



StewartBrown

Integrity + Quality + Clarity

AGED CARE FINANCIAL PERFORMANCE SURVEY

acar access addition **aged** allocated analysed assess
australia benchmark better boards **care** compare
compile continues covering **data** decisions detailed
empowered **facility financial** granular grow
home important improve informed insight
largest **level** living longer million monitor number
operational organisational pace participants
performance period places planned
process program providers
quarterly reform report residential rest
result **sector** significant **stewartbrown**
survey trends unique years

RESIDENTIAL CARE REPORT - SEPTEMBER 2016

The StewartBrown Aged Care Financial Performance Survey incorporates detailed financial and supporting data from over 800 residential aged care facilities and 400 home care programs across Australia. The quarterly survey is the largest benchmark within the aged care sector and provides an invaluable insight into the trends and drivers of financial performance at the sector level and at the facility or program level.

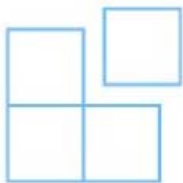
Contents

EXECUTIVE SUMMARY	1
INTRODUCTION	5
CARE RESULT	6
Care Result in Brief.....	7
Care Result in Detail.....	9
Every Day Living Expenses	11
THE INFLUENCE OF SIZE AND LOCATION	11
RESULTS BY STATE.....	12
ACCOMMODATION ANALYTICS	13
BENCHMARK BANDS	14
GLOSSARY OF TERMS	14
StewartBrown Aged Care Executive Team	16
StewartBrown - Our Knowledge is your success	17
September 2016 results in a nutshell	18

EXECUTIVE SUMMARY



\$12.00 Average care result of \$12.00 per resident per an increase of \$1.22 for June 2016 at \$10.78 and an decrease of 56 cents from September 2015 at \$12.56



\$41.25 Average care result of the top 25% was \$41.25 per resident per day an increase of \$2.83 for June 2016 at \$38.42 and an decrease of \$1.13 on September 2015 at \$42.38

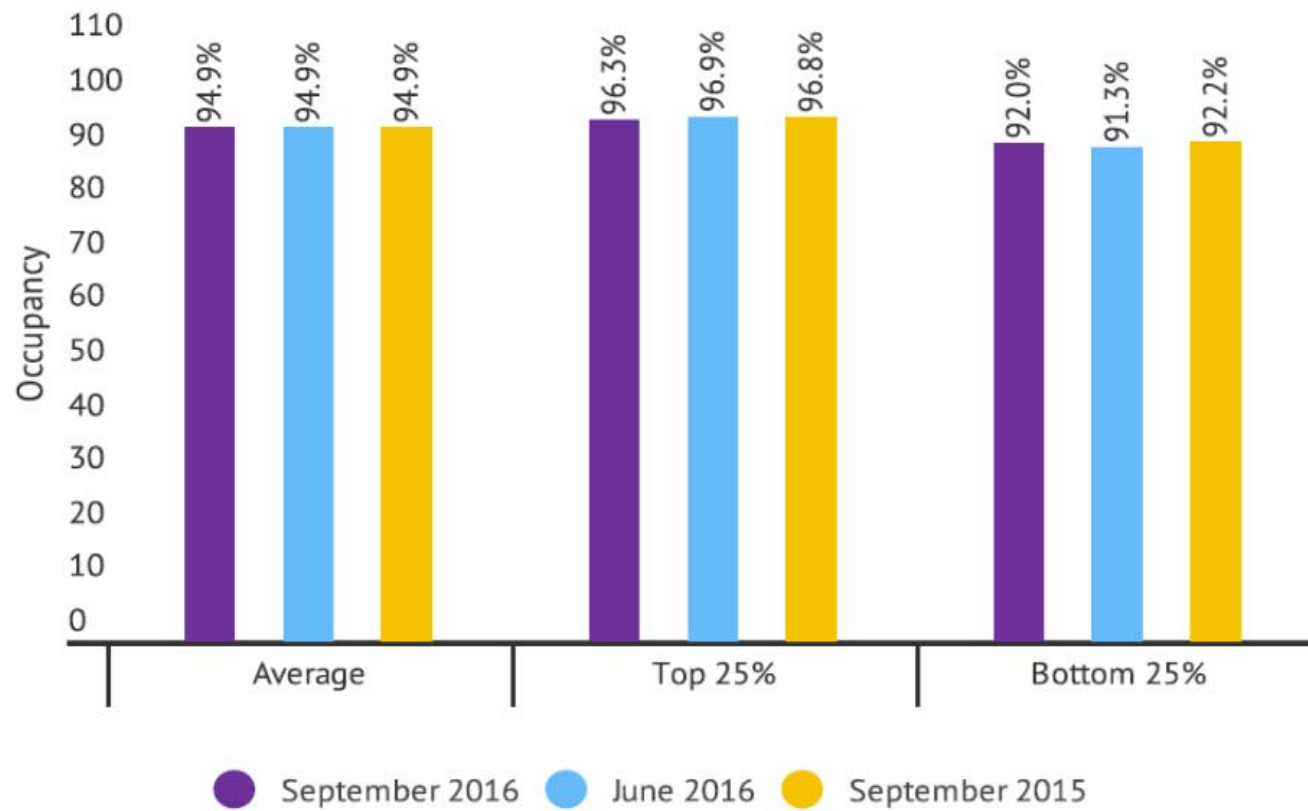


\$9,401 Average facility EBITDA of \$9,401 per bed per annum an increase of \$460 for June 2016 at \$8,941 and a decrease of \$680 on September 2015 at \$10,081



\$19,278 Average facility EBITDA of the top 25% \$19,278 per bed per annum an increase of \$1,157 on June 2016 at \$18,121 and a decrease of \$755 on September 2015 at \$20,033

