

ANNUAL REPORT 2016/2017



RSL CARE SA

ANDREW RUSSELL
VETERAN LIVING



RSL CARE SA HISTORY



RSL Care SA was formed when the Poppy Day Trust (managed by the RSL-SA) merged its affordable housing and aged care assets with the War Veterans Home (WVH) Myrtle Bank. This merger occurred on 1st January 2012.

The WVH, although a legal entity in its own right, considered itself part of the RSL "family" and as the RSL Poppy Day Trust and WVH were providing similar services to a similar client group, it was a logical progression for the assets of the Poppy Day Trust to be merged with the WVH for the continued benefit of the aged and affordable housing veteran communities.

Key benefits of the merger included

- A single governance structure to have oversight of the common functions provided to a common client group
- A consolidated asset base from which to grow the scale of operation and deliver more services to more clients
- Management synergies and economies of scale, particularly in regards to 'back of house' administrative functions associated with governance obligations in a highly regulated industry.

The origins of the WVH date back to 1915 with the efforts of a community group raising funds aimed at

providing a home for soldiers returning from WW1. Through the efforts of the Soldiers Home League, the Home opened in March 1917 using a farm homestead on 3 acres of land known as 'Myrtle Bank'. It has since gone through many changes but its ethos of supporting the ex-service community has remained constant.

It has developed from a volunteer run homestead providing modest accommodation for returned soldiers to a modern and professionally run facility providing high quality care for 95 residential aged care residents and retirement living accommodation and related services.

In 1996, the Board amended the constitution to enable war widows, spouses of veterans and residents from the general community to be admitted to the home. As a consequence of that decision women were admitted to the Home for the first time in April 2000, which was a significant milestone in what had previously been an all male domain.

The origins of the RSL also go back to WW1. As part of their objective of supporting veterans and ex-service personnel and their partners, their operations have included the provision of several affordable housing options in Campbelltown, Wallaroo and Clovelly Park. The affordable housing villages were managed through the Poppy Day Trust. In 1997, the RSL also built the RSL Villas at Angle Park which is



HISTORY



currently a 55 bed residential aged care facility with some adjacent affordable housing options.

The RSL Villas will shortly become a 61 bed facility with a redevelopment scheduled to begin late 2017. The redevelopment will see a considerable refurbishment of existing facilities to enable the Villas to remain relevant in an ever changing and evolving industry.

In 2014, RSL Care SA purchased the Sturt and Hamilton Retirement Villages increasing the number of retirement living units on offer from 23 to 90. In 2015 two luxury units were built on Glenrowan Avenue, Myrtle Bank taking the total number of retirement living units and apartments to 92.

In March 2017, RSL Care SA took over the pilot Homes for Heroes program that was being run by the RSL SA (funded by RSL Care SA and RSL LifeCare NSW) and renamed the program the Andrew Russell Veteran Living (ARVL) program. The program is aimed at providing transit accommodation for contemporary and ex-service personnel who find themselves either homeless or at risk of homelessness. The affordable housing villages and houses already owned by RSL Care SA were moved to the ARVL portfolio and in July 2017, RSL Care SA purchased a 10 unit property in Travers Street Sturt as the permanent home for the ARVL program.

In 2016, RSL Care SA developed a Vietnam Veterans Social Group program which provides a friendly and safe environment for Vietnam Veterans to come together to share their experiences and work through their hardships. The program has been recognised with several national and state

based awards and continues to develop and evolve as the participants needs change. The social group is now being extended to include all veterans and not just those from the Vietnam conflict.

The merger in 2012 created a sound base for growth and RSL Care SA is now recognised as a leader in providing a range of accommodation and support options to the veteran, ex-service and broader community of South Australia.

RSL Care SA is a "not for profit" organisation, is incorporated under the Associations Incorporation Act and has Public Benevolent Institution status, which enables our staff to have access to salary sacrifice benefits, but also ensures that any surplus is utilised for the direct benefit of our objects and mission.

RSL Care SA is heading into its next phase of growth, and through good governance, management and due diligence is hoping to expand both its retirement living and residential aged care portfolios in the next few years.



CHAIR'S REPORT

Loretta Byers



In this our 102nd year of operation, it is my pleasure to present the Annual Report for RSL Care SA for Financial Year 2016/17.

It has been an eventful year to say the least, and one that has seen us perform well on all fronts.

Our dominant objective very much remains the provision of care services to elderly members of the ex-service community, and in meeting this need I am pleased to report that our two residential nursing homes continue to be staffed by qualified, competent, and above all caring individuals. I see evidence of this not only in the many complimentary comments we receive and through our ongoing compliance with the relevant state and federal regulations, but also through our occupancy rates which are above industry benchmarks for both sites. However we cannot take these results for granted and we continue to strive for improvement each and every day, particularly through our Continuous Improvement Program that remains a key focus of our Board's Clinical Governance Committee.

Of note, while our charitable focus in residential care is on ex-service personnel (presently 60% of our residents in residential aged care have a DVA entitlement) it is not exclusively so, and a number

of our residents also come from the broader ex-service community as well as from areas of the community that have no direct service connection.

Despite our principle focus being in the residential care space we have also delivered a range of essential services in the Retirement Living and Affordable Housing arenas, and I am particularly proud of our new Andrew Russell Veteran Living (ARVL) program, which specifically seeks to address the issue of homelessness amongst the younger cohorts of South Australia's veteran population. The program is named in honour of Sergeant Andrew Russell who was the first Australian soldier to be killed in combat (he was killed in Afghanistan) since the Vietnam War, and who was a proud South Australian.

I would like to take this opportunity to thank both Bob and Jan Russell (Andrew's parents) and Kylie Russell (Andrew's wife) for being such avid and willing supporters of our program.

