StewartBrown

Integrity + Quality + Clarity

Aged Care Financial Performance Survey Report



Three months ended 30 September 2023

The StewartBrown September 2023 (three months) Aged Care Financial Performance Survey incorporates detailed financial and supporting data from **1,191 Aged Care Homes (98,226 beds/places)** & **64,423 Home Care Packages** across Australia

The quarterly survey is the **largest financial benchmark** in the aged care sector and provides invaluable insights into the **trends and drivers of financial performance** at the sector level and at the aged care home or program level

CONTENTS

1. EXECUTIVE SUMMARY

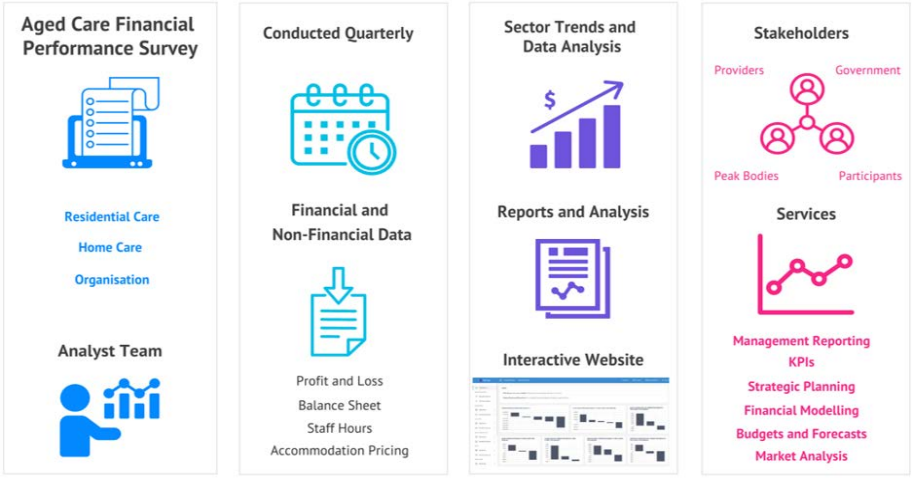
Abstract

The *Aged Care Financial Performance Survey* (Survey) Sector Report for the September 2023 three-month period (Sep-23) provides an overview of the financial performance of the aged care sector in Australia.

Survey Overview

The Survey is derived from detailed financial and non-financial granular data submitted each quarter by providers to benchmark their performance and Key Performance Indicators (KPIs) with comparable residential homes and home care programs, and accordingly, the financial results are from the provider's perspective.

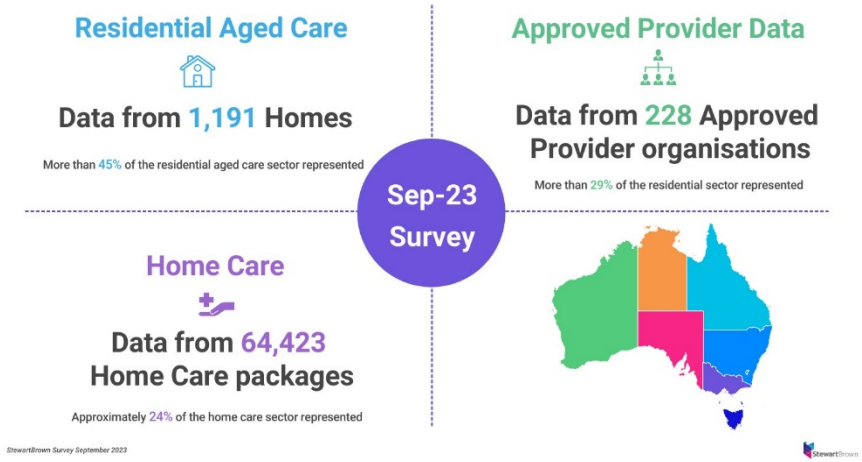
The primary objective of the Survey Report is that all financial policy and related public commentary should be evidenced based, objective and supported by accurate data. The Survey provides the results from an extensive data base.



Refer to the Glossary, which provides a graphical depiction of the Data Collection and Data Cleansing processes as well as explanations for some of the key terms and metrics used throughout this report.

Survey Metrics

The aggregated StewartBrown Survey results for the three months ended 30 September 2023 are derived from data contributed by the following:



Commentary

The Government has demonstrated a robust dedication to advancing the essential reform agenda for the delivery of quality aged care services for elderly Australians.

In response to the recommendations made by the Royal commission, significant measures have been implemented, especially for the residential aged care segment.

A new AN-ACC starting price effective from 1 July 2023 was based on advice from the Independent Health and Aged Care Pricing Authority (IHACPA) to fund direct care services. It took into account historical inflation and wage increases for FY23, Fair Work Commission interim decision of 15% award pay rise which needed to be passed on to eligible employees, as well as the superannuation guarantee increase.

A 24/7 registered nurse supplement was also introduced from 1 July 2023 for eligible residential aged care homes to assist with the staffing requirements.

The persistence of staffing shortages poses an ongoing challenge for many providers of residential aged care and in-home care services. The potential continued high level of utilisation of agency staff to firstly meet any staff shortages and to also bridge the gap between actual and targeted direct care minutes may adversely impact financial results, given the higher hourly costs associated with agency staff compared to internal employees.

A further uplift in AN-ACC price of 4.4% effective from 1 December 2023 aims to assist with the effect of the 5.75% National Wage Case pay increase. This adjustment will also assist those providers that are already remunerating their employees at above the award rates.

The Aged Care Taskforce was, among other things, given the remit of formulating strategies to enhance the sustainability of the aged care sector through changes to how the sector is funded. The StewartBrown Survey has indicated for some time that the deficiencies in funding have been in the areas of indirect care (everyday living) and accommodation services

StewartBrown has consistently emphasised the need for a greater level of consumer contribution for indirect care (everyday living) and accommodation services from residential aged care participants. Recommendations supporting this have been made to Aged Care Taskforce during the consultation. To be successfully implemented, these reforms will require unilateral support from all stakeholders and increased community understanding of the financial aspects of providing aged care services.

As these reforms will take some time to be considered and, hopefully, implemented and then several years for the full effect to be felt by the sector, StewartBrown will continue to advocate for change to existing policy and comment on future policy that will make the sector more financially sustainable and fairer to participants in an *Appendix* to this and future reports.

The effects of reform implementations like these may not yield positive financial results until several years after their implementation. Consequently, the need for financial sustainability and performance improvement will persist, necessitating potential short-term interventions.

It is the opinion of StewartBrown, the involvement of IHACPA for direct care funding had led to observable improvements in the direct care results. In addition to maintaining sufficient funding within direct care service, structural funding reforms for other services in residential aged care segment are required. In the interim period, however, to avoid closure of homes and reduced service delivery, especially in regional locations (MMM2 to MMM5 in particular), an emergency funding package may also need to be considered in the short-term to ensure current viability and allow for the necessary funding reforms to be properly implemented.

Financial Results Overview

Summary

The Survey for the three months ending September 2023 indicates an improvement in the operating result for the residential aged care segment while a further decrease in operating result for the home care segment.

The average operating results for residential aged care homes across all geographic sectors was a **marginal operating surplus** at $0.89 pbd *(Sep-22 $21.29 pbd deficit)* for mature homes (which exclude the outliers). This marks the first instance of an average operating surplus since the Sep-20 Survey which had an operating surplus of $2.60 pbd. It is worth noting that in that same year the full year result was an operating deficit of ($8.43) pbd. (The September quarter is historically the best quarter from a financial result perspective).

The operating surplus for Sep-23 Survey is largely generated from the direct care result, with indirect care and accommodation service cost centres continuing to operate at a deficit. A more thorough analysis of the surplus in the direct care sector is provided in subsequent sections.

Direct care staffing levels delivered to residents continued to increase in response to the 24/7 registered nurse requirement and the mandatory direct care minutes from 1 October 2023. On average, Survey participants recorded registered nurses (RN) minutes of 36.12 per resident per day and total direct care minutes of 196.36 per resident per day, compared to the 40 and 200 minutes targets respectively. This represents a significant increase of 18.6% for RN and 5.3% for total direct care minutes compared to Sep-22 survey.

Staffing, though, remains a significant challenge for Providers. With the active recruitment conducted by Providers in the past few months, and less impact from COVID-19, the usage of agency staff and overtime overall decreased by 1.7% compared to FY23 average. However, more agency registered nurses were used for the three months ended Sep-23 possibly to meet the 24/7 RN requirement. The utilisation of agency RN staff accounts for 9.4% of the overall usage for Sep-23 survey compared to 7.9% for Jun-23 survey.

Occupancy significantly improved to 92.7% of *available* beds for mature homes (Sep-22 91.0%). *The Survey reports on beds that are available to be filled by residents, rather than using approved places as the denominator due to there being a large number of places (beds) not available due to refurbishment, new builds, sanctions or approved places allocated and never utilised.* The fixed costs per bed increases when occupancy declines and further erodes financial performance. In that respect, an increase in occupancy does improve financial performance by spreading those fixed costs over a larger revenue base. On the other side of the equation, direct care staff costs are now truly variable as they need to increase to maintain the direct care minute target per resident so direct care staff costs will increase as occupancy increases.

Marginally more than 50% of aged care homes still operated at a loss (70% at Sep-22) and 29% operated at an EBITDA (cash loss) (51% at Sep-22).

In summary, the residential aged care sector continues to make significant losses through the delivery of everyday living and accommodation services. The new AN-ACC starting price advised by IHACPA effective from 1 July 2023 and additional RN supplement funding contributed positively to the overall profitability of homes and increased the margin of direct care services to what might be considered reasonable. Nevertheless, the mandatory direct care minutes and the sectors ongoing challenges introduced potential risks to future profitability.

Financial sustainability needs to be achieved from all service areas for residential aged care homes. Providers have been seeking solutions such as providing additional or extra services to reduce the deficit from indirect care services. Reforms from the Taskforce consultation hopefully will bring more improvements to the financial sustainability of operations.

Home Care continues to operate with uncertainty as the sector awaits the reform of the Support at Home program (implementation date is scheduled to be 1 July 2025).

Additional information will be needed to inform providers' strategic planning under the new program.

Consistent with residential aged care, staffing remains the most crucial concern. A significant increase in admin staff costs is observed in Sep-23 survey.

The current home care operating result has decreased to a surplus of $2.23 per client per day *(Sep-22 $3.56 pcpd).* Revenue utilisation has **decreased to 82.1% of available package funding** and unspent funds have increased to an average of $13,164 for every care recipient *(unspent funds are now estimated to be in excess of an aggregate $3.2 billion across balances held by providers and the Government)*.

Average staffing hours in providing direct home care services improved to be 5.32 hours per client per week *(Sep-22 4.88 hours)*. However, it is still significantly below the average 9 hours per week provided prior to the implementation of the Consumer Directed Care model in July 2015.

Consumer contributions to home care continue to decline and represent less than 2.0% of the overall funding envelope.

Effect of Fair Work Commission 15% Award Increase

Background:

The Fair Work Commission (FWC) interim "work value case" ruling increased the minimum award wage by 15% for direct care staff in the aged care sector. For employees affected by the FWC ruling this meant that the minimum wage changed from the first pay period commencing on or after 30 June 2023.

The FWC ruling applied to direct care employees working in aged care in the following award classifications:

- Aged Care Award: personal care workers (PCWs) and recreation/lifestyle activities officers
- Nurses Award: nursing assistants, enrolled nurses, registered nurses, nurse practitioners working in aged care
- SCHADS Award: home care workers working in aged care

The FWC ruling in relation to the residential direct care employees was funded by the increased AN-ACC starting price.

The FWC 15% award increase also applies to the most senior food services employee (levels 4-7):

- covered by the Aged Care Award
- working at a particular aged care facility or site

Senior food services employee award increase is funded by the increased hotelling supplement, which is separate from AN-ACC funding subsidy.

Financial Effect

The increase in the individual pay rates for each employee covered by the FWC ruling meant that the leave entitlements (annual/sick/long service) were increased, and a corresponding staff cost expense was also required to be posted.

The Australian Accounting Standard *AASB 19 Employee Benefits* dictates that this entry be posted on the date of the award increase (30 June 2023) even though it will actually relate to the FY24 period.

The *GO6625 Aged Care Wages - Historical Leave Liability Grant* is available to Providers to supply financial relief in response to the FWC decision and applications close on the 31 January 2024. The Grant total of $130.9 million for the FY2023-24 is to assist aged care Providers to fund 50% of the increased cost associated with paying the higher leave entitlements to eligible workers that have had their wages increased as a result of the FWC's decision.

Accounting Treatment

There was no uniform treatment within the sector as to how and when to post the leave entitlement adjustment. A slight majority of Providers indicated that they have posted the increase in their FY23 financial statements (including the FY23 Survey), others posted it in the FY23 financial statements only (as a separate entry), and other Providers chose to post the adjustment in FY24.

Survey Result Implications

For Providers who posted the adjustment in FY24 this affected the Sep-23 survey and impact all remaining Surveys in FY24. Based on responses from the Survey participants, the following financial effect was:

- For Providers who posted the increase, the Sep-23 YTD staff costs were increased by an average of $12.71 per bed day for their individual results
- For the Survey *overall average*, the net effect was that staff costs were increased by $3.08 per bed day (as this includes those that did not post the increase during FY24)

Direct Labour Hourly Costs Increase

StewartBrown previously conducted an analysis to assess the effective increase for each eligible labour category of passing on the equivalent of the 15% award increase to employees as in following table:

Table 1: Forecast impact to pass on 15% award increase

Labour Category	Worked hourly cost (A)	Median award rate (B)	Rate after 15% pay rise (Bx15% = C)	Base rate to pass on (C – B = D)	28% on costs + Super increase (Dx28.65% = E)	Hourly rate increase to pass on (D+E = F)	Pass on rate as % of current Cost (F / A)
Registered Nurses	$72.00	$36.09	$41.50	$5.41	$1.55	$6.97	*9.7%*
Enrolled Nurses	$52.55	$25.89	$29.77	$3.88	$1.11	$5.00	*9.5%*
Personal Care staff	$44.48	$23.80	$27.37	$3.57	$1.02	$4.59	*10.3%*
Recreational/Lifestyle	$37.36	$23.80	$27.37	$3.57	$1.02	$4.59	*12.3%*

A comparison between FY23 and Sep-23 Surveys was conducted on the hourly costs for direct care and lifestyle staff.

Table 2: Change in hourly costs compared to Jun-23 and analysis base

Costs per hour ($)	FY23	Sep-23	% *Change*	Analysis base	Sep-23	% *Change*
Registered nurses	$72.99	$81.57	*12%*	$72.00	$81.57	*13%*
Enrolled and licensed nurses (registered with the NMBA)	$53.17	$61.43	*16%*	$52.55	$61.43	*17%*
Other unlicensed nurses/personal care staff	$45.05	$51.38	*14%*	$44.48	$51.38	*16%*
Lifestyle/ Recreation/ Activities Officer /Diversional Therapy	$42.17	$45.36	*8%*	$37.36	$45.36	*21%*

All direct care staff hourly costs are higher than the forecasted impact and this is partially due to; the impact of the National Wage Case increase of 5.75%; changes in shift arrangements to have more RNs on night shift and weekends; and agency usage changes etc. The actual increase in direct care staff costs indicates that the 15% increase has been uniformly passed onto workers in the organisations participating in the Survey.

The increase in the cost of lifestyle workers is somewhat harder to explain but could relate to Providers passing the 15% increase to more of their staff even though they were not specifically funded to try and retain or attract staff to undertake that role.

Direct Care Result

Direct care subsidy & supplements for Sep-23 averaged $258.74 pbd, which is a significant increase from $215.68 pbd for Jun-23 quarter. The direct care subsidies & supplements includes the registered nurses supplement for homes with fewer than 60 occupied beds and meeting two other requirements, which is estimated to amount to $1.98 pbd when averaged across all homes in the Survey.

It has also come to our attention through communication with Providers that some are currently including the *Respite Accommodation Supplement* as part of the AN-ACC funding. It is estimated that the inclusion of the Respite Accommodation Supplement in AN-ACC funding has led to an overstatement of direct care funding by approximately $2 per bed per day. It follows that accommodation revenue is being understated by $2 per bed day. StewartBrown is taking steps to communicate with all Providers to separately disclose this supplement which will more easily identify this income stream and allocation in future survey data collections.

Due to the increased levels of AN-ACC revenue and partly because funded target minutes are not yet being met, the Sep-23 survey recorded a **surplus for direct care services of $18.26 pbd.**

A detailed breakdown of the movement and general reasons for the increase in revenue and costs and direct care result is shown in the following table.

Table 3: Direct care result movement compared to FY23 survey

ALL HOMES (pbd)	FY23	Sep-23	Increase
Direct care revenue	**$213.19**	**$260.84**	**$47.65**
Total direct care labour costs	**$159.86**	**$191.33**	**$31.47**
*Direct care labour costs increase due to minutes increase**			*$8.42*
Direct care labour costs increase due to FWC			*$23.05*
Other direct care expenditure	**$32.95**	**$33.21**	**$0.27**
Administration - direct care overhead allocation**	$17.25	$18.03	**$0.79**
DIRECT CARE RESULT	**$3.13**	**$18.26**	**$15.12**

**Estimated based on the variance in direct care minutes between the two surveys, and hourly costs from Sep-23 survey*
***Administration allocation proportion based on FY23 StewartBrown Administration Survey. It is expected direct care allocation proportion will increase during FY24 due to increasing reporting requirements related to direct care services*

The Sep-23 Survey reported average registered nurses and total direct care minutes lower than the mandated minutes requirement. Additional costs are needed to fill in the gap between actual and target minutes.

It is also notable that the Government's forecast for the average AN-ACC post 1 July 2023 was $260 pbd.

