



Australian Government

Department of Health and Aged Care

# Aged Care Financial Reporting

Webinar

10 September 2024



---

**Eleanor Browne**

Assistant Secretary

Market Intelligence Branch



# Financial reporting key dates

- ACFR 2023-24: Due 31 October
- QFR Quarter 1 2024-25: Due 4 November
- QFS Quarter 3 2023-24: To be published mid-late September
- Update of finance information on My Aged Care: September-October

# Agenda

- 1. Key themes from the Quarterly Financial Snapshot (Jodette Kotz)**
- 2. Aged Care Financial Report (Jarrod Bowd)**
- 3. Quarterly Financial Report (Jarrod Bowd, Aden Pulford and Ransome McLean)**

# Quarterly Financial Snapshot insights

---

**Jodette Kotz**

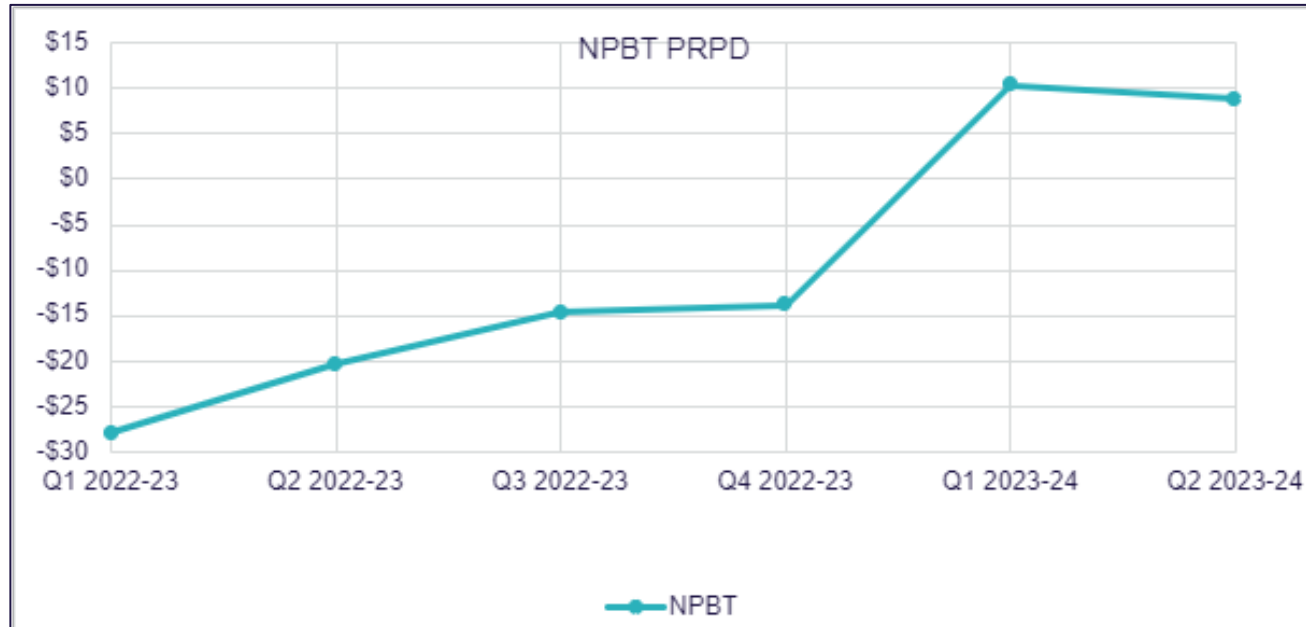
Director

Financial and Prudential Reform Section



# Residential aged care financial results

Net profit before tax (NPBT)  
(Q1 2022-23 to Q2 2023-24)



Profitable providers  
(Q2 2023-24)