Through ARVL we have provided over 5,000 nights of accommodation to our most vulnerable veterans along with over 15,000 subsidised meals, which is a significant achievement. As you can appreciate this is very complicated work that often requires us



CHAIR'S REPORT

to support veterans and their families in their darkest hours, and I am continually impressed by the level of professionalism, competence and compassion that the staff of RSL Care SA display as they deliver these essential services. In this regard I'd like to acknowledge the Program Manager for ARVL, Mr Ben Challinor, for the tireless work that he does in support of this program and our residents. You will hear more from Ben in a later section of this year's Report, however I would like to highlight that RSL Care SA is the only provider of veteran-specific homeless and affordable accommodation in South Australia, and through our program we have 48 units of our own (including the recent acquisition of a 10-unit complex in Sturt), as well as having access to a further 20 units through our strategic partnership with Westside Housing. We are very proud of this work, and expanding our service offerings will continue to be a key focus of our altruistic activity for FY 17/18.

The past 12 months has seen the Board of RSL Care SA carefully reflect on what it means for us to be a proud not-for-profit organisation, including what it is that we do, why we do it, and what it is that we stand for as an ex-service organisation. This strategic review has been challenging and has required us to make some changes so that we can remain relevant in an increasingly competitive market, however it has also been an extremely affirming process that has confirmed much of what we already knew about ourselves. We are a proud and important NFP in South Australia's ESO landscape, and our Board carries a significant amount of responsibility for the 300+ people who choose to reside with us each and every day.

For this and everything else that they do, I thank my fellow Directors of the Board of RSL Care SA, because they volunteer so much of their time and experience in support of our organisation. Our Board meets regularly, at least monthly and more frequently as needed as has often been the case during this reporting period, and this generates a significant time commitment for our Directors both during the meetings and for the work that occurs between them. Of course there is also a significant amount of work that gets done via our Board's standing committees (Property & Strategy Committee, Care & Compliance Committee, and the Audit, Finance & Governance Committee), which all help to ensure that we as a Board meet all of our governance and management expectations. The challenging nature of the past 12 months has affirmed for me that our directors are a committed, united and competent Board, and I am humbled by their devotion to our organisation. It is an honour to be their Chair, and I thank them for their ongoing support.

The year ahead for us looks equally busy, although fortunately our work over the past 12 months has postured us well as we look confidently at what 2018 will bring. At the time of writing this report we are in the final stages of preparing for major refurbishments at both RSL Villas (that will see six new rooms added) and the War Veterans Home in Myrtle Bank, with these two projects doing much to improve the level of amenity we can provide to our residents. These projects culminate several years of hard work and planning, and I look forward to seeing them come to fruition.

CHAIR'S REPORT

It is worth noting that the aged care industry is currently going through a period of significant change and reform, and many providers are struggling under the burden of compliance, funding limitations, and competition. The Board of RSL Care SA is well aware of these challenges, and we are pursuing a path of bold and deliberate action in order to ensure our continued growth and success.

As we close the door on FY16/17 I reflect on what has been a solid performance for our organisation, because not only have we delivered on the provision of our essential services but we have also returned a modest surplus of \$2.3m, which is similar to the underlying results of our previous years. I stress however that we are a not-for-profit organisation that uses this surplus to the benefit of our community and our altruistic objects, and it is through our commercially responsible conduct that we are able to continue with our charitable mission.

On behalf of the Board thanks to the staff and volunteers of RSL Care SA, because not only are we eternally grateful for the fine work they do in providing care and support to our residents, our directors are continually inspired by the level of commitment that our staff and volunteers display both towards our organisation and towards each other. Thanks also must go to the members of our three Retirement Village Committees, who contribute much towards the effective management of the villages and to the quality of life for all our village residents.

My personal thanks to Jock Statton for willingly stepping in to fill a casual vacancy during a period where the history of the association was most important to RSL Care SA. His guidance and

support was especially appreciated by myself and fellow Board Members. Other Board Members who readily joined the Board at short notice include Geoff Tattersall, Robin Turner and Elizabeth Clare, who have all been integral supporters, with Geoff taking the leadership role of Deputy Chair.

I would like to make particular mention of Nathan Klinge, he is the glue of the organisation, he has implemented the Strategic Plan outcomes, he has built a staff capability that is recognised by many, without his belief, dedication and commitment to RSL Care SA we would not have achieved the successful results reported today.

And finally my thanks are extended to The Honourable Sir Eric Neal AC CVO as Patron of RSL Care SA and to our Life Members, I am grateful for the support that this esteemed group continues to show for our organisation.

Loretta Byers

Chair, RSL Care SA



CEO'S REPORT

Nathan Klinge



CEOs often describe the year that was as a year of 'consolidation', however as I reflect on the happenings of FY 16/17 it is readily apparent that consolidation is not a term that is particularly relevant. In fact, there is no segment of our organisation that looks the same today as it did 12 months ago, which is perhaps a sign of just how rapidly our industry is changing.

A significant highlight from the year was celebrating the 100th Anniversary of the War Veterans Home with a cocktail event attended by many residents, volunteers, staff and guests from the veteran and RSL Care SA community. A time capsule from the event was created and sealed which is due to be opened in 25 years time on the 24th March 2042.

Let me start with our Retirement Living Villages at Myrtle Bank, Marion and Glengowrie, which are all communities that continue to impress me with their vibrancy and connectedness. This year saw the appointment of our new Retirement Living Manager (Terri Woods) along with a change in the responsibilities of this position, enabling Terri to deliver a more targeted and responsive level of support to our villages than has been available in the past. This change has been very well received

by the residents of our respective villages, along with the Resident Committees. Our retirement village communities at Marion and Glengowrie have also benefited from a deliberate and considered renovation program, which has resonated well with the market and has seen our occupancies increase to levels that we have not experienced previously.

