



# The **FY24** Preview

Webinar | 27 July 2023





This event qualifies for 1 CPD point. Add it to your log.



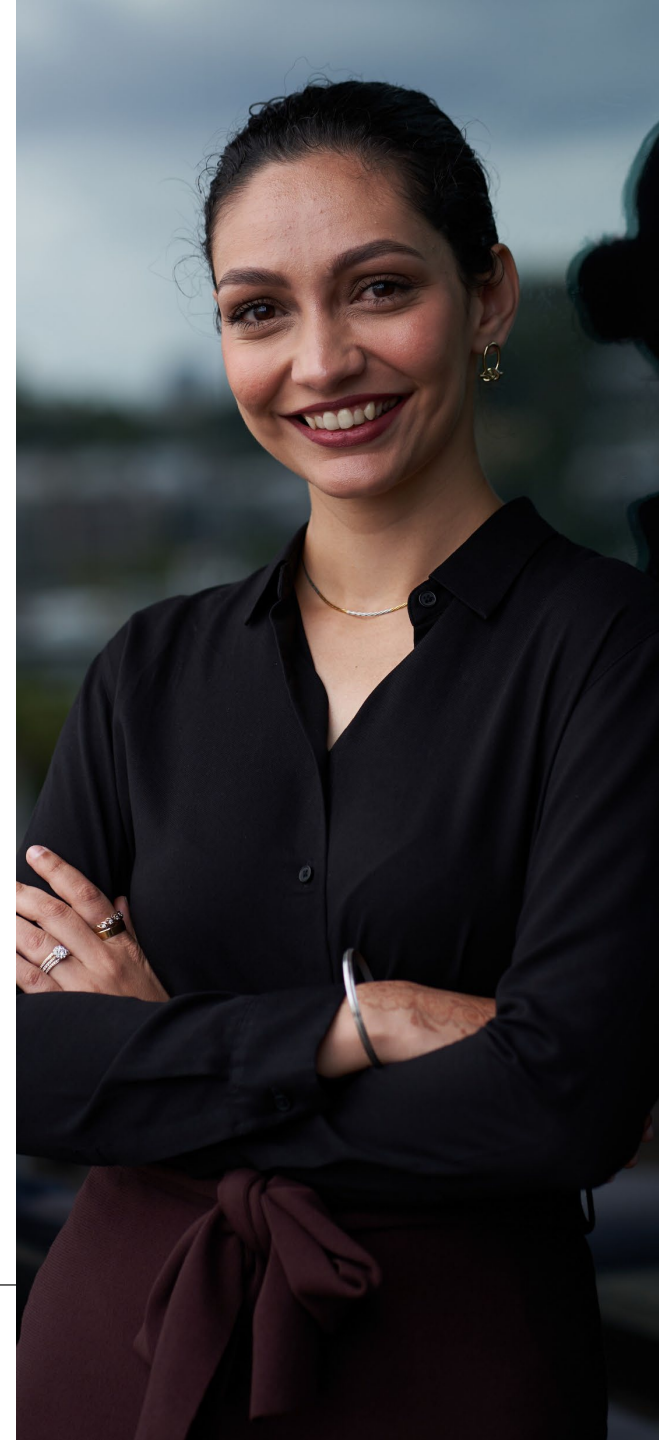


A photograph of two people sitting at a table. On the left, a man with dark hair and glasses, wearing a light blue patterned shirt, is looking towards the right. On the right, a woman with long blonde hair, wearing a pink leopard print top, is smiling and looking towards the camera. A blue text box is overlaid on the left side of the image.

