Community Partners.
- Provided an opportunity for people to network and connect with the ELGP graduates.

Attendees walked away with their hands and heads full of resources that will help them, and their boards, navigate the major reforms in the aged care and community sector.

Difference Maker Diversity Award Winners

At the same event we an announced the two winners of the Difference Maker Diversity Awards. Cate Rocchi, Chair of Linkwest, won the Individual Board Director Championing Diversity in the Boardroom Award and Community Vision won the Not-for-Profit Board Championing Diversity in the Boardroom Award. We recognise and value their hard work and efforts in championing diversity on boards and learning how to implement change.

Organisational Award left to right: Nicky Howe, Irwin Tollman, Belinda Grandoni,

Individual Award left to right: Nicky Howe, Irwin Tollman, Steve Archibald, Cate Rocchi

Back left to right: Tony Vis, Kath Snell, Graeme Hall, Les Oszdolay, Debra Zanella, Steve Archibald, Irwin Tollman, Greg Martin.
Front left to right: Sue Ash, Christine Allen, Nicky Howe, Angie Paskevicius, Cate Rocchi, Kim Hocking, Belinda Grandoni, Kathleen Gregory.

New Community Partners

We welcomed Jackson McDonald, Therapy Focus, TADWA, IndentityWA and United Way West Australia as new Community Partners. In addition, we received a one-off grant from the Western Australian Government's Department of Communities. These organisations support the program financially and through in-kind contributions, including participant mentoring, Board observations, and guest speaking.

We are proud to have over 41 Community Partners working with us to make Board diversity the standard.

Unfortunately, due to the downturn in the economy, four Community Partners withdrew their financial support. We farewelled and gratefully acknowledge the contributions that Silver Chain, Hope Community Services, ANSON and Anglicare made to the program.

Our People

Board of Governance

Mrs Ruth Reid
Patron

John Dodman
Chairman

Les Ozsdolay
Deputy Chairman

Tim Davey
Treasurer

Ashley Dawson
Secretary

Julie Ham
Member

Lindsay Yeomans
Member

Miguel Gomez
Member

Veronica Lawrance
Member

Mario Gomes
Member

William Marshall
Member (appointed October 2017)

Elise Croft
Member (resigned April 2018)

Greg Milner
Board Trainee

Executive Management Team

Dr Nicky Howe
CEO

Enda Fahy
CFO

Michele Murdoch
Chief Customer Officer (resigned June 2018)

Vicki Morrell
Manager Volunteers and Community Services

Southcare Spirit Project

Change is constant, and our approach at Southcare is to continue with our Southcare Spirit Project. This organisational development program aims to support leaders to lead change through motivating and supporting people to overcome obstacles to achieve great results. We want to empower our people to see new possibilities and to help us create our own destiny in the new aged care market.

The Southcare Spirit Project encompasses the following objectives:

- Enhanced leadership capability
- Results-driven leadership team who share emotional responsibility for results
- Employees who are connected to the Southcare Strategy
- Positive, productive and highly-engaged employees
- Quality team relationships
- Excellent teamwork with a 'One Team' focus
- Uplifting team culture
- Feedback culture
- Honouring of Southcare's history
- Ensuring all Key Performance Indicators (KPIs) are met

"Our values underpin our culture, service delivery and community spirit"

Southcare Spirit Leaders at end of June 2018

- Nicky Howe – CEO
- Enda Fahy – CFO
- Kathleen Sutherland – Manager, Community Home Support Services
- Vicki Morrell – Manager Volunteers and Community Services
- Jasmin Hazelton – Marketing and Business Development Manager
- Louise Fry – Manager Special Projects
- Sarah Moraday – Human Resources Advisor
- Shila Shimkhada – Home and Community Care Coordinator
- Rebecca Ducler des Rauches – Home Care Package Coordinator
- Kirsten Campbell – Home Care Package Coordinator
- Garry Gower – Coordinator of Aboriginal Family Support
- Duncan Edgar – Financial Counselling
- Denyce McDonald – Senior Administration Officer
- Natalie Turich – Social Centre Coordinator

Impact

The Southcare Spirit Project has had a positive impact on both our workplace culture and results. The Spirit Leaders Team have embraced the project and have been instrumental in spreading the Southcare Spirit across the organisation which has seen a noticeable improvement in team spirit and results.

