

care
connect
It's my choice.





Our success is underpinned by our people being skilled, developed, motivated and supported to enable them to deliver a high quality and consistent client experience.

About us

At Care Connect, we give people independent advice and access to a wide range of high quality services to empower them to live happily at home for life.

Importantly, we offer people real choice when it comes to their home care services. Every one of our clients has different needs, and we find the right services to match those needs individually.

For more than 20 years, we have been helping people remain living in their own homes. With Care Connect, we give people:

- Someone they can trust who listens and understands their personal circumstances
- Someone they can turn to if something unexpected happens
- A qualified professional who will work in their interests to uncover the maze of government rules and red tape
- A specialist who will be like a friend who does not hesitate to give them independent advice and guidance
- Flexible, personalised services that are custom built for each individual

Our commitment is helping people adapt to changing circumstances so they can stay connected to their home, family, friends and community.

Chairperson and CEO message

Over the last 12 months at Care Connect, our Aged and Disability Services have continued their exciting evolution. The year closed on the cusp of two dramatic steps in our sector:

1. **Consumer Directed Care (CDC) will soon mean full portability of Home Care Packages in aged care, enabling clients to direct their own care and to freely select any approved provider.**
2. **The launch of the National Disability Insurance Scheme (NDIS), heralding a new world of individual planning, funding and services control for people with disability.**

Our journey towards CDC and NDIS has accelerated and come to be known as our Transformation. With Aged Care presenting the most pressing opportunity, we have focused on three key areas:

1. **Customers:** How we bring greater value to our clients and the providers we engage to support them.
2. **Operations:** How to work more effectively and efficiently, improving our services **while** reducing costs for our clients.
3. **People:** How we engage our staff to build one Care Connect, and to create a destination workplace, where people want to work more than ever.

Over the last 12 months enormous progress has been made in all three areas:

On the customer front, our Marketing Department undertook major “Customer Experience” studies for both our clients and our providers. For clients, the most important feedback was how much people value **living happily at home, for life**. Despite this desire, they also told us that the Aged Care system was more confusing than ever. As a result, people value Care Connect’s role as a genuinely independent adviser and guide.

We also piloted new service and pricing models allowing clients to select their perfect mix of services and personalised advice. The new models were trialled with nearly 60 clients, with highly positive feedback. They will now be implemented nationally, in the months ahead.

Finally, our research shows that Care Connect stands out as the true champion of client choice. We engage a wider range of service partners than any other provider. Rather than obliging clients to choose the services and carers we

employ, as so many providers do, Care Connect engages the services people want, wherever they come from. Our network of Connected Providers stands at over 500 and is growing all the time.

In terms of operations, our progress has been equally dramatic. It started with the creation of a staff co-design group, known as our ‘Transformation Team’. This brave group of client advisers, team leaders, managers and analysts proved that, not only was it possible to redesign and improve how we work, but doing so created a motivated team determined to improve in a CDC environment.

That work has led to two major changes in our Aged Care workforce:

1. The creation of our Care Centre, designed to free-up our client advisers by centralising and streamlining service bookings, client engagement and provider support.
2. Mobilising of our client advisers, enabling them to spend far more time doing what clients value and they enjoy most: supporting clients face-to-face.

The combination of these initiatives has led to a streamlining of offices as we improve our client support. We have already reduced costs by \$2.5M, allowing us to significantly increase services to clients, under our new pricing and service models.

Of course, these changes have involved sacrifice. Transformation has meant questioning our service mix; deciding where Care Connect’s future lies and which services were unsustainable (either because they required a different service approach, or we lacked the critical mass to be competitive). Despite the value these services bring, Care Connect regrettably decided to exit a number of programs in 2016, including Partners In Recovery (PIR). We also exited all forms of Direct Care, committing 100% to our Connector (brokerage) model as the way to bring real client choice and value.

We have also said goodbye to a number of great people, including the wonderful direct care workers at our subsidiary Diverse Community Care. We sincerely thank them for their dedication to the Care Connect Group, and their clients over the years.



With this significant and sometimes difficult work, it’s wonderful that we’re already seeing substantial success. Our leading aged care KPI, package occupancy, has increased 10% in the last 12 months. Our new service offerings and pricing are being welcomed by clients. Finally our providers are appreciating our total commitment to them through the Connector (brokerage) approach.

As we continue our Aged Care Transformation, we are now turning our attention to Disability Services. Under the leadership of Kathy Patatou, our Director of Disability and Mental Health Transformation, a small team has worked hard to look at what role Care Connect may have under the NDIS.

While it is clear the NDIS seeks services in a manner different to Care Connect’s case management approach, we stand ready to support our clients in transitioning to NDIS, and will lobby the National Disability Insurance Agency for broader access to Support Co-ordination for NDIS participants. What is most important is that we support this major social initiative to ensure it brings the best possible support to people with disability and their families and carers.

We would also like to formally thank Michael Diamente and Robert Farmer, both of whom left the Board for other commitments in 2016. In the upcoming year, Maureen Borghesi and Fred Maddern will reach the end of their terms under Care Connect’s constitution. It is with deep gratitude that we recognise the contribution of all four Directors. In particular we, recognise Frederick Maddern OBE, who has served tirelessly as both Director and Chair for over 20 years.