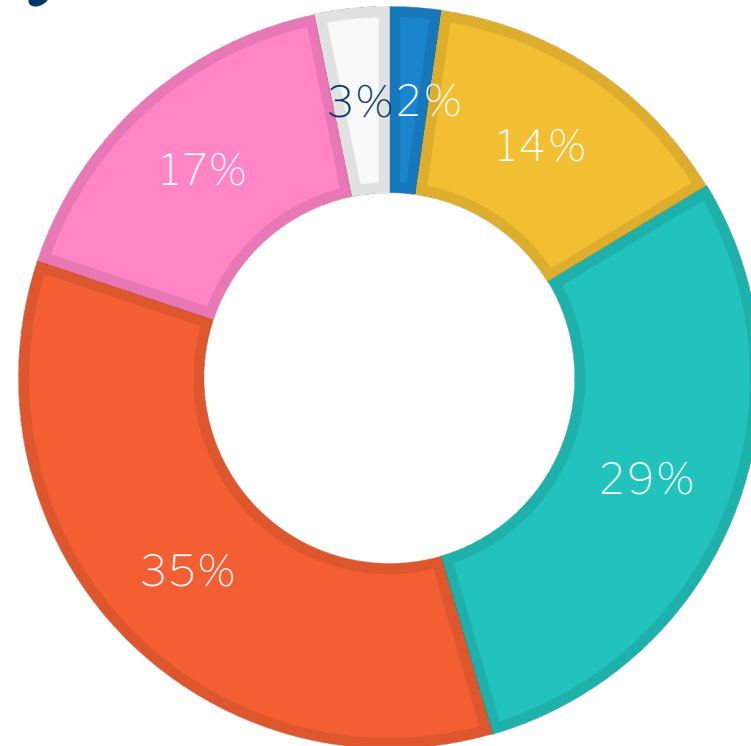
Please ask  
questions in the  
chat

# Agenda

1. Welcome
2. Survey findings
3. Data insights
4. Let's hear from the panel
5. Some key take aways
6. More from the panel
7. Close



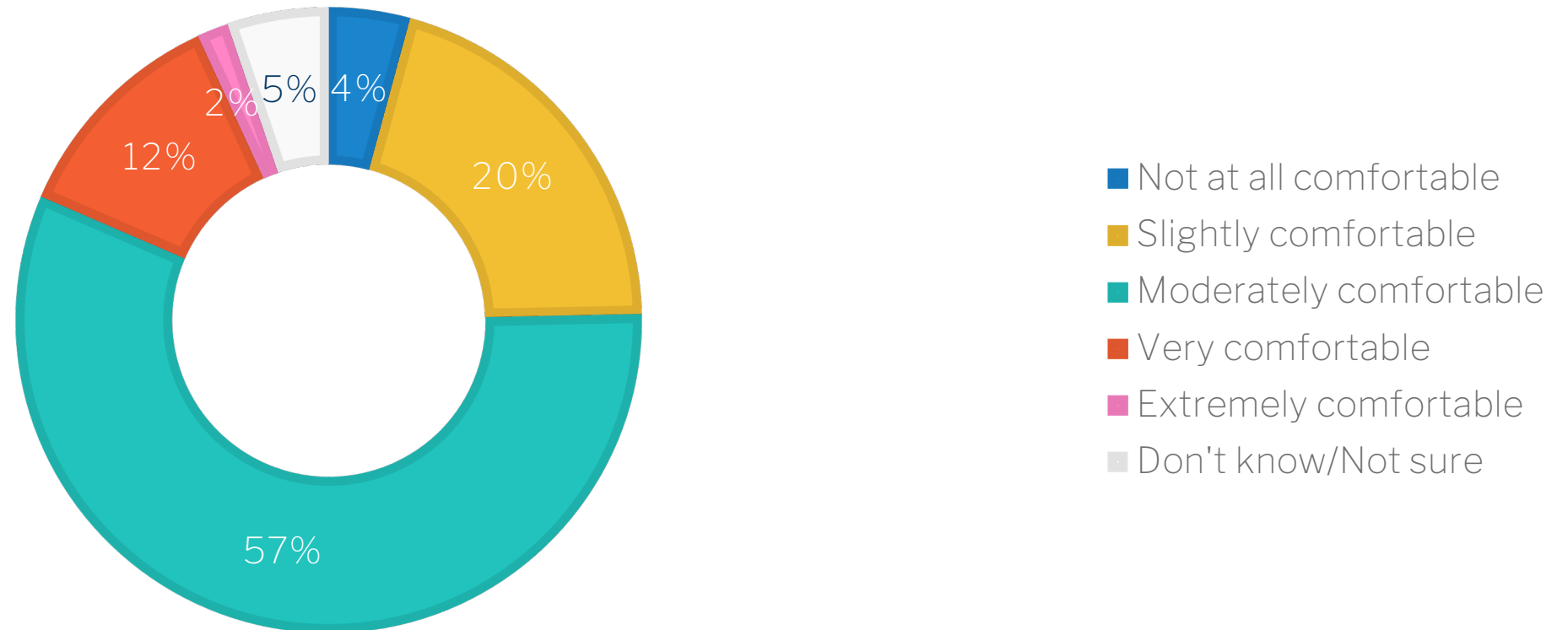
# How concerned are you that too much change will take its toll on your teams and the industry in the next 12 months?