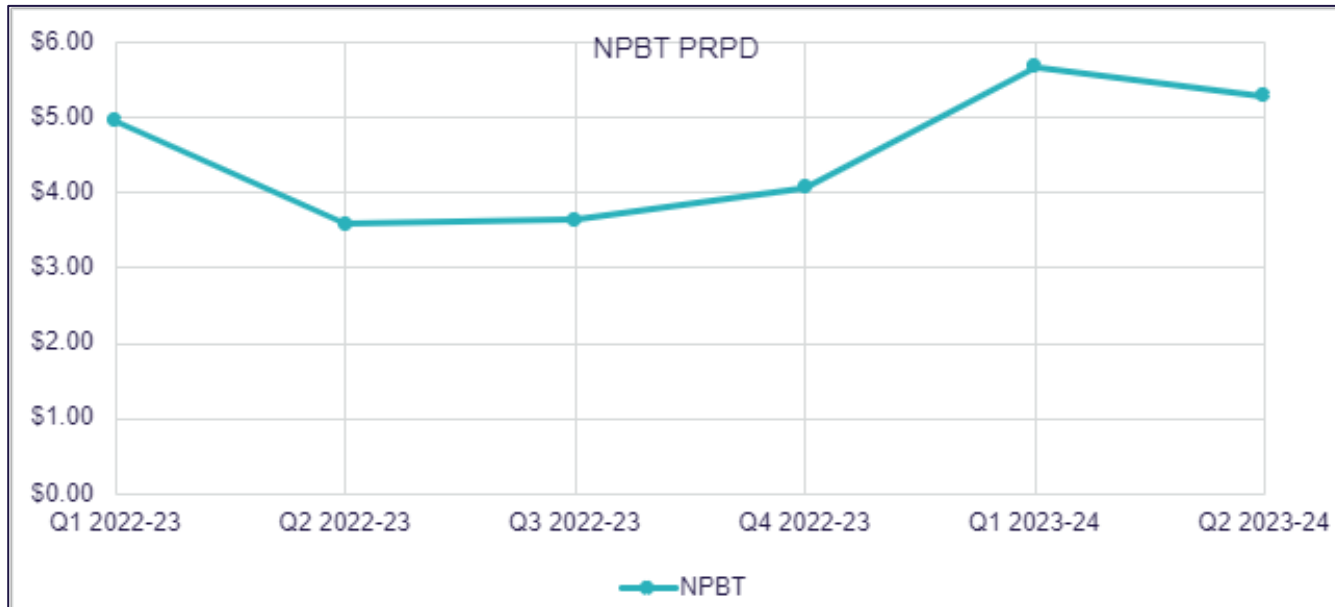
**64.6%** of providers were profitable (positive NPBT)



**59.3%** of residents were serviced by profitable providers

# Home care financial results

Net profit before tax (NPBT)  
(Q1 2022-23 to Q2 2023-24)



Profitable providers  
(Q2 2023-24)



**75.9%** of providers were profitable (positive NPBT)



**81.3%** of care recipients were serviced by profitable providers

# Focus area: Food and nutrition in residential care

Median total cost of food and ingredients  
(per resident per day) (Q1 2022-23 to Q2 2023-24)



Fresh food and ingredients  
(Q2 2023-24)



**83.1%** average proportion of the total food and ingredients costs spent on fresh food and ingredients



# QFS data extracts



Australian Government  
Department of Health and Aged Care

## Consolidated Quarterly Financial Snapshot Residential care

### Financial summary

Table 1: Summary of financial performance

Revenue
Expenses
Net profit before tax (NPBT)
NPBT Margin
EBITDA

Table 2: Summary of financial performance

Revenue
Expenses
Net profit before tax (NPBT)
NPBT Margin
EBITDA

## Consolidated Quarterly Financial Snapshot Home care

### Financial summary

Table 1: Summary of financial performance for-profit and not-for-profit providers (total, year-to-date)