Key Outcomes and Achievements

Southcare Spirit Leaders
The Spirit Project is driven internally by our Spirit Leaders Team. The Spirit Leaders engage in monthly check-in sessions where results are examined, issues discussed and strategies for improvement are implemented.

Southcare Architecture for Success
The Architecture for Success is a one page visual diagram of our strategic directions that simplifies, clarifies and communicates our purpose, vision, mission, key goals, strategic priorities and values. It provides a very handy reference tool for aligning staff with the aim of achieving our goals and objectives.

Southcare's Name and Heart of Gold Logo
We are no longer just Southcare employees. We're Southcarers with a Heart of Gold, symbolising our mission of Empowering People and Enriching Lives. All Southcarers proudly wear their Heart of Gold badge.

Southcare Two Way Learning Program
A small group of spirit leaders engaged in a one-on-one coaching program designed to support the development of their capability and a self-directed growth mindset, whilst building emotional intelligence and well-being. This voluntary confidential program draws on an evidence-based, solution-focused approach grounded in the foundations of ontological coaching, choice theory and positive psychology. Content is centred on communication, self-awareness, emotional intelligence and the participant's way of being. The coach uses a tailored needs-based approach which results in minimal disruption to day-to-day working patterns and ensures active connection to here and now workplace applications. This reflective experiential learning, with regular focus on the participant's key insights and planned solution focused actions, has resulted in positive results for the individual and the organisation.

The Strategic Performance Hub
The Hub is a day-to-day reminder of our strategy, purpose, mission, vision, values, key goals, strategic focus areas, monthly performance dashboard and monthly high achievers.

Southcare Scorecard
The Scorecard is a one page excel spreadsheet that provides transparency and accountability for organisational goals and key performance indicators. It has been very successful in clarifying expectations of the Spirit Leaders Team and motivating them to improve performance. The Scorecard has provided a catalyst for focusing our effort on improvements and celebrating our successes.

Southcare Success Book
The Success Book is a guidebook designed to help capture our 'corporate memory' about building a great workplace culture by describing our preferred Southcare Culture and how it will be achieved. It includes tools, tactics and templates for present and future reference.

Our Wonderful Volunteers

Southcare is committed to supporting our team of dedicated volunteers. Volunteers bring to Southcare life experiences, skills, abilities, compassion, intellect and humour; they ask for nothing in return, but a 'thank you' at the end of the day.

The services they assist us with include governance, leadership, administration, lifestyle activities in our Social Centre, driving customers to appointments, participating in the Community Visitors Scheme, serving customers in Mankara Food Store (closed December 2017) and Opportunity Shop, delivering Emergency Relief and assisting with special events such as the Annual Christmas Appeal.

We continue our partnership with Boronia Pre-release Centre for Women. This is mutually rewarding, and the women maintain our gardens with a keen eye, keeping the grounds of Southcare well-manicured. In addition, through the relationship we have built up with the women, upon release they are able to feel safe and comfortable coming to Southcare where we are able to provide them with practical support.

Once again, we thank the Wesley College students who help set up for our Annual Southcarers' Christmas Party. We appreciate the generous help from local schools and community organisations that assist us with our Annual Christmas Appeal.

Thank you, Southcare Volunteers, for all your support and friendship over the year.

Our Excellence

Our Excellence

Each year we come together to pay respects to our founders, acknowledge our history and recognise those staff and volunteers who have excelled in delivering the vision, mission, values and objectives of Southcare.

Service Awards

On 11 April, over 45 staff and volunteers attended the annual Southcare ceremony which recognises staff and volunteers who have given over five years of service. This year's recipients included:

5 Years
Janice Millington
Community Support Worker

5 Years
Sandeep Singh
Community Support Worker

5 Years
Diane Petricevic
Reception

5 Years
Shila Shimkhada
Home and Community Care Coordinator

5 Years
Christina Legutko
Volunteer

5 Years
Kevin Roe
Volunteer

10 Years
Yooklin Ng
Payroll and Accounts Receivable Officer

10 Years
Viv Murray
Volunteer

Living the Southcare Values Awards 2018

Key foundations in creating the culture at Southcare are our Values of Quality, Respect, Integrity, Cooperation and Empathy. We understand that to develop quality team relationships we must respect each other, show empathy, cooperate and endeavour to do our best by acting with integrity and producing high quality work. This year, three staff were recognised at Southcare Values Champions:

Kirstin Campbell
Social Centre Coordinator

Carmel Hayley
Community Support Worker

Rebecca Ducler des Rauches
Assistant Coordinator

CEO Outstanding Performance Award

This year, we made the decision not to give a CEO performance award. This is not because we didn't have staff who performed above and beyond; it was because this award tended to exclude (rather than include) people. So, we have made the decision to give a CEO Customer Service Award which is the focus for all of us. Over the following year we will be collecting all the good things we hear about our staff in relation to Customer Service. This approach is more inclusive and is a core strategy of improving staff and volunteer engagement.

Helen Moore Leadership & Service Award

This year, the Helen Moore Leadership and Service Award was given to Barry Noney (pictured below with Chair John Dodman), who has made a significant contribution to Southcare over the past 12 months. Barry consistently demonstrates the Southcare values, shows his initiative when given tasks and produces a high quality of work.

Barry is an amazing person who remains focused and positive in the face of adversity. His contribution to the organisation and Southcare customers has a significant impact on seniors and adds value to their community life. He is an inspiration to each and every one of us at Southcare Inc.

Leadership Western Australia Rising Leaders Program 2017

Our CFO, Enda Fahy, graduated from the Leadership Western Australia Rising Leadership Program on 23 November 2017, and was accompanied at the event by the Chairman, John Dodman, and CEO, Dr Nicky Howe. Enda's Project Team developed a strategy report for Shelter WA aimed at improving their financial viability.

Financials

SOUTHCARE

35 years of trusted experience and professionalism in tailored care services

Tel (08) 9450 6233
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enquiries@southcare.org.au
www.southcare.org.au

STATEMENT BY MEMBERS OF THE BOARD

These special purpose financial statements have been prepared in accordance with the requirements of Section 60.40 of the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation) and to meet the requirements of the members of the Board and Southcare Incorporated.

The responsible person declares that in the responsible person's opinion:

(a) there are reasonable grounds to believe that Southcare Incorporated is able to pay all of its debts, as and when they become due and payable; and

(b) the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

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

Chairman _____
Mr John Dodman

Dated this 30 day of August 2018

54 Bickley Crescent
Manning WA 6152
ABN 33 028 429 736
Patron: Mrs Ruth Reid A M

William Buck

Southcare Incorporated

Independent auditor's report to members of Southcare Incorporated

Report on the Audit of the Financial Statements

Opinion
We have audited the financial report of Southcare Incorporated (the organisation), which comprises the balance sheet as at 30 June 2018, the statement of income and expenditure, the statement of changes in equity and the cash flow statement for the year then ended, and notes to and forming part of the financial statements, including a statement of accounting policies, and the Statement by Members of the Board.

In our opinion the financial report of the organisation has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

a) giving a true and fair view of the organisation's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards to the extent described in Note 1, 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 organisation 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.

Emphasis of Matter – Basis of Accounting
We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the organisations financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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williambuck.com

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Praxity ASSOCIATE GLOBAL ALLIANCE OF INDEPENDENT FIRMS

William Buck

Responsibilities of the Board for the Financial Report

The members of the Board are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The Board's responsibility also includes such internal control as the Board determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board are responsible for assessing the organisation'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 Board either intend to liquidate the organisation or to cease operations, or has no realistic alternative but to do so.

The Board are responsible for overseeing the organisation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 these financial statements is located at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf
This description forms part of our independent auditor's report.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

CM

Conley Manifis
Director
Dated this 30th day of August, 2018

STATEMENT OF INCOME AND EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2018

