



2021 Annual Report



Warrina Homes Incorporated

Warrina Homes was established in 1972 as an independent South Australian not-for-profit Aged Care provider. Guided by Christian values, we maintain a full spectrum of care that seeks to meet the client's physical, spiritual and emotional needs.

Vision Statement

Grounded in Christian values we provide accommodation, ambience, serenity and community to enable our residents to embrace life to its maximum potential.

Mission Statement

Warrina Homes, in partnership with its residents, provides Independent Living and Residential Aged Care facilities that nurture individuality, quality care and spiritual, physical and emotional wellbeing within a Christian environment.

“I can do all things through Christ who strengthens me.”

Philippians 4:13

Funding

Warrina Homes is an independently incorporated charitable and public benevolent institution. It exists to improve the standard of living and wellbeing of people who are elderly, to offer the comforts and care of well-conducted Homes and to provide appropriate services to such people within a Christian environment.

Warrina Homes is further endorsed as a “Deductible Gift Recipient” by the Australian Tax Office with operations and revenues generated solely focused and applied to its purpose. Warrina Homes receives subsidies from government, grants, client contributions and income from investments which covers operational expenditure and fund capital works.

Bequests, donations and fundraising activities assist in maintaining the level of care and services provided. Interested individuals and organisations who would like to partner with us are encouraged to become part of the Warrina Homes vision for quality Aged Care.



OUR VALUES



Christian

Our Christian ethos is the foundation of everything that we do because we believe this approach best reflects the greatest of values and ideals.



Care

Excellence in care is achieved by prioritising the wellbeing of our residents, and creating relationships built on respect, dignity and trust.



Teamwork

We achieve when we are working together fostering an environment that champions personal and professional growth.



Sustainability

We actively support sustainable business practices that reduce environmental impact, meet the evolving needs of our community and support our economic viability for future generations.



Good Corporate Citizen

We are committed to contributing to a stronger South Australian Aged Care system by investing in service design and innovation to deliver better outcomes for our community.

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CHAIRPERSON REPORT

It is a privilege to be serving as Board Chairperson of Warrina Homes during its 50th year of operations. As we look forward to reaching this milestone in March 2022 and reflect on our accomplishments, I would like to honour God for His guidance, protection and provision over the years, while also acknowledging the contribution of those who served and laboured before us. 2020-21 has been a good year for Warrina Homes, albeit under very challenging conditions including the ongoing global pandemic, Royal Commission into Aged Care, increased regulatory and compliance requirements as well as an ever-increasing shortage of appropriately skilled labour. During the year we have successfully consolidated operations in an effort to focus on core business aligned to our mission, vision and values. We are now planning the next growth phase to ensure we remain at the forefront of market and consumer needs. The key objectives therefore will be to grow the Independent Living Unit base, as well as the number of beds within the Residential Aged Care facilities.

After an impressive turnaround year, the Board has set reasonable yet ambitious growth objectives to ensure the organisation remains relevant and sustainable well into the future. A holistic review of the business, brand and organisational structure has been completed in an effort to understand our unique competitive advantage across market segments. The outcome confirmed that

Warrina Homes is viewed as a trusted and respected corporate citizen within the local community, with the ability to satisfy the needs of its key stakeholders in an ever changing and complex Aged Care Industry.

At the heart, Aged Care provides support to older people to help them with everyday living and other needs. This ethos aligns with the vision of our founding fathers, whose drive to care for older people was born out of love and concern for our community. Their vision was to provide access to a range of facilities catering to all levels of care including Retirement Villages and Residential Aged Care facilities. This extended to the desire to be a not-for-profit and independent of the Church organisation, whilst founded on Christian love for people in its care. The same vision and mission remain relevant today as we strategise for the next fifty years.

Australia's changing demographics driven by an ageing population significantly influences the increasing demand for and provision of Aged Care as we live longer than ever before. It is generally projected that the number of Australians above the age of 85 years will reach a staggering 1.5 million by 2058 (~3.7% of the population). With advanced age comes greater frailty and more complex needs. Older people are also more likely to have more than one health condition (comorbidity) as their life expectancy increases. It is with



“In consideration of the important role Warrina Homes will continue to play in the community, it is with a deep sense of pride that we look forward to our 50th anniversary on the 2nd of March, 2022.”

this in mind that the Board agreed to continue with the strategy of increasing capacity of its existing business units in the short and medium term.