	FY2022-23				FY2023-24		
	Q1 2022-23	Q2 2022-23	Q3 2022-23	Q4 2022-23	Q1 2023-24	Q2 2023-24	Q3 2023-24
Revenue	\$ 1,285.1m	\$ 2,641.9m	\$ 4,006.2m	\$ 5,508.3m	\$ 1,664.3m	\$ 3,275.4m	\$ 5,017.6m
Expenses	\$ 1,192.7m	\$ 2,503.4m	\$ 3,792.1m	\$ 5,187.9m	\$ 1,535.2m	\$ 3,035.5m	\$ 4,613.3m
Net profit before tax (NPBT)	\$ 92.4m	\$ 138.5m	\$ 214.1m	\$ 320.4m	\$ 129.2m	\$ 239.9m	\$ 404.3m
NPBT Margin	7.2%	5.2%	5.3%	5.8%	7.8%	7.3%	8.1%
EBITDA	\$ 103.7m	\$ 158.8m	\$ 244.6m	\$ 361.4m	\$ 139.6m	\$ 259.7m	\$ 427.6m

Table 2: Summary of financial performance for-profit and not-for-profit providers (per resident per day, year-to-date)

	FY2022-23				FY2023-24		
	Q1 2022-23	Q2 2022-23	Q3 2022-23	Q4 2022-23	Q1 2023-24	Q2 2023-24	Q3 2023-24
Revenue	\$ 69.05	\$ 68.48	\$ 68.24	\$ 69.98	\$ 73.15	\$ 72.29	\$ 72.54
Expenses	\$ 64.08	\$ 64.90	\$ 64.59	\$ 65.91	\$ 67.47	\$ 66.99	\$ 66.69
Net profit before tax (NPBT)	\$ 4.96	\$ 3.59	\$ 3.65	\$ 4.07	\$ 5.68	\$ 5.29	\$ 5.84
NPBT Margin	7.2%	5.2%	5.3%	5.8%	7.8%	7.3%	8.1%
EBITDA	\$ 5.57	\$ 4.12	\$ 4.17	\$ 4.59	\$ 6.14	\$ 5.73	\$ 6.18

# Aged Care Financial Report

---

**Jarrold Bowd**

Director

Financial Reporting and Analysis Section



# Overview

---

- Portal opened for submissions on 9 Aug 2024 and closes **31 Oct 2024**.
- ACFR to be submitted on Forms Administration Portal as opposed to GPMS. Email [FormsAdministration@health.gov.au](mailto:FormsAdministration@health.gov.au) for assistance.
- Data relied upon by the Independent Health and Aged Care Pricing Authority for the Pricing Framework for Residential Aged Care Services.
- Increased data assurance to assist providers communicate accurate results on My Aged Care. Prevents misleading data compromising fair comparisons.

# Publication of information on My Aged Care

## Home Care

Expenses, Income, and Surplus/Deficit is **updated annually** from **ACFR** data

### How much did this provider spend on care and services?

This section shows how much this aged care provider spends on your care and other services. It also explains other expenses related to running their business. Knowing how much a provider spends can help you understand how they prioritise care and services.



**\$5,642,716.00**

Total expenditure 2022/2023

### Where does this provider get its income from?

Home care providers get income by charging for services to support your care. Understanding the different ways a provider earns income can help you decide if they are the right provider for you.



**\$5,859,622.00**

Total income 2022/2023

### By how much was the provider's budget in surplus or deficit last financial year?

The provider's financial performance for the last financial year gives you an insight into how they operate - showing how much they spent above or below their income.

**+\$216,906.00**

Surplus

**4%**

% of total income

# Publication of information on My Aged Care

## Residential Care

Expenses, Income, and Surplus/Deficit is **updated annually** from **ACFR** data

### How much did this provider spend on care and services?

Every business makes decisions about how much it spends on different things. You can use the chart below to see what this provider prioritised last year.



**\$315.19**

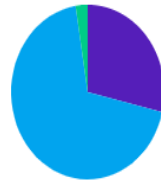
Total expenditure (per resident per day)

**\$344.07**

Sector average

### Where does this provider get its income from?

The income a provider generates is mostly made up of Australian Government funding and resident contributions. You can find further information on the different income sources below.



**\$314.97**

Total income (per resident per day)

**\$332.81**

Sector average

### By how much was the budget in surplus or deficit last financial year?

The financial performance for the last financial year gives you an insight into how they operate financially - showing how much they spent above or below their income.