	NOTES	2018 $	2017 $
OPERATING REVENUE			
Home Care Packages Level 1		295	-
Home Care Packages Level 2		626,579	760,027
Home Care Packages Level 3		349,582	291,800
Home Care Packages Level 4		1,048,425	834,229
Community Visitors Scheme Subsidies		118,155	129,825
Baptist Care Brokerage		-	16,478
Emergency Relief Grant and Revenue		4,831	12,521
Family Support Grant		85,383	84,681
Financial Counselling Grant		106,382	90,003
Home And Community Care Grant		2,436,949	2,321,883
Lotterywest Emergency Relief Grant		73,116	101,782
City of South Perth Grant		75,000	75,000
HACC Client Fees & Other Revenue		202,205	200,173
HACC Notional Revenue	**2**	45,000	45,000
Mankara (Community Food Centre)	**3**	41,490	117,810
Interest		108,180	105,303
Investment Revenue		8	22
Other Revenue (including Op Shop)	**4**	130,999	93,027
Youth Leadership		135,805	110,670
TOTAL REVENUE		**5,588,384**	**5,390,234**
OPERATING EXPENDITURE			
Employee Costs		3,800,059	3,686,045
Other Costs		1,666,977	1,475,649
Accelerated Depreciation - Refer to Note 1 (c)		37,199	-
TOTAL EXPENDITURE		**5,504,235**	**5,161,694**
NET OPERATING SURPLUS		**84,149**	**228,540**

The accompanying notes form part of these Financial Statements.

BALANCE SHEET

AS AT 30 JUNE 2018

	NOTES	2018 $	2017 $
CURRENT ASSETS			
Cash		5,661,408	5,601,005
Receivables	**5**	47,987	62,987
Prepayments	**6**	82,101	57,808
Inventory		-	9,706
TOTAL CURRENT ASSETS		**5,791,496**	**5,731,506**
NON-CURRENT ASSETS			
Land and Buildings	**7**	5,461,783	6,165,561
Motor Vehicles	**8**	220,136	73,821
Office Equipment & Software	**9**	232,154	168,822
Capitalised Costs	**10**	698,217	392,987
TOTAL NON-CURRENT ASSETS		**6,612,290**	**6,801,191**
TOTAL ASSETS		**12,403,786**	**12,532,697**
CURRENT LIABILITIES			
Creditors, Accruals and Tax	**11**	303,118	286,046
Unearned Revenue	**12**	201,361	499,840
Provisions	**13**	260,522	308,182
Grants and Revenue In Advance	**14**	491,240	230,225
HCP - Unspent Fund	**15**	733,387	302,708
TOTAL CURRENT LIABILITIES		**1,989,628**	**1,627,001**
NON-CURRENT LIABILITIES			
Provisions	**16**	234,859	230,546
TOTAL NON-CURRENT LIABILITIES		**234,859**	**230,546**
TOTAL LIABILITIES		**2,224,487**	**1,857,547**
NET ASSETS		**10,179,299**	**10,675,150**
MEMBERS' FUNDS			
Accumulated Funds		5,596,157	5,413,034
Capital Funds		3,125,200	3,125,200
HACC Reserves	**17**	571,976	670,950
Asset Revaluation Reserve		885,966	1,465,966
TOTAL MEMBERS' FUNDS		**10,179,299**	**10,675,150**

The accompanying notes form part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

FOR YEAR ENDED 30 JUNE 2018

	Accumulated Funds	Asset Revaluation	HACC Reserves	Capital Funds	Total
	$	$	$	$	$
Balance 1 July 2016	**4,362,986**	**1,465,966**	**610,246**	**3,971,562**	**10,410,760**
Surplus for year	228,540	-	-	-	228,540
Transfer from Capital Funds to Accumulated Funds	846,362	-	-	(846,362)	-
Transfer Surplus 2016 to HACC Reserves	(24,854)	-	24,854	-	-
Asset Revaluation Reserve	-	-	35,850	-	35,850
Balance at 30 June 2017	**5,413,034**	**1,465,966**	**670,950**	**3,125,200**	**10,675,150**
Balance at 1 July 2017	**5,413,034**	**1,465,966**	**670,950**	**3,125,200**	**10,675,150**
Surplus for year	84,149	-	-	-	84,149
Transfer from HACC Reserves	98,974	-	(98,974)	-	-
Asset Revaluation	-	(580,000)	-	-	(580,000)
Balance at 30 June 2018	**5,596,157**	**885,966**	**571,976**	**3,125,200**	**10,179,299**

The accompanying notes form part of these Financial Statements.