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY



74.8% positive overall result

Down 1.1% from June 2016: 75.9%



90 facilities (12.2%) had a negative EBITDA

Up 2% from June 2016: 10.2%



Average care result of bottom 75% was \$2.57 per bed day

Average care result of bottom 75% was 6 cents better than June 2016 at \$2.51 and was 70 cents less than September 2015 at \$3.27



Average care result of bottom 50% \$(6.18) per bed day

Average care result of bottom 50% was 56 cents worse than June 2016 at \$(5.62) and 83 cents worse than September 2015 at \$(5.35)



Average care result of bottom 25% \$(18.25) per bed day

Average care result of bottom 25% was 71 cents worse than June 2016 at \$(17.54) and 13 cents worse than September 2015 at \$18.12)

EXECUTIVE SUMMARY



\$261,488 Average bond/refundable deposit held at September 2016 was \$261,488 an increase of \$9169 on June 2016 at \$252,319



\$30.06 Top 50% average care result was \$30.06 per bed day and increase of \$3.05 on June 2016 at \$27.01 and an increase of 14 cents on September 2015 at \$29.91



\$16.25 Care result varies across States and Territories with the best being New South Wales with an average care result of \$16.25 per bed day



\$4.30 Care result varies across States and Territories with the worst being Western Australia with an average care result of \$4.30 per bed day



70.7% of facilities had a positive facility result (care result + accommodation result) down 0.8% on June 2016 at 71.5%

INTRODUCTION

There is a fear of sounding like a broken record when reporting on aged care, however, the 2017 year brings another year of change for aged care providers as they grapple with changes to their income streams through a freezing of ACFI rates and modifications to the instrument itself. There is no doubt that this will have an effect on the profitability of aged care providers moving forward. In the context of stagnating revenue streams over the coming eighteen months it will be essential that efficiencies are found and other income streams developed where possible to supplement the pernicious loss of ACFI income.

A review of what must be provided to residents under the schedule of services as a “standard service offering” against what can be provided as an additional user pay service will be one way of increasing revenues. There is no doubt that as we push ahead the number of user pay services will have to increase with a consequent decrease in the ‘rolled up’ services offered as the base product. Progressively, many residents and their families will demand these additional services as part of their expectations of living in a facility where they have paid a substantial amount for their accommodation.

The other area to be examined, particularly in the not-for-profit space where the supported resident ratio is averaging over 40%, is the case for undertaking a significant refurbishment to receive the higher accommodation supplement which brings an additional \$18.95 per bed day for supported residents (if the ratio of supported residents is greater than 40%). While the case for such a refurbishment and indeed the cost and need for such as refurbishment will vary from facility to facility, it is certainly something that all providers should examine as part of their strategic planning. In addition to the increased income stream from a higher accommodation supplement, there are other benefits that might be achieved through a significant refurbishment including:

- Improve the capacity to meet the changing needs and expectations of residents
- Make the facility more marketable
- Increase the accommodation price
- Increase occupancy or maintain current rates in an increasingly competitive environment
- Improve the operational efficiencies of the building for both workflow and utility costs

All of these benefits are likely to have a positive effect on the bottom line over a period of time. If you would like assistance in undertaking the financial modelling of the effects of undertaking a significant refurbishment, or any other strategic project, please contact one of our senior consultants.

What else is 2017 going to bring?

From the point of view of the Financial Performance Survey, we will be bringing a number of changes over the course of the year as we continually enhance our service to providers. These will include:

- ✓ Significant enhancements to the interactive web site as we progress with the redevelopment of the site to allow better usage of the contemporary and historical data
- ✓ Ability of providers to request a detailed accommodation pricing and competitor analysis for each of their facilities (just contact our office)
- ✓ Presentations of your results and an industry update upon request (via webinar or in person)
- ✓ Additional analysis on specific areas of interest and regular newsletters based on this analysis

There will be further details on these and other enhancements our service offering in coming weeks.

CARE RESULT

The Care Result is the net result of providing care to the residents including **direct care costs**, **hotel services**, **utilities** and **administration** and other **support services** costs.

With the exception of corporate recharges that form part of the administration costs of some facilities, and to a lesser degree, utility costs, these costs associated with the care and daily living expenses of the residents could be considered to be “controllable costs” for management at a facility level.

Several factors might influence the care result including size, building design and location of the facility. However, the survey shows that there are facilities performing well even with these factors working against them. In most cases such factors do not preclude a facility from making a good surplus, however they may make it more difficult to do so.

We will examine the influence that these other factors might have on profitability over the course of the year as special focus points.

The September 2017 survey collected data from over 800 facilities with the final data set representing a total of 778 facilities.

Care Result = Care Revenue - Care Expenses



Care Revenue

Revenue of residential aged care operations



Daily care fees



Means tested fee



Extra service fees



Optional service fees



ACFI subsidies



Respite subsidies



Care Expenses

Expenses of residential aged care operations



Direct care costs



Catering



Cleaning



Laundry



Utilities



Administrative & support services

Care Result in Brief

The *Average* Care Result has increased from **\$10.78** per bed day (pbd) for the year to June 2016 to **\$12.00** pbd for the September 2016 quarter. However, comparing to the same period last year there has been a decline on the average care result of \$0.56 per bed day. The average results of the top quartile have fallen by \$1.13 per bed day compared to the September Quarter 2015. This could be an indication of the initial tightening of some of the ACFI rules.