- Not at all concerned
- Slightly concerned
- Moderately concerned
- Very concerned
- Extremely concerned
- Don't know/Not sure

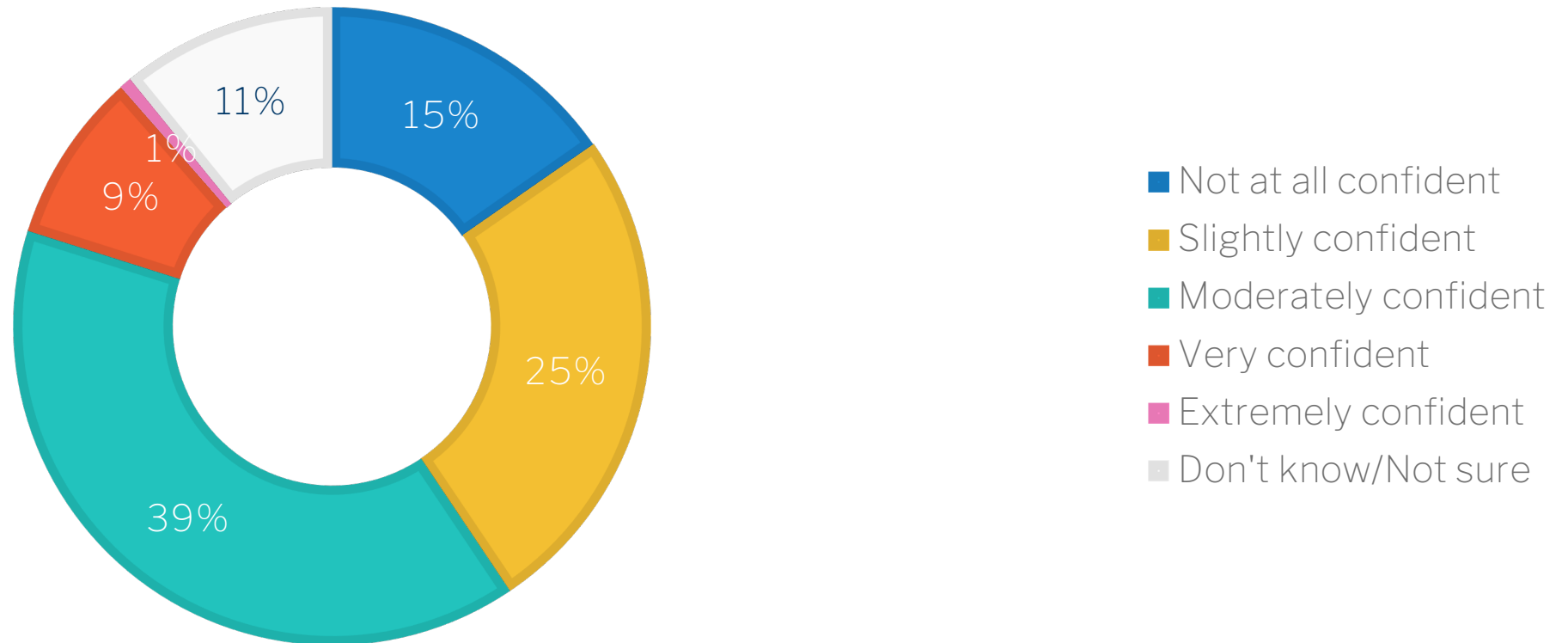
Represents 314 responses

# How comfortable are you that you have the knowledge and resources to manage the change on your business in the next 12 months?