CASH FLOW STATEMENT

FOR YEAR ENDED 30 JUNE 2018

	NOTES	2018 $	2017 $
CASH FLOWS FROM OPERATIONS			
Receipts from Customers	Per Below	5,888,419	5,763,103
Interest Income	Per Below	108,180	105,303
Payments to Suppliers and Employees	Per Below	(5,365,557)	(4,938,178)
NET CASH PROVIDED BY OPERATIONS		**631,042**	**930,228**
CASH FLOWS FROM INVESTING ACTIVITIES			
Net Payments for Property, Plant & Equipment		(570,639)	(948,900)
NET CASH FROM / (TO) INVESTING ACTIVITIES		**(570,639)**	**(948,900)**
NET INCREASE IN CASH HELD		60,403	(18,672)
CASH AT START OF YEAR		5,601,005	5,619,677
CASH AT END OF YEAR		**5,661,408**	**5,601,005**

Note		
Revenue		
Revenue on accrual basis	5,588,384	5,390,234
Grants in Advance	261,014	44,053
Unearned Revenue and other non cash revenue transactions	147,201	434,119
Cash Revenue	**5,996,599**	**5,868,406**
Expenditure		
Expenditure on accrual basis	(5,504,235)	(5,161,694)
Depreciation	225,950	196,593
Provision for Employee Benefits	(43,346)	(6,816)
Other non cash expenditure transactions	(43,925)	33,739
Cash Expenditure	**(5,365,557)**	**(4,938,178)**

The accompanying notes form part of these Financial Statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 STATEMENT OF ACCOUNTING POLICIES

These special purpose financial statements have been prepared in accordance with the requirements of Section 60.40 of the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation).

These special purpose financial statements have been prepared in order to satisfy the financial reporting requirements of the members of the Board and Southcare Incorporated.

The Members of the Board has determined that the Incorporation is non reporting entity. These financial statements have been prepared in accordance with the requirements of Australian Accounting Standards, except where specifically identified in the following notes.

The statements are prepared on an accruals basis from the records of the Incorporation. They are based on historical costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these statements:

(a) Inventories - are measured at the lower of cost and net realisable value.

(b) Buildings and land - Buildings are brought to account at cost. Buildings have been depreciated at four percent per annum. Land that has a building component had been valued at 30 June 2018 by Property Valuation and Advisory WA at $3,440,000 however continue to be recorded at cost in the financial statements at $1,851,462.

(c) Accelerated depreciation has been applied to the building at 54 Bickley Crescent which has resulted in a 50% decrease on the buildings Written down Value at 30 June 2018. This is in addition to the standard depreciation expense which has been applied during the financial year. This accounting treatment was applied in anticipation of commencement of Stage 1 of the Accessible Housing for Local Retirees Development.

(d) Motor vehicles included at cost and are depreciated at twenty percent per annum commencing from the date of purchase.

(e) Office equipment and furniture included at cost and are depreciated at fifteen percent per annum commencing from the date of purchase. Computers and off-the-shelf software included at cost and are depreciated at twenty five percent per annum commencing from the date of purchase.

(f) Adequate provision is made in respect of the Incorporation's liability for annual leave, long service leave and severance pay at reporting date. The Annual Leave Provision includes the 17.5% leave loading and Long Service Leave is based on 13 weeks entitlement for ten years of service.

(g) Contributions are made by the entity to various employee superannuation funds and are charged as expenses when incurred. The Incorporation has no legal obligation to provide superannuation benefits to employees on retirement.

(h) Southcare Inc. is exempt from income tax.

(I) Capital Grants received to assist in the purchase of Recurrent Fixed Assets are credited to the Income and Expenditure Statement as non-operating Capital Grants.

(j) Certain comparative information has been changed to be consistent with accounting policies adopted for the year ended 30 June 2018.

(k) Capitalised Costs relate to Southcare Central Site Development and are capitalised as an asset.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