Table 1 - Summary of Care Results for the Quarters ended 30 September 2016 and 30 September 2015 and year ended 30 June 2016

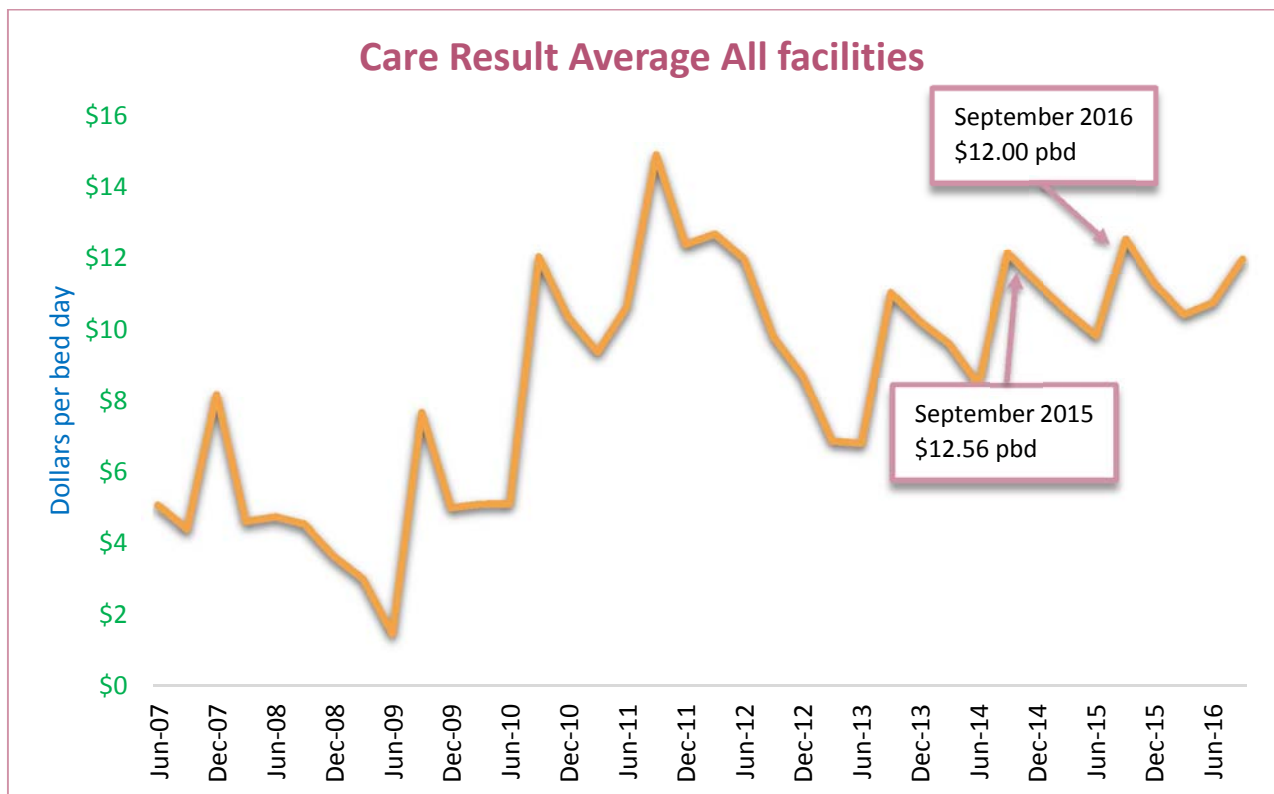
Care Result (\$pbd)				
	Sept 2016	Sept 2015	Difference	June 2016
Average	12.00	12.56	(0.56)	10.78
Top 25%	41.25	42.38	(1.13)	38.42
Facility EBITDA (\$ per bed pa)				
	Sept 2016	Sept 2015	Difference	June 2016
Average	9,401	10,081	(680)	8,941
Top 25%	19,278	20,033	(755)	18,121
EBITDA (\$ per bed pa)				
	Sept 2016	Sept 2015	Difference	June 2016
Average	9,773	10,390	(617)	9,539
Top 25%	19,499	20,260	(761)	18,466

The *Average* Facility EBITDA, which takes into account the accommodation result and care result but excludes all investment and fundraising revenue, is showing a slightly better result in the September 2016 quarter of **\$9,401** per bed per annum which is a \$460 per bed per annum improvement on the June 2016 results of **\$8,941** per bed per annum. However, it is \$680 less than the average facility EBITDA for the September 2015 quarter.

This is not the start to the financial year that providers will have hoped for. It gives all the indications that the 2017 financial year will see average results decline compare to the 2016 financial year. Unless providers take some form of action in the future to compensate for these declining profits, then the freezing of subsidy rates during the 2017/18 financial year will see profits decline even further.

The results in the graph below show the increasing profit trends since 2013 but the results still have not returned to where they were at June 2012 when the ACFI subsidy rates were frozen at 2012 levels for the year to June 2013. The significant reductions in profitability that the graph shows during the 2012/13 financial year may give some indication of what could be in store for providers if they do not take some form of remedial action over coming months.

Chart 1: Care Result - Survey Average over time (June 2007 to September 2016) (\$ per bed day)



IN THE CONTEXT OF STAGNATING REVENUE STREAMS OVER THE COMING EIGHTEEN MONTHS IT WILL BE ESSENTIAL THAT EFFICIENCIES ARE FOUND AND OTHER INCOME STREAMS DEVELOPED WHERE POSSIBLE TO SUPPLEMENT THE PERNICIOUS LOSS OF ACFI INCOME

Care Result in Detail

As mentioned earlier, there have been improvements in the Care Result for both the overall survey Average and the Average for the Top 25% of facilities when compared to June 2016.