In consideration of the important role Warrina Homes will continue to play in the community, it is with a deep sense of pride that we look forward to our 50th anniversary on the 2nd of March, 2022. Our success can be attributed to the evolution of our care model, underpinned by a deep respect for our stakeholders as we meet the needs of consumer centred business practices. This incredible milestone is a wonderful opportunity for the Warrina Homes family to reflect on and celebrate our achievements, as well as activate our vision for the future.

We are also excited to announce the launch of a refreshed Warrina Homes brand identity to coincide with our Annual General Meeting. This exciting transformation capitalises on the equity we have already built, while simultaneously moving the brand forward. The Executive Management Team and Board have endorsed a refreshed Warrina Homes logo that maintains the intrinsic symbolism, is reflective of our

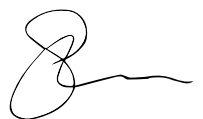
core values and enhances the unique attributes of the brand. We are also eager to share the new Warrina Homes brand with our residents, staff, suppliers, stakeholders and the wider community.

During the year the Board farewelled a number of long serving Board Members including Hermann Rademeyer and Jacob du Plessis. Hermann brought significant governance expertise while Jacob was well known and appreciated for his business and financial skills. We thank them both for their loyalty and service and wish them everything of the best for the future. Simultaneously two new Board Members were appointed being Gerrit Lombard (Principal Advisor, RJC Evans & Co) and Hendri Mentz (Managing Partner SA, Deloitte Australia). We congratulate these new Board Members on their appointments and wish them a long and happy stay with Warrina Homes.

On behalf of the Board I would like to acknowledge the significant contribution of the Executive Team, Staff and Volunteers. It has been a phenomenal year all round – well done to all!

In this all, we praise God for His guidance and blessings, taking care of the Warrina Homes community during uncertain and challenging times.

Yours in Christ,



Steven Evans

Chairperson, Warrina Homes Incorporated



Our Board

Our Board Members are professionals from diverse backgrounds who volunteer their time to be part of Warrina Homes Inc. They bring a wealth of experience, expertise and passion, both individually and collectively.



CHAIRPERSON

Steven Evans

B.Eng, Masters in Engineering, Post Grad Man Dip, GAICD

Board Member since 2017



DEPUTY CHAIRPERSON

Eben Viljoen

Mb.ChB, BScMedScHons (Underwater Medicine), FRACGP, Dip Family Medicine

Board Member since 2019



Gess Carbone

GradCertPubSecMgmt (Griffith University Qld)

Experienced in System Reform, Strategic Planning, Policy Development, Organisational Change, Quality and Standards, Business Effectiveness and Customer Service

Board Member since 2010





Jane De Kok

Enrolled Nurse and daughter of one of the founding members, the late Mr. Colin Biemond

Board Member since 2019



Gerrit Lombard

B.Comm (Law), LLB, H. Dip Tax, Adv Dip (FS), CFP

Board Member since 2020



Tom Dachs

B.Comm, LLB, Commerce, Law

Board Member since 2020



Hendri Mentz

CA, CIA, Hons. B.Acc, MBA

Board Member since 2021

■ CORPORATE GOVERNANCE

Warrina Homes operates within the scope of the Associations Incorporations Act.

The Warrina Homes Board is independent and is responsible for good corporate governance. The Board focusses on organisational purpose, risk management, setting and monitoring strategic direction, operational and financial performance, and Board governance policies.

The Board is the legal authority of the organisation and is committed to acting responsibly, ethically and with the highest standards of integrity and accountability to ensure that the objectives of Warrina Homes is achieved.

Board membership is by invitation and appointment. Board members contribute to the Board Committees: Governance, Clinical Care, Finance and Development.

**“Living at the Serviced Apartments
in Warrina Park, Paradise, is the
best decision I have ever made.”**

Tjallie Van Crugten



CEO Report

I am proud to be part of a team that are dedicated to compassionate care for the elderly, characterised by respect and dignity which enhances quality of life for each individual.

As Warrina Homes heads towards its 50th anniversary in 2022, we also reflect on our dedicated workforce, volunteers and supportive family members who make each day possible and thank them for their ongoing dedication and service during these unprecedented times.