Table 4: Additional costs to meet average target minutes

All Homes (pbd)	Sep-23	Target	Gap	Costs per hour ($)	Additional costs
Registered nurses	36.12	40	3.88	$81.57	**$5.28**
Total direct care minutes *	196.36	200	0	$51.38	**$0.00**

**There will be a minor surplus in total direct care minutes after meeting RN target minutes. It is assumed that no restructuring will be done.*

Labour costs per hour used in the calculation are based on the combination of internal and agency staff. However, due to the ongoing challenge of attaining and retaining workforce in the sector, any gap will more likely be filled in by agency staff in short term or overtime, both of which incur additional costs.

The direct care result after meeting target minutes is estimated to be $12.98, which represents a modest 5.0% margin on current levels of direct care revenue. This is a reasonable margin to support the ongoing operation of the facility.

However, it is not likely to be sufficient to allow Providers the ability to achieve a higher than average Star Rating for staffing which would require the Provider to increase their staff minutes above their target. As shown above in *Table 3*, to increase RN nurse minutes by just 3.88 minutes pbd would cost an additional $5.28 pbd which would reduce that margin by 2%.

The new increased AN-ACC starting price of $253.82 (up from $243.10) from 1 December 2023 will bring a further $11 increase on average to the direct care revenue.

While this has been focussed on direct care as part of AN-ACC funding, it is unlikely that Providers will be able to use this funding to increase their staff minutes as they are still making losses in the indirect care and accommodation cost centres, and this direct care margin is likely being used to help off-set those losses.

FY24 Operating Result Forecast

Based on the Sep-23 results, and looking at what is likely to occur over the next nine months, projections have been made to forecast the result for the full FY24 period.

It is assumed that labour costs will not increase further during the year with the exception of increases to mandated minutes, while non-labour costs will be indexed by the annualised inflation rate of 5.4%.

There is conjecture as to whether Providers will increase the wage rates of non-direct care staff to meet the FWC increases. These are not fully funded and would further erode the projected results from the forecast as included in *Table 5*.

FY24 is forecasted to have $3.57 pbd surplus in operating result, which is a slight improvement compared to the $0.89 pbd surplus for Sep-23 survey. This is equivalent to 0.93% margin on all revenue sources. Without the increase in AN-ACC subsidy price from 1 Dec 23, the sector would have seen a projected deficit of $2.98 pbd on average.

It is apparent from this high-level analysis that even with the significant increase in direct care funding through AN-ACC and other initiatives, the overall results on average will be only slightly better than break-even. It is also clear that Providers will be restricted from channelling those additional funds into providing higher quality care services, including different models of residential care (small homes and dementia specific homes etc) and innovative solutions to care delivery that would come at a cost until sufficient funding is available to cover indirect care costs and the cost of providing accommodation.

Of equal importance is that this low level of profitability will not be conducive to increased investment in the sector which is crucial.

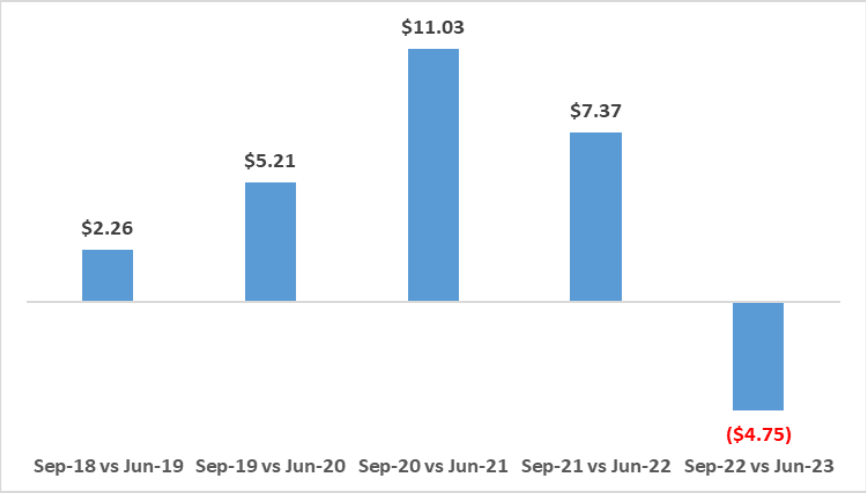
Historically, the September survey is the best performing survey for the full financial year, except for Sep-22 preceding the commencement of AN-ACC funding. In this regard, it is not unusual to see an improvement in profitability in the September quarter when compared to the result for the previous full financial year.

Table 5: Forecast FY24 result compared to Sep-23 Survey result.

All Homes (pbd)	Operating Result Sep-23	Forecasted FY24 result without AN-ACC increase	Forecasted FY24 result with AN-ACC increase
Direct care revenue*	$260.84	$258.84	$265.38
Direct care labour costs	$191.33	$195.29	$195.29
Other care labour costs	$24.23	$24.23	$24.23
Other care costs	$8.99	$9.26	$9.26
Direct care - admin allocation	$18.03	$18.43	$18.43
Direct care result	**$18.26**	**$11.64**	**$18.18**
Direct care margin	*7.00%*	*4.50%*	*6.85%*
Indirect care revenue	$73.81	$75.80	$75.80
Indirect care staff costs	$30.95	$30.95	$30.95
Indirect care other costs	$33.13	$34.02	$34.02
Indirect care - admin allocation	$16.39	$16.75	$16.75
Indirect care result	**($6.67)**	**($5.92)**	**($5.92)**
Indirect care margin	*(9.03%)*	*(7.82%)*	*(7.82%)*
Accommodation revenue	$40.02	$42.65	$42.65
Accommodation staff costs	$3.32	$3.32	$3.32
Depreciation	$21.44	$21.44	$21.44
Other accommodation costs	$11.63	$11.95	$11.95
Accommodation - admin allocation	$14.33	$14.64	$14.64
Accommodation result	**($10.70)**	**($8.69)**	**($8.69)**
Accommodation margin	*(26.74%)*	*(20.38%)*	*(20.38%)*
Operating result	**$0.89**	**($2.98)**	**$3.57**
Profit margin	***0.24%***	***(0.79%)***	***0.93%***
Operating Result per bed per annum	**$ 302**	**($1,010)**	**$1,210**
Operating EBITDA per bed per annum	**$ 7,931**	**$6,629**	**$8,849**

**$2 pbd respite accommodation revenue reallocated to accommodation revenue from care funding.*

Figure 1: September quarter results compared to full year results



The above graph shows the difference between the September quarter result and the full financial year result (ie for Sep-18 the result was $2.26 pbd higher than the result for the full financial year; Sep-19 $5.21 pbd higher. Sep-22 was under the ACFI funding with AN-ACC funding commencing from 1 October which distorted the results)

Care Staff Costs and Mandated Minutes Movement

Direct care staff minutes increased to 196.36 minutes per resident per day, including 36.12 minutes from registered nurses. A movement analysis has been conducted between September 23 survey against FY23 and Jun-23 QTR financials.

It is observed that other direct care labour minutes across all homes increased in Sep-23 survey compared to Jun-23 quarter, however, it decreased when compared to the full year average for FY23. This was significantly influenced by those homes that were performing poorly. Conversely, the homes in the first quartile reduced their non-care staff minutes compared to both FY23 and the Jun-23 quarter in isolation.

Figure 2: Other direct care labour minutes difference between Sep-23 and Jun-23 (YTD & QTD) data

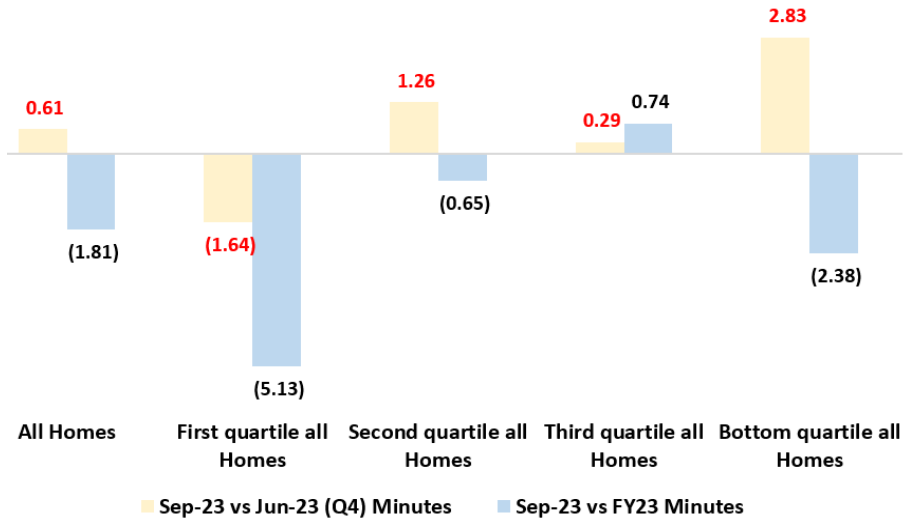
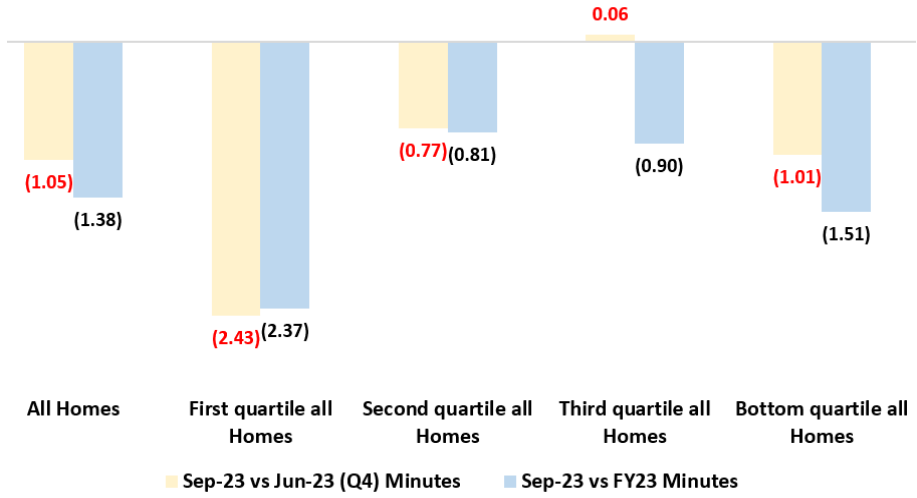


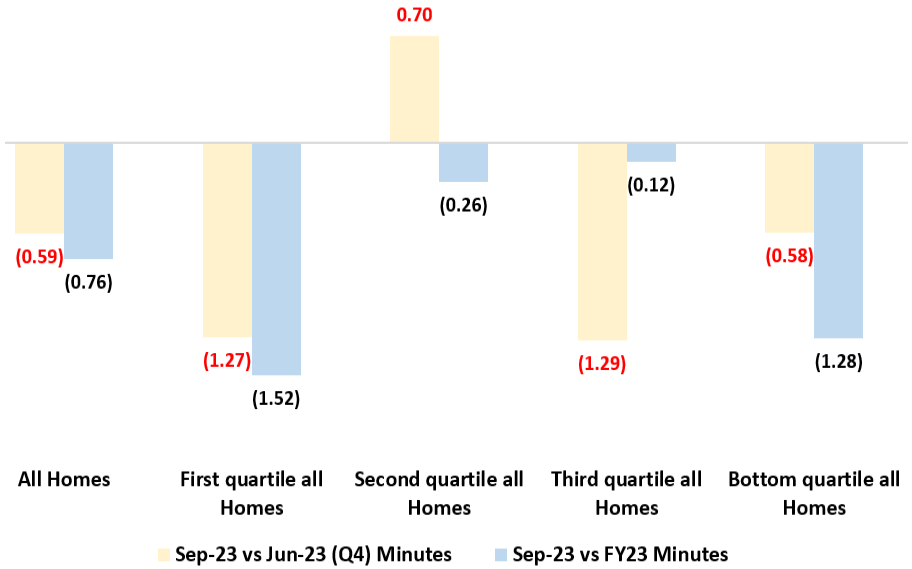
Figure 3: Care management labour minutes difference between Sep-23 and Jun-23 (YTD & QTD) data



The decrease in minutes that is observed in care management staff, is possibly due to the reallocation of some of these minutes to direct care. There has also been a decline in allied health minutes which is more likely to be a cost saving measure and/or a change in how care services are delivered by Providers. It is unlikely that these minutes have been reallocated to one of the direct care categories.

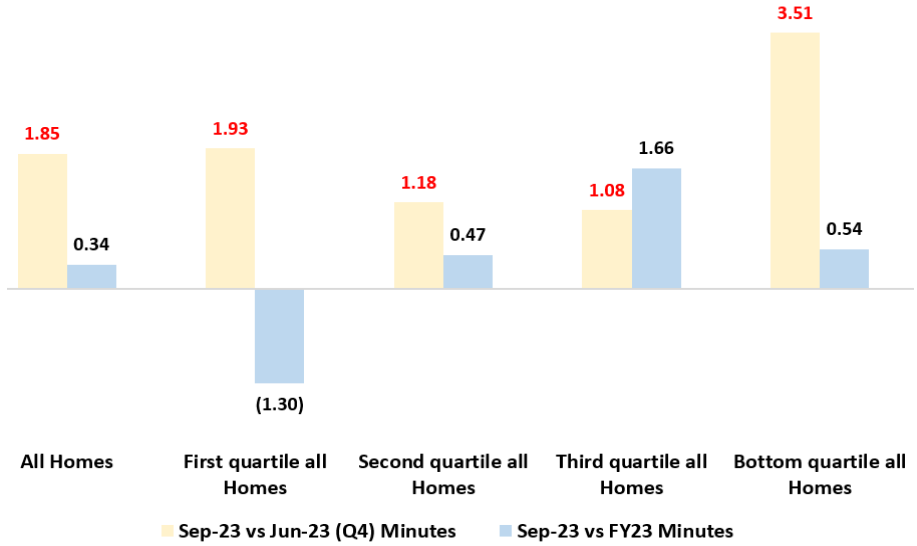
StewartBrown will be completing a specific Survey on allied health minutes provided to residents each day and the associated cost. Communication from Providers, residents and allied health professionals given to StewartBrown over a number of years suggest that there is a significant concern as to whether the current funding and use of allied health is sufficient.

Figure 4: Allied health minutes difference between Sep-23 and Jun-23 (YTD & QTD) data



Based on early discussions with Providers, it was somewhat surprising to see that the minutes for lifestyle/ROA staff, generally increased compared to both FY23 and Jun-23 QTR data.

Figure 5: Lifestyle minutes difference between Sep-23 and Jun-23 (YTD & QTD) data



Operating Result by Quartile

The quartile analysis is based the operating result ($ pbd) for each aged care home and banding them into the respective quartiles (first quartile represents the best operating results for 25% of the homes in the Survey and so on).

Average direct care minutes vary significantly by quartile, with first quartile homes averaging 182.56 direct care minutes per resident per day while bottom (fourth) quartile homes averaged 215.14 minutes per resident per day.

Additional analysis was conducted to further understand what the operating result for each quartile would look like with target average minutes being achieved (refer *Table 6*).

Based on the analysis, homes in the first quartile (based on profit) will require an additional $17.41 pbd direct care labour costs on average to meet the average mandated minute targets, while fourth quartile might be able to save up to $12.77 pbd from restructuring staffing to bring their minutes down to the target level.

Taking this into account, the difference in operating result between first quartile and fourth quartile would decrease from $108.06 pbd to $77.88 pbd.

Table 6: Operating result and adjusted operating result for target minutes by Quartile

Sep-23 Survey	All Homes	First Quartile	Second Quartile	Third Quartile	Bottom Quartile
Staff Minutes					
Registered nurses	36.12	33.14	34.87	36.42	40.83
Enrolled and licensed nurses	11.71	7.39	11.97	13.54	14.36
Other unlicensed nurses/personal care staff	148.51	141.97	145.92	148.05	159.94
Imputed agency direct care minutes implied	0.03	0.06	0.04	0.00	0.02
Total direct care minutes per resident day	**196.36**	**182.56**	**192.80**	**198.01**	**215.14**
Gap from target minutes					
Registered nurses	3.88	6.86	5.13	3.58	(0.83)
Other direct care labour	(0.24)	10.58	2.07	(1.59)	(14.32)
Additional costs					
Registered nurses	$5.28	$8.78	$6.73	$4.91	($1.22)
Other direct care labour	($0.21)	$8.64	$1.75	($1.39)	($12.77)
Additional costs - without restructuring	**$5.28**	**$17.41**	**$8.49**	**$4.91**	**$0.00**
Operating result	**$0.89**	**$49.83**	**$11.80**	**($10.01)**	**($58.23)**
Operating result after additional costs	**($4.39)**	**$32.42**	**$3.31**	**($14.93)**	**($58.23)**
Potential costs saving from restructuring	**$0.21**	**$0.00**	**$0.00**	**$1.39**	**$12.77**
Total additional costs	**$5.07**	**$17.41**	**$8.49**	**$3.53**	**($12.77)**
Operating result after costs saving	**($4.18)**	**$32.42**	**$3.31**	**($13.54)**	**($45.46)**

24/7 Registered Nurse Requirement

Analysis was conducted to understand how many homes are currently meeting the 24/7 RN requirement.

The analysis was based on the shift information provided for the below three shifts.

- morning shift (7am-3pm)
- afternoon shift (3pm-11pm)
- overnight shift (11pm-7am)

If average registered nurses for a shift is 8 hours or more, we would flag the facility to meet the 24/7 RN requirements.

Where a home is located in MMM 5, 6 and 7, and with fewer than 30 operating beds, the home might be eligible for exemptions provided appropriate clinical arrangements are in place, which we assume so in the analysis.

Based on the analysis for mature homes with valid shift hours information (1,074 out of 1,175) the following outcomes arise.

