

# AGED CARE FINANCIAL PERFORMANCE SURVEY



## *Q2FY20 SURVEY RESULTS SUMMARY*

# APPROVED PROVIDER (ORGANISATION) SURVEY RESULTS REVIEW

# APPROVED PROVIDER RESULTS - SUMMARY

## Equity / Balance Sheet

- Operating surplus return on assets ratio has further declined to be a negative 1.03% at Dec-19 (Dec-18 negative 0.72%) which is at an unsustainable level
- Operating EBITDA (cash) return on assets has declined from 0.97% (Dec-18) to 0.74% (Dec-19)
- Cash to debt ratio (cash + financial assets as a percentage of debt (resident + unspent funds + borrowings)) has decreased to be 34.2% at Dec-19 (37.7% at Dec-18; 50.1% at Dec-17)
- Listed entities average cash to debt ratio at Dec-18 is 3.0% (*cash and financial assets at 31/12/19 was \$96.2m before declared dividend payments (March/April) of \$30.5m*) (2.05% cash to debt after dividend)

## Operating Performance (six months to 31 December 2019)

- Operating surplus excludes non-recurrent revenues such as revaluation increments, donations, bequests, fundraising, gains on asset sales and non-recurrent expenses including revaluation decrements, impairment and asset sale losses
- Operating results for Dec-19 further deteriorated to an average deficit of \$1,104k per provider (Dec-18 deficit \$741K; Dec-17 \$129k)
- Operating EBITDA (cash result) declined to an average of \$791k per provider (Dec-18 \$996k; Dec-17 \$1,286k)

# APPROVED PROVIDER - SUMMARY RESULTS

## Approved Provider (Organisation) Income & Expenditure Summary Results

Average operating deficit has deteriorated to \$1,104k (average per provider)

Employee expenses increased to 69.4% of recurrent revenue

(Summary results derived from 154 approved providers representing 812 aged care homes; 32,758 home care packages and 1,080 retirement villages)

### Income & Expenditure

#### Revenue

Service revenue	
Investment revenue	
<i>Total operating revenue</i>	

#### Expenses

Employee expenses	
Depreciation and amortisation	
Finance costs	
Other expenses	
<i>Total operating expenses</i>	

#### Operating surplus (deficit)

Non-recurrent income and expenses

#### Total surplus (deficit) (NPBT)

#### Operating EBITDA

### Ratios

<i>Operating surplus return on assets (ROA)</i>	
<i>Operating EBITDA return on assets</i>	
<i>Operating surplus % of operating revenue</i>	
<i>Employee expenses % of operating revenue</i>	
<i>Depreciation as % of property assets</i>	

Survey Dec-19 (6 months) (Average)	Survey Dec-18 (6 months) (Average)	Survey Dec-17 (6 months) (Average)
\$'000	\$'000	\$'000
31,138	30,613	27,639
746	693	669
<b>31,884</b>	<b>31,306</b>	<b>28,308</b>
22,124	21,323	19,215
2,408	2,228	1,902
233	202	182
8,222	8,295	7,138
<b>32,988</b>	<b>32,047</b>	<b>28,437</b>
<b>(1,104)</b>	<b>(741)</b>	<b>(129)</b>
478	450	583
<b>(626)</b>	<b>(291)</b>	<b>454</b>
<b>791</b>	<b>996</b>	<b>1,286</b>
<b>(1.0%)</b>	<b>(0.7%)</b>	<b>(0.1%)</b>
0.7%	1.0%	1.4%
<b>(3.5%)</b>	<b>(2.4%)</b>	<b>(0.5%)</b>
69.4%	68.1%	67.9%
3.2%	3.3%	3.1%

# APPROVED PROVIDER - SUMMARY RESULTS

## Approved Provider (Organisation) Balance Sheet Summary Results

Average total assets \$213.4m and average net assets \$61.2m

Refundable loans increased to average \$112m

Average HCP unspent funds is \$1.5m

### Balance Sheet

#### Assets

Cash and financial assets

Operating assets

Property assets

Intangibles

*Total assets*

#### Liabilities

Refundable loans

HCP unspent funds liability

Borrowings

Other liabilities

*Total liabilities*

**Net assets**

**Net tangible assets**

#### Ratios

*Net assets proportion % total assets*

*Property assets proportion % total assets*

*Cash + financial assets % debt*

Survey Dec-19 (Average)	Survey Dec-18 (Average)	Survey Dec-17 (Average)
-------------------------------	-------------------------------	-------------------------------

\$'000	\$'000	\$'000
41,390	41,877	53,966
13,359	16,759	3,512
149,504	136,518	122,018
9,149	10,916	7,057
<b>213,401</b>	<b>206,069</b>	<b>186,553</b>
112,120	102,674	100,380
1,517	1,079	702
7,339	7,243	6,562
22,081	24,247	14,641
<b>143,057</b>	<b>135,242</b>	<b>122,285</b>
<b>70,344</b>	<b>70,827</b>	<b>64,268</b>
<b>61,195</b>	<b>59,911</b>	<b>57,211</b>

33.0%	34.4%	30.7%
70.1%	66.2%	65.4%
34.2%	37.7%	50.1%

# RESIDENTIAL CARE SURVEY RESULTS REVIEW

## RESIDENTIAL CARE RESULTS - SUMMARY

- 56% of aged care homes recorded an operating loss for the December six months
- 29% of aged care homes recorded an EBITDAR loss (cash loss) for the December six months
- Average ACFI per bed day (pbd) for Survey participants increased by \$2.63 pbd to \$180.30 pbd (1.48% pa)
- Occupancy levels for survey participants decreased to 93.9% average occupancy (94.9% Dec-18)
- Total care hours per resident per day increased by 0.09 hours to 3.25 hours (Dec-18: 3.16 hours)
- ACFI direct care services costs increased to \$154.48 pbd (year-on-year) (6.8% pa)
- Costs for providing everyday living services exceeded revenue by \$8.13 pbd (*excluding administration*)
- Average Net Profit Before Tax (NPBT) for aged care homes (the overall ACH Result) reduced by \$3,319 per bed per annum (pbpa) to a loss of \$2,120 pbpa (year-on-year)
- Average EBITDAR for aged care homes reduced by \$3,146 pbpa to \$4,245 pbpa
- Supported ratio remained constant at 46.9%
- Average full RADs taken in the December six months increased to \$424,209 (nationally) and increase of \$31,017 in the year from Dec-18

# RESIDENTIAL AGED CARE - REVENUE STREAMS

- **ACH Result** is defined as Net Profit Before Tax (**NPBT**). This may also be referred to as the Facility Result and is the sum of the Care Result and the Accommodation Result. (Also known as: Aged Care Home Result). The ACH Result comprises the following components:
- **Care Result** is defined as the sum of the ACFI result, Everyday Living Result less Administration Costs. The Care Result is a derivative of the resident acuity (care) needs.
- **Accommodation Result** is the net result of accommodation revenue (DAPs/DACs/Accommodation supplements) and expenses related to capital items such as depreciation, property rental and refurbishment costs. It excludes costs associated with recurrent repairs and maintenance and motor vehicles. The Accommodation Result is derived from revenue streams not directly related to resident acuity but the resident's financial ability to pay for residential accommodation.

ACFI Result	Everyday Living Result	Administration Costs	Care Result	Accommodation (Capital) Result	ACH Result
<ul style="list-style-type: none"> <li>•ACFI Income (incl. MTCF) and care supplements</li> </ul> Less <ul style="list-style-type: none"> <li>•Direct care wages and on-costs including w/comp and quality &amp; education costs</li> <li>•Other direct care expenses including medical, continence and therapy supplies</li> </ul>	<ul style="list-style-type: none"> <li>•Basic Daily fee and extra/additional service fees</li> </ul> Less <ul style="list-style-type: none"> <li>•Hospitality services (catering, cleaning &amp; laundry)</li> <li>•Utilities</li> <li>•MV expenses</li> <li>•Routine property and other maintenance expenses</li> </ul>	<ul style="list-style-type: none"> <li>•Cost of administration and support services excluding w/comp and quality and education costs (reallocated to care and everyday living)</li> </ul>	<p>Care Result</p>	<ul style="list-style-type: none"> <li>•Accommodation supplements</li> <li>•Retention from bonds</li> <li>•Daily accommodation payments and accommodation charges</li> <li>•Interest on outstanding deposits</li> </ul> Less <ul style="list-style-type: none"> <li>•Depreciation and amortisation</li> <li>•Rent</li> <li>•Room refurbishment costs</li> <li>•Interest paid on outgoing bonds</li> </ul>	<p>ACH Result (NPBT)</p>



## RESIDENTIAL AGED CARE - SUMMARY RESULTS

### Residential Care Summary Results - Survey Average (All)

*ACH is Aged Care  
Home (facility)*

*Surplus and  
EBITDAR by facility  
has further  
deteriorated year-  
on-year (Dec-19 to  
Dec-18)*

*The operating  
deficit was \$1,628  
pbpa for the  
December quarter  
(September quarter  
was \$582 deficit)  
and the operating  
EBITDAR was a  
deficit of \$1,584  
pbpa for the  
December quarter*

Residential Aged Care Homes - Summary Result:	Jun-19 1,045 homes	Dec-19 1,060 homes	Dec-18 965 homes		Difference (YoY)
ACH RESULT (\$pbd)	(\$2.62)	(\$6.43)	\$3.20	↓	(\$9.63)
ACH RESULT (\$pbpa)	(\$904)	(\$2,210)	\$1,109	↓	(\$3,319)
ACH EBITDAR (\$pbpa)	\$5,531	\$4,245	\$7,391	↓	(\$3,146)
Average Occupancy	94.4%	93.9%	94.9%	↓	(1.0%)
Average ACFI (\$pbd)	\$177.79	\$180.30	\$177.68	↑	\$2.63
Direct care hours per resident per day	3.13	3.25	3.16	↑	0.09
ACFI services costs as a % of ACFI	83.8%	85.7%	81.4%	↑	4.2%
Supported ratio	47.6%	46.9%	46.9%	↑	0.0%
Average Full bond/RAD held	\$362,312	\$380,066	\$349,329	↑	\$30,737
Average Full RAD taken during period	\$402,384	\$424,209	\$393,192	↑	\$31,017

## RESIDENTIAL - PERCENTAGE OF HOMES MAKING AN OPERATING LOSS

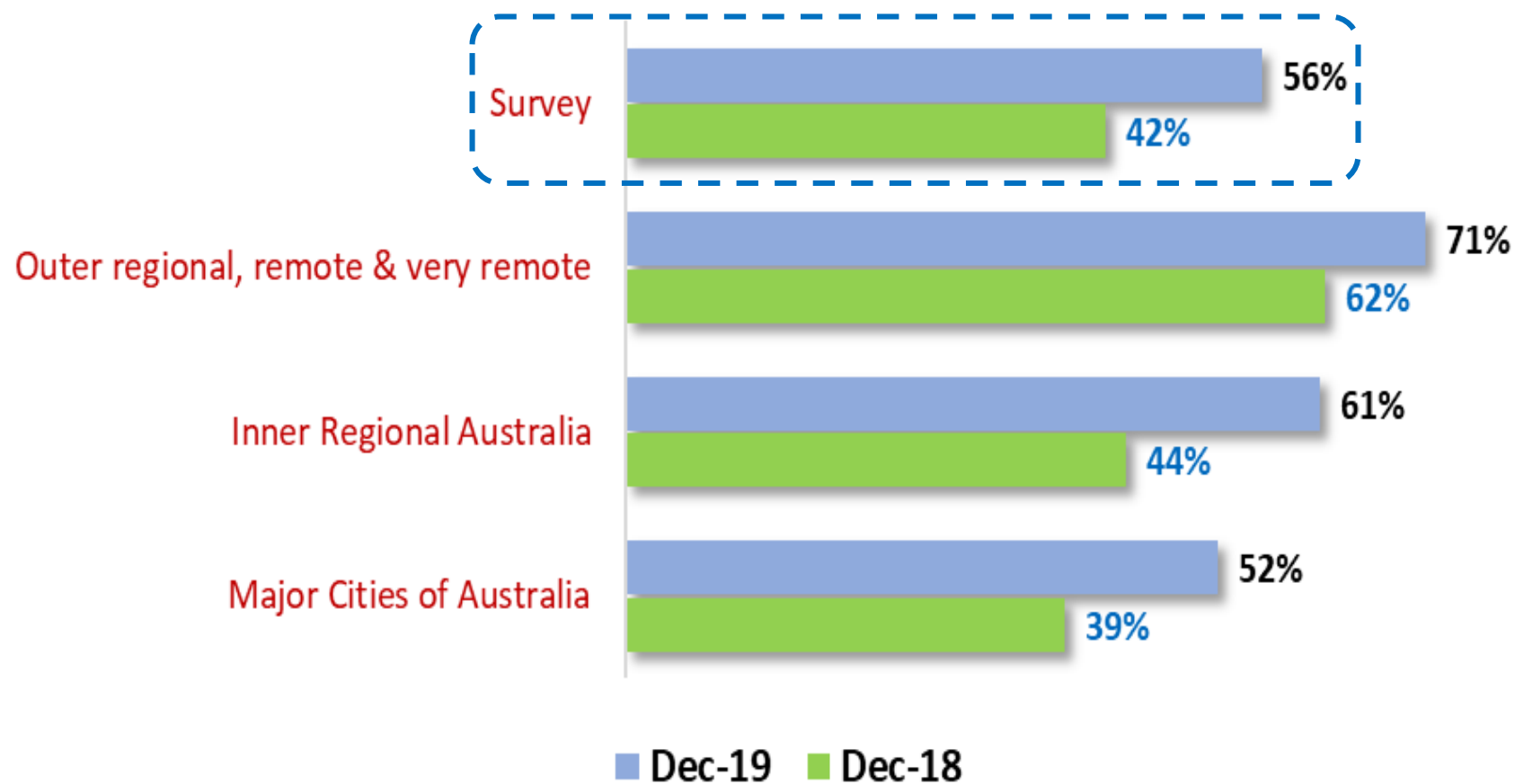
### RESIDENTIAL HOMES WITH OPERATING LOSS (DEFICIT)