Demand for our residential care services also remains strong, and we have high occupancy rates at both the War Veterans Home and RSL Villas which demonstrates that our service offerings are well regarded. In her report the Chair has mentioned the significant refurbishment work that is being undertaken at both RSL Villas and the War Veterans Home, which will see us invest around \$6.5m to further ensure that our facilities offer the best possible amenity for our current and future residents and staff. We have also recently appointed a mental health expert (Kieran Turnbull, RN), who has taken the lead in managing our new Wellbeing Program that has replaced our previous Lifestyle Program. The new program has been purposefully designed to reflect the reality that a person's sense of wellbeing is multifactorial and not simply based in the realm of lifestyle participation, and it shows how we are continually responding to

CEO'S REPORT

the changing needs and expectations of the baby boomer generation as they enter aged care.

The veteran population of residents we serve through our two residential care facilities is also changing, and we have an increasing number of Vietnam veterans who now call RSL Care SA home. In fact, we now have 12 Vietnam veterans amongst our ranks in residential care (out of a total DVA population of 92 residents), and we only expect this number to increase in the coming years.

In this regard I am proud to report that RSL Care SA was honoured with a Better Practice Commendation Award from the Australian Aged Care Quality Agency, in recognition of our work with the Vietnam Veteran population through our Social Connectedness for Wellbeing program. This award recognises that mental health is an emerging social issue which does not discriminate a person's age. The emerging cohort of younger veterans and residents with significant mental health issues (including Post Traumatic Stress) residing with RSL Care SA, have been enabled to access support for their mental health that previously they either would not have accepted or at best experienced difficulty accessing. Through a structured and facilitated social program, the increased social connectedness of participants and their willingness to engage with each other in the residential care environment has resulted in significant and measurable improvements in their mental health outcomes. We are very proud of this award, and it demonstrates how our organisation goes well beyond simply complying with the requirements of legislation to instead invest in measurable

outcomes that improve the health and wellbeing of our residents.

Despite the significant challenges and changes of FY 16/17 one thing remains consistent for RSL Care SA, and that is our steadfast commitment to serve those who have served. We are a fiercely proud charitable organisation that supports the veteran community, and I am pleased to say that I can easily find evidence of this ethos spread throughout the ranks of our staff and volunteers.

In pursuing our mission beyond our own fence lines we have also deliberately sought to increase our engagement with the ex-service community, including with a number of very supportive and active RSL sub branches and also with a number of ex-service organisations outside of the RSL family, such as The Road Home (The Repat Foundation), Soldier On, Trojans Trek, and the Military Brotherhood MMC. RSL Care SA recognises that there is plenty of outstanding work occurring across the ESO community at present, and we are proud to be a part of this movement. At times we have also been able to provide financial support for specific events and activities that benefit the broader veteran community, and in 16/17 some of these have included:

- \$10,000 in support of Anzac Day 2017 (to help fund social events at Torrens Parade Ground)
- \$10,000 to Trojans Trek
- \$7,700 to support our Vietnam Veterans Social Program
- \$10,000 to the Road Home Wellbeing Program (in support of our Vietnam Veterans)



CEO'S REPORT

- \$250 to the Road Home Art Project
- \$2,500 for the reinternment service for Private Miller Mack
- \$500 in support of the RSL Tour Down Under Cycling Team
- \$1,000 to the Seacliff Surf Lifesaving Club (Remembrance)
- \$1,100 to support South Australia's ADF Services Golf Day
- Over \$100,000 spent in support of Andrew Russell Veteran Living
- \$1,200 to 7 RAR for their Welcome Home Parade/BBQ for their deployed troops and families
- \$1,200 to the RSL Womens' Sub Branch

In addition to the funds explained above, RSL Care SA has committed \$100,000 to support the RSL SA as they look to recover from their recent period of administration. We are a strong supporter of the RSL, and we look forward to working in conjunction with the State Board in the service of South Australia's veteran community.

As the Chair has done in her report, I would also like to acknowledge the continuing hard work and commitment of our staff and volunteers, and I thank them all for their dedication to our residents, our mission, and our organisation. Each and every day I see examples of how our staff and volunteers enrich the lives of not only our residents but also each other, and I am grateful for the opportunity that I have to be associated with such a fine group of individuals. I thank them all.

A key focus of ours over the past 12 months has been on the recruitment and retention of our staff, which has seen a significant reduction in the turnover of staff as well as a considerable reduction in our reliance upon agency personnel to fill our shifts. While both of these outcomes have positive financial implications for us, more importantly they generate better outcomes for our residents who consistently tell us that they prefer to interact with our own staff rather than with agency personnel.