The Year in Review

During the year I have been able to attend a number of resident committee meetings and listen to what is important to the Warrina Homes community. Open, honest and transparent communication with all stakeholders is critical to ensure mutual appreciation and success, which I also believe is reflective in our overall results. 2021 was a challenging yet rewarding year as we came together to protect the most vulnerable in society. Multiple macro-economic factors continue to impact the business however careful strategic planning enabled us to remain focussed on optimal outcomes. We also continue to invest in new technologies in order to improve processes and efficiencies to deliver excellence in care.

Our People

Michelle Schupelius joined Warrina Homes during April 2020 to lead the Residential Aged Care business at a time when we were coming to terms with a global pandemic. She did a great job and earlier this year was recruited to head-up a regional Aged Care organisation – a well-deserved recognition of her skills and abilities.

Subsequently we were pleased to welcome Tanya McIver to the team as Executive Manager Residential Services. With a Bachelor of Nursing and Diploma of Management Tanya has over 25 years' of nursing experience, the past 15 focussing on her passion for Aged Care. Tanya is very experienced in managing Residential Aged Care facilities and her skills in dementia and palliative care particularly will enhance our model of care and service delivery. With a strong person centred care approach, she works closely with residents and their families to ensure best practice outcomes.

In Australia, the impact of an ageing population on the future availability of a sustainable Aged Care

workforce is imminent and of great concern. It is also for this reason that we emphasise an inclusive corporate culture where we work as one team and every employee matters. 'Teamwork' is therefore a core value and an integral part of our service ethos.

Sustainability & Corporate Governance

We are pleased to report a much improved financial result compared to the prior year. This has been achieved through a disciplined approach to cost and income drivers, as well as proper planning and forecasting. Key performance indicators were set early on and although at times thought to be unrealistic, targets were achieved and, in some instances exceeded. A strategic decision to divest land held at 43 Avenue Road, Paradise was also executed to ensure the organisation was not over-committed at a time when we continue to experience market volatility. Proceeds will be applied to debt reduction and the balance to future growth objectives. In summary, a tremendous team effort sees the organisation return to profitability at the end of the financial year with strategies in place to maintain this position.



“High quality aged care puts older people first. It assists older people to live a self-determined and meaningful life through expert clinical and personal care services and other support, provided in a safe and caring environment.”

Warrina Homes was further successful in securing a Business Improvement Grant which allowed for the renewal of ageing IT infrastructure including software and hardware components. This enabled the implementation and integration of leading edge solutions such as Person Centred Software (Mobile Care Monitoring System) as well as the Safety & Quality Management Systems for recording internal audits and other regulatory requirements. An area which remains a concern is the ease of access to the Residential Aged Care facilities, i.e. waiting times and sign-in processes. In an attempt to streamline and automate as much as possible, an investment has been made in ‘Lobby Track’ technologies to which visitors will soon be introduced. The system will be closely monitored to ensure functionality is optimal while providing for a better overall consumer experience.

A shortage of skilled and experience Aged Care workers remains the single biggest risk to organisations in the sector. Providing world-class care that meets community expectations is a multi-dimensional challenge. Issues around viability, funding, governance and regulation must all be addressed. Meeting these challenges will require among other things better wages and working conditions, access to quality training, continued migration with new initiatives to attract high quality candidates, motivated workers and continued investment in new technology. In the meantime, please do not hesitate to be generous with your compliments and expressions of thanks to our dedicated staff!

The Royal Commission into Aged Care

The key takeaways from the final report tabled on 1 March 2021 included the following:

- Australia requires a rights-based system with all older Australian in need of support to be independently assessed, and care allocated to their personal needs and preferences.
- Stronger Governance Required - The final report calls for stronger governance, regulation of the quality of care, prudential regulation, financial transparency and an independent mechanism to set prices.
- Workforce conditions and capability needs to be improved. It calls for better wages and a new national registration scheme for all personal care workers, who would be required to have a minimum Certificate III training. Minimum care minutes will also be introduced from July 2022 onwards.
- A better Aged Care System will cost more. The final report makes a series of complex recommendations about fees and funding, with the commissioners diverging in view as to the specific arrangements. But essentially, the proposed new funding model would provide universal funding for care services, such as nursing etc.