Percentage of aged care homes who made an operating loss for Dec-19 six months

*The number of homes who had an operating loss increased from 51% to 56% from the September quarter*

The number of homes making an operating deficit increased in each regional sector

### Aged Care Homes with Operating Loss by ABS Remoteness



## RESIDENTIAL - PERCENTAGE OF HOMES MAKING AN EBITDAR LOSS

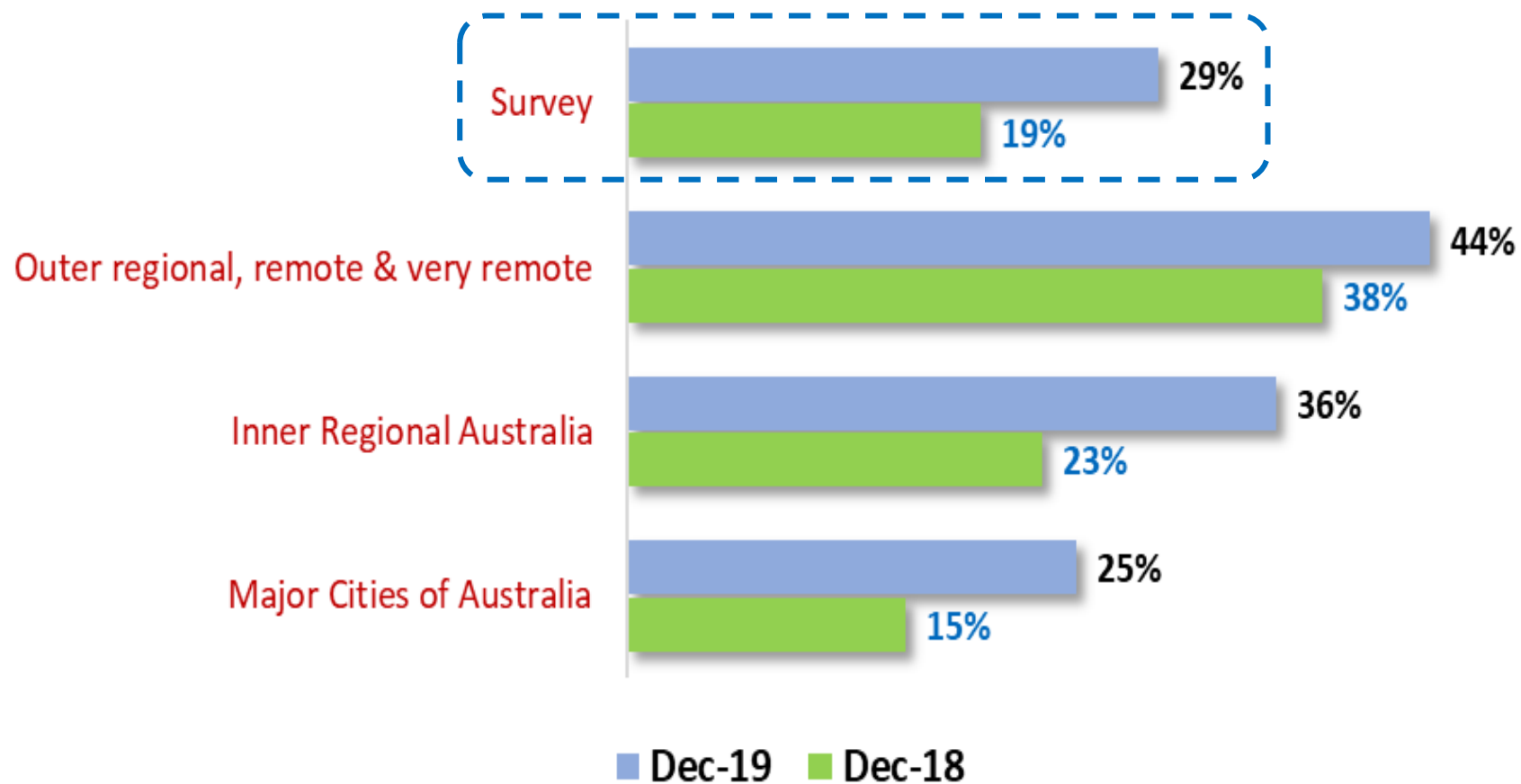
### RESIDENTIAL HOMES WITH EBITDAR LOSS (OPERATING CASH DEFICIT)

Percentage of aged care homes who made an EBITDAR (cash) operating loss for Dec-19 six months totalled 29%

*The number of homes who had an EBITDAR loss increased by 2% from 27% since the September quarter*

*\* "R" in EBITDAR is for Rent (where there is no building depreciation)*

### Aged Care Homes with EBITDAR Loss by ABS Remoteness

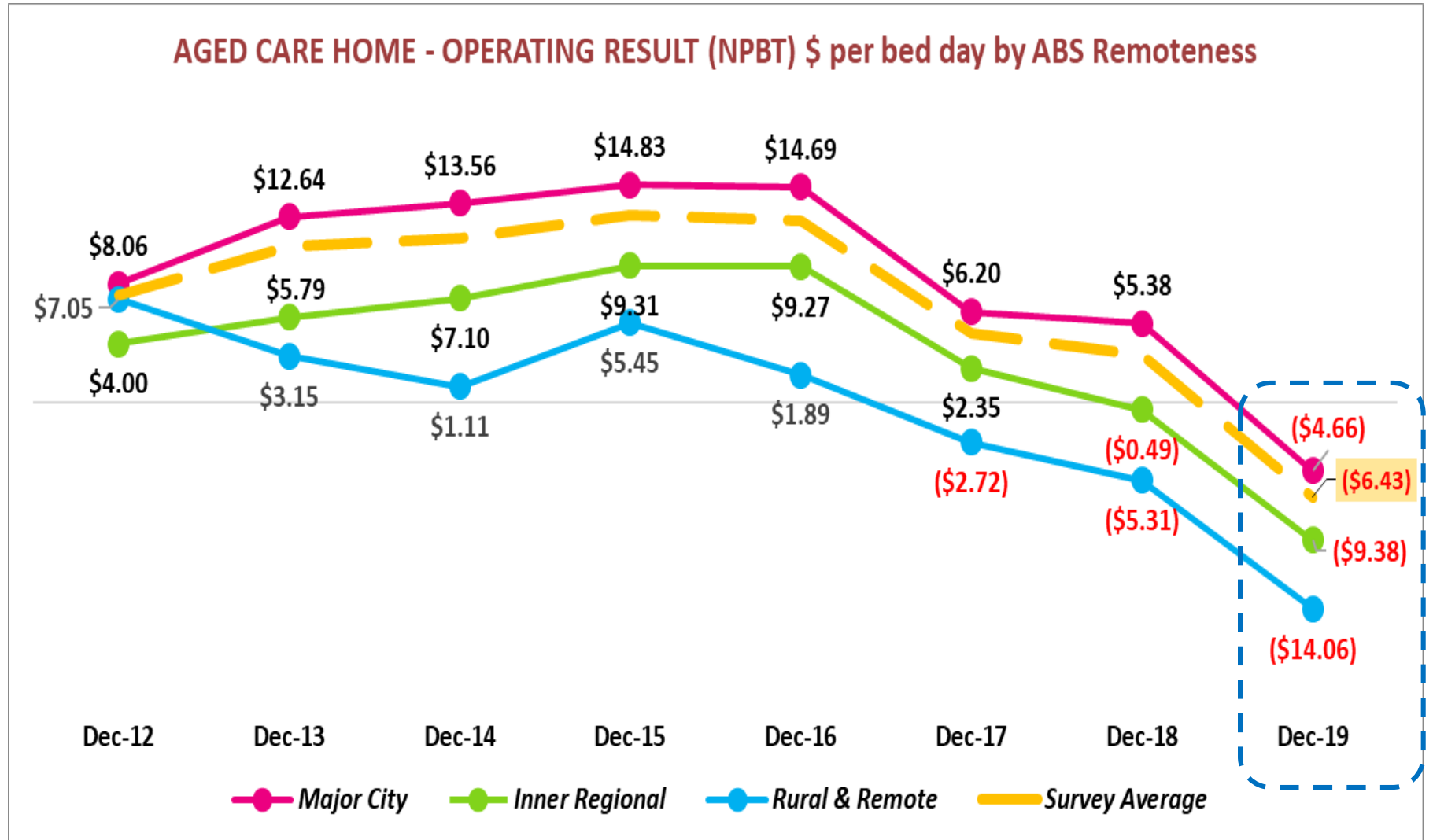


# RESIDENTIAL NPBT RESULTS - TREND ANALYSIS (\$ PER BED DAY)

Aged Care Home (Facility)  
Operating  
Result Trend  
year-on-year  
from 2012 to  
2019  
(expressed as \$  
per bed day)

The graph shows  
the operating  
result by ABS  
remoteness (each  
region is making  
an operating loss)

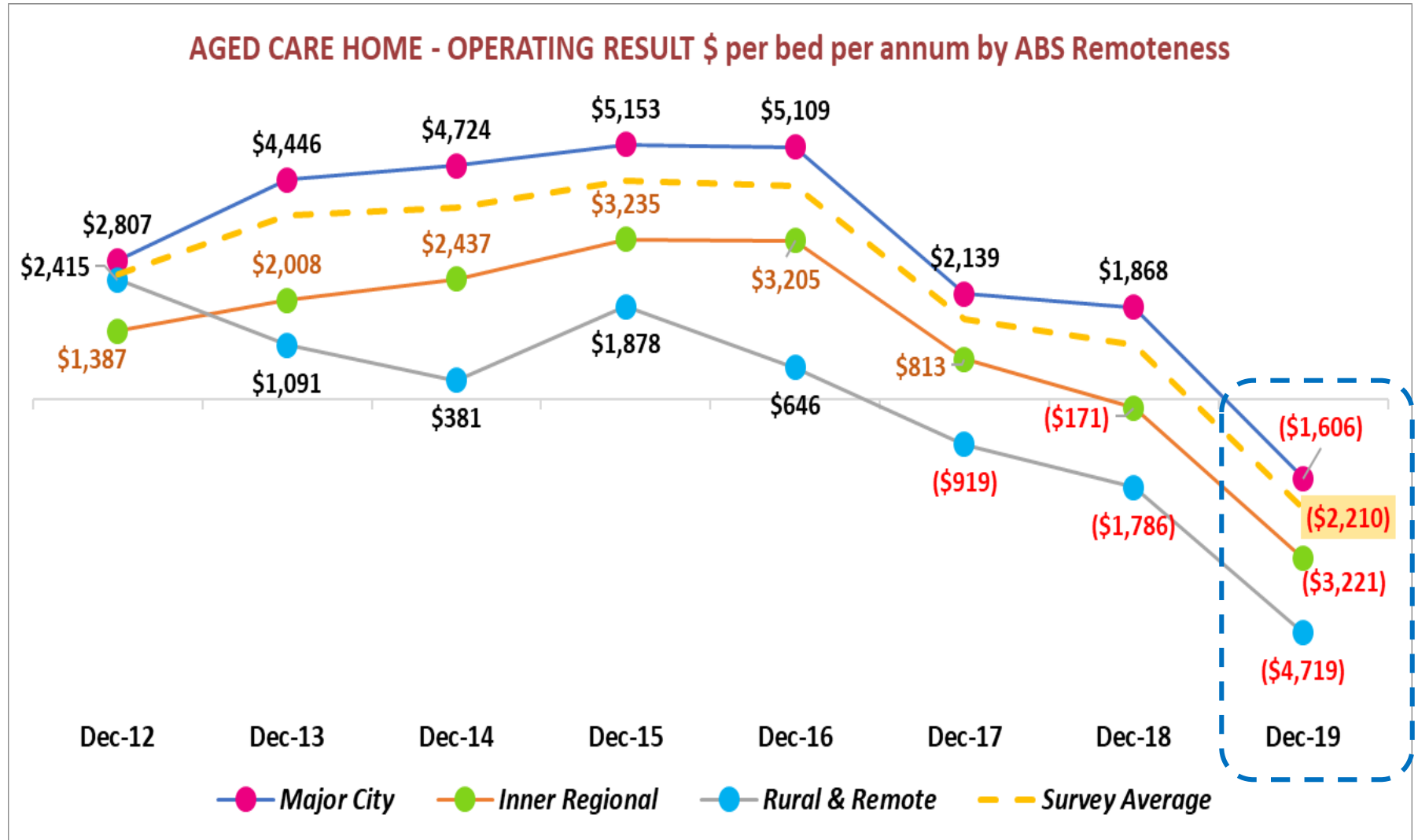
Survey Average  
(All) homes  
recorded an  
overall **deficit of  
\$6.43** pbd (Care +  
Accommodation  
revenue streams)