		2018 $	2017 $
NOTE 2	**HACC NOTIONAL Revenue**		
	Notional Volunteer	45,000	45,000
		45,000	45,000
	This is a unit cost compliance as required by Department of Health, WA. Such revenue is of a non cash nature with the corresponding expenditure also recognised.		
NOTE 3	**MANKARA (COMMUNITY FOOD CENTRE)**		
	RECURRENT INCOME		
	Revenue	41,490	117,811
		-	
	Cost of Goods Sold	41,738	102,072
	Gross Profit	(248)	15,739
	Operating Expenses	8,017	34,812
	Net Surplus / (Deficit)	(8,265)	(19,073)
NOTE 4	**OTHER REVENUE**		
	Rental Income	53,921	49,807
	Op Shop	36,673	33,984
	Interim Hospital Packages	2,848	4,852
	Donations	350	2,898
	Sundry Income	1,571	1,233
	Southcare Private	18,486	253
	Gain on Disposal of Asset	17,150	-
		130,999	93,027
NOTE 5	**RECEIVABLES**		
	Subsidy and Other Receivables	17,460	32,030
	Fees Receivable	34,077	37,957
	Less: Provision for Doubtful Debts	(3,550)	(7,000)
		47,987	62,987
NOTE 6	**PREPAYMENTS**		
	Insurance	60,415	54,388
	Subscriptions and Other	16,319	3,016
	ER Gift Card Vouchers	5,367	405
		82,101	57,809

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

		2018 $	2017 $
NOTE 7	**LAND AND BUILDINGS**		
	Land - 19 Pether Road, Manning - Fair Value	2,420,000	3,000,000
	Land and Buildings at Cost	3,953,050	3,949,804
	Less : Accumulated Depreciation	(911,267)	(784,244)
		5,461,783	6,165,560
	Land at 19 Pether Road was revalued at 30 June 2016 realised an upward revalued to $3,000,000 and subsequent revaluation was performed at 30 June 2018 resulting in a devaluation of $580,000 to $2,420,000.		
NOTE 8	**MOTOR VEHICLES**		
	Motor Vehicles at Cost	426,224	360,489
	Less : Accumulated Depreciation	(206,088)	(286,668)
		220,136	73,821
NOTE 9	**OFFICE EQUIPMENT AND SOFTWARE**		
	Office Equipment & Software at Cost	754,070	710,593
	Less : Accumulated Depreciation	(521,916)	(541,771)
		232,154	168,822
NOTE 10	**CAPITALISED COSTS**		
	Southcare Central Site Development	698,217	392,987
NOTE 11	**CREDITORS,ACCRUALS AND TAX**		
	Creditors and Accrued Expenses	149,618	135,435
	GST,PAYG and FBT Payable	153,500	150,611
		303,118	286,046
NOTE 12	**UNEARNED REVENUE**		
	Unearned Revenue	201,361	499,840
	Unearned revenue is a liability account that reports amounts received in advance of providing goods or services. When the goods or services are provided, this account balance is decreased and a revenue account is increased. A total of $586,546 has been returned to HACC during the financial year.		
NOTE 13	**PROVISIONS - CURRENT**		
	Provision for Annual Leave	260,522	308,182

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

		2018 $	2017 $
NOTE 14	**GRANTS AND REVENUE IN ADVANCE**		
	Lotterywest	3,341	26,457
	Programs and Other	435,031	164,194
	Financial Counselling Program	52,868	39,575
		491,240	230,226
NOTE 15	**HCP Unexpent Fund**		
	HCP - Unexpent Fund	689,953	292,802
	HCP - Medicare Receipts Clearing	44,223	39,068
	HCP - Medical Sub Ledger	(789)	(29,162)
		733,387	302,708
NOTE 16	**PROVISIONS - NON CURRENT**		
	Provision for Long Service Leave	234,859	230,546
NOTE 17	**HACC ASSET REPLACEMENT RESERVE**		
	Opening Balance	498,359	410,776
	Transfer to/from Accumulated Funds	(108,201)	87,583
	Closing Balance	390,158	498,359
	HACC EMPLOYEE PROVISION RESERVE		
	Opening Balance	172,591	199,470
	Transfer to/from Accumulated Funds	9,227	(26,879)
	Closing Balance	181,818	172,591
	Total	571,976	670,950

It is noted that included in the cash balance at 30 June 2018 is $571,976 (2017 $670,950) identified as being cash set aside for future HACC Asset Replacement and Provision Reserves. The cash set aside for this reserve was funded from the HACC recurrent grants received during the year and in previous years.

NOTE 18 CAPITAL EXPENDITURE COMMITMENTS

Contracts placed for future capital expenditure not provided for in the financial statements at 30 June 2018.		
	1,529,409	1,510,144

NOTE 19 CONTINGENT LIABILITIES

The Organisation is required under various programs and funded projects to carry out various activities and report to the In some instances not all the contractually agreed activity has been achieved and or surpluses have been achieved hence there exists the possibility that future funding may be reduced. Not all such determinations and resolutions by funding bodies are expected to be fully confirmed and or advised until after the completion of the 2018 Financial Reports. If such events do occur the financial impact will be recognised in the next year's financial report.

