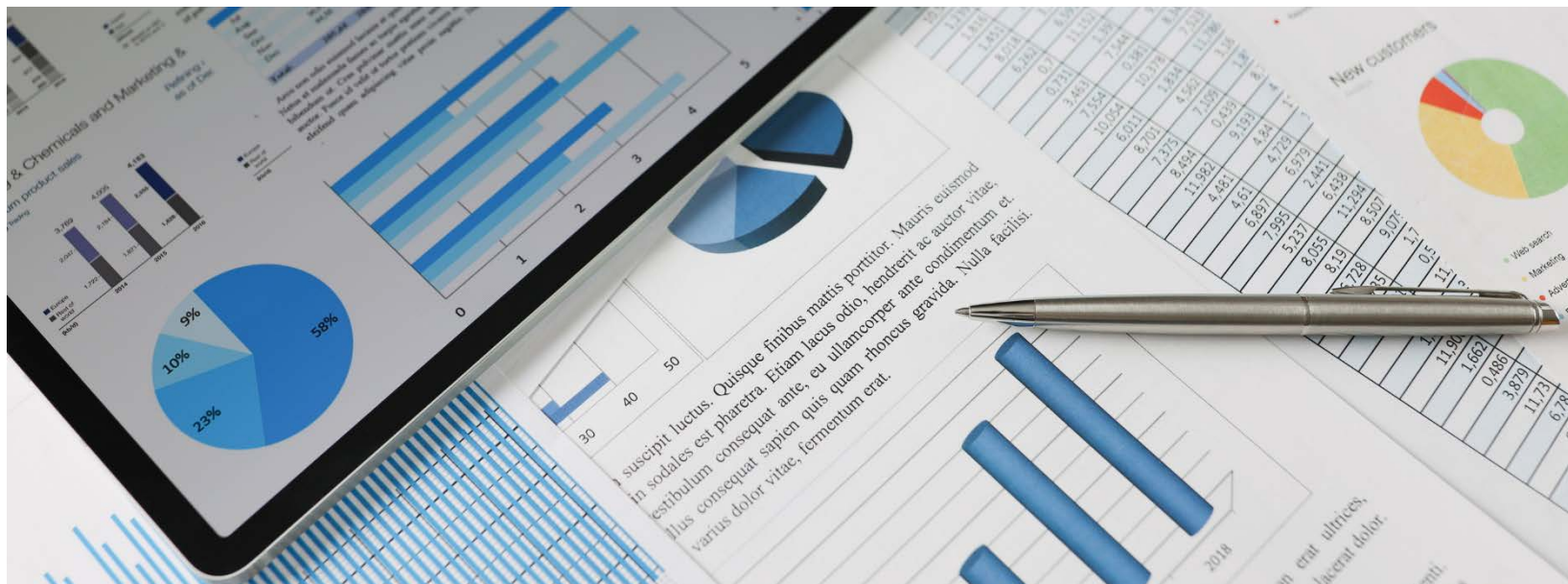


Disability Services Financial Benchmark Report



The StewartBrown June 2022 *Disability Services Financial Benchmark Report* incorporates detailed financial and supporting data from **36 participating organisations, 1,056 SIL & SDA homes and 29,513 NDIS participants across Australia.** The report provides invaluable insight into the trends and drivers of financial performance at the sector level and at the individual service level.

12 months ended 30 June 2022

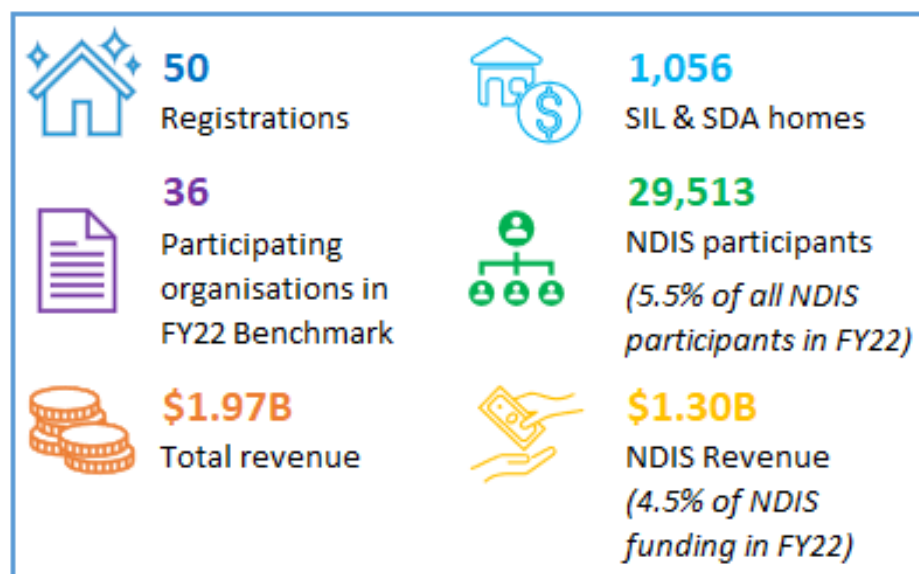
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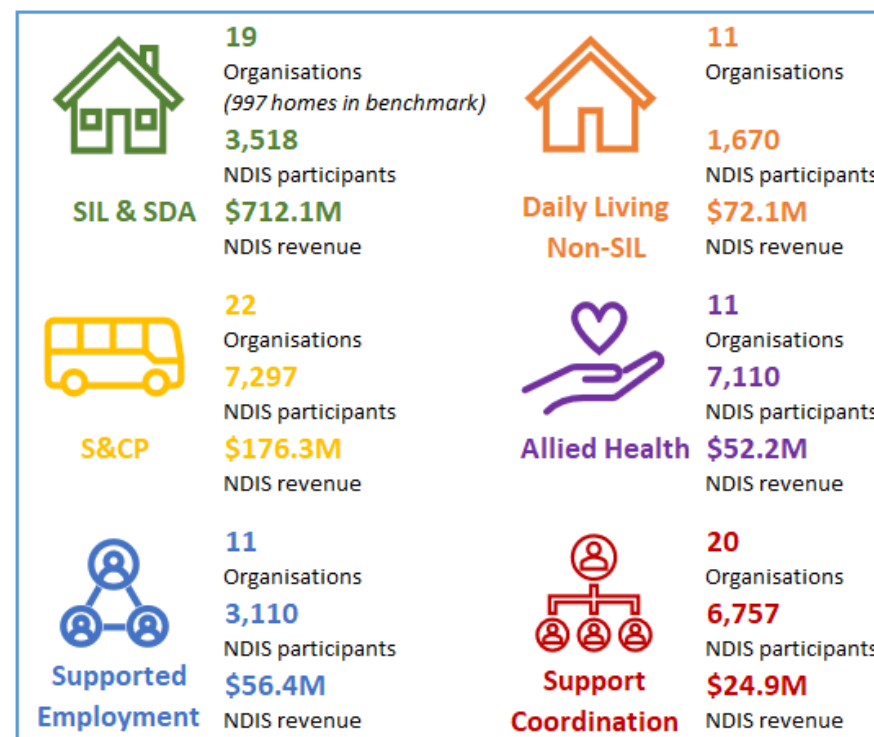
1. EXECUTIVE SUMMARY

Abstract

The *Disability Services Financial Benchmark Report* (Benchmark) June 2022 (FY22) provides an overview of the financial performance of the disability services sector in Australia. It is based on the results of the StewartBrown Benchmark for the 12 months ended 30 June 2022 which includes the below metrics.



Refer Glossary, which provides a graphical depiction of the Data Collection, Data Cleansing and Benchmark Metrics processing.



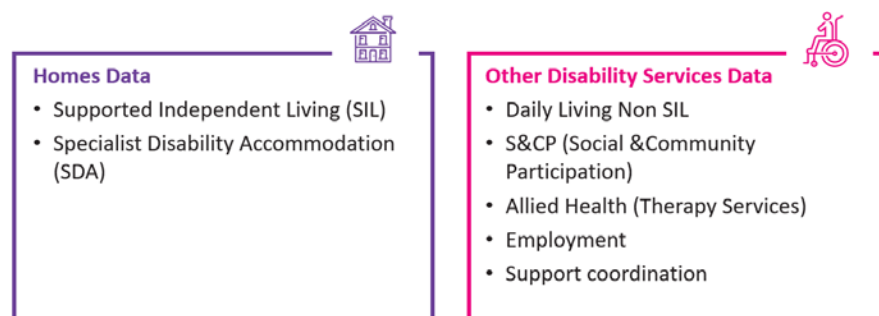
About the StewartBrown Benchmark

Benchmark Outline

This is the first StewartBrown *Disability Services Financial Benchmark Report*. The StewartBrown Benchmark is subscription based, currently six-monthly (with the aim of becoming quarterly) and very granular in respect of data covered and depth.

The Benchmark is primarily for the benefit of disability services providers in reviewing their financial performance and considerations of strategic direction on an individual SIL or SDA home basis and services (support types) basis.

Service level benchmarking is grouped as:



At each service level, providers compare their performance on several metrics, through a range of data attributes, including participant care needs (via banding of revenue levels), staffing levels (cost and hours/minutes), geographic region, and administration. SIL & SDA homes have additional data attributes such as number of bedrooms and type of building.

The Benchmark participants utilise an interactive website with high level dashboards and the ability to drill down on all data fields as required. Business intelligence (BI) tools are being further developed for disability Benchmark participants.

A secondary benefit is that as the dataset continues to grow, the de-identified aggregate of the data will provide a significant level of year-on-year trend data and further detailed analysis.

This initial Disability Services Benchmark was conducted for the 12 months ended 30 June 2022 (FY22). This provides the base year point in time for future benchmarks and the first comparative period for our second Benchmark (for the 12 months ended 30 June 2023 (FY23)). The FY23 Benchmark is currently being conducted and the final report will be released in December 2023. It is anticipated that our third Benchmark will be for the six months period to December 2023, with the progression being to conduct quarterly Benchmark collection and reporting.

Each Benchmark participant completes detailed data input sheets for the respective Benchmark period. 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 home/service and comparison to equivalent benchmark homes/services. All variances identified through this cleansing process are followed up with the respective provider for comment and further amendment if required.

Outliers and Exclusions

As noted above, the primary purpose of the Benchmark is for participating providers to benchmark (compare) individual disability services against similar de-identified comparators using a range of metrics.

To ensure accurate and relevant benchmark comparison, all outlier disability services are excluded from the Benchmark results. Examples of outliers include:

- Homes undergoing major refurbishment
- Newly built homes that have not been commissioned
- Recently acquired homes/services undergoing structural operation changes
- Homes/services closed during the financial year (and reporting period)
- Revenue and expense lines that are out of range with supporting explanation

In relation to the FY22 Benchmark, 59 SIL & SDA homes were excluded (5.6%) and one Daily Living Non-SIL service was excluded (8.3%).

Comparison to Whole of Sector Results

The following points provide some context in this respect:

- Disability service providers comprise of both registered and unregistered NDIS providers. All participants of the FY22 Benchmark are registered NDIS providers
- The NDIA reported there were 18,347 providers as at 30 June 2022 who had received at least one claim (payment) for supporting Agency-managed participants. Of these only 9,456 had received a payment in quarter ended 30 June 2022. Total payments were \$28.7 billion. This equates to an annual average payment per provider of around \$3.0 million. With the largest NDIS providers receiving over \$100 million each in annual NDIS revenue, this goes to show that there are a number of very small providers
- Based on StewartBrown analysis of the NDIA's quarterly data, on average the top 10 providers receive around only around 6.4% the total funding each quarter, other registered providers receive 76.3% of the funding with the remaining 20% of funding going to unregistered providers
- The FY22 Benchmark has a strong initial participation rate with 50 providers registering and 36 participating providers submitting data. Future Benchmarks will have increased participation rates which will correlate with a stronger representation of the sector
- The FY22 collection Benchmark had a strong weighting towards not-for-profit providers, and this is a representation of the sector
- There are Benchmark participants in every state and territory across Australia
- The data set is representative across the sector in terms of revenue size as shown in *Figure 1*

Figure 1: Composition of Benchmark Participants by Operating revenue (\$)



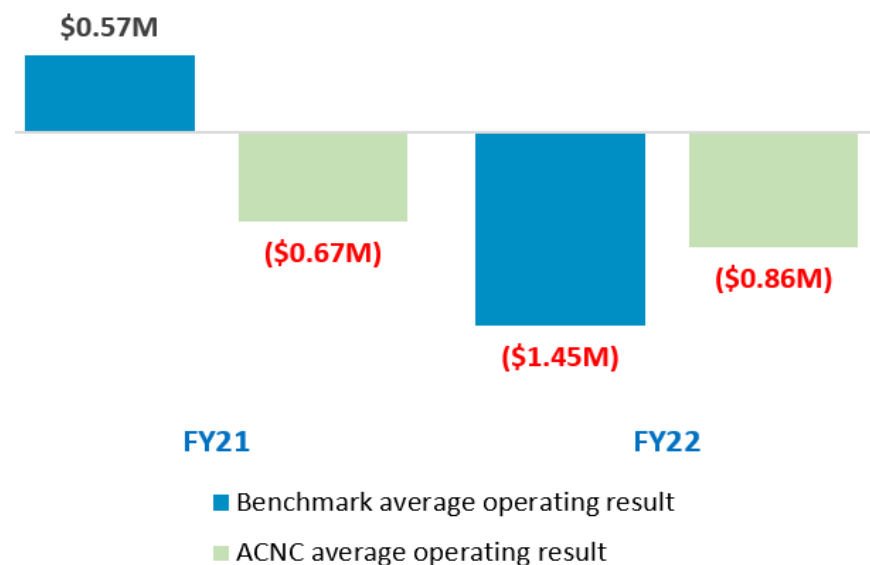
For the aged care sector, the government prepares an annual financial report compiled from provider data compulsory submitted. This allows direct comparison to the *StewartBrown Aged Care Survey* for the aggregate financial performance of the sector, with the Survey providing significant more granular data to supplement this. Unfortunately, there are no available whole of sector results for disability providers.