**-\$0.22**

Per resident per day deficit

**-\$10.90**

Sector average ?

# Data Assurance – Home Care

- Allocate income and expenses accurately in the Home Care Package Income and Expenditure Statement tab.
- High number of providers in 2022-23 reported 100% of their income against care (either direct care or sub-contracted services). Some providers reported less than 5% of their income against care.
- Some providers don't report income and expenditure against care management or package management despite publishing on My Aged Care the fortnightly rates they charge their care recipients for those services.

Home Care Package (HCP) Income & Expenditure Statement 2023-24

	Total Home Care	Centrally Held	Aged Care Planning Region 1	Aged Care Planning Region 2
<b>Income</b>				
◦ Direct Care Services	\$0.00		\$0.00	\$0.00
- Domestic	\$0.00		\$0.00	\$0.00
- Nursing	\$0.00		\$0.00	\$0.00
- Allied Health	\$0.00		\$0.00	\$0.00
- Other	\$0.00		\$0.00	\$0.00
◦ Sub-contracted Services	\$0.00		\$0.00	\$0.00
- Domestic	\$0.00		\$0.00	\$0.00
- Nursing	\$0.00		\$0.00	\$0.00
- Allied Health	\$0.00		\$0.00	\$0.00
- Other	\$0.00		\$0.00	\$0.00
◦ Care Management Service Fees	\$0.00		\$0.00	\$0.00
◦ Package Management Service Fees	\$0.00		\$0.00	\$0.00
◦ Handling fee	\$0.00		\$0.00	\$0.00
◦ COVID-19 Funding	\$0.00		\$0.00	\$0.00
◦ Other Income	\$0.00		\$0.00	\$0.00
<b>Total Income:</b>	<b>\$0.00</b>		<b>\$0.00</b>	<b>\$0.00</b>

# Administration Reporting – Residential care

## Allocation Categories

Administration expenses need to be attributed to the following categories.



### Care

Costs associated with administration of direct care, resident expenses, and consumables.



### Hotel

Costs associated with administration of catering, cleaning, and laundry services.



### Accommodation

Costs associated with administration of building occupation, maintenance, and interest.



### COVID-19

Costs associated with the prevention and management of COVID-19 Outbreaks.

# Administration Reporting

Below is an **example of how insurance expenditure could be allocated** based on its underlying drivers. For illustrative purposes, each insurance item is \$100 with employee expenses reflecting 60% care, 25% hotel and 15% accommodation.

**Step 1:** For each admin subcategory, determine the underlying expenses. Example for Insurance below.

**Step 2:** Determine an appropriate allocation method for each underlying expense based on the allocation definitions

	Care	Hotel	Accom	COVID-19	Total	Potential Allocation Method
Professional Indemnity	\$60	\$25	\$15	-	\$100	% of Employee Expenses
Volunteers	\$100	-	-	-	\$100	100% to Care
Public liability	\$60	\$25	\$15	-	\$100	% of Employee Expenses
Rental properties	-	-	\$100	-	\$100	100% to Accom
Building and contents	-	-	\$100	-	\$100	100% to Accom
Motor vehicles	-	\$100	-	-	\$100	100% to Hotel
<b>Total Insurance Allocation</b>	<b>\$220</b>	<b>\$150</b>	<b>\$230</b>	<b>\$0</b>	<b>\$600</b>	

**Step 3:** Determine the total expenditure allocated to care, hotel, accommodation and COVID-19 for each subcategory



# Administration Reporting

The administration **expense for each subcategory needs to be consolidated** to determine the overall admin allocation.

**Step 4:** Consolidate the expenses and distribution for each subcategory. An illustrative example for insurance was provided on the previous page.