Table 2: Survey Averages and Top Quartile for the year ended 30 June 2016 and 30 June 2015 (all amounts represent \$ per bed day unless otherwise stated)

	Survey Average September 2016 (778 facilities)	Survey Average June 2016 (817 facilities)	Top 25% Average September 2016 (195 facilities)	Top 25% Average June 2016 (204 facilities)
Care Revenue	220.06	214.55	220.72	214.95
Expenditure				
Direct care costs	127.50	125.78	107.33	105.83
Catering	27.42	27.02	25.92	25.85
Cleaning	7.54	7.24	6.79	6.37
Laundry	3.68	3.75	3.29	3.27
Utilities	6.34	5.93	5.87	5.76
Administration & support	35.58	34.04	30.28	29.45
Total expenditure	208.06	203.77	179.47	176.53
Care Result for the year	\$12.00	\$10.78	\$41.25	\$38.42
Accommodation revenue	27.17	27.18	24.80	24.05
Accommodation expenses	26.60	26.21	24.99	24.46
Accommodation Result	\$0.57	\$0.97	(\$0.19)	(\$0.40)
Facility Result	\$12.57	\$11.75	\$41.06	\$38.02
Facility EBITDA per bed per annum	\$9,401	\$8,941	\$19,278	\$18,121
Provider revenue	3.58	4.27	1.95	2.61
Provider expenses	0.85	1.19	0.88	0.55
Provider Result	\$2.73	\$3.08	\$1.07	\$2.06
Total Result for the year	\$15.29	\$14.83	\$42.13	\$40.07
EBITDA per bed per annum	\$9,773	\$9,539	\$19,499	\$18,466
KPIs				
Occupancy	94.9%	94.9%	96.3%	96.9%
Care costs as % of care revenue	57.9%	58.6%	48.6%	49.2%
Care Result - return on care revenue	5.5%	5.0%	18.7%	17.9%
Supported ratio	44.7%	46.0%	43.0%	43.5%
Average bond/RAD held	\$261,488	\$252,319	\$265,708	\$259,177
Average RAD taken during period	\$287,992	\$298,627	\$316,939	\$311,888

However, given results are not as good this quarter compared to the same period in 2015 there are some concerns for profitability moving forward. There are also concerns for the facilities that are not operating at the top quartile level.

As shown in Table 4 below, the average care result for a facility outside the top quartile is only \$2.57 per bed day. For the same quarter in 2015 the average was \$3.27 per bed day. The average for the bottom quartile was a loss of \$18.25 per bed day which, unless it is being supported by a larger organisation, is unlikely to be sustainable. Cross subsidy of facilities by larger organisations will increasingly be framed in both mission and operational terms to understand the true picture of overall sustainability of these facilities into the future.

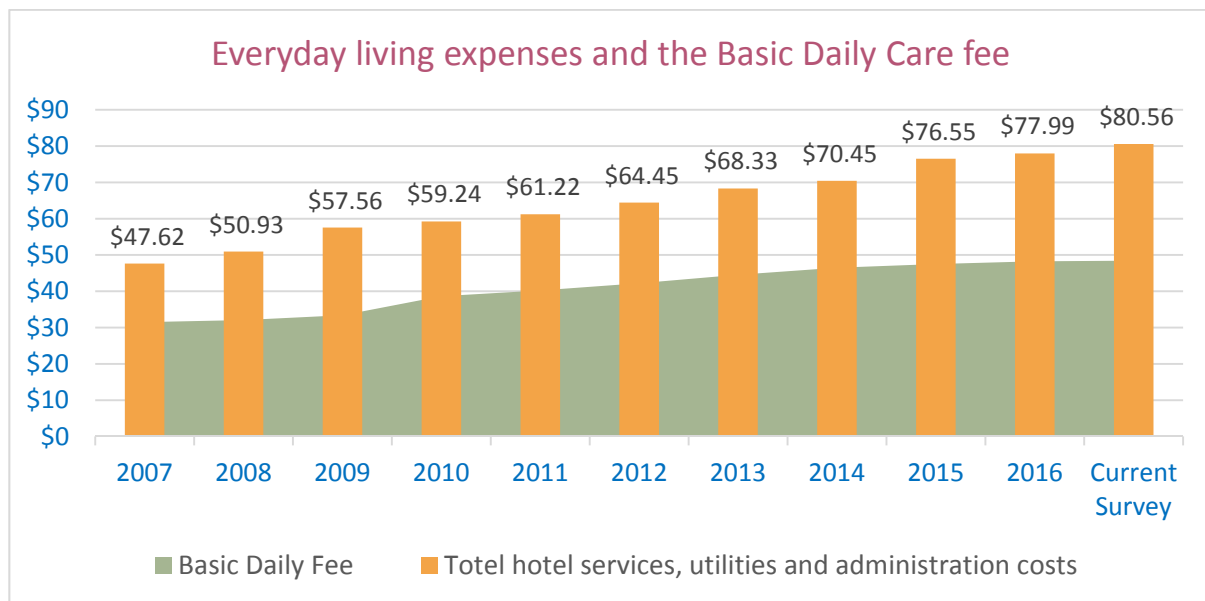
Table 3: Comparison of various groups of facilities against Top 25% for year ended 30 June 2016 (all amounts represent \$ per bed day unless otherwise stated)

	Top 25% Average September 2016 (195 facilities)	Bottom 75% Average September 2016 (583 facilities)	Bottom 50% Average September 2016 (389 facilities)	Bottom 25% Average September 2016 (194 facilities)
Care Revenue	220.72	219.85	219.10	218.60
Expenditure				
Direct care costs	107.33	134.00	139.10	146.68
Hotel services	36.00	39.50	40.68	42.19
Utilities	5.87	6.49	6.60	6.96
Administration & support	30.28	37.29	38.90	41.03
Total expenditure	179.47	217.28	225.28	236.86
Care Result for the year	\$41.25	\$2.57	(\$6.18)	(\$18.25)
Accommodation revenue	24.80	27.94	28.15	28.42
Accommodation expenses	24.99	27.12	26.95	25.81
Accommodation Result	\$(0.19)	\$0.82	\$1.20	\$2.61
Facility Result	\$41.06	\$3.39	(\$4.98)	(\$15.64)
Facility EBITDA per bed per annum	\$19,278	\$6,282	\$3,398	(\$354)
Provider revenue	1.95	4.10	4.23	4.48
Provider expenses	0.88	0.84	0.90	0.54
Provider Result	\$1.07	\$3.26	\$3.33	\$3.94
Total Result for the year	\$42.13	\$6.65	(\$1.65)	(\$11.70)
EBITDA per bed per annum	\$19,499	\$6,702	\$3,871	\$288
KPIs				
Occupancy	96.3%	94.4%	93.8%	92.0%
Care costs as % of care revenue	48.6%	61.0%	63.5%	67.1%
Care result - return on care revenue	18.7%	1.2%	-2.8%	-8.4%
Supported ratio	43.0%	45.3%	45.4%	45.6%
Average bond/RAD held	\$265,708	\$259,612	\$254,283	\$257,996
Average RAD taken during year	\$316,939	\$280,101	\$279,086	\$292,284