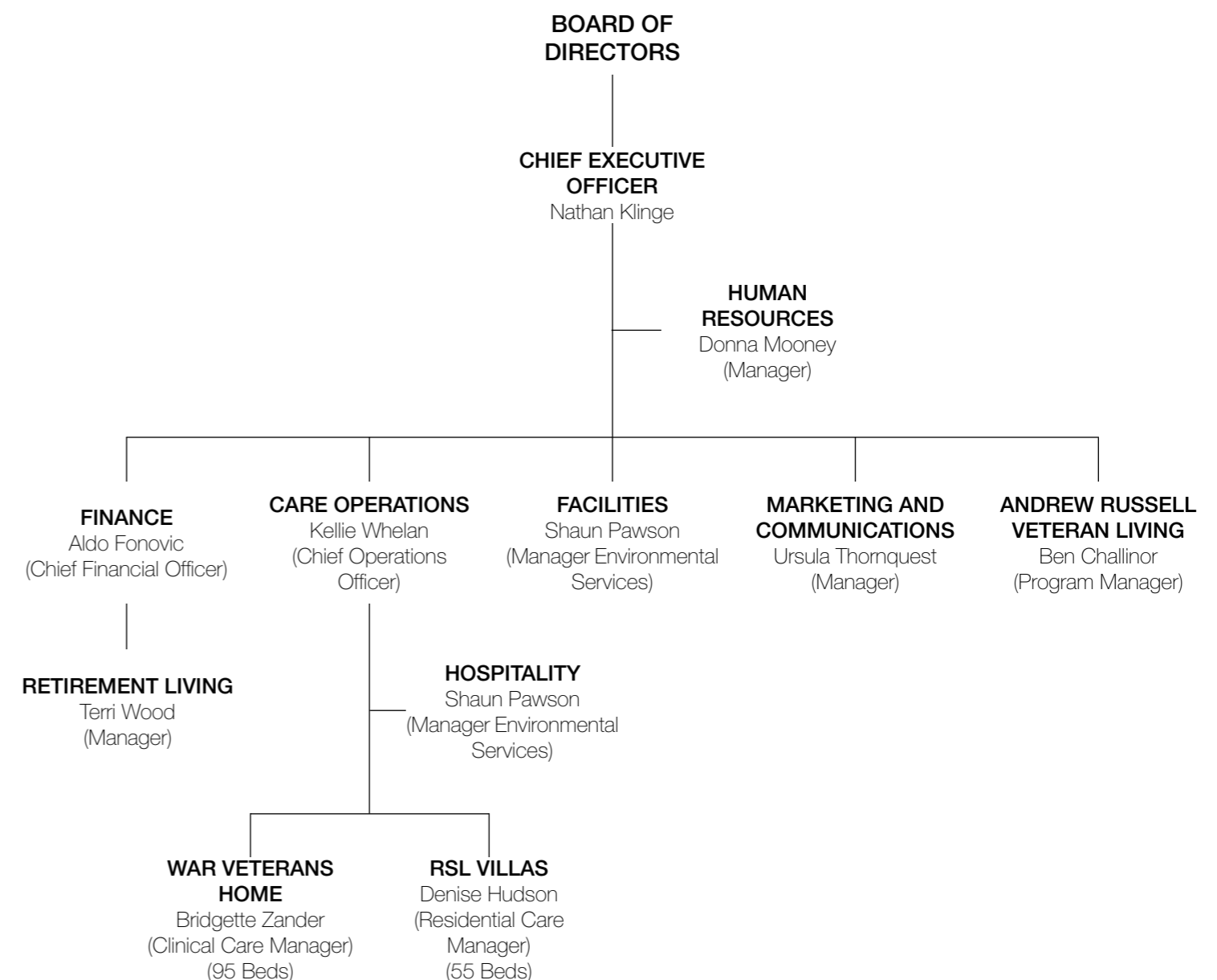
Looking forward then, over the next three years plans are in place for further growth initiatives of significance, and we continue to create and explore opportunities to advance the application of contemporary management, governance, and care practices in support of the veteran and broader community. Over the coming year we will continue to grow our affiliation with like-minded ESO organisations, including expanding our association with the various RSL Sub Branches that do so much good for and on behalf of the veteran community.

In closing I'd like to pass on my personal thanks to the Chair and Directors of RSL Care SA, who have endured much throughout the past 12 months and yet who have prevailed in what have at times been very challenging and demanding circumstances. Your commitment to RSL Care SA is exceptional.

Nathan Klinge

Chief Executive Officer

CORPORATE STRUCTURE



BOARD OF DIRECTORS



Loretta Byers (Chair)

Loretta Byers is well known as one of the retirement village industry's pioneers having experience in the nursing, gerontology and aged care industry, and more specifically over 25 years in the retirement village industry. In 2004 Loretta was awarded Life Membership of the Retirement Village Association for her services to the industry.

She held the position of Managing Director, Cooperative Retirement Services, where she was responsible for over 50 villages across Australia prior to her ownership of Village Care which she developed into a national management and marketing company working across all Australian States.

Loretta has served 9 years as a board member, Deputy Chair from 2013-2015 and appointed Chair in 2015.



Geoff Tattersall (Deputy Chair)

Geoff had a 37 year career in the public health system before taking up roles in the aged care sector culminating in his appointment as the inaugural CEO of RSL Care SA in 2011. Previous senior roles include: Deputy CEO/Chief Operating Officer, Masonic Homes; CEO, Repatriation General Hospital; Chief Finance Officer, SA Department of Health; CEO, Noarlunga Health Service; Executive roles at Women's and Children's Hospital initially as Chief Finance Officer followed by Assistant CEO (Corporate and Diagnostic Services); Director of Administration, Julia Farr Centre.

Concurrently to his civilian career he served 29 years in the Army Reserve as an Infantry Officer.

He has served on various not for profit boards and was recently appointed by the state Minister of Health as Presiding Officer of the Veterans Health Advisory Council.

He is an economics graduate of Flinders University, a Life Member and Fellow of the Australasian College of Health Service Management and a member of the AICD including participation in their Company Directors course.

BOARD OF DIRECTORS



Rob Hankins

Rob has had extensive experience as a CEO and board member in the human services sectors. He sees his role as that of a strategist and facilitator, combining the notion of 'risk and opportunity' while ensuring long term sustainability and growth.

He has successfully led and directed positive organisational change and development initiatives in many businesses. Having managed single entities and large complex groups, Rob understands the issues, challenges and critical success factors for an organisation to achieve its vision and mission. A strong, positive staff culture is just one of these.

More recently he focused on identifying and developing innovative services, designed to enable our older citizens to continue living as independently as they can, in the community where they choose to live. He has also sought to influence government policies and strategies in the aged care and housing sectors, both directly and through state and national industry bodies.