Represents 308 responses

# How confident are you that the changes in the next 12 months will improve the industry and outcomes for residents?



Represents 313 responses





# The Care Cost Centre

Revenue		Cost							
All other RACFs	MMM1-4								
Subsidy	\$250.00								
	\$250.00								
		Care Delivery Staff							
		Care Minute Requirement	Hours	Hourly Wage	Loading 68%	Total			
		200	3.33				4-Star	5-Star	
AIN		160	2.67	\$32.00	168%	\$143.36	160	168	
RN		40	0.67	\$61.00	168%	\$68.32	46	50	
						\$211.68			
		Other Clinical Staff							
Allied Health		6	0.10	\$45.00	168%	\$7.56			
Lifestyle		5	0.08	\$28.00	168%	\$3.92			
Management		4	0.07	\$55.00	168%	\$6.16			
						\$17.64			
		Care Related Consumables & Admin							
Consumables		Misc.				\$2.00			
Admin		Misc.				\$1.50			
						\$3.50			
Total	\$250.00	Total				\$232.82			

Performance		
Profit margin	\$17.18	7%
EBITDA	\$6,270.70	7%
Care time delivered	215	108%
RN time delivered	44	110%
AIN Wage	\$32.00	15% Over FY24 Award
RN Wage	\$61.00	15% Over FY24 Award

RN % target met	Overall % target met				
	Well below (<90%)	Below (90- <100%)	Meets (100- <105%)	Above (105- <115%)	Well above (>115%)
Well below (below 75%)	★	★	★★	★★	★★★
Below (75 - <100%)	★★	★★	★★	★★★	★★★★
Meets (100 - <115%)	★★	★★★	★★★	★★★★	★★★★★
Above (115 - <125%)	★★★	★★★	★★★★	★★★★★	★★★★★
Well above (>125%)	★★★	★★★★	★★★★	★★★★★	★★★★★

EBITDA Care + Accom	\$27,404.40
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# The Accommodation Cost Centre

Non-Supported room price	\$450,000
RAD (54%)	\$243,000
RAD return (3.85%)	\$25.63
DAP (MPIR 7.9%)	\$44.80
	\$70.43

Accommodation Supplement	
Significantly refurbished, over 40% SRR	\$65.49
Significantly refurbished, under 40% SRR	\$49.12
Not significantly refurb, over 40% SRR	\$42.70
Not significantly refurb, under 40% SRR	\$32.03
	\$53.00

Revenue		Cost	
Basic Daily Fee	\$59.00	Catering	\$36.69
		Administration	\$15.17
Hotel supplement	\$10.80	Cleaning	\$10.21
		Utilities	\$7.76
Non-support 60%		Laundry	\$4.52
RAD return + DAP	\$70.43	Overhead allocation (workcover & edu)	\$0.91
		Other hotel services expense	\$0.10
60%	\$42.26		\$75.36
Supported 40%			
Supplement + DAC	\$53.00		
40%	\$21.20		
<b>Total</b>	<b>\$133.26</b>	<b>Total</b>	<b>\$75.36</b>