Every Day Living Expenses

We often talk about the cost of care and compare that to the level of ACFI income being received as though all of that income should be spent on the direct care of residents – predominantly their health care. However a significant proportion of that ACFI subsidy also contributes to the cost of everyday living expenses including administration and support services costs. The gap between these costs and the other major source of income, the resident basic daily fee has been growing for some time which means that an increasing proportion of ACFI income is going towards meeting these costs rather than the “direct care” costs.

Chart 2 – Everyday living expenses compared to basic daily care fee (June 2007 to September 2016)



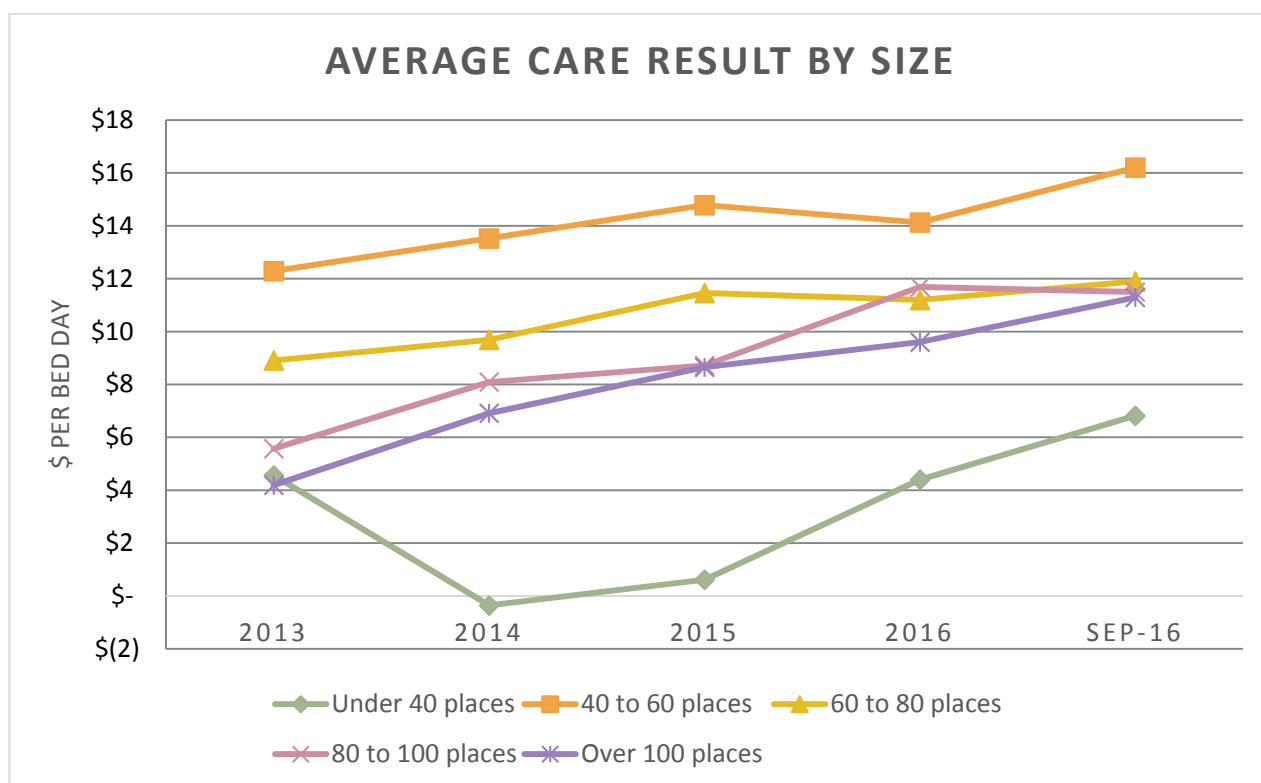
In 2007 the average gap between the basic daily care fee and everyday living expenses was \$16.10 per bed day. In the September 2016 survey this gap is now \$32.12 per bed day. This means that the basic daily care fee barely is enough to cover the total hotel services costs and utility costs combined. Almost the entire amount of administration and support costs are now recovered from ACFI income.

It will be important in any review of ACFI that the level of contribution to these other costs will need to be taken into consideration.

THE INFLUENCE OF SIZE AND LOCATION

The survey data has already shown that location and size of the facility may have an influence on the average results of a residential aged care facility. When we consider size we group the data by the number of places (beds) in the facility.

Chart 3: Trend of the Average Care Result by facility size (bed numbers)



The group of facilities with between 40 and 60 places remains the most profitable on average. The second most profitable group in the 2016 survey is that with between 60 and 80 beds, closely followed by the group with between 80 and 100 places. In fact there is only \$0.61 per bed day separating the groups between 60 beds and over.

