

# Inspiring Excellence in Healthcare





**Common acronyms included in this Report:**

<b>ACHS</b>	– The Australian Council on Healthcare Standards
<b>ACHSI</b>	– ACHS International
<b>ACSQHC</b>	– The Australian Commission on Safety and Quality in Health Care
<b>AHHA</b>	– Australian Healthcare and Hospitals Association
<b>ACIR</b>	– Australasian Clinical Indicator Report
<b>AMA</b>	– Australian Medical Association
<b>APHA</b>	– Australian Private Hospitals Association
<b>ART</b>	– Assessment Recording Tool
<b>EQulP</b>	– Evaluation and Quality Improvement Program
<b>EQulP6</b>	– the 6th edition of the ACHS Evaluation and Quality Improvement Program
<b>ISQua</b>	– The International Society for Quality in Health Care
<b>NSQHSS</b>	– National Safety and Quality Health Service Standards
<b>PIRT</b>	– Performance Indicator Reporting Tool
<b>QI</b>	– Quality Improvement
<b>RACGP</b>	– The Royal Australian College of General Practitioners
<b>SAC</b>	– State Advisory Committee
<b>EQulPNational</b>	– The EQulPNational program

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*ACHS reviewed and updated its  
Corporate Strategic Plan in March 2018,  
reconfirming its [future vision](#):*



## **Our Values**

Values are the essential foundation of our organisation. They describe what is important to us and frame how we work.

### **Working Together**

*We work with our stakeholders to achieve goals*

### **Accountability**

*We take responsibility for our performance*

### **Commitment**

*We are committed to fostering an innovative and outcomes driven culture*

### **Adaptability**

*Our flexibility enables us to adapt and embrace change*

### **Responsiveness**

*We are quick to respond to the needs of our members and the ever-changing health landscape*

### **Excellence**

*We strive for excellence in everything we do.*

## **Our Mission**

ACHS provides a partnership approach to continuous improvement tailored to the needs of individual services and health systems using its expertise in standards, accreditation, education and training.

## **Our Vision**

Our vision statement is focused on our core business. We aspire to excellence in all aspects of healthcare and want to inspire others to strive for excellence.

# **INSPIRING EXCELLENCE IN HEALTHCARE**

# STRATEGIC GOALS

Our Strategic Goals for the future continue to be:

## 1 Provide industry-leading customer service

To listen and be responsive to our customers' needs; tailoring our approaches to organisational maturity and progress against their improvement journeys.

## 2 Inspire individual and organisational performance

Inspire our organisation and our people to always be the best by ensuring our workplace celebrates and fosters creativity and innovation and, by providing strong leadership which creates a values-based organisational environment.

## 3 Expand and grow our business

Build our business reach by strategically seeking out new opportunities that foster national and international recognition.

## 4 Build strategic alliances and partnerships

Create strong partnerships and alliances that support collaboration and engagement and uphold, develop and build on our vision.

## 5 Ensure sustainability

Deliver an efficient and financially sustainable business model underpinned by high standards of accountability and quality assurance.

## 6 Share our knowledge

Empower our members and stakeholders to deliver quality healthcare by supporting learning and development, using data to create knowledge and, actively seek new opportunities to share information that drives improvement.

# OUR IDENTITY

A corporate overview

## Our History

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The Australian Council on Healthcare Standards (ACHS) is now into its fifth decade having celebrated its 45th anniversary in 2019.

Since its establishment in 1974, the ACHS has continued to be an independent, not-for-profit organisation dedicated to improving the quality of healthcare.

Over the past 10 years it has emerged as a global leader in healthcare standards and accreditation and is expanding this expertise into education, training and consultancy services.

## The Council

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The Council exists to support and direct Australia's largest healthcare accreditation agency.

- We support both the national accreditation system as well as developing our own accreditation programs, suitable for use in other countries than Australia.
- ACHS has an enviable reputation as an independent, healthcare accreditation provider currently exporting its successful program of accreditation to 17 countries.
- In 2018-19 there were 22 Council member organisations with 25 Council member representatives, drawn from peak bodies in the health industry, as well as representatives from governments, consumers and life members. ACHS is governed by a Board of Directors.

## ACHS Assessors

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ACHS is privileged to have the services of our assessors who enable us to deliver a strong accreditation program nationally and overseas.

- We currently have more than 430 assessors,
- ACHS invests in education and developing the assessors to build on their inherent strengths,
- The majority of our assessors continue to work in full-time roles as health professionals.

## Funding

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As a not-for-profit, ACHS is a company limited by guarantee, and as such is recognised by the Australian Charities and Not-for-profits Commission (ACNC). The majority of our funding is derived from membership fees.

Our education services attract a broad cross-section of the health community and this supplements our income streams.

## Partnerships

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ACHS continues its role as a leader in the Australian accreditation system.

- We work in a range of different partnerships that are either mutually supportive or jointly collaborative in nature.
- We aim to work across the healthcare industry and bring value to the different areas we support.

# OUR PERFORMANCE

## PRESIDENT AND CHIEF EXECUTIVE'S REPORT



***“Our commitment to excellence is what keeps us focused all the while the pace of change increases”***



ACHS has continued to build on its reputation as the premier healthcare accreditation provider in Australia, delivering other key services including education and training and the respected clinical indicator program.

Now in its 45th year, ACHS has met the challenges of a changing environment, meeting our member's needs and ensuring we stay ahead of the competition.

A large part of this financial year has been spent preparing for the transition to accrediting our members to the new National Quality and Safety Health Service (NSQHS) Standards second edition, introduced on 1 January 2019, and ensuring this was as smooth as possible.

### Governance

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Following the introduction of the new Constitution in 2017 the change in the Board make-up has settled with the inclusion of two-Board appointed positions and the reduction in overall Board member numbers from 11 to currently nine.

The ACHS Board Nominations Committee chose not to appoint the two Board-appointed positions following advertising the vacancies and interviewing candidates in March 2019.

The only office bearer position appointment made at the ACHS General Meeting on Thursday 22 November, 2018 was Dr Len Notaras AM who was re-elected as ACHS President. Through regular meetings with the CEO and Executive, the Board determines strategic directions.

### Strategic Alliances

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ACHS has carefully managed its reputation and profile through strategic alliances:

- Continues to have regular, planned high-level visits with all jurisdictions, as well as key members, private and public stakeholders, in Australia and overseas.
- Executed projects with selected partners to ensure models of accreditation are contemporary as well as best practice.
- Work with our partners to extend healthcare accreditation into other areas of Health.
- Ensure we communicate openly, clearly and frequently with our members and the industry with all available information and to act on sharing beneficial feedback and information.

## Achievements

Strategic projects undertaken included:

- The adoption of the Short Notice Accreditation Assessment Program (SNAAP) by our members continued with strong levels of support from the industry. The importance of this program as an alternative option from the 'event' mindset, allows members to demonstrate accreditation as an ongoing process.
- Confirmation of approval by the Australian Commission on Safety and Quality in Health Care (ACSQHC) to be qualified as an approved accrediting agency for the National Quality and Safety Health Service Standards second edition for 2019.
- Continue to review accreditation report formats and refine according to current Commission requirements.
- Maintain and grow market share in the domestic market.
- ACHS EQulP6 Residential Aged Care Standards were available to use for the first time in October 2018 for the international market.
- EQulP6 Modules for 'Recognition' as a pathway to accreditation were introduced for new international members in December 2018.
- Commenced a comprehensive review of EQulP6 in 2019.
- Introduce and grow the ACHSI 'Connect and Support' program to new international members.
- Continue to review alternative assessment methodologies for international markets.
- Collaboration with the Deeble Institute to produce an 'Evidence Brief' into 'Assessing the value of accreditation to health service organisations', published in May 2019.
- The review of the ACHSI Constitution commenced in June 2019 to ensure the wholly-owned subsidiary of ACHS reflects a suitable governance framework.

## Acknowledgements

Throughout every year there are numerous achievements that publicly mark the growing stature of ACHS, and then there are many achievements behind the scenes which may go unreported.

It is those small, seemingly minor day-to-day achievements which contribute so importantly to the overall success that we both wish to acknowledge here.

For five years I have been in a privileged position to be the CEO of a not-for-profit which has been an essential cornerstone of quality and safety in the Australian healthcare system for 45 years. I have been proud to see firsthand the 'behind-the-scenes' work which goes into managing our multitude of members, with varying, complex and sometimes challenging needs and ensure that they understand the requirements of the changing healthcare accreditation landscape, and also set the groundwork for future new developments.

I am immensely proud to have been so closely associated with the staff and assessors who have been responsible for progressively encouraging new undertakings that have expanded our reach with members and significantly underpinned our business.

Of all the highlights during my time with ACHS as CEO - and there have been many - I have been most impressed by the dedication and commitment to the organisation by its employees.

My sincere gratitude to all staff who have worked hard to ensure the small, everyday achievements assist us in continuing to meet our member's needs and to create one of the top healthcare accreditation provider organisations in the world. Our commitment to excellence is what keeps us focused all the while the pace of change increases.

On behalf of the Board of Directors, all ACHS staff and assessors are sincerely thanked for their efforts.

**This report shares their achievements and we commend it to you**



**Dr Christine Dennis**  
Chief Executive



**Professor Len Notaras AM**  
President  
Board of Directors



# 2018- HIGHLIGHTS 2019



Professor Bruce Barracrough AO, speaking at the ACHS Dinner



The ACHS stand at the IHI-BMJ International Conference, Melbourne



Lead Assessor forum, in March held in Melbourne



Assessors with AI robot in Townsville, November 2018



Some of our friendly and familiar assessors



Dr Christine Dennis speaking at the IHI-BMJ International Forum





State Advisory Committee meeting in July 2018, in Adelaide, SA



Liverpool Hospital, August 2018



RCA Workshop November 2018



Royal Far West Certificate Presentation, July 2018



Sunshine Coast University Hospital, September 2018



Bollywood lunch with ACHS staff, August 2018



Burnside Hospital receiving their accreditation, October 2018



# 2018- HIGHLIGHTS CONTINUED... 2019

ACHS adopts new language in July to reflect the imminent changes to how we conduct assessments (previously 'surveys') and our 'surveyors' become our Assessors.

The updated Clinical Indicator sets commencing data collection in 2018 included: Infection Control V5, Radiation Oncology v6 and Radiology v6. Other planned updates included: Day patient v6, Gastrointestinal Endoscopy v3, Hospital-Wide v13 and Mental Health v8.

Assessor Development Days continued to be held in July - August and State Advisory Committee meetings held in January and February, with a broad range of updates the most notable being NSQHS Standards second edition, and changes to the assessment procedures.

Following three successful years with two different Lead programs, the ACHS Improvement Academy refines the offering merging the two into one - the Quality Improvement Lead (QIL) program.

The 'Preparing for Assessment Workshop: transitioning to the NSQHS Standards Second edition' was the most popular workshop conducted by ACHS. A total of 1,840 individuals had done the course by 30 June with some custom workshops undertaken by specific sites in various states.