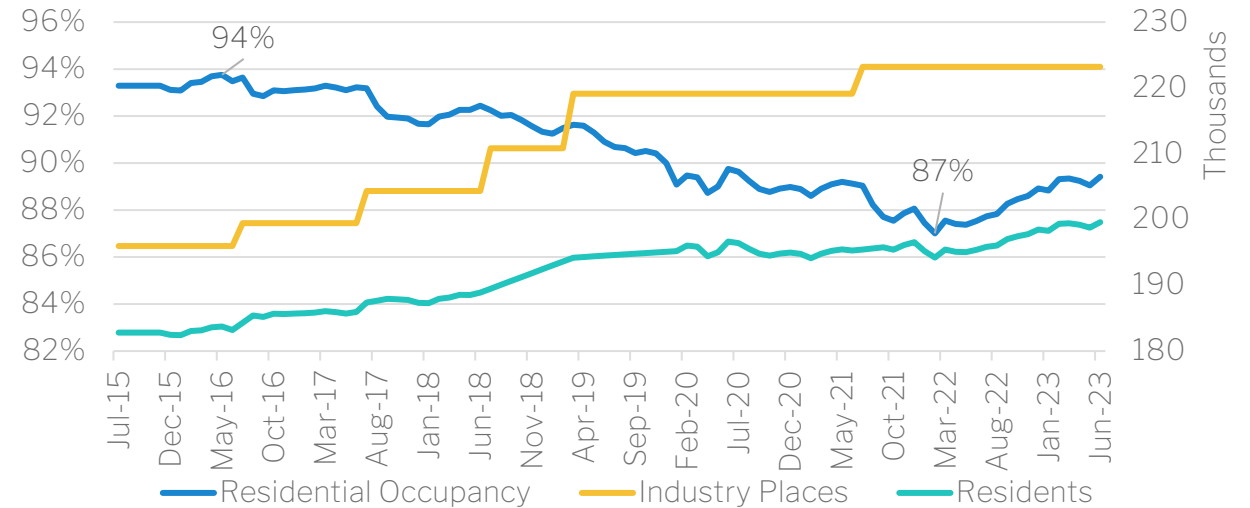
Performance		
Profit margin	\$57.90	43%
EBITDA	\$21,133.70	43%

EBITDA Care + Accom	\$27,404.40
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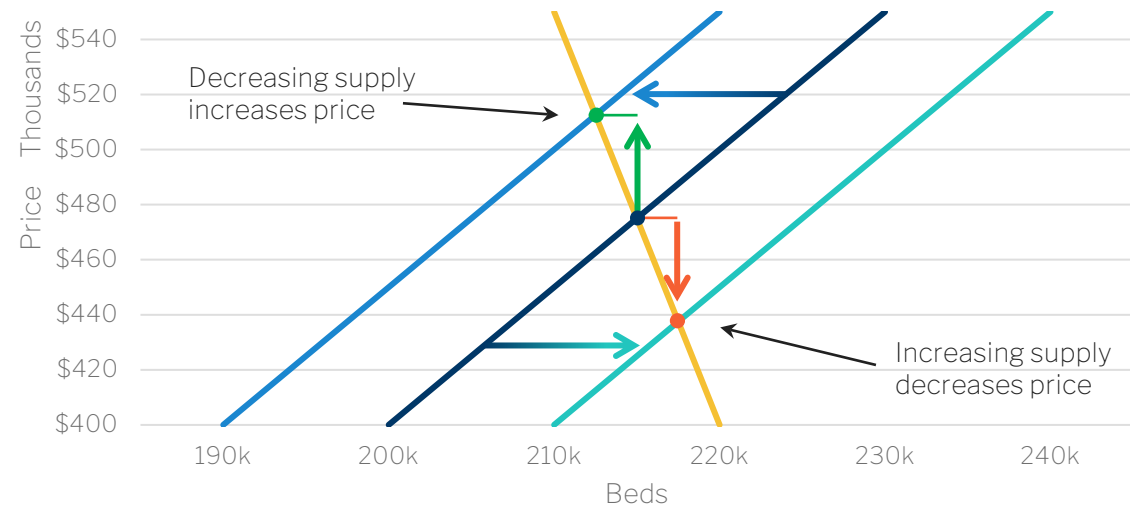
# Economics 101



- From 2015 to 2021 supply of places increased 14%
- Over the same period, demand increased 9%
- While the over 70 population increased 20%



- Increasing supply puts downward pressure on price
- Decreasing supply increases price