As an alternative, an extensive review of 204 disability service providers totalling \$12.9B in aggregate revenue and \$6.5B in disability revenue has been conducted based on financial statements lodged with the ACNC. The limitation of this is that there is no visibility over the financial performance of *for-profit* providers. However, the majority of disability services providers are not-for-profit providers.

Whilst not as granular or detailed as the Benchmark, the ACNC data must agree with audited financial statements and does provide detailed overall financial performance on an individual revenue/expense line basis. When reviewing the financial statements of these providers we have focussed on the treatment of recurrent and non-recurrent revenue and expenditure to ensure a proper comparison at the aggregate level.

A comparison of the Benchmark to the ACNC results for the periods FY21 & FY22 is included in *Figure 2* below.

Figure 2: Comparison of Benchmark disability provider operating results (\$)



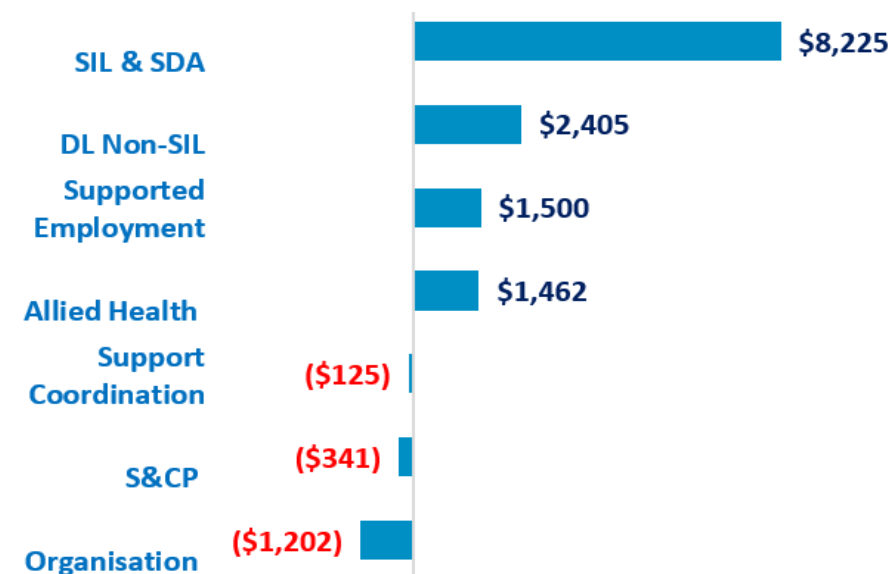
There is a difference in average operating results in both financial years which is anticipated given the different compositions of the data sets. However, the trend is the same. In both the Benchmark and the ACNC data set the FY22 operating result was a deficit and an increasing deficit result compared to the operating result in FY21.

In this context, the ACNC aggregate results will include more providers with non-disability services which can distort the disability performance results. The Benchmark will provide results specifically for disability services to provide greater comparison.

FY22 Results Snapshot – StewartBrown Benchmark

FY22 Operating result by service type

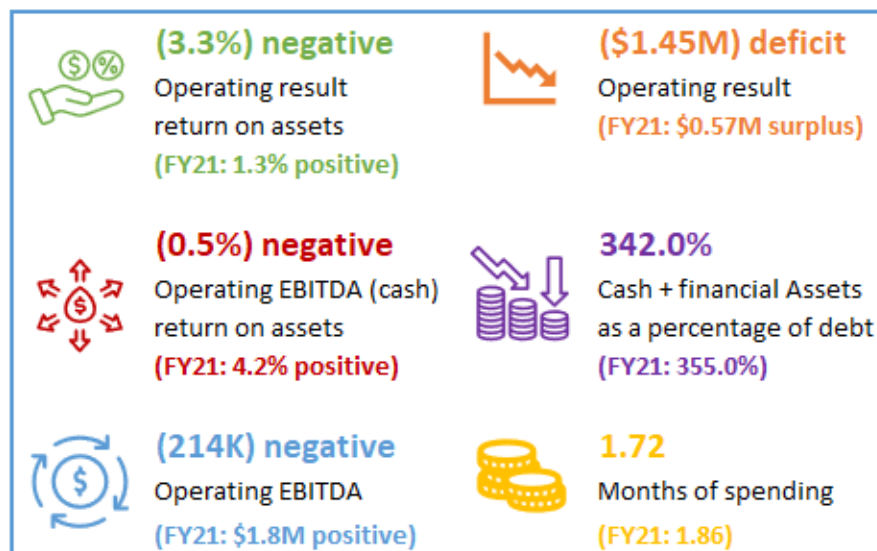
Figure 3: Operating result (\$ per client per annum) by service type by highest to lowest



Comments

- Operating result (\$ per client per annum) differs significantly across the different service types
- S&CP and Support coordination are loss making in FY22 whilst other services are making small surpluses

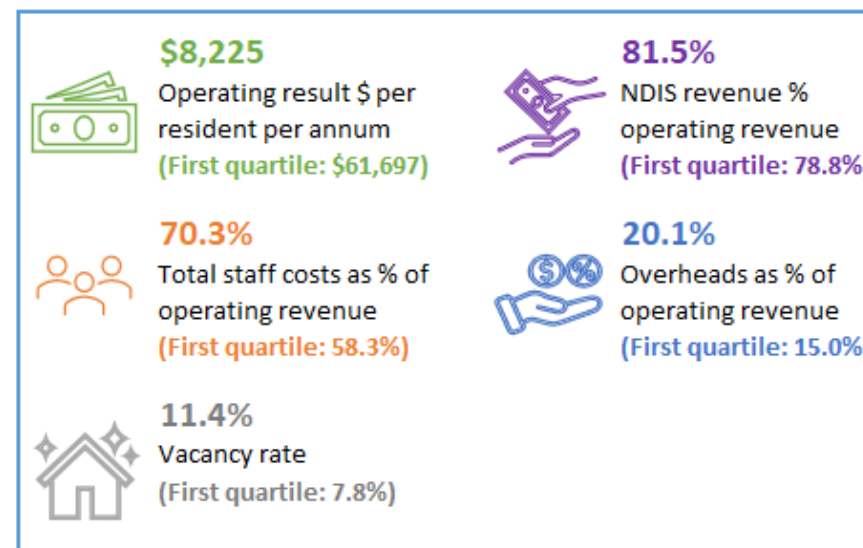
FY22 Provider (Organisation) Snapshot - Aggregate



Comments

- Operating result for FY22 decreased to be an **average deficit of \$1.45M** per provider (FY21: \$571K surplus)
- The operating result return on assets is negative 3.3% (FY21: positive 1.3%) and importantly the **operating EBITDA (cash) return on assets is negative 0.5%**. This means that the cash reserves (net assets) of disability providers are being eroded. Continued cash losses have implications for financial viability and sustainability of providers
- Liquid Cash Assets to Debt ratio (cash + financial assets as a percentage of debt (unspent funds + borrowings)) is 342% for FY22 (FY21: 355%) which reflects the **very low levels of debt rather than high cash balances**

SIL & SDA Snapshot







Comments

The average operating result in the FY22 Benchmark for all SIL & SDA homes is \$8,225 per resident per annum. Operating result as a percentage of operating revenue is 3.74%.

There are a range of results with some providers performing well and some not so well. The average of the *first quartile* is an operating surplus of \$61,697 per resident per annum (an operating margin of 22.4%). In comparison the average of the *bottom quartile* is an operating loss of \$47,486 per resident per annum (an operating margin of negative 25.8%).

Benchmark participants will have the ability to compare at the individual income and expense line-item levels. This will assist in identifying differences.

Other Disability Services (non-SIL) Snapshot

	Daily Living Non-SIL	S&CP	Allied Health	Employment	Support Coordination
 Operating result \$ per client per annum	\$2,405 (First 50%: \$6,960)	(\$341) (First 50%: \$2,688)	\$1,462 (First 50%: \$6,430)	\$1,500 (First 50%: \$2,628)	(\$125) (First 50%: \$376)
 NDIS revenue as % of operating revenue	95.7% (First 50%: 96.6%)	92.0% (First 50%: 95.3%)	64.1% (First 50%: 40.1%)	35.6% (First 50%: 36.5%)	98.1% (First 50%: 96.5%)
 Overheads as % of operating revenue	17.7% (First 50%: 12.3%)	28.7% (First 50%: 23.2%)	31.1% (First 50%: 21.7%)	24.4% (First 50%: 21.4%)	23.4% (First 50%: 14.1%)
 Total staff costs as % of operating revenue	80.3% (First 50%: 75.7%)	73.4% (First 50%: 67.2%)	67.3% (First 50%: 51.1%)	55.6% (First 50%: 53.8%)	84.7% (First 50%: 75.4%)

Comments

- Operating result varies across service levels with S&CP and Support Coordination reporting operating losses
- There is a correlation between NDIS revenue as a % of operating revenue (NDIS revenue concentration) and operating result as a % of operating revenue. The services with higher surpluses tend to be those with a lower NDIS revenue concentration
- Overheads refers to corporate overheads (refer to glossary for definition) and varies across service levels. Allied health has the highest overhead % of operating revenue whilst daily living non-SIL has the lower overhead %
- Total staff costs include both direct and indirect staff costs as a percentage of operating revenue and this too has a correlation with NDIS revenue concentration. Employment and Allied Health have a lower percentage of staff costs as a percentage of revenue due to the inclusion of other revenue such as business services revenue and fee-for-service revenue from private clients

2. FINANCIAL RESULTS - KEY METRICS

Organisation (Provider)

Organisation Snapshot	FY22	FY21	Difference (YoY)
Operating result return on assets	(3.30%)	1.30%	↓ (4.60%)
Operating result	(\$1.45M)	\$0.57M	↓ (\$2.02M)
Operating EBITDA (cash) return on assets	(0.49%)	4.18%	↓ (4.67%)
Operating EBITDA	(\$0.21M)	\$1.84M	↓ (\$2.05M)
Operating revenue	\$54.78M	\$54.63M	↑ \$0.14M
NDIS revenue concentration	65.7%	60.3%	↑ 5.4%
Employee expenses % of operating revenue	79.0%	76.6%	↑ 2.5%
Overheads % of operating revenue	31.5%	30.0%	↑ 1.5%
Cash + financial assets as % of debt	342%	355%	↓ (13%)
Months of spending	1.72	1.86	↓ (0.14)
Total assets	\$43.82M	\$43.93M	↓ (\$0.11M)
Total liabilities	\$19.47M	\$19.47M	↑ \$0.01M
Net assets	\$24.35M	\$24.46M	↓ (\$0.11M)

Operating Performance

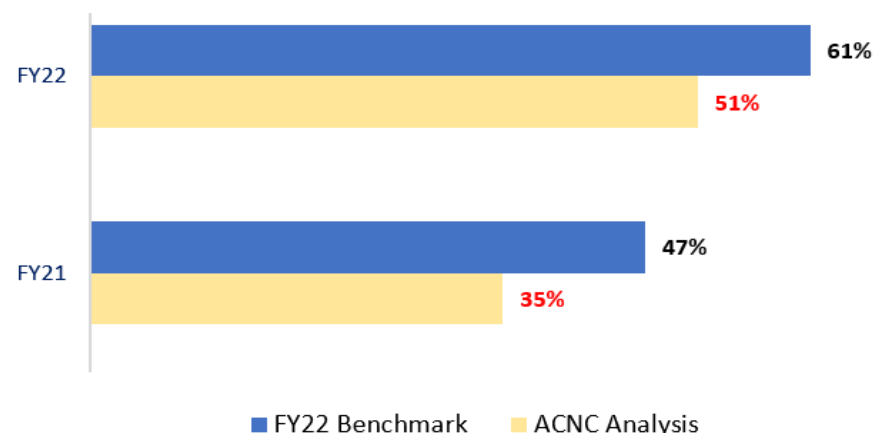
The operating performance is for the 12 months to Jun-22 and comparative period to Jun-21. The results for each year reflect the NDIS pricing as applicable for the respective period. That is, the FY22 results reflect the NDIS pricing for FY22 (prior to 9% pricing increase as part of the 2022-23 Annual Price Review).

The operating result excludes non-recurrent revenues such as revaluation increments, non-operating donations, bequests, fundraising, gains on asset sales and non-recurrent expenses including revaluation decrements, impairment and asset sale losses. Net COVID-19 result (grants less direct COVID-19 expenses) is also excluded from this analysis.