Table 7: 24/7 RN requirement analysis - Sep-23

24/7 Registered Nurses	Number of facilities	Proportion	Average hours - morning shift	Average hours - afternoon shift	Average hours - overnight shift
Exemption possibly eligible	34	3%	7.64	4.49	3.57
Meet	623	58%	27.20	14.30	9.92
Below	417	39%	8.60	4.78	3.07
Total	**1,074**	**100%**	**23.38**	**14.12**	**9.59**

39% of homes may not be meeting the 24/7 requirements, which is a reduction compared to FY23 average of 48%.

Table 8: 24/7 RN requirement analysis - FY23

24/7 Registered Nurses	Number of facilities	Proportion	Average hours - morning shift	Average hours - afternoon shift	Average hours - overnight shift
Exemption possibly eligible	36	3%	6.68	2.97	1.82
Meet	505	49%	22.60	11.67	8.15
Below	498	48%	8.72	4.72	2.95
Total	**1,039**	**100%**	**20.04**	**12.08**	**8.11**

Average overnight shift hours have the largest increase by 18% compared to FY23 average.

Providers increased agency RN usage for the overnight shift. This analysis shows that 28% agency RN minutes were used to cover overnight shift for Sep-23 compared to Jun-23 quarter at 24%. This comes at a great cost to providers.

Profiling the homes that don't appear to meet the 24/7 RN requirements shows that:

- 51% of MMM4 homes failed to meet 24/7 requirements, making up the highest proportion.
- MMM2 has the lowest proportion of 34%.
- WA homes have the highest proportion of not meeting 24/7 RN requirements at 45%, while the proportion is only 28% for TAS homes, then 30% for VIC homes.
- Homes with more places have lower proportion of not meeting requirements. For homes with over 100 beds, only 19% did not meet the requirements, while for those with under 40 places, 80% did not meet the requirements or are exempted from the requirement.

It should be noted that the shift data used for this analysis is for direct care staff only. It is understood that for the purpose of the test for having an RN on-site and on duty can include registered nurses that may play another role in the home such as facility manager or clinical manager for example and they may not be included in the minutes data provided for our Survey. This means that the analysis is "worst case scenario" and the true picture is likely to be marginally better than the preceding figures. Although, those other positions are not likely to supplement shifts overnight or on weekends, but we do acknowledge that it may affect the overall outcome marginally.

Indirect Care (Everyday Living)

Indirect care includes hotel services (catering/cleaning/laundry), utilities and an administration cost allocation. The major revenue components comprise the Basic Daily Fee (BDF), hotelling supplement and additional/extra services charged in some homes.

A characteristic of these services is that the BDF (calculated at 85% of the single pension) is the same for all residents irrespective of financial means and acuity. The costs of providing these services are greater than the revenue earned and currently the sector average result is a $6.67 deficit per resident per day.

The deficit is inclusive of the $10.80 per resident per day hotelling supplement paid by the government (increased to $11.04 prpd from 20 September 2023)

It is worth noting that homes which provide additional or extra services (revenue for additional services being over $1 pbd for this analysis) increased from 31.6% from Sep-22 to 40.3% for Sep-23 Survey which means that many homes are now adopting additional services to help alleviate the losses being incurred in this area.

However, even with increased additional services revenue (and additional associated marginal costs) the deficit is $6.67 per resident per day as noted above. Therefore, additional services on its own is not sufficient to reduce the deficit.

StewartBrown has consistently advocated for a higher consumer contribution being levied for those residents with the financial ability to pay for these everyday living services at a rate that is commensurate with the quality of services provided.

Accommodation

Accommodation continues to be the biggest loss-making area for an aged care home. The sector averaged a $10.70 loss per resident per day for Sep-23 Survey. The impact of the allocation issue for respite accommodation supplement is estimated to reduce the accommodation result to $8.07 pbd deficit.

The accommodation result was improved due to the higher Maximum Permitted Interest Rate of 7.90% for the September quarter. It is noted that the MPIR increased to 8.15% for the December quarter and to 8.38% for the March 2024 quarter.

Depreciation represented $19.90 per bed day of expenditure. Whilst depreciation is a non-cash component (and excluded from EBITDA calculations) it is a critical expense that needs to be recovered given the cost associated with maintaining, refurbishing and eventual replacement of an aged care facility.

This is important as new residents often tend to favour newer and more contemporary homes if they have the option. This leaves the less favourable older homes with lower occupancy.

The cost and funding for accommodation is one of the least understood components of residential aged care. There is general confusion as to how accommodation forms part of aged care funding provided by the government. Australia has a strong and robust safety net for residents without the financial means and this will continue.

For residents with financial means, it is appropriate that they contribute to the accommodation in a more equitable manner.

StewartBrown has consistently advocated for changing the accommodation model to be more focussed on a "rental" payment for accommodation whereby the rent amount is determined by the actual upfront contribution paid. The underlying principle is that a rental portion is paid irrespective of whether a full contribution (currently a RAD) is paid.

Economy of Scale

A common discussion point has been whether there is economy of scale in residential aged care sector and the following is an analysis of the Sep-23 results based on how many aged care homes a Provider has.

Table 9: Operating result and adjusted operating result for target minutes by Provider size

Sep-23 Survey	Single Facility	2-6 Facilities	7-20 Facilities	21+ Facilities
Direct care revenue	*$260.15*	*$257.91*	*$261.30*	*$262.00*
Direct care labour costs	$192.17	$192.86	$189.94	$191.48
Other care labour costs	$26.92	$28.56	$26.35	$19.99
Other direct care costs	$26.18	$27.59	$30.00	$24.72
Direct care expenditure	*$245.27*	*$249.01*	*$246.29*	*$236.19*
Direct care result (A)	**$14.88**	**$8.90**	**$15.01**	**$25.81**
Indirect care result (everyday living)	**($12.85)**	**($5.53)**	**($11.63)**	**($2.05)**
Accommodation result	**($10.54)**	**($11.50)**	**($11.15)**	**($10.05)**
Operating result (B)	**($8.52)**	**($8.14)**	**($7.77)**	**$13.70**
Expenditure - administration (included above)	*$43.15*	*$47.25*	*$53.42*	*$47.29*
Staff Minutes				
Registered nurses	34.64	36.21	36.83	35.89
Enrolled and licensed nurses	15.84	12.22	14.94	8.09
Other unlicensed nurses/personal care staff	150.21	155.64	147.46	145.70
Imputed agency direct care minutes	0.02	0.01	0.01	0.06
Total direct care minutes per resident day	**200.71**	**204.08**	**199.23**	**189.74**
Gap from target minutes				
Registered nurses	5.36	3.79	3.17	4.11
Other direct care labour	(6.07)	(7.87)	(2.41)	6.14
Additional costs				
Registered nurses (C)	$6.95	$5.00	$4.29	$5.74
Other direct care labour (D)	($4.97)	($6.50)	($2.02)	$5.48
Additional costs - without restructuring (C)	**$6.95**	**$5.00**	**$4.29**	**$11.22**
Operating result after additional costs (B - C)	**($15.47)**	**($13.14)**	**($12.06)**	**$2.48**
Potential costs saving from restructuring (D)	**$4.97**	**$6.50**	**$2.02**	**$0.00**
Total net additional costs (E = C - D)	**$1.98**	**($1.50)**	**$2.27**	**$11.22**
Operating result after costs saving (B - E)	**($10.50)**	**($6.64)**	**($10.04)**	**$2.48**
Direct care result after costs saving (A - E)	**$12.90**	**$10.40**	**$12.73**	**$14.59**

It is noted based on Sep-23 Survey data that larger Providers with more than 20 homes have the highest operating result and the highest adjusted operating result compared to other groups. This is also the case for the direct care result which largely contributes to the overall financial result. Other care labour costs are the lowest for Providers with 21 or more homes.

These larger Providers also have significantly lower direct care minutes than smaller providers, which is one of the reasons that their results are better. *This should not be interpretated as large Providers having a lower quality/standard of care as it may predominantly be due to a number of other factors.*

The analysis shows that if the larger Providers incurred the additional costs to meet their direct care minute targets, the current operating surplus of $13.70 pbd would decline to an average of $2.48 pbd which is still significantly better than the smaller providers who continue to average an operating loss before and after meeting care minute targets.

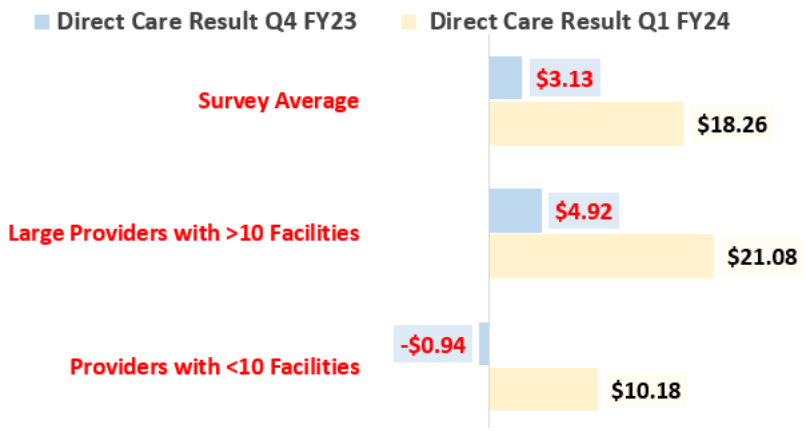
There is an opportunity for the smaller Providers to realise some cost savings by reducing their care minutes where they currently exceed target levels. It is noted that many of these homes have unique circumstances that mean that Providers are not able to take advantage of these savings in full or at all.

Direct Care (AN-ACC) Margin Comparison

Figure 6 provides another comparison between small and large Providers and the movement in the Direct Care (AN-ACC) margin (result) between Q4 2023 (June quarter) and Q1 2024 (September quarter).

By way of explanation, the average Direct Care margin for all homes for the June 2023 quarter (Q4) was $3.13 pbd and increased to $18.26 pbd for the current September 2023 (Q1) quarter. The large Providers (in this analysis being those with 10 homes or more) had a net increase of $16.16 pbd, whilst Providers with less than 10 homes had an increase of $11.12 pbd.

Figure 6: Comparison of direct care result (margin) between quarters



Occupancy

Occupancy for Sep-23 at 92.7% is the highest since Dec-20. (92.8% for Sep-20 and 92.4% for Dec-20 survey).

Although it has been suggested that some Providers took some operating beds offline to meet their minutes target, the Survey did not detect a reduction in available beds. For homes which are both in Jun-23 and Sep-23 surveys, there are marginal increases (0.05%) in available beds where Providers have brought beds back online after refurbishment and significantly increased in occupancy (92.8% compared to 91.2%) for Sep-23 Survey. The rise in occupancy is attributed to increase in occupied beds, rather than a reduction in available beds.

This increase in occupancy is beneficial to Providers as it decreases the per bed day amount for some of the fixed costs, especially for indirect care and accommodation services. This is not so relevant to direct care costs as they are now largely tied to mandated minutes which have to increase proportionally to any increase in resident days. Fixed costs on the other hand can be spread across a greater number of days and revenue base as occupancy rises.

Table 10: Improvement due to increase in occupancy for indirect care and accommodation services

All Homes ($pbd)	Sep-23	Sep-23 if occupancy remained 91%	Variance
Indirect care revenue	73.81	73.81	0.00
Indirect care expenditure	80.47	81.74	(1.27)
Indirect care result	**(6.67)**	**(7.94)**	**1.27**
Accommodation revenue	40.02	40.02	0.00
Accommodation expenditure	50.72	51.70	(0.98)
Accommodation result	**(10.70)**	**(11.68)**	**0.98**

It is estimated that the improvement in occupancy improved the average operating result by **$2.25 pbd** by spreading indirect care and accommodation services costs across the higher number of occupied days.

Aged Care Reform Process

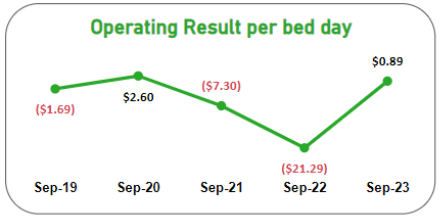
The aged care sector is undergoing a major reform agenda, largely stemming from the Royal Commission recommendations with the Government having a strong emphasis on implementation. Whilst reform is disruptive and costly, it will ensure that the sector moves forward to delivering quality aged care services that are equitable, contemporary, transparent, and sustainable.

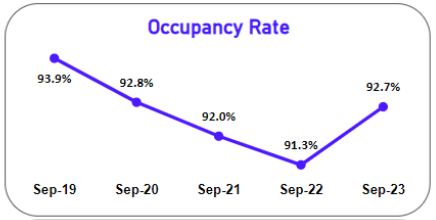
A brief summary of upcoming reforms is as follows: -

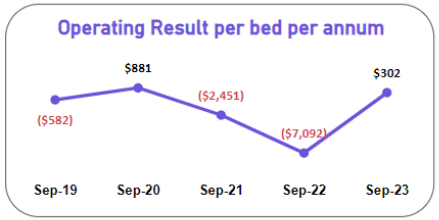
- February 2024: Publication of residential Providers financial information to be included on *My Aged Care* site
- July 2024: Rights based *Aged Care Act* and regulatory framework including a new system for the registration of Providers
- July 2024: New quality standards framework to commence
- July 2024: Residential aged care places assigned to consumer (removal of Aged Care Approvals Round (ACAR) for allocation of residential approved places)
- July 2024: Single Assessment system commences
- October 2024: Total average mandated direct care minutes to increase to 215 of which an average of 44 minutes to be provided by a RN
- July 2025: Support at Home program commences for Home Care Packages (refer https://www.health.gov.au/our-work/aged-care-reforms/roadmap)