ACHS was delighted to be a strategic partner for the international health conference held in Australia in 2018. The IHI / BMJ International Forum on Quality and Safety was held in Melbourne from 10 – 12 September, with a host of international speakers. One of the key discussion areas was the benefits and misses of accreditation from three countries, with ACHS representing Australia.

The Grattan Institute released a report 'Safer Care Saves Money' which challenged the value of healthcare standards and current accreditation processes. ACHS distributed a media release reinforcing the value of accreditation, explaining that it is essentially a snapshot in time of what is continually taking place, promoting our work on the introduction of short notice accreditation surveys to change the status quo.

In order to qualify to assess to the NSQHS Standards second edition, all assessors were obliged to complete approximately 40 hours of dedicated online training developed by the ACSQHC before the end of November, 2018. In addition assessors were also required to complete a foundation course in Core Cultural Learning on Aboriginal and Torres Strait Islanders from the Australian Institute of Aboriginal and Torres Strait Islander Studies.

The Annual Dinner was held following the November Council meeting and AGM to celebrate the announcement of the QI winners, the Announcement of the ACHS Medallist and the formal launch of the *"Australasian Clinical Indicator Report – 19th edition 2010-2017"*. Recognition is also given to a number of long-serving and retiring assessors. A heartfelt and highly entertaining speech was given by Professor Bruce Barraclough AO reflecting on some of the most important decisions made on health in Canberra in the last few decades.

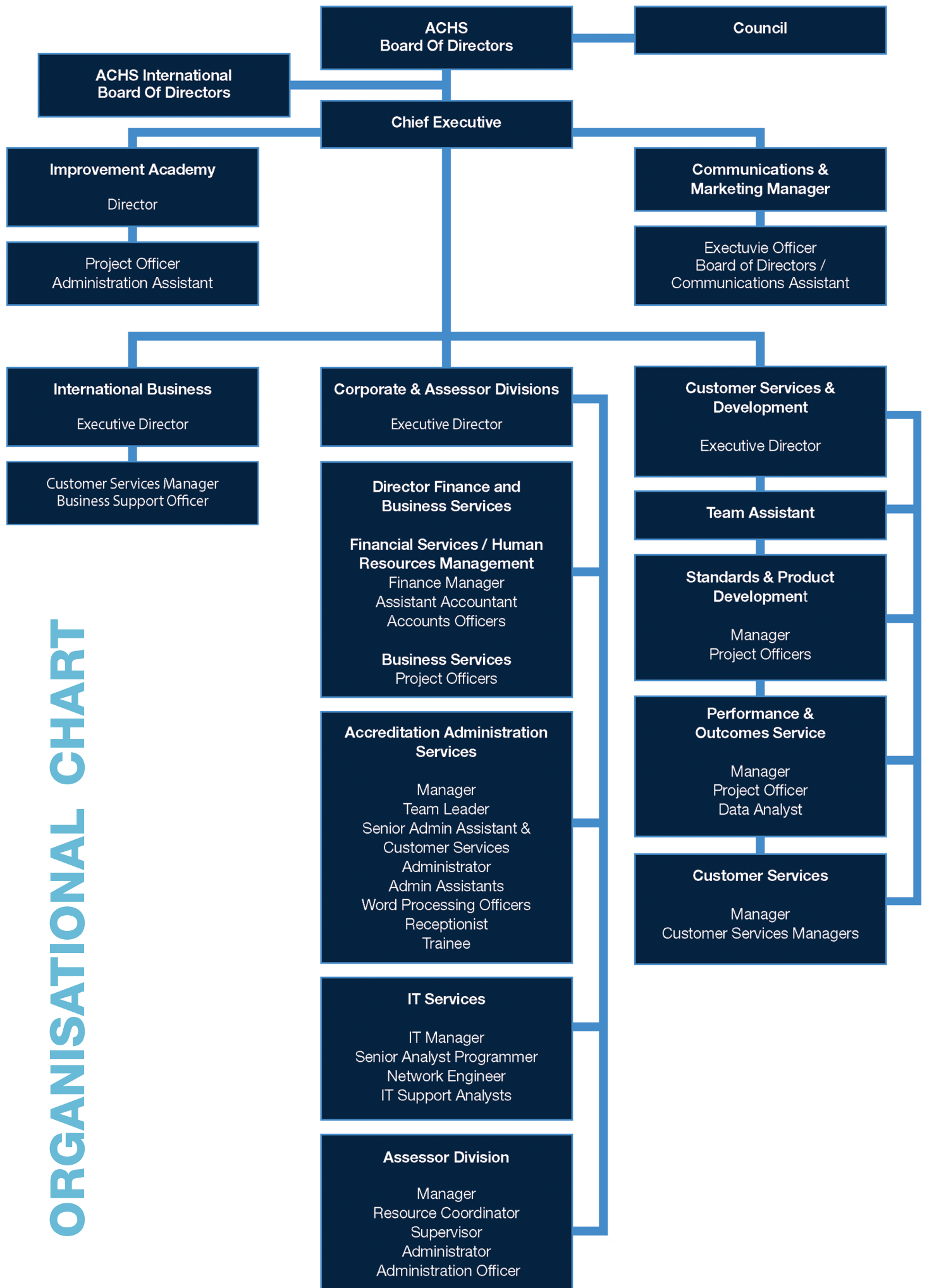
The start of 2019 marks the commencement of NSQHS Standards second edition, with a substantial increase in the scope of the standards from the first edition. ACHS updated all of our electronic tools and support services to facilitate a smooth changeover for members.

ACHSI welcomes our first Aged Care Services member, Qibao Nursing Home in mainland China to be accredited to EQulP6 for Aged Care Services, which was also chosen as a finalist in the 7th Eldercare Innovation Awards as part of the Ageing Asia Innovation Forum.

Fresenius Kidney Care undertake the ACHS EQulP6 Haemodialysis Centres programs with four new certificate presentations made in Taiwan in June.

Following the conclusion of a five-year contract ACHS CEO Dr Christine Dennis retires in mid 2019 and the ACHS Board seeks to recruit to the position.

# ORGANISATIONAL CHART



# OUR EXECUTIVE TEAM



## **Dr Christine Dennis**

*BA Nursing, MHSM, DBA,  
Adjunct Associate Professor,  
Faculty Health Sciences, Flinders  
University, SA, FCHSM, FAAQHC*

Christine has worked in the health industry since 1976, having commenced in nursing and progressed to leadership positions in nursing and then broader health service management. Recent positions have included CEO Southern Adelaide Local Health Network; Chief Operating Officer, Top End Health Service; and, acting CE Northern Territory Health. Christine's career has included many positions both within Health Services and in Health Departments. Christine also worked as Manager of the State Coroner's Office in SA and, has provided education and training consultancies to the Ministry of Health, Singapore. Areas of expertise include strategic and operational planning, quality and safety systems and organisational change. Christine was appointed to the role of CEO ACHS in July 2014 and finished in June 2019.



## **Dr Lena Low**

*PhD, MBA, Dip AICD, Dip VET, Dip  
TDD, FAICD, FAAQHC, AFACHSM*  
**Executive Director - Corporate  
and Assessor Divisions**

Dr Low has been involved in the health care industry since 1995 with involvement in strategic development and operationalising health care accreditation systems. Dr Low has responsibility for management of national and international corporate services and its 400+ assessors. This involves financial and information technology management, human resource management including assessors based in Australia and internationally, logistics for allocations of assessors, operationalising surveys and performance management. Dr Low is also a Board Director of two organisations and has previous experiences in the health care industry as interim Chief Executive Officer and Company Secretary and presents at national and international forums and conferences on safety, quality and accreditation.



## **Ms Linda O'Connor**

*BAppSc, Grad Dip (Med Ultrasound), MA  
(Org Com), AMS, CPHQ, GAICD, AMP*  
**Executive Director - Customer Services  
and Development**

Ms O'Connor has worked in healthcare for over 25 years in clinical, management and executive roles. Linda is a Board Certified Professional in Healthcare Quality and works closely with the ACSQHC and healthcare facilities to meet national accreditation requirements. Prior to ACHS, Linda worked in the senior management team of Harvard Medical International, between Boston and Dubai to establish the Center for Healthcare Planning and Quality, Dubai Healthcare City. She is a qualified ultrasonographer, and was a member of the Commonwealth BreastScreen Australia Accreditation Review Committee. Linda holds a Master's Degree in Organisational Communication, is a graduate of the Australian Institute of Company Directors (AICD), and a surveyor for ISQua. Linda is a member of the Harvard Club of Australia, and a graduate of the Harvard Business School Advanced Management Program.



## **Mr Michael Giuliano**

*BSc, MSc*  
**Executive Director -  
ACHS International**

Mr Giuliano joined ACHS in 2017 from St John of God Health Care in Melbourne where he led large organisational transformation programs. Michael has been a healthcare management consultant both in Perth and New York focusing on service commissioning and operational improvements for hospital providers. Michael has a Black Belt in Lean Six Sigma with a focus on healthcare. Michael holds a joint Master's degree from the London School of Economics & Political Science and the London School of Hygiene & Tropical Medicine with a focus on health system planning, policy, and financing. He has a Bachelor's degree from The Wharton School at the University of Pennsylvania. He has lived in South Korea as part of his undergraduate studies.

# ACHS MEDAL

The following citation was given on 22 November 2018

ACHS Citation 2018 – Winner –

**Mr Adrian Pennington**

*“The **ACHS Medal** is now in its 34th year and provides a valuable spotlight for encouraging personal performance and recognition in the health quality and safety arena. It continues to recognise an individual's outstanding contribution to the promotion of quality and safety in Australian health services.*

*The award is ACHS's highest award and tonight I can announce that the 26th recipient of the ACHS Medal is Adrian Pennington, Wide Bay Health Service.*

*“For outstanding achievement in maintaining a continuous quality improvement focus in health care delivery systems.”*

Adrian is the Chief Executive for the Wide Bay Hospital and Health Service (WBHHS) with a staff of 3600, and major hospitals in Maryborough, Hervey Bay and Bundaberg, seven rural hospitals and a health centre which services a population of more than 220,000 in the Wide Bay region in South East Queensland.

With more than 38 year's experience in healthcare in the UK and Australia, much at senior levels, Adrian is an innovator, a leader but most of all, passionate about patient care, his staff and the community. In 2012, he led the development of a new strategic plan for the newly formed Wide Bay Hospital and Health Service and proposed the plan's theme - **“Your Hospital, Your Say”**. The consultation process was so successful that



there was feedback from more than 1,000 members of the community and staff, many supporting the draft plan.

The plan was adopted and set the course for WBHHS to become one of the best performing Health Services in Queensland. Under Adrian's leadership, WBHHS has one of the lowest waiting lists in the state, has delivered a range of new services and in 2013 continued to operate during adverse conditions of one of Wide Bay's and Queensland's worst floods, resulting in the evacuation of Bundaberg Hospital.