- Operating result for FY22 **decreased** to be an average **deficit** of \$1.45m per provider (FY21: \$571K surplus)

- NDIS revenue concentration has increased to 65.7% (FY22) from 60.3% (FY21)
- Operating revenue has remained stable with the deficit due to an increase in employee expenses as % of operating revenue (FY22: 79.0%, FY21: 76.6%) and an increase in corporate overhead expenses as % of operating revenue (FY22: 31.5%, FY21: 30.0%)

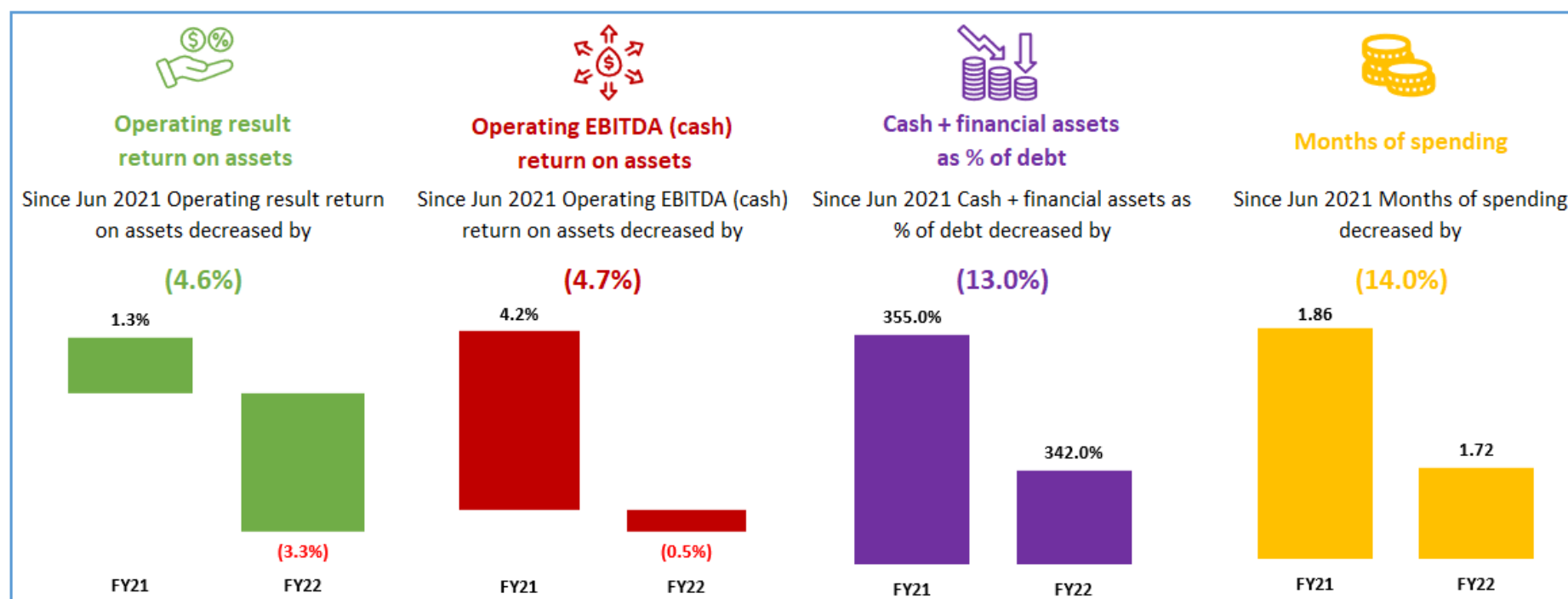
Figure 4: Percentage of organisations with an operating loss for FY21 and FY22 in StewartBrown FY22 Benchmark and ACNC Analysis



Comments

- 61% of organisations in the Benchmark reported an operating loss for FY22** - a significant increase from 47% in FY21. There was a similar increase in the ACNC analysis with the percentage of providers reporting an operating loss increasing from 35% in FY21 to 51% in FY22
- The average operating margin was a loss of 2.6% with the *bottom quartile* reporting an average operating loss of 12.6% and *first quartile* reporting an average operating profit of 5.8%
- The operating loss is an unsustainable result and effects both the investment in the sector and the ongoing viability of a number of providers.*

Organisation Key Metrics



Equity/ Balance Sheet

- Operating result return on assets ratio has decreased to be negative 3.3% for FY22 (FY21 positive 1.3%)
- Operating EBITDA (cash) return on assets has also decreased from 4.2% (FY21) to a negative 0.5% (FY22)
- Disability service providers balance sheet are comprised of low levels of cash and financial assets and even lower debt. Liquid Cash Assets to Debt ratio (cash + financial assets as a percentage of debt (unspent funds + borrowings)) is 342% for FY22 (FY21: 355%) which reflects the very low levels of debt rather than high cash balances
- Average months of spending has reduced from 1.86 months (FY21) to 1.72 months (FY22)
- Intangibles (software) are significantly lower in FY22 as providers reclassified software to operating expenses in line with SaaS changes to Accounting Standards

Providers in the Benchmark are reliant on NDIS revenue and timely payments. As shown by the low months of spending ratio, they have low levels of cash to operating expenses. The target months of spending ratio across most sectors is 3.0. There is a risk that delays in NDIS payments and the reliance on NDIS revenue will impact on the financial viability of providers.

Table 1: Summary Income & Expenditure comparison (average by Provider)

	Survey FY22 (36 Organisations) (Average)	Survey FY21 (36 Organisations) (Average)
Income & Expenditure	\$'000	\$'000
Revenue		
Disability services revenue	39,929	36,265
Other services revenue	13,576	17,147
Fundraising and donations	1,133	1,084
Investment Income	138	134
Operating Revenue	54,775	54,630
Expenses		
Cost of Sales	1,567	1,503
Salaries and employee benefits	43,297	41,836
Depreciation and amortisation	1,288	1,307
Finance expenses	86	93
Workers compensation premium	981	858
All other expenses	9,005	8,463
Operating Expenses	54,658	52,556
OPERATING RESULT	(1,450)	571
Non-recurrent income and expenses	1,123	2,482
TOTAL RESULT	(326)	3,053
Operating EBITDA	(214)	1,836
EBITDA	909	4,318
Ratios		
Operating margin	(2.65%)	1.05%
Operating result return on assets	(3.30%)	1.30%
Operating EBITDA return on assets	(0.49%)	4.18%
NDIS Revenue concentration	65.69%	60.32%
Employee expenses % of operating revenue	79.05%	76.58%
Corporate overheads % revenue	31.49%	30.02%
Workers compensation premiums as % of wages	2.27%	2.05%

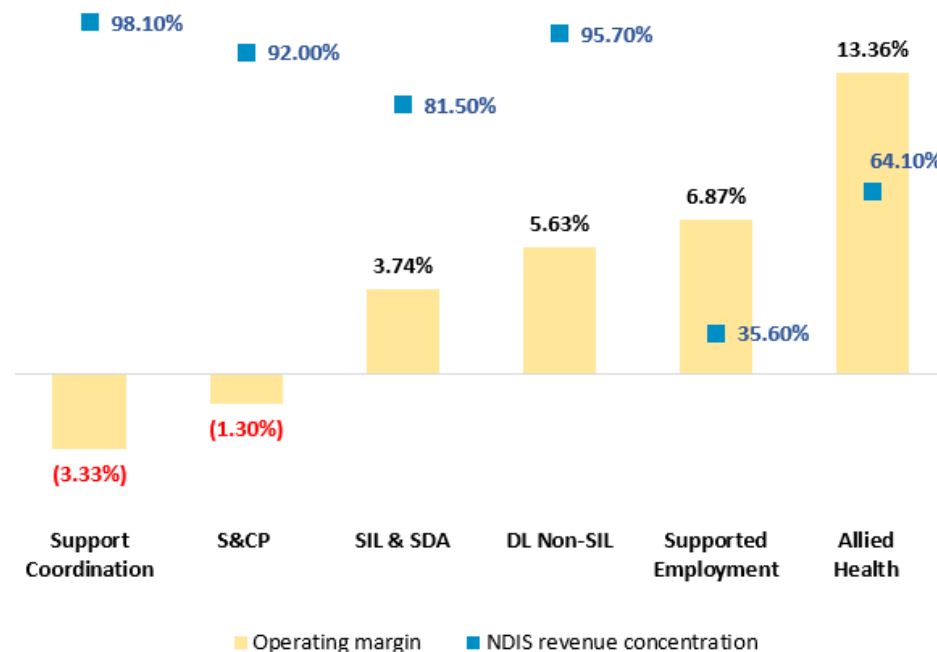
Table 2: Summary Equity (Balance Sheet) comparison (average by Provider)

	Survey FY22 (36 Organisations) (Average)	Survey FY21 (36 Organisations) (Average)
Balance Sheet	\$'000	\$'000
Assets		
Cash and financial assets	15,199	16,385
Operating assets	6,606	6,133
Property assets	19,188	18,276
Right-of-use assets	2,790	2,864
Intangibles	38	272
Total assets	43,822	43,930
Liabilities		
Trade and other payables	4,399	4,344
External borrowings	4,444	4,615
Employee benefits/provisions	6,229	6,252
Unearned income - NDIS accrued revenue	290	151
Unearned income - Other accrued revenue	1,192	1,176
Lease liabilities	2,919	2,928
TOTAL LIABILITIES	19,472	19,466
NET ASSETS	24,350	24,464
Net Tangible Assets (Liabilities)	24,311	24,192
Ratios		
Net assets proportion % total assets	55.57%	55.69%
Property assets proportion % total assets	43.79%	41.60%
NDIS debtors as a % of total debtors	39.19%	47.96%
NDIS Debtor days	14.7	18.7
Cash + financial assets % debt	342.04%	355.00%
Months of spending	1.7	1.9

Operating Performance by Service Type

Operating Margin

Figure 5: Operating margin and NDIS revenue as a percentage of operating revenue from lowest margin to highest margin



As expected, the operating margin (operating result as a % of operating revenue) differs significantly across the different service types.

There appears to be a correlation between the NDIS revenue concentration (NDIS revenue as a % of operating revenue) and the operating result. Those service types with a higher NDIS revenue concentration (Support coordination, Daily Living Non-SIL, S&CP and SIL & SDA) tend to have lower margins. Supported Employment and Allied Health with lower NDIS revenue have the higher margins.

Some service types are almost exclusively reliant on NDIS revenue due to the nature of the service (support coordination and SIL & SDA) whilst others may allow for additional revenue from other sources. Supported employment includes commercial revenue from the operation of the ADE/social enterprise or business services. Allied health has a higher percentage of fee-for-service clients including non-NDIS clients and NDIS clients purchasing private services.

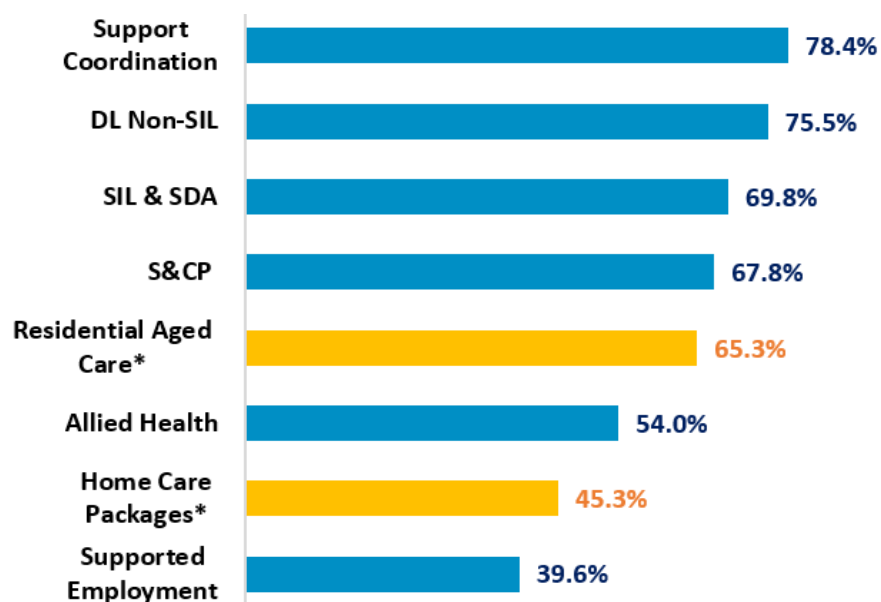
There is anecdotal evidence that organisations were able to benefit from cross-subsidisation. Higher SIL & SDA margins were able to offset the lower margins in the other non-SIL services. Looking at these results for FY22 and SIL's operating margin of 3.74%, it is unlikely that any level of cross-subsidisation between NDIS services is possible.

Staffing and Billable Hours

The disability sector is very staff intensive. All services apart from supported coordination have direct staff costs as a percentage of operating revenue greater than 50%. This means that there is less than 50% of operating revenue to contribute to direct non-staffing costs, corporate overheads, administration and an operating margin.

The recently released *Draft National Care and Support Economy Strategy 2023* focuses on the provision of paid care and support services across aged care, disability support, veterans care and early childhood education and care. Given this, it may be of use and interesting to compare the disability service types to residential aged care and home care packages.

Figure 6: Direct staff costs as % operating revenue



* Refer to the StewartBrown FY22 Aged Care Financial Performance Survey Report for further information on Residential Aged Care and Home Care Packages

Billable hours refer to hours worked by an employee that were billed to a client. This includes face to face supported and billable non-face to face supports as well as billable travel time under the NDIS. It also includes hours with fee-for-service clients that can be billed. It excludes breaks, training, annual leave and other forms of leave and non-billable administration tasks.

Utilisation refers to the proportion of an employee's worked time that is billable. In the Benchmark it is calculated as billable hours/normal worked hours plus overtime hours. This measure excludes other hours such as training and leave.

