



Annual Report

2022–23



Australian Government
Aged Care Quality and Safety Commission

Engage
Empower
Safeguard

Annual Report

2022–23



Australian Government

Aged Care Quality and Safety Commission



Acknowledgement of Country

Aged Care Quality and Safety Commission acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, sea and community. We pay our respects to them and their cultures, and to Elders both past and present.

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Artwork by Dreamtime Creative

Letter of transmittal



Australian Government
Aged Care Quality and Safety Commission

Engage
Empower
Safeguard

The Hon Mark Butler MP
Minister for Health and Aged Care
Parliament House
Canberra ACT 2600

Dear Minister

I am pleased to present the Aged Care Quality and Safety Commission Annual Report 2022–23 for the year ended 30 June 2023. This report has been prepared in accordance with the requirements of Section 46 of the *Public Governance, Performance and Accountability Act 2013*.

This report includes information related to the functions of the Commissioner of the Aged Care Quality and Safety Commission, from 1 July 2022 to 30 June 2023.

As required under Section 52 of the *Aged Care Quality and Safety Commission Act 2018*, this Annual Report also includes:

- an assessment of the extent to which the Commission’s operations during the period have contributed to the priorities set out in the annual operational plan for the period (refer Appendix 1)
- particulars of any variations of the annual operational plan during the period (refer Appendix 1)
- an evaluation of the Commission’s overall performance during the period against the performance indicators set out in the annual operational plan for the period (refer Appendix 1)
- information about the nature of non-compliance and sanctions imposed under Part 7B for non-compliance with aged care responsibilities (refer Annual Performance Statements).

The Commission’s fraud control arrangements comply with Section 10 of the Public Governance, Performance and Accountability Rule 2014 (for certification refer ‘Corporate Governance’).

Yours sincerely

J. M. Anderson

Janet Anderson PSM
Commissioner
12 October 2023

1800 951 822
agedcarequality.gov.au

Contents

Letter of transmittal	iii
<hr/>	
From the Commissioner	1
<hr/>	
Working together for better aged care	2
2022–23 highlights	4
<hr/>	
Year in review	7
<hr/>	
Regulating for better outcomes	8
Contributing to reform	17
Strengthening engagement	24
Uplifting our capabilities	30

Commission overview 37

About the Commission	38
Purpose	39
Vision	39
Role and regulatory approach	40
Functions and powers	41
Values	43
Strategic priorities	44
Organisational structure	46
Aged Care Quality and Safety Advisory Council	48
Consultative forums	51

Annual performance statements 53

Introductory statement	54
Performance reporting framework	55
Results	57
Financial performance	90

Contents

Management and accountability	93
Corporate governance	94
External scrutiny	110
Management of human resources	112
Executive remuneration	128
Purchasing	133
Advertising campaigns	137
<i>Environment Protection and Biodiversity Conservation Act 1999</i>	138
Financial statements	141
Appendix 1	165
Report against 2022–23 Annual Operational Plan	166
References and indexes	169
Glossary	170
List of tables and figures	171
List of requirements – non-corporate Commonwealth entities	173
Index	184



From the Commissioner

Working together for better aged care

The year 2022–23 was busy, challenging and productive for the Aged Care Quality and Safety Commission as we worked to increase older Australians’ confidence that aged care services will protect and enhance their safety, health, wellbeing and quality of life.

I am pleased to present the Annual Report for the Aged Care Quality and Safety Commission (the Commission) for the period 1 July 2022 to 30 June 2023.

People accessing aged care services are at the centre of all we do. Our unwavering commitment to ensuring that they are treated with dignity and respect, and receive safe, high-quality care and services underpinned our comprehensive work program in 2022–23. In keeping with community expectations, we continued to work with older Australians and providers to enable those receiving aged care to have the best possible experience of care.

Across the year, we implemented the Australian Government’s reform agenda flowing from the Royal Commission into Aged Care Quality and Safety. We also used the various reform initiatives to propel our own journey towards best practice regulation, and will continue to focus on that goal in 2023–24 and beyond as further sector-wide reforms are introduced. We are determined to deliver on the government’s commitment to restore dignity to aged care and ensure that older Australians are treated with the respect they deserve.

The Commission’s purpose is to protect and enhance the safety, health, wellbeing and quality of life of older Australians in aged care. During 2022–23, the Commission was funded by the government to deliver a series of measures to advance this purpose. I am pleased to report that of the 14 performance measures, 12 were completely met, with one partially met and only one not met. These results have been achieved through significant effort, but we know there is still work to be done.

In July 2023, the government released the [Independent Capability Review of the Commission](#) conducted by Mr David Tune AO PSM during this past year. The Review – recommended by the Royal Commission – forms part of the government’s overall focus on strengthening Australia’s aged care system.



The Review's findings provide clear direction to strengthen the Commission's capability, effectiveness and impact as the maturing national regulator of aged care. The observations and recommendations of the Independent Capability Review reinforce and enhance our self-assessment, affording further clarity about improvement programs and uplift activities being pursued or planned across the Commission.

During this period of significant change, we continued to consult and work with people receiving aged care, their families and advocates. We also strengthened our engagement with providers, seeking to better understand their operating environment and the challenges they face.

I would like to acknowledge and thank older Australians receiving aged care services and their advocates, members of our Consultative Forum and the Consumers and Families Panel, and peak and industry bodies for their ongoing interest and willingness to work with the Commission to inform and contribute to our effectiveness and accountability.

We are committed to seeking feedback, listening and responding to opportunities to improve how we work. This includes ensuring that people know what to expect from us and, importantly, that we consistently deliver the best possible regulatory services.

None of our accomplishments is possible without the support and hard work of our staff. I am also grateful for the expert advice and guidance of the Aged Care Quality and Safety Advisory Council, and the leadership and oversight provided by the Minister for Health and Aged Care and the Minister for Aged Care.

The Australian community continues to look for assurance that older people receiving aged care are well looked after, kept safe, and treated with dignity and respect. The Commission is working assiduously to deliver these outcomes by incentivising providers to identify early and address risks to those in their care in a way that not only protects individuals from harm but also promotes their wellbeing and quality of life. That is what older people deserve and the community expects.

J. M. Anderson

Janet Anderson PSM

Commissioner

12 October 2023

2022–23 highlights

Jul 2022

The Commission calls for expressions of interest from people accessing aged care services, their carers and family members to join our new Consumers and Families Panel. The panel eventually has more than 300 members.

Aug 2022

The *Aged Care and Other Legislation Amendment (Royal Commission Response) Act 2022* is passed by both Houses of Parliament, expanding the role, powers and functions of the Commission.

Sep 2022

The Commission publishes its Sector Performance Report for April–June 2022, reflecting a near doubling of site audits undertaken over the quarter, following disruptions caused by the pandemic and flooding in parts of Australia.

Oct 2022

The Minister for Aged Care, the Hon Anika Wells MP, releases the terms of reference for the Independent Capability Review of the Aged Care Quality and Safety Commission. The review aims to ensure that the Commission is well placed to fulfil its current and future obligations.



Nov 2022

The Commission completes a project to evaluate the effectiveness of the To Dip or Not to Dip initiative – aimed at effectively and safely reducing antibiotic use for urinary tract infections in aged care residents. Findings indicate the initiative is a success.



Dec 2022

A number of aged care reforms go live, including expanding the Serious Incident Response Scheme into home services, introducing the Aged Care Code of Conduct (with new powers for the Commission to make a banning order against an individual) and new provider governance obligations.



Jan 2023

The Department of Health and Aged Care considers feedback from public consultation on the proposed new Aged Care Quality Standards. The Commission subsequently developed the Stronger Standards, Better Aged Care Program to address how we will assess provider performance against the strengthened Standards.



Feb 2023

The Commission begins a major project to renew our website and make it more user-friendly. While this work is progressing, the Commission continues to add content to ensure that it remains a valued 'go to' site for the latest information.

Mar 2023

The Commission publishes 3 key reports: 'Enriching Life through Care: national roundtable program final report', its companion case studies report, and 'Unreasonable use of force: notifications of resident to resident incidents' the first in a new series of Serious Incident Response Scheme Insights reports.

Apr 2023

The Commission conducts a targeted review of providers to gauge their compliance with the Prudential Governance Standard, which requires those residential aged care providers that hold a refundable deposit to appropriately manage risk.

May 2023

In its Federal Budget, the government reinforces its commitment to improving food, nutrition and the dining experience for older Australians in residential aged care through a range of new measures, including a new food hotline run by the Commission.

Jun 2023

The Commission holds its first National Aged Care Providers Conference in Melbourne to discuss regulation of the sector in the context of the reform program underway. More than 800 people attend.



Year in review

Regulating for better outcomes

The Commission protects the safety, health, wellbeing and quality of life of people accessing aged care services through its regulatory activities and decisions.

We regulate to ensure that aged care services are safe and of high quality, well managed and financially sound. Under our [Regulatory Strategy](#), the Commission detects and mitigates risk, and helps build sector capability. Our regulatory approaches range from cooperative and persuasive through to more targeted and interventionist regulatory tools responding to potential or actual risk of harm to older Australians.

During the year, the Commission continued to prioritise activities to strengthen our delivery of proportionate, risk-based and intelligence-led regulation. We do not hesitate to use our full regulatory powers to address non-compliance where older Australians are harmed or are at risk of harm (including financial harm).

Pleasingly, with the impact of the COVID pandemic abating, the Commission was able to conduct an increased number of onsite regulatory activities for both residential and home services. Onsite contact enables the Commission to directly engage with aged care recipients to better understand their experience of care and services. During the year, the Commission successfully cleared much of the backlog of regulatory activities that accumulated during the pandemic, including reaccreditation site audits.

In 2023–24, the Commission will be sharing its updated Regulatory Strategy – including a regulatory operating model and approach to risk management. This is the plan for how the Commission will focus activities and regulatory powers to ensure that older Australians are safe and receiving the best possible standard of care. The Commission will also place an increased emphasis on financial and prudential standards and compliance.



Quality assessment and monitoring

During the year, the Commission conducted nearly 5,700 assessments and audits – equating to approximately 22 activities per business day – to ensure that aged care providers are meeting their responsibilities under the Aged Care Act.

A team of dedicated quality assessors carry out these assessments and audits. The labour shortage playing out across the country has impacted our ability to maintain a full complement of quality assessors. Strategies are in place to mitigate the effects of this, including accessing registered quality assessors through third party suppliers to undertake site audits, alongside the implementation of the Quality Assessor Retention Strategy and Strategic Workforce Plan in 2023–24.

Quality Assessor Training Program

The quality assessors undertaking Commission activities perform to a high standard. All prospective quality assessors are required to successfully complete the Commission's Quality Assessor Training Program to attain their registration. This training program is accredited with the International Society for Quality in Health Care's External Evaluation Association, against their Guidelines and Standards for Surveyor Training Programmes.



Clinical regulation

An ongoing priority for the Commission is ensuring that providers continue to take all reasonable precautions to protect older Australians from the risks of infectious diseases, including COVID-19. Providers must be fully prepared to respond promptly, decisively and effectively in the event of an outbreak. Continued improvements in infection prevention and control practices, and surge workforce readiness are essential, along with timely access to vaccines and antiviral therapies for older Australians and staff.

During the year, the Australian Government provided additional funding to increase infection control monitoring spot checks at residential aged care services. As a result, nearly 1,500 spot checks were conducted.

In 2022–23, the Commission focused on improving provider understanding of, and performance on, restrictive practices. We worked with providers and other key stakeholders to detect and address poor behaviour support and inappropriate restrictive practices.

A restrictive practice limits the rights or freedom of movement of a care recipient. It can take the form of chemical, environmental, mechanical and physical restraint and/or seclusion. Under the Aged Care Quality Standards, restrictive practices should only be used as a last resort. A behaviour support plan sets out how to manage any behaviour of concern. It must include alternative strategies implemented prior to the use of restrictive practices on an aged care recipient.

The Commission promotes quality use of medicines in aged care services. Under our Pharmacy Outreach Project, accredited pharmacists deliver medication-related training and support to residential aged care services in regional, remote and very remote locations. Pharmacists undertook 42 visits in 2022–23, engaging with 58 services across Australia. They delivered training on reducing sedative use and improving management of urinary tract infections to more than 1,000 aged care staff.

42
pharmacist visits

58
services engaged

1,000+
aged care staff trained

To Dip or Not to Dip

During the year the Commission completed a 9-month project to evaluate the effectiveness of To Dip or Not to Dip in Australian residential aged care services. This program was originally developed in the United Kingdom to safely reduce antibiotic use for urinary tract infection in aged care residents.

The findings showed improved antibiotic use, with increased staff confidence in not using urine dipsticks to diagnose urinary tract infection, and increased recognition of asymptomatic bacteriuria – a condition often mistaken for urinary tract infection that does not require antibiotics.



Food, Nutrition and Dining Regulatory Campaign

The Commission’s Food, Nutrition and Dining Regulatory Campaign continued to deliver measures to improve food, nutrition and the dining experience for people in residential aged care, in keeping with the Aged Care Quality Standards.

We successfully launched the first tranche of Food, Nutrition and Dining resources to support high-quality, enjoyable food and dining for aged care residents. These resources aim to drive positive behaviour change across the sector, ensuring that providers have appropriate processes in place to understand and respond to the needs and preferences of their residents.

Importantly, the Commission undertook preparatory work in the lead-up to the establishment of the Food, Nutrition and Dining Advisory Support Unit, funded through the Australian Government’s commitment to ‘Strengthening nutrition in aged care’. The unit is staffed by a team of aged care experts including dietitians and speech pathologists.

The unit also manages a new food hotline that provides access to specialists to help manage food complaints and provide advice on food, dining and nutrition. The Food, Nutrition and Dining Advisory Support Unit and the hotline were implemented in July 2023.







Compliance and enforcement

If the Commission is concerned that a provider is not complying with their responsibilities we will issue a compliance notice. If, after the provider has responded, the Commission is still not satisfied that they are compliant, we can direct them to take action to ensure compliance. If the provider still fails to comply, enforceable regulatory action may be taken. During the year, the Commission issued nearly 1,000 compliance notices.

The Commission made a number of changes to its processes and practices to strengthen its regulatory impact. This included enhancing the non-compliance internal referral processes, improving management of risk assessments, implementing a stakeholder engagement strategy to address long-standing matters in a timely manner, and adjusting structural and workforce arrangements to better align with workflow.

358

directions

312

non-compliance notices

13

notices of decision to impose sanctions

39

notices to agree

207

notices to remedy

46

infection management compliance notices or restrictive practices compliance notices



Financial and prudential regulation

The Commission exists to protect older Australians from harm, including financial harm. We regulate providers with the aim of increasing their understanding of the Prudential Governance Standard, compliance with governance system requirements, and protection of residents' refundable deposits.

In 2022–23, the Commission implemented a program of provider prudential reviews and targeted campaigns, developed financial and prudential risk modelling, and progressed guidance and a framework for criminal investigations.

We also focused on delivering more financial and prudential regulation resources to providers, including the launch of *Financial and Prudential Regulatory Insights* – a monthly series that demystifies financial and prudential regulation in aged care and explores how we can support better outcomes for people receiving aged care services.

The Commission has had oversight of providers' prudential compliance since 2021. From 1 July 2023, additional responsibilities for financial and prudential regulation were transferred to the Commission from the Department of Health and Aged Care. This is an exciting opportunity for us to expand our surveillance capabilities and to further strengthen our ability to identify and support providers to manage the risks of harm to older Australians in aged care.

In the lead-up, the Commission worked closely with the Department on transition arrangements, including designing and implementing an agreed operating model and supporting processes underpinned by clearly defined roles and responsibilities.



Complaints

In May 2023, the Commissioner was pleased to announce the appointment of a new Complaints Commissioner to oversee the transformation of our complaint handling processes in line with the recommendations of the Royal Commission into Aged Care and the Independent Capability Review.

The Commission resolved close to 9,800 complaints during the year, equating to approximately 38 per business day. However, the Commission fell short of resolving many complaints within 60 days, as required in our published performance standards.

We continue to explore ways to reduce the average time taken to resolve complaints. These include establishing a Customer Contact Centre to facilitate more efficient handling of both complaints and enquiries, improving recruitment activities to ensure an increased staffing complement, and reviewing and improving the complaint handling operating model and related processes.

The Commission is committed to improving the way it handles complaints to ensure that people receiving care remain at the centre and we deliver a timely, consistent, fair and transparent experience for all involved.

We will be engaging with care recipients and their families and advocates over the coming year to learn more about their experiences and to improve their confidence in giving feedback and raising concerns with providers and the Commission. We will also be working with providers to support and educate them about good complaints handling, and to value feedback and complaints as a way of improving their services for care recipients. Additionally, the Commission will increase our work to educate the community about our complaint handling role and how complaints inform our education and regulatory activities.

Contributing to reform

The Commission contributes to aged care reform through its regulatory activities and governance in aged care.

The Australian Government's reform agenda for the aged care sector is seeing a progressive expansion of the role, powers and functions of the Commission. During the year, the Commission actively supported providers to understand and prepare for new requirements that came into effect on 1 December 2022, including:

- a [Code of Conduct](#) for providers, workers and governing persons (also granting the Commission power to make a banning order against an individual)
- new governance obligations for providers
- expansion of the Serious Incident Response Scheme into home services and the National Aboriginal and Torres Strait Islander Flexible Aged Care Program.

Each of these reforms will contribute to greater accountability and transparency in the sector and, over time, will improve overall provider performance to deliver a better aged care experience for older Australians. The Commission will continue to contribute to aged care reform through our regulatory and sector capability activities. We will also continue the Commission's strong focus on embedding reforms and ensuring that providers understand their new obligations and how best to meet them.

The reform program being led by the Department will continue to expand in 2023–24, with the introduction of 24/7 registered nurse presence onsite at every residential service, and completion of the first draft of a new Aged Care Act that will include strengthened Quality Standards and a new regulatory framework.



24/7 registered nurse and minimum care minutes

In anticipation of the 24/7 registered nurse and mandatory care minutes requirements commencing on 1 July and 1 October 2023, respectively, the Commission worked to ready the sector, clearly outlining our regulatory approach to the new responsibilities via a Regulatory Bulletin and several webinars and communication products.

The Commission prepared new internal policies and procedures to guide its staff, and undertook work to incorporate the intelligence generated by the associated provider reporting into the risk models that guide development of its regulatory program.

From 1 April 2023, the Commission worked closely with the Department to assist in the assessment of applications from eligible providers for exemption from the 24/7 registered nurse requirement. The Commission provided information on the alternative clinical care arrangements that applicant providers reported having in place.



Code of Conduct for Aged Care

On 1 December 2022, the Code of Conduct for Aged Care was introduced by the Australian Government – a significant milestone in the commitment to protect recipients of aged care from harm. In the lead-up, we worked to consolidate intelligence to understand aged care workers' activities and to build a profile of the potential risks that might be present at the level of workers and governing persons.

The Commission's regulatory powers enabling us to make a banning order came into effect with the introduction of the Code of Conduct. In January 2023, we published the Aged Care Banning Order Register, with details relating to individuals against whom the Commission has made a banning order. The Register is regularly updated.



Provider governance reform

In support of provider governance reform, the Commission focused on building organisational and clinical governance capability of leaders and governing bodies of residential and home care providers.

The Commission continued its successful Governing for Reform in Aged Care Program to strengthen the capabilities of executives and members of governing bodies across the sector. Another key element of building governance capability is our Enriching Life through Care roundtable discussions, where sector leaders discussed how providers are responding to expectations of older Australians for a better aged care experience.

These roundtable discussions attracted 320 participants during the year, and by the end of 2022–23 more than 5,200 people had enrolled in the Governing for Reform in Aged Care Program since it commenced in March 2022.

22

roundtable
discussions

320

roundtable
participants

3,654

enrolments in the Governing
for Reform in Aged Care Program



Extension of Serious Incident Response Scheme

The Serious Incident Response Scheme was established in April 2021 to reduce the risk of abuse and neglect in residential aged care. On 1 December 2022, the scheme was expanded into home services. Under the scheme, providers are required to identify, record, manage, resolve and prevent reoccurrence of all serious incidents that occur (or are alleged or suspected to have occurred) that impact older people in their care. Providers are also required to report serious incidents to the Commission.

In the first 7 months of the scheme’s operation in home services, providers submitted more than 2,220 notifications to the Commission. All notifications were assessed and follow-up action was taken where required.

As home service data matures – as occurred with the introduction of the Serious Incident Response Scheme in residential aged care – insights will be shared with the sector to improve its capability to manage and prevent incidents.

Unreasonable use of force

During the year, the Commission published the first in a new series of Serious Incident Response Scheme Insights reports – ‘[Unreasonable use of force](#): notifications of resident to resident incidents’. This report uses case studies to provide insights and guidance to help providers and their staff to better understand how to prevent and respond to these incidents, including assessing impact.





Pricing caps for home services

As part of the Australian Government's commitment to reducing excessive administration and management charges under the Home Care Packages Program, these costs were capped from 1 January 2023. Reducing these charges has resulted in more available funds to meet the essential care and service needs of recipients of home services, which will enable them to remain living at home for longer. In the lead-up the Commission helped providers and older Australians to understand the changes and the new regulatory requirements.



Consent provisions for the use of restrictive practices

During the year, the Australian Government released the Quality of Care Amendment (Restrictive Practices) Principles 2022. The principles clearly articulate who can provide informed consent to use a restrictive practice where an aged care recipient lacks the capacity to do so. Under our clinical regulation program, we have assisted providers, older Australians and their families to understand these new regulations.

Stronger Standards, Better Aged Care Program

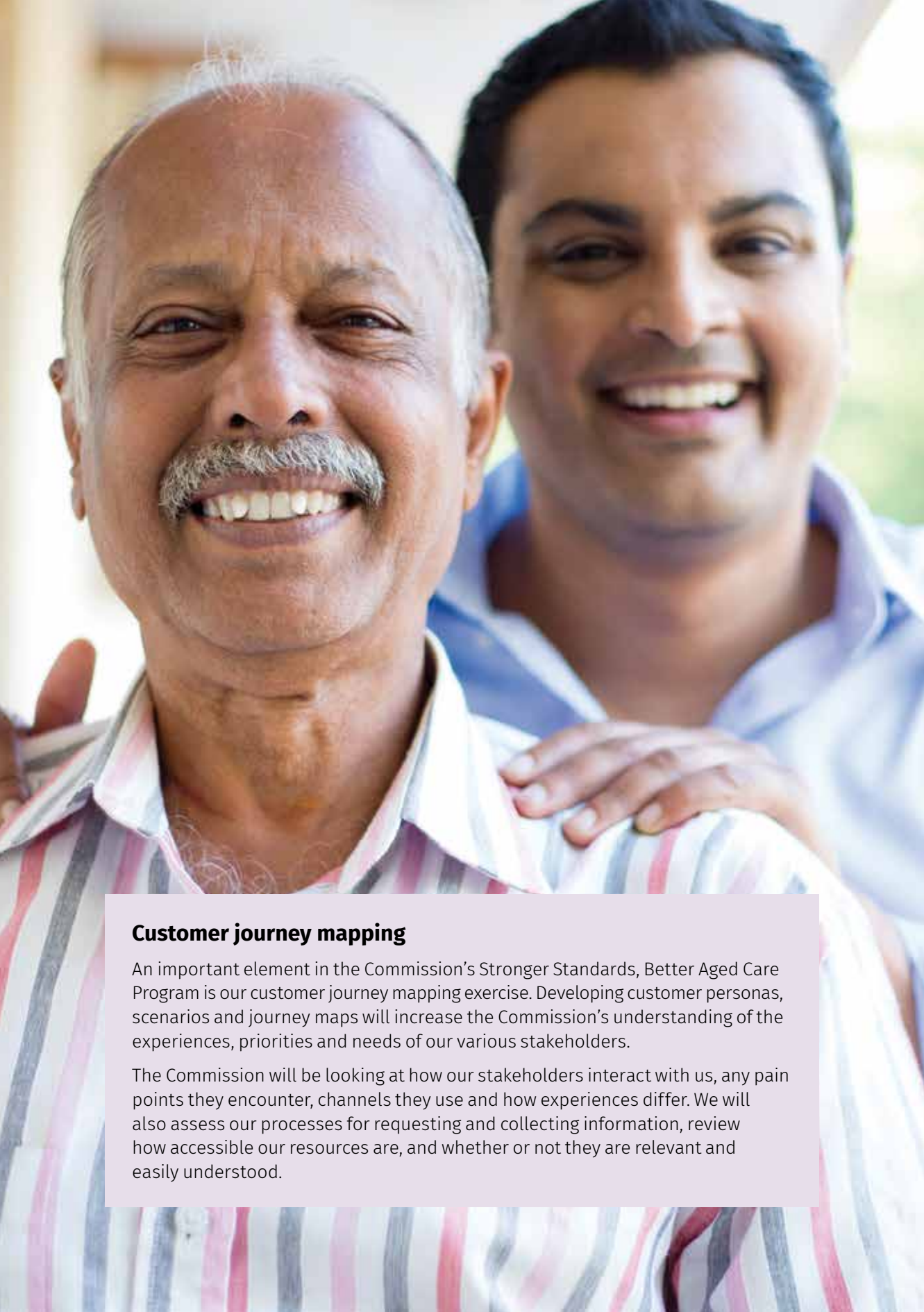
The new Aged Care Act planned to come into effect on 1 July 2024 will include strengthened Aged Care Quality Standards which will touch almost every aspect of aged care and, consequently, the work that the Commission does.

Under the Stronger Standards, Better Aged Care Program, the Commission is preparing older Australians, providers and ourselves for the changes that will result from the introduction of the strengthened Quality Standards.

For the Commission, this involves adjusting the way we monitor provider performance against the new Quality Standards. Against this backdrop, the Commission has developed and is testing – through a pilot program – a redesigned audit methodology for use with the strengthened Quality Standards. We will use the insights gained to design audit processes that fairly and objectively assess performance, identify any areas of non-compliance, and assist providers to address those areas and reach confidently for improved performance.

The pilot findings will also inform guidance and information resources for providers and older Australians, as well as internal business processes and resources within the Commission.





Customer journey mapping

An important element in the Commission's Stronger Standards, Better Aged Care Program is our customer journey mapping exercise. Developing customer personas, scenarios and journey maps will increase the Commission's understanding of the experiences, priorities and needs of our various stakeholders.

The Commission will be looking at how our stakeholders interact with us, any pain points they encounter, channels they use and how experiences differ. We will also assess our processes for requesting and collecting information, review how accessible our resources are, and whether or not they are relevant and easily understood.

Strengthening engagement

The Commission contributes to enhancing confidence and trust in the aged care system, empowering older Australians and promoting best practice service provision through engagement, information and education.

The Commission's activities are underpinned by education, information and targeted communication to support regulatory and reform objectives, capability uplift and behavioural change across the sector. During the year, the Commission remained strongly committed to engaging with the aged care sector to prepare for, implement and leverage aged care reforms (especially the new Aged Care Act, regulatory model and strengthened Aged Care Quality Standards).

The Commission listened and responded to aged care recipients to ensure that providers are delivering quality aged care services. A range of methods was used including focus groups, surveys, guided conversations and requests for feedback on draft documents.

Work continued on how we share information in different ways – our website, conversations, webinars, social media, national provider conference, stakeholder forums, *Quality Bulletin* e-newsletter, Alis (the Commission's e-learning platform) and more.

Collaboration and consultation with key aged care stakeholders are core functions of the Commission. A deep understanding of the expectations, preferences and experiences of older Australians receiving aged care is vital in shaping how the Commission works as a regulator and where efforts are focused.

Similarly, we seek to understand the operating context for aged care providers, the practical realities they face in delivering care and how they operationalise their regulatory obligations. The Commission works closely with all stakeholders that have a role in the aged care system.

The Commission aims to strengthen its engagement with people receiving aged care services to ensure that we listen carefully, act on the issues that matter to them, and support them to work closely with their provider/s to jointly plan their care and services.



Stakeholder Engagement Strategy and evaluation framework

During the year, the Consumer Engagement Strategy was incorporated into the Commission's broader Stakeholder Engagement Strategy, which includes the key guiding principle: to inquire, collaborate and consult with external stakeholders to better inform the design and focus of our activities.