In stepping away from full time executive roles, Rob established his own consulting and advisory business. He is keen to use the knowledge and experience he has gained to assist organisations improve the services they provide to enhance the lives of our older citizens.



Robin Turner

In 1969 Robin was called up for National Service during which he served in South Vietnam in 1st Armoured Regiment. This was the genesis of his interest in veterans' wellbeing which has seen him on the Poppy Day Trust Board and that of RSL Care SA where he also serves on the Property Strategy Committee.

Robin employs about 40 staff in property sales and management with his company now in its 27th year. He has been recognised by his profession with two fellowships and is a Sir Robert Torrens Awardee, as well as being the longest serving president of REISA. The Attorney General has appointed him as an Assessor to the District Court which is a semi judicial role.



BOARD OF DIRECTORS



Elizabeth Clare

Elizabeth Clare is a communication consultant and project management adviser in the not for profit and SME sectors. She holds post graduate qualifications in communications, public relations and business management.

She was previously the General Manager, Property for the Masonic Homes and subsequently the Executive Director of the Mary Potter Foundation.

She served as a Director of the Bedford Group for 10 years and Chaired the Bedford property committee for eight years.

Elizabeth has been a Board member of RSL Care SA for five years.



Peter Kralj

Peter is the Managing Director of Cost Management Partnerships Pty Ltd, a Member of the Australian Institute of Project Management, current AIPM Representative on Construction Industry Forum and Past Chapter Councillor of the Australian Institute of Project Management.

Peter's main areas of interest are in the development of methodology processes and contract procedures to establish appropriate methods of facility procurement in the construction and infrastructure sectors.

Peter has served as an RSL Care SA Board Member for 12 years.



David White

David is a Chartered Accountant (BA, CA) with extensive exposure to a wide range of commercial issues in the operation and growth of a diverse range of corporates.

He has held senior financial positions with Zen Technologies, Valex Group, Minelab Electronics, Origin Energy, F H Faulding and Deloitte.

BOARD OF DIRECTORS



Jock Statton AM

Jock has held the position of Chairman, War Veterans Home (WVH), Myrtle Bank from 2008 to 2012 and then Inaugural Chairman, RSL Care SA, 2012 - 2013 (Formerly WVH).

Jock was a foundation member of the 9RAR SA Association, and was member and Deputy Chairman of the SA Veterans Advisory Council as well as Presiding Officer of the SA Veterans Health Advisory Council.

Jock has been awarded, Life Membership of The Returned & Services League of Australia; the RSL Meritorious Service Medal; Medal of the Order of Australia (OAM) 'for service to Veterans and their families, particularly through the South Australian Branch of The Returned & Service League of Australia'; was a South Australian Finalist in 'Senior Australian of the Year' in 2013 and was awarded, a Member of the Order of Australia (AM) 2013 'For significant service to the Veteran Community of South Australia'.



Julia Sweeney

Julia Sweeney is a senior partner in Fisher Jeffries' Corporate Group. Julia's principal area of practice is in aged care and retirement villages, together with providing corporate and commercial advice to corporations and associations, for profit and not for profit.

Julia has been an RSL Care SA Board member since 2009.



CARE OPERATIONS

Kellie Whelan

This year in the Operations Team has been one of ongoing change, as is becoming a constant within the aged care environment. Despite this ongoing change, we have also had a year of great accomplishments and recognition, thanks mostly to the work commenced by our previous Chief Operations Officer, David Walshaw, through the consolidation and improvements delivered over the preceding years under his leadership.

Better Practice Award

This year we were honoured to be awarded a Better Practice Commendation Award for the "Social Connectedness for Mental Wellbeing" program by the Australian Aged Care Quality Agency (Quality Agency). The program is better known to its participants as the Vietnam Veterans Social Group and has been meeting weekly at the War Veterans Home at Myrtle Bank since February of 2015.

The Quality Agency, through their Better Practice Award program, recognises and showcases organisations that succeed in moving beyond minimum levels of compliance to demonstrate innovative and inspirational aged care practice. These awards retain a clear focus on quality and safety for consumers. Of approximately 370 nominations across the nation for the Better Practice Awards, only 35 programs nationally were awarded this prestigious acknowledgement. Furthermore only 5 programs were awarded within South Australia. The "Mental Wellbeing" program captures permanent and respite residents living within all RSL Care SA's facilities as well as veterans on ward at Ward 17 Repatriation General Hospital,

veterans living in the wider community and veterans living at other residential aged care facilities. We are very grateful for the collaboration and partnership we have forged with Ward 17, to help in developing and supporting this program as a recognised strategy assisting veterans with their mental health. On 20 September 2017 we were very proud to host the Quality Agency to attend the War Veterans' Home, along with representative from Ward 17, where RSL Care SA was presented with the trophy and certificate to acknowledge the work of staff and participants in developing this program and for its ongoing success.



War Veterans Home 100th

Friday 24th March 2017 saw the War Veterans Home celebrate its 100th Anniversary. Colonel Stanley Price-Weir, Commander of the 10th Battalion AIF at Gallipoli, officially opened the Home on the 24th March 1917.

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A cocktail event was held at the Home to celebrate this significant achievement with residents, staff, volunteers and many guests from the veteran and defence community as well as providers and supporters of the Home.

Our Andrew Russell Veteran Living (ARVL) program was officially launched on the evening by Andrew's parents Bob and Jan, and is reported on in greater detail later in this report.



ACS Awards

The ACS Awards dinner was held once again this year on the 25 June and once again we had two nominees up for an award, John Dennis (OAM) who volunteers at the War Veterans Home in an untiring capacity won the Volunteer Award while Julie Chapman who is one of our Enrolled Nurses was a finalist for the Staff award. Both John and Julie were winners in our eyes even before they attended the awards night, because they both epitomise

the very things that RSL Care SA values most in its workforce, trust, pride, empathy, teamwork, resilience and respect. Their recognition was well deserved and celebrated by all of our staff.