Although all providers agreed that billable hours and utilisation are important metrics, there was a range of responses and current ability in providing this data. Some providers were able to submit good quality data on billable hours, some needed to investigate their systems and data to develop a method of estimating billable hours, whilst others were unable to provide billable hours for this benchmark period.

The *NDIA/Deloitte Access Financial Benchmarking TTP Survey* has published information on billable hours and utilisation. However, reference to the underlying data source shows that the data on billable hours is taken from a specific question "on average over the financial year... what proportion of time did an average disability support worker spend on the following activities". The list included billable time (including billable travel), non-billable travel, training, breaks, client-related administration, general administration, and other tasks and total.

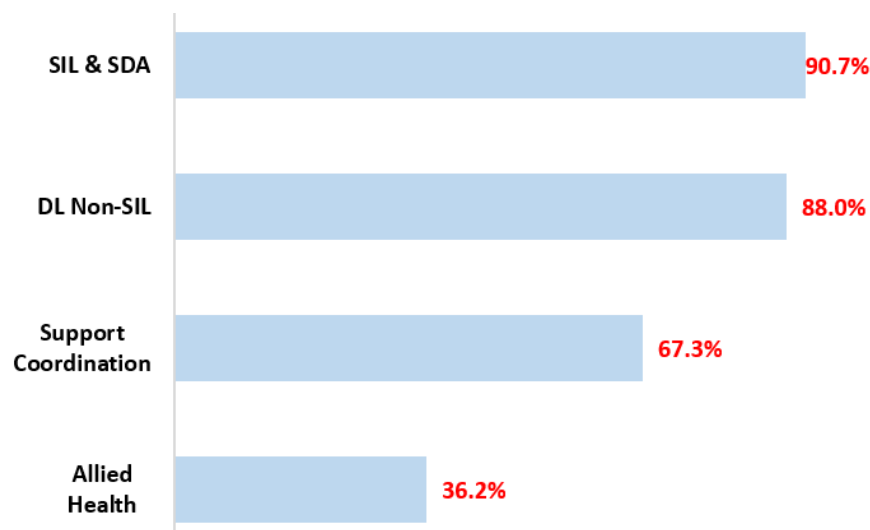
Analysing this data as a percentage, on average, across all service types and across all employees is less robust than collating and measuring data on the billable hours and worked hours, which is the methodology used for the Benchmark.

Further clarification was required as to what was worked hours, billable hours and service hours. The following example illustrates the differences.

Example: worked, billable and service hours

Sharon worked 40 hours in one week including 2.5 overtime. During this week, she spent 4 hours on training and 8 hours on annual leave. This means her **normal hours** are 25.5 (40 - 4 - 8 - 2.5); **overtime hours** are 2.5 and her other hours are 12 (8+4). 24 hours are chargeable as they included face-to-face supports and billable travel. She delivered these 24 hours through SIL supports to 3 clients. The 24 hours are her **billable hours**. The total **service hours** (those that are included in the participants funding and the provider receives income for are 72 hours (24 hours x 3 clients via a 1:3 ratio). Sharon's **utilisation** is 86% (24 billable hours/ (25.5 normal hours + 2.5 overtime hours).

Figure 7: Utilisation of front-line staff across different service types



The Benchmark utilisation for each service type is shown in *Figure 7: Utilisation of front-line staff across different service types*. The utilisation metrics for S&CP and Supported Employment were unable to be provided due to the difficulties in collecting billable hours from some providers.

The utilisation of 90.7% for SIL&SDA reflects the nature of SIL services and the fact that they are staffed 24/7. Allied health utilisation could be impacted by billable hours only relating to NDIS participants and not including fee-for-service billable hours. Further work with participating providers will improve the collection of this metric.

Due to some inconsistency in splitting out direct staff costs and hours into front-line workers (FLW) and front-line supervisors (FLS) utilisation is shown for all front-line staff for this Benchmark. Front-line staff therefore refers to both front-line workers and front-line supervisors ie the direct staff in the disability services provider.

For this initial Benchmark some providers were unable to split costs and hours by this type of staff category and instead only reported direct and indirect staff costs and hours. However, several providers have communicated that they have implemented these changes from FY23 and/or are looking to implement these changes in their systems. This will provide even greater granularity for future Benchmarks.

Corporate Overheads

The NDIA cost model refers to operational overheads and corporate overheads. Reference to overheads in this report is to corporate overheads. NDIA defines corporate overheads are "those costs incurred to run the administrative side of a business. These costs include the accounting, human resources, legal, marketing, and information technology functions."

Generally, in the care sector and other sectors the key metric for corporate overheads is "overheads as a percentage of operating revenue". The NDIA cost model refers to overheads as a percentage of direct costs and sets the 'efficient' rate for corporate overheads as % of direct costs as 12.0% for FY22. Therefore, both metrics are important for disability service providers.

The corporate overhead in each service reflects both the directly attributable administration costs as well as a corporate recharge. The directly attributable administration costs may include administration staff costs, education & quality control expense, workers compensation and general insurances, rent and property outgoings, utilities, interest expenses, technology expenses, motor vehicle expenses amongst others.

The corporate recharge depends on the structure and methodology of each participating organisation and include some or all of the aforementioned costs. The corporate recharge may be nil (if the provider only operates one service and directly attributes administration costs to each line item), in which case the other administration costs will be higher. Alternatively, a provider may not allocate administration costs to each line item but rather include all these in the corporate recharge and as a result have a much greater corporate recharge.

Following on from the comparison of staffing costs across care sectors, it may be of assistance and interesting to make comparisons within the care sector in terms of overhead. As such, we have compared the corporate overheads as % operating revenue to that in the StewartBrown Aged Care Survey for FY22 and they fall within the range of the service level results. Allied Health has the highest corporate overhead % of operating revenue at 31.1% whereas Daily Living Non-SIL and SIL & SDA have the lowest at 17.7% and 20.1% respectively.

Corporate overheads as a percentage of direct costs are significant, ranging from 23.1% for Daily Living Non-SIL services to 56.0% for Allied Health services.

Due to this being the first Benchmark, we have no prior year comparative data. It will be interesting to collect and monitor the future changes in these key metrics especially given the changing environment of the disability sector.

Figure 8: Corporate overheads as % of operating revenue by service type

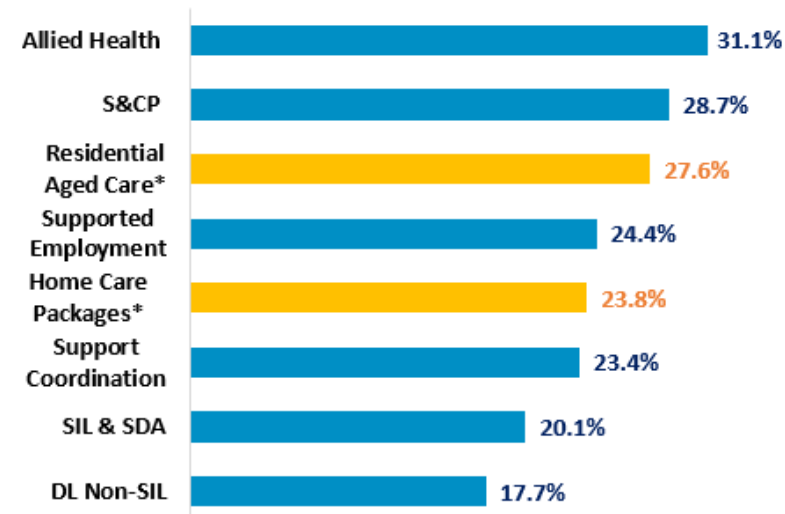
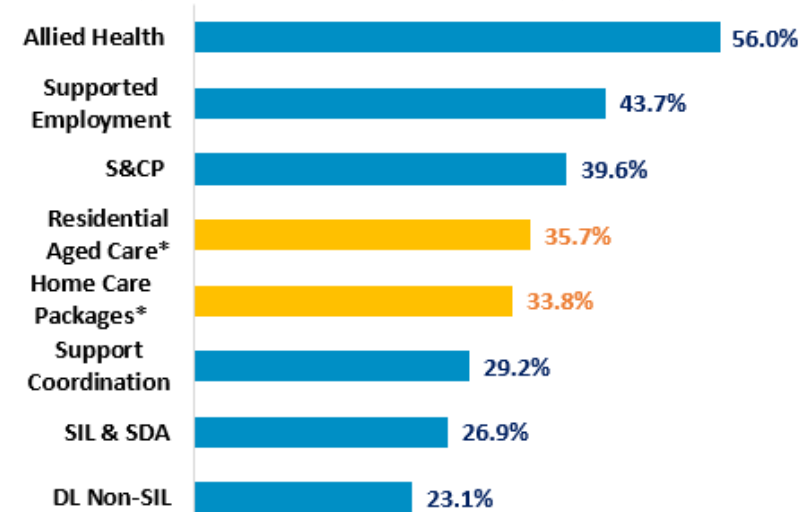


Figure 9: Corporate overheads as % of direct costs by service type for FY22



* Refer to StewartBrown's FY22 Aged Care Financial Performance Survey Report for further information on Residential Aged Care and Home Care Packages

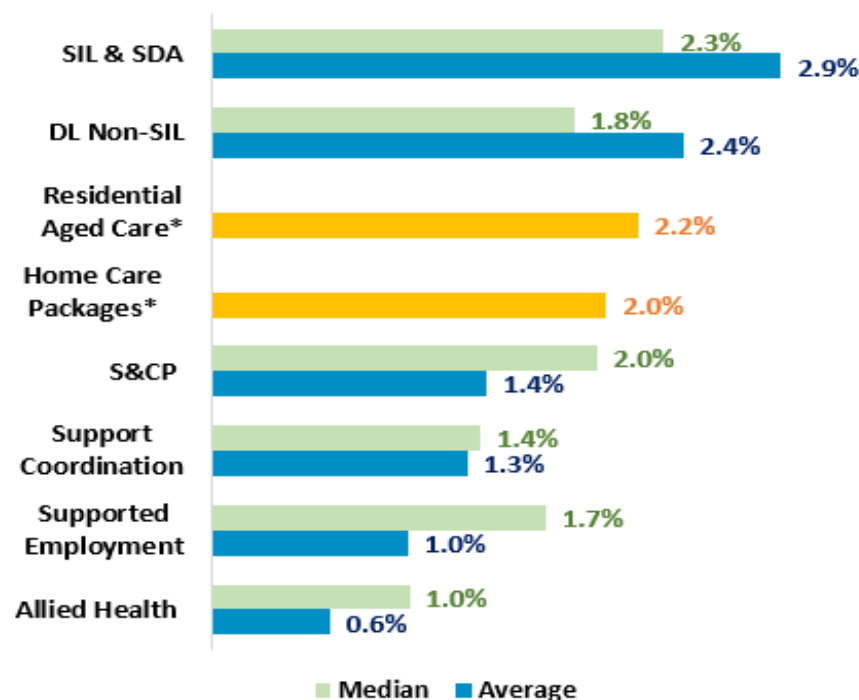
Workers Compensation

The NDIA Cost Model for FY22 set the efficient cost for workers compensation at 1.7% of wages.

At a provider (organisation) level workers compensation as a percentage of wages was 2.3% for FY22 up from 2.1% in FY21.

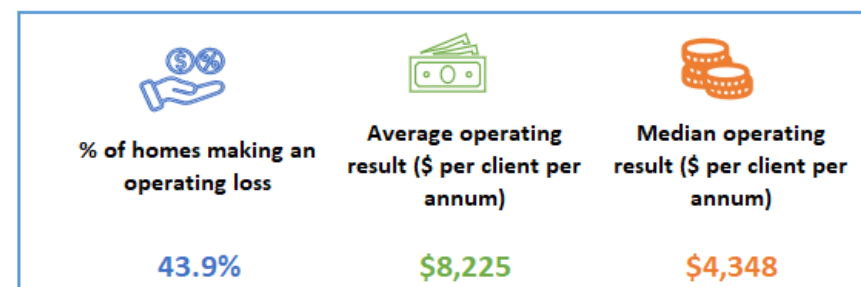
This KPI clearly differs across service types - the highest premiums are those for workers providing SIL supports. As some providers were unable to separate out workers compensation costs at an individual service level, we have also provided the median for each service type.

Figure 10: Workers' compensation as % of staff costs by service type for FY22



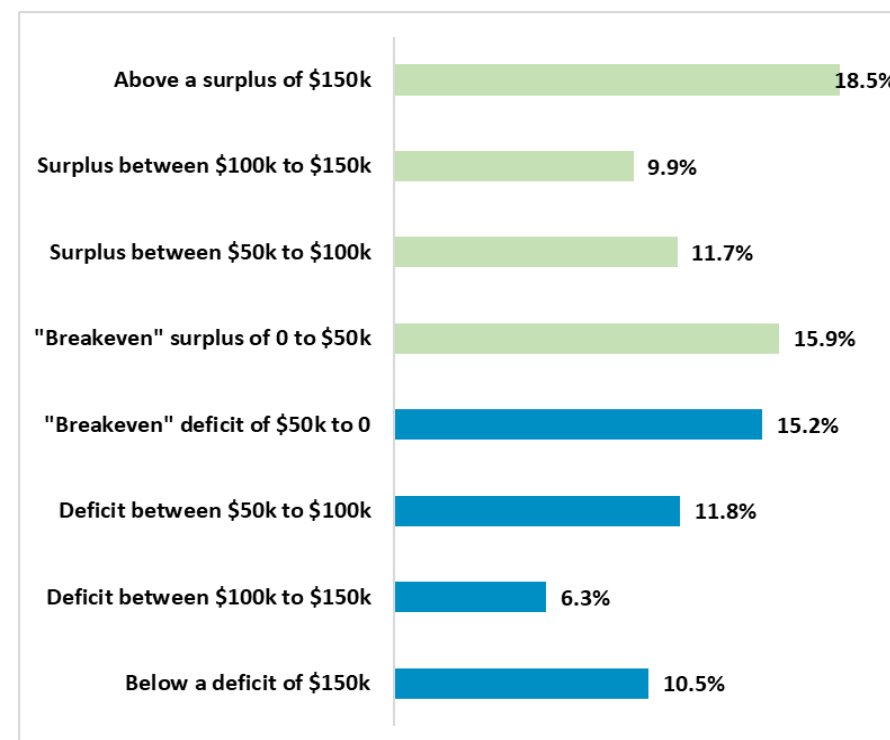
* Refer to StewartBrown's FY22 Aged Care Financial Performance Survey Report for further information on Residential Aged Care and Home Care Packages

SIL & SDA Performance



The following figure shows the distribution of homes by operating result.