The Commission also developed a detailed framework to evaluate the effectiveness of our communication, information and education channels and activities. The evaluation effort underpinned by the framework places the Commission in a very good position to ensure that products are timely, engaging, effective, and support sector capability uplift and behavioural change by providers.



Website

The Commission progressed a major project to renew our website to deliver a better experience for people using the site. We are consulting along the way to make sure that the new website will be structured to make it easy for people to find the information they want. The content will be easier to understand, in plain language and presented in different and simpler formats.

While that work was underway, the Commission continued to add content to ensure it remains a valued 'go to' site for the latest information. Across the year, we introduced a Consultation and Engagement Hub to keep stakeholders up to date. We also created a new section on the website to provide the latest information on reforms that would be of interest to aged care providers, people receiving aged care and other parties.



Webinar series

The Commission’s monthly webinar program is an effective and significant way of connecting with people across the aged care sector. During the year, we held 19 webinars, each contributing to building sector capability by explaining upcoming reforms and how the Commission will regulate them, what providers need to do to meet new requirements, and how the reforms will improve the aged care experience for older Australians. More than 20,600 people participated in the live webinars, with more than double that – 42,206 – viewing recordings of the webinars at a later time.

19

webinars

20,600+

webinar participants

42,206

webinar views



Governing for Reform podcast series

As part of a substantial multi-faceted educational program focused on the provider governance reforms, the Commission uploaded the Governing for Reform in Aged Care Program podcast series to a selection of major podcast streaming services.

This podcast series allows anyone interested in aged care to listen to, reflect on, and digest insights from relevant subject matter and industry experts across a range of sectors. The release of this series is an excellent example of how the Commission is supporting the sector to prepare for transformational change.



Consumers and Families Panel

The new Consumers and Families Panel took form during the year, and the Commission now has more than 300 panellists including aged care recipients, their family members and supporters, and people considering accessing aged care services. Insights shared by panel members help us to understand what is important to older people receiving aged care services so we can improve how we regulate services and make sure that the information we publish is useful and easy to understand. The Commission sought and incorporated the panel's feedback in the development of fact sheets, videos and guidance documents to ensure that these resources meet the needs of older Australians.

300+

Panellists







National Aged Care Providers Conference

In June 2023, the Commission held its first National Aged Care Providers Conference in Melbourne, attended by more than 800 people. Regulation of the sector in the context of the reform program was a key discussion point. The Commission was delighted to welcome the Minister for Aged Care, the Hon Anika Wells MP, as the opening speaker.

The conference sought to 'lift the curtain' on the Commission and provide information and insights on our approach to resolving complaints about services, assessing and monitoring the quality and safety of care, and taking compliance and enforcement action.

Uplifting our capabilities

Stronger capability assists in delivering better outcomes for Australians accessing aged care services.

The Commission continued to prioritise activities that strengthen the effectiveness of our internal enabling and business functions. The Commission's capability architecture is the benchmark against which we assess the current maturity of our organisational capabilities and prioritises future capability uplift initiatives. In this context, during the year the Commission focused on lifting capability in the areas of people and culture, digital transformation and governance.



People and culture

It takes the collaborative efforts of staff across the Commission – encompassing front-line operational teams, specialist and Commission-wide teams, and multiple corporate service areas – to deliver on our purpose, in addition to preparing ourselves and the sector for transformational change.

Together, Commission staff are making a positive difference to the lives and experiences of older Australians receiving aged care. Guided by the Commission's People Strategy 2021–2023 roadmap, we continued to prioritise building a workforce to meet the changing needs and expectations of the evolving aged care sector and to support the implementation of key reforms.

During the year, the Commission delivered the Learning and Development Strategy and Wellbeing Plan, held increasingly regular communication forums, and strengthened communication and feedback channels to ensure that staff have multiple ways to remain informed and engaged across the Commission.

The Commission experienced challenges in maintaining a full complement of staff as a result of wider labour market conditions. We evaluated and improved our planning processes and execution, focusing on the attraction, retention and development of staff. In the coming year, the Commission will recruit additional staff using resources appropriated in the 2023–24 Budget. This will provide an opportunity to road test improved, more streamlined recruitment processes.

Cultural safety involves creating an environment where people feel safe, their identity is recognised and their needs can be met. The Commission values the diversity and unique knowledge that employees bring to its workplace. The Respectful Workplace Framework is the basis of our commitment to fostering an inclusive workplace.

The Commission actively encouraged employment applications from people from diverse backgrounds and participated in wider community initiatives that celebrate diversity, such as Harmony Week and Wear It Purple Day. All staff must complete online training in diversity, discrimination, cultural awareness and building disability confidence.

We are committed to increasing employment opportunities for Aboriginal and Torres Strait Islander peoples and improving social outcomes for them both within and outside of the Commission. During the year, we worked to finalise the Innovate stage of our Reconciliation Action Plan, which addresses how we engage with Aboriginal and Torres Strait Islander peoples in the Commission and the wider aged care sector.

In July 2022, the Commission recognised the history, culture and achievements of Aboriginal and Torres Strait Islander peoples as part of NAIDOC Week. Staff had the opportunity to learn more about and celebrate First Nations cultures in Australia.



Intelligence-led regulation

As a maturing national regulator, effective use of intelligence and data is essential to delivering on the Commission’s purpose. We analyse a range of intelligence and data – derived from people accessing aged care services, provider information, regulatory intelligence, and data from broader environmental and market scanning – to advance intelligence-led, risk-based, proportionate regulation.

Information gleaned from these analyses assists us to prioritise our regulatory responses, and informs decisions about risk management, resource allocation, organisational capacity, education and engagement.

During the year, the Commission worked to improve our use of intelligence, risk profiling and risk assessment to effectively target regulatory responses to support the Infection Prevention and Control Campaign; Food, Nutrition and Dining Regulatory Campaign; and 24/7 registered nurse requirement. In addition, we released risk models for home services, and financial and prudential risks.





Digital transformation

In a fast-changing and complex environment, technology has become a key enabler. During the year, the Commission launched the Digital Strategy 2022–2025 – a structured and holistic approach to managing digital capability uplift and transformation across the organisation. The strategy focuses on stronger partnerships, innovation, digital security, and a seamless and responsive service experience for all users.

This will enable the Commission to operate effectively within the connected aged care digital infrastructure and leverage emerging technology and cross-agency reforms. This will equip the Commission with the required digital capabilities to integrate regulatory functions and optimise our intelligence-led risk-based approach.

A key element of the strategy is the ‘Working on IT’ digital roadmap that during the year saw delivery of a new provider approval app, a website upgrade and enhancements to Technology One.

Arguably the most significant initiative involved consolidating the Commission’s core applications into a single fit-for-purpose case management solution – the Aged Care Case Management Information System (ACCMIS).

The implementation of ACCMIS in early 2023–24 represents a milestone on the Commission’s roadmap, as it moves us forward into a new era of tangible productivity, efficiency and transparency gains.



Cyber security

As business across Australia contended with a spate of far-reaching and high-profile cyber security incidents, digital security was at the forefront of everyone’s mind during 2022–23. This underscored just how important it is that we keep our information safe and secure.

With digital security a key element of our Digital Strategy, during the year the Commission took significant steps to increase our overall security posture. This ranged from the rollout of multi-factor authentication through to prioritising activities aligned with the Government’s Essential Eight cyber security requirements. We also undertook an internal audit of our cyber posture against the Essential Eight.





Performance, governance, integrity and security

In response to early observations by the Independent Capability Review team, the Commission began work to develop a revised governance model to better support and enable our important work, strengthen integrity and accountability, and promote transparency in planning, operations, decisions, performance assessment and reporting.

To enhance our Performance Management Framework, we improved and integrated our performance planning and reporting processes and activities. This included developing a Planning and Reporting Framework to be rolled out in the coming year. This framework will encompass a suite of new interactive reporting tools to assist us to more effectively manage projects and streamline reporting.

The annual audit review of the Commission's performance measures favourably reported a continued maturing of our performance measure design, as per the Commonwealth Performance Framework. The Commission is currently preparing for a full review of our performance measures – looking to the next four years and beyond.

The Commission commenced planning and preliminary work on a suite of significant new governance arrangements including a Governance and Accountability Framework; Legislation, Regulatory and Policy Framework; Quality Assurance Framework; and an integrated Risk Management Framework that brings together strategic, enterprise and regulatory risk management and controls.

The Commission's maturing audit and assurance program assists our capability uplift effort through better identifying opportunities to improve the way we operate with regard to compliance and corporate activities.

Year in review

The Commission aims for the highest standard of ethical practice. During the year, we set the foundation for a new overarching Integrity Framework to further improve probity around our processes and decision-making. This will be supported by an expanded Fraud and Corruption Framework and a Complaints about Service Framework in 2023–24.

Work to implement the Commission’s Privacy Management Plan continued – in accordance with the Australian Privacy Principles – to effectively manage personal and protected information. We experienced a considerable increase in freedom of information applications, and dedicated extra resources to assess and respond to them in accordance with legislative requirements.

The purpose of security is to protect employees in the course of their duties, protect official information from compromise or unauthorised disclosure, and protect official assets from theft, loss and damage.

The Commission’s Security Plan 2021–24 clearly sets out our security objectives and the priorities, principles, roles and responsibilities that guide compliance with the Commonwealth’s Protective Security Policy Framework.

130

**freedom of information
requests finalised**



Commission overview

About the Commission

The purpose of the Aged Care Quality and Safety Commission is to protect and enhance the safety, health, wellbeing and quality of life of older Australians. We aim to ensure that older Australians trust and have confidence in aged care services.

The Commission is an Australian Government statutory authority within the Health and Aged Care portfolio.

The responsible minister is the Hon Mark Butler MP, Minister for Health and Aged Care. The Commission also supports the Hon Anika Wells MP, Minister for Aged Care and the Hon Ged Kearney MP, Assistant Minister for Health and Aged Care.

The Commission was established on 1 January 2019, bringing together the functions of the Australian Aged Care Quality Agency and the Aged Care Complaints Commissioner. Additional aged care regulatory functions were transferred to the Commission from the then Department of Health on 1 January 2020. The scope of our regulatory functions continues to expand.

The Accountable Authority is Ms Janet Anderson PSM, Aged Care Quality and Safety Commissioner. Ms Anderson was appointed to the role of Commissioner in January 2019.

The Commission is a non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (the PGPA Act). We operate independently and objectively in performing our functions and exercising our powers as set out in the *Aged Care Quality and Safety Commission Act 2018* (the Commission Act) and the *Aged Care Quality and Safety Commission Rules 2018* (the Commission Rules).

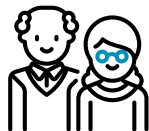
We are the national regulator of aged care services and the primary point of contact for older Australians and providers in relation to quality and safety. The Commission regulates providers' responsibilities set out in the *Aged Care Act 1997* (Aged Care Act) and the principles made under that Act – including the Quality of Care Principles, User Rights Principles and Accountability Principles.

The Commission is an Australian Public Service (APS) agency that engages staff under the *Public Service Act 1999*.

We are responsible for the following outcome in the 2022–23 Portfolio Budget Statements:

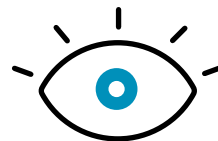
Protect and enhance the safety, health, wellbeing and quality of life of aged care consumers including through effective engagement with them, regulation and education of Commonwealth-funded aged care service providers and resolution of aged care complaints.

Under this outcome the Commission is responsible for deliverables in Program 1.1: Quality Aged Care Services.



Purpose

To protect and enhance the safety, health, wellbeing and quality of life of aged care consumers.




Vision

Older Australians trust and have confidence that aged care services protect and enhance their safety, health, wellbeing and quality of life.

Role and regulatory approach

The Commission's role as the national regulator of aged care services is to uphold the objects of the Commission Act:

- to protect and enhance the safety, health, wellbeing and quality of life of aged care consumers
- to promote engagement with consumers about the quality of care and services
- to promote confidence and trust in the provision of aged care.



The Commission uses data and intelligence to help understand the performance of the sector and providers, detect risks, and ensure that our regulatory approach is well targeted and effective.

We regulate to ensure that aged care is high quality, safe and person-centred, and that aged care services are well managed. We also regulate to ensure that providers are financially sound to sustainably deliver services to older Australians.

The Commission's approach to regulation is underpinned by a central concern to safeguard every older Australian's right to quality and safe care and services. We do this by focusing on risk and promoting provider accountability, transparency

and continuous improvement. Our Regulatory Strategy includes preventing, detecting and responding to risks to the safety and wellbeing of Australians accessing aged care services.

The Commission uses data and intelligence to help understand the performance of the sector and providers, detect risks, and ensure that our regulatory approach is well targeted and effective. Education, information and targeted communication are used as key preventative tools.

Monitoring and assessing higher-risk providers ensure that the Commission can take timely and proportionate compliance action where care and services fall short of legislated standards.

Functions and powers

The Commission applies the range of functions and powers available under the Commission Act, Commission Rules and Aged Care Act, including:

- informing older Australians accessing aged care and their representatives about their right to quality and safe care and services
- educating and guiding providers on their responsibilities to deliver quality and safe care and services
- educating and guiding providers on their obligations under the Prudential Standards in relation to liquidity, records, governance and disclosure
- dealing with complaints or information given to the Commissioner about a provider's responsibilities under the Aged Care Act or funding agreement
- approving providers of aged care
- regulating aged care providers by accrediting residential services, conducting quality reviews of home services and monitoring the quality of care and services
- regulating aged care workers and governing persons through monitoring compliance with the Code of Conduct for Aged Care and considering suitability of key personnel, including taking enforcement action such as making banning orders
- dealing with reportable incidents under the Serious Incident Response Scheme
- regulating aged care providers' compliance with the Prudential Standards
- monitoring aged care providers' financial viability and undertaking proactive engagement activity to build sector financial resilience
- responding to providers' non-compliance with their aged care responsibilities, and taking regulatory and enforcement action as appropriate
- publishing data and insights on sector and provider performance.

We carry out these functions in a way that supports improved outcomes for older Australians, more effective complaints resolution, effective risk-based regulation, better engagement with stakeholders, and greater accountability and transparency.

Commission overview

This approach includes:

- delivering key components of the government’s aged care reform agenda
- speaking with one voice and making it easy for people to access the Commission’s services
- being flexible in the way the Commission regulates while continuing to hold aged care providers to account
- being innovative and open to new ways of working to improve outcomes for older Australians, including through third party services, to achieve our goals
- developing and maintaining productive working relationships with individuals accessing aged care services, providers and other key stakeholders
- investing in our workforce culture and staff capability to achieve our priorities
- being transparent and seamless in the way the Commission works
- being accountable and seeking feedback to improve our practices and performance.

Values

The Commission undertakes work consistent with the Australian Public Service values, outlined in the *Public Service Act 1999*.



Committed to service

We are professional, objective, innovative and efficient, and work collaboratively to achieve the best results for the Australian community and the government.



Respectful

We respect all people, including their rights and their heritage.



Impartial

We are apolitical and provide the government with advice that is frank, honest, timely and based on the best available evidence.



Accountable

We are open and accountable to the Australian community under the law and within the framework of Ministerial responsibility.



Ethical

We demonstrate leadership, are trustworthy and act with integrity in all that we do.

Strategic priorities



We ensure that older Australians accessing aged care are at the centre at all times

- People accessing aged care services, providers and the broader community know what to expect from quality care and services.
- Older Australians are engaged and empowered to easily make complaints or provide information about their experience.
- The experience of older Australians accessing aged care informs our regulatory activities.



We are an effective, capable and accountable regulator

- Our capability, effectiveness and accountability are strengthened through implementation and publication of our Regulatory Strategy.
- We are building a resilient and flexible workforce fit for the future, whose wellbeing is a core priority.
- We invest in our people and systems to support our operations, and prioritise collaboration and engagement.



We contribute to improvements in sector performance, the safety and quality of aged care, and the experiences of care for older Australians

- We respond to government priorities.
- Our processes and activities are targeted, efficient and deliver valued outcomes that advance aged care reforms and lift sector performance.
- Working with stakeholders, we help to rebuild trust and confidence in the safety and quality of aged care and its ability to deliver a better quality of life for older Australians.

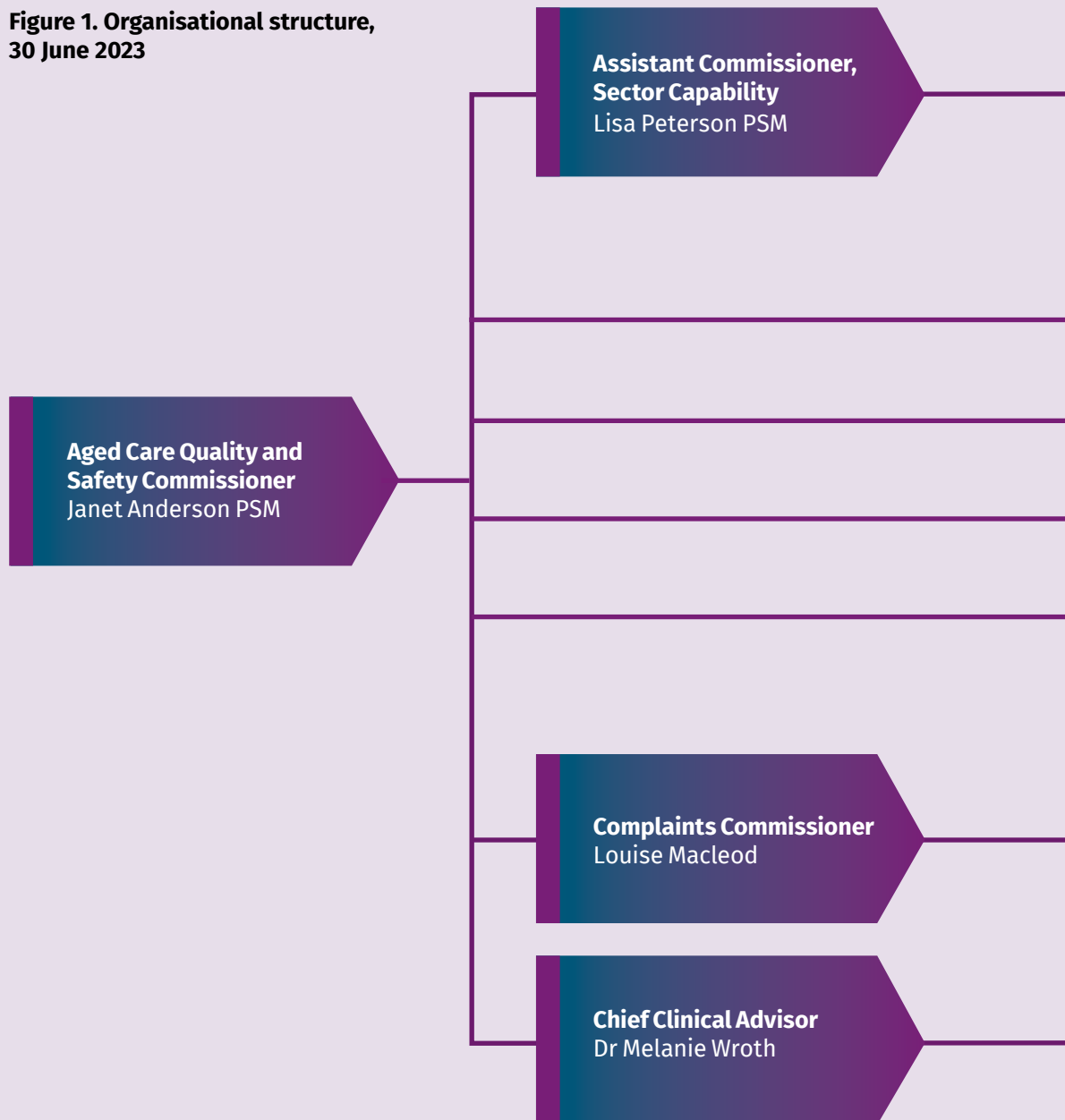


We advance intelligence-led, risk-based proportionate regulation

- We use the full range of powers and tools available to strengthen our regulatory effectiveness.
- The collection, analysis and publication of information improves transparency and understanding of provider risks and sector trends.
- This also guides our regulatory activities, ensuring that our decisions and actions are proportionate to risks to older Australians receiving care.

Organisational structure

Figure 1. Organisational structure, 30 June 2023



Executive Director, Strategic Projects

Pam Christie

Executive Director, Engagement, Education and Communication

Tara Pamula

Executive Director, Regulatory Policy and Intelligence

Emma Jobson

Executive Director, Enterprise Governance and Corporate Operations

Shelley Castree-Croad

Executive Director, Quality Assessment and Monitoring

Anthony Speed

Executive Director, Compliance Management

Peter Edwards

Executive Director, Approvals and Serious Incident Notifications

Ann Wunsch

Executive Director, Intake and Complaints Resolution

Michelle Bampton

Senior Practitioner, Behaviour Support

Loren de Vries

Aged Care Quality and Safety Advisory Council

The Aged Care Quality and Safety Advisory Council (the Advisory Council) was established under Section 37 of the Commission Act. Council members have a wealth of knowledge and experience in aged care, with diverse backgrounds in areas including clinical care, service delivery and consumer representation.

The legislated functions of the Advisory Council are:

- on its own initiative or at the request of the Commissioner, to provide advice to the Commissioner in relation to the Commissioner’s functions
- at the request of the Minister, to provide advice to the Minister about matters arising in relation to the performance of the Commissioner’s functions.

Council membership

Advisory Council members during 2022–23 were:

- Ms Maree McCabe AM (Chair)
- Ms Carolanne Barkla
- Ms Andrea Coote
- Dr Matthew Cullen
- Ms Julie Dundon
- Ms Sally Evans
- Professor Susan Kurrle AO
- Mr Barry Sandison
- Mr Ian Yates AM (retired 25 January 2023)
- Ms Janet Anderson PSM, Commissioner (ex-officio)
- Dr Melanie Wroth, Chief Clinical Advisor (ex-officio)
- Ms Amy Laffan, Department of Health and Aged Care (ex-officio).

Summary of activities

The Advisory Council met six times in 2022–23:

- 21 July 2022
- 29 September 2022
- 8 December 2022
- 16 February and 7 March 2023 (one meeting over 2 sessions)
- 20 April 2023
- 22 June 2023.

In addition, the Advisory Council met out of session on:

- 22 August 2022
- 24 October 2022
- 6 February 2023
- 8 May 2023
- 19 July 2023.

Year in review

The Advisory Council discussed and provided advice to the Commissioner on a range of strategic issues in 2022–23 including:

- the Commission’s continued response to the COVID-19 pandemic, including targeted site audits, infection control spot checks and guidance for providers
- preparation of the Commission’s 2023–24 Corporate Plan and Operational Plan
- development of the Food, Nutrition and Dining Regulatory Campaign
- roadmap of reforms across 2023 and 2024, including the new Aged Care Act, strengthened Aged Care Quality Standards, and the requirements for 24/7 onsite registered nurse cover and mandatory care minutes
- financial viability of the sector, including the 15% wage increase for aged care workers, strategies to increase participation in the aged care workforce, implementation of the Star Ratings, and legislation for the Inspector-General of Aged Care
- participation in the Aged Care Quality and Safety Commission’s national conference
- measuring sector performance and opportunities for providing support to providers, workforce and people accessing aged care services
- implementation of the Stronger Standards, Better Aged Care Program
- minimising the use of restrictive practices in aged care
- the Serious Incident Response Scheme, with a focus on home services
- prudential and financial regulation and reform.

Commission overview

Financial information and secretariat services

The Advisory Council's operation is funded from the Commission's budget appropriation. Major expenditure items consist of members' remuneration and travel (for example, airfares and accommodation).

In addition to direct financial support, the Commission also provides secretariat and administrative services to the Advisory Council.

Table 1. Aged Care Quality and Safety Advisory Council expenditure, 2022–23

Item	Cost (\$) (incl. GST)
Sitting fees	23,659
Superannuation	2,777
Reimbursements	193
Travel	32,659
Total	59,288

Consultative forums

The Aged Care Quality and Safety Commission Consultative Forum was established in 2019 to seek feedback on the Commission’s policies and approach from key stakeholders and to discuss emerging issues in the aged care sector.

Membership of the Consultative Forum comprises national consumer and provider peak bodies and the Department of Health and Aged Care. Meetings are chaired by the Commissioner and are held 3 to 4 times a year.

Consulting and engaging with consumer and industry groups about improving the quality of aged care supports our role and functions. The Consultative Forum provides a valuable mechanism for communication and feedback between key stakeholders and the Commission at a national level.

The Consultative Forum provides a sector-wide setting for discussion of issues relevant to the Commission’s functions and ensures that stakeholder viewpoints are understood and considered by the Commission.

The newly established Consumers and Families Panel met for the first time in 2022–23. Comprising a mix of aged care recipients, their family members and supporters, and people considering accessing aged care services, the panel is a channel through which the Commission can hear from older people and those close to them about issues that are important to them. The feedback provided by the panel helps us improve the way we regulate aged care services and make sure that the information we produce is useful and easy to understand.



Consulting and engaging with consumer and industry groups about improving the quality of aged care supports our role and functions.



Annual Performance Statements

Introductory statement

I, Janet Anderson, as the Accountable Authority of the Aged Care Quality and Safety Commission, present the 2022–23 Annual Performance Statements of the Commission, as required under paragraph 39(1)(a) and 39(1)(b) of the *Public Governance, Performance and Accountability Act 2013* (the PGPA Act).

In my opinion, these Annual Performance Statements are based on properly maintained records, accurately reflect the performance of the Commission, and comply with Subsection 39(2) of the PGPA Act.

J. M. Anderson

Janet Anderson PSM

Commissioner

27 September 2023

Performance reporting framework

The Commission's annual performance reporting framework connects our strategic direction and priorities, key activities, risk management, resource allocation, and performance measurement and monitoring.

This complies with the requirements of the Commonwealth Performance Framework, which covers planning and performance reporting for all Commonwealth entities.

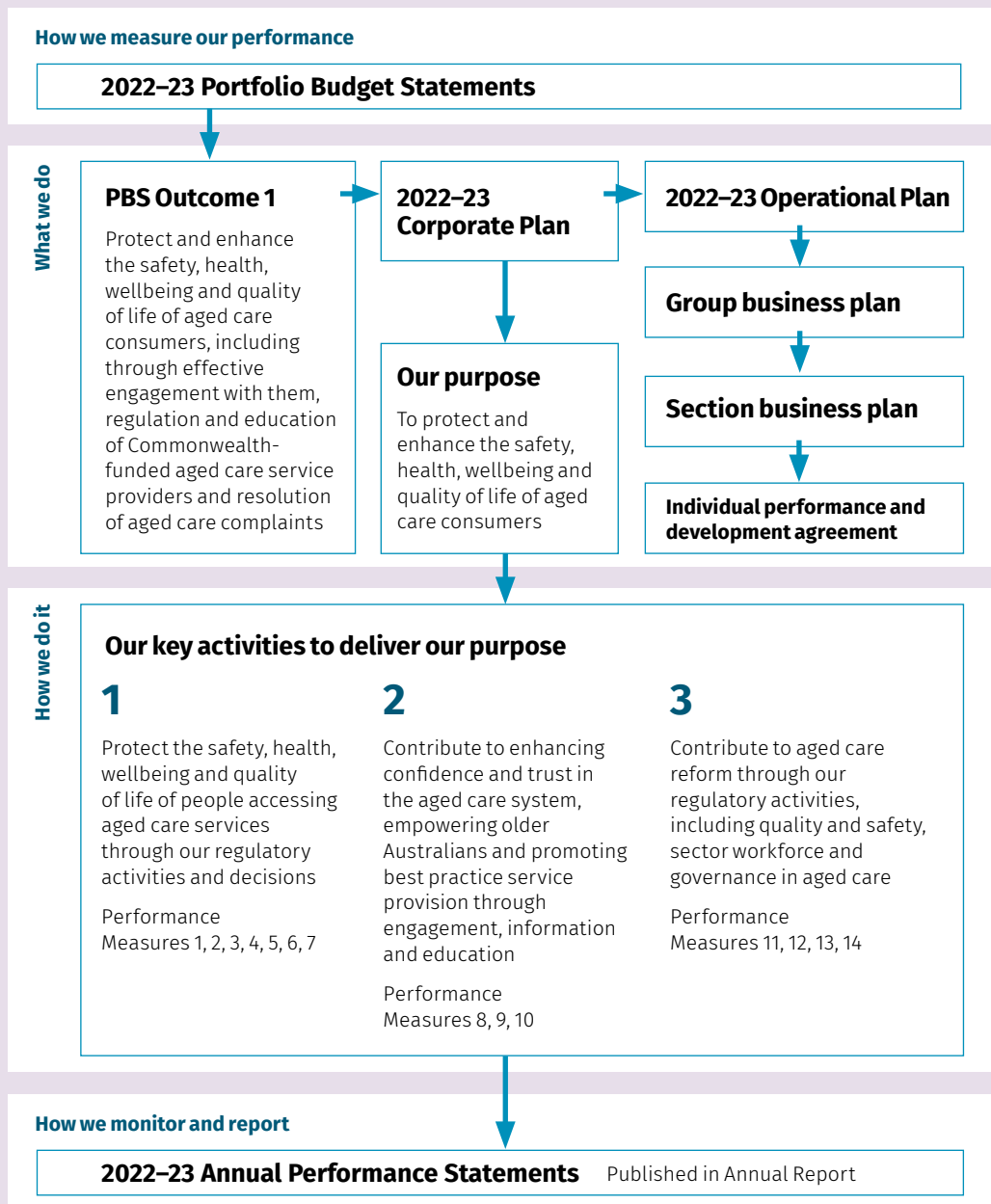
The Health Portfolio Budget Statements (PBS) set out the Commission's outcome, programs and performance indicators used to monitor progress against the stated deliverables. They also outline annual appropriations (amount of allocated funds) and how the Commission is to spend these funds to deliver on its purpose.