Adrian is a respected leader with a passion for patient care, his staff and the community and is recognised by his peers and colleagues for his dedication to the continuous improvement of healthcare, regardless of his position.

He has more than 60 documents published, has presented overseas and has lectured for both Harvard and Stanford universities.

Adrian was awarded the National Healthcare CEO of the year award in March this year, as part of the Australian Healthcare Week Excellence Awards.

Adrian is unable to be here in the room tonight as he has his own awards night on tonight in Wide Bay. He did however send his message of thanks and gratitude to ACHS.”



# QUALITY IMPROVEMENT AWARDS

Two submissions were the tied winners in one of the three categories in the 21<sup>st</sup> annual ACHS Quality Improvement Awards announced in Sydney.

Melbourne Health VIC and Hunter New England Local Health District (HNELHD), NSW both tied, and along with Marie Stopes Australia and South Western Sydney Local Health District, NSW each took out an award, demonstrating their leadership status as innovators in different aspects of healthcare.

ACHS Executive Director of Customer Services and Development Ms Linda O'Connor presented the awards in three categories – **Clinical Excellence and Patient Safety**, **Non-Clinical Service Delivery** and **Healthcare Measurement**.

Melbourne Health VIC and Hunter New England Local Health District (HNELHD), NSW both won the **Clinical Excellence and Patient Safety Award** for their “*Think sepsis. Act fast*” and “*Police Ambulance Early Access to Mental Health Assessment VIA Tele health (PAEAM-HATH)*” submissions, respectively.

The **Non-Clinical Service Delivery Award** was won by Marie Stopes Australia for their ‘*Improving the patient experience*’.

South Western Sydney Local Health District, NSW took out the **Healthcare Measurement Award** for their ‘*PROMPT-Care: eHealth facilitating timely person-centred care to every cancer patient*’ submission created by the Liverpool Cancer Therapy Centre, Centre for Oncology Education and research Translation (CONCERT) Psycho-oncology Research Group.

The record number of entries this year demonstrated the widespread value attached to developing patient safety and quality projects in healthcare. Judges were very impressed both with the volume and quality of entries.

Each of the winners demonstrated an area of improvement in health and delivered a valuable project which shows measurable results impacting on patients or staff.

Judges also thought it was fitting that in the 21<sup>st</sup> year the challenges being undertaken are in mostly highly complex environments where the issue of safety could run second to other performance outcomes and results.

Judges were also impressed by efforts being made to bring about workable and effective solutions that would ultimately benefit patient care.

The QI Awards were presented at the Park Royal Hotel, Sydney.





Category: Clinical Excellence and Patient Safety. Joint winners: Melbourne Health, VIC ***'Think sepsis. Act fast'***



Category: Clinical Excellence and Patient Safety. Joint winners: Hunter New England Local Health District (HNELD), NSW ***'Police Ambulance Early Access to Mental Health Assessment via Tele-health'***



Category: Non-clinical Service Delivery. Winner: Marie Stopes Australia ***'Improving the patient experience'***



Category: Healthcare Measurement. Winner: South Western Sydney Local Health District, NSW ***'PROMPT-Care: eHealth facilitating timely person-centred care to every cancer patient'***



# ACHS INTERNATIONAL

As a wholly-owned subsidiary company, ACHS International continues to promote the Mission and Vision of ACHS globally. Our international presence now extends to 17 countries with more than 100 members and continues to grow throughout our four regional markets. We look forward to expanding our presence even further in 2019 with the development of ACHS International Middle East based in Dubai.

ACHS International continues to redefine itself in alignment with the overall ACHS Strategic Plan to ensure that we are constantly flexible and agile in response to our various member needs and changing challenges of multiple complex international healthcare systems.

To deliver on our strategy, ACHS International has organised its services into four key categories – Quality Programs, Performance and Outcomes, Education and Global Consulting. As there is no ‘one size fits all’ approach to continuous patient safety and quality improvement, ACHS International understands that we must constantly innovate to offer a wide range of offerings and support for our members to address healthcare challenges.

We look forward to partnering with our current and new members to support advancements and improvements in global patient safety and quality.



## Middle East Region

Saudi Arabia, United Arab Emirates, Oman, Qatar, Bahrain

### LOCAL HIGHLIGHT

ACHS International Middle East subsidiary is approved and undergoing business registration in Dubai

Expansion throughout the Middle East region continues as large government initiatives such as Saudi Arabia’s Vision 2030 and Qatar’s licensing and accreditation program are implemented. With a growing assessor base in the region, the ACHS International brand and scope of offerings continues to increase in recognition and as a viable alternative to other providers.

## Southeast Asia Region

Singapore, Malaysia, Indonesia, Vietnam, Philippines

### LOCAL HIGHLIGHT

ACHS International adds Peacehaven Nursing Home as its first Aged Care Services member in Singapore

ACHS International has partnered with KARS (Komisi Akreditasi Rumah Sakit) Indonesia to develop the world’s first combined dual accreditation program. The intention of this program is to offer Indonesian hospitals with a streamlined and more cost-effective approach to receive two accreditations (one from a national and one from an international provider) from different IEEA accredited organisations. ACHS International continues to partner with other organisations throughout the region to develop new innovative products and expand services to support ongoing improvement activities.

## Central and South Asia Region

India and Sri Lanka

### LOCAL HIGHLIGHT

ACHS International continues expansion throughout Sri Lanka to support the country’s private healthcare sector

We welcome the continued membership from Hemas Hospitals and the expansion of Asiri Hospitals with ACHS International. Through our local Sri Lankan trainee assessors we are now able to offer more opportunities to build an experienced assessor base to better service the healthcare improvement needs of more hospitals and organisations in Sri Lanka.



## East Asia Region

China (Mainland, Macau, Hong Kong), Japan, Taiwan



Dr Christine Dennis signs memorandum of understanding with local Chinese partners during the NIHA Conference

### LOCAL HIGHLIGHT

**ACHS International looks to Mainland China expansion with local partners**

ACHS International has expanded rapidly in this region with increasing membership of clinics, day procedure centres, and hospitals across China with increasing focus on the Mainland. Our relationship with the Hong Kong Hospital Authority and Private Hospital Association continues as we support assessors and organisations on their journey of continuous quality improvement. The EQuIP Aged Care Services standards are of increasing importance in this region with the strain of ageing populations impacting healthcare services in many countries. Partnerships with organisations such as the Joint Commission Taiwan are also allowing ACHS International to develop innovative new programs such as the Safe Healthcare Environment Advisory Program (SHEAP) to offer additional practical services to global healthcare organisations to improve safety.



Dr Lena Low and Michael Giuliano with staff from Canossa Hospital, Hong Kong

## HIGHLIGHTS

- Development and launch of the EQuIP Recognition program
- Continued expansion of accreditation through Fresenius Kidney Care Asia Pacific
- Development of the ACHS International Middle East subsidiary based in Dubai
- Peacehaven Nursing Home joins as first Aged Care Services member in Singapore
- Delivery of the Annual Development Program to our Hong Kong assessors
- Delivery of the Assessor Competency Training Program to new trainees in Dubai
- Introduction of application process for ACHS International consultants and educators
- Participation in various conferences and speeches throughout Middle East and Asia
- Development of joint accreditation programs with KARS Indonesia
- Development of joint program (Safe Healthcare Environment Advisory Program) with the Joint Commission Taiwan.

# CUSTOMER SERVICES AND DEVELOPMENT

## Customer Services

The Customer Services Managers (CSMs) are responsible for contract management of all National accreditation contracts. The CSMs are also responsible for customer support, advising and supporting ACHS members and assessors in the implementation of accreditation programs. This support includes providing advice via telephone, email and onsite visits. Support and advice is provided to members and assessors throughout the entire accreditation process.

CSMs participate with stakeholders in activities that promote ACHS products and services. This year ACHS has had a key focus on the dissemination of information to our member organisations regarding the implementation of the National Safety and Quality Health Service (NSQHS) Standards second edition and the revised Scheme.

### *Key Achievements 2018-2019*

- Awarded Country Health South Australia tender (six Regions) for the next six years
- National contract for Little Company of Mary Health Care Ltd (Calvary Hospitals)
- New customer service initiative; Introduction to ACHS Accreditation Programs and Processes webinars.

## Standards and Product Development

Standards and Product Development (SPD) is responsible for the generation and maintenance of ACHS quality improvement programs including EQulP6, EQulP6 Day Procedure Centres, EQulP6 Healthcare Support Services, and specialist standards for oral health, aged care, primary care and haemodialysis centres. ACHS also develops associated resources and specialist publications to support these programs.

In addition to the maintenance of existing programs, ACHS develops new products including a program to recognise high performance in a healthcare organisation's system or service. SPD also collaborates with national and international organisations to develop specialised healthcare programs including EQulP6 Hong Kong, EQulP6 Oral Health, EQulP6 Aged Care Services, EQulP6 Primary Care Services and EQulP6 Haemodialysis Centres for the international market. ACHS works in consultation with key internal and external stakeholders to ensure program development reflects current health priorities and contemporary best practice.

SPD coordinates the annual Quality Improvement (QI) Awards, which acknowledge and encourage outstanding quality improvement activities, programs or strategies that have been implemented in healthcare organisations.



## Key Achievements 2018 – 2019

### • EQulP6 Primary Care Services

The development of the EQulP6 Primary Care Services program commenced early 2019 and will be implemented internationally in January 2020.

The 1st edition of the Australian Council on Healthcare Standards' (ACHS) Evaluation and Quality Improvement Program (EQulP) for primary care services, is based on EQulP 6th edition core Standards. The EQulP6 program was subject to further consultation from a number of primary care specialists, including allied health specialists, quality managers, general practitioners, and nurses in primary care services. In addition, a number of ACHS assessors contributed to the program content. The generous response of time and expertise provided to develop this program is indicative of the esteem held within the health industry for ACHS.

### • EQulP6 Modules

SPD have prepared a series of modules derived from the EQulP6 standards. There are ten modules, each providing a tool to assist healthcare organisations to focus on a specific high-risk area. Each module brings together elements from various criteria across the EQulP6 standards to give a holistic view of the theme. The Modules have been developed for use as a Thematic Periodic Review and for the new Recognition Award for the international market.