NOTE 20 GOING CONCERN

The accounts of the Organisation have been prepared on the going concern basis. The ability of the Organisation to continue as a going concern is dependent upon it being able to continue to attract continuing funding support from State and Federal Governments and other funding bodies.

NOTE 21 SUBSEQUENT EVENTS

There have been no subsequent events since 30 June 2018 that require disclosure in this Financial Report.

Acknowledgements

Member for South Perth
John McGrath MLA for South Perth

Aged Care Services
Regional Assessment Services (RAS)
Bentley Aged Care and Assessment Team (ACAT)

Funding Bodies
Department of Health (WA), Home and Community Care (HACC) Program
Australian Government (Commonwealth) Department of Human Services
Department of Local Government and Communities (WA)
City of South Perth
Lotterywest

Engaging Young Leaders on Aged Care and Community Boards
http://www.youngleadersonboards.com.au/
Alicia Curtis - www.alycuem.com
Department of Local Government and Communities
Active
Brightwater
Hall & Prior
ACSA
Advocare
Ameroo
Baptistcare
Bethanie
Chorus
City of South Perth
City of Swan
Community Vision
Foundation Housing
GRAI
Holyoake
Jackson McDonald
IdentityWA
Independent Centre for Applied Not-of-Profit Research
Intelife
LASA
Linkwest
Melville Cares
MercyCare
Mosaic
Nulsen Disability Services
Outcare
Rise
Rotary Club of Como
Ruah
SwanCare
TADWA
Therapy Focus
UnitingCare West
United Way West Australia
Volunteering WA
WACOSS
Wanslea
YMCA WA

Christmas Appeal – Donations and Support
Anglican Church – Como
City of South Perth
Collier, Como, Curtin, Manning, Kensington and Victoria Park Primary Schools
Como Baptist Church
Como Rotary
Como-Manning Uniting Church
Curtin University
Frank D'Opera
John and Karen McGrath
Koonawarra Weight Watchers
Lions Club of Manning Inc
Manning Lions Club
Manning Senior Citizens Club
McDougall Craft Group
Members – Royal Perth Golf Club
Penrohsian Club
Penrhos College
Rotary Club of Mill Point
SLP Real Estate
Soroptimist International South Perth
South Perth Lions Club
Telstra
UnitingCare Giving Box
Wesley College
Wesleyana Club
Mr R Howard–Smith
Mrs LD Smith
B Kirkman
Estate of the late Margaret Buchanan
Maryclaire Andrews

The many generous members of our community who made donations to the Christmas Appeal:

Donations
Angelo Street Optical
Bunnings Cannington
Captain Cook Cruises
Charity Link – Back to School and Blankets
Como Bakery
Community Newspapers
Frances Davies
Little Aussie Directories
Mrs ME Stephens
Mrs W Quadrio
Rotary Club of Como
Second Harvest – Mankara Low Cost Food Store
The Hoyts Corporation
Waterford Specsavers

The many generous members of our community who made donations during the year:

Community Organisations and Groups
Anglicare
Uniting Care West
Manning Seniors Citizens Club
South Perth Seniors Citizens Centre
Moorditj Keila
Second Harvest
Charity Link
Soroptimist International South Perth

Media and Print
Southern Gazette
South Perth Peninsula
Little Aussie Directories
Picton Press

Universities
Curtin University
Murdoch University
The University of Notre Dame
The University of Western Australia
The McCusker Centre for Citizenship

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Alicia Curtis, Alyceum Consulting
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Simmon Sardelic, Sardelic Real Estate
Ian Hutchison and Steve Lally, Ian Hutchison Real Estate
Belinda Moharich, Moharich and More
Wood & Grieve Engineers
Galt Geotechnics Pty Ltd
Trevor Hunt Consulting
Bruce Garrod, Ginger Beard Media
Peter Wylie
Peter Ghantous, Transcore
Ros Mansfield, Catering
William Buck
Grant Thornton Australia
Aaron Boddington, Being in Sync
Kilifan

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