The Corporate Plan is developed based on the information in the PBS. Priorities flow from the Corporate Plan to the Operational Plan, through to group and section plans, then to individual performance and development agreements (Figure 2).

These 2022–23 Annual Performance Statements report on actual performance against the anticipated results articulated in the PBS and Corporate Plan. The statements have been developed in accordance with the relevant requirements and guidelines.

As required under Section 54 of the Commission Act, each year the Commission publishes an Operational Plan to guide its actions in delivering on its purpose. As required under Section 52 of the Act, the Commission must report against the Operational Plan deliverables in its Annual Report. This report is at Appendix 1.

Figure 2. Planning and reporting framework



Results

Summary of performance

Table 2 (page 58) provides a summary snapshot of the Commission's 2022–23 performance against anticipated measures and targets outlined in the PBS and Corporate Plan. Of the 14 performance measures, 12 were met, one was partially met and one not met. This includes baseline criteria being established for one of the performance measures. Where a measure has multiple targets, each target is weighted equally for the purposes of assessing performance.

The results show that the Commission has performed well against almost all of our measures, successfully delivering on our purpose – to protect and enhance the safety, health, wellbeing and quality of life of aged care consumers – during the reporting period.

The Commission's monitoring, regulatory and corporate functions continued to be impacted by COVID-19 related outbreaks over the reporting period. Despite this, the number of onsite activities continued to increase.

Almost 50% of assessment contacts were able to be conducted onsite, as well as a 40% increase in the volume of onsite regulatory activity relating to home services and National Aboriginal and Torres Strait Islander Flexible Aged Care Program (Flexible Care) services, enabling us to directly engage with aged care recipients to understand their experience of care and services. The Commission's reaccreditation site audit program successfully addressed the volume of activities accrued due to the COVID-19 pandemic with applications for reaccreditation now being managed within application periods.

Multiple performance measures that were affected by the timing of Parliament's enactment of enabling aged care legislation in 2021–22 were able to be progressed in 2022–23. The expansion of the Serious Incident Response Scheme into home services, changes to provider governance requirements and the new Code of Conduct for aged care providers, their workers and governing persons commenced on 1 December 2022 with relevant reporting regimes continuing to be refined and enhanced.

In 2022–23, we continued to feel the residual effects of the surge in enquiries and complaints received in 2021–22, with the sustained high numbers of enquiries having a flow-on effect on the resources available to manage complaints. This meant that while more complaints were resolved in 2022–23, more of them were older than 60 days at finalisation, impacting our ability to meet the performance target.

Annual performance statements

The Commission continues to explore strategies to improve our complaint handling performance, including the establishment of a Customer Contact Centre during 2022–23 to enable more efficient handling of both enquiries and complaints. In a positive sign, the Commission finished 2022–23 with fewer open complaints compared with the end of 2021–22.

Table 2. Summary of performance against anticipated measures/targets, 2022–23

Performance measure	Result
PM 1: Protect the safety, wellbeing and interests of Commonwealth-subsidised aged care consumers through regulatory activities (PBS measure)	Met
PM 2: Resolve complaints about aged care service providers within 60 days (PBS measure)	Not met
PM 3: Monitor aged care provider quality and safety performance against the Aged Care Quality Standards (PBS measure)	Met
PM 4: Increase the number of residential aged care reaccreditation site audits conducted (against 2020–21 baseline of 543) (PBS measure)	Partially met ^a
PM 5: Undertake quality audits and assessment contacts of home services and Flexible Care providers (PBS measure)	Met
PM 6: Monitor and take appropriate action in response to providers with potential or actual non-compliance with financial and prudential responsibilities including the Prudential Standards	Met

Performance measure	Result
PM 7: Improve the use of intelligence and enhance our risk-profiling and assessment to effectively target our regulatory responses	Met
PM 8: Consumer feedback and engagement used to inform the design and focus of our activities	Met
PM 9: Support and promote best practice in quality use of medicines through stakeholder engagement, including extending pharmacy outreach activities to more aged care services	Met ^b
PM 10: Underpin the Commission's activities with focused communications, information and education to support capability uplift and behavioural change in the sector	Met
PM 11: Expand the Serious Incident Response Scheme and Quality Indicator program into home services	Met
PM 12: Build organisational and clinical governance capability of leaders and governing bodies of Commonwealth-subsidised residential and home care services through targeted education and engagement	Met
PM 13: Deliver a campaign on minimising restrictive practices including behaviour support	Met
PM 14: Establish regulatory arrangements for new Code of Conduct	Met

a Significant progress was made towards meeting the target, but final achievement is anticipated outside of the reporting period.

b Baseline criteria established for prioritising outreach visits.

Portfolio Budget Statements measures

The Commission is responsible for a single government outcome:

Outcome 1 – Protect and enhance the safety, health, wellbeing and quality of life of aged care consumers, including through effective engagement with them, regulation and education of Commonwealth-funded aged care service providers and resolution of aged care complaints

Program 1.1 – Quality Aged Care Services delivers this outcome. This program – which the Commission is responsible for delivering – protects and enhances the safety, health, wellbeing and quality of life of aged care consumers, and builds confidence and trust in the provision of aged care services. It also empowers consumers and promotes best practice service provision.

Three measures indicate the Commission’s progress towards meeting this outcome and program (Table 3). Each PBS measure is mapped to its corresponding performance measure/s, where discussion of the particular result can be found.

Governing for reform

Since its launch in March 2022, more than 5,200 provider executives and governing persons have enrolled in the Commission’s Governing for Reform in Aged Care Program. The program provides training and skill development to enhance the capability of leaders in the aged care sector.

Participants have found the program to be beneficial in strengthening and uplifting their governance capabilities. One participant told us:

I participated in an Aged Care Quality and Safety Commission Governing for Reform in Aged Care workshop today. It was an excellent session which really reiterated for us why we became involved in aged care and our role in the proper governance of an aged care facility.

I loved the concept of ‘active curiosity’ in leadership in aged care and it’s certainly something I’ll consciously carry forward as a Director. Thanks to the ladies who participated in today’s session for sharing with all of us, it was truly a wonderful session to be part of!

Table 3. Performance against Portfolio Budget Statements measures, 2022–23

Measure	Target^a	Outcome	Result
Monitor aged care service providers' compliance against the aged care standards	Conduct over 1,900 site audits on residential aged care services	1,583 site audits on residential aged care service completed (Performance Measure 4)	Partially met ^b
	Conduct over 700 quality audits on home service providers	376 quality audits on home services completed (Performance Measure 5)	
	Complete over 2,500 assessment contacts	4,730 assessment contacts conducted (Performance Measure 3)	
Complaints about aged care service providers are resolved within 60 days	80%	58% (Performance Measure 2)	Not met
Protect the safety, wellbeing and interests of Commonwealth-subsidised aged care consumers through regulatory activities	Take appropriate action to address non-compliance with approved provider responsibilities under the <i>Aged Care Act 1997</i>	975 compliance notices issued to providers (Performance Measure 1)	Met

a Multiple targets are equally weighted for the purpose of assessing performance.

b Significant progress was made towards meeting the target, but final achievement is anticipated outside of the reporting period.

Performance measures

Aligned to each of the Commission’s key activities is a series of performance measures that reflect the desired outcomes of that activity. Anticipated results are assigned to each performance measure, so progress can be monitored, measured and reported. The Commission continually reviews its performance measures to ensure they remain relevant, reliable and contribute to measuring how the Commission achieves its purpose.

Key activity 1 | *Protect the safety, health, wellbeing and quality of life of people accessing aged care services through our regulatory activities and decisions*

<p>PM1: Protect the safety, wellbeing and interests of Commonwealth-subsidised aged care consumers through regulatory activities</p>	<p>Met</p>
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Source

2022–23 Corporate Plan, page 26; 2022–23 Portfolio Budget Statements, page 146

Rationale

To protect and enhance the safety, health, wellbeing and quality of life of older Australians by identifying the risks of non-compliance with aged care responsibilities, and holding providers to account where non-compliance is found

<p>Anticipated result</p> <p>Action taken to address non-compliance with approved provider responsibilities under the <i>Aged Care Act 1997</i></p>	<p>Actual result</p> <p>Action taken to address non-compliance (975 compliance notices issued)</p>
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Discussion and analysis

If the Commission is concerned that a provider is not complying with its responsibilities under the *Aged Care Act 1997*, we will issue a compliance notice and give the provider an opportunity to respond to those concerns. If a provider still does not satisfy the Commission that it is compliant with its aged care responsibilities, we may direct the provider to take action to ensure compliance. If the provider fails to comply, enforceable regulatory action may be taken.

A total of 975 compliance notices were issued by the Commission during 2022–23. This consisted of 358 directions, 312 non-compliance notices, 13 notices of decision to impose sanctions, 39 notices to agree, 207 notices to remedy and 46 infection management compliance notices or restrictive practices compliance notices.

In 2021–22, the Commission issued a total of 513 compliance notices, comprising 281 direction notices, 201 non-compliance notices, 25 sanctions and 6 notices to agree.

At 30 June 2023, the Commission was issuing compliance notices within 72 hours of receipt of referrals – an improvement in responsiveness over the previous reporting period. In addition, 95% of cases were closed within 4½ months – also an improvement over the previous period.

The Commission strengthened its ability to address non-compliance of providers (particularly those considered as high risk) by improving the non-compliance referral processes; enhancing management of risk assessments; implementing a stakeholder engagement strategy to address long-standing matters in a timely manner and adjusting structural and workforce arrangements to better align with workflow.

Methodology and data sources

- Information collected via contact with providers including site audits, and onsite and at-desk performance assessments.
 - Serious Incident Response Scheme data collected via notifications of reportable incidents submitted by providers; further information may be gathered through at-desk or onsite follow up or investigation.
 - Longer-term non-compliance information derived through complaints handling processes.
-

Annual performance statements

<p>PM 2: Resolve complaints about aged care service providers within 60 days</p>	<p>Not met</p>
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Source

2022–23 Corporate Plan, page 26; 2022–23 Portfolio Budget Statements, page 146

Rationale

To protect and enhance the safety, health, wellbeing and quality of life of older Australians by resolving concerns about their care and services, and using complaints data to inform the Commission’s other regulatory activities

Anticipated result

80%

Actual result

58%

Discussion and analysis

The Commission provides a single point of contact for people wanting to make a complaint about an aged care provider’s performance in relation to its responsibilities under the *Aged Care Act 1997*, Aged Care Quality Standards or Australian Government funding agreement. The Commission works with complainants and providers to assist them to address concerns and resolve issues. If the Commission is not satisfied that a provider is meeting its responsibilities, we can direct them to take specified actions.

The Commission received 9,198 complaints during 2022–23; 58% were resolved within 60 days.

This result can be attributed to the residual effects of the surge in complaints and enquiries received during the previous reporting period. Although the Commission resolved more complaints in 2022–23 (9,777) compared with 2021–22 (9,465), a greater proportion had been open for more than 60 days at finalisation.

The time taken to finalise a complaint depends on factors including the overall volume of complaints received, level of risk and complexity, provider responsiveness and complainant engagement with the process. The Commission finished 2022–23 with 25% fewer open complaints (1,757) compared with the end of 2021–22 (2,335), while receiving an increased 12,202 enquiries (68% more than 2020–21).

Enquiries and complaints are managed by the same Commission workforce, with ongoing recruitment activities to increase staffing. The significant increase in enquiries and complaints has contributed to the result achieved by the Commission in relation to resolving complaints within its target 60 days.

The Commission continues to explore strategies to improve its complaint handling performance, including:

- establishing a Customer Contact Centre from 1 July 2022 to facilitate more efficient handling of both complaints and enquiries
- re-allocating resources to the highest areas of need or risk (including use of overtime to focus on resolving complaints)
- improving recruitment activities to ensure a full and increased staffing complement
- reviewing and improving the complaint handling operating model and related processes.

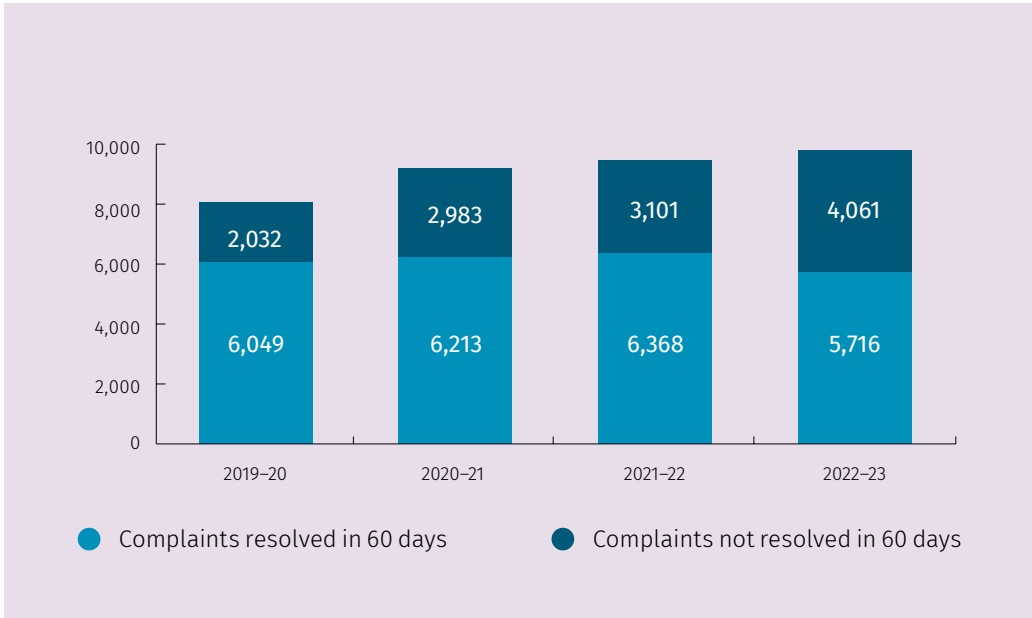
Information gathered during complaint resolution processes continued to inform the Commission’s regulatory and education functions. In this way, complaints information assists the Commission to understand older Australians’ quality of life experiences and the risks they are exposed to by providers’ non-compliance with the Aged Care Quality Standards. It also helps to understand providers’ behaviour in relation to meeting their broader responsibilities.

Methodology and data sources

- The Commission’s National Complaints and Compliance Information Management System (NCCIMS); contacts that meet the definition of a complaint set out in the Complaints Guidelines and associated fact sheets are recorded on NCCIMS by an intake officer.
 - The total number of complaints recorded as finalised within 60 days is divided by the total number of complaints finalised over the reported period.
-

Annual performance statements

Figure 3. Complaints resolved within 60 days, 2019–20 to 2022–23



PM 3: Monitor aged care provider quality and safety performance against the Aged Care Quality Standards

Met

Source

2022–23 Corporate Plan, page 26; 2022–23 Portfolio Budget Statements, page 146

Rationale

To protect and enhance the safety, health, wellbeing and quality of life of Australians accessing aged care by monitoring and assessing providers' compliance with the Aged Care Quality Standards

Anticipated result

More than 2,500 assessment contacts conducted

Actual result

4,730 assessment contracts conducted^a

Discussion and analysis

An assessment contact involves a Commission regulatory officer monitoring and evaluating a provider's quality of care and performance against the Aged Care Quality Standards. Assessment contacts may result from intelligence received by the Commission, a planned program of work, or monitoring of remediation actions arising from a finding of non-compliance.

The Commission exceeded the anticipated number of onsite assessment contacts conducted in residential and home services, despite our assessment and monitoring program continuing to be affected by variables such as COVID-19 related outbreaks.

The Australian Government provided additional funding to the Commission to increase infection control monitoring spot checks at residential aged care services. More than 1,470 spot checks were conducted.

In addition, there was increased regulation of home services providers through the assessment contact program.

continued over

Annual performance statements

Of the assessment contacts conducted, 47.6% were onsite, enabling the Commission to better engage with and support stakeholders.

Assessment contact data and intelligence continued to be used to support risk profiling, decision-making, forward planning and the development of regulatory activities and programs.

Methodology and data sources

- Reports generated from the Commission’s Better Business Program system, which is used to manage information, processes and reports associated with providers, services, activities, decisions, education and referrals of information.
- Monthly reports to the Commission’s Executive Leadership Group on the number and outcomes of assessment contacts.

-
- a The anticipated number of assessment contacts are predictive forecast based. The actual numbers are highly variable, depending on planned programs of work, emerging intelligence or required remediation actions arising from a finding of non-compliance, the type of assessment contact and whether they are conducted remotely or onsite.

24/7 registered nurse cover

From 1 July 2023, residential aged care homes across Australia are required to have a registered nurse onsite and on duty 24 hours a day, 7 days a week, unless granted a 12-month exemption.

Ahead of this change, providers told us that they wanted to understand how we would approach regulating this requirement. Providers noted the challenges in attracting and retaining a suitably qualified workforce, especially for those located outside urban areas. We met with providers to understand the issues including strategies to manage clinical care needs where full RN coverage is not in place.

With provider input, we published a regulatory bulletin and other content to clarify our expectations and regulatory approach. We messaged our approach through regional radio, social media, a provider webinar, stakeholder and provider meetings and a letter from the Commissioner to every residential aged care provider.

PM 4: Increase the number of residential aged care reaccreditation site audits conducted (against 2020–21 baseline of 543)

Partially met^a

Source

2022–23 Corporate Plan, page 27; 2022–23 Portfolio Budget Statements, page 146

Rationale

To protect and enhance the safety, health, wellbeing and quality of life of Australians accessing aged care by conducting reaccreditation site audits to identify non-compliance with the Aged Care Quality Standards

Anticipated result

More than 1,900 site audits of residential aged care service completed

Actual result

1,583 reaccreditation site audits of residential aged care service completed

Discussion and analysis

A residential aged care service must be accredited or reaccredited by the Commissioner (or delegate) to receive Australian Government funding. In this process, an unannounced comprehensive onsite assessment against the Aged Care Quality Standards – a site audit – is conducted by the Commission.

A total of 1,583 reaccreditation site audits were completed during 2022–23. While slightly below the target of 1,900, this is still an increase over the combined figure of 1,253 for 2020–21 and 2021–22 (543 and 710, respectively).

The Commission’s reaccreditation site audit program addressed the backlog from the COVID–19 pandemic, with reaccreditation applications now being managed within the required timeframe.

continued over

Annual performance statements

This achievement resulted from strategies including increasing the number of quality assessors through third party suppliers, enabling Commission staff to focus on assessment, monitoring and responding to risk.

Having successfully reduced the volume of reaccreditation site audits resulting from COVID-19 and other variables experienced over recent years, the Commission is phasing out the use of exceptional circumstance determinations (made by the Department of Health and Aged Care) as a regulatory treatment to provide a time-limited extension to support a service to continue receiving Commonwealth funding. The Department may continue to exercise exceptional circumstance decisions where necessary due to extraordinary requirements.

Methodology and data sources

- Where demand for site audits is high, the Commission will apply a risk prioritisation to scheduling; site audits may be conducted by third party employed quality assessors.
- Information on planning and conducting audits held in the Commission's Better Business Program system, which is used to manage information, processes and reports associated with providers, services, activities, decisions, education and referrals of information.
- Performance reports detailing outcomes from each site audit published on the [Commission's website](#).

-
- a Significant progress was made towards meeting the target, however the final number of audits was under the anticipated result.

PM 5: Undertake quality audits and assessment contacts of home services and Flexible Care providers

Met

Source

2022–23 Corporate Plan, page 27; 2022–23 Portfolio Budget Statements, page 146

Rationale

To protect and enhance the safety, health, wellbeing and quality of life of older Australians by conducting quality audits and assessment contacts of home services and Flexible Care providers against the Aged Care Quality Standards

Anticipated result

More than 700 quality audits and assessment contacts of home services and National Aboriginal and Torres Strait Islander Flexible Care Program providers completed

Actual result

1,484 quality audits and assessment contacts completed

Discussion and analysis

The National Aboriginal and Torres Strait Islander Flexible Care Program (Flexible Care) comprises aged care providers funded to meet the needs of Indigenous people, allowing them to remain close to home and community. Most of these services are in rural, remote and very remote areas.

A quality audit involves assessing the performance of a Flexible Care or home service provider to ensure that they are meeting their aged care responsibilities. The audits can be part of the Commission’s scheduled regulatory program, or they may be a response to information relating to provider non-compliance. The Commission will work with a provider to implement remedial strategies should instances of non-compliance be found.^a

continued over

Annual performance statements

In 2022–23, the Commission significantly increased its regulatory focus on Flexible Care and home service providers. It conducted 1,484 quality audits and assessment contacts, comprising:

- 376 home service quality audits
- 1,071 home service assessment contacts
- 17 Flexible Care quality audits
- 20 Flexible Care assessment contacts.

In 2021–22, the Commission completed 987 quality audits and assessment contacts of home services.

This result reflects the greatest number of quality audits and assessment contacts undertaken since the introduction of the Aged Care Quality Standards in 2019. The increase in onsite regulatory activities enabled the Commission to directly engage with older people accessing Flexible Care or home services, assisting in further understanding their experience of care and services.

Methodology and data sources

- Information on planned and conducted quality audits and assessment contacts held in the Commission’s Better Business Program system, which is used to manage information, processes and reports associated with providers, services, activities, decisions, education and referrals of information.

a Where non-compliance is identified through a quality audit of a Commonwealth Home Support Programme service, the matter is referred to the Community Grants Hub for response.

PM 6: Monitor and take appropriate action in response to providers with potential or actual non-compliance with financial and prudential responsibilities including the Prudential Standards

Met

Source

2022–23 Corporate Plan, page 27

Rationale

To protect and enhance the safety, health, wellbeing, quality of life and financial interests of older Australians by monitoring provider performance against prudential responsibilities, identifying underperforming providers and taking action against non-compliance

Anticipated results^a

A minimum of 2 targeted reviews focused on high-risk provider groups undertaken

Actual results

2 targeted reviews undertaken

A minimum of 10 new educational products for the sector delivered (provider satisfaction rate of 80% or higher)

31 new educational products delivered^b

Discussion and analysis

The Commission undertakes financial and prudential regulation audit and review activities as part of its regulation strategy, focusing on areas of high risk. Insights from these activities drive improved Commission outcomes, including supporting stakeholder engagement and feedback, to help better design regulatory processes and activities.

continued over

Annual performance statements

During the reporting period, the Commission completed 2 targeted reviews focused on high-risk provider groups – meeting the anticipated result – with substantial progress made on a third targeted review. The Commission also worked to:

- implement a program of prudential reviews
- implement a program of targeted campaigns to engage with providers on specific areas of concern
- develop financial and prudential risk modelling to allow for earlier identification of at-risk providers
- develop guidance and a framework for criminal investigations
- consider provider feedback and responses to evaluation surveys.

During the reporting period, the Commission focused on delivering more financial and prudential regulation resources for providers. A total of 31 education resources – well exceeding the target of 10 – were published.

Three new education modules – available through the Commission’s online learning platform – had 900 completions between December 2022 and 30 June 2023. Eight fact sheets were published on the Commission's website and accessed more than 5,500 times by the end of the financial year. In November 2022, the first *Financial and Prudential Regulatory Insights* was published – a monthly newsletter focusing on the Commission’s financial and prudential regulatory role.

Methodology and data sources

- Data from the Department of Health and Aged Care’s Aged Care Financial Report.
- Information gathered through formal engagement with the Department of Health and Aged Care in relation to providers at risk.
- Information collected through the Commission’s engagement with providers, including compliance case work, prudential reviews or targeted campaigns.

-
- a Multiple anticipated results are equally weighted for the purpose of assessing performance.
- b Formal provider response rates received via an online feedback tool were too low to be statistically valid.

PM 7: Improve the use of intelligence and enhance our risk-profiling and assessment to effectively target our regulatory responses

Met

Source

2022–23 Corporate Plan, page 28

Rationale

To protect and enhance the safety, health, wellbeing and quality of life of older Australians through risk profiling to identify providers at risk of not meeting their aged care responsibilities and implementing regulatory strategies in response

Anticipated results^a

Use of risk profiling expanded and risk assessment enhanced to effectively target our regulatory response for all providers

Actual results

Risk profiling and assessment used to target our regulatory response

Use of risk profiling and risk assessment enhanced in the assessment and monitoring of serious incidents and complaints, and in targeted risk-based monitoring against the Quality Standards and Prudential Standards

Risk profiling and assessment used to monitor serious incidents and complaints, and in targeted risk-based monitoring of compliance with aged care quality and prudential standards

Serious incidents and Quality Indicators incorporated in risk profiling

Serious incidents and Quality Indicators incorporated in risk profiling

Discussion and analysis

The Commission worked to improve the use of intelligence, risk profiling and assessment to effectively target our regulatory response. This included developing or enhancing risk profiling approaches for:

continued over

Annual performance statements

- activities to support the Infection Prevention and Control Campaign; Food, Nutrition and Dining Regulatory Campaign (including the use of Quality Indicator related risk profiling), and regulatory approach to 24/7 registered nursing risks
- release of risk models for home services and financial and prudential risks
- development of a Data and Intelligence Capability Framework that will improve the use of data and intelligence across the Commission, including in risk profiling
- expanded scope of reporting, intelligence and risk tools
- additional data sources from Quarterly Financial Reports, Resident Experience Surveys, Australian National Aged Care Classification funding model, home services Serious Incident Response Scheme and Star Ratings.

Successful achievement of this work was enabled by:

- closely engaging with internal stakeholders to further understand how risk profiling and risk-based targeting assist them to undertake their functions
- incorporating risk profiling and risk-based targeting in new regulatory functions introduced in 2022–23
- developing tools and processes to support risk profiling, including operational guidance documents and digital tools
- working with the Department of Health and Aged Care in the development and enhancement of Risk Based Targeting and Information Sharing functionality and tools, and incorporating new datasets.

Methodology and data sources

- Core Commission risk models, from which risk profiles are derived – data describing provider performance, characteristics and operating circumstances are sourced from Commission and Departmental operational systems and processes. They are brought together in the Risk Based Targeting and Information Sharing tool and risk engine, operating in the Department of Health and Aged Care's Aged Care Data Warehouse.
 - Risk profiles as an output of risk models applied to relevant data – the models are developed by combining subject matter advice and data science activities.
-

a Multiple anticipated results are equally weighted for the purpose of assessing performance.