*The available EQulP Modules are:*

- Organisational Governance
- Infection Control
- Health Record Documentation, Security & Storage
- Surgical Safety
- Assessment and Care Planning
- Medication Management
- Appropriate and Effective Care
- Clinical Handover and Discharge of Patients
- Risk and Incident Management
- Complaints Management

## Performance and Outcomes

The Performance and Outcomes Service (POS) has been responsible for the ACHS Clinical Indicator Program since 1989. More than 656 healthcare organisations currently submit data for a range of Clinical Indicators every six months via the web-based Performance Indicator Reporting Tool (PIRT). In 2018 - 2019, ACHS provided healthcare organisations with 332 Clinical Indicators across 20 Clinical Indicator sets. It is the most comprehensive program of its kind in Australia. Customised reporting of data allows single healthcare organisations or groups to compare their own performance to National, State and Territory aggregates. ACHS Clinical Indicators are developed by multidisciplinary working parties comprised of practising clinicians of relevant Australian and New Zealand medical and nursing colleges, associations and societies, consumer representatives, statisticians and ACHS staff. Clinical Indicator sets are regularly reviewed to ensure that they are relevant for clinicians, that they continue to reflect today's healthcare environment, that there is a consensus on collection and reporting requirements and that the set is regarded as useful for quality improvement.

*Key achievements 2018 - 2019:*

- Publication of the *Australasian Clinical Indicator Report 2010 - 2017, 19th edition*
- Data collection commenced for two updated Clinical Indicator sets including Day Patient (version 6) and Gastrointestinal Endoscopy (version 3)



## Standards Committee

The Standards Committee is a permanent standing sub-committee of the ACHS Board with a pivotal role in guiding and refining development of new ACHS standards and programs and reviewing proposed changes to existing ACHS standards. The committee reports its recommendations directly to the ACHS Board.

The Standards Committee has broad representation from across the health care sector, including members with experience as ACHS assessors. Committee membership is drawn from both the public and private sectors and includes clinicians, consumers, senior health administrators, allied health professionals and quality managers.

The current membership also includes representatives from New Zealand and Hong Kong, both jurisdictions which implement ACHS EQulP standards.

Chair of the committee during the period 2018-2019 was Dr Philip Hoyle, who has served on the committee since 2002. Committee membership also includes the President of the ACHS and the ACHS Chief Executive Officer. The Standards Committee is administered by the ACHS Standards and Products Development Unit, led by the Executive Director-Customer Services and Development. A major focus for the Standards Committee during 2018-2019 was the development of the EQulP6.

NAME	ORGANISATION	REPRESENTATION
Ms Margo Carberry	Community Health Manager, Hunter New England Health, NSW	Rural / Public Sector / Allied Health / Community Health / ACHS surveyor
Ms Cathy Cummings	Managing Director, DAA Group Ltd (Designated Audit Agency), NZ	DAA / New Zealand
Dr Christine Dennis	Chief Executive ACHS	ex-officio
Ms Helen Dowling	Project Manager, Pharmacy at Royal North Shore Hospital; Pharmacist Consultant, eHealth & Medication Safety, Australian Commission on Safety and Quality in Health Care	Regional / Public Sector / Allied Health / ACHS Councillor / ACHS surveyor
Associate Prof Brett Emmerson	Executive Director, Division of Mental Health Services, Royal Brisbane & Women's Hospital & Health Service, QLD	Mental Health / Public Sector / ACHS Councillor / ACHS surveyor
Dr Philip Hoyle (Chair)	Director of Medical Services, Royal North Shore Hospital, NSW	Clinician / Public Sector / ACHS surveyor
Ms Cathy Jones	National Manager Quality & Compliance, Healthscope, Vic	Private Sector
Ms Joanne Levin	Chief Executive, Belmont Private Hospital, NSW	Private Sector
Adjunct Associate Prof Karen J Linegar	Executive Director of Nursing and Midwifery, North West Area Health Service, Tas	Nursing / Public Sector
Ms Manbo Man	Co-Chairman - Hong Kong Representative, Nursing Director Hong Kong Sanatorium & Hospital, HK	Hong Kong Private Sector
Prof Len Notaras AM (ACHS President)	Chief Executive Officer, Northern Territory Department of Health	ex-officio
Dr Fei Chau PANG	Hospital Chief Executive, Grantham Hospital, HK	Hong Kong Public Sector
Ms Samantha Sanders	Chief Risk and Clinical Governance Officer, Icon Cancer Care	Day Hospitals Australia
Mr Stephen Walker	Chief Executive St Andrew's Hospital, SA	Administration / Private Sector / ACHS Councillor
Ms Patricia Warn	Consumers' Health Forum, NSW	Consumer Representative



# CORPORATE AND ASSESSOR DIVISIONS

## Accreditation Administration

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The core function of the Accreditation Administration Division (AAD) is to provide administrative support to the Customer Services Unit and other units of ACHS as required. The AAD also provides support services to member organisations and assessors to ensure the success of all accreditation programs offered by ACHS.

The AAD monitors survey report turnaround times on an ongoing basis to ensure customer satisfaction and compliance with the requirements of the Australian Commission on Safety and Quality in Health Care.

The AAD has responsibility for ensuring the timely renewal of memberships, as well as processing monthly invoicing for membership fees, and is responsible for the management of the Customer Relationship Management (CRM) database.

AAD also provides support for Accreditation Consultancies, ensuring that the consultancy report is firewalled in the CRM.

In addition, AAD participates in the review of business processes at both management and staff levels.

## Business Services

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Business Services Division (BSD) is the repository of the ACHS accreditation data, and it collaborates with various departments and university research partners on a variety of projects. The BSD is responsible for data extraction, data cleaning and reporting on the data trends to stakeholders, jurisdictions, members and assessors.

BSD provides user support to all ACHS domestic and international members, assessors and staff in relation to the accreditation Assessment Recording Tool (ART), Electronic Assessment Tool (EAT) and the in-house Customer Relationship Management (CRM) system.

The ACHS premises, as well as the assets therein, are maintained by BSD.

Assessor and Lead Assessor Forums are mandatory training days held annually to ensure currency of knowledge of the assessors. This training is required as part of the reappointment process of the Assessor Division. These days are also structured to provide an opportunity for skills development; additionally, they provide the opportunity for dialogue and peer support between assessors. The BSD is responsible for the management of these events.

State Advisory Committee (SAC) meetings are held every six months in each state via face-to-face meetings and/or teleconference. The role of the SAC is to provide a forum for increasing the engagement, as well as the dissemination of information between the ACHS and its stakeholders. The SAC meetings are vital for the ACHS to enable it to be informed of and address the issues that impact stakeholders in their local environment. The BSD is responsible for all aspects of organisation for these meetings as well as the regulation of appointments and re-appointments and measuring performance of the committees against a set of agreed key performance indicators.

## Finance and Human Resources

The two main functions of this Division are the management of finance and the management of human resources.

- Finance is responsible for the accounting, budgeting, financial reporting and providing accurate/timely information to support management decision-making. The Finance Division works closely with all stakeholders to ensure financial performance are to budget, and there are sufficient controls in place to minimise potential financial risks.
- Human Resources Management (HRM) of which, the overarching functions include:
  - ensuring efficient human resource information systems,
  - administration of policies, programs and practices,
  - developing and utilising a strategic approach to human resources,
  - monitoring compliance with legal requirements as well as administering awards and management of corporate wellness
  - workplace health and safety including the Employee Assistance Program and health promotion programs such as free influenza injections for staff as well as ergonomics audits.

## Information Technology

The Information Technology (IT) Division is responsible for the provision of technology and telecommunication services to ACHS staff and assessors, member organisations and non-members.

IT governance has responsibility for the strategic alignment between the goals and objectives of the business and the effective utilisation of its IT resources to achieve the desired results. ACHS is committed to providing technology related business solutions and systems integration in line with industry best practice and consistent with the strategic direction of the organisation.

IT has responsibility for the following high-level activities:

- In-house application development and maintenance of software tools to support our unique information processing requirements
- System lifecycle management to ensure ACHS technology requirements are resilient, maintainable and secure
- Identity Management to ensure data assets are protected and made available to people and organisations following the least privilege paradigm
- Disaster recovery and business continuity planning to ensure ACHS maintains services in the event of system failure or physical displacement
- Major projects achieved in this financial year as per our IT business plan:
  - Development of a new Assessment Reporting Tool (ART2) to support the collection, assessment and reporting for National Safety and Quality Health Service Standards Second Edition
  - Implementation of new video conferencing service to assist in the efficient and cost-effective delivery of information to members, clients and assessors
  - Technology refresh of in-house print services.

## Assessor Division

The Assessor Division has responsibility for selecting appropriate teams for on-site assessments both domestically and internationally to ensure the credibility of the ACHS accreditation programs and the satisfaction of its members. In addition, this division is responsible for ensuring assessors are kept up-to-date with the latest information via a dedicated newsletter and regular updates for the assessor section of the ACHS website. Face-to-face education is provided at an annual assessor Forum covering the various states and additionally for Lead Assessors at a separate annual Lead Assessor Forum. The Forums are structured to provide an opportunity for skills development and for dialogue and peer support between assessors with further education provided via eLearning webinars and quarterly mandatory competency quizzes.

The Assessor Division also provides training for newly recruited assessors as required using a mixture of didactic and interactive learning. The sessions are structured to provide a simulated version of the assessors' environment and are presented by experienced ACHS staff and Lead Assessors with the next planned program scheduled for July 2019.

The Assessor Division also has responsibility for monitoring assessor involvement in new developments. This year has seen a concerted effort in preparing our assessors for the changes to the National Safety and Quality Health Service Standards due in 2019 with the implementation of the second edition standards.

The Division also monitors the performance of both Australia and International level Assessors on an ongoing basis to ensure customer satisfaction, compliance with the requirements of the Australian Commission on Safety and Quality in Healthcare and accreditation by The International Society for Quality in Healthcare (ISQua). A revised system for this process is gradually being implemented.

More than 90% of ACHS Australia-based assessors have registered for the NSQHS Standards Overview Course and Aboriginal and Torres Strait Islander cultural competency modules to be certified to assess to the NSQHS Standards second edition.