In summary, high quality care must be the foundation of Aged Care. There must be a universally shared understanding by government, providers, and by older people, their family and friends of what high quality Aged Care means in Australia. The Commission proposed a definition consistent with Warrina Homes’ Mission and Vision statements i.e. that “High quality Aged Care puts older people first. It assists older people to live a self-determined and meaningful life through expert clinical and personal care services and other support, provided in a safe and caring environment.”

“Our introduction to Retirement Living at Warrina Valley Estate was just so easy and pleasant. The management and senior staff could not have been more courteous and helpful in accommodating our requests for changes and maintenance jobs in our new home. We love the feeling of community and mutual care that exists in our village. We continue to live here very happily.” Dereck & Fran Brown

Covid-19

11 March 2021 was the first anniversary of the World Health Organisation (WHO) declaring Covid-19 a global pandemic. The pandemic has had a huge effect on countries, people, and the way we live. But people living in Aged Care facilities have struggled even more through a very confusing and stressful time. State and Territory Aged Care visitor restrictions were introduced at Residential Aged Care facilities which affected the ability of residents to connect with their loved ones. Although most facilities including those at Warrina Homes remain open, it is important for all stakeholders to stay up to date with restrictions which can change at any moment.

While there have been many negative impacts, there have also been positive outcomes. Continuous improvement and optimisation of infection control and

safety have improved the rights of all older people and resulted in them as a collective being placed at the centre of policy and decision-making, with better outcomes achieved all round. Together we have to make changes and sacrifices to our normal day to day lives in order to ensure that we do everything in our power to care for and protect our residents, staff and all stakeholders.

Our Community

Warrina Homes is recognised as a dedicated provider of quality Aged Care services in the communities where it operates. It is perceived as a well-respected and good corporate citizen in an industry which is often tainted by negative publicity. I would like to recognise the achievements of all our staff and thank them for their loyalty and commitment to our noble cause. Above all we honour God for His enduring faithfulness.



Andrew Curle

Chief Executive Officer



Our Staff

Warrina Homes is an equal opportunity employer. We employ our own staff, preferring a dedicated team ownership approach to that of outsourcing. This methodology applies to all areas of the organisation including Residential Aged Care, Administration, Maintenance, Parks and Gardens, Lifestyle and Hospitality Services.

Warrina Homes provides for sufficient appropriately skilled staff to meet care and service requirements. Coordinators and Managers manage the rosters and staff allocation processes according to the relevant policies.

There are after hours on-call arrangements to provide staff support and clinical guidance. Staff recruitment procedures include police clearances, reference checks and selection criteria relevant to roles and responsibilities within Warrina Homes' service excellence framework.





Our Services

Residential Aged Care

Warrina Homes is a dynamic and progressive organisation. We place emphasis on attractive surroundings and a continuance of living life to the full, always respectful of the residents' right to privacy and to be involved where and when they desire. We encourage all residents to remain part of the wider community and to enjoy their lives as they have always done.

Weekly Church and Chaplain Services are offered at both facilities.

Warrina Homes provides a safe and comfortable environment consistent with residents' care needs.

Residents have single rooms and are able to personalise their space. We provide a variety of communal areas available to residents and their families, with seating and amenities that are maintained via preventive / reactive maintenance and cleaning routines.

Call bells are accessible and sensor mats are installed to alert staff if a resident moves off of their bed or chair without the assistance they require. Environmental audits and hazard and risk assessment processes are in place to identify potential risks and support decisions concerning the living environment. Staff store mobility aids and equipment safely when not in use.

LOCATIONS

Warrina Court

46 McShane Street,
Campbelltown

Refurbished in 2014, this small facility of thirty five single rooms with ensuite bathrooms is conveniently located near Linear Park, local shops and transportation.

Warrina Park

59 George Street, Paradise

Constructed in 1997, this forty nine room facility is situated on the Torrens Linear Park at Paradise.

There are thirty seven suites in a general section, as well as a specialised memory support unit of twelve suites. All residents have single rooms with ensuite bathrooms.



Retirement Villages

Warrina Homes offers a broad range of independent living options ranging from single bedroom apartments to deluxe three bedroom residences with double garage and ensuite bathrooms.