# RESIDENTIAL NPBT RESULTS - TREND ANALYSIS (\$ PER BED PER ANNUM)

Aged Care Home (Facility)  
Operating  
Result Trend  
year-on-year  
from 2012 to  
2019 (*expressed  
as \$ per bed per  
annum*)

Survey Average  
(All) homes  
recorded an overall  
**deficit of \$2,210**  
per bed pa (*Care +  
Accommodation  
revenue streams*)

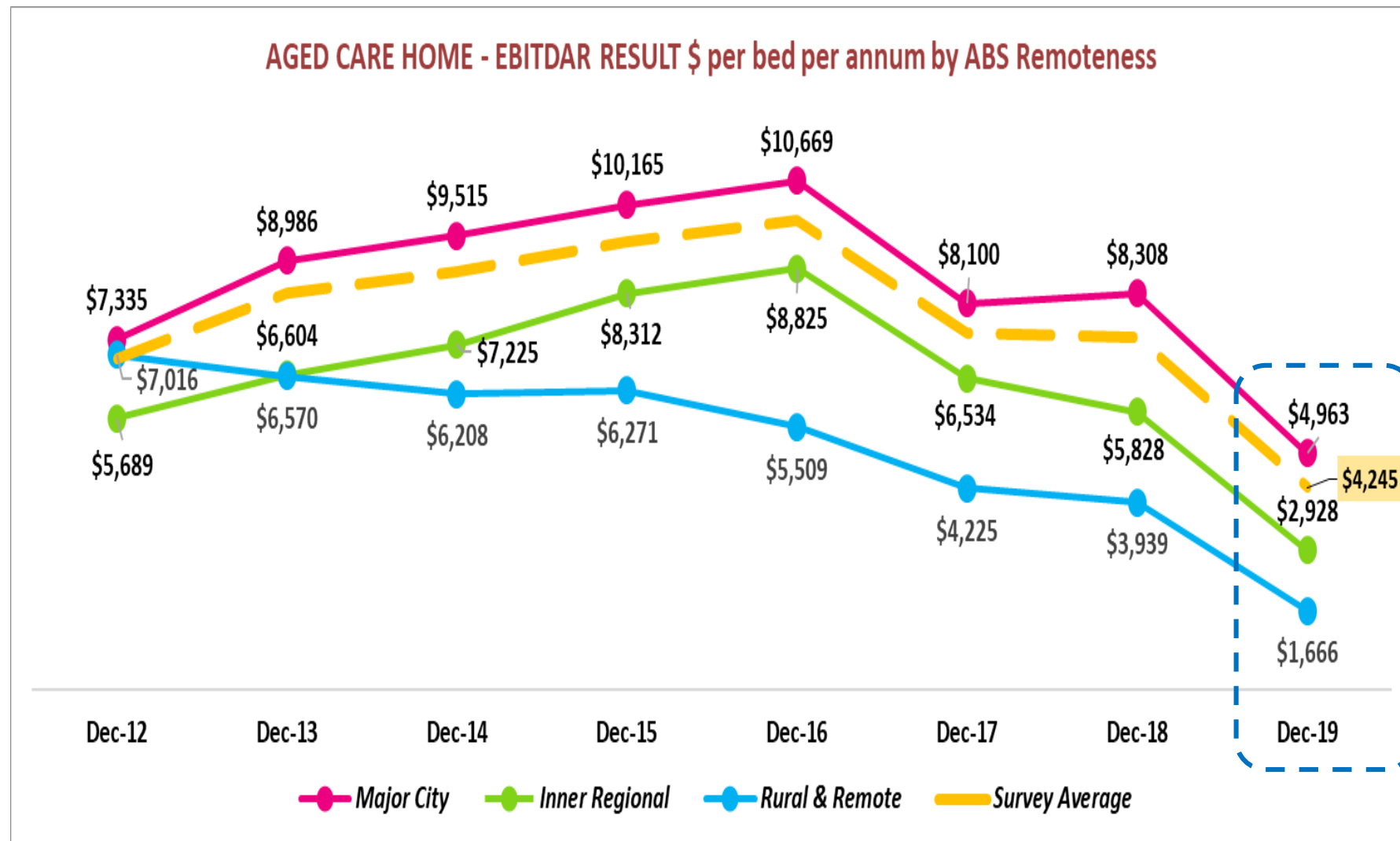


# RESIDENTIAL EBITDA RESULTS - TREND ANALYSIS (\$ PER BED PER ANNUM)

Aged Care Home  
(Facility)  
EBITDAR  
Result Trend  
year-on-year  
from 2012 to  
2019

Survey Average  
(All) homes had an  
EBITDAR result of  
**\$4,245 per bed  
per annum**

All regions have  
experienced  
significant  
deteriorating  
results since Dec-  
16

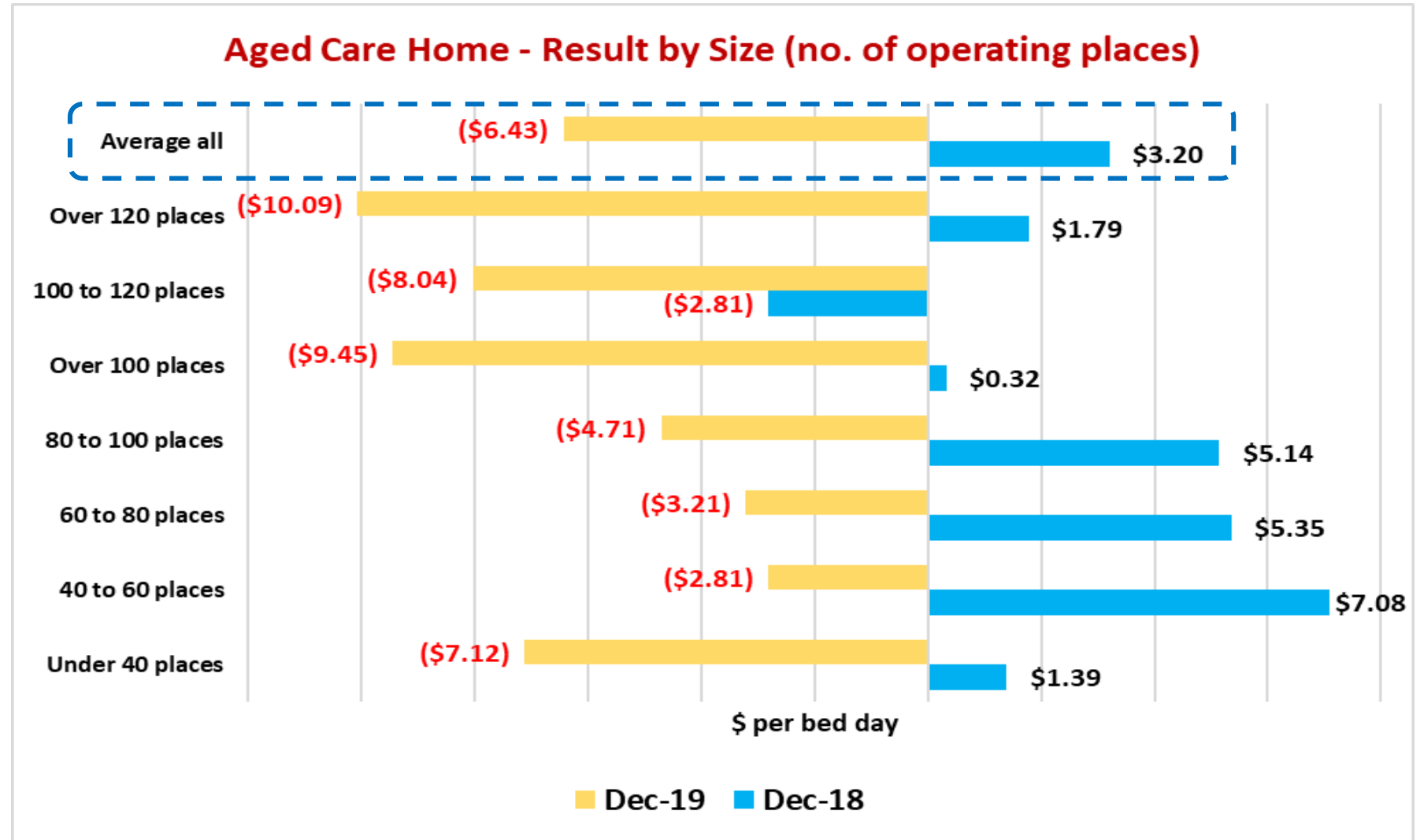


## RESIDENTIAL OPERATING RESULTS - ANALYSIS BY HOME SIZE

Aged Care Home  
Operating  
Result Analysis  
based on Size  
of Home  
(expressed as  
\$ per bed day)

Results  
deteriorated (to  
be an operating  
loss) for all home  
sizes

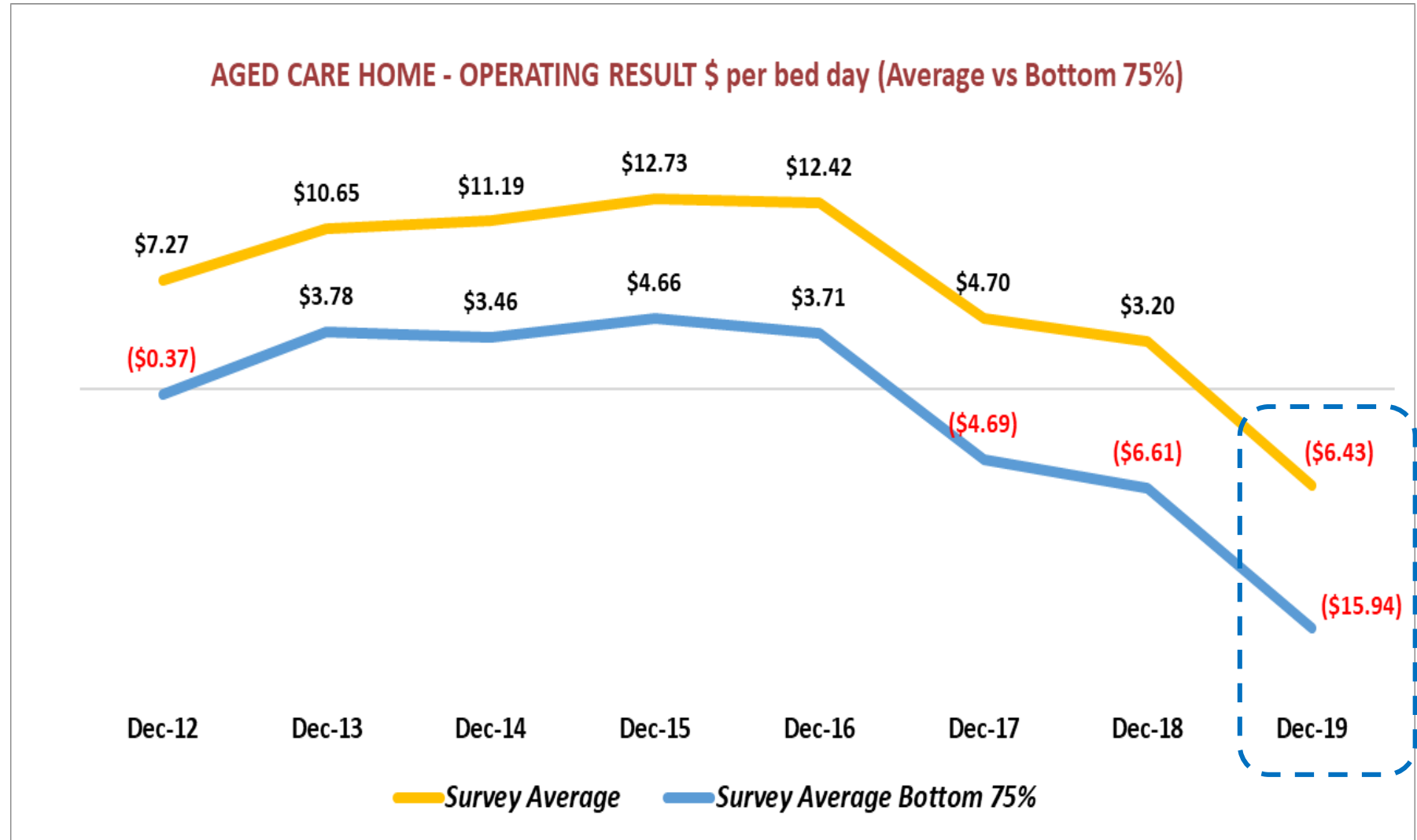
Homes over 120  
places had the  
largest decline in  
results. Smaller  
sized homes had  
better results than  
large homes