Key activity 2 | *Contribute to enhancing confidence and trust in the aged care system, empowering older Australians and promoting best practice service provision through engagement, information and education*

<p>PM 8: Consumer feedback and engagement are used to inform the design and focus of our activities</p>	<p>Met</p>
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Source

2022–23 Corporate Plan, page 29

Rationale

To protect and enhance the safety, health, wellbeing and quality of life of Australians accessing aged care services by using feedback and information to help identify risks, understand the needs of the sector and inform consumer choice

Anticipated result	Actual result
6-monthly report on progress against Consumer Engagement Plan	6-monthly report completed ^a

Discussion and analysis

The Consumer Engagement Plan has been incorporated into the Commission’s broader Stakeholder Engagement Strategy, including the key guiding principle to inquire, collaborate and consult with external stakeholders to better inform the design and focus of activities. The Commission’s strategy outlines how we will and should seek the views of older Australians to inform our activities.

continued over

Annual performance statements

The Commission remains strongly committed to listening and responding to aged care recipients to ensure delivery of quality aged care services. A range of methods was used including focus groups, surveys, guided conversations and requests for feedback on draft documents.

The Consumers and Families Panel was established, attracting 314 people – a mix of aged care recipients, their family members and supporters, and people considering accessing aged care services. Panel members provided comments and suggestions to help the Commission design and target our activities so they are useful and easy to understand by older Australians.

Insights shared by panel members influenced outcomes across the Commission. We sought and incorporated the panel's feedback in the development of numerous fact sheets, videos and guidance documents to ensure that they meet the needs of older Australians. Business areas have an increased awareness of the need to understand the perspective of aged care recipients and to engage early in resource and project development.

Methodology and data sources

- Information from internal and external stakeholders (including individual recipients of aged care and their carers).
- Information from consumer representative bodies and their members.

-
- a The Consumer Engagement Plan has been subsumed into the broader stakeholder engagement work plan. Six-monthly progress reports of the broader plan will continue to be completed, noting the plan covers all stakeholders not just consumers.

PM 9: Support and promote best practice in quality use of medicines through stakeholder engagement, including extending pharmacy outreach activities to more aged care services

Met

Source

2022–23 Corporate Plan, page 29

Rationale

To protect and enhance the safety, health, wellbeing and quality of life of older Australians by extending pharmacy outreach activities and training in the quality use of medicines into more aged care services, better equipping staff to deliver quality care

Anticipated result

Criteria established for prioritising outreach visits

Actual result

Criteria established

Discussion and analysis

The Commission delivers outreach activities and training in the quality use of medicines in aged care services. Under our Pharmacy Outreach Project, accredited pharmacists travel with Commission staff (referred to as pharmacy associates) to deliver medication-related training and support to residential aged care services in regional, remote and very remote locations.

Criteria were established for prioritising outreach visits based on:

- services/providers that request a visit
- services funded through Flexible Care that request a visit
- Commission-initiated visits to a service/provider within close proximity (town or region) to a service/provider with an existing scheduled visit.

continued over

Annual performance statements

Visits became more strategic and targeted using complaints and compliance intelligence received by the Commission.

Pharmacists undertook 42 visits, during which they engaged with 58 services across Australia during 2022–23. The pharmacists delivered training on reducing sedative use and improving management of urinary tract infections to more than 1,000 aged care staff. Participant feedback indicated that aged care staff are committed to changing practices to align with the information delivered via the training.

Slightly fewer visits and training sessions were delivered in 2022–23 compared with 2021–22, where training was provided to 900 nurses from 61 services. This is a result of several visits being postponed due to COVID-19 outbreaks and limited resourcing within the Commission affecting the ability to undertake visits for a third of the year.

Methodology and data sources

- Internal and external evaluation of site visits, including written reports and attendee evaluations.
 - Statistics on content, number of sessions delivered and attendees maintained internally by Commission staff.
 - Psychotropic drug use for each site is recorded.
 - Additional data is recorded from a data capture template.
-

Infection prevention and control

The Commission has a regulatory campaign underway to support strong and sustained infection prevention and control practices across aged care. Our campaign includes a range of different measures including free targeted in-service education for selected residential aged care providers, a suite of infection prevention and control resources for governing bodies and executives delivered through our Governing for Reform in Aged Care Program, and free modules through our online learning platform. We also undertake unannounced infection prevention and control spot checks at residential aged care services.

PM 10: Underpin the Commission’s activities with focused communications, information and education to support capability uplift and behavioural change in the sector

Met

Source 2022–23 Corporate Plan, page 29

Rationale To protect and enhance the safety, health, wellbeing and quality of life of older Australians by using focused communications and information to support positive behavioural change in the aged care sector

Anticipated result

Approach, framework and methodology developed and established to evaluate the effectiveness of communication and education channels and activities

Actual result

Evaluation approach, framework and methodology developed

Discussion and analysis

The Commission developed a strong, detailed and achievable framework to evaluate the effectiveness of our communication and education channels and activities.

The evaluation effort underpinned by the framework places the Commission in a good position to ensure that products are timely, engaging, effective, and support sector capability uplift and behavioural change. Products include, but are not limited to, stakeholder forums, Commission website, social media, *Quality Bulletin* and Alis (the Commission’s e-learning platform).

Subject to the evaluation framework, at the completion of each project/campaign data is collected on communications, stakeholder engagement and education activities. This information is considered by all teams involved in the project/campaign, with the analysis used to inform the Commission’s continuous improvement processes and approaches to future projects/campaigns.

Methodology and data sources

- Feedback received from stakeholder engagement forums.
-

Key activity 3 | *Contribute to aged care reform through our regulatory activities including quality and safety, sector workforce and governance in aged care*

<p>PM 11: Expand the Serious Incident Response Scheme and Quality Indicator program into home services</p>	<p>Met</p>
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Source

2022–23 Corporate Plan, page 31

Rationale

To protect and enhance the safety, health, wellbeing and quality of life of Australians accessing aged care services by expanding the Serious Incident Response Scheme and Quality Indicator program into home services

Anticipated result

Serious Incident Response Scheme expanded

Actual result

Serious Incident Response Scheme expanded

Discussion and analysis

The Serious Incident Response Scheme was originally established (in April 2021) to prevent and reduce the risk of incidents of abuse and neglect in residential aged care. On 1 December 2022, the scheme expanded into home services.

Under the scheme, providers are required to have an effective incident management system in place and to identify, record, manage, resolve and report to the Commission all serious incidents that occur (or are alleged or suspected to have occurred).

As at 30 June 2023, the Commission had received 2,224 home services notifications. Of these, a total of 1,783 were assessed as requiring no further action, while 441 remained under assessment.

The Commission continues to educate providers about their responsibilities and reporting requirements. Where appropriate, regulatory action is taken if a provider fails to report and respond to an incident when required to do so.

While the number of home services notifications received was lower than anticipated, the statistics show that providers are using incidents to identify opportunities to reduce risks to older Australians and improve their quality of care.

As home services data matures – as occurred for residential care data – insights will be shared with the sector to improve its capacity to manage and prevent incidents.

Methodology and data sources

- Information and data collected are assessed formally through an externally facilitated review, as well as internal analysis of milestone completion, stakeholder feedback, surveys, issue logs and risk mitigation.
- Information and data captured and recorded on a weekly basis from output tracking within the project software platform and meeting minutes.

Note: The wording of this performance measure has changed from 'Expand the Serious Incident Response Scheme and Quality Indicator program into home **care**' to Expand the Serious Incident Response Scheme and Quality Indicator program into home **services**'.

<p>PM 12: Build organisational and clinical governance capability of leaders and governing bodies of Commonwealth-subsidised residential and home care services through targeted education and engagement</p>	<p>Met</p>
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Source

2022–23 Corporate Plan, page 31

Rationale

To protect and enhance the safety, health, wellbeing and quality of life of older Australians by providing targeted governance training to provider leaders and governing bodies

Anticipated results ^a	Actual results
<p>Targeted training delivered to more than 2,400 leaders (executives and members of governing bodies)</p>	<p>Targeted training delivered to 3,654 leaders</p>
<p>Enriching Life through Care roundtable discussions conducted across states and territories</p>	<p>Enriching Life through Care roundtable discussions conducted</p>

Discussion and analysis

The Commission’s Governing for Reform in Aged Care Program strengthens the capabilities of executives and members of governing bodies across the sector. This flexible online program focuses on key behaviour changes required to successfully implement the range of aged care reforms.

As at 30 June 2023, a total of 5,205 people (from 904 providers) had enrolled in the program since it commenced in March 2022. Enrolments in 2022–23 were 3,654, which exceeded the target of 2,400. Evaluation survey results and feedback from participants were positive, with many indicating they had improved their governance practices and leadership abilities since participating in the program.

The Enriching Life through Care Program focuses on transformation of the aged care sector from the perspective of people receiving care. Through roundtable discussions with the Commission, sector leaders discussed how providers are responding to expectations of older Australians for a better aged care experience.

More than 320 senior executives, board chairs and directors (from more than 230 services) participated in Enriching Life through Care roundtable discussions. These face-to-face discussions, held in every state and territory, assisted to build trust and two-way engagement on key issues impacting the sector.

In March 2023, the 'Enriching Life through Care: national roundtable program final report' and companion report containing case studies were released to the sector. The final report documented key observations and learnings shared by program participants on how they are improving the experience of care, and how the Commission can better support sector capability uplift.

Methodology and data sources

- A learning management system captures registrations, completions and other performance analytics related to uptake, outputs and outcomes of the Governing for Reform in Aged Care Program.
 - The external program supplier provides reports to the Commission on an agreed basis.
-

a Multiple targets are equally weighted for the purpose of assessing performance.

Annual performance statements

<p>PM 13: Deliver a campaign on minimising restrictive practices including behaviour support</p>	<p>Met</p>
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Source

2022–23 Corporate Plan, page 32

Rationale

To protect and enhance the safety, health, wellbeing and quality of life of Australians accessing aged care services by delivering a behaviour support campaign, including minimising inappropriate restrictive practices

Anticipated results^a	Actual results
<p>Functions of the Senior Practitioner and Restrictive Practices Unit embedded within the Commission</p>	<p>Functions of the Senior Practitioner and Restrictive Practices Unit embedded within the Commission</p>
<p>Regulatory intelligence used to inform the design and focus of activities and work program/campaign</p>	<p>Regulatory intelligence used to inform activities and work program/campaign</p>
<p>Work program/campaign commenced</p>	<p>Work program/campaign commenced</p>

Discussion and analysis

A restrictive practice limits the rights or freedom of movement of a care recipient. It can take the form of chemical, environmental, mechanical and physical restraint and/or seclusion. Under the Aged Care Quality Standards and Quality of Care Principles, restrictive practices should only be used as a last resort. A behaviour support plan sets out how to manage any behaviour of concern; it must include alternative strategies to be implemented prior to the use of restrictive practices on an aged care recipient.

Our Restrictive Practices Unit continued to develop and embed its functions through the delivery of clinical expert advice and training to staff across the Commission. As a result, the Commission's regulatory response was increasingly informed, where appropriate, by issues relating to behaviour support and restrictive practices.

The Commission delivered a program to the sector on behaviour support and minimising inappropriate restrictive practices. Addressing system gaps and identified needs, this program ensured greater accountability in detecting and addressing poor provider understanding of, and performance on, restrictive practices while strengthening engagement with providers and other key stakeholders.

In April 2023, the Commission hosted a program logic workshop that provided an opportunity for sector leaders to better understand the activities undertaken by the Commission and other stakeholders to improve behaviour support activities and minimise inappropriate restrictive practices.

After becoming vacant, the role of Senior Practitioner, Behaviour Support was filled in May 2023, further consolidating work activities and driving capability uplift.

Methodology and data sources

- Measurement methodology, information sources and data sources continue to be adapted to reflect the developing role and function of the Senior Practitioner and Restrictive Practices Unit.
- Information derived from regulatory intelligence, Quality Indicator data, compliance matters and trend analysis from enquiries.

a Multiple targets are equally weighted for the purpose of assessing performance.

Annual performance statements

<p>PM 14: Establish regulatory arrangements for new Code of Conduct</p>	<p>Met</p>
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Source

2022–23 Corporate Plan, page 32

Rationale

To protect and enhance the safety, health, wellbeing and quality of life of older Australians by establishing a single worker code of conduct, nationally consistent pre-employment screening process, and single register of workers across the aged care and disability sectors and eventually veterans’ affairs

Anticipated result

New regulatory arrangements implemented

Actual result

Aged Care Code of Conduct implemented

Discussion and analysis

On 1 December 2022, the Aged Care Code of Conduct was introduced. In the lead-up, new tools and systems were developed that allow the Commission to consolidate intelligence to further understand aged care workers’ activities and to build a profile of the potential risks that workers may present. Introduction of the Code was supported by detailed business process maps, a communication plan, a learning and development plan, and ICT minimum viable product requirements.

To assess conduct inconsistent with the Code and to allow for trend analyses of workers, we draw on our existing regulatory mechanisms, such as complaint handling processes and the Serious Incident Response Scheme.

A single register of aged care workers did not commence during the reporting period, owing to a government-endorsed decision by the Department of Health and Aged Care to re-phase the project. This impacted the Commission’s ability to further understand the risks that workers may pose to older Australians, and has subsequently affected capability to implement proportionate administrative or regulatory action where risks are identified. Irrespective of this, the Commission continued to draw on intelligence from a range of sources to build understanding of the risks that workers may pose to those in their care.

Methodology and data sources

- Intelligence from existing regulatory mechanisms across the Commission, including historical and new data.
-

Star Ratings

The Department of Health and Aged Care's Star Ratings for residential aged care homes have been published on the My Aged Care website since December 2022. As Star Ratings improve for individual services, it is expected that the overall quality of residential aged care services will also improve.

Star Ratings are calculated using an overall 5-star quality rating based on 4 sub-categories:

- residents' experience
- compliance
- staffing
- quality measures.

The compliance rating is based on the Commission's regulatory activities where an aged care home is not meeting its responsibilities, including under the Aged Care Quality Standards. It reflects the home's current compliance status and is based on the type of compliance action or period without a regulatory compliance decision.

The other 3 components of the overall Star Ratings are determined by the Department of Health and Aged Care.

Financial performance

Operating results

The Commission returned an actual net surplus of \$11,640,222 against a budget net deficit of \$1,226,000 for the year. The net cash surplus, after adjusting for depreciation of assets and payments for right-of-use-assets, was \$13,010,547 against a budgeted surplus of \$1,294,000.

Operating revenue

The total operating income was \$231,001,734.

Figure 4. Operating revenue, 2022–23

Revenue	\$
● Revenue from Government	204,905,000
● Revenue from contracts with customers	26,042,734
● Other revenue	54,000
Total revenue	231,001,734



Operating expenses

Total operating expenses were \$219,361,512.

Figure 5. Operating expenses, 2022–23

Expenses	\$
● Employee benefits	113,557,190
● Suppliers	98,263,299
● Depreciation and amortisation	7,222,594
● Finance costs	318,429
Total expenses	\$219,361,512



Balance sheet

Net asset position

The net assets of the Commission at 30 June 2023 were \$65,680,142.

Total assets

Total assets at 30 June 2023 were \$139,521,191.

Figure 6. Total assets, 30 June 2023

Assets	\$
● Cash and cash equivalents	1,702,913
● Trade and other receivables	4,418,808
● Appropriations receivable	93,394,000
● Total non-financial assets	40,005,470
Total assets	139,521,191



Total liabilities

Total liabilities at 30 June 2023 were \$73,841,049.

Figure 7. Total liabilities, 30 June 2023

Liabilities	\$
● Suppliers	11,267,847
● Unearned income	6,471,242
● Other payables	3,456,522
● Leases	27,098,523
● Employee provisions	25,365,815
● Other provisions	181,100
Total liabilities	73,841,049



Annual performance statements

Table 4. Entity resource statement for the year ended 30 June 2023

	Actual available appropriation \$'000 (A)	Payments made \$'000 (B)	Balance remaining \$'000 (A)–(B)
Departmental			
Annual appropriations – ordinary annual services ^{1,3}	317,036	(223,664)	93,372 ⁴
Annual appropriations – other services – non-operating ²	4,892	(3,167)	1,725
Total resourcing and payments for the Commission	321,928	(226,831)	95,097

1 Appropriation Act (No.1) 2022–23 and Appropriation Act (No.3) 2022–23. This may also include prior-year departmental appropriation and Section 74 external revenue.

2 Appropriation Act (No.2) 2022–23 and Appropriation Act (No.4) 2022–23.

3 Departmental capital budgets are not separately identified in Appropriation Bill (No. 1, 3, 5) and form part of ordinary annual services items. For accounting purposes, this amount has been designated as 'contributions by owners'.

4 Excludes \$3.3 million quarantined under Section 51.



Management and accountability

Corporate governance

The Commission's corporate governance arrangements play a crucial role in ensuring that the Australian Government's priorities and program objectives are delivered efficiently and effectively, as expected by the community. The governance framework provides the context within which the Commission operates to achieve our objectives; ensure transparent, ethical and accountable evidence-based decision-making; and effectively manage risk and stakeholder relationships.

The Commission is governed by the *Aged Care Quality and Safety Commission Act 2018* (Commission Act). Under this Act, an independent Aged Care Quality and Safety Commissioner reports to the Minister for Aged Care through the Cabinet Minister for Health and Aged Care.

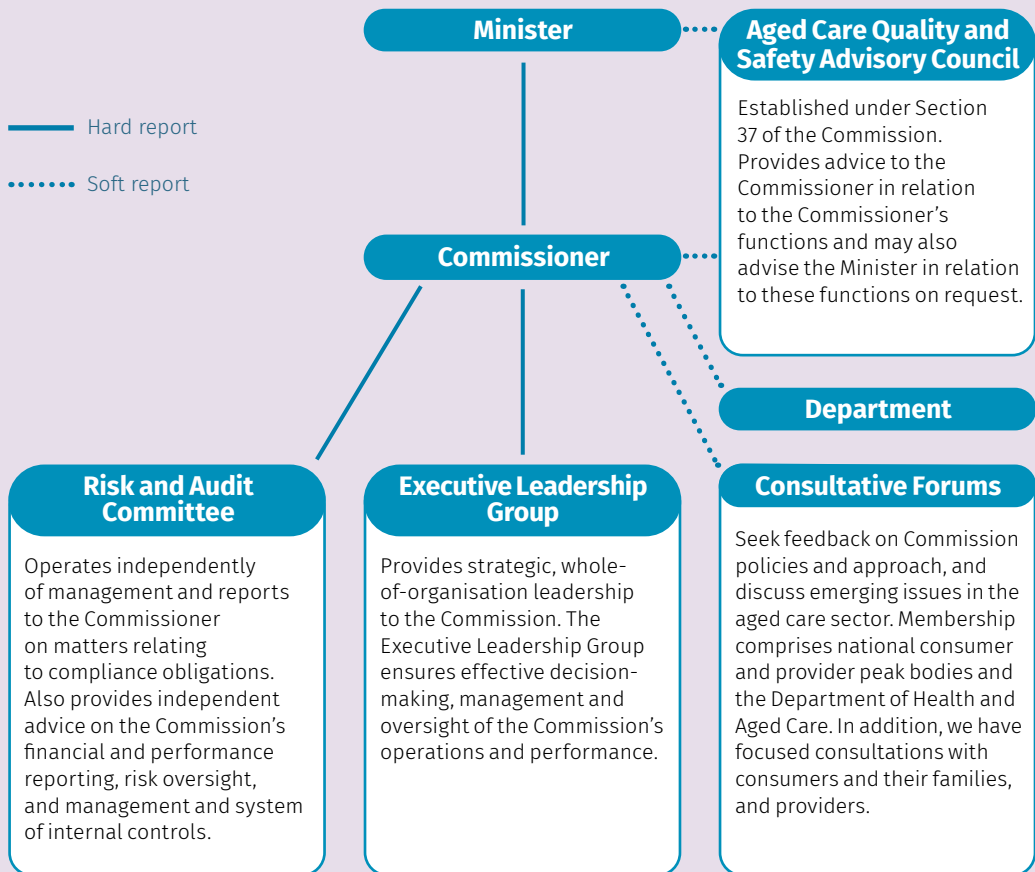
We are revising our governance model to better support and enable our important work, strengthen integrity and accountability, and promote transparency.

The Commissioner is the organisation's Accountable Authority and is accountable for all corporate and operational activities as a regulator. The Commissioner has the power to delegate all or any of her functions and powers to a Commission staff member.

The Commissioner established the Executive Leadership Group to assist in ensuring effective operational governance. In addition, the Risk and Audit Committee provides independent advice to the Commissioner on the Commission's financial and performance reporting, risk oversight, and management and system of internal control.

We are revising our governance model to better support and enable our important work, strengthen integrity and accountability, and promote transparency in planning, operations, decisions, and performance assessment and reporting. Work in this area will progress in accordance with the Australian Government's APS Reform Plan.

Figure 8. Governance structure, 30 June 2023



Executive Leadership Group

The Executive Leadership Group provides strategic, whole-of-organisation leadership to the Commission. It meets weekly and ensures effective decision-making, management and oversight of the Commission’s operations and performance.

The Executive Leadership Group is chaired by the Commissioner and at 30 June 2023 comprised:



Janet Anderson PSM, Aged Care Quality and Safety Commissioner (Chair)
– statutory head of the Commission; responsible for the performance of functions set out in the Commission Act.



Louise Macleod, Complaints Commissioner (appointed May 2023)
– oversees the Commission’s complaint handling function, including transformation of processes in line with the Royal Commission into Aged Care recommendations.



Lisa Peterson PSM, Assistant Commissioner, Sector Capability
– responsible for the development and implementation of the Commission’s sector capability strategy, encouraging providers to invest in high-quality services for older Australians.



Dr Melanie Wroth, Chief Clinical Advisor – responsible for providing high-level clinical advice to Commission staff and assisting providers to access guidance on best practice clinical care for those in their care.



Michelle Bampton, Executive Director, Intake and Complaints Resolution
– responsible for addressing enquiries, and managing and resolving concerns and complaints from those receiving aged care, providers and other stakeholders.



Shelley Castree-Crood, Executive Director, Enterprise Governance and Corporate Operations – responsible for the delivery of the following enabling functions: finance, ICT operations, business systems, human resources, learning and development, governance and risk, legal services, reform and transform program office, strategic capability projects, and property and facility management.



Pam Christie, Executive Director, Strategic Projects

– sponsor and lead of the Governing for Reform in Aged Care Program, designed to lift capability of governing body members and executives of providers in both clinical and organisational governance.



Loren de Vries, Senior Practitioner, Behaviour Support

(appointed May 2023) – responsible for providing clinical expertise and advice on behaviour support and restrictive practices across the Commission and aged care providers; assisting providers understand their regulatory obligations regarding restrictive practices.



Peter Edwards, Executive Director, Compliance Management

– responsible for using regulatory tools with providers at higher risk of or demonstrating non-compliance with quality and safety and/or financial and prudential standards, and/or with financial viability issues, to support compliance behaviour and best practice.



Emma Jobson, Executive Director, Regulatory Policy and Intelligence

– responsible for establishing and influencing legislation, regulatory reform, policies, procedures, rules and standards; developing tools to assist in providing insights on sector performance (including data analytics); strategic and research partnerships.



Tara Pamula, Executive Director, Engagement, Education and Communication

– responsible for the delivery of functions related to the Commission’s engagement with people receiving aged care, providers and other stakeholders, including communications, aged care sector education, parliamentary liaison and media.



Anthony Speed, Executive Director, Quality Assessment and Monitoring

– responsible for holding providers to account for fulfilling their legal obligations under the Aged Care Quality Standards through accrediting, assessing and monitoring services, and investigating serious incidents.



Ann Wunsch, Executive Director, Approvals and Serious Incident Notifications

– responsible for administering the Serious Incident Response Scheme (residential care and home services); assessing provider suitability; processing provider notifications of material changes.

Risk and Audit Committee

In accordance with the *Public Governance, Performance and Accountability Act 2013* (the PGPA Act) the Commission has a Risk and Audit Committee that operates independently of management.

The Committee's function is to report to the Commissioner on matters relating to compliance with obligations under the PGPA Act, any regulations and Finance Minister's Orders, and to provide a forum for communication among the Commissioner, senior managers, internal auditors and the Auditor-General.

The Risk and Audit Committee provides independent advice to the Commissioner on the Commission's financial and performance reporting, risk oversight, and management and system of internal control.

Membership of the Risk and Audit Committee comprises 3 external members. The [Risk and Audit Committee Charter](#) is available on the Commission's website.

Table 5. Membership of the Risk and Audit Committee, 2022–23

Member name	Qualifications, knowledge, skills or experience	Number of meetings attended	Number of meetings held^a	Annual remuneration (\$)(incl. GST)	Additional information
Geoffrey Applebee	<ul style="list-style-type: none"> · FCA, FAICD · Retired senior partner of Ernst & Young and previous registered company auditor · Experienced company director and audit committee chair for companies and agencies in private and public sectors over many years 	8	8	25,960	Chair
Carol Lilley	<ul style="list-style-type: none"> · FCA GAICD · Retired partner of Pricewaterhouse Coopers and previous registered company auditor · Experienced independent company director and audit committee member · Undertakes quality assurance of financial statements for many government entities as part of audit committee work 	8	8	23,100	Deputy Chair

Management and accountability

Member name	Qualifications, knowledge, skills or experience	Number of meetings attended	Number of meetings held ^a	Annual remuneration (\$)(incl. GST)	Additional information
Lily Viertmann ^b	<ul style="list-style-type: none"> · FCPA, GAICD · A permanent SES officer since 2004 in a number of sectors including health, vocational education, environment, defence, industrial relations, treasury and finance · Experience working in agencies with regulatory, policy, program and service delivery functions as well as in departments of state and statutory agencies 	5	8	0	N/A
Chris Champ ^c	<ul style="list-style-type: none"> · FCPA Australia · More than 30 years in senior financial and regulatory roles · Prior experience with the Commission's predecessor organisations on audit committees and as Chief Financial Officer for 5 years 	3	8	6,450	N/A

Member name	Qualifications, knowledge, skills or experience	Number of meetings attended	Number of meetings held^a	Annual remuneration (\$)(incl. GST)	Additional information
Peter Rayner^c	<ul style="list-style-type: none"> · FCPA Australia, FAICD · Experienced company director and trustee – audit, risk and investment committees · Extensive private equity, company valuation, chief operating officer and chief finance officer experience · More than 20 years domestic and international senior funds management roles, including CEO Allianz Global Investors · Former manager at Ernst & Young and Nelson Parkhill 	3	8	6,450	N/A

a Includes briefing sessions and workshops relating to the Commission's operations.

b Joined Risk and Audit Committee in November 2022.

c Ceased membership of Risk and Audit Committee in September 2022.

N/A – not applicable, as a representative from another Commonwealth agency.

Integrity

Risk management

Risk influences every aspect of the Commission’s operations. Understanding and managing risks improve the Commission’s ability to plan, make better decisions, deliver on objectives, improve performance and achieve our purpose. The Commission is committed to managing risk as required under Section 16E of the PGPA Act.

The Commission takes a strong and measured approach to risk management, identifying opportunities that encourage improvements and innovation in pursuit of our purpose. Risk management principles and practices are embedded in the Commission’s organisational culture; governance and accountability arrangements; reporting and performance review processes; and business transformation and improvement processes. Staff are made aware of the principles, expectations, accountabilities and responsibilities in applying effective risk management practices.

In August 2022, the Commission released the Enterprise Risk Management Framework, which aims to further embed risk management principles and practices into organisational culture to maintain credibility as a regulator, assist in decision-making, and minimising disruption to critical business functions.



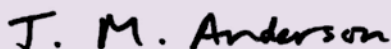
The Commission takes a strong and measured approach to risk management, identifying opportunities that encourage improvements and innovation in pursuit of our purpose.

Fraud and corruption control

Certification of Commission fraud control arrangements

I, Janet Anderson, certify that the Commission has:

- prepared fraud risk assessments and fraud control plans
- in place appropriate fraud prevention, detection, investigation and reporting mechanisms that meet the specific needs of the Commission
- taken all reasonable measures to appropriately deal with fraud relating to the Commission.