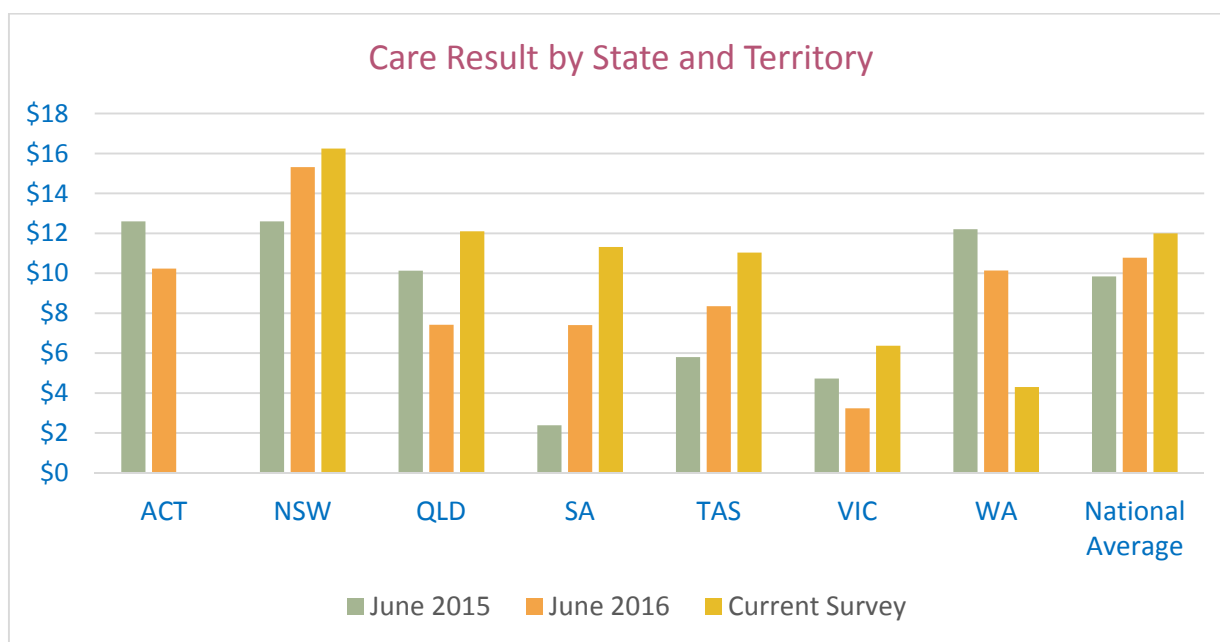
The chart above also shows that the results have been relatively consistent over a number of years. The improvement in the results of the larger facilities has also continued to move in an upward trajectory.

RESULTS BY STATE

There continues to be disparity in the results of facilities across State borders. Somewhat surprisingly, the average result for Western Australian facilities declined from what was close to the National Average at June 2016 (\$10.14 per bed day) to an average of \$4.30 per bed day for the September quarter. Interestingly their 2016 results were lower than the 2015 financial year. . It is too early to tell whether this is an anomaly in the reported results of these facilities or whether their results are indeed trending downward.

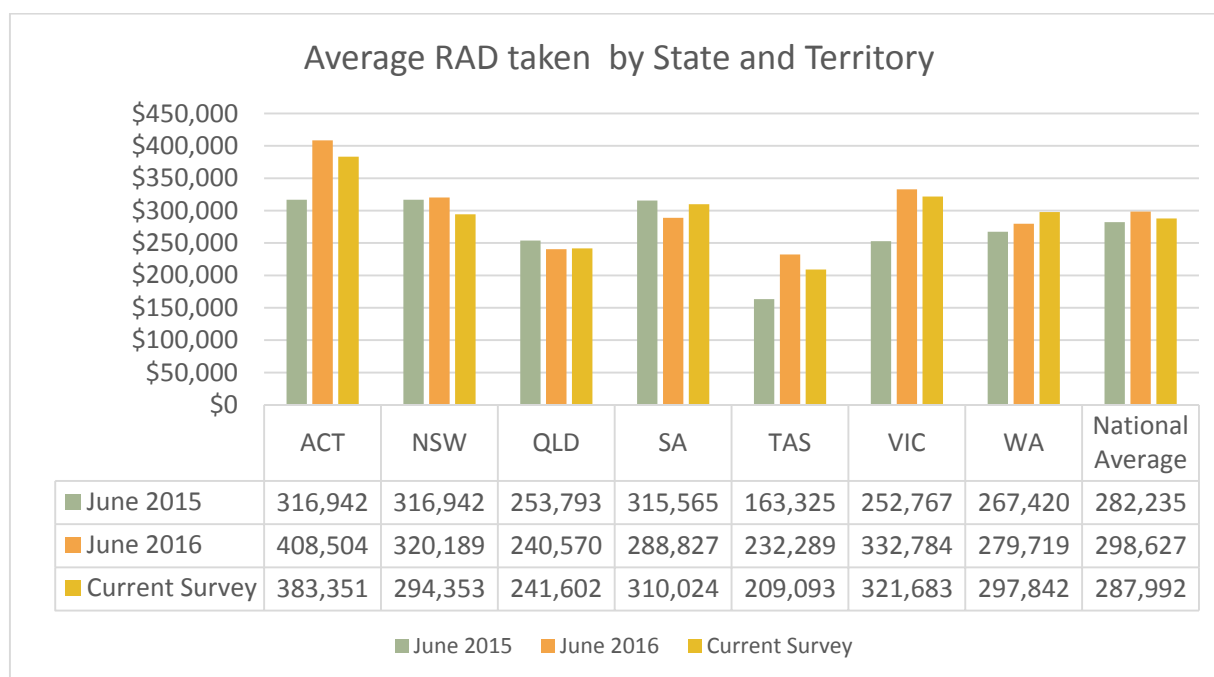
The average results for New South Wales facilities remain the highest Nationally at \$16.25 per bed day which is an improvement on the June 2016 results for that State (\$15.32 per bed day). It is now an average of \$4.25 per bed day higher than the National average. With the exception of Western Australia and the ACT, the average results for each State improved in the September quarter compared to June 2016 year.