## RESIDENTIAL RESULTS - TREND ANALYSIS (\$ PER BED DAY)

Aged Care Home  
Operating  
Result Trend  
year-on-year  
from 2012 to 2019  
comparing  
*Average* (all  
homes) to  
*Bottom 75%*

Survey *Bottom 75%* had an average result of a **deficit of \$15.94 per bed day** (this represents the average of over 825 homes nationally)





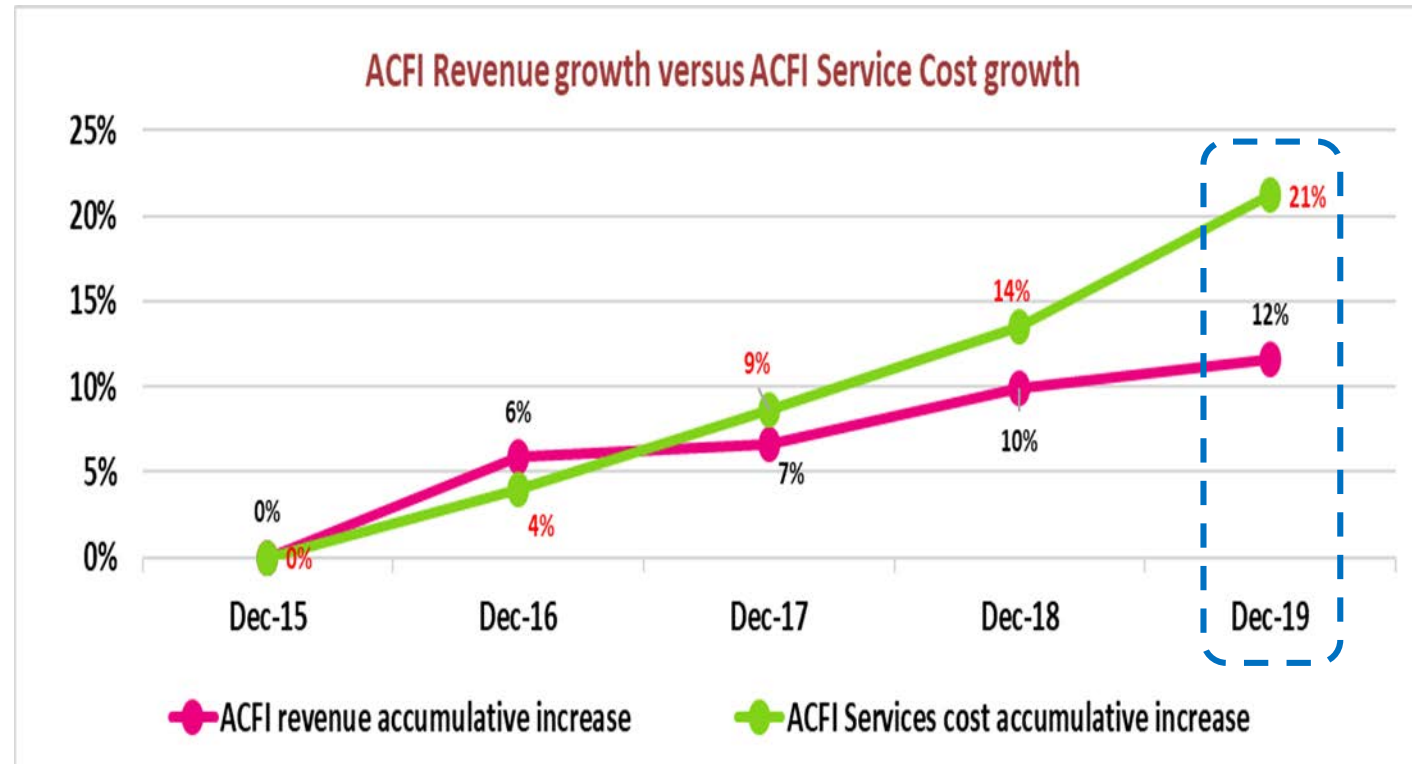
# RESIDENTIAL - DIRECT CARE REVENUE STREAM

Aged Care Home Direct Care Result Trend year-on-year from 2015 to 2019

Survey Average (All) result for Direct Care (ACFI) (excluding administration) has **declined by \$7.74 pbd** for the six months to Dec-19

ACFI has had an accumulated increase of 12% over the 4 years, however direct care costs have increased by 21%

## ACFI (DIRECT CARE) REVENUE STREAM



## FUNDING REFORM

COPE (inflation) subsidy to be based on **Wage Price Index plus 1%** (additional 1% to allow for award/EA increases for aged care workers) (staff cost represent over 70% of revenue) (\$240 million)

# RESIDENTIAL - EVERYDAY LIVING REVENUE STREAM

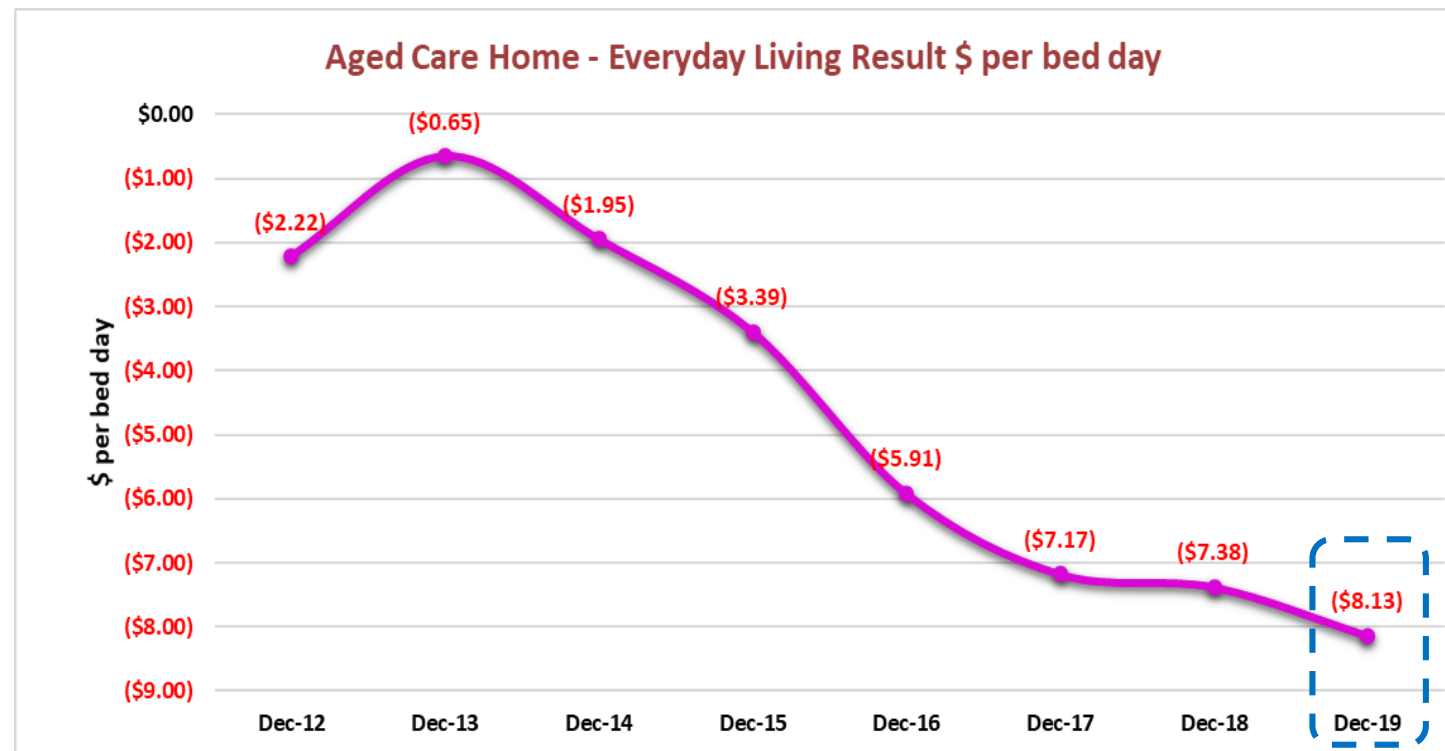
## EVERYDAY LIVING (INDIRECT CARE) REVENUE STREAM



Aged Care Home Indirect Care (Everyday Living) Result Trend year-on-year from 2015 to 2019

Survey Average (All) result for Everyday Living (excluding administration) has declined to a **deficit of \$8.13 pbd**

The above result includes additional/extra services revenue



## FUNDING REFORM

Lift the Basic Daily Fee (which relates to Everyday Living costs) by **\$10 per bed per day** - government subsidy to compensate for all residents in the interim (first 2-3 years) and then progressively means-tested (**\$700 million**)

## RESIDENTIAL AGED CARE - SUMMARY RESULTS BY REGION

### Residential Care Summary Results by Region - Survey Average (All)

*ACH is Aged Care Home (facility)*

Operating Surplus average for aged care homes is an average deficit for all ABS remoteness regions

EBITDAR has significantly declined for the December quarter

Outer regional, rural and remote homes are in a very vulnerable financial position

Summary Results (December six months)	Major Cities 699 Homes	Inner Regional 266 Homes	Rural & Remote 95 Homes
ACH RESULT (\$pbd)	(\$4.66)	(\$9.38)	(\$14.06)
ACH RESULT (\$pbpa)	(\$1,606)	(\$3,221)	(\$4,719)
ACH EBITDAR (\$pbpa)	\$4,963	\$2,928	\$1,666
Average Occupancy	94.2%	93.8%	91.7%
Average ACFI \$pbd	\$182.57	\$174.37	\$178.23
Direct care hours per resident per day	3.28	3.15	3.27
ACFI services costs as a % of ACFI	85.2%	86.8%	86.7%
Supported ratio	45.7%	47.8%	50.6%
Average Full bond/RAD held	\$409,993	\$302,899	\$285,596
Average Full RAD taken during period	\$459,208	\$348,269	\$340,465

### FUNDING REFORM

Regional aged care homes to be fully funded for ACFI (based on 100% occupancy) (subject to financial viability analysis for vulnerable homes)  
(\$140 m)

## DIRECT CARE STAFF HOURS (PER RESIDENT DAY)

### Staff Hours Worked (per resident per day)

Total direct care staff hours worked per resident per day for Survey Average (All) and First 25%

The *First 25%* have lower direct hours due to higher level of homes being new or redesigned to incorporate operational efficiencies (movement of staff)

Survey Average							Survey First 25%	
Hours by Staff Category - hours worked per resident per day								
	Dec-19	Dec-18		Dec-19	Dec-18			
Care management	0.12	0.12	-	0.11	0.10	↑		
Registered nurses	0.40	0.38	↑	0.36	0.33	↑		
Enrolled & licensed nurses	0.29	0.34	↓	0.20	0.40	↓		
Other unlicensed nurses & personal care staff	2.23	2.15	↑	2.08	1.84	↑		
Allied health & lifestyle	0.18	0.17	↑	0.19	0.17	↑		
Imputed agency care hours implied	0.03	0.02	↑	0.03	0.02	↑		
Total Care Hours	3.25	3.16	↑	2.98	2.87	↑		