Figure 11: Distribution of homes by operating result



The operating result of \$8,225 per resident per annum is equivalent to an average operating surplus of \$32,750 per home per annum. The median operating result is lower than the average at \$4,348 per client per annum. Whilst the average and median operating results are positive, 43.9 % of homes are making an operating loss. For those with an operating loss, the average operating loss is \$103,987 per home per annum. The average operating surplus of the 56.1% of homes making a surplus is \$140,766 per home per annum.

In future Benchmarks results will be compared to prior periods. Summary KPIs for FY22 for the Benchmark Average and the average of the first quartile are shown in the following table.

Table 3: Summary KPI Results Comparison

	All Homes (997 Homes)	First quartile all Homes (249 Homes)
Summary KPI results		
Net result (\$ per resident per annum)	\$52,555	\$102,945
Overheads (\$ per resident per annum)	\$44,331	\$41,248
Operating result (\$ per resident per annum)	\$8,225	\$61,697
 NDIS revenue (\$ per resident per annum)	 \$202,384	 \$235,242
Average vacancy rate	11.4%	7.8%
 Direct staff costs as % of operating revenue	 69.8%	 57.9%
Overheads as % operating revenue	20.1%	15.0%
Overheads as % direct costs	26.9%	24.4%
 Workforce KPI results		
Avg base pay rate per hour - FLW	\$41.00	\$39.76
Avg base pay rate per hour - FLS	\$53.38	\$47.90
Ratio of front-line workers to supervisors	13.9	23.9
Ratio of clients to front-line workers	0.7	0.7
Utilisation rate of front-line staff	90.7%	98.4%
Workers compensation expense as % of staff costs	2.9%	2.2%

The immediate difference between the *first quartile* and the *average* is the lower vacancy rate. However, their overheads as % of direct costs are also lower. The average base pay of front-line staff is lower with a higher ratio of front-line workers to front-line supervisors, this means that direct staff costs as percentage of operating revenue is lower as well.

A summary P&L is shown in the following table.

Table 4: Summary Income & Expenditure Comparison (\$ per bed day)

	Survey	
	FY22 All homes (997 Homes) \$ pbd	FY22 First quartile all homes (249 Homes) \$ pbd
DAILY LIVING		
Revenue		
NDIS SIL Supports	538.19	610.75
Other NDIS and non-NDIS revenue	113.38	175.29
Daily living revenue	651.58	786.04
Expenditure		
Direct staff expenses	474.90	473.82
Non-staff direct expenses	34.35	27.66
Daily living expenditure	509.25	501.47
DAILY LIVING RESULT	\$142.32	\$284.57
 ACCOMMODATION		
Revenue		
SDA Revenue	5.05	6.86
Board and Lodgings/ Rent revenue	23.79	25.32
Accommodation revenue	28.85	32.19
Expenditure		
Repairs and maintenance	5.74	7.34
Depreciation	5.67	6.09
Other	6.51	7.50
Accommodation expenditure	17.93	20.94
ACCOMMODATION RESULT	\$10.92	\$11.25
 Administration & support		
Corporate recharge	104.77	93.80
Administration & support staff costs	3.47	2.80
Workers compensation premium	14.41	10.58
Other expenses	5.18	5.28
ADMINISTRATION & SUPPORT COSTS	\$127.82	\$112.46
 OPERATING RESULT	\$25.43	\$183.37
Operating Result per resident per annum	\$8,225	\$61,697
Operating EBITDA per resident per annum	\$11,582	\$65,356

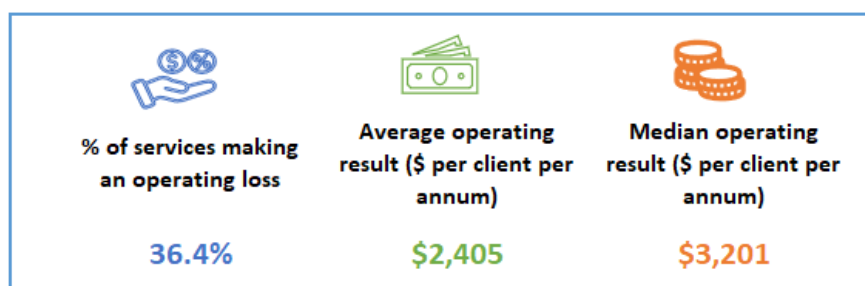
All figures in the *Table 4* are in \$ per occupied bed day (\$pbd). This is the common measure used to compare items across homes. The denominator used in this measure is the number of occupied bed days for any home or group of homes. Refer to glossary for further explanations and examples of occupied and vacant days.

The first column of data is the benchmark average (the average for all homes in the benchmark. The second column of data is the average of the *first quartile* (refer to glossary for definition).

Participants in the Benchmark can compare at an individual line-item level the differences between the Benchmark *average* and the top performers (the *first quartile*) to their own performance and in this way can identify opportunities for improvement.

In comparing the high-level revenue and expenses in *Table 4* we can see that the *first quartile* has higher daily living revenue, but lower daily living expenses and lower administration and support cost compared to the Benchmark average.

Daily Living Non-SIL Performance



Most services in Daily Living Non-SIL are making a small surplus as the average operating result is \$2,405 per client per annum and the median is \$3,201 per client per annum. 36.4% of services are making an operating loss.

Future Benchmarks will be able to compare results to prior periods. Summary KPIs for FY22 for the Benchmark Average and the average of the first 50% are shown in the following table.

Table 5: Summary Daily Living Non-SIL KPI Results

	ALL Services (11 Services)	First 50% (6 Services)
Summary KPI results		
Net result (\$ per client per annum)	\$9,980	\$13,689
Overheads (\$ per client per annum)	\$7,575	\$6,730
Operating result (\$ per client per annum)	\$2,405	\$6,960
NDIS revenue (\$ per client per annum)	\$43,162	\$58,894
Direct staff costs as % of operating revenue	75.5%	74.2%
Overheads as % operating revenue	17.7%	12.3%
Overheads as % direct costs	23.1%	16.4%
Workforce KPI results		
Avg base pay rate per hour - FLW	\$39.11	\$36.47
Avg base pay rate per hour - FLS	\$41.78	\$36.01
Ratio of front-line workers to supervisors	6.1	6.1
Ratio of clients to front-line workers	7.3	3.6
Utilisation rate of front-line staff	88.0%	88.8%
Workers compensation expense as % of staff costs	2.4%	1.9%

A summary P&L is shown in the *Table 6* on the following page. All figures in this table are in \$ per client (\$pc). This is the common measure used to compare items across the service type. The denominator used in this measure is the number of clients (both NDIS participants and fee-for-service clients) for any service. Refer to glossary for further explanations.

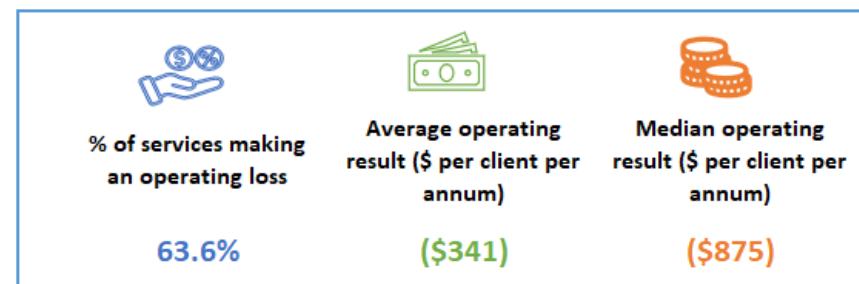
The first column of data is the Benchmark *average* (the average for all services in the benchmark. The second column of data is the average of the first 50% (refer to glossary for definition).

Participants in the Benchmark can compare at an individual line-item level the differences between the Benchmark *average* and the top performers (the first 50%) to their own performance and in this way can identify opportunities for improvement. In comparing the high-level revenue and expenses in *Table 6* the first 50% has NDIS revenue per client with associated higher direct costs, but the net margin result is better. They also have lower indirect costs resulting in a higher operating result compared to the Benchmark *average*.

Table 6: Summary Income & Expenditure Comparison (\$ per client)

	Survey	
	FY22 ALL Services (11 Services) \$ per client	FY22 First 50% (6 Services) \$ per client
Revenue		
NDIS revenue	40,862.66	52,786.07
Other client revenue	1,849.51	1,854.42
Total operating revenue	\$42,712.17	\$54,640.49
Direct costs		
Direct staff expense	32,253.49	40,546.02
Other direct expenses	478.62	405.12
Total direct costs	\$32,732.11	\$40,951.15
Net margin (operating revenue - direct costs)	\$9,980.06	\$13,689.35
Indirect costs (overheads)		
Corporate recharge	3,520.51	3,676.64
Administration & support staff costs	2,033.64	835.97
Workers compensation premium	836.26	796.23
All other administration & support expenses	1,123.95	1,364.92
Total depreciation	60.74	55.89
Total indirect costs	\$7,575.09	\$6,729.64
OPERATING RESULT	\$2,404.97	\$6,959.70
Operating result \$ per client per annum	\$2,405	\$6,960
Operating EBITDA \$ per client per annum	\$2,466	\$7,016

S&CP Performance



63.6% of services in S&CP are making an operating loss, the average operating result is a deficit of \$341 per client per annum and the median is a deficit of \$875 per client per annum.

Future Benchmarks will include comparison results to prior periods. Summary KPIs for FY22 for the Benchmark Average and the average of the first 50% are shown in the following table.

Table 7: Summary S&CP KPI Results

	ALL Services (22 Services)	First 50% (11 Services)
Summary KPI results		
Net result (\$ per client per annum)	\$7,176	\$8,011
Overheads (\$ per client per annum)	\$7,517	\$5,324
Operating result (\$ per client per annum)	(\$341)	\$2,688
NDIS revenue (\$ per client per annum)	\$24,160	\$21,946
Direct staff costs as % of operating revenue	67.8%	62.4%
Overheads as % operating revenue	28.7%	23.2%
Overheads as % direct costs	39.6%	35.6%
Workforce KPI results		
Avg base pay rate per hour - FLW	\$35.94	\$37.71
Avg base pay rate per hour - FLS	\$45.70	\$49.64
Ratio of front-line workers to supervisors	9.4	12.4
Ratio of clients to front-line workers	6.2	7.1
Utilisation rate of front-line staff	n/a	n/a
Workers compensation expense as % of staff costs	1.4%	1.8%

A summary Income and Expenditure is shown in the following table.

Table 8: Summary Income & Expenditure Comparison (\$ per client)

	Survey	
	FY22 ALL Services (22 Services) \$ per client	FY22 First 50% (11 Services) \$ per client
Revenue		
NDIS Revenue	24,080.51	21,876.12
Fees from private clients / fee for service	220.24	347.55
Other revenue	1,870.00	737.83
Total operating revenue	26,170.75	22,961.50
Direct costs		
Direct staff expense	17,733.25	14,332.62
Other direct expenses	1,261.27	617.39
Total direct costs	18,994.51	14,950.01
Net margin (operating revenue - direct costs)	\$7,176.24	\$8,011.49
Indirect costs (overheads)		
Corporate recharge	2,958.97	1,749.82
Administration & support staff costs	1,471.37	1,087.28
Workers compensation premium	265.80	279.77
All other administration & support expenses	2,225.35	1,579.32
Total depreciation	595.89	627.68
Total indirect costs	\$7,517.38	\$5,323.86
OPERATING RESULT	(\$341.14)	\$2,687.63
Operating result \$ per client per annum	(\$341)	\$2,688
Operating EBITDA \$ per client per annum	\$255	\$3,315

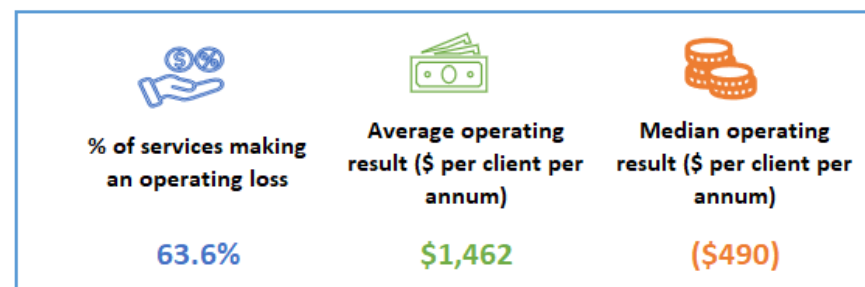
All figures in the *Table 8* are in \$ per client (\$pc). This is the common measure used to compare items across the service type. The denominator used in this measure is the number of clients (both NDIS participants and fee-for-service clients) for any service. Refer to glossary for further explanations.