Chart 4: Average Care Result by State and Territory – September 2016 compared with June 2016 and 2015



ACCOMMODATION ANALYTICS

Chart 5: Average RAD taken during the Current financial year (StewartBrown Survey)



There has generally been an increase in the level of RAD taken in the current quarter compared to the previous two financial years. There has been a slight decrease in the level of RADs taken in NSW and it still lags behind a number of other States in relation to the level of RADs received. This could be as a result of more residents paying by DAP or a combination however it is also likely to be a result of the Average accommodation price in NSW being lower than some of the other States.

BENCHMARK BANDS

For the purpose of benchmarking facilities against each other we sort facilities into “benchmark groups” based on the levels of **care subsidies + resident daily fees_+ extra service fees** received. These revenue types should then group facilities based on their “care” revenue streams and as such they should have comparable cost profiles as well. We reassess the parameters of these bands each year to allow for increases in subsidy and fee rates as well as the creep in revenue due to the practice of ageing in place. The bands used for the current and past financial years are shown in table 12 (below).

In 2017 we have reassessed band parameters to take into account the increase in subsidy rates, and the change in overall care income of many of the facilities in the survey.

As a result we looked at a number of alternatives including both increasing and reducing the number of bands. The reason that we looked at reducing the number of bands was due to a number of participating facilities that move backwards and forwards between bands as a result of shifting revenue.

However, even if we were to reduce the number of bands there will still be facilities that sit on the threshold between bands and will move backwards and forwards. Unfortunately this cannot be totally avoided.

Ultimately, and after some experimentation, we decided on increasing threshold of each of the bands by \$15. This has evened the distribution of facilities across the bands somewhat as well as providing a greater focus on those facilities with higher care income. Band 1 had become the largest band and that has now been redistributed somewhat so that Band 1 now truly represents high care facilities again.

Table 4

	2017 Surveys	2016 Surveys	2015 Surveys	2014 Surveys	2012 & 2013 Surveys
Band 1	Over \$235	Over \$220	Over \$210	Over \$210	Over \$195
Band 2	\$220 to \$235	\$205 to \$220	\$190 to \$210	\$190 to \$210	\$175 to \$195
Band 3	\$205 to \$220	\$190 to \$205	\$170 to \$190	\$170 to \$190	\$155 to \$175
Band 4	\$190 to \$205	\$175 to \$190	\$150 to \$170	\$150 to \$170	\$135 to \$155
Band 5	Under \$190	Under \$175	Under \$150	Under \$150	Under \$135

GLOSSARY OF TERMS

Averages

All averages are calculated using the total of the raw data submitted for any one line item and then dividing that total by the total occupied bed days for the facilities in the group. For example the average for contract catering across all facilities would be the total amount submitted for that line item divided by the total occupied bed days for all facilities in the survey.

Average by line item

This measure is averaged across only those facilities that provide data for that line item. All other measures are averaged across all the facilities in the particular group. The average by line item is particularly useful for line items such as contract catering, cleaning and laundry, property rental, extra service revenue and administration fees as these items are not included by everyone

Benchmark

We consider the benchmark to be the average of the top 25% (or 1st Quartile) in the group of facilities being examined. For example, if we are examining the results for facilities in Band 1, then the benchmark would be the average of the top 25% of the facilities in Band 1.

Dollars per bed day

This is the common measure used to compare items across facilities. The denominator used in this measure is the number of occupied bed days for any particular facility or group of facilities.

EBITDA

This measure represents earnings before interest, taxation, depreciation and amortisation. The starting point for the calculation is the total result for the facility. The calculation excludes interest revenue on investments as well as interest expense on borrowings.

The main reason for this is to achieve some consistency in the calculation. Different organisations allocate interest differently at the “facility level”. To ensure that the measure is consistent across all organisations we exclude interest revenue.

EBIT

Earnings before interest and taxation. This is a measure that excludes those variables relating to the tax status and financial position of an entity but recognises the consumption of capital in the form of depreciation and amortisation.

Facility EBITDA

The starting point for this calculation is the Facility Result which is a combination of the Care and Accommodation results. It excludes all “provider revenue and expenditure” including fundraising revenue, investment revenue from other than interest, capital grants and sundry revenue. It also excludes those items excluded from the EBITDA calculation above. This measure is considered to be more consistent across the facilities because it excludes all those items which are generally allocated at the facility level on an inconsistent and arbitrary basis depending on the policies of the individual provider.

Facility Result

Combination of the Care and Accommodation results. It excludes revenue from fundraising, investments, sundry revenue and fair value adjustments.

Location - City

Facilities have been designated as being city based according to the designation by the Department of Social Services (formerly Department of Health and Ageing) in their listing of aged care services. Those that were designated as being a “Major City of Australia” have been designated City.

Location - Regional

Facilities have been designated as being regionally based according to the designation by the Department of Social Services (formerly Department of Health and Ageing) in their listing of aged care services. Those that were designated as being a “Inner Regional”, “Outer Regional” or “Remote” have been designated as Regional.

StewartBrown Aged Care Executive Team



Stuart Hutcheon
Managing Partner

Stuart Hutcheon is the firm's Managing Partner and the head of our Audit & Assurance Division, and also provides consulting services to a diverse client base. He has had considerable experience with both commercial and not-for-profit organisations. This experience covers all areas of professional services including auditing, management accounting, budgeting, salary packaging and FBT advice. Stuart has been involved in providing professional services to the aged care and community care industry sectors for over 20 years.



Grant Corderoy
Senior Partner

Grant Corderoy is the head of the Aged and Community Care and Business Consulting Division. Grant first established the Aged Care Financial Performance Survey in 1995. He specialises in a range of services for his clients including undertaking complex accounting assignments, business performance reviews, organisation and governance reviews, system reviews, management consulting, strategic planning and general business advice. He also has considerable experience in advising clients on the sale and purchases of businesses, business valuations and due diligence.