Janet Anderson PSM

Commissioner

27 September 2023

The Commission's Fraud and Corruption Control Plan 2021–23 is designed to prevent, detect, deter and deal with fraud in accordance with the requirements of Section 10 of the PGPA Rule.

The plan includes a:

- statement of the Commission's policy on, and approach to, fraud risks
- description of fraud control responsibilities and strategies
- direction for fraud control, fraud response and fraud awareness
- description of fraud reporting obligations within the Commission.

The Commission's fraud control strategy encompasses staff training in minimising the risk of fraud and corruption from both internal and external threats. Fraud awareness and security training is provided to staff.

Internal audit and assurance

The Commission conducts internal audits to provide independent assurance that systems of internal control and risk management are operating in an efficient, effective, economical and ethical manner. These audits strengthen accountability and promote a culture of performance, risk management and continuous improvement.

Each year, the Commission develops an internal audit plan – in consultation with the Commissioner, Executive Leadership Group, and Risk and Audit Committee – that reflects strategic priorities and the risk profile.

The Commission engages professional service firms to conduct internal audits. The internal auditors undertake reviews of systems and operations to ensure that they are in place and working efficiently and effectively to satisfy the compliance requirements of the PGPA Act and associated regulations. The internal auditors report their findings and recommendations to the Risk and Audit Committee and provide internal advice and assurance to the Commissioner.

Internal audits were completed on:

- Desktop review of governance arrangements
- 2021–22 Annual Performance Statements
- Recruitment health check
- Essential Eight action plan – independent review
- PGPA Act compliance – independent review
- Transitioning staff from the Health ICT platform
- Accounts payable.

Internal audits were commenced on:

- Implementation of Technology One
- Front Door Project
- Annual Performance Measures Statement Review
- Enterprise Risk Management Framework
- Quality Assurance Framework
- Procurement
- ICT Assets.

Privacy

The Commission's personal information-handling practices comply with the requirements set out in the *Privacy Act 1988* and the Australian Privacy Principles. The Commission collects, holds, uses and discloses personal information to carry out its functions under the Commission Act, including:

- determining applications for approval of providers of aged care, ensuring compliance with their responsibilities and imposing sanctions for non-compliance
- handling reportable incident notifications under the Serious Incident Response Scheme
- dealing with complaints made or information given to the Commission about an aged care provider's responsibilities under the Aged Care Act or funding agreement
- regulating and monitoring the provision of aged care services
- providing information and education about the functions of the Commission
- taking action in relation to compliance with the Code of Conduct for Aged Care.

Details of how we handle the personal and/or sensitive information we hold can be found in the [Privacy Policy](#), published on our website.

In May 2023, the Commission took part in Privacy Awareness Week, undertaking internal communications to raise privacy awareness across the organisation. During the reporting period, staff were required to complete a module on privacy as part of the Commission's suite of mandatory training.

Freedom of information

The *Freedom of Information Act 1988* (the FOI Act) grants people the right to access government-held information, unless it is exempt (for example, documents relating to national security or containing material obtained in confidence). The Commission complies with the legislative requirements set out in the FOI Act.

In 2022–23, a total of 176 freedom of information applications were received by the Commission – a significant increase over the previous year (59). Eight requests were carried over from the previous reporting period. Of these, 130 requests were finalised during 2022–23, a further 37 were withdrawn and 5 were transferred in whole to another agency. Twelve requests were carried over to the next reporting period.


Of the 129 decisions made, the Commission granted the applicant partial or full access to the documents sought in 89 cases; 40 requests were refused in full. Where access was partially or fully refused, FOI Act exemptions relating to the extent of protected information (Section 38[1]) and deliberative processes involved in the functions of the Commission (Section 47C[1]) were applied.

A total of 96 of the 129 requests were processed within the applicable statutory timeframe; the remaining 33 were extended in accordance with the FOI Act.

Information Publication Scheme

Agencies subject to the FOI Act are required to publish information as part of the Information Publication Scheme. This requirement is in Part 11 of the FOI Act and has replaced the former requirement to publish a Section 8 statement in annual reports. Each agency must display on its website a plan showing what information it publishes in accordance with the Information Publication Scheme requirements.

We have published the [Information Publication Scheme](#) plan on our website.



A total of 176 freedom of information applications were received by the Commission – a significant increase over the previous year (59).

Public interest disclosure

The Commission complies with the legislative requirements set out in the *Public Interest Disclosure Act 2013* (the PID Act). This Act serves to facilitate the disclosure and investigation of wrongdoing and maladministration within the Commonwealth public sector, and promote the integrity and accountability of agencies and public officials. The Act provides protections for disclosers and reporting obligations for the Commission.

A disclosure must be made to an appropriate person in order to gain the protections available under the PID Act.

Complaints management

Complaints about the Commission

When a complaint about the Commission's service is received, we respond with information that may include an outline of our complaint process, expected timeframes, the progress of the complaint and reasons for any delay, the complainant's involvement in the process, and the possible or likely outcome of the complaint.

The Commission will advise the complainant as soon as possible if we are unable to deal with any part of the complaint and will provide advice about where such concerns may be directed.

Complaints about the Commission's service are analysed to identify process improvement opportunities and to inform our learning and development programs.

The Commission received 88 complaints about our service during 2022–23, a decrease of 33% over the previous year (132). Of these, 73 matters were closed within the reporting period.

Reviewable decisions under the Commission Act and Rules

As the national regulator of the aged care sector, the Commission is empowered to make decisions to protect and enhance the safety, health, wellbeing and quality of life of aged care recipients. Requests can be made for the Commissioner to reconsider reviewable decisions under the Commission Act and Rules. In such cases, the decision-maker reconsiders the original decision on its merits based on administrative law principles.

Reconsideration of a complaint decision

If a complainant is not satisfied with a decision, they have a right to seek a reconsideration of the decision. Providers who are the subject of a complaint may also seek reconsideration. In this process, the Commission undertakes an initial review of the complaint and either affirms the original decision or sets the decision aside in order to undertake a new complaint resolution process.

The Commission received 129 requests for a reconsideration of a complaint decision. A total of 127 reviews and 12 new resolution processes were finalised, including requests carried over from 2021–22.

A total of 106 original decisions were affirmed, 9 original decisions were set aside in order to undertake a new resolution process and 12 reviews were withdrawn. The 9 new resolution processes that commenced as a result of the original decision being set aside were not finalised in the reporting period.

Reconsideration of an accreditation decision

A provider may request a reconsideration of certain accreditation decisions made by the Commission. These include a decision:

- not to accredit a commencing service
- not to reaccredit a recommending service
- not to reaccredit a residential service
- to determine the further period for which a residential service is to be accredited
- to revoke the accreditation of an accredited service following a reaccreditation site audit or review audit
- to vary the period of accreditation of an accredited service following a review audit.

The Commission reconsidered 3 accreditation decisions during the reporting period. One original decision was affirmed and another was varied. At 30 June 2023, the remaining application had not been finalised.

Reconsideration of a compliance decision

A provider may request a reconsideration of certain compliance decisions made by the Commission. These include a decision:

- to revoke the approval of an approved provider
- to revoke the approval of a person or body as a provider of aged care
- to impose a sanction on a person or body
- not to lift a sanction imposed on an approved provider
- to give a compliance notice to an approved provider.

The Commission reconsidered 5 compliance decisions during the reporting period. Four original decisions were affirmed and one varied.

Reconsideration of a banning order decision

An affected individual may request reconsideration of certain banning order decisions made by the Commission. These include a decision:

- to make a banning order against an individual
- to vary a banning order made against an individual
- not to vary or revoke a banning order made against an individual
- not to vary or revoke a condition to which a banning order against an individual is subject
- to specify one or more new conditions to which a banning order against an individual is subject.

The Commission received 3 applications to reconsider a banning order issued by the Commission to an individual. At 30 June 2023, these 3 applications had not been finalised.

Reconsideration of an application for approved provider status

The Commission received 24 applications to reconsider a decision not to approve an application for approved provider status. A total of 25 original decisions were affirmed and 7 set aside and substituted with a new decision, including requests carried over from 2021–22. At 30 June 2023, the remaining 2 applications had not been finalised.

External scrutiny

Office of the Australian Information Commissioner

The Commission was notified of 9 new review applications before the Office of the Australian Information Commissioner. At 30 June 2023, all were ongoing.

Commonwealth Ombudsman

The Commonwealth Ombudsman commenced 9 investigations into how the Commission handled 9 complaints it received about approved providers. The Commonwealth Ombudsman also made 10 preliminary inquiries into how the Commission handled 9 complaints about providers and one application to become an approved provider of aged care.

The Commission provided information in response to all 19 matters and was subsequently advised by the Ombudsman that no further action was required in relation to 13 cases. At 30 June 2023, the Commission was awaiting notification of the outcome of the remaining 6 cases.

Parliamentary accountability

The Commission appears before parliamentary committees to answer questions about our role and functions.

In August 2022, the Commissioner appeared before a parliamentary committee hearing for the Inquiry into the Aged Care Amendment (Implementing Care Reform) Bill 2022.

The Commissioner also appeared before the Community Affairs Legislation Committee for:

- Budget Estimates 2022–23 (November 2022)
- Supplementary Estimates 2022–23 (February 2023)
- Budget Estimates 2023–24 (June 2023).

Judicial and administrative review

The Commission was involved in 12 matters in the Administrative Appeals Tribunal and 5 matters in the Federal Court/Federal Circuit Court and Family Court.

Fair Work Commission

The Commission was involved in one matter before the Fair Work Commission.

Coronial inquiries

The Commission provided evidence to 2 coronial inquiries: the inquest into COVID-19 related deaths at Newmarch House Aged Care Facility in New South Wales, and the inquest into the deaths of residents of St Basil's Home for the Aged in Victoria.

Evoking memories

Providers are required to comply with the Aged Care Quality Standards made under the *Aged Care Act 1997*. There are 8 Quality Standards, with 'Consumer dignity and choice' at the heart of all service delivery – poignantly reflected in the anecdote below.

Most of the people living at an Indigenous residential aged care home grew up in camps or missions. They wanted more barbeques as they loved the smell of the smoke and fire, and the memories this evoked.

Kangaroo tail was everyone's favourite food to barbeque. They also loved tinned bully beef (or corned beef) with damper, as this reminded them of a treat they enjoyed when they were younger. Both of these meals are now regularly served at the home. When possible, kangaroo tails are bought and kept in the freezer.

These meals have become a treasured and meaningful experience for residents – and one that is not just about the food. Residents take a long time to eat these meals, while sitting together around the raised fire pit and sharing memories.


Management of human resources

Guided by the Commission's People Strategy 2021–2023 roadmap, we continued to build a workforce that develops our capabilities to meet changing needs and expectations. Challenges were experienced in attracting and retaining staff as a result of wider labour conditions. The Commission addressed these areas through targeted development and recruitment activities aimed at delivering the required capability uplift to adapt to the reforms of the aged care sector. During this period, we also invested significantly in our workforce and increased the number of ongoing and non-ongoing roles while reducing the use of contractors.

Staff engagement

Engagement with staff continued to be an important focus for the Commission, with new ways of informing, consulting and engaging. The Commissioner travelled to Commission offices across Australia to meet staff in person to discuss our current priorities, including aged care sector reforms. Other staff engagement activities include:

- Monthly webinars – provide the opportunity for staff to hear from the Commissioner, senior executives and external speakers about important issues, strategic updates and innovative initiatives relevant to the Commission.
- Catching up with the Commissioner – fortnightly online sessions that provide an opportunity for staff to hear about key priorities and events, ask questions and talk about issues. These sessions provide a two-way communication channel.
- Staff Participation Forum – the Commission's peak employee consultation mechanism; provides a means for consulting with employees about proposed changes to workplace policies, the enterprise agreement, and issues and events of significance to the whole of the Commission. From January 2023, the forum moved from meeting quarterly to bi-monthly to further improve consultation on key issues in the Commission.
- Innovation Corner – a virtual suggestion box available for staff to contribute ideas to improve how the Commission does things. Ideas are reviewed by relevant directors to determine whether and how they can be acted on.



Engagement with staff continued to be an important focus for the Commission, with new ways of informing, consulting and engaging.

- Work Health and Safety Committee – enables the Commission to engage with workers on health and safety matters, facilitating cooperation between staff and management representatives to improve their psychological and physical safety.

Annual staff acknowledgement awards were run during the reporting period, with 150 nominations received and 20 awards presented in an all-staff online event. Staff with more than 10 years' service in the APS are acknowledged bi-annually.

Work health and safety

The Commission is committed to providing and maintaining a safe and healthy workplace in accordance with its responsibilities under the *Safety, Rehabilitation and Compensation Act 1988*, *Work Health and Safety Act 2011*, and *Work Health and Safety Regulations 2011*. Actions and initiatives in place as part of this commitment include:

- an early intervention strategy, which involves managing cases to support staff to return to work after an illness or injury through rehabilitation assessment, return to work plans, flexible working arrangements and workplace adjustments
- an Employee Assistance Program available for all staff members, including contractors, and their families – in 2022–23, staff used an average of 33 hours of counselling per month; further Employee Assistance Program services included manager support sessions, mediation, onsite support and professional supervision
- a Wellbeing Plan to deliver practical initiatives and support to reduce psychological and physical risks in the workplace and maintain the health and wellbeing of staff; includes monthly health and wellbeing information sessions and the resources in Wellbeing Corner on the Commission's intranet
- ergonomic workstation checks for 350 staff
- 98 trained Workplace Contact Officers engaged across the Commission, undertaking the roles of First Aid Officer, Emergency Warden, Health and Safety Representative, and Harassment Contact Officer
- free annual influenza vaccination provided for all staff, including ongoing, non-ongoing and contractor staff; the influenza vaccination rate for registered quality assessors undertaking duties in the field at 30 June 2023 was 100%.

Learning and development

We continued to implement our Learning and Development Strategy 2022–23. This saw the development of staff through the application of the APS Continuous Learning Model. This learning approach was supported by the delivery of diverse learning offerings including peer learning groups, learning cafés, communities of practice, annual corporate training, corporate orientation and study assistance.

Learning and development achievements during the reporting period include:

- implementation of learning to support aged care sector reforms, delivered to 853 people across multiple learning activities
- revision of the Lifting Leadership course to a 6-module program aimed at increasing the leadership capability at the Commission, delivered to 206 current and future leaders
- completion of the Cultural Learning Needs Analysis project, with recommendations being implemented through the Commission’s Reconciliation Action Plan, and Diversity and Inclusion Strategy
- delivery of mandatory APS training, comprising 11 e-learning modules
- revamp of the Commission’s orientation program
- upgrade of the Quality Assessor Training Program in line with contemporary practice
- support of employee professional qualifications through the Study Assistance Program; 22 staff accessed study assistance and 82 days of study leave were approved
- funding of external learning opportunities, including short courses and professional conferences; accessed by 160 staff.


Diversity

The Commission recognises and values the richness of diversity and the unique knowledge all staff can bring to our workplace, policy development and service delivery. The Respectful Workplace Framework is part of our commitment to fostering a workplace inclusive of gender-diverse people, people with disability, people from multicultural communities, and Aboriginal and Torres Strait Islander peoples. Actions and initiatives to support this include:

- actively encouraging employment applications from people from diverse backgrounds
- requiring all staff to complete online training in diversity and discrimination, cultural awareness and building disability confidence
- organising events to celebrate diversity, including Reconciliation Week, NAIDOC Week and Harmony Week.

The Commission recognises the need of some staff to provide care, support and assistance in the role of carer. We comply with legislative requirements set out in the *Carer Recognition Act 2010* to increase recognition and awareness of the role that carers play in providing daily care and support to people with disability, a medical condition, mental illness or who are frail and aged.

The Commission supports access to personal/carers' leave for all staff. The Enterprise Agreement 2019–2022 has provisions for personal/carers' leave and flexible working hours to manage carer responsibilities. A total of 589 staff (50%), of whom 175 (30%) were males, accessed carers' leave. There were 1,515 full-time equivalent days taken as carers' leave, of which 228 (15%) were taken by males.



The Commission recognises and values the richness of diversity and the unique knowledge all employees can bring to our workplace, policy development and service delivery.

Aboriginal and Torres Strait Islander staff

The Commission is committed to building employment opportunities for Aboriginal and Torres Strait Islander peoples as outlined in the Innovate Reconciliation Action Plan, and improving social outcomes for Aboriginal and Torres Strait Islander peoples both within and outside of the Commission.

Commission staff can nominate as being of either Aboriginal or Torres Strait Islander origin; 18 staff members (1.6%) did so during 2022–23. The Commission aims to increase this to 3% by promoting targeted entry pathways into the organisation and investing in capability and career development to increase retention rates of these staff members. This include:

- promoting recruitment opportunities via the *Koori Mail*, *Indigenous National Times*, First Nations Recruitment and First People Recruitment Solutions
- undertaking a merit-based selection process to fill 2 Affirmative Measure vacancies
- participating in the Indigenous Australian Government Development Program, which provides participants with the opportunity for ongoing permanent employment in the Commission as well as the opportunity to study and obtain a diploma qualification; 2 participants have graduated from the 2021–22 program, and the Commission has engaged one participant for the 2022–23 intake
- implementing the Reconciliation Action Plan that sets out the Commission's commitment to specific reconciliation activities
- engaging with the Indigenous Staff Network and Friends of the Indigenous Staff Network to raise awareness of issues relating to Aboriginal and Torres Strait Islander peoples and provide a forum for staff support and engagement
- promoting inclusive practices, including the renaming of meeting rooms with names of significant Aboriginal and Torres Strait Islander peoples or places.

Table 6. Australian Public Service Act Indigenous employment, 30 June 2023

	Total
Ongoing	16
Non-ongoing	2
Total	18

Reporting on disability

Australia’s Disability Strategy 2021–2031 is the overarching framework for inclusive policies, programs and infrastructure that will support people with disability to participate in all areas of Australian life. The strategy sets out where practical changes will be made to improve the lives of people with disability in Australia. It acts to ensure that the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities are incorporated into Australia’s policies and programs that affect people with disability, their families and carers. All levels of government have committed to deliver more comprehensive and visible reporting under the Strategy. A range of reports on progress of the strategy’s actions and outcome areas will be published and available at disabilitygateway.gov.au/ads.

Disability reporting is included the Australian Public Service Commission’s State of the Service reports and the APS Statistical Bulletin. These reports are available at apsc.gov.au.

Workforce planning, staff retention and turnover

At 30 June 2023, the Commission's headcount of Australian Public Service (APS) staff was 1,172. Our workforce also included 193 contracted staff, comprising 16.5% of the total workforce, and 9 committee members. Of the 1,172 APS headcount:

- 90% were full-time
- 89% were ongoing
- 72% were female
- 19% were quality assessors
- 18% were complaints officers.

A total of 291 employees held leadership roles, ranging from Executive Level (EL) 1 to Senior Executive Service (SES) Band 2, of which 69% were female.

There were 146 staff separations during the reporting period, of which 23 were non-ongoing and 123 were ongoing. Of the 146 departing employees:

- 81 were APS levels 3–6
- 32 were EL
- 1 was SES
- 32 were Quality Assessors or Senior Quality Assessors.

Of the 146 employee separations, 33 were quality assessors and 23 were complaints officers.

Workplace arrangements

Recruitment

The Commission engaged 722 APS staff in 2022–23. Applicants were assessed on their demonstrated ability, skills, knowledge, experience and qualifications to perform the role. This is in line with the APS Work Level Standards.

The Commission undertook 7 quality assessor recruitment rounds and 3 complaints officer recruitment rounds. As a result, 85 quality assessors and 37 complaints officers across Australia have been engaged as ongoing APS employees. The Commission also engaged 15 compliance officers.

Salary ranges and advancement

The Commission's classification structure and salaries are outlined in its Enterprise Agreement 2019–2022.

The opportunity for employees' salary advancement occurred in the first full-pay period in August 2022. On 7 January 2023, a 3% increase was applied to the pay scale salaries in the Enterprise Agreement 2019–2022; the 3% increase was applied to SES salaries on 27 October 2022. These increases were applied in accordance with guidance and direction from the Australian Public Service Commission.

The Commission does not pay performance pay.

Management and accountability

Table 7. Australian Public Service Act employment salary ranges by classification level, 30 June 2023

	Minimum salary (\$)	Maximum salary (\$)
SES 2	238,110	294,802
SES 1	183,685	226,772
EL 2	131,064	155,174
EL 1	109,853	125,288
APS 6	89,394	100,849
APS 5	79,854	86,359
APS 4	74,501	78,720
APS 3	65,758	72,888
APS 2	56,902	62,096
APS 1	29,214	54,681
Legal 2	148,669	160,607
Legal 1	77,568	135,939
Medical Officer Class 4	169,340	186,394
Medical Officer Class 3	155,283	162,583
Medical Officer Class 2	138,877	146,327
Medical Officer Class 1	98,608	126,910
Senior Public Affairs 2	155,110	161,382
Senior Public Affairs 1	147,725	147,725
Public Affairs 3	120,363	134,686
Public Affairs 2	89,394	100,953
Public Affairs 1	74,502	86,359
Senior Quality Surveyor	89,586	101,027
Quality Surveyor	80,078	86,563
Minimum/maximum range	29,214	294,802

Table 8. Australian Public Service Act employment arrangements, 30 June 2023

	SES	Non-SES	Total
Individual Flexibility Agreement	0	9	9
Determination	10	1	11
Enterprise Agreement	0	1,152	1,152
Total	10	1,162	1,172

Everybody has a story

In 2022–23, the Commission delivered a new online learning module, ‘Everybody has a story: delivering culturally inclusive care’, created in partnership with the Centre for Cultural Diversity in Ageing. This module, available free through our Aged Care Learning Information Solution, Alis, helps aged care workers provide tailored care that meets each aged care recipient's unique social, cultural, spiritual and linguistic needs.

Workforce statistics

Table 9. All ongoing employees by location and gender, 30 June 2023

	Man/male			Woman/female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	60	5	65	167	15	182	0	0	0	0	0	0	0	0	0	247
QLD	56	3	59	145	22	167	0	0	0	0	0	0	0	0	0	226
SA	37	2	39	79	23	102	0	0	0	0	0	0	0	0	0	141
TAS	23	1	24	47	4	51	0	0	0	0	0	0	0	0	0	75
VIC	46	1	47	96	17	113	1	0	1	0	0	0	0	0	0	161
WA	17	0	17	40	4	44	0	0	0	0	0	0	0	0	0	61
ACT	37	1	38	80	13	93	0	0	0	0	0	0	0	0	0	131
NT	2	0	2	5	1	6	0	0	0	0	0	0	0	0	0	8
External territories ^a	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	278	13	291	659	99	758	1	0	1	0	0	0	0	0	0	1,050

a Australian territories that are external to Australian borders, for example, Norfolk Island and Australian Antarctic Territory.

Table 10. All non-ongoing employees by location and gender, 30 June 2023

	Man/male			Woman/female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	4	0	4	13	1	14	0	0	0	0	0	0	0	0	0	18
QLD	9	0	9	21	1	22	0	0	0	0	0	0	0	0	0	31
SA	4	0	4	7	1	8	0	0	0	0	0	0	0	0	0	12
TAS	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	1
VIC	11	0	11	25	2	27	0	0	0	0	0	0	0	0	0	38
WA	1	0	1	6	0	6	0	0	0	0	0	0	0	0	0	7
ACT	3	0	3	9	0	9	0	0	0	0	0	0	0	0	0	12
NT	2	0	2	1	0	1	0	0	0	0	0	0	0	0	0	3
External territories ^a	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	34	0	34	83	5	88	0	0	0	0	0	0	0	0	0	122

a Australian territories that are external to Australian borders, for example, Norfolk Island and Australian Antarctic Territory.

Management and accountability

Table 11. Australian Public Service Act ongoing employees by classification and gender, 30 June 2023

	Man/male			Woman/female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SES 2	0	0	0	2	0	2	0	0	0	0	0	0	0	0	0	2
SES 1	3	0	3	6	0	6	0	0	0	0	0	0	0	0	0	9
EL 2	27	0	27	41	2	43	0	0	0	0	0	0	0	0	0	70
EL 1	67	2	69	152	32	184	0	0	0	0	0	0	0	0	0	253
APS 6	145	7	152	337	50	387	0	0	0	0	0	0	0	0	0	539
APS 5	32	2	34	87	10	97	1	0	1	0	0	0	0	0	0	132
APS 4	4	1	5	32	4	36	0	0	0	0	0	0	0	0	0	41
APS 3	0	1	1	2	1	3	0	0	0	0	0	0	0	0	0	4
APS 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other ^a	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	278	13	291	659	99	758	1	0	1	0	0	0	0	0	0	1,050

a Includes quality surveyor, senior quality surveyor, legal and medical officer.

Table 12. Australian Public Service Act non-ongoing employees by classification and gender, 30 June 2023

	Man/male			Woman/female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
SES 3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SES 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SES 1	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	1
EL 2	2	0	2	1	0	1	0	0	0	0	0	0	0	0	0	3
EL 1	4	0	4	8	0	8	0	0	0	0	0	0	0	0	0	12
APS 6	20	0	20	47	2	49	0	0	0	0	0	0	0	0	0	69
APS 5	3	0	3	11	1	12	0	0	0	0	0	0	0	0	0	15
APS 4	5	0	5	15	1	16	0	0	0	0	0	0	0	0	0	21
APS 3	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	1
APS 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other ^a	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	34	0	34	83	5	88	0	0	0	0	0	0	0	0	0	122

a Includes quality surveyor, senior quality surveyor, legal and medical officer.

Management and accountability

Table 13. Australian Public Service Act employees by classification and employment type, 30 June 2023

	Ongoing			Non-ongoing			Total
	Full time	Part time	Total	Full time	Part time	Total	
SES 3	0	0	0	0	0	0	0
SES 2	2	0	2	0	0	0	2
SES 1	9	0	9	0	1	1	10
EL 2	68	2	70	3	0	3	73
EL 1	219	34	253	12	0	12	265
APS 6	482	57	539	67	2	69	608
APS 5	120	12	132	14	1	15	147
APS 4	36	5	41	20	1	21	62
APS 3	2	2	4	1	0	1	5
APS 2	0	0	0	0	0	0	0
APS 1	0	0	0	0	0	0	0
Other ^a	0	0	0	0	0	0	0
Total	938	112	1,050	117	5	122	1,172

a Includes quality surveyor, senior quality surveyor, legal and medical officer.

Table 14. Australian Public Service Act employees by location and employment type, 30 June 2023

	Ongoing	Non-ongoing	Total
NSW	247	18	265
QLD	226	31	257
SA	141	12	153
TAS	75	1	76
VIC	161	38	199
WA	61	7	68
ACT	131	12	143
NT	8	3	11
External territories ^a	0	0	0
Overseas	0	0	0
Total	1,050	122	1,172

a Australian territories that are external to Australian borders, for example, Norfolk Island and Australian Antarctic Territory.

Executive remuneration

The categories of officials covered by the disclosure are:

- key management personnel
- senior executives
- other highly paid staff, whose total remuneration exceeds the threshold remuneration amount for the reporting period.

Policies and practices

Under Section 24 of the Commission Act, the Minister appoints the Commissioner. The terms and conditions of this appointment are determined in accordance with the Remuneration Tribunal Amendment Determination (No. 4) 2018.

Senior executives (SES employees) are employed under Section 22 of the *Public Service Act 1999*. Remuneration of SES employees is determined by the Commissioner in accordance with the Commission's SES Employees' Remuneration, Conditions and Performance Policy and the APS Executive Remuneration Policy. Their terms and conditions of employment are provided through a Section 24(1) determination under the Public Service Act.

The Section 24(1) determination includes:

- annual salary
- superannuation arrangements
- provision for parking of the employee's vehicle
- leave, official travel and other entitlements in accordance with the Commission's applicable policies and guidelines
- flexible working arrangements (where applicable).

Other highly paid staff are remunerated under the terms and conditions of the Commission's Enterprise Agreement 2019–2022, which may be varied by an Individual Flexibility Arrangement as per the provisions of Schedule 2.2 of the Fair Work Regulations 2009, if approved by the Commissioner. An Individual Flexibility Arrangement needs to meet the genuine needs of the Commission and the employee, is mutually agreed, and is based on capability, experience and qualifications of the employee.