	Care	Hotel	Accom	COVID-19	Total
Corporate recharge	\$500	\$300	\$100		\$900
Employee and Agency labour costs	\$600	\$250		\$100	\$950
WorkCover premium	\$60	\$25	\$15		\$100
Payroll tax	\$60	\$25	\$15		\$100
Fringe benefits tax	\$100				\$100
Quality, compliance and training external costs	\$200			\$20	\$220
<b>Insurances</b>	\$220	\$150	\$230		\$600
Other administration costs	\$100	\$200	\$300	\$50	\$650
<b>Total Admin Expenditure</b>	<b>\$1,840</b>	<b>\$950</b>	<b>\$660</b>	<b>\$170</b>	<b>\$3,620</b>
<b>Total Admin Allocation</b>	<b>51% (\$1,840 / \$3,620)</b>	<b>26%</b>	<b>18%</b>	<b>5%</b>	<b>100%</b>

**Step 5:** Calculate the total admin expenditure for care, hotel, accommodation and COVID-19.

**Step 6:** Determine the proportion of admin allocated to care, hotel, accommodation and COVID-19 report these figures in the ACFR.

# Data Assurance – Tips

## General Purpose Financial Statements:

- Double check your GPFS contains all the required items outlined on the upload page of the ACFR portal.
- Ensure totals in your GPFS match what is reported in the Approved Provider income statement, balance sheet, and cash flow statement. If there are variances, send the reasons to [health@formsadministration.com.au](mailto:health@formsadministration.com.au) when you submit.

## Validation/Explanation messages:

- If validation or explanation messages appear when completing your submission and you are unsure if the data is correct, contact the helpdesk to discuss before submission.

Email: [health@formsadministration.com.au](mailto:health@formsadministration.com.au) Ph: (02) 4403 0640

# Reporting assessments

---

**Aden Pulford**

Acting Director

Residential Care Funding Assurance Section



# Reporting assessments

- ✓ Check the accuracy of care minutes, and 24/7 RN information reported by residential providers.
- ✓ Aims to help improve reporting, and the quality of aged care data overall.
- ✓ Supports informed decisions and ensures high quality of care for older Australians.
- ✓ All approved providers of residential care will participate in a reporting assessment.

# Common reporting issue

## Staff categorisation

### Misreporting example

Employee ID	Full Name	Employee category	AHPRA Registration Number	Total Hours	Direct care hours
123456	Grace Smith	RN	NW00010987654	200	180
235711	John Lee	EN	NW00121212122	200	190
131719	Susan Smith	PCW/AIN	-	200	180
122657	Albert Tru	Lifestyle Worker	-	200	50
955558	Joe Fyfe	Lifestyle Worker	-	200	150
				<b>1000</b>	<b>750</b>

Labour Hours	
<b>Labour Worked Hours - Direct Care:</b>	
180	Registered nurses
190	Enrolled nurses (registered with the NMBA)
180	Personal care workers/Assistants in nursing
	- Care management staff
<b>550 Eligible Employee Direct Care Worked Hours</b>	

### Model pack

Example of employee listing information requested during a reporting assessment.



Employee's hours are not eligible direct care hours

# Common reporting issue

## 24/7 RN responsibility

- 24/7 RN Coverage Tool
- [ANACCReportingAssessments@health.gov.au](mailto:ANACCReportingAssessments@health.gov.au)



### Instructions

1. Please insert the details for each shift of the month being reported into the grey section below.
2. Drag down the table range to capture all shifts entered. ▣
3. Gaps between the end time of a shift, and the earliest start time of subsequently finishing shifts represent gaps in RN coverage (non-continuity).
4. The 'Period of Non-continuity' columns (J and K) identify the duration of periods not covered with shifts.

The Department will re-share this tool with providers when initiating a care time reporting assessment.

SHIFT DETAILS									
RN Name	Registration Number	Start Date	Start Time	End Time	Earliest Start Time of All Subsequently Finishing Shifts	Period of Non-continuity in Hours	Period of Non-continuity (mins)	Period of Discontinuity	Greater than 30mins?
Alex Doe	00000000000001	15/01/2024	9:00	17:00	15/01/2024 14:00		0.00		FALSE
Sam Doe	00000000000002	15/01/2024	14:00	22:00	15/01/2024 21:00		0.00		FALSE
Jane Doe	00000000000003	15/01/2024	21:00	4:00	16/01/2024 7:00	3.00	180.00	16/01/2024 04:00 - 16/01/2024 07:00	TRUE
John Doe	00000000000004	16/01/2024	7:00	15:00			0.00		FALSE