### FUNDING REFORM

Ongoing **2.5% training subsidy** (based on ACFI revenue) to finance staff skill and training (subsidy includes costs of staff to attend training) (**\$315 million**)

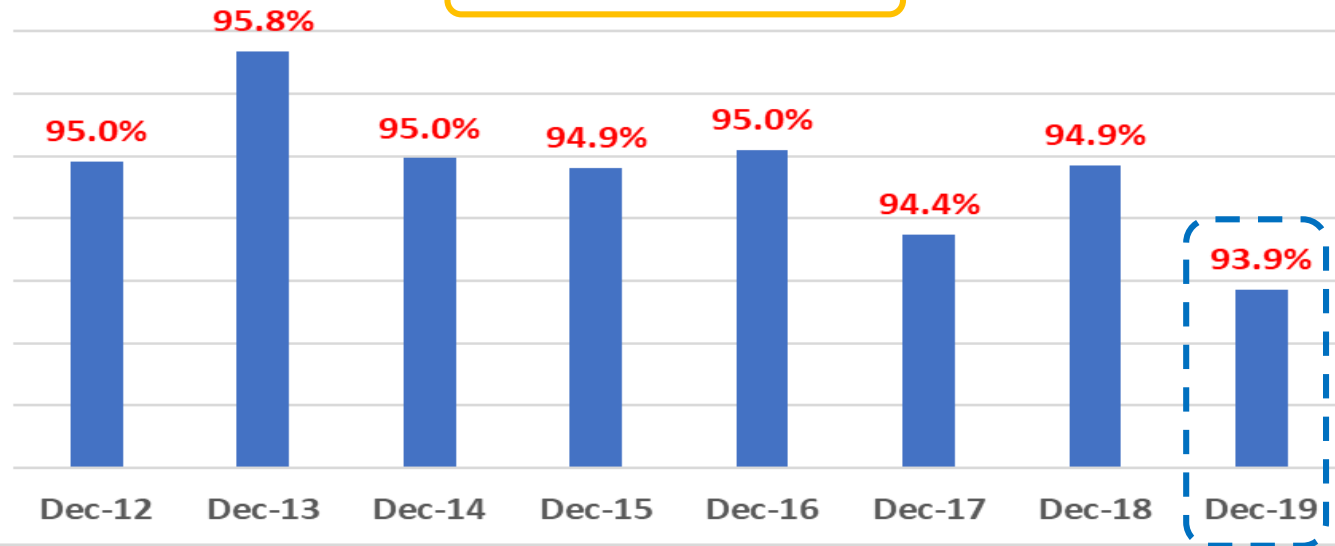
# RESIDENTIAL CARE - OCCUPANCY TRENDS

## Residential Occupancy Percentage

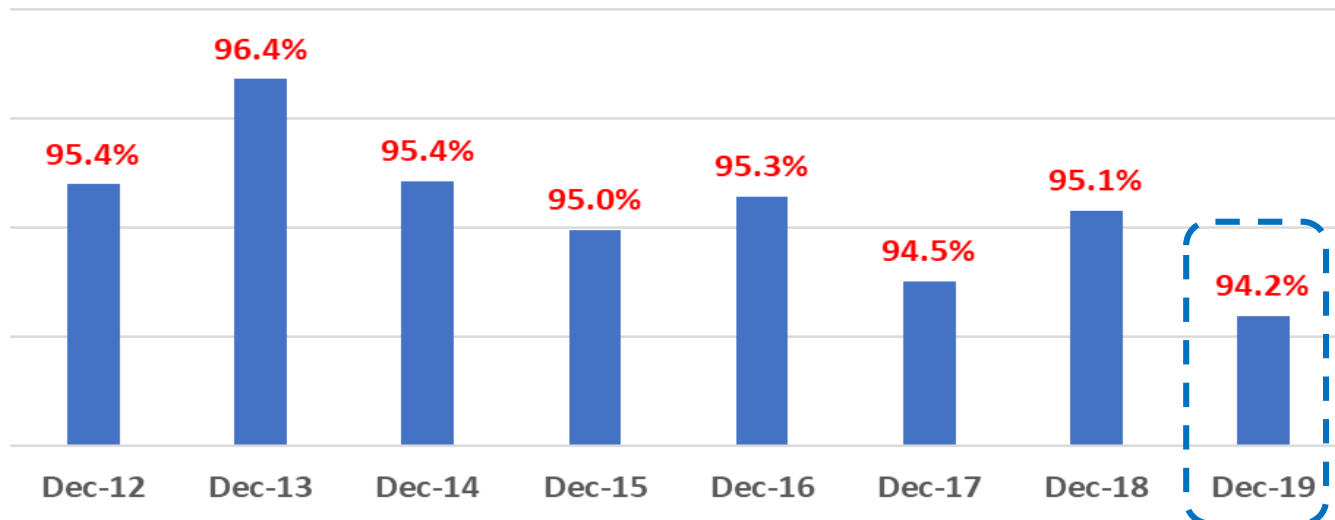
The occupancy percentage overall has declined YoY by 1% to 93.9% nationally (94.4% at Jun-19)

*Please note that the DOH calculates occupancy on approved places (and unfilled places as advised by providers) whereas StewartBrown calculates the occupancy based on number of operational (available) places, which excludes off-line places due to refurbishment or other strategic reasons*

### Occupancy - National



### Occupancy - Major Cities



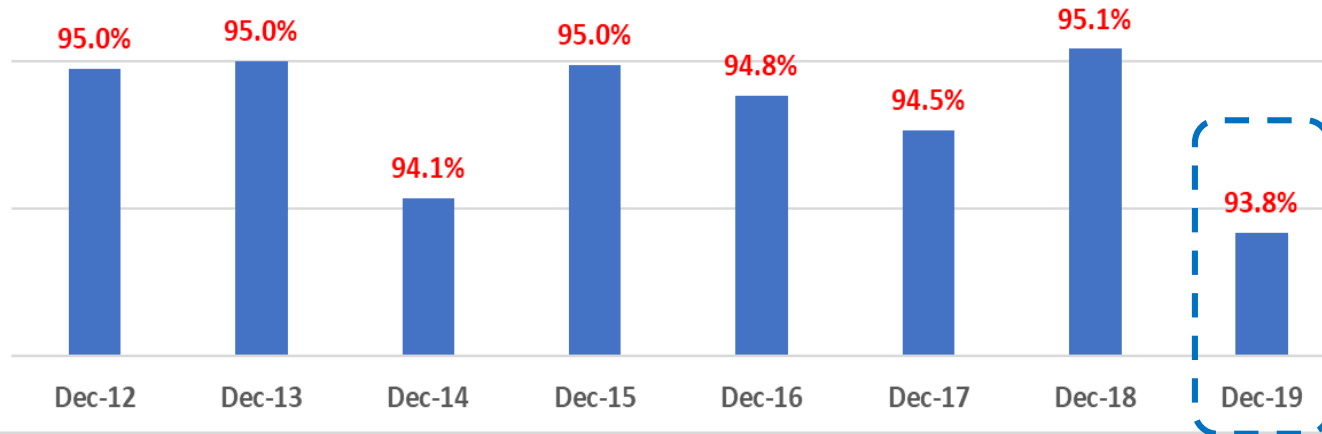
# RESIDENTIAL CARE - OCCUPANCY TRENDS

## Residential Occupancy Percentage

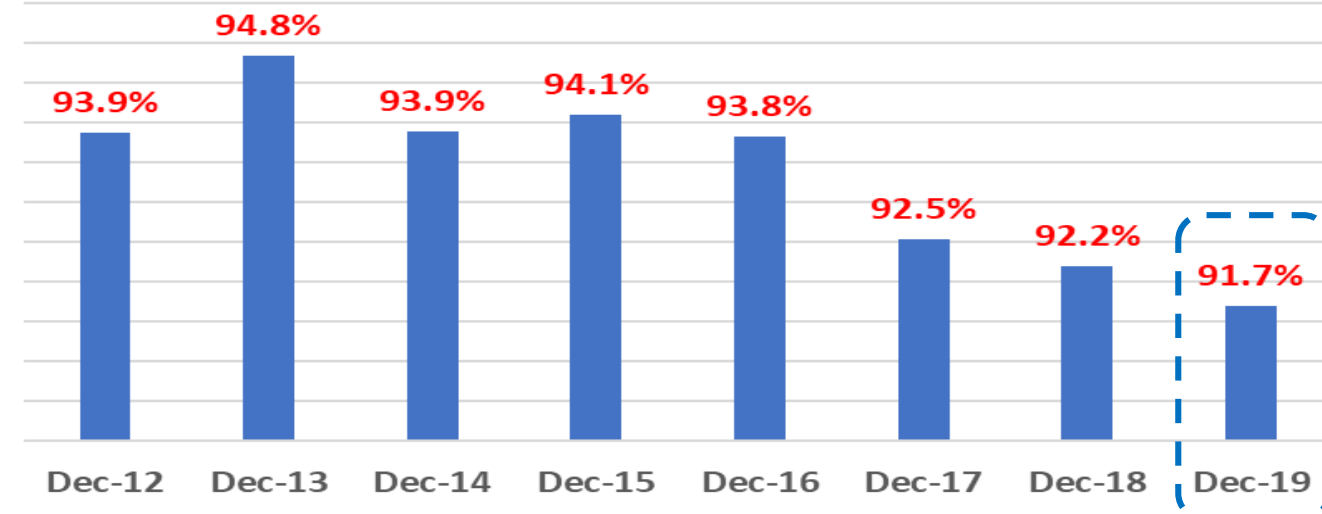
The occupancy percentage trends for the regional areas shows a decline in comparison to Dec-18

*Please note that the DOH calculates occupancy on approved places (and unfilled places as advised by providers) whereas StewartBrown calculates the occupancy based on number of operational (available) places, which excludes off-line places due to refurbishment or other strategic reasons*

### Occupancy - Inner Regional



### Occupancy - Rural and Remote

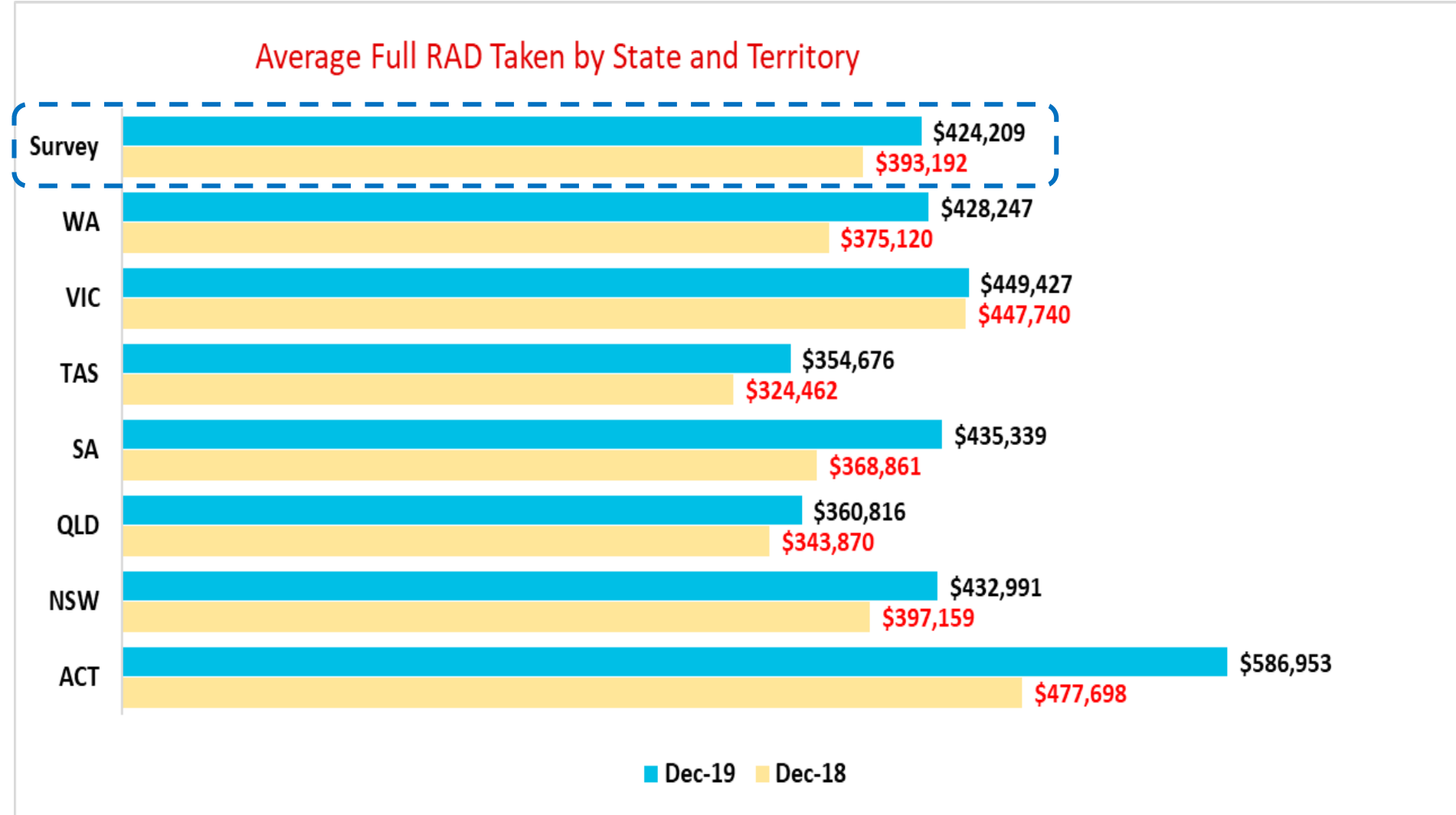


# RESIDENTIAL CARE - AVERAGE FULL RAD TAKEN

## Residential – Average full RAD taken (Dec-19 six months)

This graph shows the average full RAD taken for each region with comparison between Dec-19 and Dec-18 six month periods