The first column of data is the Benchmark *average* (the average for all services in the benchmark. The second column of data is the average of the first 50% (refer to glossary for definition).

Participants in the Benchmark can compare at an individual line-item level the differences between the Benchmark *average* and the top performers (the first 50%) to their own performance and in this way can identify opportunities for improvement. In comparing the high-level revenue and expenses the first 50% has lower operating revenue per client with associated lower direct costs but the net margin result is better. This cohort also have lower indirect costs resulting in a higher operating result compared to the Benchmark *average*.

Allied Health Performance

Despite the average operating result of \$1,462 per client per annum, 63.6% of services in Allied Health are making an operating loss. The median operating result is a deficit of \$490 per client per annum. These losses are driven by the low utilisation and high overheads.



Future Benchmarks will be able to compare results to prior periods. Summary KPIs for FY22 for the Benchmark Average and the average of the first quartile are shown in the *Table 9* on the following page.

Table 9: Summary Allied Health KPI Results

	ALL Services (11 Services)	First 50% (6 Services)
Summary KPI results		
Net result (\$ per client per annum)	\$4,865	\$10,597
Overheads (\$ per client per annum)	\$3,403	\$4,167
Operating result (\$ per client per annum)	\$1,462	\$6,430
NDIS revenue (\$ per client per annum)	\$7,346	\$7,773
Direct staff costs as % of operating revenue	54.0%	44.8%
Overheads as % operating revenue	31.1%	21.7%
Overheads as % direct costs	56.0%	48.4%
Workforce KPI results		
Avg base pay rate per hour - allied health FLW	51.29	48.49
Ratio of clients to allied health front-line workers	25.20	22.28
Utilisation rate of allied health front-line staff	36.2%	38.1%
Workers compensation expense as % of staff costs	0.6%	0.8%

A summary I&E is shown in *Table 10*. All figures in this table are in \$ per client (\$pc). This is the common measure used to compare items across the service type. The denominator used in this measure is the number of clients (both NDIS participants and fee-for-service clients) for any service. *Refer to Glossary for further explanations.*

The first column of data is the Benchmark *average* (the average for all services in the benchmark). The second column of data is the average of the first 50% (refer to glossary for definition).

Participants in the Benchmark can compare at an individual line-item level the differences between the Benchmark *average* and the top performers (the first 50%) to their own performance and in this way can identify opportunities for improvement. In comparing the high-level revenue and expenses in *Table 10* the first 50% has higher operating revenue per client with associated higher direct costs, but the net margin result is better. This cohort have higher indirect costs but still have a higher operating result compared to the Benchmark *average*.

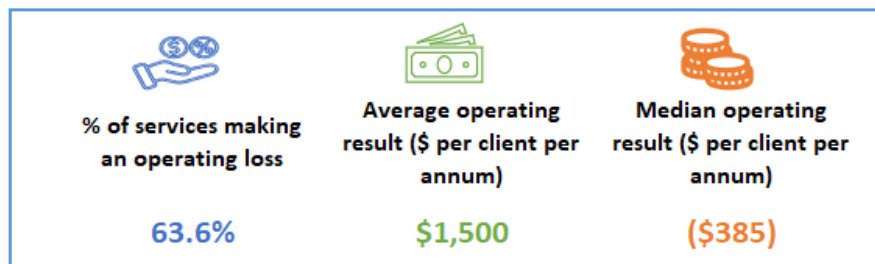
Table 10: Summary Income & Expenditure Comparison (\$ per client)

	Survey	
	FY22 ALL Services (11 Services) \$ per client	FY22 First 50% (6 Services) \$ per client
Revenue		
NDIS revenue	7,019.31	7,704.55
Fees from private clients / fee for service	3,502.54	11,167.73
Other non-NDIS revenue	421.36	333.68
Total operating revenue	10,943.21	19,205.97
Direct costs		
Total Allied Health Staff Costs	5,906.50	8,596.79
Other direct expenses	171.66	12.66
Total direct costs	6,078.16	8,609.45
Net margin (operating revenue - direct costs)	\$4,865.06	\$10,596.51
Indirect costs (overheads)		
Corporate recharge	771.53	2,075.49
Administration & support staff costs	1,461.76	1,216.77
Workers compensation premium	44.91	83.93
All other administration & support expenses	770.52	441.67
Total depreciation	354.40	348.73
Total indirect costs	\$3,403.13	\$4,166.60
OPERATING RESULT	\$1,461.93	\$6,429.91
Operating result \$ per client per annum	\$1,462	\$6,430
Operating EBITDA \$ per client per annum	\$1,816	\$6,779

Benchmark participants are able to examine KPI results by allied health profession. Current categories include - Occupational Therapist, Other Profession, Psychologist, Speech Pathologist, Therapy Assistant, Other allied health professional category A (higher pricing group) and other allied health professional category B (lower pricing group). Future Benchmark reports will separate out more professions. *Refer to Glossary for more details.*

Employment

The average operating result is a surplus of \$1,500 per client per annum. However, the majority (63.6%) of services in Employment are making an operating loss and the median is a deficit of \$385 per client per annum.



Future Benchmarks will compare results to prior periods. Summary KPIs for FY22 for the Benchmark Average and the average of the first 50% are shown in the following table.

Table 11: Summary Employment KPI Results

	ALL Services (22 Services)	First 50% (11 Services)
Summary KPI results		
Net result (\$ per client per annum)	\$6,820	\$8,112
Overheads (\$ per client per annum)	\$5,320	\$5,483
Operating result (\$ per client per annum)	\$1,500	\$2,628
NDIS revenue (\$ per client per annum)	\$18,124	\$19,563
Direct staff costs as % of operating revenue	52.5%	50.9%
Overheads as % operating revenue	24.4%	21.4%
Overheads as % direct costs	43.7%	39.2%
Workforce KPI results		
Avg base pay rate per hour - FLW	\$27.18	\$31.02
Avg base pay rate per hour - FLS	\$39.00	\$31.63
Ratio of clients to support staff & front-line worker	18.6	25.9
Ratio of front-line workers to supervisors	5.9	8.8
Utilisation rate of front-line staff	na	na
Workers compensation expense as % of staff costs	1.0%	0.9%

Table 12: Summary Employment Income & Expenditure Comparison (\$ per client)

	Survey	
	FY22 ALL Services (11 Services) \$ per client	FY22 First 50% (6 Services) \$ per client
Revenue		
Total funding	10,610.91	11,461.87
Business/ commercial services revenue	10,964.90	13,948.19
Other non-NDIS revenue	245.15	257.81
Total operating revenue	21,820.95	25,667.88
COST OF SALES		
Cost of goods sold	2,821.06	3,574.60
Gross profit	18,999.89	22,093.28
Direct costs		
Direct staff expense	11,461.04	13,063.98
Other direct expenses	718.81	917.46
Total direct costs	12,179.85	13,981.44
Net margin (operating revenue - direct costs)	\$6,820.04	\$8,111.84
Indirect costs (overheads)		
Corporate recharge	1,239.75	729.63
Administration & support staff costs	669.51	734.77
Workers compensation premium	124.73	131.46
All other administration & support expenses	2,343.47	2,798.52
Total depreciation	942.79	1,088.99
Total indirect costs	\$5,320.25	\$5,483.37
OPERATING RESULT	\$1,499.79	\$2,628.47
Operating Result per client per annum	\$1,500	\$2,628
Operating EBITDA per client per annum	\$2,443	\$3,717

All figures in *Table 12* are in \$ per client (\$pc). This is the common measure used to compare items across the service type. The denominator used in this measure is the number of clients (both NDIS participants and fee-for-service clients) for any service. Refer to glossary for further explanations.

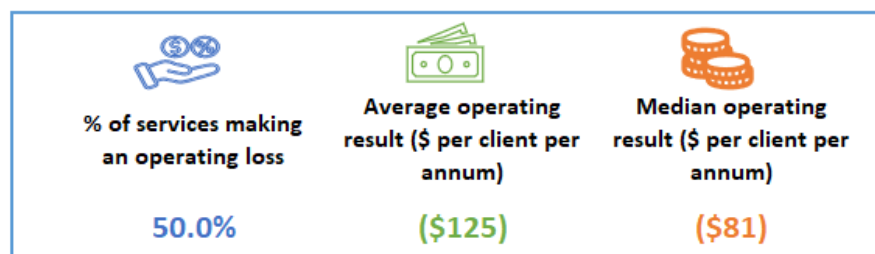
The first column of data is the Benchmark *average* (the average for all services in the benchmark). The second column of data is the average of the first 50%. Refer to Glossary for definition.

Participants in the Benchmark can compare at an individual line-item level the differences between the Benchmark *average* and the top performers (the first 50%) to their own performance and in this way can identify opportunities for improvement. Additionally for employment, participants are able to obtain metrics on supported employees.

However, at a high-level comparing the revenue and expenses in *Table 12* the first 50% has higher operating revenue per client with associated higher direct costs, but the net margin result is better. This cohort have slightly higher indirect costs but still have a higher operating result compared to the benchmark average.

Support Coordination

50% of services in Support Coordination are making an operating loss, the average operating result is a deficit of \$125 per client per annum and the median is a deficit of \$81 per client per annum. These losses are driven by the high % of direct staff costs as a % of total revenue and overheads as a % of total revenue.



Future Benchmarks will be able to compare results to prior periods. Summary KPIs for FY22 for the Benchmark Average and the average of the first 50% are shown in the following table.

Table 13: Summary Support Coordination KPI Results

	ALL Services (22 Services)	First 50% (11 Services)
Summary KPI results		
Net result (\$ per client per annum)	\$753	\$943
Overheads (\$ per client per annum)	\$878	\$567
Operating result (\$ per client per annum)	(\$125)	\$376
NDIS revenue (\$ per client per annum)	\$3,688	\$3,870
Direct staff costs as % of operating revenue	78.4%	75.4%
Overheads as % operating revenue	23.4%	14.1%
Overheads as % direct costs	29.2%	18.5%
Workforce KPI results		
Avg base pay rate per hour - FLW	\$38.97	\$38.39
Avg base pay rate per hour - FLS	\$45.38	\$45.96
Ratio of support coordinators to front-line supervisors	5.1	4.9
Ratio of clients to support coordinators	37.2	29.0
Utilisation rate of front-line staff	67.3%	67.1%
Workers compensation expense as % of staff costs	1.3%	1.5%

A summary Income & Expenditure is shown in *Table 14* on the following page. All figures in this table are in \$ per client (\$pc). This is the common measure used to compare items across the service type. The denominator used in this measure is the number of clients (both NDIS participants and fee-for-service clients) for any service. Refer to glossary for further explanations.

The first column of data is the Benchmark *average* (the average for all services in the benchmark). The second column of data is the average of the first 50%. Refer to Glossary for definition).

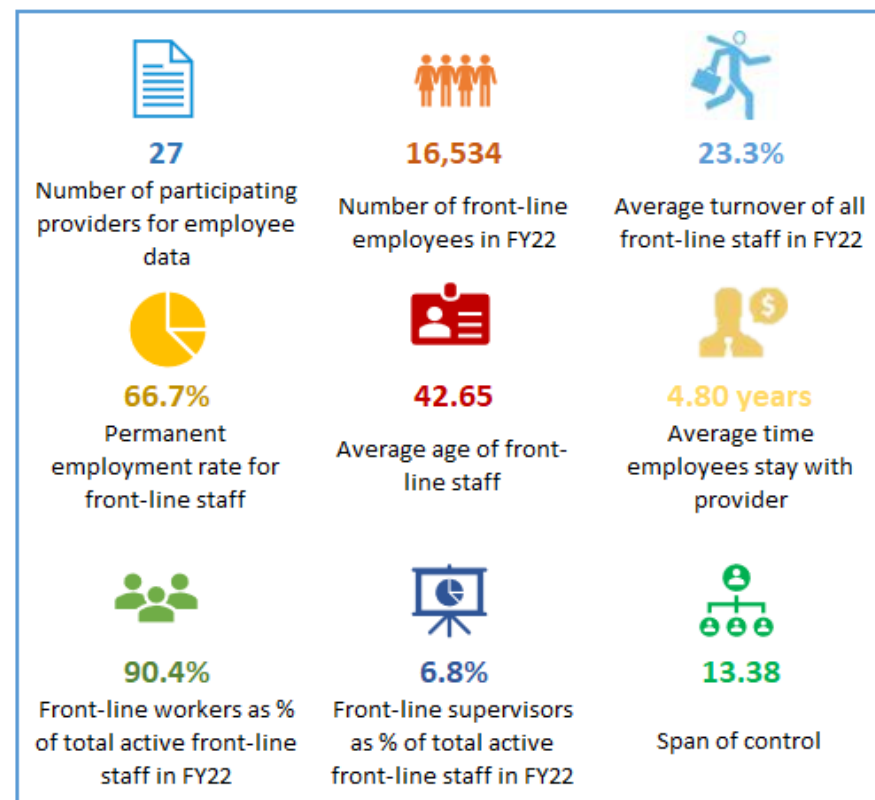
Table 14: Summary Income & Expenditure Comparison (\$ per client)

	Survey	
	FY22 ALL Services (11 Services) \$ per client	FY22 First 50% (6 Services) \$ per client
Revenue		
NDIS Revenue	3,687.64	3,869.88
Fees from private clients / fee for service	25.33	51.08
Other revenue	46.68	88.88
Total operating revenue	3,759.65	4,009.84
Direct costs		
Direct staff expense	2,949.00	3,023.53
Other direct expenses	57.83	43.46
Total direct costs	3,006.83	3,066.99
Net margin (operating revenue - direct costs)	\$752.81	\$942.85
Indirect costs (overheads)		
Corporate recharge	423.25	316.15
Administration & support staff costs	236.35	0.39
Workers compensation premium	41.82	47.03
All other administration & support expenses	163.35	185.32
Total depreciation	13.40	17.74
Total indirect costs	\$878.17	\$566.64
OPERATING RESULT	(\$125.36)	\$376.22
Operating result \$ per client per annum	(\$125)	\$376
Operating EBITDA \$ per client per annum	(\$112)	\$394

Participants in the Benchmark can compare at an individual line-item level the differences between the Benchmark *average*, the top performers (the first 50%) and their own performance and identify opportunities for improvement. In comparing the high-level revenue and expenses in Table 14 the first 50% has higher operating revenue per client but a similar level of direct costs resulting in a higher net margin result is better. This cohort also have lower indirect costs; therefore, the operating result is greater than the Benchmark *average*.