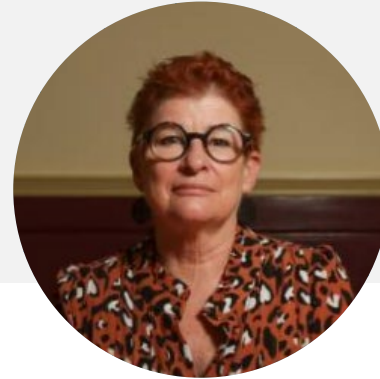
# Meet the panel



Lucy O'Flaherty  
Chief Executive Officer at  
Columbia Aged Care



Russell Egan  
Chief Executive Officer at  
Superior Care Group



Wendy Rocks  
Managing Director at Lutheran  
Aged Care Albury



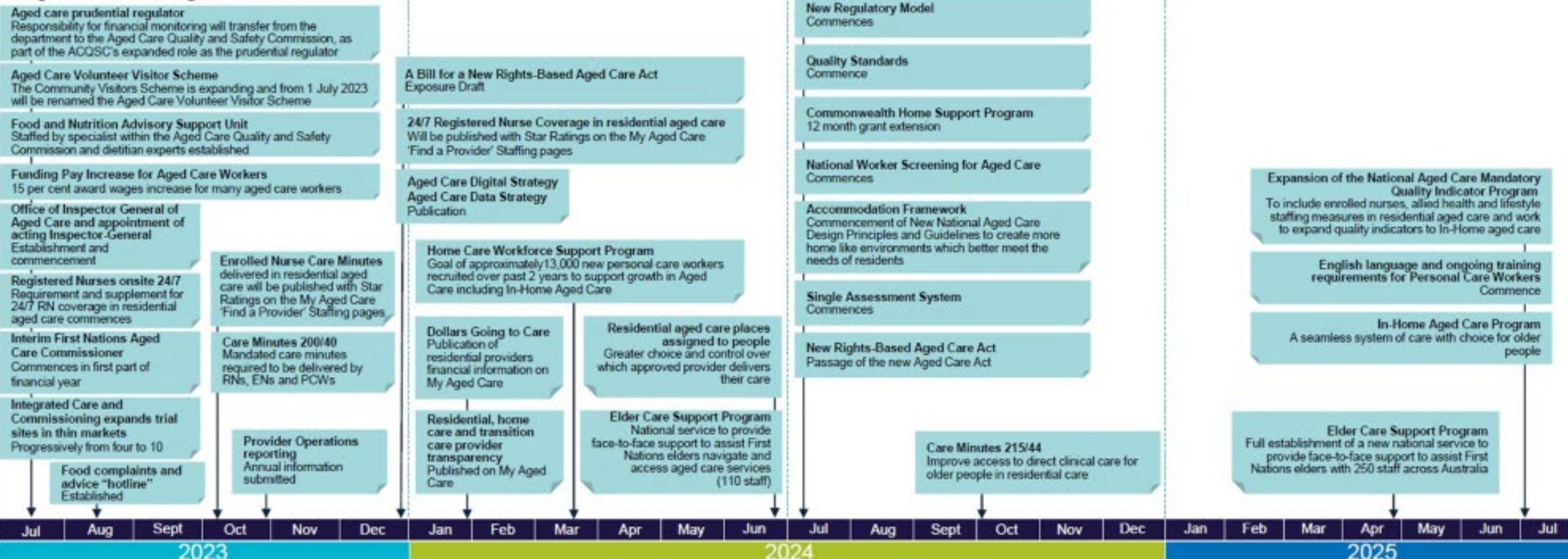
Jason Binder  
Chief Executive Officer and  
Managing Director at Respect



# Aged Care Reform Activity July 2023 to June 2025

Last updated: 6 June 2023  
- Subject to change -

## Aged care changes



# Aged Care Reform Roadmap 2023

## July 2023

- Aged care prudential regulator. Responsibility for financial monitoring will transfer from the department to the Aged Care Quality and Safety Commission, as part of the commission expanded role as the prudential regulator.
- Funding Pay Increase for Aged Care Workers. 15 per cent award wages increase for many aged care workers.
- Office of the Inspector General of Aged Care and appointment of the acting Inspector-General. Establishment and commencement.
- Registered Nurses onsite 24/7. Requirement and supplement for 24/7 Registered Nurse coverage in residential aged care commences.