Each State and Territory has seen a growth in the RAD amount taken and with the exception of Victoria the growth rates are in line or above with average house price increase percentages



# HOME CARE (HCP) SURVEY RESULTS REVIEW



# HOME CARE PACKAGE RESULTS - SUMMARY

## Survey Average (all) (Year-on-Year)

- Revenue per client per day (pcpd) average for Survey participants decreased by 6.1% (being \$4.66 pcpd)
- The average operating profit per client day increased by \$1.40 pcpd to \$4.73 pcpd (\$3.33 Dec-18; \$3.65 FY19)
- Direct service costs decreased by \$4.29 pcpd (59.04% of total revenue)
- Revenue utilisation has declined by 3.5% to 85.4%
- The average unspent funds per client has increased by \$1,078 per client (to average \$7,904 per client)
- Staff hours per client per week reduced by 0.90 hours (average 5.79 hours per week)

## Survey First 25% (Year-on-Year)

- Revenue per client per day (pcpd) average for Survey participants decreased by 9.7% (being \$9.02 pcpd)
- The average operating profit per client day decreased by \$2.22 pcpd to \$15.81 pcpd (\$18.04 Dec-18; \$18.28 FY19)
- Direct service costs increased by \$6.60 pcpd (50.76% of total revenue)
- Revenue utilisation has declined by 1.9% to 87.7%
- The average unspent funds per client has increased by \$1,596 per client (to average \$7,606 per client)
- Staff hours per client per week reduced by 0.44 hours (average 6.52 hours per week)

# HOME CARE (HCP) - SUMMARY RESULTS

## Home Care (HCP) Summary Results - Survey Average (All)

Surplus and EBITDA per package (client) has improved for the Dec-19 six months

*The improvement in the operating result is primarily due to lower costs (particularly staff costs) as revenue per client per day reduced (by \$4.66 pcd), unspent funds increased by \$1,068 (from Dec-18) and revenue utilisation reduced*

	Jun-19 34,999 packages	Dec-19 34,339 packages	Dec-18 27,164 packages		Difference (YoY)
Total revenue \$ per client per day	\$72.22	\$71.86	\$76.52	↓	(\$4.66)
NPBT per client per day	\$3.65	\$4.73	\$3.33	↑	\$1.40
EBITDA per client per annum	\$1,474	\$1,887	\$1,373	↑	\$515
Average total staff hours per client per week	6.10	5.79	6.69	↓	(0.90)
Median growth rate	6.84%	12.00%	6.25%	↑	5.8%
Revenue utilisation rate for the period	89.3%	85.4%	88.9%	↓	(3.5%)
Average unspent funds per client	\$6,995	\$7,904	\$6,827	↑	\$1,078
Cost of direct care & brokered services as % of total revenue	61.7%	59.0%	61.0%	↓	(2.0%)
Case management & coordination costs as % of total revenue	9.2%	10.2%	9.9%	↑	0.4%
Administration & support costs as % of total revenue	23.5%	23.6%	24.2%	↓	(0.6%)
Profit Margin	5.1%	6.6%	4.3%	↑	2.2%

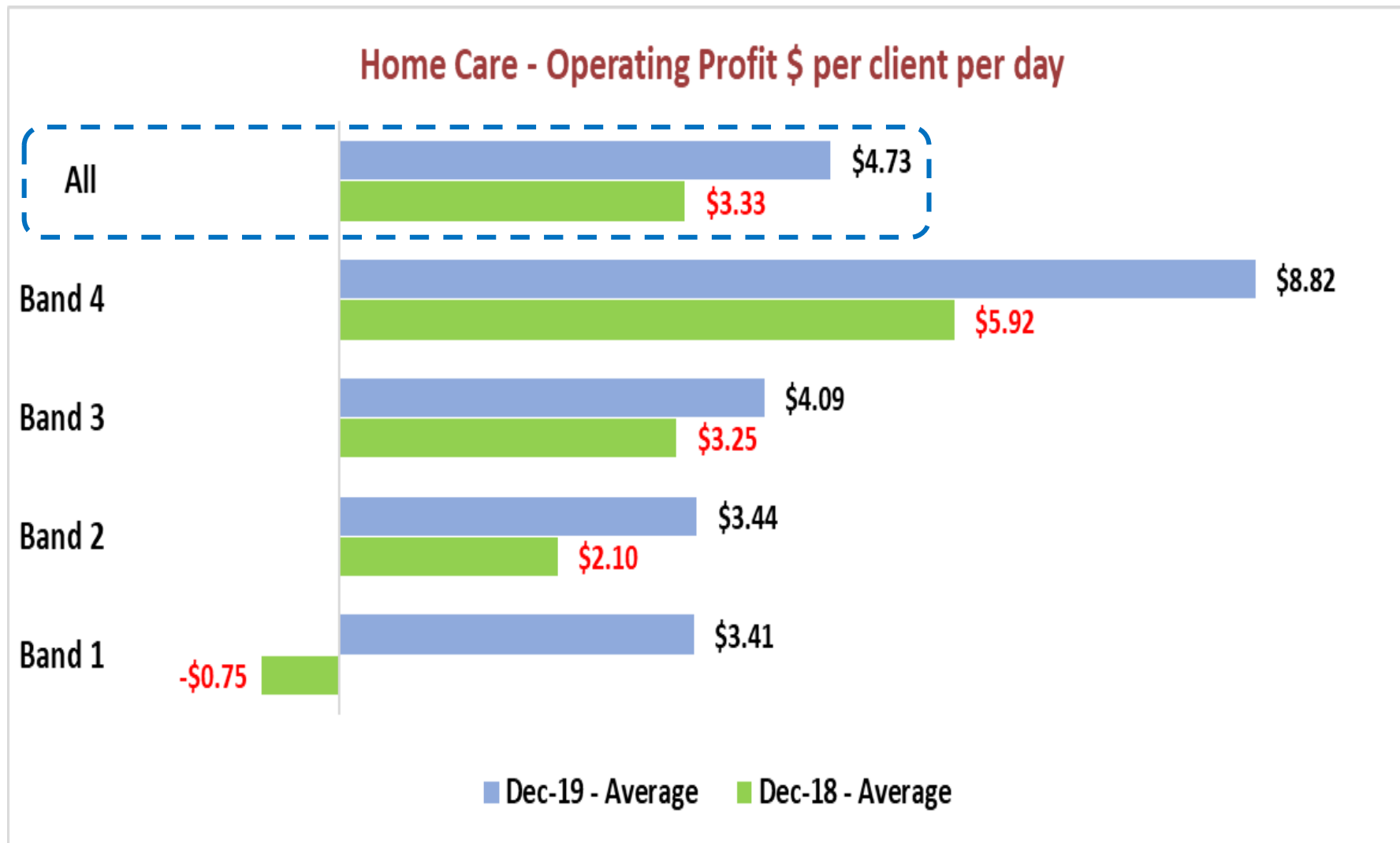
# HOME CARE - OPERATING RESULT (OVERALL AND BY BAND)

## Surplus (NPBT) by Program Revenue Band

Band 4 (higher acuity - predominantly Level 4 care recipients) and Band 1 (lowest care needs) have had the greater increase year-on-year.

All Revenue bands improved due to reduction in costs (staffing hours) and sub-contract arrangements

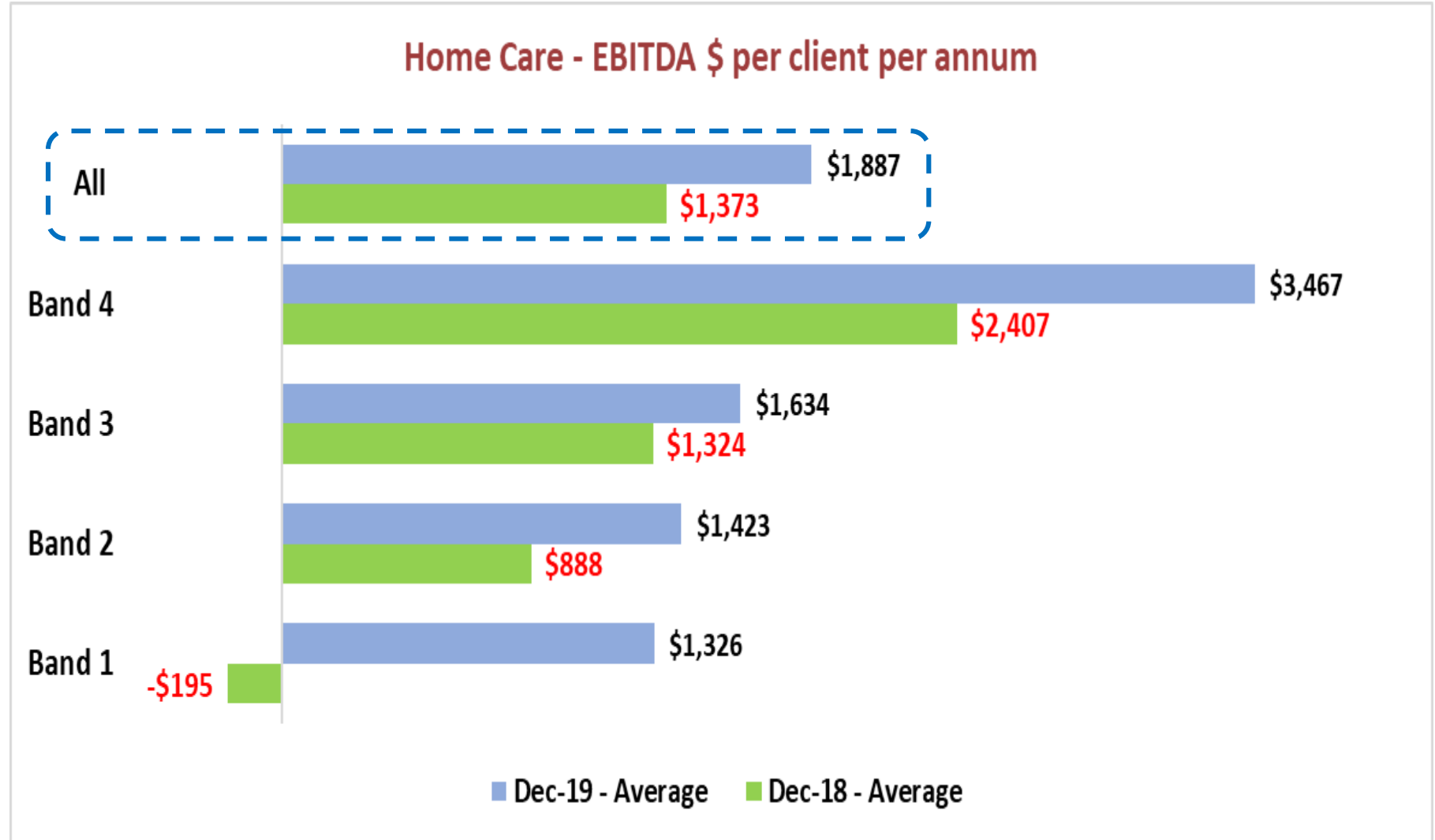
*Our expectation is for profits to decline over the next six months due to the continuing lower revenue per client per day*