On behalf of the Board and Executive Management Group, we would like to thank our people across the Care Connect Group, for all their efforts over the last year. We’d equally like to recognise our funders and connected providers for their support. Together we’re working to enable all our clients to achieve their goal of **living happily at home, for life**.

Sincerely,

Lindsay McMillan
Chairperson
Care Connect Group

Paul Ostrowski
Chief Executive Officer
Care Connect Group

Financials

The financial statements presented in this Annual Report have been extracted from the audited Financial Report of the Care Connect Group from 1 July 2015 to 30 June 2016 comprising: Care Connect Limited, Diverse Community Care and Realise Life Limited.

The Group's total revenue for 2015-16 was \$50.8 million, a slight decline compared to 2014-15 of 1.3 per cent. This decline was mainly attributable to lower state government funding as services commence migrating to NDIS and the Group began exiting programs outside our future focus areas.

Total expenditure for 2015-16 was \$51.2 million, an increase compared to 2014-15 of 2.5 per cent.

The 2015-16 total comprehensive income for the group was a deficit of \$0.5 million. The 2015-16 deficit was inclusive of a \$0.9 million extraordinary item predominately related to staff restructure costs, therefore resulting in a normalised surplus for the year was \$0.4 million. This resulted in a surplus ratio of approximately 1 per cent against revenue.

Throughout 2015-16 Care Connect Group remained strongly committed to delivering excellent and competitive services by further investing in leading edge technologies to improve customer experience while continuing to reduce costs. These strategies will enable Care Connect Group to embrace sector reforms, provide the sector's leading choice of services and an exceptional contribution to the community.

As at 30 June 2016 the Care Connect Group employed 230 (full-time equivalent) staff.



Throughout 2015-16 Care Connect Group remained strongly committed to delivering excellent and competitive services by further investing in leading edge technologies to improve customer experience while continuing to reduce costs.

CARE CONNECT LTD AND CONTROLLED ENTITIES
ABN 23 094 121 810

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

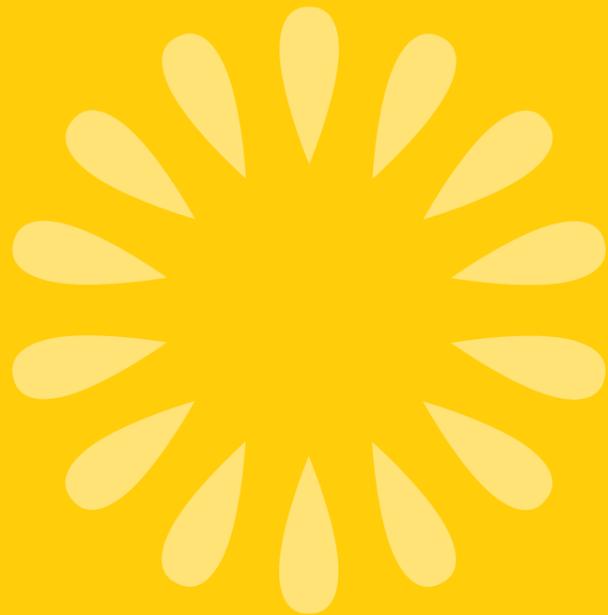
	Note	2016 \$	2015 \$
Revenue	2	50,846,883	51,520,487
Less: expenses			
Services and service delivery		(40,960,903)	(39,997,705)
Corporate and commercial		(10,280,497)	(9,999,111)
		<u>(51,241,400)</u>	<u>(49,996,816)</u>
Surplus/(deficit) for the year		<u>(394,517)</u>	<u>1,523,671</u>
Other comprehensive income			
Unrealised (loss) gain on revaluation of financial assets		(141,543)	66,522
Other comprehensive income for the year		<u>(141,543)</u>	<u>66,522</u>
Total comprehensive income		<u>(536,060)</u>	<u>1,590,193</u>

CARE CONNECT LTD AND CONTROLLED ENTITIES
ABN 23 094 121 810

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
Current assets			
Cash and cash equivalents	4	7,415,294	4,403,462
Receivables	5	3,399,782	2,715,879
Financial assets	6	17,998,404	17,665,058
Other assets	7	126,589	133,451
Total current assets		<u>28,940,069</u>	<u>24,917,850</u>
Non-current assets			
Intangible assets	8	1,803,154	1,726,293
Property, plant and equipment	9	2,155,501	2,496,081
Total non-current assets		<u>3,958,655</u>	<u>4,222,374</u>
Total assets		<u>32,898,724</u>	<u>29,140,224</u>
Current liabilities			
Payables	10	4,686,983	4,805,051
Provisions	11	2,067,951	1,944,801
Other liabilities	12	11,735,181	7,388,444
Total current liabilities		<u>18,490,115</u>	<u>14,138,296</u>
Non-current liabilities			
Provisions	11	410,687	467,946
Total non-current liabilities		<u>410,687</u>	<u>467,946</u>
Total liabilities		<u>18,900,802</u>	<u>14,606,242</u>
Net assets		<u>13,997,922</u>	<u>14,533,982</u>
Equity			
Reserves	13	606,337	747,880
Accumulated surplus	14	13,391,585	13,786,102
Total equity		<u>13,997,922</u>	<u>14,533,982</u>

The accompanying notes form part of these financial statements.



Our purpose

To enable people to live their life, their way.

Our aspiration

To be the first choice for people seeking connections to care, support and community.

Our values

respect, integrity, excellence, empowerment and diversity.