Basis of determining remuneration

The Commissioner determines remuneration individually for each senior executive level employee under the Commission's Section 24(1) determination, considering the APS Executive Remuneration Management Policy and other guidance provided by the Australian Public Service Commission.

The SES Employees' Remuneration, Conditions and Performance Policy does not allow for any bonus component related to performance. Progression to a higher salary is based on an annual performance assessment conducted in July under the Performance Development Scheme in place for all SES employees. Salary progression is not automatic.

Tables 15 and 16 provide disaggregated information related to Commission executive remuneration for 2022–23.

Key management personnel

Key management personnel are those people with authority and responsibility for planning, directing and controlling the activities of the Commission, directly or indirectly, including any director of the Commission (executive or otherwise). The Commission has determined the key management personnel to be the Commissioner and the Executive Leadership Group, comprising SES staff and those acting for a significant period.

Management and accountability

Table 15. Remuneration for key management personnel, 2022–23 (\$)

Name and position title	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
	Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits		
Janet Anderson Commissioner	457,943	0	0	64,455	8,131	0	0	530,529
Louise Macleod Complaints Commissioner	48,920	0	0	8,059	969	0	0	57,948
Lisa Peterson Assistant Commissioner	279,005	0	7,609	49,786	9,721	0	0	346,121
Dr Melanie Wroth Chief Clinical Advisor	221,016	0	32,841	37,994	5,767	0	0	297,618
Ann Wunsch Executive Director	205,401	0	10,900	35,341	9,095	0	0	260,737
Anthony Speed Executive Director	200,514	0	14,295	35,318	17,861	0	0	267,988
Emma Jobson Executive Director	220,276	0	17,906	36,744	11,546	0	0	286,472
Michelle Bampton Executive Director	178,660	0	33,636	31,893	4,644	0	0	248,833
Pam Christie Executive Director	151,164	0	0	23,329	2,020	0	0	176,513
Peter Edwards Executive Director	237,902	0	8,914	36,499	7,666	0	0	290,981
Shelley Castree-Croad Executive Director	249,969	0	5,591	36,778	6,026	0	0	298,364
Tara Pamula Executive Director	224,396	0	9,002	38,434	7,629	0	0	279,461
Loren de Vries Senior Practitioner	25,790	0	0	3,696	414	0	0	29,900
Sharayne Given Acting Executive Director	23,091	0	43	3,855	540	0	0	27,529
Total	2,724,047	0	140,737	442,181	92,029	0	0	3,398,994

Note: Minor differences between data in this table and the Annual Financial Statements are due to rounding.

Table 16. Remuneration for Senior Executive Service staff, 2022–23 (\$)

Total remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration
0–220,000	2	37,335	0	0	5,878	692	0	0	43,905
220,001–245,000	0	0	0	0	0	0	0	0	0
245,001–270,000	3	194,861	0	19,610	34,184	10,531	0	0	259,186
270,001–295,000	3	227,525	0	11,941	37,225	8,947	0	0	285,638
295,001–320,000	2	235,493	0	19,216	37,386	5,897	0	0	297,992
320,001–345,000	0	0	0	0	0	0	0	0	0
345,001–370,000	1	279,005	0	7,607	49,786	9,721	0	0	346,119
370,001–395,000	0	0	0	0	0	0	0	0	0
395,001–420,000	0	0	0	0	0	0	0	0	0
420,001–445,000	0	0	0	0	0	0	0	0	0
445,001–470,000	0	0	0	0	0	0	0	0	0
470,001–495,000	0	0	0	0	0	0	0	0	0
495,001–	0	0	0	0	0	0	0	0	0

Note: Minor differences between data in this table and the Annual Financial Statements are due to rounding.

Management and accountability

Table 17. Remuneration for other highly paid staff, 30 June 2023 (\$)

Total remuneration bands	Number of highly paid staff	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration
240,000–245,000	0	0	0	0	0	0	0	0	0
245,001–270,000	0	0	0	0	0	0	0	0	0
270,001–295,000	0	0	0	0	0	0	0	0	0
295,001–320,000	0	0	0	0	0	0	0	0	0
320,001–345,000	0	0	0	0	0	0	0	0	0
345,001–370,000	0	0	0	0	0	0	0	0	0
370,001–395,000	0	0	0	0	0	0	0	0	0
395,001–420,000	0	0	0	0	0	0	0	0	0
420,001–445,000	0	0	0	0	0	0	0	0	0
445,001–470,000	0	0	0	0	0	0	0	0	0
470,001–495,000	0	0	0	0	0	0	0	0	0
495,001–	0	0	0	0	0	0	0	0	0

Purchasing

The Commission's approach to procurement activity is driven by the core principles of the Commonwealth's financial management framework. The framework encourages competition, value for money, transparency and accountability, as well as the efficient, effective, ethical and economical use of Commonwealth resources. This includes compliance with relevant legislation including the *Modern Slavery Act 2018*.

During 2022–23, the Commission made further investment in procurement resources to support officers and delegates undertaking complex procurement activities and to commence an update of internal procurement tools and resources.

In November 2022, a new financial management software integration module (part of the Commission's Financial Transformation Project) designed to automate and streamline uploading of contract details to AusTender failed. This was reported to the Department of Finance, with the Commission working with both the software vendor and Department to identify a solution. During this period, the Commission was non-compliant with the AusTender 42-day reporting requirement under the Commonwealth Procurement Rules. This issue was fully resolved by July 2023, resulting in the Commission again being fully compliant with AusTender requirements.



The Commission's approach to procurement activity is driven by the core principles of the Commonwealth's financial management framework.

Consultancy contracts

Decisions to engage consultants were made in accordance with the PGPA Act and related regulations including the Commonwealth Procurement Rules and relevant internal policies.

The Commission contracts providers of professional services after considering the skills and resources required for the task, internal capacity and the cost effectiveness of contracting an external service provider. The Commission selects consultants via panel arrangements or open approaches to market.

The Commission undertook a review of consultancy contract reporting in 2022–23. As a result, several reportable contracts previously characterised as non-consultancy have been reclassified as consultancy contracts, and a number of new consultancy contracts have been reported. Improved guidance for procurement officers and officers preparing contracts has been actioned.

During the reporting period, 35 new reportable consultancy contracts were entered into, involving total actual expenditure of \$5,242,891. In addition, 22 ongoing reportable consultancy contracts were active during the reporting period, involving a total actual expenditure of \$6,594,301 (Table 18).

A total of 1,972 new reportable non-consultancy contracts were entered into, involving total actual expenditure of \$37,297,403. In addition, 330 ongoing reportable non-consultancy contracts were active during the reporting period, involving a total actual expenditure of \$22,887,054 (Table 19).

Details of the organisations receiving a share of consultancy contract expenditure are at Tables 20 and 21.

Annual reports contain information about actual expenditure on reportable and non-reportable consultancy contracts. Information on the value of reportable and non-reportable consultancy contracts is available on the [AusTender website](#).

Table 18. Number of, and expenditure on, reportable consultancy contracts, 2022–23

	Number	Expenditure (\$ (incl. GST))
New contracts entered into during the reporting period	35	5,242,891
Ongoing contracts entered into during a previous reporting period	22	6,594,301
Total	57	11,837,192

Note: 'Reportable contracts' mean arrangements above \$10,000 incl. GST as per the Commonwealth Procurement Rules. Amounts reported in the table above include GST, whereas amounts in the Annual Financial Statements are exclusive of GST.

Table 19. Number of, and expenditure on, reportable non-consultancy contracts, 2022–23

	Number	Expenditure (\$ (incl. GST))
New contracts entered into during the reporting period	1,972	37,297,403
Ongoing contracts entered into during a previous reporting period	330	22,887,054
Total	2,302	60,184,457

Note: 'Reportable contracts' mean arrangements above \$10,000 incl. GST as per the Commonwealth Procurement Rules. Amounts reported in the table above include GST, whereas amounts in the Annual Financial Statements are exclusive of GST.

Management and accountability

Table 20. Organisations receiving a share of consultancy contract expenditure, 2022–23

Name of organisation	Organisation ABN	Expenditure (\$ (incl. GST)	Percentage of total spend
KPMG Australia	51 194 660 183	5,876,268	50%
Ernst & Young	75 288 172 749	2,312,822	20%
Chartertech Pty Ltd	30 617 464 990	857,116	7%
Artemis Partners Pty Ltd	53 632 506 702	476,571	4%
Nous Group Pty Ltd	66 086 210 344	439,782	4%

Table 21. Organisations receiving a share of non-consultancy contract expenditure, 2022–23

Name of organisation	Organisation ABN	Expenditure (\$ (incl. GST)	Percentage of total spend
Hays Specialist Recruitment (Australia) Pty Ltd	47 001 407 281	7,948,888	13%
FDC Fitout & Refurbishment (NSW) Pty Ltd	29 618 496 558	4,548,969	8%
Hudson Global Resources (Aust) Pty Ltd	21 002 888 762	3,862,773	6%
Macquarie Telecom Pty Ltd	21 082 930 916	3,536,084	6%
Randstad Pty Limited	28 080 275 378	3,481,979	6%

Australian National Audit Office access clauses

During 2022–23, no contracts were let that did not require the Auditor-General to have access to the contractor’s premises.

Exempt contracts

During 2022–23, there were no contracts considered exempt from publication on AusTender.

Procurement initiatives to support small business

The Commission supports small business participation in the Australian Government procurement market wherever possible. Where whole-of-government travel requirements cannot be met due to remote locations, the Commission seeks to book accommodation with local small business accommodation venues. Small and medium enterprises and small enterprise participation statistics are available on the [Department of Finance’s website](#).

Advertising campaigns

During 2022–23, the Commission did not conduct any advertising campaigns.

Environment Protection and Biodiversity Conservation Act 1999

The Commission is firmly committed to complying with requirements under the *Environment Protection and Biodiversity Conservation Act 1999*, Energy Efficiency in Government Operations Policy and APS Net Zero 2030 Policy.

The Commission is progressively decreasing our environmental footprint through management of energy-efficient office buildings and procurement of environmentally sound equipment and appliances. Other initiatives to reduce energy consumption include:

- harnessing technology for remote interactions to reduce carbon emissions resulting from air travel
- deploying fit-outs that are designed to reduce energy demands
- integrating energy-efficient systems for heating and cooling
- implementing lighting solutions such as T5 fluorescent fixtures paired with movement-activated sensors
- maintaining a high percentage of hybrid cars within the Commission's fleet (currently 93%).

The Commission is also committed to protecting the environment through efficient and effective waste management. We aim to increase the amount of waste recycled as a proportion of total waste. Segregated waste streams (co-mingled recycling, paper, cardboard and general waste) are in place at all Commission offices. Printer toner cartridges can be recycled at all offices, and the Commission has continued planning for a battery collection and recycling program.

APS Net Zero 2030

APS Net Zero 2030 is the government's policy for the APS to reduce its greenhouse gas emissions to net zero by 2030 and transparently report on its emissions.

The Greenhouse Gas Emissions Inventory presents greenhouse gas emissions over 2022–23. Results are presented based on carbon dioxide equivalent (CO₂-e) emissions. Greenhouse gas emissions reporting has been developed with a methodology that is consistent with the whole-of-Australian Government approach as part of the APS Net Zero 2030 policy.

The Commission has demonstrated a firm commitment towards achieving this goal of net zero greenhouse gas emissions within the stipulated timeframe.

Table 22. Greenhouse Gas Emissions Inventory – location-based method, 2022–23

Emission source	Scope 1 kg CO₂-e	Scope 2 kg CO₂-e	Scope 3 kg CO₂-e	Total kg CO₂-e
Electricity (location-based approach)	N/A	229,498	28,073	257,571
Natural gas	0	N/A	0	0
Fleet vehicles	21,921	N/A	5,574	27,495
Domestic flights	N/A	N/A	779,137	779,137
Other energy	0	N/A	0	0
Total kg CO₂-e	21,921	229,498	812,784	1,064,203

Notes: Location-based method approximates the greenhouse gases emitted to the atmosphere from the electricity physically delivered to a company.

Scope 1 Direct greenhouse gas emissions that occur from sources that are controlled or owned by an organisation.

Scope 2 Emissions that an organisation causes indirectly and come from where the energy it purchases and uses is produced (for example, emissions caused by use of electricity in office buildings).

Scope 3 All emissions not covered under Scope 1 or 2 created by a company's value chain (for example, when a company buys, uses and disposes of products from suppliers).

CO₂-e Carbon dioxide equivalent.

N/A Not applicable.

Management and accountability

Table 23. Greenhouse Gas Emissions Inventory – market-based method, 2022–23

Emission source	Scope 1 kg CO₂-e	Scope 2 kg CO₂-e	Scope 3 kg CO₂-e	Total kg CO₂-e
Electricity (market-based approach)	N/A	217,351	28,767	246,118
Natural gas	0	N/A	0	0
Fleet vehicles	21,921	N/A	5,574	27,495
Domestic flights	N/A	N/A	779,137	779,137
Other energy	0	N/A	0	0
Total kg CO₂-e	21,921	217,351	813,478	1,052,750

Notes: Market-based method considers contractual arrangements under which an organisation procures power from specific sources, such as renewable energy.

Scope 1 Direct greenhouse gas emissions that occur from sources that are controlled or owned by an organisation.

Scope 2 Emissions that an organisation causes indirectly and come from where the energy it purchases and uses is produced (for example, emissions caused by use of electricity in office buildings).

Scope 3 All emissions not covered under Scope 1 or 2 created by a company's value chain (for example, when a company buys, uses and disposes of products from suppliers).

CO₂-e Carbon dioxide equivalent.

N/A Not applicable.



Financial statements



INDEPENDENT AUDITOR'S REPORT

To the Minister for Health and Aged Care

Opinion

In my opinion, the financial statements of the Aged Care Quality and Safety Commission (the Entity) for the year ended 30 June 2023:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2023 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2023 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Statement of Cash Flows; and
- Notes to and forming part of the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Commissioner is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Commissioner is also responsible for such internal control as the Commissioner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Commissioner is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Commissioner is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

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Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office 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 the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Sally Bond
Executive Director
Delegate of the Auditor-General

Canberra
21 September 2023



STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2023 comply with Subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per Subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the non-corporate Commonwealth entity will be able to pay its debts as and when they fall due.

J. M. Anderson

Signed
Janet Anderson PSM
Commissioner
Date 21 September 2023

Naomi Beveridge

Signed
Naomi Beveridge
Chief Financial Officer
Date 21 September 2023

1800 951 822
agedcarequality.gov.au

Statement of comprehensive income

for the period ended 30 June 2023

	Notes	2023	Restated ¹ 2022	Original Budget
		\$'000	\$'000	\$'000
Net cost of service				
Expenses				
Employee benefits	2A	113,558	81,905	121,898
Suppliers	2B	98,263	85,816	97,251
Depreciation and amortisation	5A	7,223	5,273	6,694
Finance costs	2C	318	86	158
Total expenses		219,362	173,080	226,001
Own-source income				
Revenue from contracts with customers	3A	26,043	14,928	22,962
Other revenue	3B	54	54	54
Total own-source income		26,097	14,982	23,016
Net cost of services		193,265	158,098	202,985
Revenue from Government	3C	204,905	185,762	201,759
Total comprehensive surplus/(deficit)		11,640	27,664	(1,226)

¹ Refer to the Overview note.

The above statement should be read in conjunction with the accompanying notes.

Financial statements

Statement of financial position

as at 30 June 2023

	Notes	2023	Restated ¹ 2022	Original Budget
		\$'000	\$'000	\$'000
Assets				
Financial assets				
Cash and cash equivalents	4A	1,703	3,955	3,971
Trade and other receivables	4B	97,813	100,657	96,952
Total financial assets		99,516	104,612	100,923
Non-financial assets²				
Buildings	5A	26,535	15,963	26,811
Plant and equipment	5A	10,126	1,826	2,162
Computer software	5A	11	273	3,277
Prepayments	5B	3,333	-	-
Total non-financial assets		40,005	18,062	32,250
Total assets		139,521	122,674	133,173
Liabilities				
Payables				
Suppliers		11,267	13,999	14,060
Unearned income	6A	6,471	15,256	13,941
Other payables	6B	3,457	2,245	3,500
Total payables		21,195	31,500	31,501
Interest bearing liabilities				
Leases	7	27,099	16,684	23,500
Provisions				
Employee provisions	13	25,366	21,278	21,278
Other provisions	8	181	741	757
Total provisions		25,547	22,019	22,035
Total liabilities		73,841	70,203	77,036
Net assets		65,680	52,471	56,137
Equity				
Contributed equity		23,784	22,215	27,190
Retained surplus/(accumulated deficit)		41,896	30,256	28,947
Total equity		65,680	52,471	56,137

¹ Refer to the Overview note.

² Right-of-use assets are included in the line item Buildings and the line item Plant and equipment.

The above statement should be read in conjunction with the accompanying notes.

Statement of changes in equity

for the period ended 30 June 2023

	Notes	2023 \$'000	Restated ¹ 2022 \$'000	Original Budget \$'000
Contributed equity				
Opening balance		22,215	18,607	22,321
Distributions to owners				
Return of capital ²		(3,300)	-	-
Contributions by owners				
Equity injection	9	3,025	1,775	3,025
Departmental capital budget	9	1,844	1,833	1,844
Total transactions with owners		1,569	3,608	4,869
Closing balance as at 30 June		23,784	22,215	27,190
Retained surplus/(accumulated deficit)				
Opening balance		30,256	2,592	30,173
Surplus/(deficit) for the period		11,640	27,664	(1,226)
Closing balance as at 30 June		41,896	30,256	28,947
Total equity		65,680	52,471	56,137

¹ Refer to the Overview note.

² Reflects amounts quarantined under Section 51 of the PGPA Act.

Accounting policy

Equity injections

Amounts appropriated that are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Restructuring of administrative arrangements

Net assets received from or relinquished to another Australian Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Other distributions to owners

The Financial Reporting Rule (FRR) requires that distributions to owners be debited to contributed equity unless they are in the nature of a dividend.

The above statement should be read in conjunction with the accompanying notes.

Financial statements

Statement of cash flows

for the period ended 30 June 2023

	Notes	2023 \$'000	Restated ¹ 2022 \$'000	Original Budget \$'000
Operating activities				
Cash received				
Appropriations		199,668	133,506	206,759
Sale of goods and rendering of services		17,303	17,407	22,962
Net GST received		12,169	5,601	2,150
Total operating cash received		229,140	156,514	231,871
Cash used				
Employees		(108,256)	(79,035)	(121,898)
Suppliers		(113,975)	(85,489)	(100,625)
Interest payments on lease liabilities		(318)	(86)	(158)
Total operating cash used		(222,549)	(164,610)	(222,681)
Net cash from/(used by) operating activities		6,591	(8,096)	9,190
Investing activities				
Cash received				
Lease incentives received		-	544	-
Total investing cash received		-	544	-
Cash used				
Purchase of property, plant and equipment		(9,738)	(1,033)	(6,339)
Purchase of computer software		-	(172)	(3,530)
Total investing cash used		(9,738)	(1,205)	(9,869)
Net cash from/(used by) investing activities		(9,738)	(661)	(9,869)
Financing activities				
Cash received				
Contributed equity		6,747	14,800	4,869
Total financing cash received		6,747	14,800	4,869
Cash used				
Principal repayments of lease liabilities		(5,852)	(3,663)	(4,174)
Total financing cash used		(5,852)	(3,663)	(4,174)
Net cash from financing activities		895	11,137	695
Net (decrease)/increase in cash held		(2,252)	2,380	16
Cash at the beginning of the period		3,955	1,575	3,955
Cash at the end of the period	4A	1,703	3,955	3,971

¹ Refer to the Overview note.

The above statement should be read in conjunction with the accompanying notes.

Overview

Objectives of the Aged Care Quality and Safety Commission

The Aged Care Quality and Safety Commission (the Commission) is a non-corporate Commonwealth entity established by the *Aged Care Quality and Safety Commission Act 2018*. The Commission is subject to the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The Aged Care Quality and Safety Commission is the national regulator of Commonwealth subsidised aged care services.

The Commission's primary purpose is to protect and enhance the safety, health, wellbeing and quality of life of aged care consumers, promote consumers' confidence and trust in the provision of aged care services, and promote engagement with consumers about the quality of their care and services.

The Commission applies the range of functions and powers available under the *Safety Commission Act 2018*, *Aged Care Quality and Safety Commission Rules* and the *Aged Care Act 1997*, including:

- informing aged care consumers and their representatives about their right to quality and safe care and services
- approving providers of aged care and assessing the suitability of key personnel
- educating providers on their responsibilities to deliver quality and safe care and services, and providing guidance on best practice
- regulating aged care services by accrediting, conducting quality reviews, and monitoring the quality of care and services
- dealing with complaints made or information given to the Commissioner about an approved provider's responsibilities under the *Aged Care Act 1997* or funding agreement
- responding to reportable incidents under the Serious Incident Response Scheme (SIRS)
- reviewing and investigating the use of refundable deposits and the charging of fees, and assessing whether providers are financially sound to sustainably deliver quality services to consumers
- responding to non-compliance by approved providers with their aged care responsibilities and taking enforcement action as appropriate
- publishing data and insights on sector and provider performance.

These functions and powers enable the Commission to help manage risks in the aged care sector and respond appropriately to incidents and departures from expected performance or outcomes. The Commission gives older Australians and their families a single point of contact when they want to raise a concern or access information about the performance of an aged care service against the relevant legislated standards or principles. The Commission works under the *Aged Care Quality and Safety Commission Act 2018*, the *Aged Care Quality and Safety Commission Rules 2018* and the *Aged Care Act 1997*.

The basis of preparation

The financial statements are required by Section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with the:

- Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR)
- Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis, and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars and values.

Financial statements

New accounting standards

Adoption of new Australian accounting standards requirements

Two amending standards (AASB 2021-2 and AASB 2021-6) were adopted earlier than the application date as stated in the standard. These amending standards have been adopted for the 2022–23 reporting period.

AASB 2021-2 amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. The amending standard requires the disclosure of material, rather than significant, accounting policies and clarifies what is considered a change in accounting policy compared to a change in accounting estimate.

AASB 2021-6 amends the Tier 2 reporting requirements set out in AASB 1049, AASB 1054 and AASB 1060 to reflect the changes made by AASB 2021-2.

The amending standard has not had a material impact on the entity's financial statements for the current reporting period or future reporting periods.

Taxation

The Commission is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Events after the reporting period

There were no known events after the reporting period that would significantly affect the ongoing structure and financial activities of the Commission.

Prior period error

In 2021 the Commission extended its lease in Surry Hills with the Department of Health and Aged Care. At the time of the extension the Commission continued to account for the lease as a service arrangement rather than as a right-of-use asset, and corresponding lease liability, in accordance with the requirements of AASB 16 Leases. The error was identified in 2022-23 and has been corrected in the 2021–22 financial statements.

	Original 2022 \$'000	Adjustment 2022 \$'000	Restated 2022 \$'000
Statement of comprehensive income (extract)			
Expenses			
Suppliers	87,100	(1,284)	85,816
Depreciation and amortisation	4,013	1,260	5,273
Finance costs	42	44	86
Total expenses	173,061	19	173,080
Net cost of services	158,079	19	158,098
Total comprehensive surplus/(deficit)	27,683	(19)	27,664
Statement of financial position (extract)			
Assets			
Non-financial assets			
Buildings	8,400	7,563	15,963
Total non-financial assets ¹	10,498	7,564	18,062
Total assets	115,111	7,563	122,674
Liabilities			
Interest bearing liabilities			
Leases ¹	9,097	7,587	16,684
Total liabilities	62,617	7,586	70,203
Net assets	52,494	(23)	52,471
Equity			
Retained surplus/(accumulated deficit)	30,279	(23)	30,256
Total equity	52,494	(23)	52,471
Statement of changes in equity (extract)			
Retained surplus/(accumulated deficit)			
Opening balance	2,596	(4)	2,592
Surplus/(deficit) for the period	27,683	(19)	27,664
Closing balance as at 30 June	30,279	(23)	30,256
Total equity	52,494	(23)	52,471
Statement of cash flows (extract)			
Operating activities			
Cash used			
Suppliers	(86,772)	1,283	(85,489)
Interest payments on lease liabilities	(42)	(44)	(86)
Total financing cash used	(165,851)	1,241	(164,610)
Net cash from/(used by) operating activities	(9,337)	1,241	(8,096)
Financing activities			
Cash used			
Principal repayments of lease liabilities	(2,422)	(1,241)	(3,663)
Total financing cash used	(2,422)	(1,241)	(3,663)
Net cash from financing activities	12,378	(1,241)	11,137

¹ Includes adjustment for rounding

Financial statements

1: Budget variance commentary

The following tables provide a comparison of the original budget as presented in the 2022–23 Portfolio Budget Statements (PBS) to the 2022–23 final outcome as presented in accordance with Australian Accounting Standards for the department. The Budget is not audited. Explanations of major variance are provided below.

Variances are considered based on the following criteria:

- The variance between budget and actual is greater than \$3 million.
- An item below this threshold but is considered important for the reader's understanding or is relevant to an assessment of the discharge of the accountability and to an analysis of performance of the Commission.

Explanation of major variances	Affected line item
Total expenses were \$6.6 million lower than the original budget estimate mainly as a result of lower than budgeted employee benefits of \$8.3 million primarily in relation to delays in staff recruitment.	Statement of comprehensive income - employee benefits Statement of cash flows - cash used for employees
Total own-source income was higher than original budget estimate by \$3 million due to additional audits for approved providers being higher than the original budget estimate.	Statement of comprehensive income - revenue from contracts with customers Statement of cash flows - sale of goods and rendering of services
Total revenue from Government was higher than original budget estimate by \$3.1 million because of additional appropriations received through Portfolio Additional Estimate Statements (PAES) that were appropriated in 2022–23.	Statement of comprehensive income - revenue from Government
Total assets were \$6.4 million higher than the original budget estimate mainly because: <ul style="list-style-type: none"> • The Commission reviewed its recognition of leasehold improvement (fitout) costs associated with a lease arrangement in 2022–23. The outcome of this review determined that one of the leases should be treated as a lease in accordance with AASB 16 and that fit-out costs and associated project costs should be capitalised. The impact of the prior year operating result is immaterial, therefore the statements have not been adjusted. • The Commission reviewed its recognition of its approach to cloud based computing in a software-as-a-Service (SaaS) and platform-as-a-service (PaaS) arrangements in 2022–23. The outcome of this review determined that all SaaS and PaaS arrangements were to be treated as operating expenditure not as computer software assets. • The variance in prepayments relates to the timing difference of payments relating to the ICT licencing. 	Statement of financial position - plant and equipment, leases Statement of financial position - computer software Statement of financial position - prepayments Statement of cash flows - suppliers
Total liabilities were \$3.2 million lower than the original budget because: <ul style="list-style-type: none"> • Unearned income has reduced as the backlog of outstanding accreditation audits has been addressed. This was partially offset by activities under the joint development project being carried forward into the following year where they were anticipated to be completed in 2022-23 in the original budget estimate. • Additional accumulated leave liabilities for staff who transferred to the Commission from other agencies during the year have increased the employee provisions balance compared to the original budget estimate. 	Statement of financial position - unearned income Statement of financial position - employee provisions
Total equity has increased by \$9.6 million compared to the original budget estimate because: <ul style="list-style-type: none"> • \$3.3 million in appropriations were withheld under Section 51 of the PGPA Act as noted in the 2021–22 financial statements. • Retained surplus has increased by \$13 million due to the operating surplus. 	Statement of financial position - contributed equity Statement of financial position - retained surplus

Financial performance

This section analyses the financial performance of the Commission for the year ended 30 June.

	2023 \$'000	2022 \$'000
2: Expenses		
2A: Employee benefits		
Wages and salaries	96,435	68,594
Superannuation:		
Defined contribution plans	11,930	8,267
Defined benefit plans	3,260	2,901
Leave and other entitlements	1,898	2,143
Separation and redundancies	35	-
Total employee benefits	113,558	81,905

Accounting Policy

Accounting policies for employee-related expenses are contained in the People and Relationships section.