## HOME CARE - EBITDA RESULT (OVERALL AND BY BAND)

### EBITDA Result per Package (care recipient)

EBITDA result per package per annum followed the same trend as the operating (NPBT) result per client per day with a overall increase (and across each band) compared to the Dec-18 six months

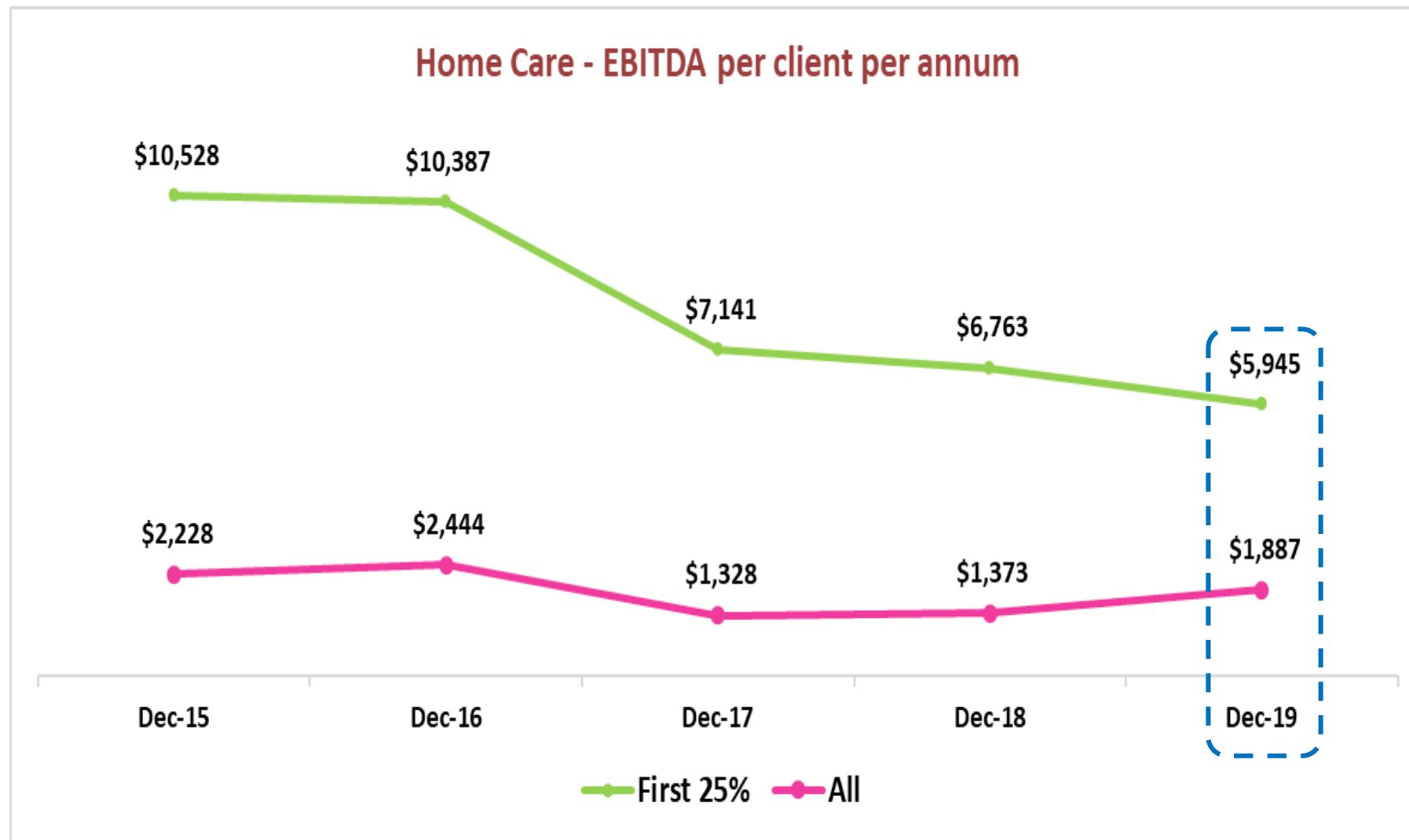


# HOME CARE - EBITDA TREND ANALYSIS

## EBITDA Result per Package

EBITDA result per package per annum for the *Survey Average* (all packages) has not reached the results in the first years of full CDC (effective 1 July 2015).

EBITDA for the *Survey First 25%* of HCP programs has declined over the last 4 years but below the Dec-18 due to reduced revenue and utilisation

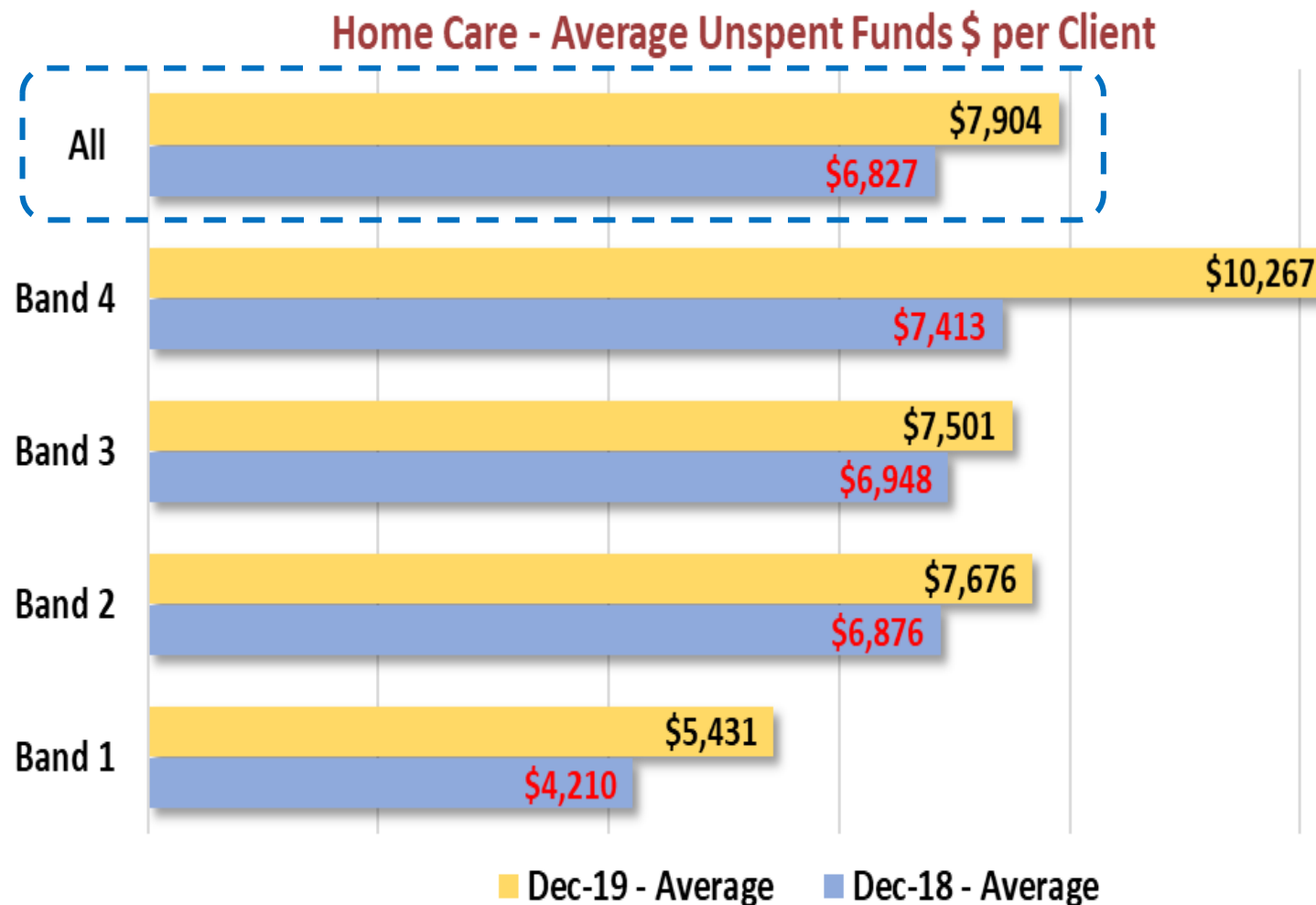


## HOME CARE - AVERAGE UNSPENT FUNDS PER CLIENT

Average  
Unspent  
Funds per  
care recipient  
(client)

Unspent Funds  
per client  
continues to  
grow year-on-  
year.

*The sector  
aggregate  
unspent funds  
amount is in  
excess of \$800  
million at Dec-19*



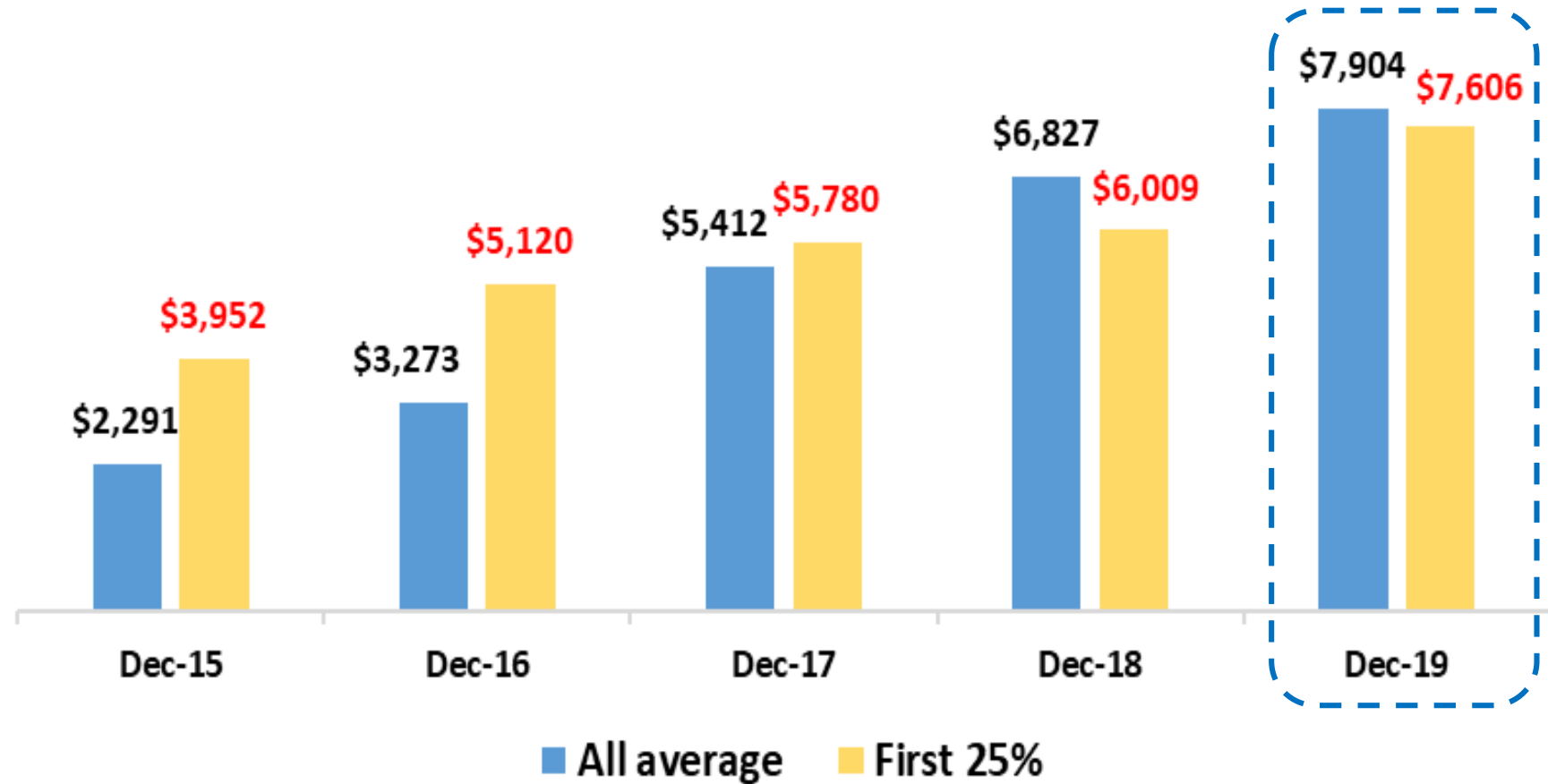
# HOME CARE - UNSPENT FUNDS TREND ANALYSIS

## Average Unspent Funds per care recipient (package) Trend Analysis

Unspent Funds per client continues to grow year-on-year for both the Survey *Average* (all programs) and Survey *First 25%* (based on profitability)

*The proposed funding and payment reforms are intended to reduce the impact of unspent funds*

## Home Care - Unspent Funds \$ per Client (Trend Analysis)



# HOME CARE - PACKAGE (CLIENT) GROWTH ANALYSIS

## Home Care Package (client) Growth Rate Analysis

This graphic summarises the growth rate for home care providers who participate in the Survey

*The growth in the current financial year has been a result of significant increases in package numbers in the last quarter of 2019 and further package releases in the first quarter of 2019-20. There was an increase of 11,343 persons in a home care package in the September 2019 quarter on the back of a release of 47,700 packages in the June 2019 quarter.*



82

Providers representing 8.8% of National total of 929 providers at 30 June 2019



34,339

Packages held by Participating Providers in Dec-19 representing **29% of the National total** of 118,050 packages at 30 September 2019



27,164

Packages held by participating Providers in December 2018



12.2%

Average Growth rate in packages at Provider level



15.2%

Median Growth in rate in packages at a Provider level



13.5%

Median growth rate of Providers with greater than 1,000 packages



12.0%

Median growth rate of Providers with between 100 and 250 packages



# HOME CARE - STAFF HOURS PER CLIENT PER WEEK

## Staff Hours per client per week for Survey Average (All) and First 25%

The *Average* direct care hours per client per week have declined from the levels in Dec-18 and FY19 (with a resultant improvement in profitability). The staff hours for the *First 25%* have fluctuated, however have decreased as a percentage of revenue.