# Quarterly Financial Report

---

**Jarrold Bowd**

Director

Financial Reporting and Analysis Section





# Overview

- No changes to Q1 2024-25 reporting.
- EN minutes comprising up to 10% of RN requirement from 1 Oct 2024 onwards – providers are not to change the current way they report RN and EN times and expenses. Dept will combine the data for the purposes of RN care minutes.
- Data quality assurance checks: building intelligence base on individual providers to limit the number of follow-up requests to validate information. Great diversity in provider structures.
- Delayed invoices – both the residential care and home care labour costs and hours tabs capture quarterly performance. No need to enter information from previous quarters for a more recent quarter just because you now have an invoice from the older quarter.



# Data assurance activity – Home Care

Home Care labour costs and hours tab:

- Providers entering hourly wage data but not providing data for labour costs and minutes.
- If you have an RN or EN on your staff but have not provided RN or EN-related care in the quarter reported on, as shown by \$0 against the labour costs and zero hours against RNs and ENs, there's no need to report against the labour hourly rate of pay for the type of care not delivered.

## Labour - Hourly Rates of Pay

- Registered nurses - Highest Rate
- Registered nurses - Average Rate
- Registered nurses - Lowest Rate
- Enrolled nurses (registered with the NMBA) - Highest Rate
- Enrolled nurses (registered with the NMBA) - Average Rate
- Enrolled nurses (registered with the NMBA) - Lowest Rate
- Personal care workers (including gardening & cleaning) - Highest Rate
- Personal care workers (including gardening & cleaning) - Average Rate
- Personal care workers (including gardening & cleaning) - Lowest Rate
- Other Direct Care workers (excluding Allied Health) - Highest Rate
- Other Direct Care workers (excluding Allied Health) - Average Rate
- Other Direct Care workers (excluding Allied Health) - Lowest Rate

# Data assurance activity – Home Care

- Incorrect reporting in the ‘Home Care Direct Labour Cost and Hours’ section of the Quarterly Financial Report.
- Example – Provider ABC:
  - ❑ Registered Nurse Direct Care Cost (employee) = \$200,000
  - ❑ Registered Nurse Direct Care Worked Hours (employee) = 100,000 hrs
- A simple Data Check for each data item is:
  - ❑ Divide Registered Nurse Employee Direct Care Labour Cost (employee) by Registered Nurse Direct Care Worked Hours (employee). In this example, the hourly cost per worked hour is \$2 per worked hour, which is below the Award rate and may be a result of incorrect reporting of QFR data for either cost or hours.
  - ❑ Before submitting your QFR, please ensure that you check each data item reported in the Home Care Labour Cost and Hours using this methodology.

# Outbreak Management Expenses

---

**Ransome Mclean**

Director

Emergency Planning and Preparedness Section



# Importance of Accurate Reporting for Outbreak Management

- Crucial for evaluating the financial impacts of outbreak management
- Informs government decisions on future outbreak management supports
- Data definitions for each outbreak management expense category are available on the Department's website to assist providers with accurate reporting (QR code).
- If you require further support, please email: [ACFRQFRqueries@health.gov.au](mailto:ACFRQFRqueries@health.gov.au)



# Data Quality Observations

- Instances of inaccurate reporting of outbreak occurrences
- Reporting of no outbreak management expenditure when outbreaks have occurred
- Misclassification of outbreak management expenditure. For example, reporting personal protective equipment, such as masks and respirators, as '**other costs**', when they should be reported in '**preventative costs**'.

# Questions and Answers

# Thank you

- Email address created for general feedback to the department - [ACFRQFRQueries@health.gov.au](mailto:ACFRQFRQueries@health.gov.au).
- We would appreciate it if you could complete a short survey to help us improve our webinars.
- Please scan the QR code or follow the link we have posted in the Q&A.
- The survey will take about 1 minute to answer 3 short questions.