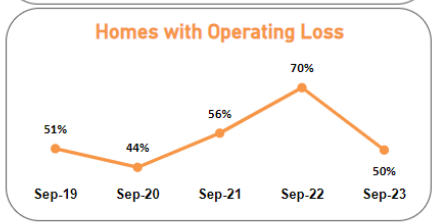
Sep-23 Results Snapshot

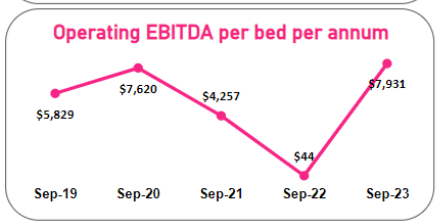
Residential Aged Care

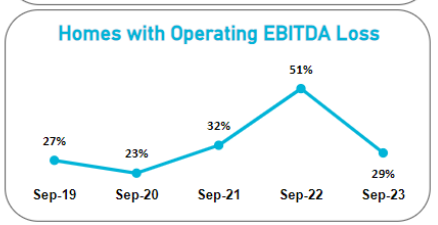




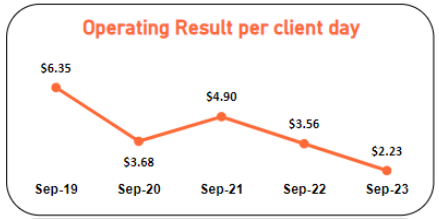


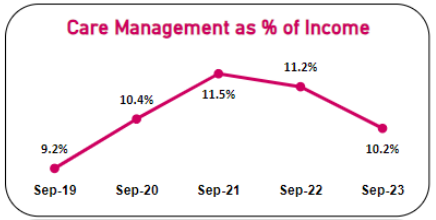


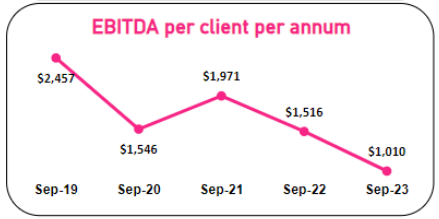


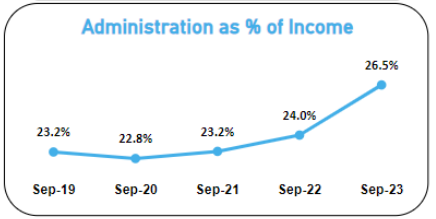


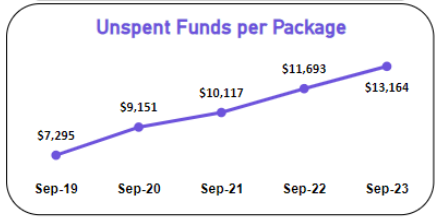
Home Care

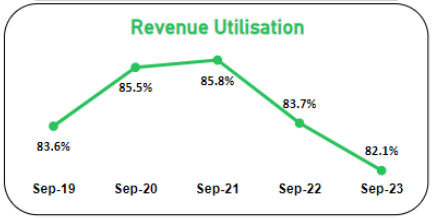












Sep-23 Financial Performance Analysis

Residential Aged Care Results

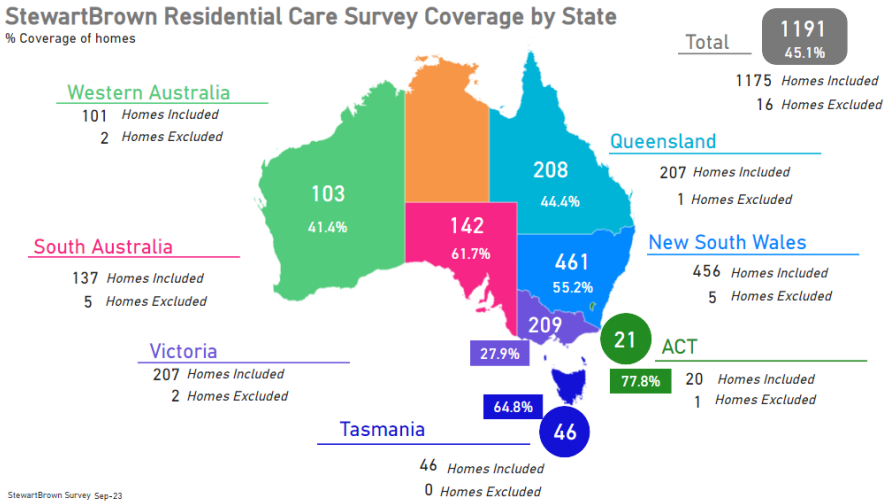
Revenue	• Average direct Care revenue (AN-ACC, supplements and other recurrent direct care income) was $260.84 pbd, an increase of 32.4% from Sep-22 ($196.99). (Due to the introduction of AN-ACC funding model from Oct-22 and increase in AN-ACC on 1 July 2023 to fund 15% FWC decision) • Indirect care (everyday living) revenue *including hotelling supplement* was $73.81 pbd an increase of 9.3% from Sep-22 ($67.53 pbd) • Accommodation revenue was $40.02 pbd an increase of 20% from Sep-22 ($33.33 pbd) *(due to MPIR lift to 7.90% for new DAPs)*
Expenses	• Direct care labour costs (RN/EN/PCA) averaged $191.33 pbd an increase of 28.4% from Sep-22 ($148.98 pbd) • Other direct care labour costs (Care Management/Allied Health/Lifestyle) averaged $24.23 pbd, a decrease of 3.8% from Sep-22 ($25.18 pbd). *This may be due to the review of care management to reallocate the direct care components based on qualification.* • Other direct care costs averaged $8.99 pbd, an increase from Sep-22 ($6.27 pbd) • Indirect care (everyday living) costs was $80.47 pbd an increase of 7.3% (Sep-22 $75.02 pbd) • Catering expenditure averaged $39.28 pbd an increase of 8.2% (Sep-22 $36.31 pbd) *(this is as a result of increase in food consumables and inflationary pressures)* • Administration costs averaged $48.75 pbd an increase of 9.6% (Sep-22 $44.46 pbd) *(due to increase quality, reporting and compliance requirements)* • Accommodation expenditure averaged $50.72 pbd (depreciation $19.90 pbd) compared to Sep-22 $47.24 pbd
Operating Result	• Direct care result for Sep-23 increased significantly with the increase in AN-ACC care funding by $18.14 pbd to a surplus of $18.26 pbd (including administration) from Sep-22 $0.11 pbd surplus • *As most providers are paying higher than award rate, the increase in direct care labour costs are lower than the increase in care funding. A minimum $5 pbd additional costs on average will be needed to reach target minutes. 5% margin for direct care services will be achieved after meeting the minutes, which is reasonable for ongoing operation.* • Indirect care result improved to a deficit of $6.67 pbd (including administration) (Sep-22 deficit $7.50 pbd). *This includes improvement due to increase in occupancy.* • Accommodation result (including administration) was a deficit of $10.70 pbd (Sep-22 deficit $13.90 pbd) • Operating result was a **surplus of $0.89 pbd** (Sep-22 operating deficit $21.29 pbd) • Operating EBITDA averaged $7,931 pbpa (Sep-22 EBITDA $44 pbpa)
Additional Trends	• Direct care minutes (RN/EN/PCA) was **196.36 minutes per resident per day** (Sep-22 186.48 minutes) • Occupancy for mature homes increased to 92.7% (Sep-22 91.3%) *(occupancy based on actual available beds)* • Supported resident ratio remained constant at 45.7% (Sep-22 45.0%) • Average full RAD received for YTD Sep-23 was $493,129 (YTD Sep-22 $466,103) • Proportion of full RADs received for non-supported residents was 25.9%, full DAPs was 50.1% and Combinations (RAD/DAP) was 24.1%

Home Care Package (HCP) Results

Revenue	• Revenue was $75.78 per client per day, a 14.1% increase from Sep-22 ($66.39 pcpd) • Care management revenue as a proportion of total revenue was 18.9% (Sep-22 19.5%) • Package management revenue as a proportion of total revenue was 12.6% (Sep-22 11.4%) • Revenue utilisation **decreased by 2% to 82.1%** of funding received (Sep-22 83.7%)
Expenses	• Direct service costs increased by $6.39 pcpd to be 59.7% of total revenue (Sep-22 58.6%) • Care management cost as % of revenue has decreased to 10.2% of revenue (Sep-22 11.2% of revenue) • Administration and support costs represent 26.5% of revenue (Sep-22 24.0%)
Unspent Funds	• The amount of unspent funds per client (care recipient) has continued to rise and now averages **$13,164 per client** (Sep-22 $11,693 per client) • In aggregate across the sector, this estimated **in excess of $3.2 billion** of funds that have not been utilised
Operating Result	• Operating results have declined by $1.33 per client per day to $2.23 pcpd (Sep-22 $3.56 pcpd) • The profitability margin has declined from 5.4% for Sep-22 to 2.9% for Sep-23 • Profitability decline is being driven by the decrease in revenue utilisation
Other Trends	• Average staff hours per week was **5.32 hours** (Sep-22 4.88 hours) • 45.3% of HCP participants exited to residential aged care during the three month period

2. FINANCIAL RESULTS - KEY METRICS

Residential Aged Care



Residential Key Points

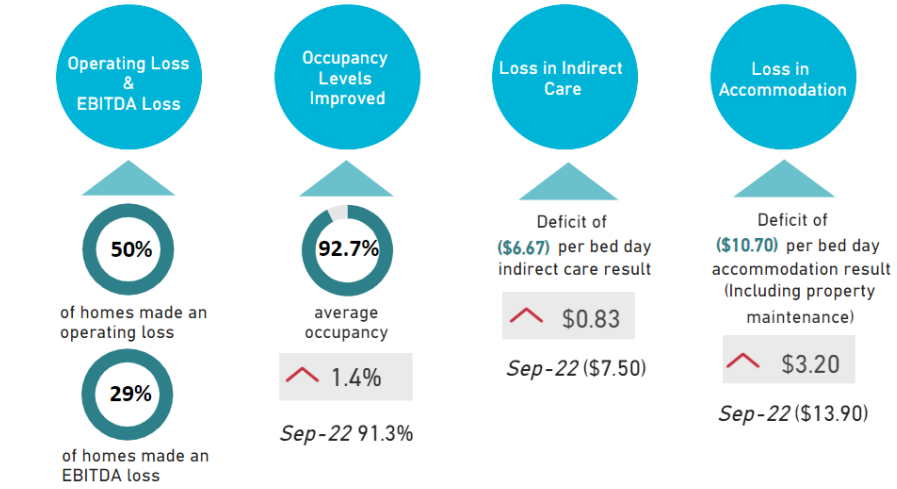


Table 11: Summary Income & Expenditure Comparison ($ per bed day)

	Survey Sep-23 *1,175 Homes*	Sep-22 *1,088 Homes*	Survey FY23 *1,197 Homes*
DIRECT CARE			
Revenue	$260.84	$196.99	$213.19
Expenditure			
Direct care labour costs	191.33	148.98	159.86
Other direct care labour costs	24.23	25.18	25.37
Other direct care costs	8.99	6.27	7.57
Administration	18.03	16.45	17.25
	$242.58	*$196.88*	*$210.05*
DIRECT CARE RESULT (A)	**$18.26**	**$0.11**	**$3.13**
INDIRECT CARE			
Revenue	$73.81	$67.53	$70.53
Expenditure			
Catering	39.28	36.31	37.55
Cleaning	10.61	10.20	10.47
Laundry	4.68	4.23	4.60
Other hotel services expense	0.11	0.12	0.12
Payroll tax	0.10	0.08	0.09
Overhead allocation (workcover & education)	0.98	0.88	0.91
Utilities	8.32	8.26	7.73
Administration	16.39	14.94	15.67
	$80.47	*$75.02*	*$77.15*
INDIRECT CARE RESULT (B)	**($6.67)**	**($7.50)**	**($6.62)**
CARE RESULT (C) *(A + B)*	**$11.59**	**($7.38)**	**($3.49)**
ACCOMMODATION			
Revenue			
Residents	16.57	13.87	15.01
Government	23.45	19.46	21.40
	$40.02	$33.33	$36.41
Expenditure			
Depreciation	21.44	20.78	21.03
Property maintenance	12.53	11.34	12.44
Property rental	1.04	0.64	0.94
Other	1.38	1.41	1.37
Administration	14.33	13.07	13.70
	$50.72	*$47.24*	*$49.46*
ACCOMMODATION RESULT (D)	**($10.70)**	**($13.90)**	**($13.05)**
OPERATING RESULT ($ per bed day) *(C + D)*	**$0.89**	**($21.29)**	**($16.54)**
OPERATING RESULT ($ per bed per annum)	**$302**	**($7,092)**	**($5,491)**
EBITDA ($ per bed per annum)	**$7,931**	**$44**	**$1,800**

Figure 7: Residential Operating Result Snapshot ($ per bed day)

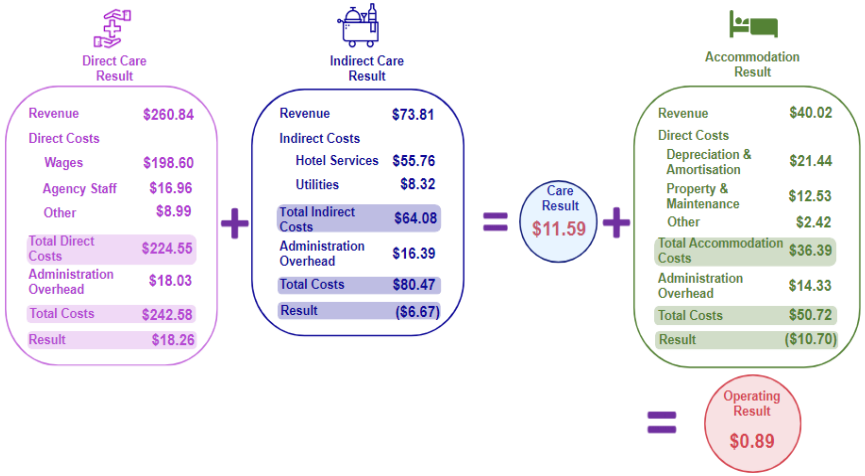
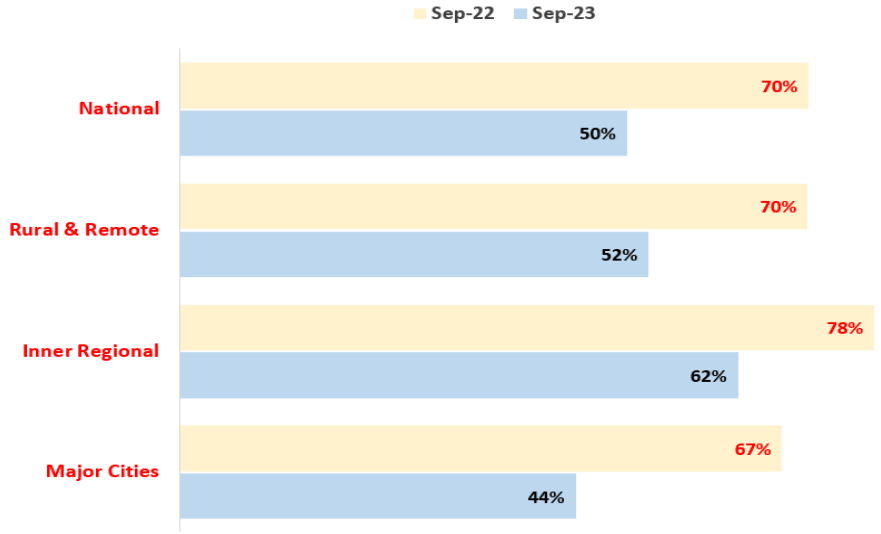


Table 12: Summary KPI Results Comparison

Summary KPI Results	Sep-23 *1,175 Homes*	Sep-22 *1,088 Homes*		Difference *(YoY)*	FY23 *1,197 Homes*
Operating Result ($pbd)	$0.89	($21.29)	↑	$22.18	($16.54)
Operating Result ($pbpa)	$302	($7,092)	↑	$7,394	($5,491)
EBITDAR ($pbpa)	$7,931	$44	↑	$7,888	$1,800
Average Occupancy *(all homes)*	*92.3%*	*90.4%*	↑	1.9%	*90.1%*
Average Occupancy *(mature homes)*	*92.7%*	*91.3%*	↑	1.4%	*91.0%*
Average direct care revenue ($pbd)	$260.84	$196.99	↑	$63.84	$213.19
Total direct care minutes per resident per day	196.36	186.48	↑	9.88	189.62
Direct care expenditure % of direct care revenue	*93.0%*	*99.9%*	↓	(6.9%)	*98.5%*
Supported Ratio %	*45.7%*	*45.0%*	↑	0.7%	*46.0%*
Average Full RAD/Bond held	$450,866	$428,405	↑	$22,461	$451,422
Average Full RAD taken during period	$493,129	$466,103	↑	$27,026	$472,803

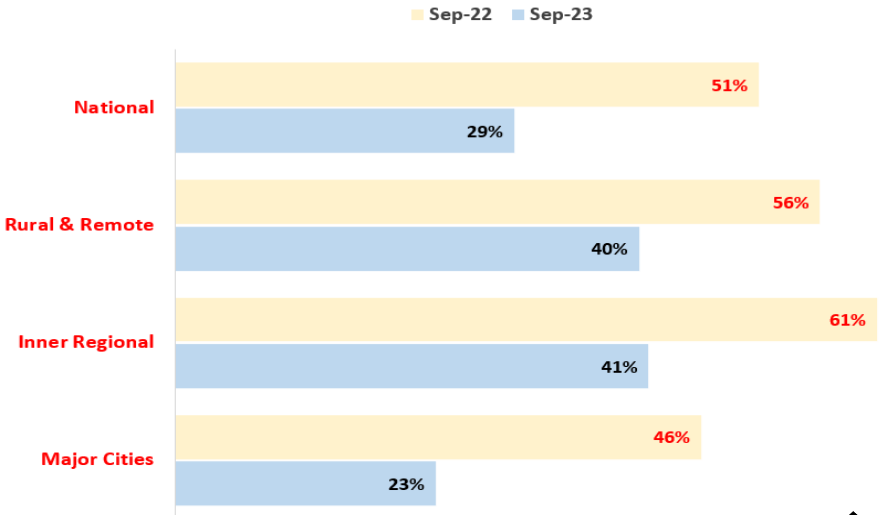
Number of Aged Care Homes making an Operating Loss

Figure 8: Aged care homes making an operating loss by remoteness



Number of Aged Care Homes making an EBITDA loss

Figure 9: Aged care homes making an EBITDA (cash) loss by remoteness



Results by Geographic Location

Table 13: Summary KPI Results by geographic location

Major Cities 736 Aged Care Homes	Inner Regional 317 Aged Care Homes	Rural & Remote 122 Aged Care Homes
$1,938 Operating Result $ per bed per annum	($3,546) Operating Result $ per bed per annum	($1,447) Operating Result $ per bed per annum
$9,786 Operating EBITDA per bed per annum	$3,320 Operating EBITDA per bed per annum	$6,754 Operating EBITDA per bed per annum
$260.12 Average Direct Care Revenue per bed day	$257.92 Average Direct Care Revenue per bed day	$276.75 Average Direct Care Revenue per bed day
92.1% Direct care expenditure as % of direct care revenue	95.8% Direct care expenditure as % of direct care revenue	91.7% Direct care expenditure as % of direct care revenue
51.4% Catering costs as % of indirect care revenue	56.5% Catering costs as % of indirect care revenue	59.2% Catering costs as % of indirect care revenue
197.63 Direct care minutes per resident per day	192.89 Direct care minutes per resident per day	196.57 Direct care minutes per resident per day
44.9% Supported resident ratio	45.4% Supported resident ratio	51.6% Supported resident ratio
93.1% Average occupancy	92.2% Average occupancy	91.3% Average occupancy
$489,390 Average full accommodation deposit held	$363,147 Average full accommodation deposit held	$342,003 Average full accommodation deposit held
$539,493 Average full RAD taken during the period	$395,041 Average full RAD taken during the period	$392,136 Average full RAD taken during the period

Direct Care Staffing Minutes (per resident per day)

Table 14: Direct Care staffing metrics

	Survey Average			Survey Average
Staffing Category	***Sep-23***	***Sep-22***		***FY23***
Registered nurses	36.12	30.45	↑	31.89
Enrolled & licensed nurses	11.71	12.52	↓	12.30
Other unlicensed nurses & personal care staff	148.51	143.06	↑	145.39
Imputed agency direct care minutes implied	0.03	0.45	↓	0.05
Total Direct Care Minutes	**196.36**	**186.48**	↑	**189.62**
Care management	4.16	5.50	↓	5.55
Allied health	4.84	6.36	↓	5.60
Diversional/Lifestyle/Activities	7.13	6.35	↑	6.80
Imputed agency other care minutes implied	0.09	n.a		n.a
Total Care Minutes	**212.58**	**204.70**	↑	**207.56**