Our villages operate in accordance with the Retirement Villages Act of 2016. All levels of accommodation require the signing of a licence agreement which entitles the residents to tenure for the remainder of their life, or for as long as it is desired or is mutually agreed with Management to be practically sustainable.

Service fees are charged fortnightly and these cover all areas of maintenance, rates and taxes, building and public risk insurances, security systems and common area gardening.

Fees do not cover telephone, electricity, gas, ambulance, personal contents insurance etc.

LOCATIONS

Warrina Court

*46 McShane Street,
Campbelltown*

This village consists of twenty eight 1, 2 and 3 bedroom units as well as a Community Centre (Church Hall). Entry is by rental agreement, non-refundable donation or payment of an entry premium. Co-located with the Warrina Court Residential Aged Care facility.

Warrina Valley Estate

12 Reservoir Road, Hope Valley

A village of thirty four homes and a Community Centre opened in 2003. A first prize Housing Industry Association award winner, this village, with its outstanding gardens is picturesque and sought after. An extensive Community Centre serves this village and is shared by Warrina Grove residents. Winner of HIA Top Award for Special Purpose Housing 2003.

Warrina Grove

*Corner Reservoir & Hoover Roads,
Hope Valley*

An intimate group of nine homes adjacent to an open park area. Residents of Warrina Grove share the Warrina Valley Community Centre.

Warrina Close

46 Hill Street, Campbelltown

A modern village constructed in 2000 consisting of sixteen homes in a garden setting, adjacent to Warrina Court and using the same Community Centre (Church Hall). Warrina Close has previously been a recipient of a Housing Industry Award for village design.

Warrina Park

59 George Street, Paradise

Thirteen modern homes and twelve Assisted Living Apartments adjacent to the Torrens Linear Park, co-located with the Warrina Park Residential Aged Care facility.



Respite Care

Respite care is arranged by prior booking for individuals with an assessment from the Aged Care Assessment Team and subject to availability.

Lifestyle Programs - Residential Aged Care

Residents are provided with the opportunity to engage in a wide range of activities. Social histories identify residents' past life and interests and proposed activities.

The lifestyle care plan and lifestyle program generally identify the activities and individual sessions the resident would like to participate in. Each resident has a copy of the monthly activity program from which they can choose activities of interest.

The activity program is prepared with resident input through resident meetings, focus groups, feedback processes and surveys.

All activities across our facilities are subject to SA Health Covid-19 directions.



“At Warrina Homes we make sure we know every person and their story. The partnership means care is person centred, individualised and respects who you are.”

Tanya McIver,
Executive Manager Residential Services

Volunteers

The role played by our volunteers is inestimable. So often this wonderful band of people work as individuals performing very specialised tasks.

Our volunteers help our residents (and staff) to enjoy their lives and to be effective in what they do. Most importantly, volunteers create a great sense of community.

Volunteers work conscientiously right across the organisation in many areas helping with companionship, fundraising, lifestyle programs, maintenance, recycling, Chaplain Service, visitation and special functions.

Many volunteers are from our Retirement Villages and express quite openly how much they enjoy their involvement in this way as part of the Warrina Homes community.



Our Finances

Financial Environment

At a time when care and services offered to residents should be a priority, Aged Care providers remain under financial pressure. Once-off Covid-19 funding had a significant effect on revenue however was offset by associated expenses such as medical equipment, PPE etc. Recommendations by the Royal Commission regarding increased funding have been adopted and we are hopeful of seeing an improvement going forward. Having said that, same will come with increased regulation and reporting requirements which is bound to be counterproductive from an operational perspective.

Overview of Financial Position

2021 was a challenging yet rewarding year. Business structures and processes were re-assessed to ensure the focus remains on the core business, and the return to profitability and sustainability. As a result, land held at 43 Avenue Road, Paradise was divested. This doesn't mean that we don't intend to grow, but rather that opportunities will be carefully considered in line with

strategic objectives. The financial year reflects a turnaround from the prior year net deficit to a positive \$122k after adjustments for once-off extraordinary items. Our Balance Sheet remains strong with net assets at ~\$24m. All Bank financial and reporting requirements are met and compliant – a great result overall.