Patrick Reid
Director

Patrick has recently joined StewartBrown in the position of Director - Aged Care, Community and Disability after serving as CEO of LASA. As an experienced CEO, board director, business owner and executive with more than 20 years' success in business, association management and lobbying, Patrick possesses a proven track record in business, leadership, change management and advocacy. Patrick has highly developed financial, commercial, negotiation and management skills.



David Sinclair
Director

David Sinclair has been with the firm for over 20 years and has been involved in the Aged Care Financial Performance Survey for the duration of that service and now heads the team undertaking the survey. David is also heavily involved in consulting assignments for aged care and community service clients including strategic planning, financial modelling, budgeting and governance reviews.



Tracy Thomas
Consulting Manager

Tracy is a Chartered Accountant with six years post qualification experience. She has a diverse background having worked in audit and assurance, for the regulator of private health insurance and for a private health insurance company. Since joining StewartBrown she has worked with several providers of residential aged care and home care and produced the Aged Care Financial Performance Survey Corporate Administration Report and Listed Providers Analysis for year ended June 2016. She specialises in data analysis and financial modelling.

StewartBrown - Our Knowledge is your success

StewartBrown, Chartered Accountants, was established in 1939 and is one of the leading boutique accountancy firms in Australia combining a full range of professional services with varied corporate assignments. Our professional mission statement is *"we deliver service beyond numbers"*, which reflects the commitment to helping our extensive range of clients to achieve their financial goals.

We offer a depth of technical knowledge and varied professional experience, with many of our senior staff now having well over 10 years' of service with the firm, resulting in our clients benefitting from continuity and accountants who really understand their business.

What a boutique firm offers

Whilst StewartBrown provides a range of professional services, our "point of difference" is our ability to engage in assignments of a complex nature by providing a varied mix of experience and corporate skills. Examples of recent consulting assignments include:-

- ✓ Contract accounting
- ✓ Payroll processing and billing processing
- ✓ Financial modelling and unit costing analysis
- ✓ Strategic planning facilitation
- ✓ ITSC Project management
- ✓ Governance reviews
- ✓ Organisation restructures
- ✓ Risk management reviews
- ✓ Due diligence
- ✓ Work-flow building design
- ✓ FBT and GST reviews
- ✓ Detailed forecasting modelling

Audit and assurance services

Complementing our consulting services is our dynamic Audit division. StewartBrown adopts a risk based audit approach which is performed strictly in accordance with Australian Auditing Standards. Our engagements involve a detailed analysis of the client's business and systems of internal control to ensure we fully understand how the client operates and identify areas that pose the greatest risk of being materially misstated in the financial statements. Our detailed testing procedures are then tailored to meet the risks identified and also ensure an efficient and effective audit is performed.

What we offer our audit clients are a mix of experience and knowledge well beyond that of most other firms. Our audit staff all have regular exposure to consulting and secondment assignments which significantly enhances the "value add" we bring to our audit clients.

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Specialty in the aged care, community and disability sectors

StewartBrown is widely regarded as being a leading specialist within the aged care, community and disability sectors. Our client base includes many large national providers in addition to independent stand-alone providers, faith-based and community providers, culturally specific providers, as well as government and statutory bodies.



Our commitment to these important social sectors each year involve 30+ plus speaking engagements at Conferences, sector briefings, workshops, department briefings, organisation presentations and community consultations.

Integrity + Quality + Clarity

These terms which appear on our logo are more than aspirations, they appear for a very important reason - they encapsulate the professional standards that we strive to continually maintain and ensure best practice.

September 2016 results in a nutshell



\$12.00

Average care result of \$12.00 per resident per (June 2016: \$10.78 September 2015: \$12.56)



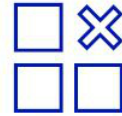
\$41.25

Average care result of the top 25% was \$41.25 per resident per day (June 2016: \$38.42 September 2015: \$42.38)



\$9,401

Average facility EBITDA of \$8,941 per bed per annum (June 2016: \$8,941 September 2015: \$10,081)



74.8%

74.8% positive overall result down 1.1% from June 2016: 75.9%



12.2%

90 facilities (12.2%) had a negative EBITDA up 2% from June 2016: 10.2%



\$2.57

Average care result of bottom 75% was \$2.57 per bed day 6 cents better than June 2016 at \$2.51 and was 70 cents less than September 2015 at \$3.27



\$19,278

Average facility EBITDA of the top 25% \$19,278 per bed per annum (June 2016: \$18,121 September: 2015: \$20,033)



\$261,488

Average bond/refundable deposit held at September 2016 was \$261,488 an increase of \$9169 on June 2016 at \$252,319



\$30.06

Top 50% average care result was \$30.06 per bed day and increase of \$3.05 on June 2016 at \$27.01 and an increase of 14 cents on September 2015 at \$29.91



- \$6.18

Average care result of bottom 50% \$(6.18) per bed day 56 cents worse than June 2016 at \$(5.62) and 83 cents worse than September 2015 at \$(5.35)



- \$18.25

Average care result of bottom 25% \$(18.25) per bed day 71 cents worse than June 2016 at \$(17.54) and 13 cents worse than September 2015 at \$(18.12)



94.9%

Average occupancy 94.9% which is the same as June 2016 and September 2015 at 94.9%



\$16.25

Care result varies across States and Territories with the best being New South Wales with an average care result of \$16.25 per bed day



\$4.30

Care result varies across States and Territories with the worst being Western Australia with an average care result of \$4.30 per bed day



70.7%

70.7% of facilities had a positive facility result (care result + accommodation result) down 0.8% on June 2016 at 71.5%



96.3%

Average occupancy of Top 25% was 96.3% which is 0.6% down on June 2016 at 96.9% and a decrease of 0.5 on September 2015: 96.8%



92%

Average occupancy of the bottom 25% was 92% which is 0.7% up on June 2016: 91.3% but 0.2% down on September 2015: 92.2%



40 - 60 places

Most profitable group of facilities by size was those with between 40 and 60 places with a care result of \$16.22 per bed day