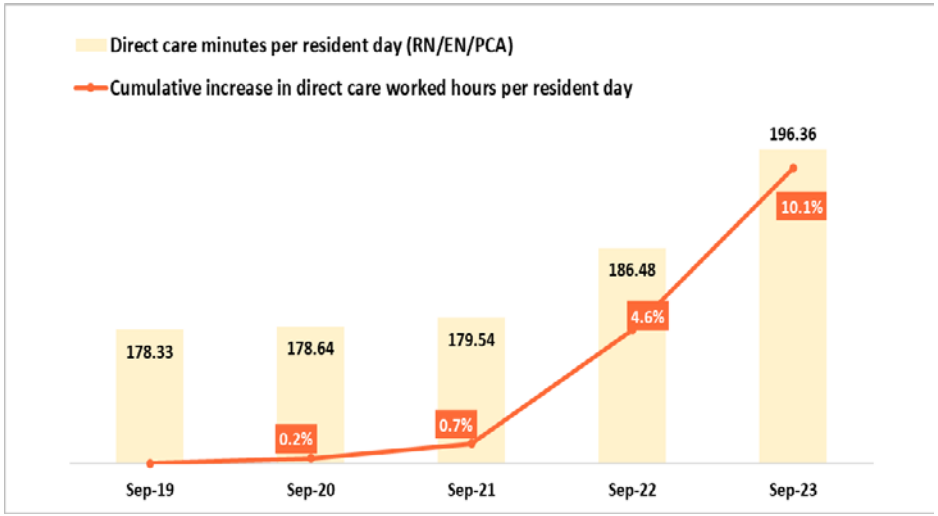
** Imputed agency is decreasing as actual agency is now included with direct staffing costs*

Table 15: Agency Direct Care staffing metrics

	Survey Average			Survey Average
Staffing Category	***Sep-23***	***Sep-22***		***FY23***
Agency - Registered nurses	3.39	2.40	↑	3.17
Agency - Enrolled & licensed nurses	0.64	0.75	↓	0.81
Agency - Other unlicensed nurses & personal care staff	7.61	9.31	↓	10.60
Imputed agency direct care minutes implied	0.03	0.45	↓	0.05
Total Direct Care Agency Minutes	**11.68**	**12.92**	↓	**14.62**

** Imputed agency is decreasing as actual agency is now included with direct staffing costs*

Figure 10: Direct Care staff (RN/EN/PCA) trend (minutes per resident per day)



Indirect Care (Everyday Living)

Table 16: Indirect Care (everyday living) revenue and expenses ($ pbd)

	Sep-23 *1,175 Homes*	Sep-22 *1,088 Homes*	*YoY Movement*	FY23 *1,197 Homes*
Hotelling supplement - government	$10.81	$9.79	↑	$9.98
Basic daily fee - resident	$59.12	$54.78	↑	$57.16
Other resident income	$3.88	$2.96	↑	$3.38
Indirect care revenue	**$73.81**	**$67.53**	↑	**$70.53**
Hotel services	$55.76	$51.82	↑	$53.75
Utilities	$8.32	$8.26	↑	$7.73
Indirect care expenses	**$64.08**	**$60.08**	↑	**$61.48**
Administration overhead	$16.39	$14.94	↑	$15.67
Indirect Care Result	**($6.67)**	**($7.50)**	↑	**($6.62)**

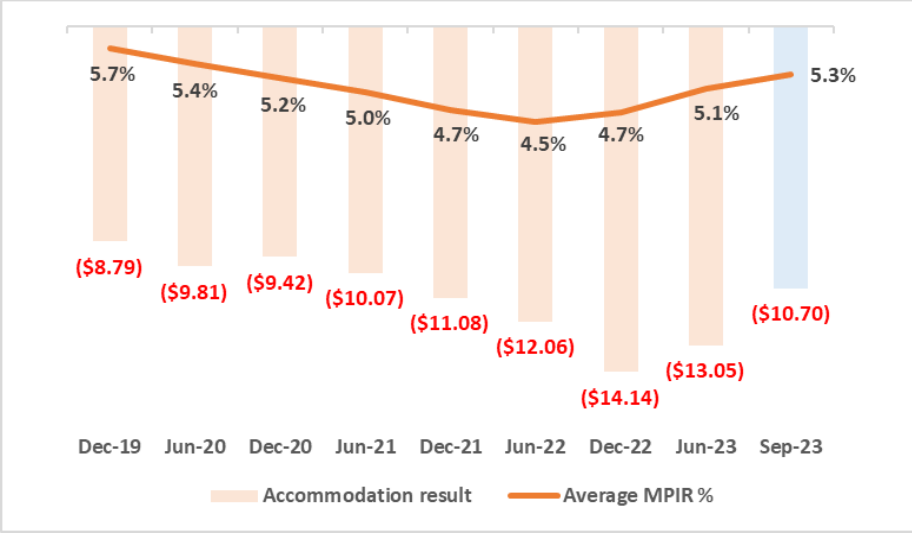
Accommodation Analysis

Table 17: Accommodation revenue and expenses ($ pbd)

	Sep-23 *1,175 Homes*	Sep-22 *1,088 Homes*	*YoY Movement*	FY23 *1,197 Homes*
Accommodation revenue	**$40.02**	**$33.33**	↑	**$36.41**
Accommodation expenses				
Depreciation	$21.44	$20.78	↑	$21.03
Refurbishment	$0.23	$0.28	↓	$0.24
Property maintenance	$12.50	$11.31	↑	$12.41
Property rental	$1.04	$0.64	↑	$0.94
Other accommodation costs	$1.18	$1.15	↑	$1.16
Administration overhead	$14.33	$13.07	↑	$13.70
Accommodation expenses	**$50.72**	**$47.24**	↑	**$49.46**
Accommodation Result ($ per bed day)	**($10.70)**	**($13.90)**	↑	**($13.05)**
Accommodation Result ($ per bed pa)	**($3,631)**	**($4,632)**	↑	**($4,332)**
Depreciation charge ($ per bed pa)	**$7,275**	**$6,923**	↑	**$6,980**

Accommodation Pricing

Figure 11: Effect of average MPIR % on Accommodation result ($pbd)



Occupancy

Figure 12: Residential Occupancy by region (mature homes)

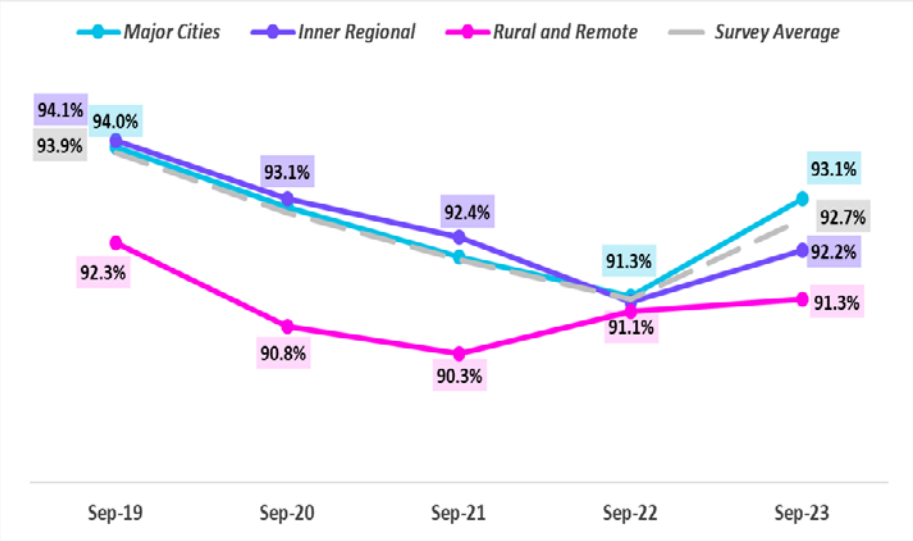
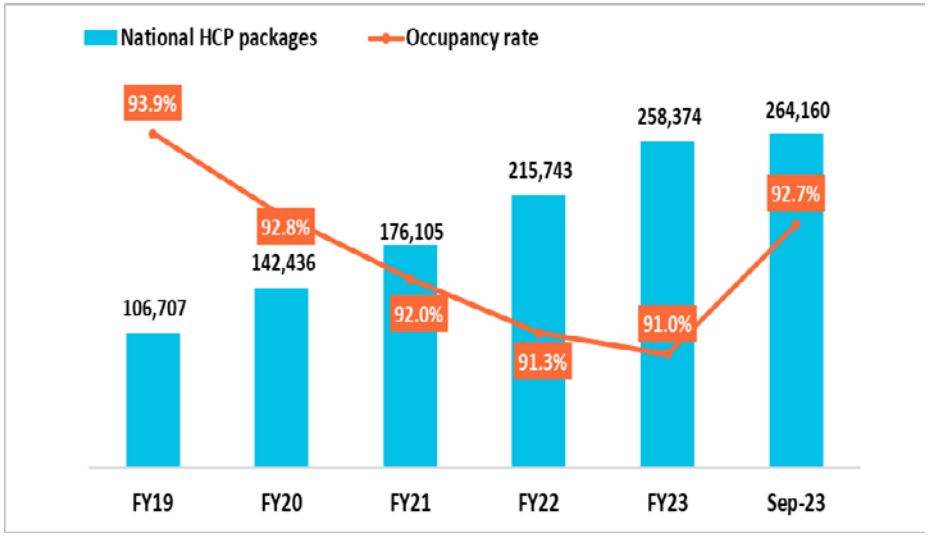


Figure 13: Residential Occupancy comparison to Home Care Packages



Administration Costs

Table 18: Administration costs ($ pbd)

	Sep-23 *1,175 Homes*	Sep-22 *1,088 Homes*	*YoY Movement*	FY23 *1,197 Homes*
Administration (corporate) recharges	$30.85	$27.53	↑	$27.33
Labour costs - administration (facility)	$9.11	$8.98	↑	$9.95
Other administration costs	$6.72	$6.11	↑	$7.34
Workers compensation	$0.21	$0.21	↑	$0.23
Payroll tax - administration staff	$0.03	$0.03	↑	$0.03
Fringe Benefits Tax	$0.00	$0.02	↓	$0.01
Quality & education - labour costs	$0.06	$0.06	↓	$0.07
Quality and education - other	$0.02	$0.03	↓	$0.03
Insurances	$1.74	$1.51	↑	$1.64
Total Administration Costs	**$48.75**	**$44.46**	↑	**$46.62**

Modified Monash Model (MMM) Analysis

Figure 14: Operating result by MMM classification ($ pbd)

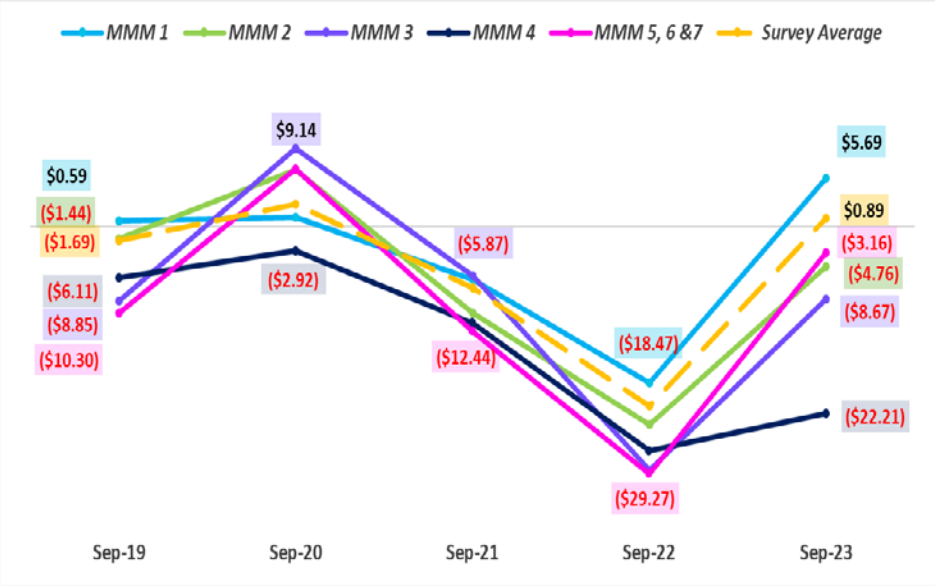


Figure 15: Operating EBITDA result by MMM classification ($ per bed per annum)

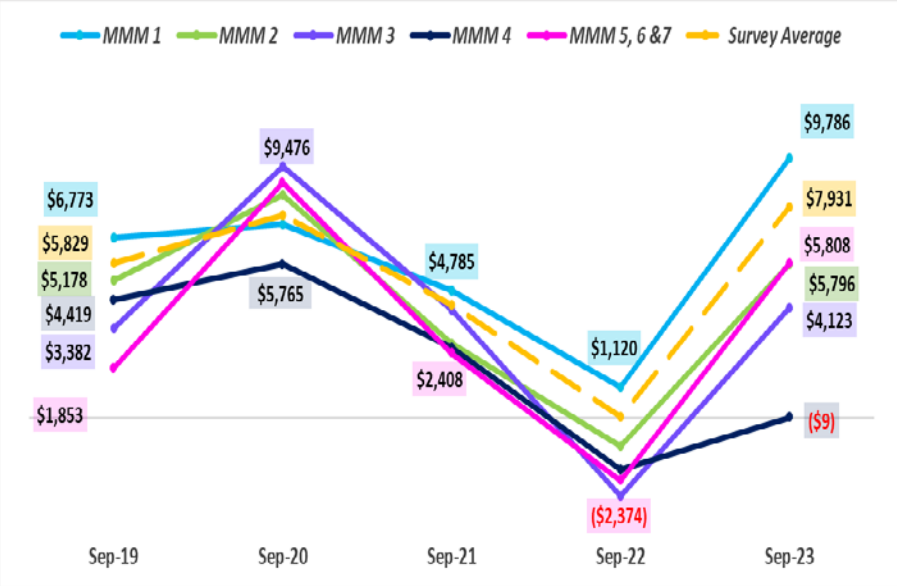
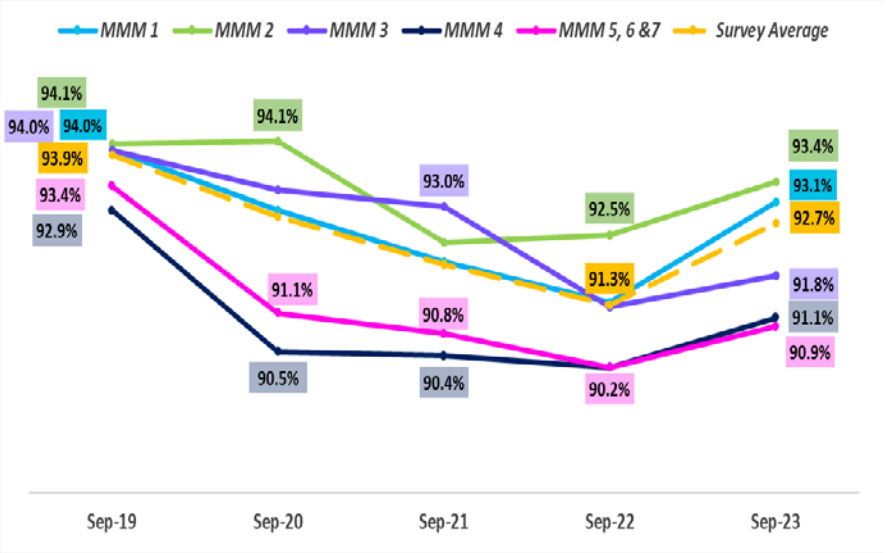


Figure 16: Occupancy percentage by MMM classification



Agency Analysis

Figure 17: Agency Direct Care staff costs ($ per resident per day)

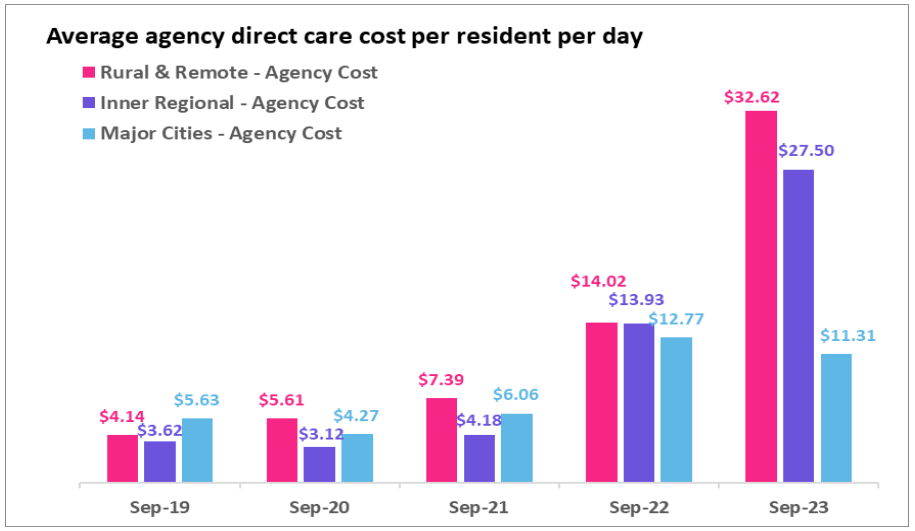
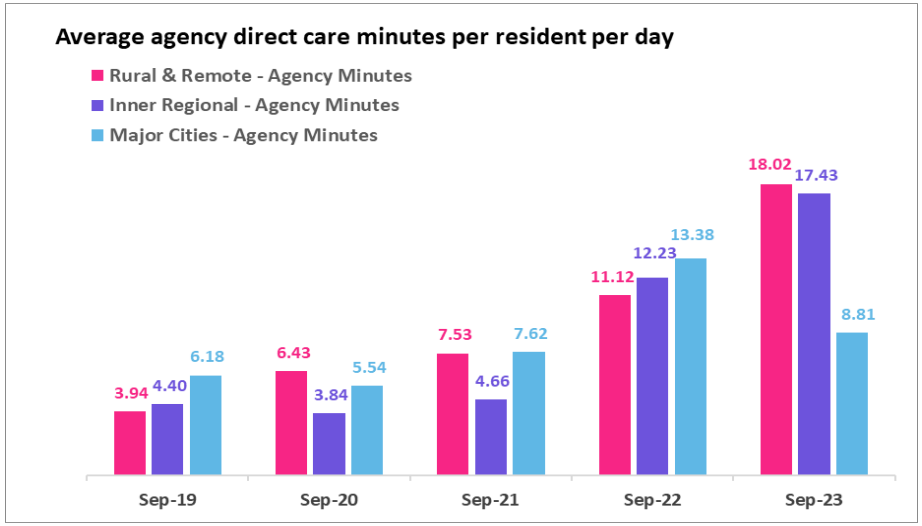