Revenue from Services

Year on year revenue increased by ~\$1.6m to \$10.1m due to a disciplined focus on income drivers, as well as once off government grants (Covid-19 and Business Improvement Fund). The recovery of the property market during the year also had a positive impact on the sale of our Independent Living Units. Throughout the period, occupancy ratios across the two business units remained at or above target levels of 95% which compared to industry was a stellar performance. Expenses increased by ~7% in linear correlation to revenue although slightly skewed by a once-off loss on sale of asset of \$170k (property asset). Staff costs exceeded budget marginally by 0.5% due to increased staffing requirements at the height of the pandemic.

Statement of Financial Position

Total Assets increased by \$5.1m to \$89m. Asset increases mainly relate to financial assets including cash holdings generated from operations.




Total Liabilities increased in correlation with the increase of entry level premiums and refundable accommodation deposits. Another factor was the change in accounting standards during the prior financial year (AASB 9). The sale of the property asset during the year will result in a further deleverage of the balance sheet during the next financial year.

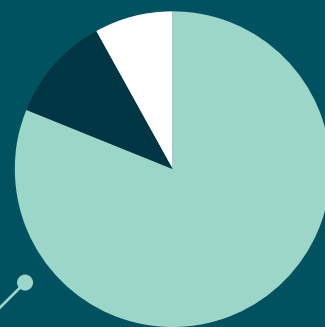
General Purpose Financial Report

Warrina Homes has prepared a general purpose financial report in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission (ACNC) Act 2012. The report has been audited by Independent Auditors BDO. A copy of the Audited Financial Report is available for perusal and downloading from the ACNC website.






Financial Summary

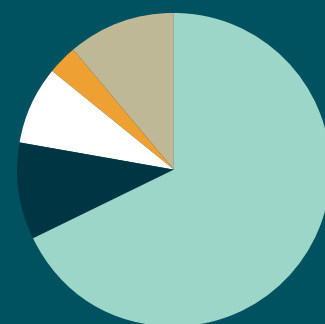
Where the money comes from

Residential Services		\$8,330,449	82%
Independent Living		\$962,978	11%
Other		\$862,059	8%
Total Revenue		\$10,155,486	100%






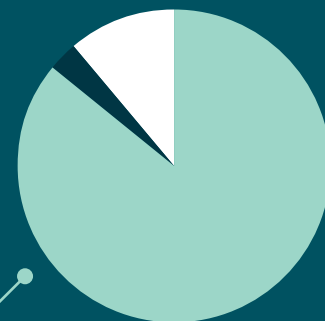
Where the money goes

		\$	%
Employee Benefits		\$6,832,728	68%
Food, Hospitality & Allied Health		\$990,891	10%
Property		\$783,651	8%
Interest		\$279,199	3%
Other		\$1,146,434	11%
Total Expenses		\$10,032,903	100%








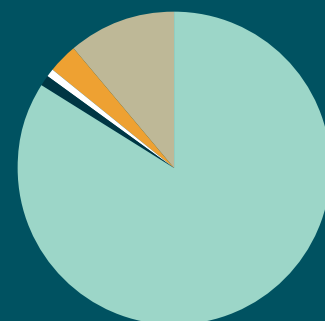
Our Assets

		\$	%
Property, Plant and Equipment		\$76,461,629	86%
Financial Assets		\$2,680,887	3%
Trade and Other Receivables		\$9,914,146	11%
Total Assets		\$89,056,662	100%



Our Liabilities

Refundable Loans		\$54,585,454	84%
Employee Benefits		\$764,211	1%
Trade and Other Payables		\$398,153	1%
Other Liabilities		\$1,952,822	3%
Borrowings		\$7,345,960	11%
Total Liabilities		\$65,046,600	100%





Corporate Office

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Highbury SA 5089

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**Retirement Villages
& Serviced Apartments***

Warrina Court

46 McShane Street

Campbelltown SA 5074

Warrina Close

46 Hill Street

Campbelltown SA 5074

Warrina Park

*Serviced Apartments co-located

59 George Street

Paradise SA 5075

Warrina Grove

Cnr Reservoir & Hoover Roads

Hope Valley SA 5090

Warrina Valley Estate

12 Reservoir Road

Hope Valley SA 5090

Residential Aged Care

Warrina Court

46 McShane Street

Campbelltown SA 5074

Warrina Park

59 George Street

Paradise SA 5075

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