Electronic Rostering

A major milestone over the past twelve months has been the transition from a manual rostering system to an electronic rostering system. While simple in concept this project required extensive training and pre-implementation set up of the rostering program, data entry of all employees rosters as well as parallel pay runs to identify any glitches in data input. This was a substantial collaboration between members of both the operations team and financial team to see this project come to fruition. Through the greater transparency of information now visible with the new system, rostering inconsistencies across the rostering period were quickly identified as well as the number of shifts that

CARE OPERATIONS

were not permanently allocated to employees. As a secondary improvement to this transition, we are now able to recruit to vacant shifts thereby reducing the usage of agency in a much more timely and planned approach, as well as adapt the roster on an ongoing basis to reflect the ever changing needs of our residents.

Commemorations

Commemorations of Anzac Day, Remembrance Day and Vietnam Veterans Day were again held at both sites to support residents and their families who served in the wars. The Dawn Service at the War Veterans Home site continues to be very popular not only with residents but also for members of the



wider community who are attending as their site of choice on this very important day in the veteran calendar. Many of our residents and families have also recognised the contribution our facilities have on their life, the relationships that are built with fellow residents and the connection to the environment

and surroundings of our facilities. As a result, several families have requested to have residents' memorial services held on the site they lived, where their friends and family are able to attend. We are humbled and honoured to provide this service and have now held two services at our War Veterans Home and one at our Villas site to assist all in the closing of a chapter for a fellow resident and loved-one. We will continue to meet this need requested of us by our community.

RSL Villas 20th Anniversary

Friday the 20th of January marked the 20th Anniversary of the RSL Villas. An afternoon tea was held where residents, guests and staff attended to celebrate the 20th birthday of the Villas, as well as two staff members who were recognised for their 20 years of service as they commenced working at the RSL Villas when it opened.

Redevelopment of RSL Villas

RSL Villas was constructed just over 20 years ago and was designed for residents who were relatively independent, mainly requiring only hotel service support with minimal nursing or clinical care services provided. Through the changes in aged care delivery over the past decade that lead to the reforms introduced in 2014, we have recognised the increasing frailty of our resident population, coupled with the shortened length of stay, and the need to redesign and refurbish the accommodation at RSL Villas. Over the past 12 months the redesign phase of the project has been finalised to remove kitchenettes and widen doorways which will better meet the needs of our incoming residents

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care needs. Through this opportunity, we are also increasing our facility at RSL Villas to 61 beds, from 55 beds. We are excited about the coming year of construction and refurbishment; the sod turning ceremony held on 4 October 2017 marking the commencement of works to this facility, scheduled for completion in November 2018.



The Year Ahead

Exciting times are expected over the next 12 months as we mature the wonderful initiatives that have been commenced, as well as look for further opportunities to develop and enhance the residential aged care services provided within RSL Care SA. Other key events scheduled for the upcoming financial year will be the re-accreditations of both of our facilities. We are well underway with the preparations for this process which is an opportunity to showcase our quality care. Notwithstanding these preparations, we continue to

undergo the annually scheduled unannounced assessment contacts from the Quality Agency which occur each financial year. Through these assessments, at both our sites last year, we have been successful in demonstrating our ongoing responsibility and accountability of achieving these levels of care and services on a daily basis.

Finally, the successful achievements of the past year are not possible without the commitment and dedication of all staff that provide care either directly or indirectly to our residents and their families. Only by our collective efforts can our organisation continue to achieve its objective of providing quality aged care services to its consumers. To the veteran and wider community and to our many supporters, we thank you for your support and faith in our organisation, and to our residents and families we thank you for the trust you place in our team of excellent health care professionals.

Kellie Whelan

Chief Operations Officer

ANDREW RUSSELL

Ben Challinor

VETERAN LIVING



The 2016/2017 year saw RSL Care SA take up the reigns and become the sole operator of South Australia's only veteran and ex-service person specific homelessness service. Since November 2015 the program was a collaborative effort, with the service being delivered in partnership with RSL SA, RSL LifeCare NSW and the Australian Lutheran College. RSL Care SA was the primary contributor to the program, then known as Homes for Heroes, from both a financial and operational support perspective. The veteran homelessness service was originally delivered as a pilot program in order to determine whether or not there was a need amongst the South Australian veteran community for such a service.

The pilot period, from November 2015 to March 2017, saw the delivery of accommodation and meal services to 49 veterans and ex-service persons experiencing homelessness, or at risk of experiencing homelessness, at the time of their entry into the program. On the weight of these numbers it was determined at the end of the pilot period that there was indeed a need for a veteran homelessness program here in South Australia, and after acknowledging the contributions of RSL LifeCare NSW and RSL SA, RSL Care SA has

taken up sole responsibility in meeting that need. RSL Care SA's 100th birthday celebrations in March saw the unveiling of our exclusively owned and operated veteran homelessness service, the Andrew Russell Veteran Living program.

Sergeant Andrew Robert Russell died of wounds received when his patrol vehicle struck an anti-tank mine on 16 February 2002 in Afghanistan where he was deployed with the Special Air Service Regiment (SASR). Sergeant Russell, from South Australia, was the first Australian casualty in a theatre of operations since the Vietnam War. At our 100th birthday celebrations Bob and Jan Russell, Andrew's parents who still reside within the state, were invited to cut the ribbon and officially open the Andrew Russell Veteran Living program, the program named in their son's honour.