Figure 18: Agency Direct Care staff minutes (per resident per day)



First 25% Trends

Figure 19: First 25% EBITDA result trend ($ per bed per annum)

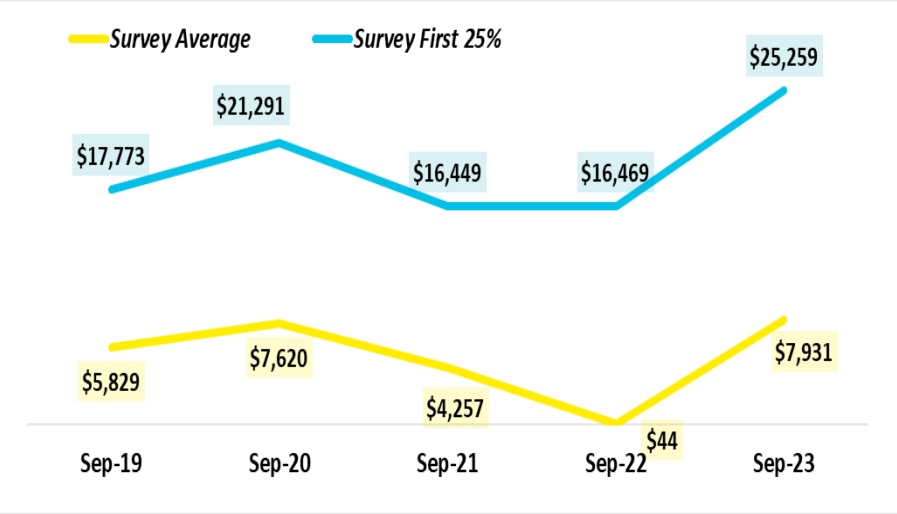


Figure 20: First 25% Direct Care result ($ pbd) and Direct Care minutes trend

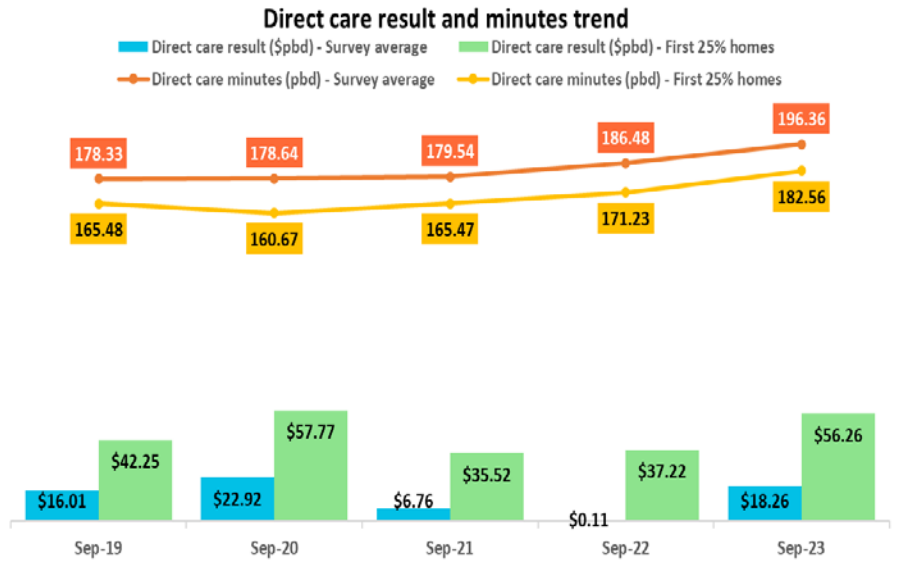


Table 19: First 25% Direct Care staffing metrics

	Survey First 25%			Survey First 25%
Staffing Category	***Sep-23***	***Sep-22***		***FY23***
Registered nurses	33.14	28.54	↑	29.12
Enrolled & licensed nurses	7.39	10.64	↓	9.79
Other unlicensed nurses & personal care staff	141.97	131.74	↑	134.03
Imputed agency direct care minutes implied	0.06	0.31	↓	0.04
Total Direct Care Minutes	**182.56**	**171.23**	↑	**172.98**
Care management	3.62	5.31	↓	5.99
Allied health	3.38	4.95	↓	4.90
Diversional/Lifestyle/Activities	4.73	6.09	↓	6.03
Imputed agency other care minutes implied	0.11	n.a		n.a
Total Care Minutes	**194.40**	**187.58**	↑	**189.90**

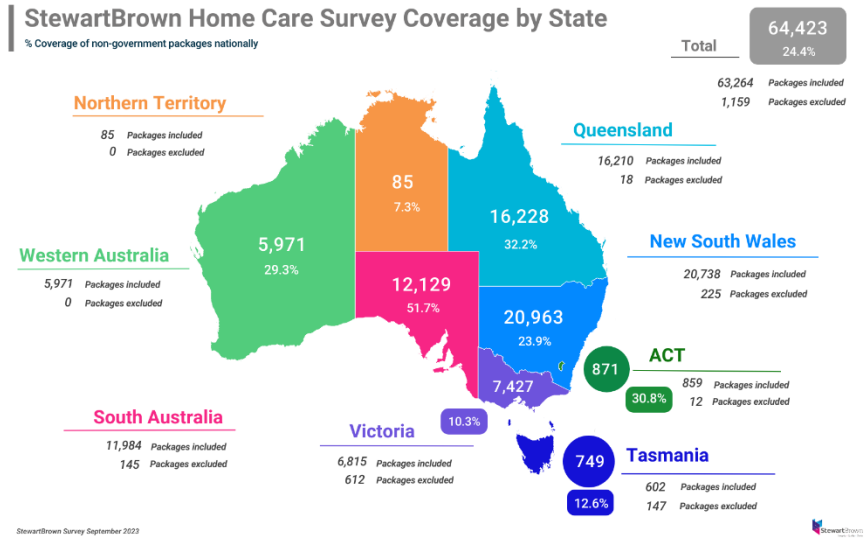
** Imputed agency is decreasing as actual agency is now included with direct staffing costs*

Table 20: First 25% Agency Direct Care staffing metrics

	Survey First 25%			Survey First 25%
Staffing Category	***FY23***	***FY22***		***FY21***
Agency - Registered nurses	1.64	2.38	↓	1.99
Agency - Enrolled & licensed nurses	0.24	0.68	↓	0.47
Agency - Other unlicensed nurses & personal care staff	4.53	8.20	↓	7.00
Imputed agency direct care minutes implied	0.06	0.31	↓	0.04
Total Direct Care Agency Minutes	**6.47**	**11.59**	↓	**9.50**

** Imputed agency is decreasing as actual agency is now included with direct staffing costs*

Home Care



Home Care Key Points

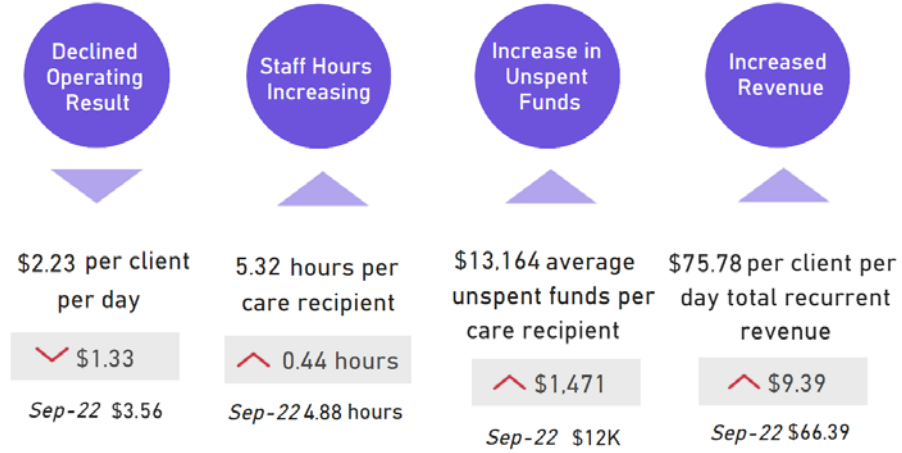


Figure 21: Home Care key metrics summary

Table 21: Summary Home Care KPI results comparison

	Sep-23 *63,264 Packages*	Sep-22 *65,275 Packages*	Difference *(YoY)*	FY23 *68,129 Packages*
Total revenue $ per client per day	$75.78	$66.39	$9.39	$69.57
Operating result per client per day	$2.23	$3.56	($1.33)	$3.14
EBITDA per client per annum	$1,010	$1,516	($507)	$1,315
Average total Internal Staff hours per client per week	5.32	4.88	0.44	5.16
Median growth rate	*1.1%*	*2.3%*	*(1.2%)*	*12.6%*
Revenue utilisation rate for the period	*82.1%*	*83.7%*	*(1.6%)*	*84.3%*
Average unspent funds per client	$13,164	$11,693	$1,471	$12,604
Cost of direct care & brokered services as % of total revenue	*59.7%*	*58.6%*	*1.2%*	*60.1%*
Care management & coordination costs as % of total revenue	*10.2%*	*11.2%*	*(1.0%)*	*10.5%*
Administration & support costs as % of total revenue	*26.5%*	*24.0%*	*2.5%*	*24.2%*
Profit margin	*2.9%*	*5.4%*	*(2.4%)*	*4.5%*

Figure 22: Operating Result by revenue band ($ per client per day)

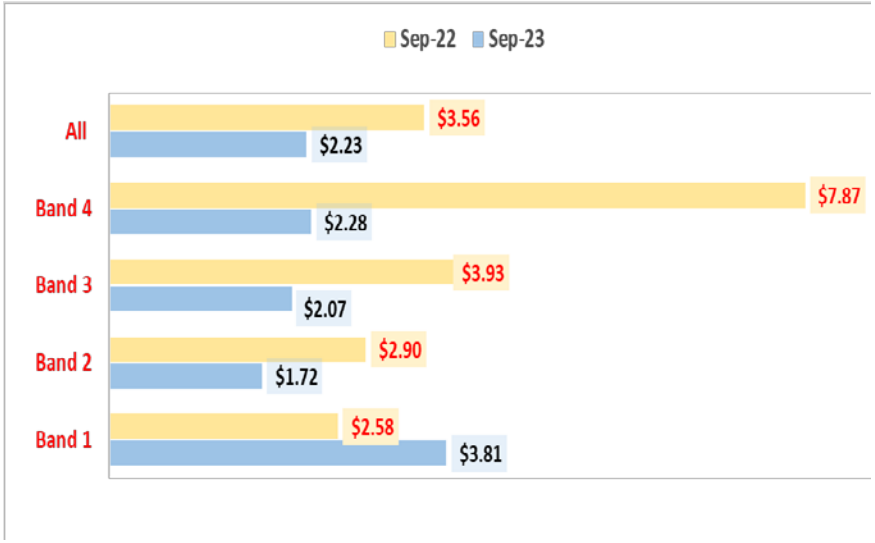


Figure 23: EBITDA Result by revenue band ($ per client per annum)

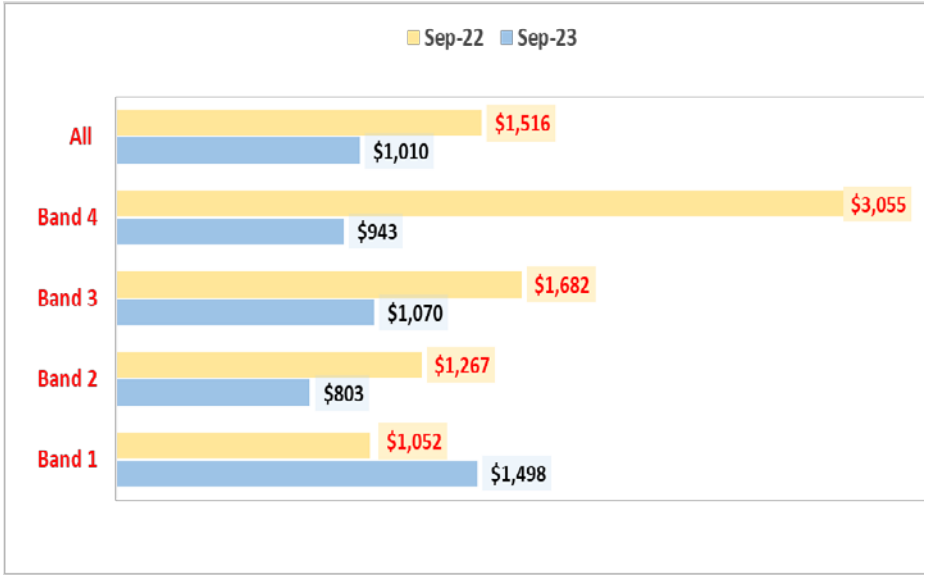


Figure 24: Revenue Utilisation percentage by revenue band

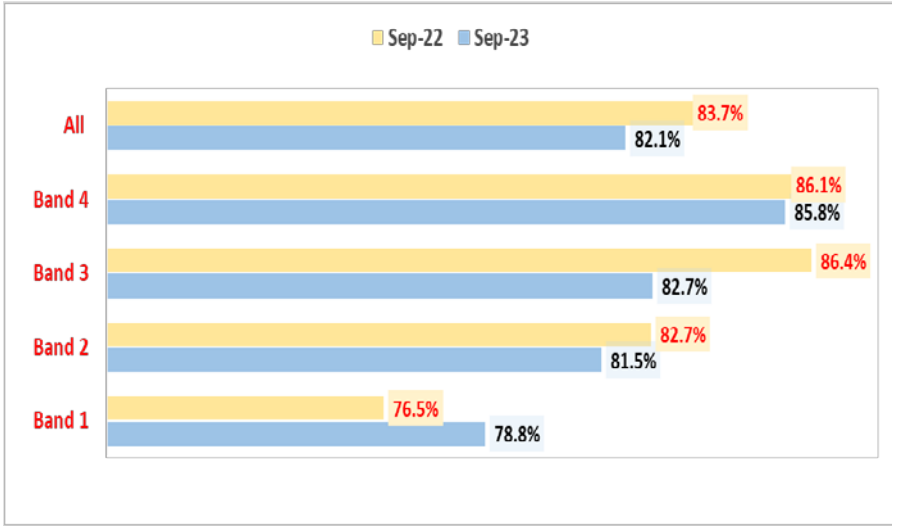
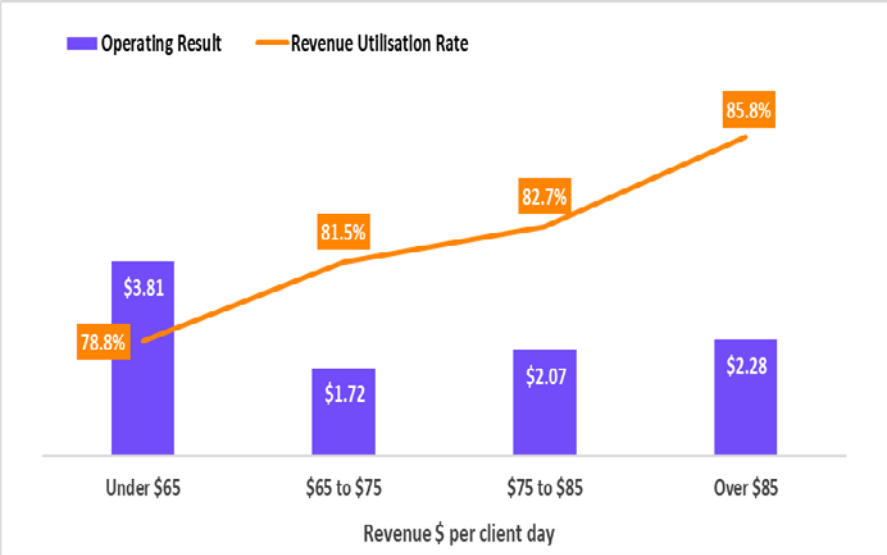


Figure 25: Operating Result and Revenue Utilisation by revenue band



Unspent Funds

Figure 26: Unspent Funds trend analysis ($ per client)

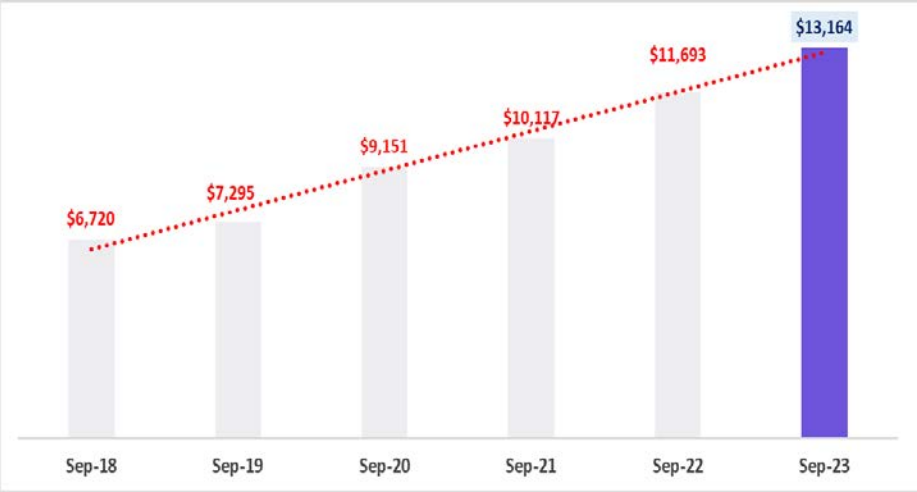
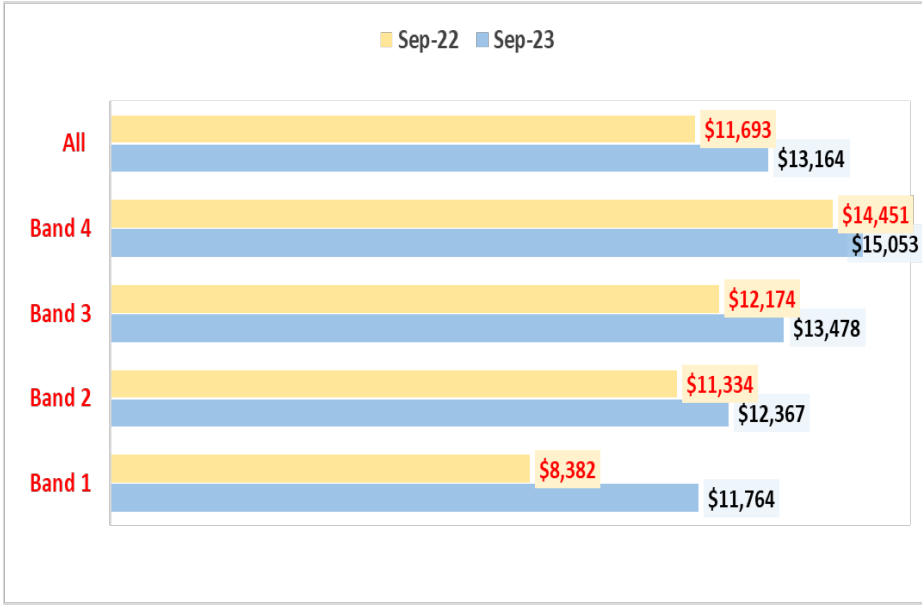