## Assessor Acknowledgments - Resignations Year 2018 – 2019

SALUTATION	FIRST NAME	LAST NAME	JOINED	LAST ASSESSMENT	TOTAL ASSESSMENTS	TOTAL ASSESSOR DAYS	YEARS AS AN ASSESSOR
Ms	Pauline	Brandon	2013	22/03/2017	7	25	5
Mr	Benjamin	Gardiner	2013	14/05/2018	7	25	5
Dr	Susan	Buchanan	2003	13/11/2017	51	157	15
Ms	Mircalla	Kolinac	2012	16/11/2015	3	13	6
Dr	Alison	Maclean	2010	23/10/2017	17	76	8
Mr	David	Poon	1999	22/05/2017	32	111	19
Dr	James	Sweeney	2015	8/10/2018	9	28	3
Ass Prof	Melinda	Truesdale	2010	19/03/2018	8	31	8
Ms	Margaret	Turner	2012	12/11/2018	29	97	6
Ms	Valerie	Smith	1999	30/07/2018	124	355	19
Ass Prof	Peter	Kendall	1996	12/3/2018	71	317	22
Mr	Graeme	Houghton	1997	10/7/2018	82	210	21
Dr	Winton	Barnes	1996	8/10/2018	67	219	22
Mrs	Maryann	McBean	2010	17/10/2016	10	23	8
Ms	Dianna	Kenrick	1996	2/09/2014	75	190	23
Mr	Trevor	Sanders	1998	31/10/2017	36	66	21
Mr	Darren	Carr	2011	28/03/2017	6	17	8
Mrs	Lorri	Bruun	2008	27/11/2018	23	61	10
Dr	Jacky	Flynn	1997	24/11/2016	94	300	22
Ms	Penelope	Thompson	2002	27/08/2018	45	127	17
Ms	Cheryl	Burns	2008	29/10/2018	43	131	12
Dr	Elizabeth	Barrett	2011	12/11/2019	19	62	8
Ms	Lee	Fairley	2009	7/03/2017	30	82	10
Dr	Kevin	Sesnan	1997	16/10/2017	41	120	22
Associate Professor	Melinda	Truesdale	2010	19/03/2018	8	32	9
Dr	Maxwell	Alexander	2010	12/11/2018	8	37	9
Mr	Gary	Colley	2012	26/11/2019	25	103	7
Mr	David	Plunkett	2009	13/11/2017	13	40	10
Mrs	Maria	Stickland	1995	14/05/2018	206	484	24
Mr	Peter	Williams	2013	6/03/2019	12	42	6
Ms	Tania	Hobson	2016	30/10/2017	3	13	3

# IMPROVEMENT ACADEMY

The Improvement Academy (Academy) continues to provide highly-regarded contemporary training programs that meet the needs of a dynamic and complex healthcare system.

The Academy uses the Kaiser Permanente curriculum framework designing courses for Lead; Practitioner and Foundation Level clinicians and managers.

## Lead Level

Following three years of success with the Quality Improvement and Patient Safety Lead training programs the Improvement Academy (IA) has refined this offering. Evaluation of both programs has now allowed us to offer the Australian health system a reworked program which includes both key concepts and principles of quality improvement and patient safety. This program also includes key clinical governance concepts from the NSQHS Standards second edition with a particular focus on: consumer engagement, National Model Clinical Governance Framework and the new assessment framework, process, improvement, consumer, monitoring, reported, systems (PICMoRS).



Quality Improvement Lead  
enhancing patient safety

This new offering is now called the Quality Improvement Lead Training Program enhancing patient safety (QIL).

It has been designed for senior staff within healthcare organisations who lead quality improvement and patient safety activities including: patient-based care and co-design; reducing patient harm; improving outcomes, efficiency and access to services; and those who need to design new models of care particularly for chronic and complex disease management across continuums of care. The Academy has run 5 QIL Training Programs during the annual period. Two programs were open to any health care professional across Australia who wanted to attend. They were held in Brisbane and Melbourne. The Academy also provided 3 QIL Training programs for specific health organisations who were seeking to quickly build the improvement capability of frontline clinical teams.

These organisations were:

- Austin Health, Central Adelaide Local Health Network and Women's and Children's Health Network SA
- Austin Health, Quality Improvement Lead program graduates, December 2018
- CALHN, Clinical Practice Improvement Lead Program participants, 2019
- Melbourne PSL and QIL Program graduates, April 2019

## Masterclass

The Academy delivered a number of Masterclasses for Boards and Executives relating to the National Model Clinical Governance Framework, (which was released by the Australian Commission on Safety and Quality in Health Care [ACSQHC] in 2017). The Masterclass also addressed the legal and governance responsibilities for quality and safety in healthcare.

## RCA

The 'Root Cause Analysis' (RCA) one day program proved to be in high demand. The Academy delivered 32 workshops (breakdown for workshops by jurisdictions is in table on the adjacent page). A total of 762 participants attended these workshops with all jurisdictions represented at the workshops.

## NSQHS Standards (Second Edition)

### Assessment to the NSQHS Standards Second Edition

In response to the National Safety and Quality Health Service (NSQHS) Standards developed by the ACSQHC, the Academy launched its new offering of **NSQHS Standards (second edition): Planning for Success**.

This new workshop has been in high demand with 67 workshops held in NSW, QLD, SA, VIC and WA. Attendees came from all jurisdictions across Australia.

A total of 1,840 health care professionals attended workshops for organisations across all States and Territories. The primary aim of the workshop is to inform and educate organisations about accreditation. Health service organisations commenced assessment to the second edition as of January 2019.



(image used with permission of ACSQHC)





Improvement  
Academy Root  
Cause Analysis  
(RCA) workshop

COURSE NAME	DURATION	LOCATION OF PROGRAMS / WORKSHOPS								
		ACT	NSW	NT	QLD	SA	TAS	VIC	WA	TOTAL
Quality Improvement Lead Training Program-enhancing patient safety	12 months	-	-	-	1	2	-	2	-	5
Root Cause Analysis (RCA)	1 day	-	8	2	6	-	4	7	5	32
NSQHS Standards (second edition): Planning for Success – 1 day	1 day	-	19	-	22	4	-	16	6	67
Masterclass for Boards and Execs: Clinical Governance Framework-responsibilities for Quality and Safety	½ day	-	-	-	4	-	-	2	1	7
Quality Improvement Science (QLD DOH High Impact Leadership Program)	1 day	-	-	-	2	-	-	-	-	2
Change Management	1 day	-	-	1	-	-	-	-	-	1
<b>TOTAL</b>		-	27	3	35	6	4	27	12	<b>114</b>



## Feedback from our course participants

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*"It has helped me look at things differently and formalising improvement science in day-to-day activities."*

- Ajay Valayudhan, Freemantle HS WA

*"Learning about all the human factors involved in quality improvement science and why projects can fall over. As well as the ability to network with like-minded people and have my eyes opened to international best practice, not just my own health service or the state."*

- Catherine Frame, Toowoomba Hospital, QLD

*"Being able to apply a strategic diagnosis to a set problem, and having a process to work through it. I already have those skills, but now have a better framework to use for a whole service."*

- Clare Thomas, Sunshine Coast

*"The value of learning improvement methodology processes, how reliability science principles impact on safe patient outcomes and what happens when methodology isn't applied. Also, how this can impact on changing behaviour and culture in the workplace?"*

- Catherine Manns, Darling Downs, QLD

*"As an experienced Quality Lead, this course was a great opportunity to revisit and reinforce theory, and keep up-to-date with contemporary learnings, to consolidate my practice in embedding quality and safety initiatives. The course provides a robust framework and strengthens the rationale behind what you need to do, and why. My advice is to undertake a project currently planned as part of your role – the course was very helpful in achieving my project's outstanding results."*

- Catherine Ryan, Private Royal Brisbane Women's Hospital

*"I learnt an awful lot, my interest in patient safety and quality has always been there, but I have not worked in the area. This course has allowed me to link everything together and given me the space to practice. It has been absolutely invaluable and I would recommend it to anyone."*

- Julie Wantling, POWH, Metro North

*"I was most excited about the research already completed, the way the data was collected and presented was advanced leaving no doubt as to the results. Will be introducing these systems to my service."*

- Tracy Johnston, Central Queensland Health Service

## PATIENT SAFETY AND QUALITY IMPROVEMENT LEAD PROGRAMS

Project Summaries 2017-2018

The ACHS  
Improvement  
Academy

The Project Summaries booklet published in November 2018, and an example (below) of one of the Patient Safety and Quality Improvement Lead Program graduate's project work. These projects are the culmination of 12 months of participating in the program which provide practical skills and theories that can be utilised in the workplace.

### RAISING OVERDOSE AWARENESS



**Crystal Fowler**  
Quality and Data Assistant  
Drug and Alcohol Services,  
Mid North Coast Local Health  
District, NSW

#### Background

In the period July 2016 – July 2017, the Mid North Coast Local Health District (LHD) conducted incident reviews into the accidental overdose deaths of six clients.

#### Problem/Aim

The investigation revealed that each of the clients had injected lethal doses of opiates. It became apparent that the deaths occurred in the company of a number of other drug users who did not recognise or respond to the deteriorating condition of the deceased.

#### Design

The project had an initial investigation stage, which included research on current strategies in use by other services, specifically, the pilot program trialling client-administered naloxone and other health promotion activities such as 'save a mate'.

#### What's next: Cycle 2



The next stage of the program was to review and discuss the results of the investigative research within the team and formulate a locally based strategy. The final stage aimed at raising awareness through a number of community-focused activities. These



were highlighted by the LHD holding a client BBQ breakfast and information session on 'International Overdose Awareness Day'.

The LHD also undertook awareness-raising activities with community services by raising the discussion at community precinct meetings and memorandum of understanding meetings with representatives from the NSW Police and NSW Ambulance, and other key stakeholders.

#### Results

Preliminary results indicate an increased awareness of the availability of naloxone in the community. Requests have been received by both the NSW Ambulance and the NSW Police Force to provide ongoing education, and interest from clients of the service has increased. The success of this project and others like it has been recognised by the NSW Ministry of Health, which is now in the process of developing statewide policy directives and guidelines for the distribution of take-home naloxone.

#### Conclusion

This project by the Mid North Coast LHD continues with the following mission statement:

- to raise awareness of accidental overdose
- to provide 100% of opioid treatment programme (OTP) clients with basic overdose first aid information to reduce accidental overdose incidents.

#### Next steps



#### Naloxone Community Support Program



Kits are supplied to all drug and alcohol clients who either use or associate with people who use opiates and are at risk of overdose. These kits have been designed with rural living in mind as some clients reside over 30 minutes from emergency services, thus needing additional resources. Both naloxone ampoules (with barrels and tips) and Prenoxad prefilled injections are provided; this gives clients the option of which method they prefer to use and the possibility of treating two or more patients if required while waiting for an ambulance to arrive.

Prior to clients being given a take-home kit, they must attend a brief 15-minute education session with a qualified staff member and be assessed as competent by the in-house addiction medicine specialist; they are then written a script and given a kit. An internal log is kept of all clients with kits, and staff members remain in contact for follow-up support and advice as required. This log is also used to track expiry dates so products can be replaced.

# ACHS COUNCIL MEMBERS

Our Council represents consumers, governments and peak health industry bodies from throughout Australia.

*The ACHS Council's powers and duties include:*

- Election of the Board at the Annual General meeting,
- Appointment of Council committees,
- Consideration and recommendations to the Board regarding the acceptance of other organisations as members of the Council,
- Contribution and support of the ACHS and assistance in determining the strategic direction of the ACHS,
- Participation in the determination of accreditation status, where appropriate,
- Consideration and monitoring of Board performance.

ACHS COUNCIL 2019, as at 20 June 2019, was 25 Councillors, including three life members.