In order to ensure the sustainability of the Andrew Russell Veteran Living (ARVL) program RSL Care SA committed to purchasing its own facility for the delivery of accommodation services to at-risk veterans and ex-service personnel. At the time of writing we have purchased a block of ten units within the City of Marion for this purpose. Numerous lessons have been learnt while utilising



Sergeant Andrew Russell

ANDREW RUSSELL VETERAN LIVING

the current, dormitory style accommodation located at the Australian Lutheran College and it has been determined that better outcomes for veterans experiencing homelessness would be achieved in a more independent style of accommodation, as provided by the units, which were purchased for \$1.65m. This significant investment affirms our commitment to eradicating veteran homelessness in South Australia. It is anticipated that the Andrew Russell Veteran Living program will be moved into its new home by the end of November 2017. To date the program has provided approximately 5,000 nights of subsidised accommodation and 15,000 meals.

Veteran homelessness is addressed in two parts by the Andrew Russell Veteran Living program, firstly through the provision of emergency, crisis and transitional accommodation, provided on a short term basis to assist veterans to 'get back on their feet' at the newly purchased units in the City of Marion. Secondly, the Andrew Russell Veteran Living program now manages RSL Care SA's Affordable Housing portfolio which provides longer term and affordable accommodation to vulnerable persons within the veteran and ex-service community of South Australia. Affordable housing is provided by RSL Care SA at Angle Park, Campbelltown and Wallaroo.

Ben Challinor

ARVL Program Manager

FINANCIAL PERFORMANCE

Aldo Fonovic

I am pleased to announce a solid operating result for 16/17 in a year that saw increasing complexity in the markets that we operate. The results we achieved in 16/17 further contribute to our sound financial position. We are justifiably proud to continue to contribute to the strong financial foundations that have been built over the last 100 years.

As always, financial results are important to any organisation to ensure long term sustainability and provide the needed funds to deliver our mission.

Our ability to grow our revenue in these complex times whilst managing our costs has enabled us to deliver an operating surplus from continuing operations of \$2.3m for 2016/2017.

This result reflects our prudent financial and operational management throughout 2016/2017 and the realisation of planned returns from strategic investments made in previous years. Our financial focus over the last two years has concentrated on finalising and delivering a number of key projects in retirement living and affordable housing that have produced positive financial returns above our operating surplus for RSL Care SA. We are now well positioned to seek out further strategic investment opportunities that will contribute to the delivery of our services to the Veteran community.

Key financial headlines to note for the year are as follows:

Operating results flowing to Profit and Loss

Total revenue rose to \$16.6m up 6% from last year. Notable one off contributions were the gain

on acquisition and integration of the Warmington Square housing portfolio and the gain on disposal of the Clovelly Park housing units. We were also the grateful recipients of a bequest from the Fleming Estate.

It is also pleasing to note that our Retirement Living portfolio year on year growth in settlements was \$600K. This excellent result reflects the expenditure in time and money that has been invested in improving our retirement villages for our current and future residents.

Returns from residential aged care remain in line with last year which is an encouraging result given the downward pressure being placed on our government funding, and the ever increasing compliance and statutory complexity surrounding the delivery of aged care.

There were both positive and negative variances on individual expenditure categories compared to last year however it is pleasing that total overall recurring expenditure for the year was only slightly higher than last year excluding one-time transactions. The overall increase in expenditure is largely driven by the extra expense incurred in staffing costs in aged care. These costs have been incurred as they directly reflect an increase in the care needs of our resident population.

Financial Position/Balance Sheet

Our financial position remains strong and continues to strengthen. We are well funded to identify and undertake strategic investment opportunities that

FINANCIAL PERFORMANCE

support our vulnerable populations and the broader veteran community.

Gross assets grew by \$3m or almost 3% and represents our ongoing commitment to invest in unit refurbishment at our smaller retirement villages.

The growth in cash on hand of \$4.9m or 20% continues the trend from last year. We are well placed to fund planned upgrades at both of our Aged Care sites and potential strategic investments.

Total liabilities increased \$1.3m or 1% due to new loans from residents in our retirement villages that has been partly offset by the retirement of the borrowings associated with the disposal of the Clovelly Park unit group.

Altruistic Objectives

Our affordable housing portfolio is valued at \$2.4m and we charge our 38 residents in this portfolio just enough to cover our costs.

We have also commenced and fund to the tune of \$100K towards "Andrew Russell Veteran Living" our homeless veteran program.

We continue to contribute and financially support different elements of the ex-service community including, Trojans Trek, The Road Home Foundation, RSL SA, and The Vietnam Veterans Social program, as well as providing support for various current and ex-service related initiatives.

Our efforts in the finance and administration area continue to focus on improving efficiency in line with continuous improvement expectations in aged care. Our ultimate goal is to provide better business

management information to assist Board, executive and line managers.

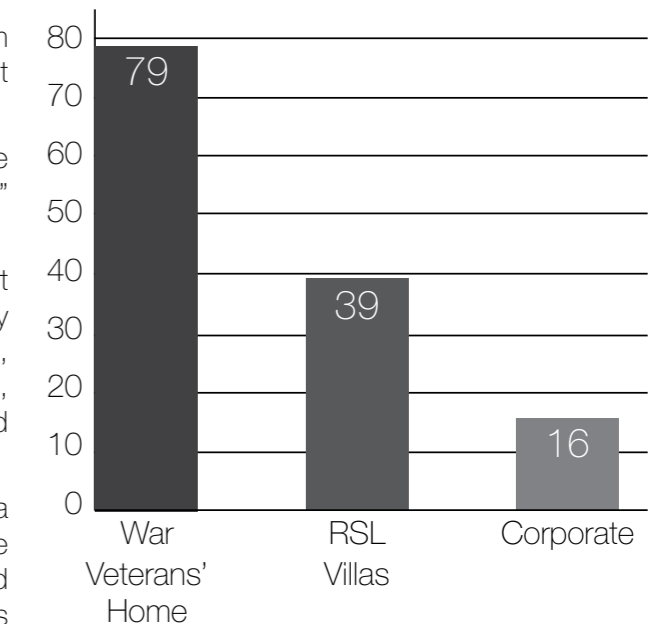
Finally I would like to take this opportunity to thank the finance and administration team for their ongoing efforts in delivering our services to our clients.