Figure 27: Unspent Funds by revenue band ($ per client)



Staff Hours Worked per Care Recipient

Table 22: Staff Hours and Minutes worked per care recipient per week

Internal staff hours worked per client week	Sep-23	Sep-22		Difference
Direct service provision	3.49	3.20	↑	0.29
Agency	0.12	0.09	↑	0.02
Care management & coordination	0.90	0.96	↓	(0.07)
Administration & support services	0.82	0.62	↑	0.20
Total Staff Hours	**5.32**	**4.88**	↑	**0.44**

Internal staff minutes worked per client week	Sep-23	Sep-22		Difference
Direct service provision	209.4	192.1	↑	17.4
Agency	7.0	5.7	↑	1.3
Care management & coordination	53.8	57.7	↓	(3.9)
Administration & support services	49.0	37.2	↑	11.8
Total Staff Minutes	**319.3**	**292.7**	↑	**26.5**

Figure 28: Staff Hours per care recipient week trend analysis

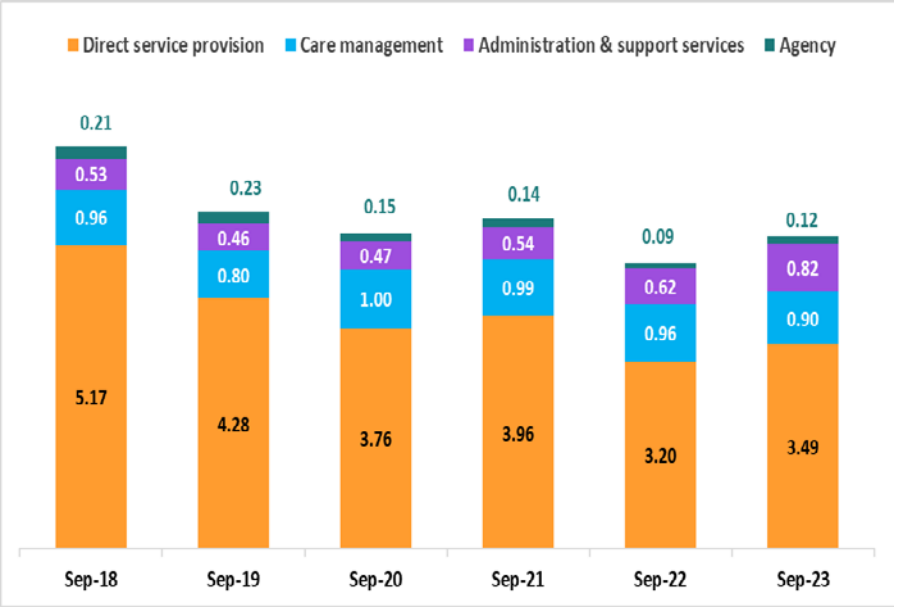


Figure 29: Internal and Brokered Services staff costs comparison

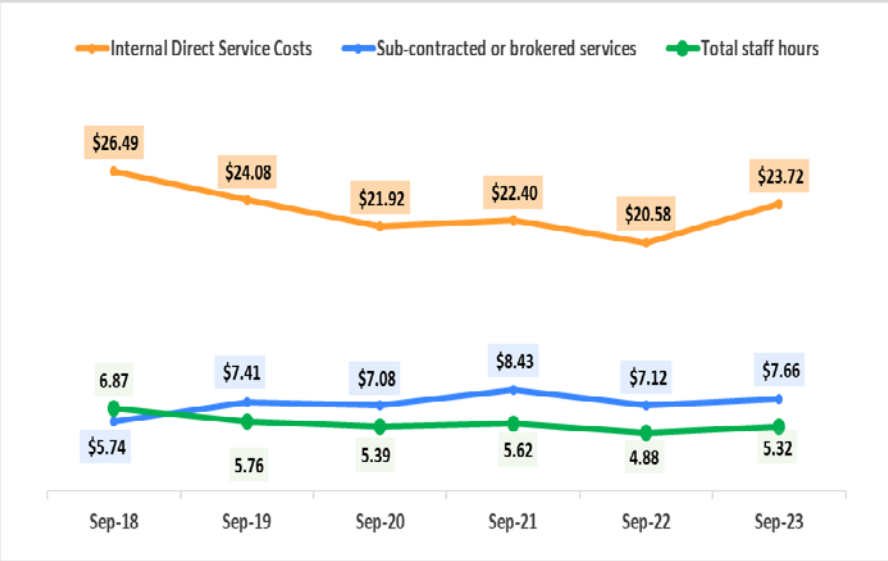
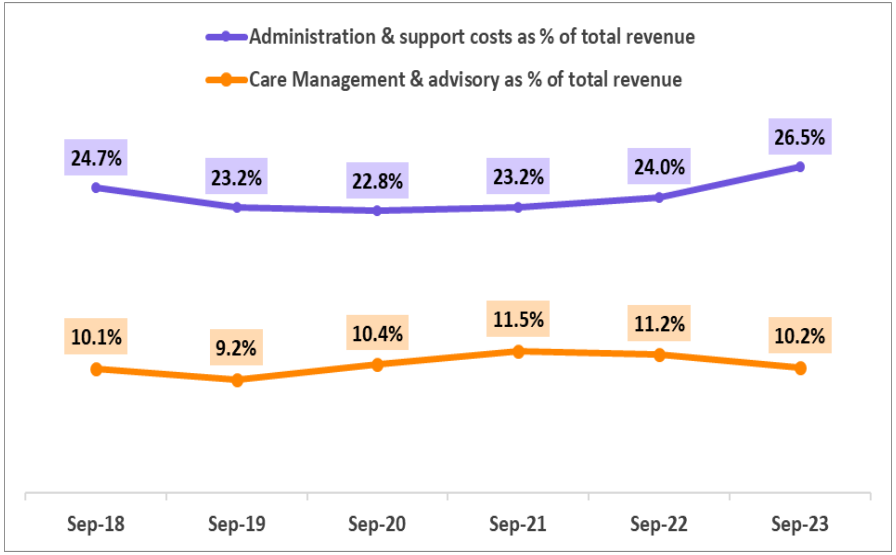
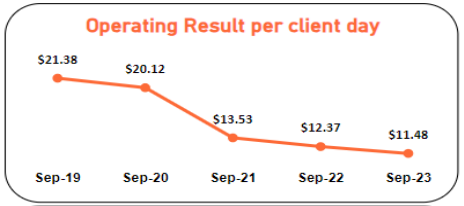
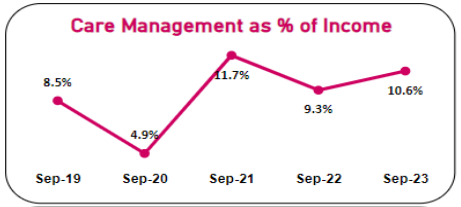


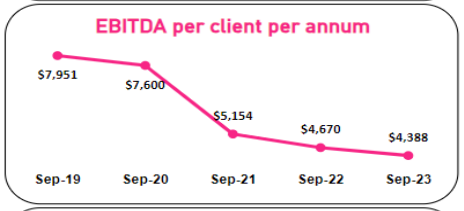
Figure 30: Case Management and Administration cost as % of total revenue

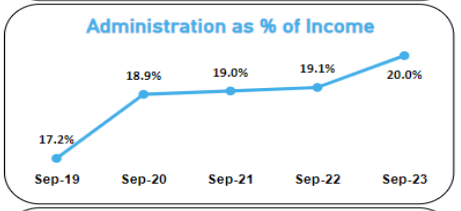


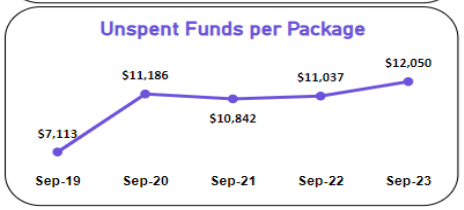
First 25% Trends

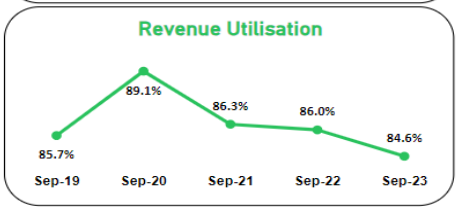












Home Care Key Points First 25%

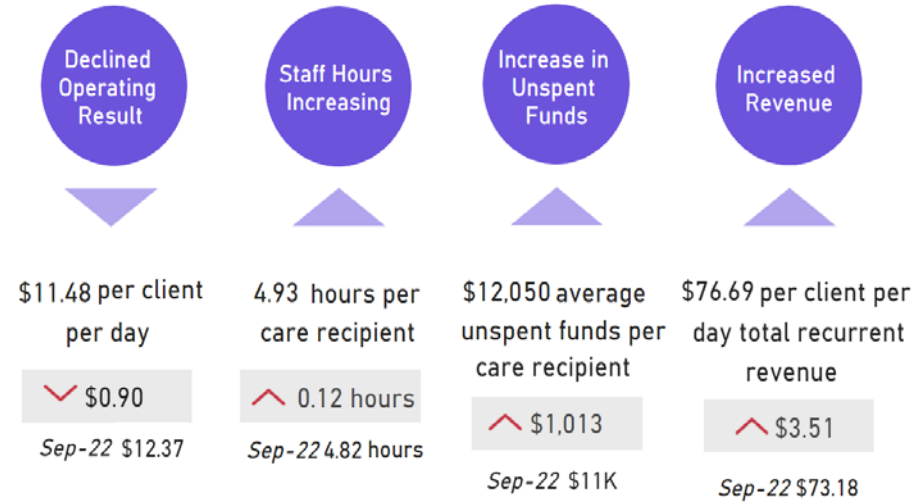


Figure 31: EBITDA ($ per client pr annum) comparison First 25% and Average

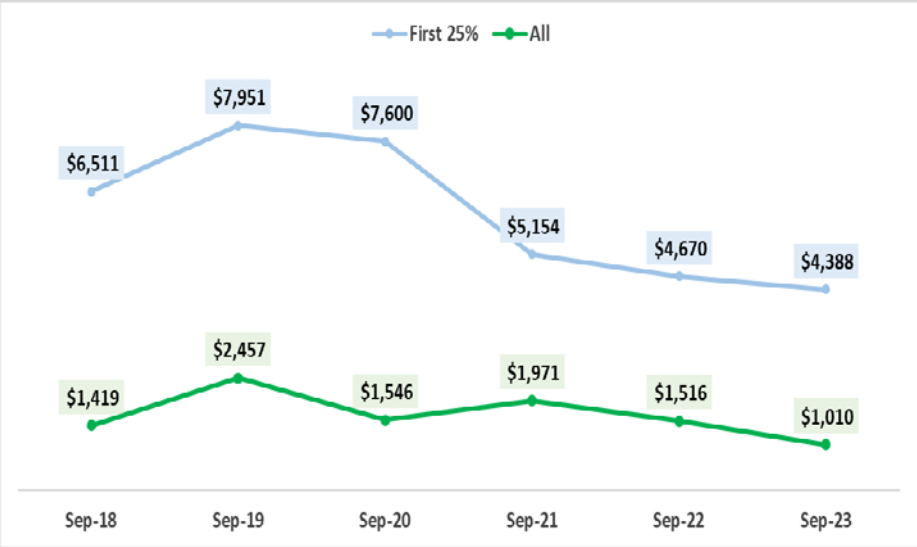
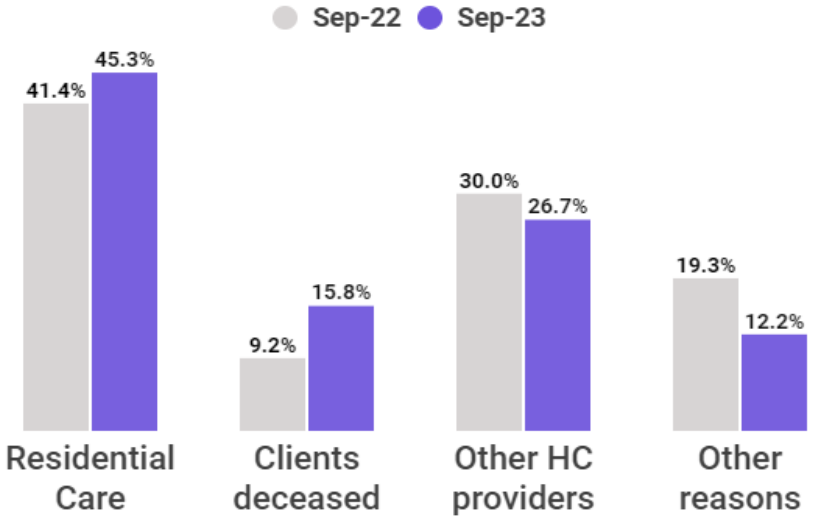


Table 23: Summary Home Care First 25% KPI results comparison

	Sep-23 *16,539 Packages*	Sep-22 *14,974 Packages*		Difference *(YoY)*	FY23 *21,985 Packages*
Total revenue $ per client per day	$76.69	$73.18	↑	$3.51	$71.48
Operating result per client per day	$11.48	$12.37	↓	($0.90)	$10.32
EBITDA per client per annum	$4,388	$4,670	↓	($282)	$3,912
Average total Internal Staff hours per client per week	4.93	4.82	↑	0.12	4.92
Median growth rate	*3.6%*	*2.9%*	↑	*0.7%*	*16.6%*
Revenue utilisation rate for the period	*84.6%*	*86.0%*	↓	*(1.4%)*	*85.0%*
Average unspent funds per client	$12,050	$11,037	↑	$1,013	$13,271
Cost of direct care & brokered services as % of total revenue	*53.8%*	*54.1%*	↓	*(0.3%)*	*55.6%*
Care management & coordination costs as % of total revenue	*10.6%*	*9.3%*	↑	*1.3%*	*9.4%*
Administration & support costs as % of total revenue	*20.0%*	*19.1%*	↑	*0.9%*	*20.0%*
Profit margin	*15.0%*	*16.9%*	↓	*(1.9%)*	*14.4%*

Home Care Package Demographics

Figure 32: HCP Client exits



Package Growth

Figure 33: Number of People in a Home Care Package

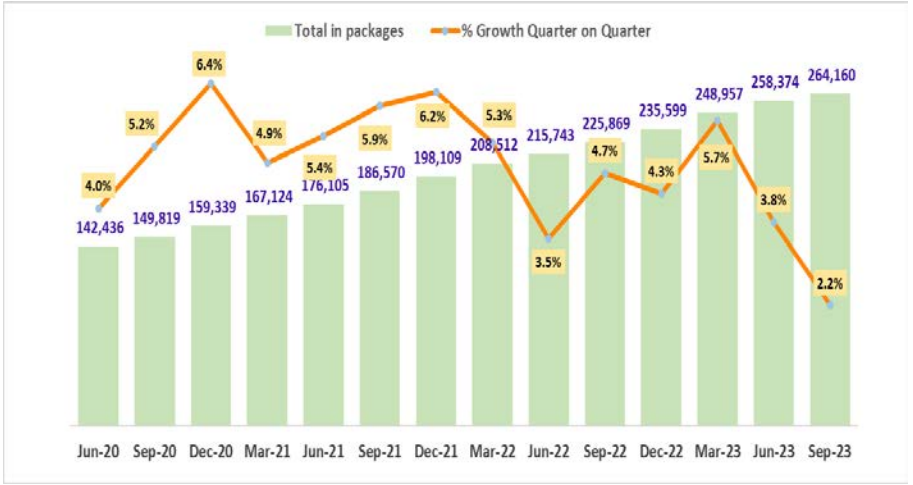
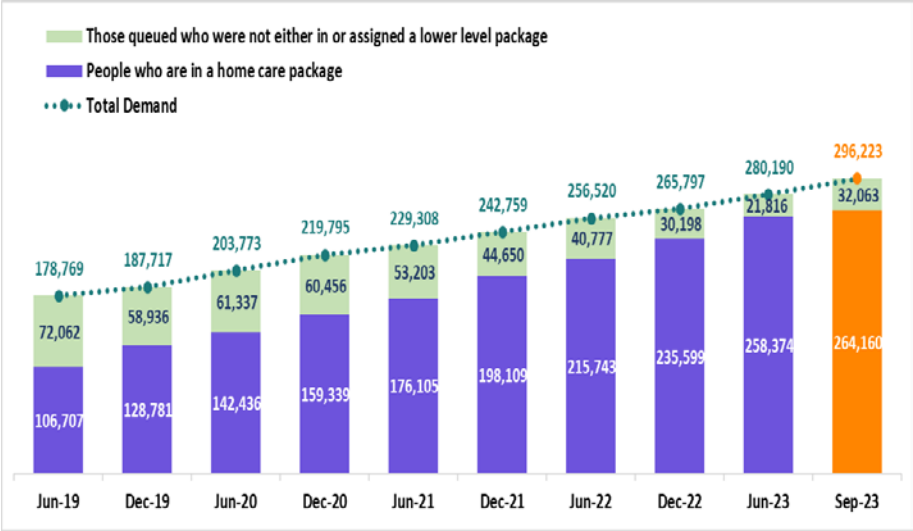


Figure 34: Demand for Home Care Packages



3. APPENDIX

StewartBrown Survey

Survey Outline

The StewartBrown *Aged Care Financial Performance Survey* (Survey) commenced in 1995 and has grown exponentially since that date. The use of the term "Survey" is probably a misnomer, as unlike many public surveys which have a limited data set, the StewartBrown Survey is subscription based, quarterly and very granular in respect of data covered and depth.