## **Professor Geoff Dobb**

BSc(Hons), MBBS, FRCP, FRCA, FANZCA, FCICM, FAMA  
Australian Medical Association (AMA)

## **Ms Helen Dowling**

BPharm, DipHospPharm (Admin), GradDipQlinHCare,  
CHP, FSHP, AICD  
Allied Health Professions Australia Ltd  
(Ceased as the designated appointed representative Dec 2018)

## **Professor Brett Emmerson AM**

MBBS, MHA, FRANZCP, FRACMA  
The Royal Australasian College of Medical  
Administrators (RACMA)

## **Dr Roger Jonathan Garsia**

MBBS, PhD, FRACP, FRCPA  
The Royal College of Pathologists of Australasia (RCPA)

## **Ms Claire Hewat**

Allied Health Professionals Australia  
AdvAPD, BSc, Dip.Nutrition & Dietetics, Dip Management

## **Dr Michael Hodgson AM**

FAMA, MBBS, FANZCA, FRCA  
Life Member of ACHS Council

## **Dr David Hutton**

MBBS, GradDipEcon  
NSW Ministry of Health

## **Assoc Professor Gregory Jenkins**

MBBS, FRANZCOG  
Royal Australian and New Zealand College for  
Obstetricians and Gynaecologists

## **Mr Mark Kearin**

RN, ADCNS(Geront Nurs), BHSc(Mgt), MHSc(Mgt)  
Australian Nursing Federation (ANF)

## **Clinical Associate Professor Peter Kendall**

MBBS, DA, FRACP, FCCP  
The Royal Australasian College of Physicians (RACP)

## **Mr Tony Lawson**

BA, BSoc.Admin, FIPAA, FAIM, CPMgr  
Consumers' Health Forum of Australia Ltd (CHF)

## **Adj Associate Professor Karen Linegar**

RN, RM, MHA, BAppSc (Nursing), BBus, Dip.Comm  
Law, FRCNA, JP  
The Australian College of Nursing (ACN)

## **Dr David Lord**

MBBS, DPM, FRANZCP  
Royal Australian and New Zealand College of  
Psychiatrists (RANZCPS)  
(Retired from the Board on 25 Oct, 2018)





**Ms Angela Magarry**

BHA, MPS, CGFNS, FCHSM  
Australasian College of Health Service Management  
(ACHSM)

**Dr Sally McCarthy**

MBBS, MBA, FACEM  
Australasian College for Emergency Medicine (ACEM)

**Dr Jon Mulligan**

MBBS, MHA, FRACP, FRACMA, GAICD  
Life Member of ACHS Council

**Prof Leonard Notaras AM**

AFCHSE, LLB, BA (Hons), DipComm, BMed, MHA, MA  
President  
Northern Territory Department of Health and  
Community Services

**Dr Eva Raik AM**

MBBS, FRCPA, FRACP  
Life Member of ACHS Council

**Mr Michael Roff – Chief Executive Officer**

Grad Cert Mgt  
Australian Private Hospitals Association (APHA)

**Ms Samantha Sanders**

Day Hospitals Australia

**Dr Paul Scown**

MMBS, BHA, FRACMA, AFACHSM, MAICD  
Australian Healthcare & Hospitals Association (AHHA)

**Dr Jo Sutherland**

Australian and New Zealand College of Anaesthetists  
(ANZCA)

**Dr Phillip Truskett AM**

MBBS, FACS, FRACS, FASCBI(Hons)  
The Royal Australasian College of Surgeons (RACS)

**Mr Stephen Walker**

AssDip.Eng, B.Bus, GradDipAcc, AFCHSE, MAICD  
Chair BFARC  
Australian Private Hospitals Association (APHA)

**Dr Noela Whitby AM**

MBBS, GradDipHumNut, DPD, FRACGP, FAICD  
The Royal Australian College of General Practitioners  
(RACGP)

ACHS had outstanding nomination vacancies from:  
The Department of Health in WA, Victoria, SA, Tasmania,  
The Department of Veterans' Affairs and The Australasian Association  
for Quality in Health Care at the time of publication.

# DIRECTORS' REPORT

The Board of Directors (the Board) of The Australian Council on Healthcare Standards Limited ("ACHS") in office at the date of this report present the results of The Australian Council on Healthcare Standards Limited and its controlled entities (collectively referred to as "the Group") for the financial year ended 30 June 2019 and the Independent Auditor's Report thereon.

## Directors and Meeting Attendance

At the date of this report, the names of the members of the Board, the meetings of the Board and meetings of the Board Finance Audit and Risk Committee (BFARC), and the number of meetings attended by each of the Board members during the financial year are listed and summarised in the table below:

**ATTENDANCE OF ACHS  
BOARD AND BFARC MEETINGS JULY 2018 - JUNE 2019**

**BOARD  
MEETINGS**      **BFARC  
MEETINGS**

Name	Date Appointed	Date Of Cessation	A	B	A	B
Mr Michael Roff	2 Feb 2004		7	7		
Mr Stephen Walker (BFARC Chair)	23 Nov 2006		5	7	1	2
Ms Helen Dowling	27 Nov 2008	6 Dec 2018	4	4	1	1
Dr David Lord	26 Nov 2009	22 Nov 2018	3	3		
Prof Geoffrey Dobb	25 Nov 2010		6	7	2	2
Dr Noela Whitby AM	24 Nov 2011		6	7		
Mr Anthony Lawson	24 Sep 2012		5	7	2	2
Prof Leonard Notaras AM	22 Nov 2012		7	7	2	2
A/Prof Brett Emmerson *	25 Nov 2015		3	4		
Dr Paul Scown	23 Nov 2017		7	7		
Ms Anne Trimmer	1 July 2018		6	6		

**A:** Number of meetings attended

**B:** Number of meetings held during the time the Director held office during the year

\* Professor Brett Emmerson was appointed to the Casual Vacancy position in late February 2019, following Ms Helen Dowling vacating her Council-representative position.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. Details of Directors' qualifications, experience and special responsibilities can be found on pages 32 to 33 of this report.

## Company Secretary

Dr Christine Dennis has held the role of Company Secretary since October 2014. Dr Christine Dennis was also the Chief Executive of the ACHS until 5 July 2019.

## Mission and Strategy

The Group's mission is to strengthen safe, quality healthcare by continuously advancing standards and education nationally and internationally. The Group's strategy for accomplishing its mission include:

- Expand our business reach
- Grow our membership
- Build strategic alliances
- Inspire organisational performance
- Ensure sustainability
- Share our knowledge.

## Principal Activities

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The principal activities of the Group during the financial year remained unchanged and were dedicated to improving the quality of healthcare in Australia through continuous review of performance, assessment and accreditation.

## Review Of Operations

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The Group's net surplus of \$2,138,250 has been achieved mainly due to savings in operational expenditure and survey costs. The Group has no loans or borrowings to any financial institution as at 30 June 2019.

During the year a large number of accreditation memberships were up for renewal with a high percentage renewing their membership. On renewal, the majority have retained their existing accreditation program with a few changing to another ACHS accreditation program.

## Performance Measures

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The Group measures its performance through the monitoring of key performance indicators:

- to assess the cost effectiveness of the provision of product and services
- to ensure revenue derived is effectively directed back to servicing customers
- to assess member and stakeholder satisfaction with the programs and services received
- to assess the take up of programs and services
- to assess the effectiveness of support and services provided to customers
- to assess and manage risks.

## Risk Management

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The ACHS is committed to the effective management of risks. At the ACHS the ownership of the day-to-day management of risks remains the responsibility of the Chief Executive Officer with the support of ACHS staff. The Board Finance Audit and Risk Committee (BFARC) has the primary oversight of risk management practices across the ACHS. Its responsibilities include assisting the Board through periodic review of the operation of the ACHS Risk Framework, through review of reports from the CEO. The BFARC meets at least twice a year to endorse all risk monitoring, compliance, financial reporting, budgeting and forecasts for the Group. During the year existing controls are in place to ensure all identified risks are managed within an acceptable level consistent with our risk appetite.

## Members' Guarantee

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ACHS is incorporated as a company limited by guarantee. In accordance with the company's constitution each member of the company is liable to contribute \$50 if the company is wound up during the time he/she is a member or within one year thereafter. As at 30 June 2019 the total amount those members of the company were liable to contribute if the company is wound up is \$1,250.

## Auditor's Independence Declaration

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A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 34.



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**Professor Len Notaras AM**

President

Board of Directors

# BOARD OF DIRECTORS

ACHS Board Members - representing consumers, governments and the Australian healthcare industry



## Professor Len Notaras AM (President)

**FACHSM, AFCHSE, LLB, BA (Hons), DipComm, BMed, MHA, MA**

ACHS President 2017 - current

ACHS Vice-President from 2015

ACHS Board member from 2002

ACHSI Board member from 2009

ACHS Councillor (NT Health representative) from 2002

**Executive Director National Critical Care and Trauma Response Centre**

Chief Executive Officer (CEO) NT Department of Health



## Mr Stephen Walker (BFARC Chair)

**Ass Dip Eng, B Bus (Health Management), Grad Dip Acc, FCHSM, MAICD**

Chair ACHS Business Finance, Audit and Risk Committee from 2012

ACHSI Board member from 2011

ACHS Board member from 2006

ACHS Councillor (APHA representative) from 2006

**Chief Executive Officer, St Andrew's Hospital, Adelaide from 2001**

APHA Council member

Member Adelaide University Health and Biotech Advisory Board



## Professor Geoffrey Dobb

**BSc (Hons), MBBS, FRCP, FRCA, FANZCA, FCICM, FAMA**

ACHS Business Finance, Audit and Risk Committee

ACHS Board Member from 2011

ACHS Councillor (AMA representative) from 2011

**Head of Department, Intensive Care, Royal Perth Hospital from 2005**

Clinical Professor, Faculty of Health and Medical Sciences, University of Western Australia

Board Deputy Chair, Child and Adolescent Health Service, WA since 2016

Chair of the CAHS Safety and Quality Committee since 2016



## Professor Brett Emmerson AM

**MBBS (QLD), MHA (NSW), FRANZCP, FRACMA, FCHSM**

ACHS Board Member from 2015

ACHS Councillor, (RACMA Representative) from 2009

Member, ACHS Standards Committee from 1994 to current

ACHS Surveyor from 1994 to current

**Executive Director, Metro North Mental Health from 1997 - present**

Professor, School of Clinical Medicine, University of Queensland

Chair, Central Queensland Mental Health Clinical Network, 2007-current



## Ms Helen Dowling

**BPharm, DipHospPharm (Admin), GradDipQI in HCare, FSHP, AICD**

ACHS Board member from 2008

ACHS Surveyor from 2009

ACHS Standards Committee from 2003

Chair, ACHS Standards Committee 2007-2012

ACHS Councillor (Allied Health Professions Australia) representative from 2001

**Pharmacist Consultant Contractor, ACSQHC from 2015**

Member ACSQHC Clinical Care Standards Advisory Committee, 2013-2017





### Mr Anthony (Tony) Lawson

**BA, BSoc.Admin, FIPAA, FAIM, CPMgr**

ACHS Surveyor from 2016

ACHS Board Member from 2012

ACHS Councillor (CHF rep) from 2012

**Chair, Consumers Health Forum of Australia Ltd from 2014 – present**

Awarded Professional Life Membership, IPAA (SA Division) 2018

Executive Officer (part time), Laurel Palliative Care Foundation, from 2016



### Dr David Lord

**MBBS, DPM, FRANZCP**

ACHSI Board member from 2011

ACHS Board member from 2009

ACHS Councillor (Royal Australian and New Zealand College of Psychiatrists representative) from 2009