Aldo Fonovic

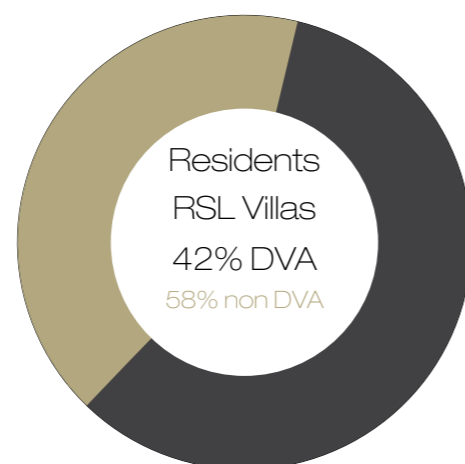
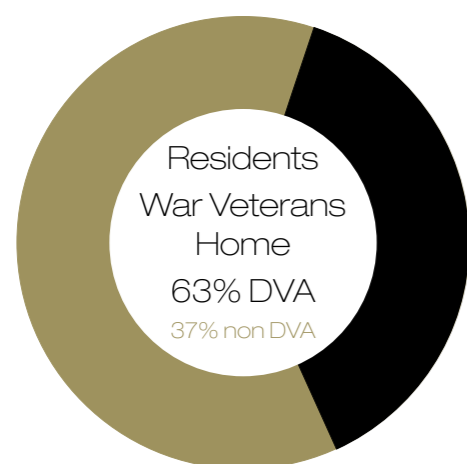
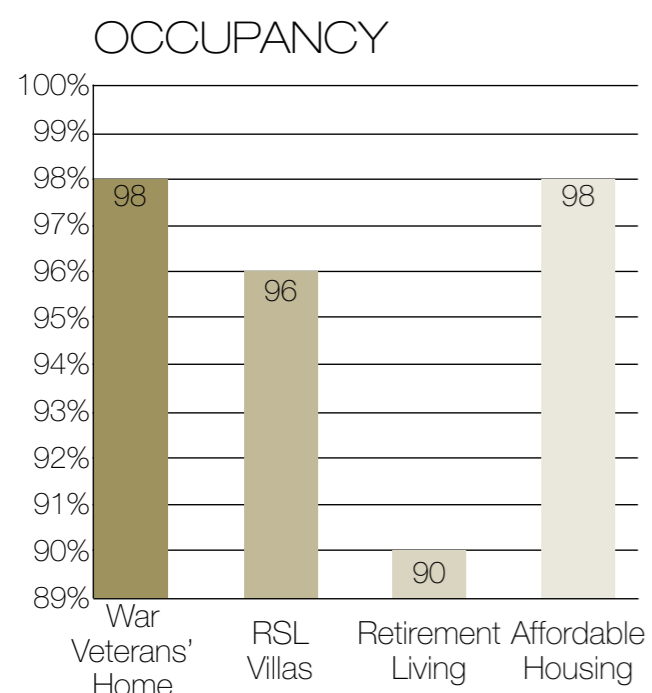
Chief Financial Officer

WORKFORCE - FTE

Excludes Agency



FINANCIAL PERFORMANCE



FINANCIAL PERFORMANCE

STATEMENT OF PROFIT AND LOSS

	2017	2016
TOTAL REVENUE	\$ 16,580,962	\$ 15,690,769
EXPENSES		
Salaries and employee benefits	\$ (9,955,368)	\$ (9,510,939)
Depreciation and amortisation	\$ (760,118)	\$ (826,951)
Other expenses	\$ (3,529,042)	\$ (3,087,585)
TOTAL EXPENSES	\$ (14,244,528)	\$ (13,425,475)
Surplus from continuing operations	\$ 2,336,434	\$ 2,265,294
Gain/loss on revaluation of property	-	\$ 276,266
Surplus for the year	\$ 2,336,434	\$ 2,541,560

STATEMENT OF FINANCIAL POSITION

	2017	2016
ASSETS		
Cash	\$ 29,347,589	\$ 24,437,099
Investment property	\$ 30,365,553	\$ 29,930,001
Property, plant and equipment	\$ 41,741,158	\$ 43,462,699
Other assets	\$ 4,862,961	\$ 5,546,368
TOTAL ASSETS	\$ 106,317,261	\$ 103,376,167
LIABILITIES		
Trade and other payables	\$ 955,784	\$ 1,015,945
Refundable loans due within 12 months	\$ 41,995,514	\$ 40,298,470
Other liabilities	\$ 1,765,950	\$ 2,798,173
TOTAL LIABILITIES	\$ 44,717,248	\$ 44,112,588
NET ASSETS	\$ 61,600,013	\$ 59,263,579
EQUITY		
Accumulated funds	\$ 47,735,231	\$ 45,409,221
Reserves	\$ 13,864,782	\$ 13,854,358
TOTAL EQUITY	\$ 61,600,013	\$ 59,263,579

FINANCIAL COMPLIANCE

RSL Care SA received an unqualified audit report from BDO Audit (SA). Full copies of our financial statements are available to Association members, current and prospective residents on request, and are also available on the Australian Charities and Not-for-profits Commission (ACNC) website.

ANDREW RUSSELL VETERAN LIVING



Jan and Bob Russell officially launch ARVL with RSL Care SA Chair Loretta Byers





RSL CARE SA

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