The Survey is primarily for the benefit of aged care providers in reviewing their financial performance and considerations of strategic direction on an individual aged care home (facility) basis and home care package program basis.

Providers compare their performance of aged care homes using a number of metrics through a range of data attributes, including resident mix and acuity, staffing levels (cost and hours/minutes), geographic region, age of building, type of building, number of places (beds), accommodation pricing and administration costs. Home care has a similar range of metrics. The Survey participants utilise an interactive website with high level dashboards, business intelligence tools and the ability to drill down on all data fields as required.

A secondary benefit is that the aggregate of the data provides a significant level of trend data and detailed analysis as included in our Survey reports and now through independent analysis undertaken by the University of Technology (UTS Ageing Research Collaborative) which provides an additional level of academic rigour.

Each participant completes detailed data input forms for each quarter. Once received, the data undergoes a substantial cleansing and checking process (refer Glossary) which identifies all material variances, by comparison to previous quarters for each facility and comparison to equivalent benchmark homes. In this context, all variances identified through this automated cleansing process are followed up with the respective provider for comment and further amendment if required.

To join the Survey please email benchmark@stewartbrown.com.au

StewartBrown has also commenced a disability services benchmark incorporating the same granular analysis as the aged care Survey (Disability Services Survey (stewartbrown.com.au))

Survey Results Matrix

As noted above, the primary purpose of the Survey is for participating providers to benchmark individual aged care facility and home care programs against similar de-identified comparators using a range of metrics. To ensure accurate and relevant benchmark comparisons, all outlier aged care homes and home care programs are excluded from the Survey results. Examples of outliers include:

- Homes/programs under sanction
- Homes with significant infectious disease outbreaks (such as covid-19)
- Homes undergoing major refurbishment
- Newly built homes still in the ramping up stage
- Recently acquired homes/programs undergoing structural operation changes
- Homes/programs closed during the financial year (and reporting period)
- Homes with occupancy less than 80%

For the purpose of the Survey analysis, all homes/programs included are referred to as being **mature**.

Financial Reform Considerations

A number of potential reforms to the financing of aged care have been considered over many years and during countless reviews. Unfortunately, the lack of a consistent strategy and agreement from all sector stakeholders has inhibited some of the significant reform that is required.

The Department of Health and Aged Care has been very active in considering, implementing reforms where required and supporting regulatory changes but the sector, including all stakeholders, needs to embrace reform and provide solutions and not just focus on Government funding issues.

Ultimately, this will come down to requiring a greater level of consumer co-contribution in funding aged care. Clearly, where the consumer does not have the financial means to further contribute to the costs of services this must not in any respect disadvantage them. A safety net must be enshrined within aged care, as with other areas of health care and social services.

A brief overview of some financial reforms to be considered is as follows.

Staff Remuneration and Benefits

One of the biggest challenges facing aged care is workforce, with considerable shortages in staff numbers being felt in all regions of Australia. The ability to attract and retain staff has reached a critical stage.

The recent Fair Work Commission wage ruling effective from 30 June 2023 of 15% increase (for Direct Care, recreation and head chef staff only) is a positive step. Whether this increase is sufficient on its own to attract additional staff is questionable. The Government has a number of other employee programs that also assist.

Other incentives and benefits may be required and several possible considerations could include:-

- Increase the Fringe Benefits Tax exemption for aged care employees to a cap of $40,000 (current cap of $30,000 has been in place since 1 April 2001)
- Expand the exemption criteria to include all aged care workers, not just those employed by a public benevolent institution
- Allow travel to work cost to be tax deductible for aged care workers (many of whom travel quite a distance to their place of employment)
- Provide a payroll tax supplement where applicable

A characteristic of the Fringe Benefit Tax exemption is that this amount must be consumed (as a fringe benefit) and not saved, and accordingly will have a lower economic cost and impact than a straight wage increase.

Subsidy Funding

A major and appropriate reform is for IHACPA to be responsible for the review of the various cost components in providing aged care services for residential and community care. IHACPA will provide recommendations to the Government as to the appropriate subsidy required to fund these costs which will provide greater transparency.

AN-ACC Subsidy

From 1 October 2022, residential aged care subsidy for the provision of direct care services has changed from the Aged Care Funding Instrument (ACFI) to the Australian National Aged Care Classification Model (AN-ACC).

AN-ACC has been designed to more accurately reflect the funding required for each resident to align with their acuity and care needs and is welcomed by the sector.

The AN-ACC subsidy has been expanded to include funding for providing additional direct care minutes (Registered Nurses/Enrolled Nurses/Personal Care Workers) to be in line with the mandated levels as recommended by the Royal Commission. In this sense, it has morphed into a hybrid funding model.

As with any new funding model in such a complex and diverse area as aged care there will need to be refinements over time. In this regard, the role of IHACPA is paramount to ensure that the funding matches the input costs, and that inflation and wage increases are appropriately covered, unlike the recent experience of COPE not being adequate in this regard.

Regulated Consumer Contribution for Home Care

Home care providers (HCP and Commonwealth Home Support Program (CHSP)) are entitled to receive a consumer contribution of up to 17.5% of the single aged pension amount. Due to the less than optimal revenue utilisation in home care packages (refer to earlier commentary) there has been little incentive for providers to seek a consumer contribution as it merely adds to the unspent funds and a portion is ultimately returned to the care recipient when they leave the home care program.

This has distorted the overall funding, and, importantly, has created a climate whereby consumers do not regard co-contribution as being a necessary component of aged care.

Recommendation 12 of the "Legislated Review of Aged Care 2017" (Tune Review) included requiring providers to charge the basic daily fee (consumer contribution) for home care packages.

Recommendation 16 recommended that mandatory consumer contributions be levied for CHSP services.

Implementation of these recommendations together with a new funding model designed to ensure that approved funding for each care recipient is appropriately aligned to the care needs of the care recipient and is fully utilised (services provided), should significantly improve the home care financial performance, and importantly, enable care recipients to receive a more inclusive care service delivery.

Amendments to the Means-Tested Care Fee Criteria

Recommendation 13 of the Tune Review stated "include the full value of the owner's home in the means test for residential care when there is no protected person in that home".

Recommendation 15 sought the abolishment of the annual and lifetime caps on income-tested fees in home care and means-tested care fees in residential care.

These recommendations in full or at the very least in part, are fundamental to ensuring that aged care funding is appropriate and also being contributed to by the consumer.

In residential aged care, the means-tested care fee represents only 3.8% of the direct care subsidy. If this was lifted to (say) 9% and the means-tested care fee added to the funding envelope (rather than being deducted from the subsidy paid by the government), this would add in excess of $1.25 billion pa in the overall direct care funding envelope based on the FY23 direct care subsidy levels.

Deregulation of the Basic Daily Fee

The Basic Daily Fee is levied to reimburse for the costs associated with everyday living services. The costs are currently greater than the revenue received.

The Tune Review *Recommendation 14* effectively sought to deregulate the BDF by proposing that providers be allowed to charge a higher basic daily fee to non-low means residents up to a $100 per day cap before requiring pricing commissioner approval.

This proposal would eliminate the current unwieldy additional services and extra services regime and provide consumers with a greater choice and clarity.

Structural Reform of the Accommodation Pricing Model

This represents possibly the least understood aspect of residential aged care funding. The current Refundable Accommodation Deposit (RAD)/Daily Accommodation Payment (DAP) model infused with a prescriptive Maximum Permitted Interest Rate (MPIR) is cumbersome and confusing. It is also inequitable for consumers and providers as paying a RAD where possible is far less costly to the resident than paying a daily fee (DAP).

StewartBrown has advocated for changing the model to be more focussed on a "rental" payment for accommodation whereby the rent amount is determined by the actual upfront contribution paid. The underlying principle is that a rental portion is paid irrespective of whether a full contribution (currently a RAD) is paid.

As the name suggests, a Refundable Accommodation Deposit has no rental component included, and accordingly when paying a RAD the loss of alternate revenue from the RAD (such as interest) is the only actual cost to the resident for the accommodation in an aged care home. If the RAD amount still resides in the residential home, it is likely that the increase in the value of the home will be greater than the amount of lost interest income.

4. GLOSSARY

Accommodation Result
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.

AN-ACC Direct Care Subsidy
From 1 October 2022 the Australian National Aged Care Classification (AN-ACC) replaced the previous Aged Care Funding Instrument (ACFI) funding model. Direct care revenue includes the subsidy received from the Commonwealth and the means-tested care fee component levied to the resident. Direct Care revenue includes the additional care supplement subsidies and some specific grant (not capital) funding.

AN-ACC Direct Care Result
The Direct Care (AN-ACC and formerly ACFI) Result represents the net result from revenue and expenses directly associated with direct care. It includes AN-ACC (formerly ACFI) and Supplements (including means-tested care fee) revenue less total direct care expenditure, and this includes an allocation of workers compensation and quality and education costs.

ACH (Facility) Result
This refers to the Operating Result may also be referred to as the net result or the NPBT Result.

ACH EBITDA
The same as Facility EBITDA. The starting point for this calculation is the Aged Care Home (Facility) Result which is the combination of the Care and Accommodation results. It excludes all "provider revenue and expenditure" including fundraising revenue, revaluations, donations, capital grants and sundry revenue. It also excludes those items excluded from the EBITDA calculation above.

This measure is more consistent across the aged care homes (homes) because it excludes all those items which are generally allocated at the aged care home (facility) level on an inconsistent and arbitrary basis depending on the policies of the individual provider.

Administration Costs
Administration Costs includes the direct costs related to administration and support services and excludes the allocation of workers compensation and quality and education costs to Direct Care, Indirect Care (everyday living) and accommodation.

Although administration costs are unfunded specifically, each of the respective revenue streams requires a significant component. The allocation of the administration costs has been based on the average provider responses received from the biennial FY22 Administration Survey.

The allocation for each revenue stream is as follows:-

- Direct care: 37.0%
- Indirect care (Everyday Living): 33.6%
- Accommodation: 29.4%

Aged Care Home
Individual discrete premises that an approved provider uses for residential aged care. "Aged Care Home" is the term approved at the Department of Health and Aged Care; in some contexts, "facility" is used, with an identical meaning.

Averages
For residential care 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 aged care homes in the group. For example, the average for contract catering across all homes would be the total amount submitted for that line item divided by the total occupied bed days for all aged care homes in the Survey.

For home care 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 client days for the programs in the group. For example, the average for sub-contracted and brokerage costs across all programs would be the total amount submitted for that line item divided by the total client days for all programs in the Survey.

***Average* by line item**
This measure is *averaged* across only those aged care homes that provide data for that line item. All other measures are *average*d across all the homes 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.

Bed Day
The number of days that a residential care place is occupied in the Survey period. Usually represents the days for which a Direct Care subsidy or equivalent respite subsidy has been received.

Benchmark
We consider the benchmark to be the average of the *First 25%* in the group of programs being examined. For example, if we are examining the results for aged care homes (homes) / programs in Band 4, then the benchmark would be the average of the *First 25%* of the aged care homes (homes) / programs in Band 4.

Benchmark Bands
Residential Care
Based on Average Direct Care + Supplements (including respite) ($ per bed day):

Band 1 - Over $268
Band 2 - Between $258 and $268
Band 3 - Between $248 and $258
Band 4 - Under $248

Home Care
Based on Total Revenue (Direct Care Services + Sub-contracted and Brokered Services + Care Management + Package Management) ($ per client day):

Band 1 - Under $65
Band 2 - Between $65 and $75
Band 3 - Between $75 and $85
Band 4 - Over $85

Care Result
This is the element of the aged care home (facility) result that includes the Direct Care expenses and Indirect Care (everyday living) costs and administration and support costs. It is calculated as Direct Care Result *plus* Indirect Care Result *minus* Administration Costs.

Dollars per bed day
This is the common measure used to compare items across aged care homes (homes). The denominator used in this measure is the number of occupied bed days for any home (facility) or group of homes (homes).

Dollars per client day
This is the common measure used to compare items across programs. The denominator used in this measure is the number of client days for any programs or group of programs.

EBITDA
This measure represents earnings before interest (including investment revenue), taxation, depreciation and amortisation. The calculation excludes interest (and investment) revenue as well as interest expense on borrowings.

The main reason for this is to achieve some consistency in the calculation. Different organisations allocate interest and investment revenue differently at the "aged care home (facility) level". To ensure that the measure is consistent across all organisations we exclude these revenue and expense items.

EBITDA per bed per annum
Calculation of the overall aged care home (facility) EBITDA for the financial year-to-date divided by the number of operational beds in the aged care home (facility).

NPBT
Net Profit Before Tax. For the context of the Survey reports, NPBT is referred to as Operating Result or net result or, in the aged care home (facility) analysis, as the ACH Result (Aged Care Home, or Facility) Result.

Facility
An aged care home is sometimes called a "facility" for convenience. The Facility Result is the result for each aged care home being considered. Often called Aged Care Home and abbreviated to ACH.

Indirect Care (Everyday Living) Result
Revenue from Basic Daily Fee plus Extra or Optional Service fees less Hotel Services (catering, cleaning, laundry) and Utilities (includes allocation of workers compensation premium and quality and education costs to hotel services staff).

Home Care Packages (HCP)
Home Care results (NPBT) are distributed for the Survey period from highest to lowest by $ per client per day ($pcd). This is then divided into quartiles - the *First 25%* is the first quartile, second 25%, third 25%, fourth 25% and the average of each quartile is reported. The *First 25%* represents the quartile of programs with the highest NPBT result.

Residential Care
The Residential Care results are distributed for the Survey period from highest to lowest by Care Result. This is then divided into quartiles - the *First 25%* (the first quartile), second 25%, third 25%, fourth 25% and the average of each quartile is reported. The *First 25%* represents the quartile of homes with the highest Care Result.

Location - City
Aged care homes have been designated as being city based according to the designation by the Department of Health and Aged Care in their listing of aged care services. Those that were designated as being a "Major City of Australia" have been designated City.

Location - Regional
Aged care homes have been designated as being regionally based according to the designation by the Department of Health and Aged Care in their listing of aged care services. Those that were designated as being an "Inner Regional", "Outer Regional" or "Remote" have been designated as Regional.

Survey is the abbreviation used in relation to the *Aged Care Financial Performance Survey*.

Data Collection Process

Each tab (spreadsheet) requires an extensive level of input

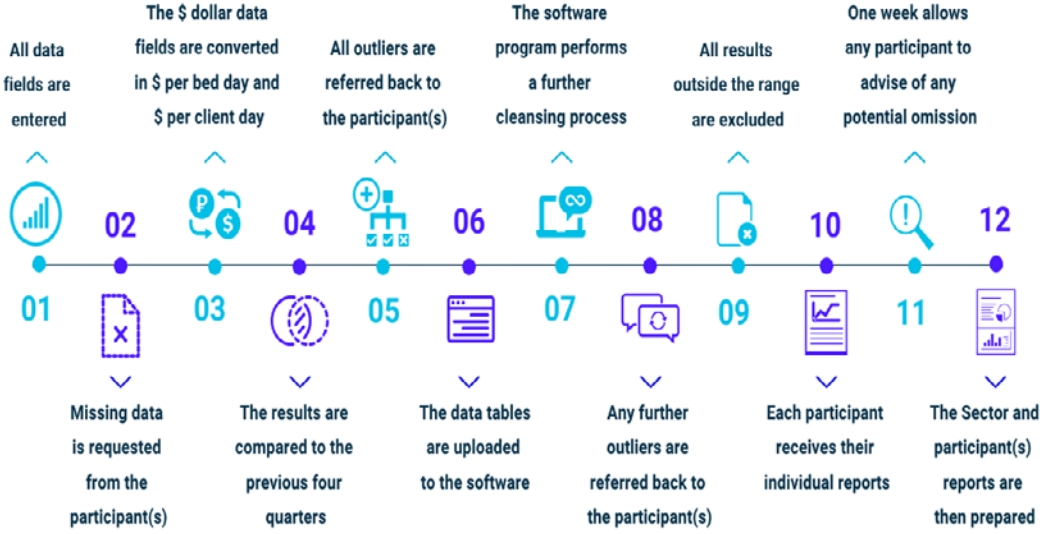
There is a significant amount of non-financial data collected, including staff hours worked

The Organisational Profile data are cross referenced to the audited General Purpose Financial Statements

Each row must be completed. The only tabs not completed are where it is not applicable

The Data Definitions must be strictly adhered to as it ensures accurate comparability

Data Cleansing Process



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