Employee Analysis

Snapshot of the Data



Overview

Front-line staff (employee) data was submitted by 27 disability services providers. There are several employees that work across both SIL and non-SIL. 54% of front-line staff worked in SIL during FY22 and 47% of front-line staff worked in non-SIL. There is no material difference in the average hourly base pay rate for front-line staff who worked in SIL vs front-line staff who worked in non-SIL.

The permanent employment rate for front-line staff in FY22 was 66.7% and reflects the service delivery model of the participating organisations.

Staff turnover was 23.3% with an average length of employment of 4.8 years.

Span of control averaged 13.38 front-line workers per front-line supervisors. Our analysis by service type further investigates how this differs across services.

Awards and EBAs

45% of the front-line staff are on SCHADS. Front-line workers (FLWs) on SCHADS had an average base pay of \$32.76 per hour. Front-line supervisors (FLSs) on SCHADS had an average base hourly rate of \$38.97.

37.3% of the front-line staff are paid according to an enterprise bargaining agreement (EBA). The average base hourly rate for FLW on an EBA was \$32.75. The average base hourly rate for FLS on a EBA for \$38.14.

17.9% of the front-line staff have been allocated to the category “other”. This means that the data was not provided, unknown or unclear. The average base hourly rate for the FLWs for the category other was \$33.21 and for FLSs was \$50.13.

The Disability Support Worker Cost model 2021-22 had different sets of cost assumptions for four types of workers (DSW Level A, DSW Level B, DSW Level C and DSW Level D). The Benchmark collected the base hourly rate for front-line workers and front-line supervisors and typically the average base hourly rate for these employees is higher than that in the DSW Cost Model.

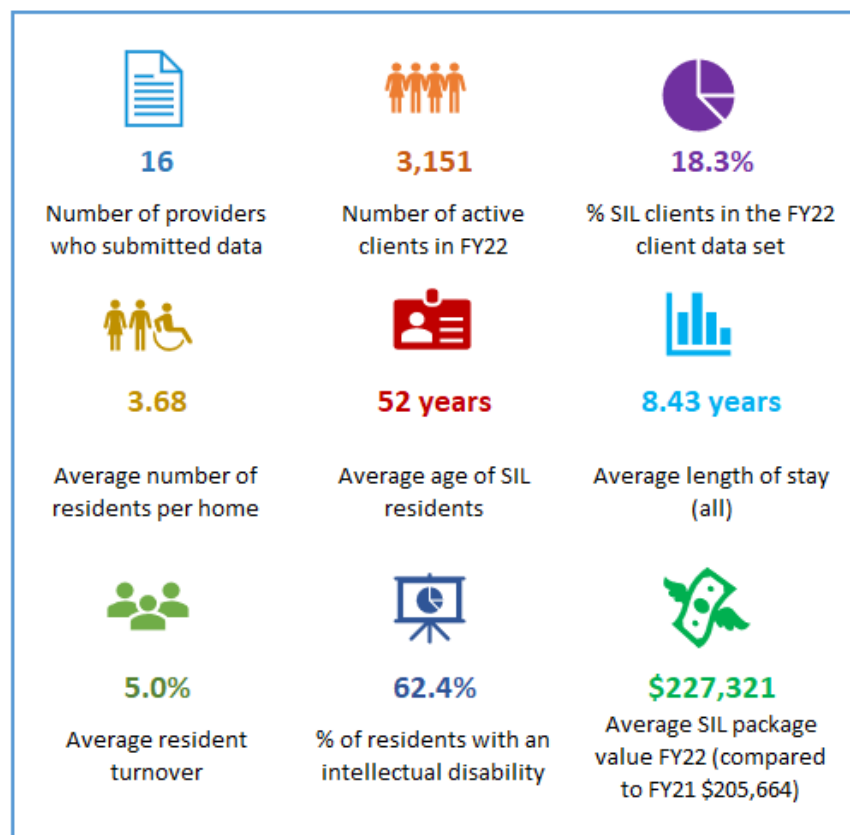
Table 15: Average base hourly rates as per DSW Cost Model 2021-22 and as per the StewartBrown Benchmark sorted from lowest to highest.

	Award Hourly Rate
DSW Level A (SCHADS 2.3)	\$30.94
DSW Level B (SCHADS 2.4/3.1)	\$32.16
Benchmark EBA FLW average	\$32.75
Benchmark SCHADS FLW average	\$32.76
Benchmark FLW average	\$32.92
Benchmark ‘Other’ FLW average	\$33.21
DSW Level C (SCHADS 3.2)	\$33.48
Benchmark EBA FLS average	\$38.14
Benchmark SCHADS FLS average	\$38.97
DSW Level D (SCHADS 4.4)	\$40.39
Benchmark FLS average	\$44.94
Benchmark ‘Other’ FLS average	\$50.13

Overall, the FLWs in the StewartBrown data set are paid at a higher rate than DSW Level B in the Cost Model and the FLS are paid at a higher rate than the DSW Level C in the Cost Model.

Client Analysis

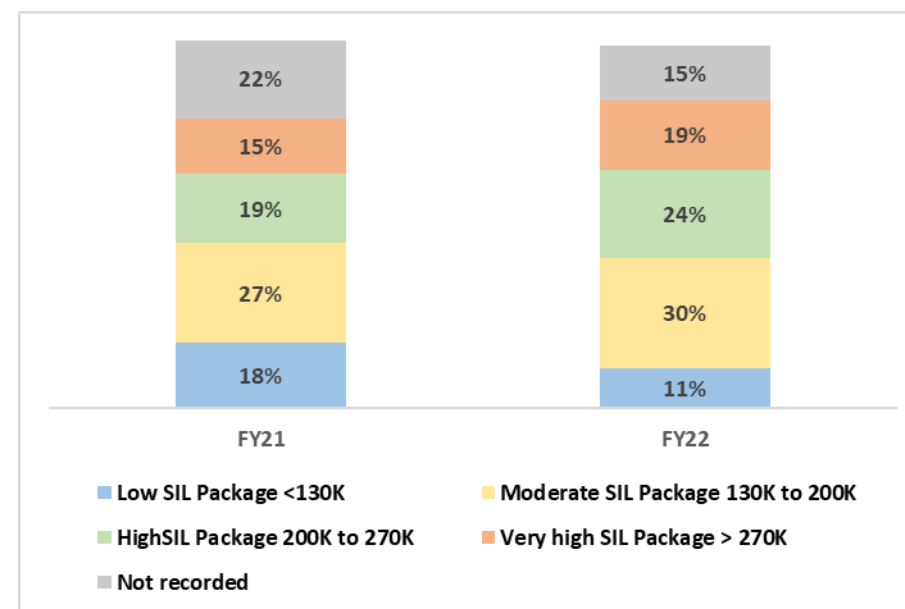
SIL Client Analysis



The average SIL package value for FY22 was \$227,321 an increase from the FY21 average SIL package value of \$205,664. The median SIL package value was slightly lower in both years - \$201,367 in FY22 and \$184,527 in FY21.

The distribution of SIL package values for FY22 and FY21 is shown in the following figure. The percentage of low SIL package values has decreased in FY22 but similarly so has the percentage of very high SIL package values.

Figure 12: Distribution of SIL package values for FY22 and FY21

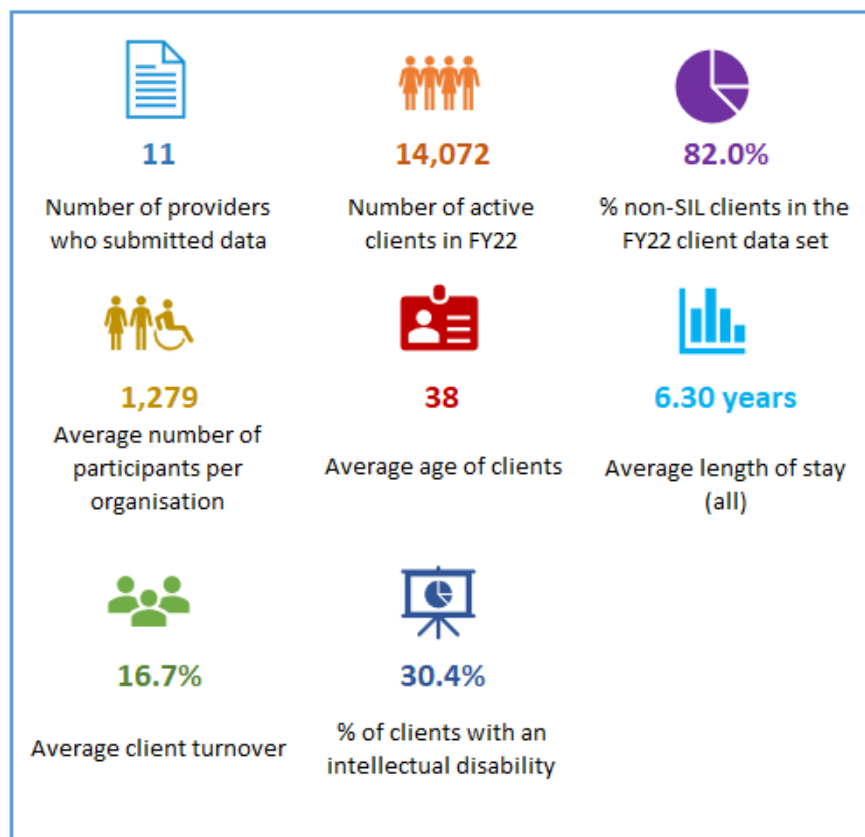


Non-SIL Client Analysis

The majority of clients in the data set were non-SIL clients (82.0%) which is to be expected. For comparison using the NDIS statistics for FY22, the percentage of non-SIL participants over total participants in FY22 was 95.0%.

Average client turnover was 16.7% which is higher than that in SIL at 5.0%, which is again to be expected as it is easier for these clients to change providers than for SIL clients.




























Non-SIL clients had a greater range of disability types than SIL clients with 30.4% with an intellectual disability compared to 62.4% in SIL.










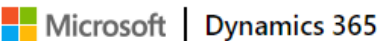







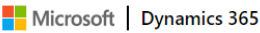














































3. SOFTWARE & SYSTEMS

The participating Benchmark providers completed a Software Survey which examined the use of software across the organisation's disability services. From the 50 providers a list was collated of the most common systems used in disability providers. They have been grouped by function (finance, payroll, rostering, client management, billing, scheduling, client statements, claiming and other) and by revenue size (large, medium, small). A large organisation is one with more than \$60m in operating revenue per annum; medium organisations have between \$10m and \$60m in operating revenue per annum and small organisations have an operating revenue of less than \$10m per annum. We will release a separate report with more information and detailed analysis shortly. There is a large range of systems as shown in the following table.

Table 16: Table of most common systems used in disability services providers grouped by function and organisation size (operating revenue)

Survey Data	Revenue > \$60m (12 organisations)	Revenue between \$10m and \$60m (25 Organisations)	Revenue Under \$10m (16 Organisations)
Finance	  	  	 
Payroll	   	   	   
Rostering	 	  	 

Survey Data	Revenue > \$60m (12 organisations)	Revenue between \$10m and \$60m (25 Organisations)	Revenue Under \$10m (16 Organisations)
Client Management	<p>Range of responses - no clear highest frequency</p> <p>List includes:</p> <ul style="list-style-type: none"> Mircosoft Dynamics Alayacare Sugar CRM Carelink CTARS Lumary Salesforce Telstra Health KPMG Customer Care 	    	  
Billing	 	   	  
Scheduling	   	  	  

Survey Data	Revenue > \$60m (12 organisations)	Revenue between \$10m and \$60m (25 Organisations)	Revenue Under \$10m (16 Organisations)
Client Statements	 	  	  
Claiming	 	    	   
Other functions	   	    	      

4. GLOSSARY

Accommodation Result

Accommodation Result is the net result of accommodation revenue (SDA revenue and Board and lodgings / rent income) and expenses related to capital items such as depreciation, property rental and refurbishment costs.

ACNC

The Australian Charities and Not-for-profits Commission (ACNC) is the national regulator of charities. The ACNC was established in December 2012 to achieve the following objects: maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector; support and sustain a robust, vibrant, independent and innovative not-for-profit sector; promote the reduction of unnecessary regulatory obligations on the sector.