*It is important to note that the staffing hours are for direct care service delivery by providers to clients (care recipients). These hours do not include sub-contract services which may include home maintenance, cleaning, social support and allied health.*

### Survey (Average)

	Jun-19	Dec-19	Dec-18		Difference
Direct service provision	4.59	4.33	5.05	↓	(0.72)
Agency	0.25	0.21	0.18	↑	0.03
Case management & coordination	0.80	0.80	0.94	↓	(0.14)
Administration & support services	0.47	0.45	0.52	↓	(0.07)
<b>Total Staff Hours</b>	<b>6.10</b>	<b>5.79</b>	<b>6.69</b>	↓	<b>(0.90)</b>

### Survey (First 25%)

	Jun-19	Dec-19	Dec-18		Difference
Direct service provision	5.07	4.97	5.41	↓	(0.44)
Agency	0.18	0.14	0.10	↑	0.04
Case management & coordination	0.92	0.92	0.91	↑	0.01
Administration & support services	0.38	0.49	0.53	↓	(0.04)
<b>Total Staff Hours</b>	<b>6.55</b>	<b>6.52</b>	<b>6.96</b>	↓	<b>(0.44)</b>

# HOME CARE - FIRST 25% SUMMARY RESULTS

## Home Care (HCP) Summary Results - Survey First 25%

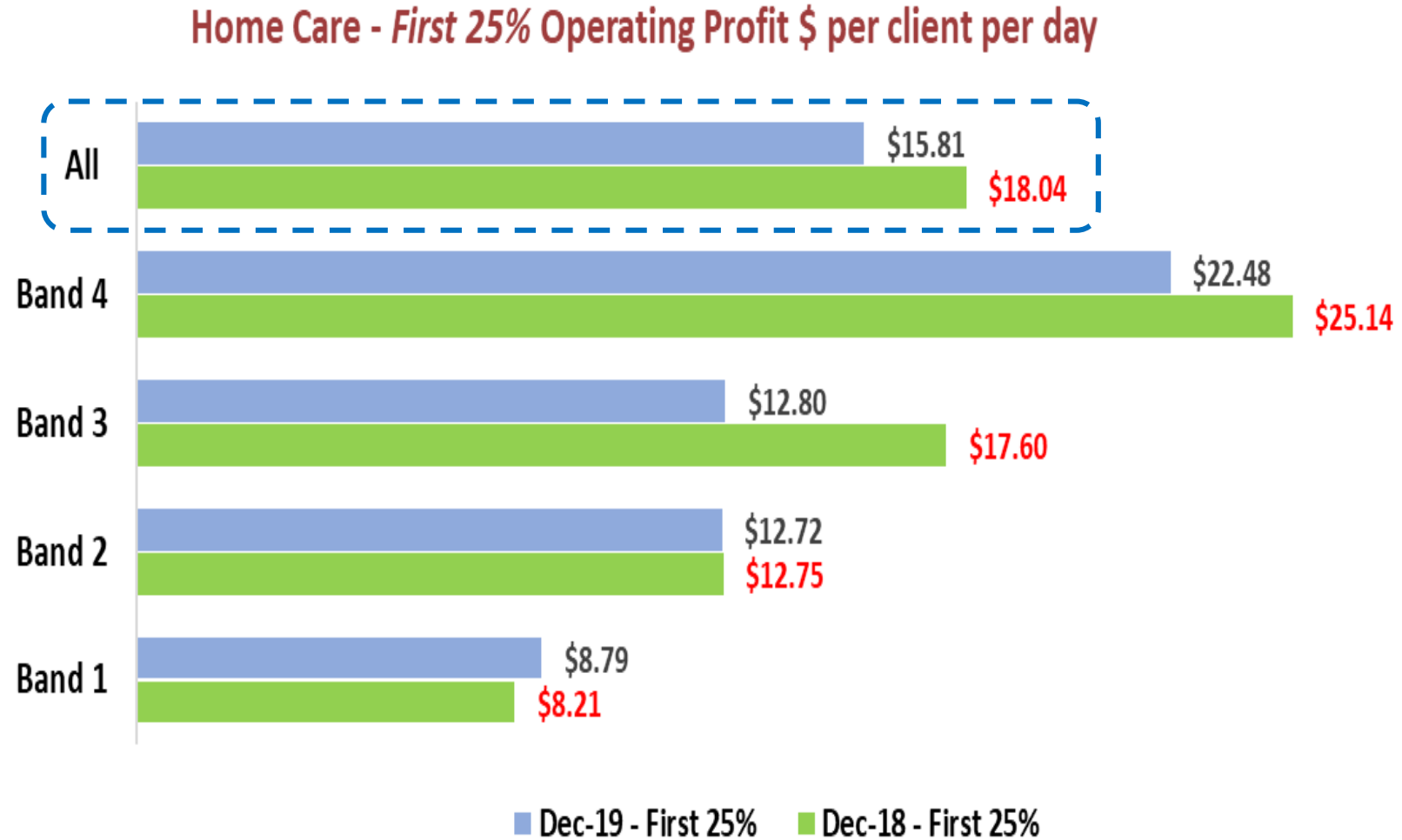
Surplus and EBITDA per package (client) has decreased for HCP programmes in the Survey First 25% quartile due to decline in revenue (\$9.02 per client day) and reduced revenue utilisation leading to an increase in unspent funds

	Jun-19 5,963 packages	Dec-19 7,097 packages	Dec-18 4,719 packages		Difference (YoY)
Total revenue \$ per client per day	\$90.05	\$84.03	\$93.05	↓	(\$9.02)
NPBT per client per day	\$18.28	\$15.81	\$18.04	↓	(\$2.22)
EBITDA per client per annum	\$6,855	\$5,945	\$6,763	↓	(\$817)
Average total staff hours per client per week	6.55	6.52	6.96	↓	(0.44)
Median growth rate	7.55%	14.29%	2.92%	↑	11.4%
Revenue utilisation rate for the period	89.9%	87.7%	89.5%	↓	(1.9%)
Average unspent funds per client	\$6,990	\$7,606	\$6,009	↑	\$1,596
Cost of direct care & brokered services as % of total revenue	51.4%	50.8%	53.0%	↓	(2.2%)
Case management & coordination costs as % of total revenue	7.3%	8.7%	6.1%	↑	2.5%
Administration & support costs as % of total revenue	20.5%	21.2%	21.0%	↑	0.3%
Profit Margin	20.3%	18.8%	19.4%	↓	(0.6%)

## HOME CARE - FIRST 25% OPERATING RESULT

### Operating Surplus (EBT) by Program Revenue Band - Survey First 25%

This graph shows the EBT (operating result) for the *First 25%* of programs by revenue band expressed as \$ per client per day which highlights the reduced performance in the higher acuity package levels (Bands 3 and 4)

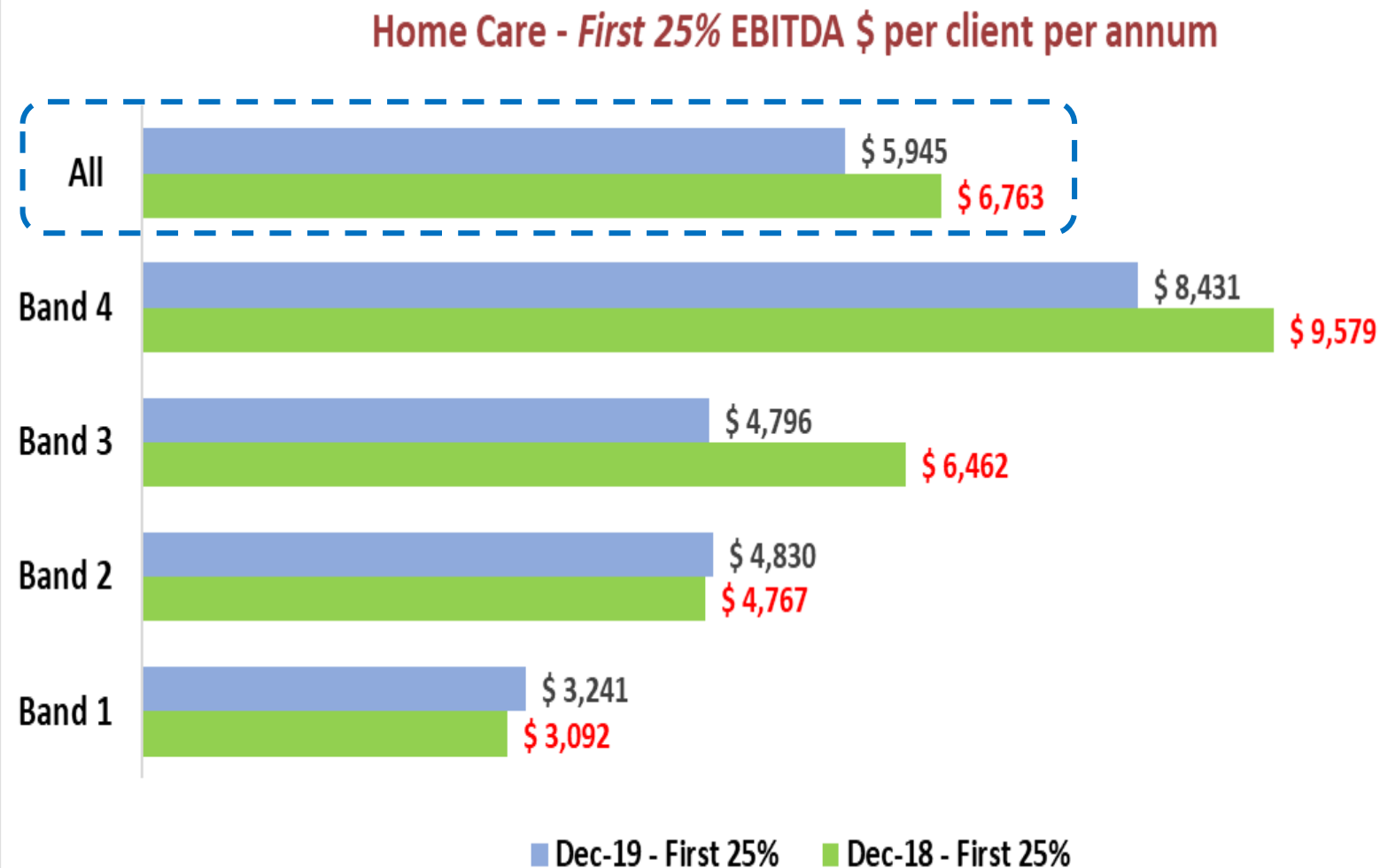


## HOME CARE - FIRST 25% EBITDA RESULT

### EBITDA Result per Package - Survey *First* 25%

This graph shows the EBITDA (cash operating result) for the *First 25%* of programs by revenue band expressed as \$ per client per annum

Bands 3 and 4 have had a significant decline in their performance



## HOME CARE - AVERAGE UNSPENT FUNDS PER CLIENT (FIRST 25%)

Average Unspent Funds per care recipient (client) - Survey *First 25%*

Unspent Funds per client for the Survey *First 25%* of programs (based on operating result) are a similar or higher levels to the *Average*. This indicates that maximising Unspent Funds is not the major contributory reason for the higher results