## August 2023

- Food complaints and advice “hotline” established.

## October 2023

- Enrolled Nurse Care Minutes delivered in residential aged care will be published with Star Ratings on the My Aged Care ‘Find a Provider’ Staffing pages.
- Care Minutes 200/40. Mandated care minutes required to be delivered by Registered Nurses, Enrolled Nurses and Personal Care Workers.
- Provider Operations reporting. Annual information submitted.

## December 2023

- A Bill for a new rights-based Aged Care Act. Exposure draft.
- 24/7 Registered Nurse coverage in residential aged care will be published with Star Ratings on the My Aged Care ‘Find a Provider’ Staffing pages.

# Aged Care Reform Roadmap 2024

## January 2024

- Dollars Going to Care. Publication of residential providers financial information on My Aged Care.
- Residential, home care and transition care provider transparency. Published on My Aged Care.

## June 2024

- Residential aged care places assigned to people. Greater choice and control over which approved provider delivers their care.

## July 2024

- New Regulatory Model commences.
- Quality Standards commence.
- National Worker Screening for aged care commences.
- Accommodation Framework. Commencement of New National Aged Care Design Principles and Guidelines to create more home like environments which better meet the needs of residents.
- New rights-based Aged Care Act. Passage of the new Aged Care Act.

## October 2024

- Care Minutes 215/44. Improve access to direct clinical care for older people in residential care.



# Key points

- Aged Care prudential regulator in relation to efficiency and financial viability – Commission’s expanded role, data sharing across Dept + Comm
- Similar to driving compliance to 200/40 and a view to transitioning to 215/44 in October 2024 – gap analysis required and budget reforecasting report can be used.
- 24/7 RN and monthly exception reporting from July 2023 – first 24/7 RN report is due 7<sup>th</sup> August 2023 via GPMS.
- New disclosures through Star Ratings and My Aged Care on – EN minutes (in Oct), Provider Operations reporting (from Oct), 24/7 RN coverage (in Dec), Dollars Going to Care and Financial information (from Jan)
- Aged Care places assigned to people (from June 2024) – end of bed licences, providers will have greater control over their business decisions. They will be able to develop high quality and innovative models of care and accommodation that best meet the preferences of older Australians.
- All new = commencement of Accommodation Framework, New Regulatory Model, Revised Quality Standards, and new rights-based Aged Care Act (July 2024).
  - Accommodation Framework also includes National Aged Care Design Principles and Guidelines which aims to create more home-like environments which better meet the needs of residents.
  - New Aged Care Regulatory Model sets out a new approach to regulating aged care.
  - Standards have significant changes which we’re running education and workshops on for clients.
  - Act will place older Australians at the heart of the aged care system and provide the framework for fundamental change. The new Act will replace existing legislation, including the *Aged Care Act 1997* and the *Aged Care Quality and Safety Commission Act 2018*.

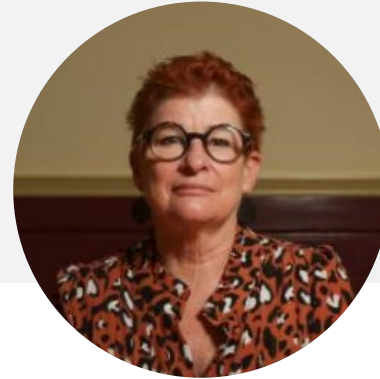
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Chief Executive Officer and  
Managing Director at Respect

Questions from the chat





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We can support you to give you confidence that your AN-ACC processes are on track.

This 3-month program and an analysis of each facility gives you:

- Accurate classifications and an understanding of your potential revenue change
- Optimisation of your care minutes and an understanding of the impact on your rosters
- Education for your teams on assessment processes
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## Star rating analysis report

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- A view of where you rank against others in the industry
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- A conversation with our consultants on what your results mean and tangible next steps on how you can improve them.

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Striking a balance between financial sustainability, choice, and equity.

Thursday 31 August

12pm – 1pm AEST

<https://www.mirusaustralia.com/is-user-pays-the-answer>

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