2B: Suppliers

Goods and services provided		
Contractors	60,936	53,844
Consultants ¹	10,761	2,506
IT services	4,921	4,293
Travel	4,898	1,846
Communications	4,000	3,769
Recruitment and training	2,672	3,403
Property expenses	2,522	1,239
Legal	1,289	874
Shared services fee	904	2,019
Serviced facilities ²	826	3,383
Internal audit services	374	202
Low-value equipment	96	422
Audit of the financial statements	54	54
Other	2,246	7,049
Total goods and services provided	96,499	84,903
Other suppliers		
Workers compensation expenses	1,138	800
Short-term leases	613	96
Low-value leases	13	17
Total other suppliers	1,764	913
Total suppliers	98,263	85,816

¹ The Commission has reviewed its categorisation of consultancies in line with the Department of Finance's guidelines, which has improved transparency in reporting. Refer to the Annual Report for further details.

² The comparative for serviced facilities has been decreased by \$1.284 million as a result of the restatement of prior period balances. Refer to Overview note.

The Commission has short-term lease commitments of \$1,365,569 as at 30 June 2023.

The above lease disclosures should be read in conjunction with the accompanying notes 2C, 5A and 7.

Accounting policy

Short-term leases and low-value leases

The Commission has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000 per asset). The Commission recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2C: Finance costs

Interest on lease liabilities ¹	318	86
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¹ The comparative has been increased by \$44k as a result of the restatement of a prior period balance. Refer to Overview note.

The above lease disclosures should be read in conjunction with the accompanying notes 2B, 5A and 7.

Accounting policy

All borrowing costs are expensed as incurred.

Financial statements

3: Own-source revenue and gains

	2023	2022
	\$'000	\$'000
3A: Revenue from contracts with customers		
Total revenue from contracts with customers	26,043	14,928
Disaggregation of revenue from contracts with customers		
Major service line		
Accreditation fees	20,714	9,695
New provider fees	428	192
Assessor registration fees ¹	112	121
Educational services	69	101
Licence fees	21	19
Joint development projects ²	4,699	4,800
Total revenue from contracts with customers	26,043	14,928

¹ Assessor registration fees were previously disclosed under other revenue. The current disclosure is considered to more accurately indicate the nature of the revenue. The 2021–22 comparative number has been adjusted accordingly.

² Funding received from the Department of Health and Aged Care under a memorandum of understanding for the provision of governance training to the aged care sector.

Accounting policy

Revenue from the sale of goods and services is recognised when control has been transferred to the buyer. A contract is within the scope of AASB 15 when a contract gives rise to performance obligations that are enforceable and sufficiently specific to enable the Commission to determine when they have been satisfied.

The following is a description of principal activities from which the Commission generates its revenue:

- Audits for approved providers are paid on application and held in unearned revenue in the Statement of Financial Position and recognised as revenue when the performance obligations are met on completion of the accreditation audit.
- New provider application fees are paid on application and recognised as revenue as the payment triggers the commencement of the application evaluation process.
- Assessor registration fees are recognised as revenue on receipt of the registration fees. Fees for educational services are paid in advance, at the time the customer reserves their place, and are held in unearned revenue in the Statement of Financial Position until the services have been provided.
- Annual licence fees for the Commission's online learning platform are recognised as revenue at the time of payment as customers are provided with immediate access at the time of payment.
- Revenue from joint development projects is recognised as revenue over time depending on the timing of completion of performance obligations. Generally, these agreements have specific timelines and deliverables for completion, which inform the timing of the revenue recognition.

The transaction price is the total amount of consideration to which the Commission expects to be entitled in exchange for transferring promised goods and services to a customer. The consideration promised in a contract with a contractor is a fixed amount.

A contract liability for unearned revenue is recorded for obligations under contracts for which payment has been received in advance. Contract liabilities unwind as 'revenue from contracts with customers' upon satisfaction of the performance obligations under the terms of the contract. The Commission reports contract liabilities as unearned income in Note 6A.

3B: Other revenue

Resources received free of charge:

Remuneration of auditors	54	54
Total other revenue	54	54

Accounting policy

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

3C: Revenue from Government

Departmental appropriations	204,905	185,762
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Accounting policy

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the entity gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

Financial position

This section analyses the Commission's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

	2023 \$'000	2022 \$'000
4: Financial assets		
4A: Cash and cash equivalents		
Cash at bank	1,703	3,955
Accounting policy		
Cash is recognised at its nominal amount.		
4B: Trade and other receivables		
Other receivables		
Refundable security deposits	2	2
Receivables - other	139	133
Lease incentive receivable	12	205
Receivable - employee entitlements	2,364	2,404
GST receivable from the Australian Taxation Office	1,902	4,578
	4,419	7,322
Appropriation receivables		
Departmental appropriations	91,669	89,732
Equity injection	1,725	1,867
Departmental capital budget	-	1,736
	93,394	93,335
Total trade and other receivables	97,813	100,657

Accounting policy

Financial assets

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows, where the cash flows are solely payments of principal and interest that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

Financial statements

5: Non-financial assets

5A: Reconciliation of opening and closing balances of property, plant and equipment and intangibles

2023	Buildings \$'000	Plant & equipment \$'000	Computer software \$'000	Total \$'000
As at 1 July 2022				
Gross book value	21,842	5,297	3,585	30,724
Accumulated depreciation and amortisation	(5,879)	(3,471)	(3,312)	(12,662)
Total as at 1 July 2022	15,963	1,826	273	18,062
Additions				
Purchased	-	9,738	-	9,738
Right-of-use assets	16,267	-	-	16,267
Depreciation and amortisation	-	(1,385)	(90)	(1,475)
Depreciation on right-of-use assets	(5,695)	(53)	-	(5,748)
Other movements	-	-	(172)	(172)
Disposals	(4,475)	(540)	-	(5,015)
Accumulated depreciation on disposal of assets	4,475	540	-	5,015
Total as at 30 June 2023	26,535	10,126	11	36,672
Total as at 30 June 2023 represented by:				
Gross book value	33,634	14,495	3,413	51,542
Accumulated depreciation and amortisation	(7,099)	(4,369)	(3,402)	(14,870)
Total as at 30 June 2023	26,535	10,126	11	36,672
Carrying amount of right-of-use assets	26,535	-	-	26,535

¹ Comparatives have been increased by \$7.563 million as a result of the restatement of a prior period balance. Refer to Overview note

All assets were checked for indicators of impairment at 30 June 2023. No indicators of impairment were identified.

Revaluations of non-financial assets

The Commission performs an internal management review of the fair value of its property, plant and equipment at least once every 12 months.

If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last review.

On 31 May 2023, an independent valuer (JLL) conducted a valuation using both market and cost methods. The plant and equipment was valued at \$1.7 million against a recorded book value of \$1.7 million. Therefore no adjustment was required. Additions after this date are valued at cost. The Commission's assets are currently carried at their initial cost less accumulated depreciation which is considered to be representative of their fair values as established in the valuation. The Commission will undertake a 3-yearly review of its assets.

Contractual commitments for the acquisition of property, plant, equipment and intangible assets

The Commission has entered into contracts worth \$2,075,114 for the purchase of computer hardware, office equipment and office fitout in the next financial year.

Accounting policy

Acquisition of assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to restructuring.

Asset recognition threshold

Purchases of property, plant and equipment are initially recognised at cost in the Statement of financial position, except for purchases costing less than \$1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar assets/items which are significant in total). The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Lease right-of-use assets

Lease right-of-use assets are capitalised at the commencement date of the lease and comprise the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned. An impairment review is undertaken for any right-of-use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Leases of right-of-use assets continue to be measured at cost after initial recognition.

Revaluations

Following initial recognition at cost, property, plant and equipment (excluding right-of-use assets) is carried at fair value (or an amount not materially different from fair value) less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to the asset revaluation reserve in equity except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class of asset. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written off to their estimated residual values over their estimated useful lives to the Commission using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods as appropriate.

Property, plant and equipment is depreciated on a straight-line basis over its anticipated useful life. The useful lives of the Commission's property, plant and equipment are 3 to 10 years (2021–22: 3 to 5 years). The depreciation rates for right-of-use assets are based on the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Impairment

All assets were assessed for impairment at 30 June 2023. Where indicators of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment is made if the asset's recoverable amount is less than its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Commission were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Financial statements

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles

The Commission reviewed its cloud based computing in software-as-a-service (SaaS) and platform-as-a-service (PaaS) arrangements in 2022–23. The outcome of this review determined that all SaaS and PaaS arrangements were to be treated as operating expenditure not as computer software assets. As the balance of these assets was only \$11,000 in 2021–22, no adjustment has been made to the prior year's comparative information.

	2023 \$'000	2022 \$'000
5B: Prepayments		
Current	2,525	-
Non current	808	-
	3,333	-

6: Payables

6A: Unearned income

Unearned revenue from customers	1,912	15,192
Unearned revenue from joint development projects	4,559	64
Total unearned income	6,471	15,256

Accounting policy

Unearned revenue from customers represents a liability for cash receipts for audits for approved providers and education services that have been paid in advance. Revenue is recognised and the liability reduced when the accreditation activities or education services have been provided.

Unearned revenue from joint development projects represents funds received in advance from project sponsors to undertake specified activities under the project. Funds will be recognised as income once the specified activities have been completed.

6B: Other payables

Salaries and wages	3,288	2,176
Employee deductions	73	9
Other accrued expense	96	60
Total other payables	3,457	2,245

7: Interest bearing liabilities

Lease liabilities

Buildings ¹	27,099	16,629
Plant and equipment	-	55
Total interest bearing liabilities	27,099	16,684

Maturity analysis - contractual undiscounted cash flows

Within 1 year	5,937	4,319
Between 1 to 5 years	19,693	11,908
More than 5 years	3,037	1,406
Total leases	28,667	17,633

¹ Comparatives have been increased by \$7.587 million as a result of the restatement of a prior period balance. Refer to Overview note.

The total cash outflow for leases for the year ended 30 June 2023 was \$6,796,693 (2022: \$3,861,391).

Leases for office accommodation

Lease payments are subject to review in accordance with the lease agreement. The reviews are generally annual and are either a predetermined increase, consumer price index variation, or a market review. Where offered, lease renewal and options range from one to 10 years. There are no contingent rentals in the agreements.

Leases for motor vehicles

The Commission maintains a small fleet of pooled cars for the purposes of accreditation and quality review. Lease payments are fixed for the life of the operating leases. There are no contingent rentals nor are there any options to purchase the vehicles at the end of the lease.

Accounting policy

For all new contracts entered into, the Commission considers whether the contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. Once it has been determined that a contract is, or contains, a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the Commission's incremental borrowing rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

8: Other provisions

Other provisions

	Provision for entitlements \$'000	Provision for restoration \$'000	Total \$'000
As at 1 July 2022	560	181	741
Amounts reversed	(560)	-	(560)
Total as at 30 June 2023	-	181	181

Provision for entitlements

The provision for entitlements was established to cover additional entitlements that might have accrued to certain contractors and employees under arrangements made by the Commission's predecessor, the Australian Aged Care Quality Agency. The Commission considers that the provision is unlikely to be utilised in the foreseeable future therefore it was released in 2022–23.

Provision for restoration

The Commission has recognised a provision for restoration for lease arrangements that require premises to be restored to their original condition at the conclusion of the lease.

Funding

This section identifies the Commission's funding structure.

9: Appropriations

Annual Appropriations for 2023

	Annual appropriation \$'000	Adjustments to appropriation ¹ \$'000	Total appropriation \$'000	Appropriation applied in 2023 (current and prior years) \$'000	Variance ² \$'000
Departmental					
Ordinary annual services	204,905	18,164	223,069	(220,084)	2,985
Capital budget ³	1,844	-	1,844	(3,580)	(1,736)
Equity injections	3,025	-	3,025	(3,167)	(142)
Total departmental	209,774	18,164	227,938	(226,831)	1,107

¹ Reflects Section 74 of PGPA Act own-source income receipts.

² The variance in departmental ordinary annual services has been caused by timing differences between payments to suppliers and employees, and receipts in advance of services having been provided. The variance in the capital budget represents projects previously delayed being initiated in the current year.

³ Departmental Capital Budgets (DCB) are appropriated through Appropriation Acts (No. 1, 3, 5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

Financial statements

Annual Appropriations for 2022

	Annual Appropriation	Adjustments to appropriation ²	Total appropriation	Appropriation applied in 2022 (current and prior years)	Variance ³
	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental					
Ordinary annual services ¹	185,762	18,550	204,312	(149,676)	54,636
Capital budget ⁴	1,833	-	1,833	(800)	1,033
Equity injections	1,775	-	1,775	(14,000)	(12,225)
Total departmental	189,370	18,550	207,920	(164,476)	43,444

Notes

¹ It is anticipated that the Department of Finance will withhold \$3.3 million from the previously proposed 2022–23 Budget Measure – Ageing and Aged Care, under Section 51 of the PGPA Act in 2022–23. Until this occurs, the Commission is legally entitled to the appropriation and it has been included in the 2021–22 financial statements.

² Reflects Section 74 of PGPA Act own-source income receipts.

³ The variance in departmental ordinary annual services has been caused by major new projects starting later in the year than expected due to COVID-19 and timing differences between payments to suppliers and employees, and receipts in advance of services having been provided. The variance in the capital budget represents projects delayed due to the effects of COVID-19.

⁴ Departmental Capital Budgets (DCB) are appropriated through Appropriation Acts (No. 1, 3, 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.

10: Unspent appropriations

(recoverable GST exclusive)

Departmental

	2023 \$'000	2022 \$'000
<i>Appropriation Act (No.1) 2020-21</i>	-	31,216
<i>Appropriation Act (No.3) 2020-21</i>	-	3,657
<i>Appropriation Act (No.4) 2020-21</i>	-	92
<i>Appropriation Act (No.1) 2021-22¹</i>	3,300	53,494
<i>Appropriation Act (No.2) 2021-22</i>	-	1,625
<i>Appropriation Act (No.3) 2021-22</i>	-	3,101
<i>Appropriation Act (No.4) 2021-22</i>	-	150
<i>Supply Act (No.2) 2022-23</i>	135	-
<i>Supply Act (No.3) 2022-23</i>	87,826	-
<i>Supply Act (No.4) 2022-23</i>	1,590	-
<i>Appropriation Act (No.1) 2022-23</i>	697	-
<i>Appropriation Act (No.3) 2022-23</i>	3,146	-
Cash at bank ²	1,703	3,955
Total unspent departmental annual appropriation	98,397	97,290

Notes

¹ This appropriation includes \$3.3 million quarantined under Section 51, but legally available at 30 June 2023.

² Cash at bank relates to the Appropriation Acts (No.1) for the relevant year.

11: Regulatory charging summary

Amounts applied

Departmental appropriations	32,934	12,731
Own source revenue	21,254	10,008
Total amounts applied	54,188	22,739

Expenses

Departmental	54,181	23,790
Total expenses	54,181	23,790

Regulatory charging activities

The charging activities that the Commission charges providers for are audits for approved providers, new provider fees, and quality assessor registration and re-registration fees.

Documentation for the activities is available at:

<https://www.agedcarequality.gov.au/providers/assessment-processes/accreditation-fees>; and

<https://www.agedcarequality.gov.au/providers/assessment-processes/accreditation-fees/cost-recovery-accreditation#current-cost-recovery-arrangements>

12: Net cash appropriation arrangements

Total comprehensive surplus per the Statement of comprehensive income

	11,640	27,664
Plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections)	1,475	1,606
Plus: depreciation of right-of-use assets	5,748	3,667
Less: lease principal repayments	(5,852)	(3,663)
Net cash operating surplus	13,011	29,274

From 2010–11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses of non-corporate Commonwealth entities and selected corporate Commonwealth entities were replaced with a separate capital budget provided through equity injections. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required. The inclusion of depreciation/amortisation expenses related to right-of-use leased assets and lease liability principal repayment amounts reflects the impact of AASB 16 Leases, which does not directly reflect a change in appropriation arrangements.

People and relationships

This section describes a range of employment and post-employment benefits provided to the Commission's people and its relationships with other key people.

13: Employee provisions

	2023 \$'000	2022 \$'000
Leave	25,366	21,278

Accounting Policy

Liabilities for short-term employee benefits and termination benefits expected within 12 months of the end of reporting period are measured at their nominal amounts. Other long-term employee benefits are measured as the net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the Commission's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination. The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2023. Key accounting estimates and judgements used in estimating the present value of the liability are future salary growth rates, the rate of leave taken in service against on termination of service, present value discount factors and on-cost factors. The Commission has adopted a new actuarially based model to value its employees leave entitlements as the Commission's FTE is now in excess of 1,000 and it is no longer able to use the shorthand method.

Financial statements

Separation and redundancy

Provision is made for separation and redundancy benefit payments. The Commission recognises a provision for termination when it has developed a detailed formal plan for the terminations or where the circumstances indicate that separations and redundancies are more likely to occur than not.

Superannuation

The Commission's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap), or other superannuation funds held outside the Australian Government. The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The Commission makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The Commission accounts for the contributions as if they were contributions to defined contribution plans. The liability for superannuation recognised as at 30 June 2023 represents outstanding contributions.

14: Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling activities of the Commission, directly or indirectly, including any director (whether executive or otherwise) of the Commission. The Commission has determined the key management personnel to be the Commissioner and the Executive Leadership Group comprising members of the senior executive service staff and members of staff acting in those roles for a substantial period (refer to Annual Report for further details). Key management personnel remuneration is reported in the table below:

Short-term employee benefits	2,865	2,061
Post-employment benefits	442	314
Other long-term employee benefits	92	45
Termination benefits	-	-
Total key management personnel remuneration expenses	3,399	2,420

The total number of key management personnel who are included in the above table is 14 (2022:11).

The above key management personnel remuneration excludes the remuneration and other benefits of the portfolio minister. The portfolio minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the Commission.

15: Related party disclosures

Related party relationships

The Commission is an Australian Government controlled entity. Related parties to this entity are key management personnel including the portfolio minister and other Australian Government entities.

Transactions with related parties

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens.

Significant transactions with related parties can include:

- payments of grants or loans
- purchases of goods and services
- asset purchases, sales transfers or leases
- debts forgiven
- guarantees.

Giving consideration to relationships with related entities and transactions entered into during the reporting period by the Commission, it has been determined that there are no related party transactions to be separately disclosed.

Managing uncertainties

This section analyses how the Commission manages financial risks within its operating environment.

16: Contingent assets and liabilities

Quantifiable contingent liabilities

The Commission has one (2022: one) bank guarantee for \$114,000 (2022: \$114,000) in respect of an office lease guarantee. The bank guarantee was withdrawn on 20 July 2023.

Accounting policy

Contingent liabilities and contingent assets are not recognised in the Statement of financial position but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

17: Financial instruments

	2023	2022
	\$'000	\$'000
Categories of financial instruments		
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	1,703	3,955
Trade and other receivables	153	340
Receivables for employee entitlements	2,364	2,404
Total financial assets at amortised cost	4,220	6,699
Financial liabilities		
Financial liabilities measured at amortised cost		
Supplier payables	11,267	13,999
Unearned revenue	6,471	15,256
Other payables	96	60
Total financial liabilities measured at amortised cost	17,834	29,315

Accounting policy

Financial assets

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

In accordance with AASB 9 Financial instruments, the Commission classifies its financial assets in the following categories:

- (a) financial assets at fair value through profit or loss
- (b) financial assets at fair value through other comprehensive income
- (c) financial assets measured at amortised cost.

The classification depends on both the Commission's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the Commission becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash, and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Financial assets at amortised cost

Financial assets included in this category need to meet two criteria:

1. The financial asset is held in order to collect the contractual cash flows.
2. The cash flows are solely payments of principal and interest on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Financial statements

Effective interest method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period based on expected credit losses, using the general approach, which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'. The Commission categorises its financial liabilities at amortised cost.

Financial liabilities at amortised cost

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis. Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Other information

18: Current/non-current distinction for assets and liabilities

	2023 \$'000	2022 \$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	1,703	3,955
Trade and other receivables	97,813	100,657
Prepayments	3,332	-
Total no more than 12 months	102,848	104,612
More than 12 months		
Buildings	26,535	15,963
Property plant and equipment	10,126	1,826
Intangibles	11	273
Prepayments	1	-
Total more than 12 months	36,673	18,062
Total assets	139,521	122,674
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	11,267	13,999
Unearned revenue	6,471	15,256
Other payables	3,457	2,245
Lease liabilities	5,453	4,234
Employee provisions	22,555	19,760
Other provisions	-	560
Total no more than 12 months	49,203	56,054
More than 12 months		
Lease liabilities	21,646	12,450
Employee provisions	2,811	1,518
Other provisions	181	181
Total more than 12 months	24,638	14,149
Total liabilities	73,841	70,203



Appendix 1

Report against 2022–23 Annual Operational Plan

As required under Section 54 of the Commission Act, each year the Commission publishes an Operational Plan to guide actions to deliver on its purpose. As required under Section 52 of the Act, the Commission must report against the Operational Plan deliverables in its Annual Report.

The 26 actions provided in the Annual Operational Plan support the delivery of the 3 key activities outlined in the Commission’s PBS. Ultimately, they ensure delivery of the Commission’s purpose to protect and enhance the safety, health, wellbeing and quality of life of aged care consumers.

Table 24 provides each action and its corresponding deliverable and result.

Table 24. Performance against 2022–23 Annual Operational Plan

Action	Deliverable	Result
1. Improve the use of tactical, operational and systemic risk profiling to effectively target our regulatory activities	Risk information is used to drive regulatory response	Achieved
2. Monitor aged care provider quality and safety performance against the Aged Care Quality Standards	2,500 assessment contacts completed (all providers)	Achieved^a
3. Undertake residential aged care reaccreditation site audits	More than 1,900 reaccreditation site audits conducted	Partially achieved^b
4. Undertake quality audits and assessment contacts of home service and Flexible Care providers	700 quality audits and assessment contacts conducted (including Flexible Care reviews)	Achieved^c
5. Implement Reconciliation Action Plan deliverables	Implement initiatives	Achieved
6. Resolve complaints about aged care service providers within 60 days	80% of complaints are resolved within 60 days	Not achieved^d
7. Launch the Commission’s Contact Centre	Commission’s Contact Centre operationalised	Achieved

Action	Deliverable	Result
8. Plan for implementation of Code of Conduct provisions	Operational readiness for implementation of Code of Conduct achieved	Achieved
9. Broaden interactions with sector leaders to drive change and better support sector capability uplift	Governing for Reform in Aged Care Program delivered	Achieved
	Enriching Life through Care roundtables conducted	Achieved
	Governing for Reform in Aged Care Program Evaluation Plan developed	Partially achieved^e
10. Implement 2022–23 Consumer Engagement Plan deliverables	Key actions and 6-monthly progress reports delivered	Achieved
11. Communication, information and education channels strengthened	Evaluation framework developed	Achieved
12. Deliver improved communication and education products that empower consumers, support capability uplift for providers and increase public trust and confidence in aged care	Enhanced Commission website delivered	Partially achieved
	Registrations within the Aged Care Learning Information Solution (Alis) platform increased	Achieved
13. Establish Consumers and Families Panel	Consumers and Families Panel established	Achieved
14. Embed the functions of the Restrictive Practices Unit within the Commission	Restrictive Practices Unit Operational Guidelines published	Achieved
15. Deliver a campaign on minimising restrictive practices including promoting behaviour support	Work program delivered	Achieved
16. Deliver a campaign on improving the food, nutrition and dining experience in residential care	Work program delivered	Partially achieved
17. Extend pharmacy outreach activities	Pharmacy outreach activities extended to more aged care services	Achieved

continued over

Appendix 1

Action	Deliverable	Result
18. Monitor and take appropriate action in response to providers with potential or actual non-compliance	Appropriate action taken	Achieved
19. Expand the Serious Incident Response Scheme and Quality Indicator program into home services	Program expanded into home services	Achieved
20. Use the financial and prudential risk engine to detect compliance and financial viability issues in the sector	Risk engine operationalised	Partially achieved
21. Monitor and publish compliance rates against quarterly reporting obligations	Targeted reviews completed	Achieved
	Educational products for the sector delivered	Achieved
22. Improve staff engagement and wellbeing	Key activities identified in the People Strategy and Wellbeing Plan for 2022–23 delivered	Achieved
	Key initiatives from the 2022–23 Learning and Development Strategy delivered	Achieved
23. Develop the Commission’s capability uplift program	2022–23 capability uplift initiatives implemented	Achieved
24. Implement the Commission’s Digital Strategy	Digital Strategy launched and key initiatives for 2022–23 delivered	Achieved
25. Deliver Aged Care Case Management Information System (ACCMIS)	ACCMIS operationalised	Partially achieved
26. Enhance the Commission’s Quality Assurance Framework	A whole of Commission Quality Assurance Framework adopted	Not achieved

a 4,730 assessment contacts conducted (see Performance Measure 3).

b 1,583 reaccreditation site audits conducted (see Performance Measure 4).

c 1,484 quality audits and assessment contacts completed (see Performance Measure 5).

d 58% of complaints about aged care service providers resolved within 60 days (see Performance Measure 2).

e The evaluation of the Governing for Reform in Aged Care Program has been deferred until 2024 owing to the program’s 6-month extension to December 2023.