ACHS Surveyor from 2007

**Psychiatrist, Retired (2008)**



### Mr Michael Roff

**Grad Cert Mgt.**

ACHS Board member from 2004

ACHSI Board member since 2017

ACHS Councillor (APHA representative) from 2004

**Chief Executive Officer, Australian Private Hospitals Association from 2000 – present**

Member – Private Health Ministerial Advisory Committee 2016 – present

Member, National Health Performance Authority Advisory Committee for Private Hospitals, 2014-2016

Member, Private Hospital Sector Committee (ACSQHC) from 2013



### Dr Paul Scown

**MB, BS (QLD), BHA (NSW), FRACMA, AFCHSM, MAICD**

ACHS Board member from 2017

ACHS Councillor from 2006

Consultant to Health Education and Research Sectors

Sid Sax Medal recipient 2018

**Nexus Primary Health Chair 2014-present**

Nexus Primary Health Director 2012 - 2014

Board of Advice, Deeble Research Institute for Health Policy Research Member 2015 - present



### Ms Anne Trimmer

**BA, LLB (ANU) FAAL FAICD**

Independent director ACHS Board from July 2018

**Secretary General Australian Medical Association 2013-2018**

CEO Medical Technology Association of Australia 2006-2013

Barrister and Solicitor



### Dr Noela Whitby AM

**MBBS (QLD), Grad Dip HumNut, DPD, FRACGP, FAICD**

ACHS Vice-President, 2005 – 2007

ACHS Board member, 2000 – 2009; 2012 – present

ACHS Councillor (RACGP representative), 2000 – 2009; 2012 – present

ACHSI Board member, 2006 – 2009, 2018 – present

Past ACHS Surveyor

**General Practice Principal, Carindale Medical Clinic, Brisbane from 1979**

Member, Medical Services Advisory Committee, Australian Government, from 2014



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**Auditor's Independence Declaration**  
**To the Responsible Entities' of The Australian Council on Healthcare Standards**  
**ABN 90 008 549 773**

I declare that to the best of my knowledge and belief, during the year ended 30 June 2019 there have been no contraventions of:

- i. the auditor's independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

This declaration is in respect of The Australian Council on Healthcare Standards and the entities it controlled during the year.

M A ALEXANDER  
Partner

PITCHER PARTNERS  
Sydney

17 October 2019

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Revenue from services [continuing operations]	2	14,086,935	13,358,859
Other revenue	2	522,659	435,457
<b>Total revenue</b>	2	<b>14,609,594</b>	13,794,316
Communications and marketing expenses		(338,342)	(369,750)
Accreditation program support and development costs		(7,299,510)	(7,101,879)
Administration expenses		(628,132)	(647,552)
Survey costs		(3,976,596)	(3,408,908)
Other expenses		(228,764)	(375,851)
<b>Surplus for the year</b>		<b>2,138,250</b>	1,890,376
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>2,138,250</b>	1,890,376

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

<b>Current assets</b>			
Cash and cash equivalents	4	2,343,109	2,609,703
Trade and other receivables	5	2,072,975	1,316,309
Other financial assets	6	14,372,997	12,511,303
Other assets	7	74,631	105,528
<b>Total current assets</b>		<b>18,863,712</b>	16,542,843
<b>Non-current assets</b>			
Plant and equipment	8	24,226	47,717
Land and building	9	1,856,861	1,967,832
Other assets	7	-	240,105
<b>Total non-current assets</b>		<b>1,881,087</b>	2,255,654
<b>Total assets</b>		<b>20,744,799</b>	18,798,497
<b>Current liabilities</b>			
Trade and other payables	10	622,566	899,505
Provisions	11	94,132	122,838
Unearned income	12	7,705,804	7,772,089
Employee benefits	13	1,052,719	821,358
<b>Total current liabilities</b>		<b>9,475,221</b>	9,615,790
<b>Non-current liabilities</b>			
Employee benefits	13	120,359	171,738
<b>Total non-current liabilities</b>		<b>120,359</b>	171,738
<b>Total liabilities</b>		<b>9,595,580</b>	9,787,528
<b>Net assets</b>		<b>11,149,219</b>	9,010,969
<b>Equity</b>			
Retained Surplus		11,149,219	9,010,969
<b>Total equity</b>		<b>11,149,219</b>	9,010,969

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	\$
<b>Balance as at 30 June 2017</b>	<b>7,120,593</b>
Surplus attributable to members for year ended 30 June 2018	1,890,376
<b>Balance as at 30 June 2018</b>	<b>9,010,969</b>
Surplus attributable to members for year ended 30 June 2019	2,138,250
<b>Balance as at 30 June 2019</b>	<b>11,149,219</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		15,029,367	14,733,696
Payments to suppliers and employees		(13,814,791)	(14,706,411)
Interest received		394,669	314,307
Net cash provided by operating activities	15	1,609,245	341,592
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(14,145)	(21,681)
Movement in investments and short-term deposits		(1,861,694)	420,839
Net cash (used in) / provided by investing activities		(1,875,839)	399,158
Net (decrease)/increase in cash held		(266,594)	740,750
Cash at the beginning of the financial year		2,609,703	1,868,953
<b>Cash at the end of the financial year</b>	4	<b>2,343,109</b>	2,609,703

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

## NOTES TO THE FINANCIAL STATEMENTS

### General information and statement of compliance

The financial report includes the consolidated financial statements and notes of The Australian Council on Healthcare Standards Limited and its controlled entities (collectively referred to as the "Group").

The consolidated financial statements for the year ended 30 June 2019 were approved and authorised for issue by the board of directors on 17 October 2019. The Board has the power to amend and re-issue the financial report.

### Note 1: Statement of significant accounting policies

The financial report covers the consolidated entity consisting of The Australian Council on Healthcare Standards Limited ("ACHS") and its controlled entities. The parent entity is a company limited by guarantee, incorporated and domiciled in Australia. ACHS is a not-for-profit entity for the purpose of preparing financial statements.

### New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the company:

#### AASB 9 Financial Instruments

The Group has adopted AASB 9 from July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest.

A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair

value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch.

For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch).

New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity.

New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

#### Impact of adoption

AASB 9 was adopted using the modified retrospective approach and as such comparatives have not been restated. The impact of adoption on opening retained profits is nil.

#### a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with:

- Applicable Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board ("AASB"), and the
- *Australian Charities and Not-for-profits Commission Act 2012.*



## NOTES TO THE FINANCIAL STATEMENTS

The accounting policies have been applied to all periods presented in these financial statements and have been applied consistently.

The financial report has been prepared in Australian dollars on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

### b) Basis of consolidation

All inter-company balances and transactions between entities in the Group, including unrealised surpluses or deficits, have been eliminated on consolidation. Accounting policies of subsidiaries are changed where necessary to ensure consistency with policies applied by the parent entity.

### c) Property, plant and equipment

Property, plant and equipment are brought to account at cost, less, where applicable, any accumulated depreciation and impairment losses plus costs incidental to acquisition.

The carrying amount of property, plant and equipment is reviewed annually by the Board to ensure that it is not in excess of the recoverable amount of these assets.

The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal.

The expected net cash flows have not been discounted to present values in determining recoverable amount.

### Depreciation

The depreciable amount of all fixed assets excluding freehold property are depreciated on a straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use.

The useful lives used for each class of depreciable assets are:

Class of fixed assets	Depreciation rate
Computer and IT Equipment	3 years
Office Equipment	5 years
Furniture and Fittings	10 years
Freehold Building	40 years
Building Improvements	10 - 30 years

The asset's residual values and useful lives are reviewed and adjusted if appropriate at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

### d) Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair values less costs to sell, and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit and loss.

### e) Income tax

ACHS has received confirmation from the Australian Taxation Office that its income is exempt from income tax pursuant to Section 50-5 of the Income Tax Assessment Act 1997 and accordingly the company does not have any liability for income tax.

The controlled entity is a taxable entity. The charge for current tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that are applicable during the financial year.

### f) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

## NOTES TO THE FINANCIAL STATEMENTS

### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

### Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

### **g) Provisions**

Provisions are recognised when the Group has a legal or constructive present obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

### **h) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

### **i) Trade and other receivables (updated accounting policy note for AASB9)**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

### **j) Leases**

Lease expenditure relating to leases deemed to be "operating leases" is expensed as incurred. Operating lease commitments outstanding at balance date include guaranteed residual values.

### **k) Goods and services tax ("GST")**

Revenues, expenses and assets are recognised net of the amount of GST, except for the following:

- Where amount of GST incurred is not recoverable from the Australian Taxation Office. If so, it is recognised as part of the cost of acquisition of the asset or as part of an item of expense;
- Receivables and payables are stated including the amount of GST.

### **l) Revenue from services**

Revenue from services comprises revenue earned (net of returns, discounts and allowances) from the business activities and is recognised as follows:

- Membership fees are brought to account on a "percentage of completion" basis over the period of the contract concerned.

All revenue is stated net of the amount of goods and services tax ("GST").

### **m) Trade and other creditors**

Liabilities are recognised for goods or services received prior to the end of the reporting period and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

### **n) Interest and dividend income**

Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend income is recognised at the time the right to receive payment is established.

### **o) Government grants**

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are

## NOTES TO THE FINANCIAL STATEMENTS

credited to income over the expected useful life of the asset on a straight-line basis.

### **p) Financial assets**

Financial assets include all term deposits with term greater than 90 days, and are measured at fair value.