Administration Costs

Administration Costs includes the direct costs related to administration and support services and excludes the allocation of workers compensation.

Allied health

This is one of the service types benchmarked. Allied health refers to services provided to NDIS participants that receive capacity building daily activities supports (therapy supports). It also includes fee-for-service NDIS and non-NDIS clients receiving services from allied health professionals.

Averages

For SIL & SDA 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 homes in the group. For example, the average for NDIS SIL supports across all homes would be the total amount submitted for that line item divided by the total occupied bed days for all homes in the Benchmark.

For other non-SIL disability services 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 clients for the services in the group. For example, the average for sub-contracted staff costs across all services would be the total amount submitted for that line item divided by the total clients for all services in the Benchmark.

Average by line item

This measure is averaged across only those homes/services that provide data for that line item. All other measures are averaged across all the homes in the particular group. The average by line item is particularly useful for line items such as Fees from private clients / fee for service, allied health by each professional category as these items are not included by everyone.

Bed Day

The number of days that a bedroom in a SIL/SDA home is occupied in the Benchmark period.

Benchmark

Benchmark is the abbreviation used in relation to the StewartBrown Disability Services Financial Performance Benchmark

Billable hours

Hours worked by employees that were billed – this includes face to face supports and billable non-face to face supports as well as billable travel time (ie chargeable hours). Where one hour is spent delivering supports to more than 1 client (eg at a 1 to 3 ratio), the billable time is 1 hour (the total service hours is 3 hours).

Cash and financial assets as percentage of debt

Cash and financial assets as a percentage of debt (current and non-current borrowings). This is calculated from the balance sheet of the organisation.

Clients

Refers to all NDIS participants and non-NDIS disability clients receiving disability services. SIL clients may sometimes be referred to as residents.

Corporate overheads

See 'Overheads'.

Corporate overheads as % of direct costs

See 'Overheads as % of direct costs'.

Corporate overheads as % of operating revenue

See 'Overheads as % of operating revenue'.

Daily Living Non-SIL

This is one of the service types benchmarked. Daily Living Non-SIL encompasses those NDIS participants not in SIL receiving core daily activities supports; NDIS participants receiving core - consumables and transport supports; NDIS participants receiving capital supports - assistive technology and home modifications (excluding SDA) plus any fee-for-service clients.

Direct costs

Direct costs are expenses that are directly linked to the provision of services. Direct costs include direct staff (see 'direct staff') costs and other direct expenses such as direct consumables, program expenses, client and transport expenses. They are the opposite of indirect costs. See 'indirect costs'.

Direct staff

Employees within an organisation that are directly involved in the delivery of services. This includes front-line workers and front-line supervisors, as well as agency and sub-contracted service staff. See 'front-line workers' and 'front-line supervisors'.

Direct staff costs as % of operating revenue

Direct staff (see 'direct staff') costs as percentage of operating revenue (see 'operating revenue').

Dollars per bed day

This is the common measure used to compare items across SIL & SDA homes (homes). The denominator used in this measure is the number of occupied bed days for any home or group of homes.

Dollars per client

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

Dollars per client per annum

Dollars per client per annum is a financial metric that quantifies the average amount of money an organisation generates from or spends on each of its clients over the course of a year. Dollars per Client per Annum = Revenue (or expenses) / total number of clients/ days in the reporting period * days in the year

Dollars per resident per annum

Dollars per resident per annum is a financial metric that quantifies the average amount of money an organisation generates from or spends on each of its SIL&SDA resident over the course of a year. Dollars per resident per Annum = Revenue (or expenses) / total number of residents/ days in the reporting period * days in the year.

DSW

Disability Support Worker

EBA

Enterprise Bargaining Agreement

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 services level. To ensure that the measure is consistent across all organisations we exclude these revenue and expense items.

EBITDA per resident (or client) per annum

Calculation of the overall home/ service EBITDA for the financial year to date divided by the number of clients in the home/ service respectively.

Employment

This is one of the service types benchmarked. This includes Supported Employment, Transition Programs and Open Employment services. See also 'Supported Employment'.

First 50%

The first 50% refers to the first quartile and second quartile combined. See 'First Quartile'.

First Quartile

The homes/services results are distributed for the Benchmark period from highest to lowest by operating 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/services with the highest operating result.

FLS

See 'front-line supervisor'.

FLW

See 'front-line worker'.

Front-line staff

Front-line staff include both front-line workers and front-line supervisors. See 'front-line workers' and 'front-line supervisors'.

Front-line supervisor

Front-line supervisors will typically be team leaders, direct managers or supervisors of front-line workers.

Front-line worker

Typically, disability services front-line workers will be Disability Support Workers (DSW), nurses or allied health that directly service NDIS participants and non-NDIS clients.

Indirect costs

Indirect costs are expenses that are not directly related to the provision of services. They include indirect staff (see 'indirect staff') costs, utilities, rent, depreciation and other administration & support costs.

Indirect staff

Employees within an organisation who are not directly involved in the production or provision of goods and services, but who perform essential tasks that support the overall operations of the business. Indirect staff roles include administrative assistants, human resources personnel, finance and accountings staff, IT support staff, marketing and sales teams etc.

Median

The median is the middle value of a sorted list of numbers. To find the median, place the numbers in value order and find the middle number. Statistically, the median is the 50th percentile. This is different from the first 50%. See 'First 50%'.

Months of spending

Months of spending (current assets - current liabilities)/ (total expenses - depreciation) *12 establishes the number of months of cash available to cover expenditure. This may indicate a reliance on timely receipt of payments.

NDIA

National Disability Insurance Agency (the Agency)

NDIS

National Disability Insurance Scheme (the Scheme)

NDIS participant

A person who meets the NDIS access requirements.

NDIS revenue

NDIS revenue refers to an amount paid under the NDIS in respect of reasonable and necessary supports funded under a NDIS participant's NDIS plan and received by the disability services provider upon delivery of such supports.

NDIA revenue concentration

NDIS revenue as a percentage of operating revenue

Net Margin Result

Net margin result is calculated as total operating revenue (see 'Operating revenue') less direct costs (see 'direct costs') and represents the net result from revenue and expenses directly associated with care services.

Non-recurrent revenue and expenses

Non-recurrent revenue and expenses not considered part of the core ongoing activities of the business. This includes but is not limited to donations, bequests and fundraising, grants received for capital purposes, fair value gains/ losses on financial assets and other assets, impairment, gains/losses on disability of assets, COVID-19 revenue and expenses.

Occupied bed days

See 'bed days',

Operating EBITDA

This is EBITDA (see 'EBITDA') excluding all non-recurrent revenue and expenses (see 'non-recurrent revenue and expenses').

Operating EBITDA return on assets

Operating EBITDA return on assets measures the profitability and efficiency of an organisation's operations relative to its total assets. Operating EBITDA Return on Assets = (Operating EBITDA / Average total assets for current and prior year). See also 'Operating EBITDA'.

Operating margin

Operating margin is operating result as a percentage of operating revenue. See 'operating result' and 'operating revenue'.

Operating result

Total operating revenue subtracting the operating expenses.

Operating result return on assets

Operating result return on assets = (Operating result / Average total assets for current and prior year). See also 'operating result'.

Operating revenue

The revenue a company generates from its primary business activities. Operating revenue excludes other types of revenue that are not directly tied to the company's core operations, such as trust distributions, donations and bequests, interest earned on bearing investments and other non-recurrent revenue. See 'non-recurrent revenue and expenses'.

Other allied health professional category A

Allied health professions were determined by the NDIA 2021-22 pricing model and then grouped into similar categories where the number of data points was less than 5. Category A includes Art Therapist, Audiologist, Developmental Educator, Dietician, Early Childhood Professional, Music Therapist, Optometrist and Orthoptist, Physiotherapist, osteopath and chiropractor, Podiatrist, Rehabilitation Counsellor and Social Worker.

Other allied health professional category B

Allied health professions were determined by the NDIA 2021-22 pricing model and then grouped into similar categories where the number of data points was less than 5. Include Counsellor, Exercise Physiologist, Clinical Nurse, Clinical Nurse Consultant, Nurse Practitioner, Registered Nurse and Enrolled Nurse.

Overheads

Overheads in this report refers to corporate overheads. The corporate overhead reflects both the directly attributable administration costs to a service as well as a corporate recharge. The directly attributable administration costs may include administration staff costs, education & quality control expense, workers compensation and general insurances, rent and property outgoings, utilities, interest expenses, technology expenses, motor vehicle expenses amongst others. The corporate recharge depends on the structure and methodology of each participating organisation and include some or all of the aforementioned costs.

Overheads as % of direct costs

Overheads (see 'Overheads') as a percentage of direct costs (see 'direct costs').

Overheads as % of operating revenue

Overheads (see 'Overheads') as a percentage of operating revenue (see 'Operating revenue').

Provider

An organisation who has products or services to help participants pursue the goals in their plan. Participants can choose their providers and change providers at any time, this is also known as choice and control.

Registered provider

A disability support provider that has met the NDIS requirements for qualifications, approvals, experience, capacity and quality standards to provide a product or service. See 'Provider'.

Resident

NDIS participants (clients) and non-NDIS clients residing in the SIL & SDA homes.

S&CP

Social and community participation is one of the service types benchmarked. It includes NDIS participants receiving core social participation support at individual and group level and any non-NDIS clients receiving similar services.

SCHADS Award

Social, Community, Home Care and Disability Services Award

SDA

Specialist disability accommodation is a range of housing designed for people with extreme functional impairment or very high support needs.

Sector

The organisations and companies providing disability support services and the peak bodies that represent them.

SIL

Supported independent living is one type of support to help you live in your home. It includes help or supervision with daily tasks, like personal care or cooking meals. It helps you live as independently as possible, while building your skills. Supported independent living is for people with higher support needs, who need some level of help at home all the time.

SIL & SDA homes

Individual discrete premises that the disability provider uses to the delivery of SIL and SIL-like services to NDIS participants. May sometimes be referred to as a 'site'. Providers may receive only SIL revenue or a combination of SIL and SDA revenue. Detailed reports by these data characteristics are available to Benchmark participants.

Span of control

Refers to the ratio of front-line workers to front-line supervisors.

Supports

Refers to NDIS supports. Supports are things to help a person undertake daily life activities and enable them to participate in the community and pursue their goals. NDIS provides or funds these supports to help a person's disability support needs. They make take the form of services, items and/or equipment.

Support Coordination

This is one of the service types benchmarked and refers to the services provided to NDIS participants receiving support coordination supports.

Supported Employment

Supported employment services means services to support the paid employment of people with disabilities. They support people: for whom competitive employment (at or above the relevant award wage) is unlikely; and who, because of their disabilities, need substantial ongoing support to obtain or keep paid employment. This definition is part of the Disability Services Act 1986 s.7

Total staff costs as % of operating revenue

Total staff costs include direct staff costs and indirect staff costs as a percentage of operating revenue. See also 'direct staff', 'indirect staff' and 'operating revenue'.

Utilisation

The percentage of time an employee spends on billable tasks compared to their total available hours for service delivery (ie worked hours excluding other hours such as training and forms of leave). $\text{Utilisation Rate} = \frac{\text{billable hours}}{(\text{normal hours} + \text{overtime hours} + \text{agency hours} + \text{contracted hours})}$

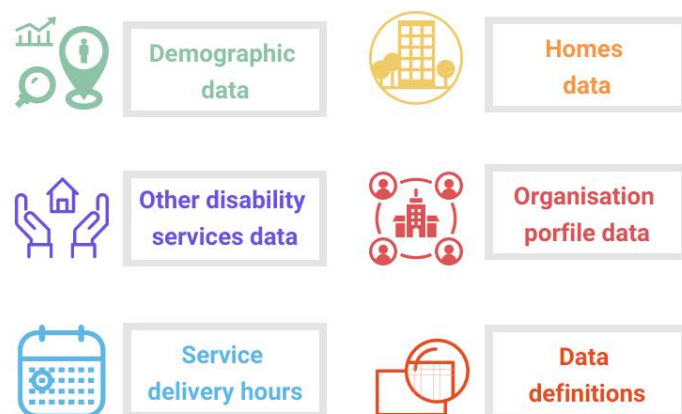
Vacancy rate

Average vacancy rate is the number of vacant days in the period divided by the number of available days in the period. Number of vacant days are sum of all vacant days (days the bedroom has no resident) for all resident bedrooms in the home during the period. Number of available days are sum of all available days (days the bedroom is available for potential residents) for all resident bedrooms in the home during the period.

Workers' compensation as % staff costs

The proportion of an organisation's workers' compensation expenses in relation to its total staff costs (include labour costs, agency & contracted staff costs and fees, workers compensation premium, payroll tax and fringe benefits tax).

Data Collection Process



Each tab (spreadsheet) requires an extensive level of input

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

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

The Data Definitions are important - these must be strictly adhered to as it ensures accurate comparability

Data Cleansing Process



All data fields are entered



All outliers are then referred back to providers



All results outside the range that have abnormal results are excluded



Missing data is requested from the participants



The data tables are then uploaded to the software



Each participant receives their individual reports



The \$ dollar data fields are converted in \$ per bed day and \$ per client



The software program performs a further cleansing process



One week allows any participant to advise of any potential omission



The results are compared to the previous 4 quarters



Any further outliers are referred back to the participant(s)



The Sector and Participants reports are then prepared

StewartBrown Contact Details

For further analysis of the information contained in the Benchmark report please contact our specialist analyst team



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