References and indexes

Glossary

AASB	Australian Accounting Standards Board
ACCMIS	Aged Care Case Management Information System
Aged Care Act	<i>Aged Care Act 1997</i>
Alis	Aged Care Learning Information Solution
AM	Member of the Order of Australia
ANAO	Australian National Audit Office
AO	Officer of the Order of Australia
APS	Australian Public Service
CEO	Chief Executive Officer
Commission Act	<i>Aged Care Quality and Safety Commission Act 2018</i>
Commission Rules	Aged Care Quality and Safety Commission Rules 2018
EL	Executive Level
FAICD	Fellow, Australian Institute of Company Directors
FCA	Fellow, Chartered Accountants Australia and New Zealand
FCPA Australia	Fellow, Certified Practising Accountants Australia
FOI Act	<i>Freedom of Information Act 1988</i>
Flexible Care	National Aboriginal and Torres Strait Islander Flexible Aged Care Program
GAICD	Graduate Member, Australian Institute of Company Directors
GST	Goods and Services Tax
ICT	Information and communication technology
IT	Information technology
MP	Member of Parliament
NAIDOC	National Aborigines' and Islanders' Day Observance Committee
NCCIMS	National Complaints and Compliance Information Management System
PBS	Portfolio Budget Statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	Public Governance, Performance and Accountability Rule 2014
PID Act	<i>Public Interest Disclosure Act 2013</i>
PSM	Public Service Medal
Public Service Act	<i>Public Service Act 1999</i>
RN	Registered nurse
SES	Senior Executive Service
SIRS	Serious Incident Response Scheme

List of tables and figures

Figure 1. Organisational structure, 30 June 2023	46
Figure 2. Planning and reporting framework	56
Figure 3. Complaints resolved within 60 days, 2019–20 to 2022–23	66
Figure 4. Operating revenue, 2022–23	90
Figure 5. Operating expenses, 2022–23	90
Figure 6. Total assets, 30 June 2023	91
Figure 7. Total liabilities, 30 June 2023	91
Figure 8. Governance structure, 30 June 2023	95
Table 1. Aged Care Quality and Safety Advisory Council expenditure, 2022–23	50
Table 2. Summary of performance against anticipated measures/targets, 2022–23	58
Table 3. Performance against Portfolio Budget Statements measures, 2022–23	61
Table 4. Entity resource statement for the year ended 30 June 2023	92
Table 5. Membership of the Risk and Audit Committee, 2022–23	99
Table 6. Australian Public Service Act Indigenous employment, 30 June 2023	117
Table 7. Australian Public Service Act employment salary ranges by classification level, 30 June 2023	120
Table 8. Australian Public Service Act employment arrangements, 30 June 2023	121
Table 9. All ongoing employees by location and gender, 30 June 2023	122
Table 10. All non-ongoing employees by location and gender, 30 June 2023	123
Table 11. Australian Public Service Act ongoing employees by classification and gender, 30 June 2023	124
Table 12. Australian Public Service Act non-ongoing employees by classification and gender, 30 June 2023	125
Table 13. Australian Public Service Act employees by classification and employment type, 30 June 2023	126

References and indexes

Table 14. Australian Public Service Act employees by location and employment type, 30 June 2023	127
Table 15. Remuneration for key management personnel, 2022–23	130
Table 16. Remuneration for Senior Executive Service staff, 2022–23	131
Table 17. Remuneration for other highly paid staff, 30 June 2023	132
Table 18. Number of, and expenditure on, reportable consultancy contracts, 2022–23	135
Table 19. Number of, and expenditure on, reportable non-consultancy contracts, 2022–23	135
Table 20. Organisations receiving a share of consultancy contract expenditure, 2022–23	136
Table 21. Organisations receiving a share of non-consultancy contract expenditure, 2022–23	136
Table 22. Greenhouse Gas Emissions Inventory – location-based method, 2022–23	139
Table 23. Greenhouse Gas Emissions Inventory – market-based method, 2022–23	140
Table 24. Performance against 2022–23 Annual Operational Plan	166

List of requirements

non-corporate Commonwealth entities

PGPA Rule Reference	Description	Requirement	Page number/s
17AD(g)	Letter of transmittal		
17AI	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report	Mandatory	iii
17AD(h)	Aids to access		
17AJ(a)	Table of contents (print only)	Mandatory	iv–vi
17AJ(b)	Alphabetical index (print only)	Mandatory	184–205
17AJ(c)	Glossary of abbreviations and acronyms	Mandatory	170–1
17AJ(d)	List of requirements	Mandatory	174–83
17AJ(e)	Details of contact officer	Mandatory	ii
17AJ(f)	Entity’s website address	Mandatory	ii
17AJ(g)	Electronic address of report	Mandatory	ii
17AD(a)	Review by accountable authority		
17AD(a)	A review by the accountable authority of the entity	Mandatory	1–36
17AD(b)	Overview of the entity		
17AE(1)(a)(i)	A description of the role and functions of the entity	Mandatory	38–42
17AE(1)(a)(ii)	A description of the organisational structure of the entity	Mandatory	46–7
17AE(1)(a)(iii)	A description of the outcomes and programmes administered by the entity	Mandatory	39

References and indexes

PGPA Rule Reference	Description	Requirement	Page number/s
17AE(1)(a)(iv)	A description of the purposes of the entity as included in corporate plan	Mandatory	39
17AE(1)(aa)(i)	Name of the accountable authority or each member of the accountable authority	Mandatory	38
17AE(1)(aa)(ii)	Position title of the accountable authority or each member of the accountable authority	Mandatory	38
17AE(1)(aa)(iii)	Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory	38
17AE(1)(b)	An outline of the structure of the portfolio of the entity	Portfolio departments mandatory	na
17AE(2)	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change	If applicable, mandatory	na
17AD(c)	Report on the performance of the entity		
	<i>Annual performance statements</i>		
17AD(c)(i); 16F	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule	Mandatory	53–89
17AD(c)(ii)	<i>Report on financial performance</i>		
17AF(1)(a)	A discussion and analysis of the entity's financial performance	Mandatory	90–1
17AF(1)(b)	A table summarising the total resources and total payments of the entity	Mandatory	92

PGPA Rule Reference	Description	Requirement	Page number/s
17AF(2)	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results	If applicable, mandatory	na
17AD(d)	Management and accountability		
	<i>Corporate governance</i>		
17AG(2)(a)	Information on compliance with section 10 (fraud systems)	Mandatory	103
17AG(2)(b)(i)	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared	Mandatory	103
17AG(2)(b)(ii)	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place	Mandatory	103
17AG(2)(b)(iii)	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity	Mandatory	103
17AG(2)(c)	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance	Mandatory	94–109

References and indexes

PGPA Rule Reference	Description	Requirement	Page number/s
17AG(2)(d) – (e)	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance	If applicable, mandatory	na
	<i>Audit committee</i>		
17AG(2A)(a)	A direct electronic address of the charter determining the functions of the entity's audit committee	Mandatory	98
17AG(2A)(b)	The name of each member of the entity's audit committee	Mandatory	99–101
17AG(2A)(c)	The qualifications, knowledge, skills or experience of each member of the entity's audit committee	Mandatory	99–101
17AG(2A)(d)	Information about the attendance of each member of the entity's audit committee at committee meetings	Mandatory	99–101
17AG(2A)(e)	The remuneration of each member of the entity's audit committee	Mandatory	99–101
	<i>External scrutiny</i>		
17AG(3)	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny	Mandatory	110–11
17AG(3)(a)	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity	If applicable, mandatory	111

PGPA Rule Reference	Description	Requirement	Page number/s
17AG(3)(b)	Information on any reports on operations of the entity by the Auditor General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman	If applicable, mandatory	110
17AG(3)(c)	Information on any capability reviews on the entity that were released during the period <i>Management of human resources</i>	If applicable, mandatory	na
17AG(4)(a)	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives	Mandatory	112–17
17AG(4)(aa)	Statistics on the entity's employees on an ongoing and non ongoing basis, including the following: (a) statistics on full time employees; (b) statistics on part time employees; (c) statistics on gender (d) statistics on staff location	Mandatory	122–7
17AG(4)(b)	Statistics on the entity's APS employees on an ongoing and non ongoing basis; including the following: (a) statistics on staffing classification level; (b) statistics on full time employees; (c) statistics on part time employees; (d) statistics on gender; (e) statistics on staff location; (f) statistics on employees who identify as Indigenous	Mandatory	117, 122–7

References and indexes

PGPA Rule Reference	Description	Requirement	Page number/s
17AG(4)(c)	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i>	Mandatory	121
17AG(4)(c)(i)	Information on the number of SES and non SES employees covered by agreements etc identified in paragraph 17AG(4)(c)	Mandatory	121
17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level	Mandatory	120
17AG(4)(c)(iii)	A description of non salary benefits provided to employees	Mandatory	112–17
17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay	If applicable, mandatory	na
17AG(4)(d)(ii)	Information on aggregate amounts of performance pay at each classification level	If applicable, mandatory	na
17AG(4)(d)(iii)	Information on the average amount of performance payment, and range of such payments, at each classification level	If applicable, mandatory	na
17AG(4)(d)(iv)	Information on aggregate amount of performance payments	If applicable, mandatory	na
	<i>Assets management</i>		
17AG(5)	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory	na
	<i>Purchasing</i>		
17AG(6)	An assessment of entity performance against the Commonwealth Procurement Rules	Mandatory	133

PGPA Rule Reference	Description	Requirement	Page number/s
<i>Reportable consultancy contracts</i>			
17AG(7)(a)	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST)	Mandatory	134–6
17AG(7)(b)	A statement that “During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of [specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of [specified million].”	Mandatory	134
17AG(7)(c)	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged	Mandatory	134
17AG(7)(d)	A statement that “Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.”	Mandatory	134

References and indexes

PGPA Rule Reference	Description	Requirement	Page number/s
<i>Reportable non-consultancy contracts</i>			
17AG(7A)(a)	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	134, 135
17AG(7A)(b)	A statement that “Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.”	Mandatory	134
17AD(daa)	<i>Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts</i>		
17AGA	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts	Mandatory	136

PGPA Rule Reference	Description	Requirement	Page number/s
<i>Australian National Audit Office access clauses</i>			
17AG(8)	If an entity entered into a contract with a value of more than 100 000 (inclusive of GST) and the contract did not provide the Auditor General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, mandatory	137
<i>Exempt contracts</i>			
17AG(9)	If an entity entered into a contract or there is a standing offer with a value greater than 10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, mandatory	137
<i>Small business</i>			
17AG(10)(a)	A statement that "[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."	Mandatory	137

References and indexes

PGPA Rule Reference	Description	Requirement	Page number/s
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises	Mandatory	137
17AG(10)(c)	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”	If applicable, mandatory	na
Financial statements			
17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act	Mandatory	141–64
Executive remuneration			
17AD(da)	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2 3 of the Rule	Mandatory	128–32
17AD(f) Other mandatory information			
17AH(1)(a)(i)	If the entity conducted advertising campaigns, a statement that “During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”	If applicable, mandatory	na

PGPA Rule Reference	Description	Requirement	Page number/s
17AH(1)(a)(ii)	If the entity did not conduct advertising campaigns, a statement to that effect	If applicable, mandatory	137
17AH(1)(b)	A statement that “Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].”	If applicable, mandatory	na
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information	Mandatory	117
17AH(1)(d)	Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found	Mandatory	106
17AH(1)(e)	Correction of material errors in previous annual report	If applicable, mandatory	na
17AH(2)	Information required by other legislation	Mandatory	iii, 63, 107–9, 113, 115, 138, 165–8

Index

A

abbreviations, 170–171

Aboriginal and Torres Strait Islander peoples

Flexible Care services, 17, 57, 71–72, 79

Indigenous residential aged care homes, 111

staff, 31, 116–117

abuse and neglect reduction *see* Serious Incident Response Scheme

accountable authority, 38, 94

accountable authority statements, 54, 144

accreditation of aged care services

reaccreditation site audits, 8, 57, 69–70

reconsideration of accreditation decisions, 108

Administrative Appeals Tribunal, 111

advertising campaigns, 137

Advisory Council *see* Aged Care Quality and Safety Advisory Council

Aged Care Act 1997, 9, 105, 111

Commission functions and powers, 41

new Act, 17, 22, 24, 49

performance measures and results, 61, 62–63, 64

principles, 38

Aged Care and Other Legislation Amendment (Royal Commission Response) Act 2022, 4

Aged Care Banning Order Register, 18

Aged Care Case Management Information System (ACCMIS), 33

Aged Care Code of Conduct *see* Code of Conduct for Aged Care

Aged Care Complaints Commissioner *see* Complaints Commissioner

Aged Care Learning Information Solution (Alis), **121**, *see also* information resources

aged care providers *see* providers

Aged Care Quality and Safety Advisory Council, **3**, **48–50**, **95**

Aged Care Quality and Safety Commission, **15**, **38–52**

- Accountable Authority, **38**, **94**
- Commissioner *see* Aged Care Quality and Safety Commissioner
- establishment, **38**
- governance structure, **95**
- Independent Capability Review, **2–3**, **4**, **35**, **112**
- organisational structure, **46–47**
- powers, **4**, **5**, **17**, **41–42**, **94**
- purpose, **2**, **38**, **39**
- regulatory approach, **40**, **41–42**
- role, responsibilities and functions, **15**, **17**, **38**, **40–42**
- strategic priorities, **44–45**
- values, **43**
- vision, **39**
- see also* performance results; regulatory action

Aged Care Quality and Safety Commission Act 2018, **iii**, **38**, **40**, **41**, **48**, **55**, **94**, **95**, **107**

Aged Care Quality and Safety Commission Consultative Forum, **51**

Aged Care Quality and Safety Commission Rules 2018, **38**

Aged Care Quality and Safety Commissioner, **46**, **96**

- Accountable Authority, **38**, **94**
- delegation of functions or powers, **94**
- message from, **2–3**

References and indexes

- parliamentary committee hearings attendance, 110
- powers, 94
- remuneration, 128
- role, 96
- Aged Care Quality Standards, 5, 10, 17, 22, 111
 - compliance, 58, 61, 67–68
 - see also* regulatory action
- aged care reform, 17–23, 57, 82–83
- aged care sector
 - code of conduct, 5, 18, 41, 57, 88–89, 105
 - governance reform, 19, 26, 60, 80, 85
 - governance training, 19, 84–85
 - Prudential Standards compliance, 6, 8, 15, 73–74
 - reform agenda, 17–23, 57, 82–83
 - worker banning orders, 18
 - worker register, 88
 - workforce training, 11, 79–80, 121
 - see also* home services; National Aboriginal and Torres Strait Islander Flexible Care Program; regulatory action; residential care
- Anderson, Janet, 38, 46, 96
 - Commissioner’s message, 2–3
 - see also* Aged Care Quality and Safety Commissioner
- Annual Operational Plan, 55
 - report against, 166–168
- annual performance statements *see* performance results

antibiotic use, **5, 11**

antiviral therapies, **10**

Applebee, Geoffrey, **99**

assessment contacts with providers *see* regulatory action

assessors *see* quality assessors

assets and liabilities, **91**

Assistant Commissioner, **46, 96**

Assistant Minister for Health and Aged Care, **38**

asymptomatic bacteriuria, **11**

Auditor-General *see* Australian National Audit Office

audits

- financial statements audit, **142–143**
- home services quality audits, **71–72**
- internal, **104**
- site audits, **4, 8, 57**
- see also* Risk and Audit Committee

AusTender, **137**

Australian Information Commissioner, **110**

Australian National Audit Office

- access clauses in contracts, **137**
- financial statements audit report, **142–143**

Australian Privacy Principles, **36, 105**

Australian Public Service Net Zero 2030, **138–140**

Australian Public Service Values, **43**

References and indexes

B

balance sheet, **91–92**, *see also* financial statements

Bampton, Michelle, **47, 96**

behaviour support, **10, 86–87**

Butler, Hon Mark, **38**

C

capability development, **30–36**, *see also* learning and development

Capability Review *see* Independent Capability Review of the Commission

Carer Recognition Act 2010, **115**

carer responsibilities (staff), **115**

Castree-Croad, Shelley, **47, 96**

Centre for Cultural Diversity in Aging, **121**

Champ, Chris, **100**

chemical restraint *see* restrictive practices

Chief Clinical Advisor, **46, 96**

Christie, Pam, **47, 97**

civil penalties *see* compliance and enforcement

clinical regulation, **10**

Code of Conduct for Aged Care, **5, 18, 41, 57, 88–89, 105**

Commission *see* Aged Care Quality and Safety Commission

Commissioner *see* Aged Care Quality and Safety Commissioner

Commonwealth Ombudsman, **110**

Commonwealth Performance Framework, **35, 55**

Commonwealth Procurement Rules, **134**

communications activities, **81**, *see also* education; information resources

complaints

about food and dining in residential aged care, **98**

about the Commission, **107**

contact centre, **16, 58**

number of, **16, 64**

privacy considerations, **105**

process improvements, **16, 36, 58**

reconsideration of accreditation decisions, **108**

reconsideration of applications for approved provider status, **109**

reconsideration of banning order decisions, **109**

reconsideration of complaint decisions, **108**

reconsideration of compliance decisions, **109**

resolution timeliness, **16, 57, 61, 63, 64–66**

reviewable decisions, **107**

see also enquiries

Complaints Commissioner, **16, 46, 96**

complaints officers, **98, 118**

compliance and enforcement, **14, 61–63**

Commission's approach, **40, 41–42**

compliance notices, **14, 61, 63**

non-compliance, **62–63, 71**

process improvements, **14**

reconsideration of compliance decisions, **109**

References and indexes

regulatory action *see* regulatory action
see also providers

conferences, **6, 29**

consultants, **134–136**

Consultation and Engagement Hub, **25**

consultative forums, **3, 51, 95**

consumer feedback and engagement, **24–27, 77–78**
customer journey mapping, **23**

Consumers and Families Panel, **3, 4, 27, 51, 78**

contact officer (annual report content), **ii**

contracts, **134–137**

coronial inquiries, **111**

corporate governance, **35–36, 94–109**
governance structure, **95**
new governance arrangements, **35**
see also Executive Leadership Group

corporate plan, **55, 56**
performance against *see* performance results

court cases, **111**

COVID-19 pandemic impacts, **57, 69, 80**

Cultural Learning Needs Analysis project, **114**

cultural safety, **31**, *see also* diversity in the workplace

Customer Contact Centre, **16, 58**

customer journey mapping, **23**

cyber security, **34**

D

data analysis, **32, 76**

de Vries, Loren, **47**

delegation of functions or powers, **94**

Department of Health and Aged Care, **5, 17, 18, 51, 76, 95**

- data, **74, 76**

- exceptional circumstance determinations, **70**

- functions transferred to Commission, **15**

- register of aged care workers project, **88**

- Star Ratings, **89**

deposits, refundable, **6, 15**

Digital Strategy 2022–2025, **33, 34**

disability reporting, **117**

diversity in the workplace, **31, 115–117**

E

education, **24–27, 73–74, 81**, *see also* information resources; stakeholder engagement

Edwards, Peter, **47, 97**

Employee Assistance Program, **113**

employees *see* workforce (Commission)

energy consumption, **138–140**

enforcement *see* compliance and enforcement

enquiries, **16, 57**, *see also* complaints

Enriching Life through Care roundtable discussions, **6, 19, 84, 85**

enterprise agreement, **112, 115, 119, 121, 128**

References and indexes

Enterprise Risk Management Framework, 102
entity resource statement, 92
Environment Protection and Biodiversity Conservation Act 1999, 138
environmental performance, 138–140
Essential Eight cyber security requirements, 34
ethical standards, 36, *see also* Code of Conduct for Aged Care; integrity
exceptional circumstance determinations, 70
Executive Leadership Group, 46–47, 94, 95, 96–97
exempt contracts, 137
external scrutiny, 110–111

F

Fair Work Commission, 111
financial and prudential standards *see* Prudential Standards compliance
financial performance, 90–92, 153–155
 Advisory Council expenditure, 50
financial statements, 142–164
 accountable authority statement, 144
 accounting standards, 150
 assets and liabilities, 91, 155–159
 auditor’s report, 142–143
 budget variance commentary, 152
 cash flows, 148
 changes in equity, 147
 comprehensive income, 145

employee provisions, **161–162**
entity resource statement, **92**
financial position, **146, 155–159**
funding, **159–161**
managing uncertainties (financial risks), **163–164**
operating results, **90**
overview, **149**

Flexible Care *see* National Aboriginal and Torres Strait Islander Flexible Care Program

Food, Nutrition and Dining Advisory Support Unit, **12**

Food, Nutrition and Dining Regulatory Campaign, **12, 32, 76**

food and nutrition, **6, 12, 32, 76, 98**

fraud control, **iii, 36, 103**

freedom of information, **36, 106**

functions *see* role, responsibilities and functions

funding for the Commission, **10, 67, 159–161**, *see also* financial statements

G

glossary, **170–171**

governance

aged care services *see* aged care sector

Commission *see* corporate governance

Governing for Reform in Aged Care Program, **19, 26, 60, 80, 85**

Greenhouse Gas Emissions Inventory, **138–140**

guidance material *see* information resources

References and indexes

H

health and safety at work *see* work health and safety

highlights of 2022–23, 4–6

Home Care Packages Program, 21

home services, 5

- pricing caps, 21

- quality audits, 71–72

- regulatory activities, 8

- Serious Incident Response Scheme, 17, 20, 57, 82–83

- see also* providers

human resources management *see* workforce (Commission)

I

incident management *see* Serious Incident Response Scheme

Independent Capability Review of the Commission, 2–3, 4, 35, 112

Indigenous Australians *see* Aboriginal and Torres Strait Islander people

individual flexibility agreements, 121

infection prevention and control, 10, 32, 76, 80

influenza vaccination, 113

information and communications (ICT) technology, 33, 34

Information Publication Scheme, 106

information resources, 24, 25, 26, 74, 78, 81, *see also* website

informed consent for use of restrictive practices, 21

integrity, 36, 102–109

intelligence-led regulation, **32, 75–76**
internal audit arrangements, **104**
International Society for Quality in Health Care, **9**

J

Jobson, Emma, **47, 97**

K

Kearney, Hon Ged, **38**
key activities performance results *see* performance results
key management personnel
 related party disclosures, **162**
 remuneration, **129–130**
 see also senior executives
key performance indicators *see* performance measures

L

leadership development, **84–85, 114**
leadership team *see* Executive Leadership Group
learning and development
 providers and their staff, **79–80, 84–85, 87**
 quality assessors, **114**
 staff training (Commission), **30, 31, 103, 105, 114**

References and indexes

legislative framework, 38

letter of transmittal, iii

Lilley, Carol, 99

M

Macleod, Louise, 46, 96

medication management, 11, 79–80

 antibiotic use, 5, 11

 sedative use, 11, 80

Minister for Aged Care, 3, 4, 29, 38, 94

Minister for Health and Aged Care, 3, 38, 94

minister responsible, 38

monitoring and compliance *see* compliance and enforcement; regulatory action

N

National Aboriginal and Torres Strait Islander Flexible Care Program, 17, 57, 79

 quality audits, 71–72

National Aged Care Providers Conference, 6, 29

neglect reduction *see* Serious Incident Response Scheme

Newmarch House Aged Care Facility, 111

non-compliance *see* compliance and enforcement

notification of serious incidents *see* Serious Incident Response Scheme

nutrition *see* food and nutrition

O

Office of the Australian Information Commissioner, **110**

Ombudsman, **110**

operating result *see* financial statements

operational plan *see* Annual Operational Plan

organisational structure, **46–47**

outcome and program, **39**, *see also* performance results

overview of Commission, **38–51**

P

Pamula, Tara, **47, 97**

parliamentary accountability, **110**

People Strategy, **30, 112**, *see also* workforce (Commission)

Performance Management Framework, **35**

performance measures

audit review of, **35**

corporate plan, **58–59**

PBS, **60–61**

performance pay, **119**

performance reporting, **35, 55–56**

performance results, **2**

2022–23 highlights, **4–6**

accountable authority statement, **54**

Annual Operational Plan, **166–168**

corporate plan measures, **57–59**

References and indexes

- financial, **90–92**, *see also* financial statements
- Key activity 1: Protect the safety, health, wellbeing, and quality of life of aged care consumers ..., **62–76**
- Key activity 2: Contribute to enhancing confidence and trust in the aged care system ..., **77–81**
- Key activity 3: Contribute to aged care reform through our regulatory activities ..., **82–89**
- PBS measures, **60–61**
- reporting structure, **95**
- summary of performance, **57–61**
- Peterson, Lisa, **46, 96**
- Pharmacy Outreach Program, **11, 79–80**
- physical and chemical restrictions *see* restrictive practices
- podcasts, **26**
- Portfolio Budget Statements, **55, 56**
 - outcome and program, **39, 60**
 - performance report *see* performance results
- portfolio membership, **38**
- powers of the Commission, **4, 5, 17, 41–42, 94**
- priorities, **44–45**
- privacy, **36, 105**
- Privacy Act 1988*, **105**
- procurement, **133–137**
- protective security, **36**

providers, **17, 63**

Code of Conduct for Aged Care, **5, 18, 41, 57, 88–89, 105**

complaints by, **109**

governance training, **19, 84–85**

National Aged Care Providers Conference, **6, 29**

new requirements, **17**

non-compliance, **62–63, 71**

performance monitoring, **58, 61, 67–68**

Prudential Standards compliance, **6, 8, 15**

restrictive practices, **10, 21, 86–87**

see also home services; residential care

Prudential Standards compliance, **6, 8, 15, 73–74**

psychotropic drug use, **80**

Public Governance, Performance and Accountability Act 2013, **iii, 38, 54, 98, 102, 104, 134**

public interest disclosure, **107**

Public Service Act 1999, **39**

Section 24(1) determinations, **121, 128–129**

publications

reports, **6, 20**

webinars and podcasts, **26**

see also information resources; website

purchasing, **133–137**

purpose, **2, 38, 39**

References and indexes

Q

quality assessors

influenza vaccination rate, 113

training, 9, 114

workforce, 9, 70, 118

see also regulatory action

quality audits, 71, *see also* site audits

Quality of Care Amendment (Restrictive Practices) Principles 2022, 21

Quality Standards *see* Aged Care Quality Standards

R

Rayner, Peter, 101

reaccreditation audits *see* site audits

Reconciliation Action Plan, 31, 116

reform agenda *see* aged care reform

refundable accommodation deposits, 6, 15

registered nurse presence in residential care homes, 17, 18, 32, 68

regulatory action, 8

exceptional circumstance determinations, 70

intelligence-led regulation, 32, 75–76

performance *see* performance results

principles, 38

quality assessment and monitoring, 9

quality audits, 71

regulatory approach, **40, 41–42**
site audits, **4, 8, 57, 69–70**
see also complaints; compliance and enforcement; quality assessors
Regulatory Strategy, **8, 40, 44**
related party disclosures, **162**
remuneration, **128–132**
 APS salary ranges, **119–120**
 Commissioner, **128**
 executives, **128–131**
 key management personnel, **129–130**
 performance pay, **119**
 Risk and Audit Committee, **99–101**
 senior executives, **119**
reporting obligations (Commission), **35, 95**, *see also* performance results
residential care
 24/7 registered nurse requirement, **17, 18, 32, 68**
 accreditation, **8, 57, 69–70**
 food and nutrition, **6, 12, 98**
 infection control monitoring, **10, 80**
 pharmacy outreach visits, **11, 79–80**
 prudential compliance, **6, 8, 15, 73–74**
 refundable accommodation deposits, **6, 15**
 regulatory activities, **8**
 site audits, **8, 69–70**
see also providers

References and indexes

resources *see* information resources; website

Respectful Workplace Framework, 31, 115

restrictive practices, 10, 21, 86–87

Risk and Audit Committee, 94, 95, 98–101, 104

risk management, 8, 102

risk models, 32, 76

risk profiling, 75–76, 88

role, responsibilities and functions, 38

- Advisory Council, 48
- Commission, 15, 17, 38, 40–42
- Commissioner, 96
- Executive Leadership Group, 96–97

Royal Commission into Aged Care Quality and Safety, 2

Rules *see* Aged Care Quality and Safety Commission Rules 2018

S

Safety, Rehabilitation and Compensation Act 1988, 113

safety at work *see* work health and safety

salaries *see* remuneration

Sector Performance Reports, 4

Security Plan 2021–24, 36, *see also* cyber security

sedative use, 11, 80

senior executives

- employment arrangements, 128
- key management personnel, 129–130

remuneration, **119, 128–131**

SES statistics, **124–126**

Senior Practitioner, Behaviour Support, **47, 86, 87**

Serious Incident Response Scheme, **5, 17, 20, 57, 82–83, 105**

 Insights reports, **6, 20**

site audits, **4, 8, 57, 69–70**, *see also* quality audits

small business participation in procurement, **137**

social media, **24, 68, 81**

Speed, Anthony, **47, 97**

St Basil’s Home for the Aged, **111**

staff *see* workforce (Commission)

stakeholder engagement, **24–27, 77–78, 81**

 Consultation and Engagement Hub, **25**

 customer journey mapping, **23**

see also consumer feedback and engagement

Star Ratings program, **89**

strategic priorities, **44–45**

Stronger Standards, Better Aged Care Program, **5, 22–23, 49**

study assistance, **114**

T

timeliness of complaints processes, **16, 57, 61, 63, 64–66**

To Dip or Not to Dip initiative, **5, 11**

training *see* learning and development

Tune, David, **2**

References and indexes

U

urinary tract infections, **5, 11, 80**

V

vaccines and antiviral therapies, **10**

values, **43**

Viertmann, Lily, **100**

vision, **39**

W

webinar series, **26**

website

address, **ii**

renewal, **5, 25**

Wells, Hon Anika, **4, 29, 38**

work health and safety, **113**

Work Health and Safety Act 2011, **113**

Work Health and Safety Committee, **113**

workers' compensation, **113**

workforce (aged care sector)

code of conduct, **5, 18, 41, 57, 88–89, 105**

quality assessors, **9, 70, 118**

register of aged care workers, **88**

training, **11, 79–80, 121**

- worker banning orders, **18**
- workforce (Commission)
 - Aboriginal and Torres Strait Islander employment, **31, 116–117**
 - awards and recognition, **113**
 - carer responsibilities of staff, **115**
 - diversity and inclusion, **31, 115–117**
 - Employee Assistance program, **113**
 - employment arrangements, **39, 121**
 - enterprise agreement, **112, 115, 119, 121, 128**
 - learning, training and development, **30, 31, 103, 105, 114**
 - People Strategy, **30, 112**
 - recruitment, **31, 112, 116, 119**
 - remuneration, **119–120, 128–132**
 - staff engagement, **112–113**
 - staff retention and turnover, **118**
 - statistics, **118, 122–127**
 - work health and safety, **113**
 - see also* senior executives
- Wroth, Melanie, **46, 96**
- Wunsch, Ann, **47, 97**



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