### **q) Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### *Allowance for expected credit losses*

*The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.*

#### *Estimation of useful lives of assets*

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

#### *Employee benefits provisions*

As discussed in note 1 (f), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

## NOTES TO THE FINANCIAL STATEMENTS

### Consolidated

2019 \$                      2018 \$

#### **Note 2: Revenue from services comprises revenue from the following:**

##### **Services**

Membership fees	12,181,961	12,050,981
Improvement Academy and consultancy	1,333,525	671,071
Projects	-	171,755
Publications	1,539	189
Other revenue	569,910	464,863

##### **Revenue from ordinary activities**

**14,086,935**                      13,358,859

##### **Other**

Grants received	108,300	105,700
Interest received from financial institutions	394,669	314,307
Other income	19,690	15,450

##### **Total other revenue**

**522,659**                      435,457

##### **Total operating revenue**

**14,609,594**                      13,794,316

#### **Note 3. Expenses**

##### **Surplus before income tax includes the following specific expenses:**

##### **Cost of sales**

Cost of sales                      **3,976,596**                      3,408,908

##### **Employee benefits expense**

Employee benefits expense                      **6,131,462**                      5,871,229

##### **Superannuation expense**

Defined contribution superannuation expense                      **501,353**                      494,788

##### **Depreciation and amortisation expense**

Depreciation and amortisation expense                      **148,607**                      167,956

#### **Note 4: Cash**

Cash on hand	15,890	13,708
Cash at bank	2,327,219	2,595,995
	<b>2,343,109</b>	2,609,703

#### **Note 5: Current assets - Trade and other receivables**

Trade debtors	2,381,936	1,627,268
Less: Allowance for expected credit loss	(308,961)	(310,959)
	<b>2,072,975</b>	1,316,309

## NOTES TO THE FINANCIAL STATEMENTS

Movements in the allowance for expected credit losses (2018: provision for impairment of receivables) are as follows:

	<b>Consolidated</b>	
	<b>2019 \$</b>	<b>2018 \$</b>
<b>Note 5: Current assets - Trade and other receivables (continued)</b>		
Opening balance	<b>310,958</b>	206,483
Credit notes	<b>(2,680)</b>	-
Additional provisions	<b>683</b>	104,475
Closing balance	<b>308,961</b>	310,958
<b>Note 6: Other financial assets</b>		
<b>Current</b>		
Held to maturity investments (term deposits)	<b>14,372,997</b>	12,511,303
<b>Note 7: Other assets</b>		
<b>Current</b>		
Prepayments	<b>74,631</b>	105,528
<b>Non-current</b>		
Cash deposit to support bank guarantee	-	240,105
<b>Note 8: Plant and equipment</b>		
Furniture and fittings – at cost	<b>22,549</b>	105,994
Less: Accumulated depreciation	<b>(21,707)</b>	(103,282)
Net book value	<b>842</b>	2,712
Office equipment– at cost	<b>45,954</b>	45,954
Less: Accumulated depreciation	<b>(45,954)</b>	(45,954)
Net book value	-	-
Information technology – at cost	<b>223,724</b>	478,197
Less: Accumulated depreciation	<b>(200,340)</b>	(434,192)
Net book value	<b>23,384</b>	45,005
<b>Net book value, plant and equipment</b>	<b>24,226</b>	47,717



## NOTES TO THE FINANCIAL STATEMENTS

	<b>Consolidated</b>	
	<b>2019 \$</b>	<b>2018 \$</b>
<b>Note 9: Land and building</b>		
Land – at cost	<b>380,000</b>	380,000
Building – at cost	<b>1,425,454</b>	1,425,454
Less: Accumulated depreciation	<b>(730,542)</b>	(694,906)
Net book value	<b>694,912</b>	730,548
Building improvements – at cost	<b>1,958,409</b>	1,958,409
Less: Accumulated depreciation	<b>(1,176,460)</b>	(1,101,125)
Net book value	<b>781,949</b>	857,284
<b>Net book value, land and building</b>	<b>1,856,861</b>	1,967,832

Movement in carrying amounts for Plant and Equipment and Land and Building:

	<b>Freehold Land</b>	<b>Buildings</b>	<b>Furniture and Fittings</b>	<b>Office Equipment</b>	<b>Information Technology</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 30 June 2017</b>	<b>380,000</b>	<b>1,694,297</b>	<b>5,084</b>	<b>1,565</b>	<b>80,877</b>	<b>2,161,823</b>
Additions	-	4,225			17,456	21,681
Depreciation expense	-	(110,690)	(2,372)	(1,566)	(53,328)	(167,956)
<b>Balance at 30 June 2018</b>	<b>380,000</b>	<b>1,587,832</b>	<b>2,712</b>	<b>-</b>	<b>45,005</b>	<b>2,015,549</b>
Additions	-					
Depreciation expense	-	(110,971)	(1,870)	-	(35,766)	(148,607)
<b>Balance at 30 June 2019</b>	<b>380,000</b>	<b>1,476,861</b>	<b>842</b>	<b>-</b>	<b>23,384</b>	<b>1,881,087</b>

	<b>Consolidated</b>	
	<b>2019 \$</b>	<b>2018 \$</b>
<b>Note 10: Trade and other payables</b>		
Accounts payable	<b>581,384</b>	847,976
Accrued expenses	<b>41,182</b>	51,529
<b>Total trade payables</b>	<b>622,566</b>	899,505
<b>Note 11: Provisions - current</b>		
Contract costs to complete	<b>94,132</b>	122,838
<b>Total provisions</b>	<b>94,132</b>	122,838

## NOTES TO THE FINANCIAL STATEMENTS

	<b>Consolidated</b>	
	<b>2019 \$</b>	<b>2018 \$</b>
<b>Note 12: Unearned income</b>		
Future income	<b>26,412,042</b>	28,865,169
Recognised future income	<b>(20,603,653)</b>	(22,456,209)
Work in progress	<b>(5,644,077)</b>	(6,880,591)
Recognised work in progress	<b>7,541,492</b>	8,243,720
<b>Total unearned income</b>	<b>7,705,804</b>	7,772,089

### **Note 13: Employee benefits**

#### **Current**

Annual leave	<b>509,099</b>	427,142
Long service leave	<b>541,360</b>	392,166
Superannuation	<b>2,260</b>	2,050
<b>Total current employee benefits</b>	<b>1,052,719</b>	821,358

#### **Non-current**

Long service leave	<b>120,359</b>	171,738
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### **Note 14. Key management personnel disclosures**

#### **Compensation**

The aggregate compensation made to key management personnel of the consolidated entity is set out below:

<b>Aggregate compensation</b>	<b>1,305,665</b>	1,287,130
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### **Note 15: Reconciliation of cash flow from operations with operating Surplus after income tax**

Operating surplus after income tax	<b>2,138,250</b>	1,890,376
Non-cash flows in operating surplus		
Depreciation and loss on disposal of assets	<b>148,607</b>	167,956
<b>Changes in assets and liabilities</b>		
<b>(Increase)/Decrease in assets</b>		
Trade and term debtors	<b>(516,560)</b>	181,057
Pre-payments	<b>30,896</b>	(54,526)
<b>Increase/(Decrease) in liabilities</b>		
Other liabilities	<b>151,277</b>	(86,341)
Movement in WIP/Unearned income	<b>(66,286)</b>	(1,931,624)
Trade creditors and accruals	<b>(276,939)</b>	174,695
<b>Total cash flows from operating activities</b>	<b>1,609,245</b>	341,592

### **Note 16: Remuneration of Board members and other Councillors**

The Board of Directors and Councillors of The Australian Council on Healthcare Standards Limited during the financial year are listed in the Annual Report of the Board.

Apart from amounts received by way of reimbursement for expenses incurred in the attendance at various Executive and Committee Member's meetings, no amounts were received by a Committee Member or Councillor in connection with the management of the affairs of the Company.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 17: Related party transactions

Other than payment of membership fees by entities associated with Directors or Councillors, there have been no transactions between the Group and related parties of the Group which require separate disclosure.

### Note 18: Financial instruments

#### Financial risk management

The Group's financial instruments consist mainly of deposits with banks, and accounts receivable and payable. The Group does not have any derivatives at 30 June 2019.

		Consolidated	
	Note	2019 \$	2018 \$
<b>Financial assets</b>			
Cash and cash equivalents	4	2,343,109	2,609,703
Receivables	5	2,072,975	1,316,310
Other financial assets	6	14,372,997	12,511,303
<b>Total financial assets</b>		<b>18,789,080</b>	<b>16,437,316</b>
<b>Financial liabilities at amortised cost:</b>			
Trade and other payables	10	622,566	899,505
<b>Total financial liabilities</b>		<b>622,566</b>	<b>899,505</b>

### Note 19: Company details

The registered office and principal place of business is located at:  
No. 5 Macarthur Street  
ULTIMO, NSW 2007  
AUSTRALIA

### Note 20: Controlled entities

The consolidated financial statements incorporate the assets and liabilities of the controlled entities as set out below:

	Country of Incorporation	Equity Holdings	Equity Holdings
		2019 %	2018 %
ACHS International Pty Limited	Australia	100	100
ACHS (Asia Pacific) Private Limited	Hong Kong	100	100

## NOTES TO THE FINANCIAL STATEMENTS

### Note 21: Parent entity information

The individual financial statements of the parent entity show the following aggregate amounts.

Statement of financial position	Consolidated	
	2019 \$	2018 \$
<b>Current assets</b>	<b>17,005,948</b>	14,408,690
<b>Non-current assets</b>	<b>1,891,086</b>	2,155,792
<b>Total assets</b>	<b>18,897,034</b>	16,564,482
<b>Current liabilities</b>	<b>7,368,789</b>	6,971,125
<b>Non-current liabilities</b>	<b>120,359</b>	171,738
<b>Total liabilities</b>	<b>7,489,148</b>	7,142,863
<b>Net assets</b>	<b>11,407,886</b>	9,421,619
<b>Equity</b>	<b>11,407,886</b>	9,421,619
 <b>Surplus for the year</b>	 <b>1,986,267</b>	 2,101,700
<b>Total comprehensive income for the year</b>	<b>1,986,267</b>	2,101,700

ACHS has not entered into any guarantees, in the current or previous financial years, in relation to the debts of its subsidiaries.

**THE AUSTRALIAN COUNCIL ON HEALTHCARE STANDARDS**  
**A.C.N. 008 549 773**

**Responsible entities declaration**

The responsible entities declare that in the responsible entities' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes for the year ending 30 June 2019 satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

Responsible person

A handwritten signature in black ink that reads "Len Notaras". The signature is written in a cursive, flowing style.

**Professor Len Notaras AM**  
**President**

Sydney - 17th October 2019





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**INDEPENDENT AUDITOR'S REPORT  
THE AUSTRALIAN COUNCIL ON HEALTHCARE STANDARDS  
ABN 90 008 549 773**

**Report on the Audit of the Financial Report**

*Opinion*

We have audited the financial report of The Australian Council on Healthcare Standards, "the Registered Entity" and its controlled entities "the Group", which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

*Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Australian Charities and Not for-profits Commission Act 2012* "ACNC Act" and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence We have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Information*

The directors are responsible for the other information. The other information comprises the information included in the Group's directors report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of Responsible Entities for the Financial Report*

The responsible entities of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible entities are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Registered Entity's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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 our 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 controls.
- 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 Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**M A ALEXANDER**  
Partner

17 October 2019



**PITCHER PARTNERS**  
Sydney

## **GLOSSARY OF TERMS:**

- Accreditation** – Public recognition of achievement by a health care organisation, of requirements of national healthcare standards
- Clinical Indicator** – A measure of the clinical management and outcome of care; a method of monitoring consumer / patient care and services which attempts to 'flag' problem areas, evaluate trends and so direct attention to issues requiring further review
- Assessor** – A health professional trained by ACHS to assess the performance of healthcare organisations against EQuIP standards and other quality improvement programs.



The Australian Council On  
Healthcare Standards (ACHS)

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