

# ACSA Webinar: Accessing Grants from the Business Improvement Fund



# Agenda

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- Introduction
- Business Improvement Fund (BIF)
- Business Advisory Services (BAS)
- Questions

# Presenters

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Matt Alston-Fisher

Director (A/g) Business Improvement  
Section, Residential & Flexible Aged  
Care Division

Department of Health



Ryan Hopping

Business Advisory Service  
PwC

# Business Improvement Fund (BIF)



# What we're covering today

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- Overview – Business Improvement Fund (BIF)
- Application and assessment process
- Case Study
  - Stream 1 – Business Improvement
  - Stream 2 – Sale or transfer of a facility
- Further information

# Overview

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- Support Residential Aged Care Providers improve their business operations and sustainability
- Opened on 31 March 2020 – 30 April 2021
- Support for small to medium sized providers (generally less than 7 facilities)
- Funding based on priorities:
  - Regional, rural and remote
  - Bushfire impacted, CALD, community impact
  - Other services in the area
- Around \$84 million available in funding

# Overview (cont)

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- Three streams of funding
  1. **Business improvement** – *implement improved business strategies such as those identified by the Business Advisory Service*
    - *Up to \$7,500 per operational place*
  1. **Sale or transfer** – maintain services until a facility is sold or transferred to another provider who can make it viable and sustainable
    - *Up to \$15,000 per operational place*
  1. **Close a facility** – where there is no other option, support the safe and orderly closure and transition of residents to alternative suitable facilities
    - *Up to \$7,500 per operational place*

# Application and assessment process

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- GrantConnect – GO3410
  - Guidelines, Application form, Business case template, FAQs
- Business Case
  - Executive Summary
  - Business need
  - Implementation approach
  - Activity budget
- Assessment



# Business Advisory Services

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- All **stream one** applications must submit a Business Advisory Services (BAS) report
  - Provided for free through PwC; or
  - Independent advisor (at your own cost)
- Assessment process is put on hold until BAS report submitted
  - Ideally BAS recommendations align with application



# Case study – Stream 1

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- Demonstrate how proposed activities will **increase revenue** and **reduce operating costs** and improve longer term **financial viability and sustainability**
- Small provider, not for profit, community based
  - One residential facility, 50 operational places
  - MMM5 – small rural town
  - Low occupancy (under 90%)
  - No access to other sources of funds
  - Operating losses
  - BAS report identified profitability concerns
  - Older buildings, systems not fit for purpose; staffing inefficiencies

# Case study – Stream 2

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- Support transfer of a facility to a financially stable provider
  - Operate a small facility in MM4
  - Incurring financial losses
  - Low occupancy
- Funding for business improvement activities and to cover short term operational costs
  - IT upgrade of systems
  - Minor capital works
  - ACFI support – education and training
  - Incentive payment

# Further information?

- Grant Connect - GO3410  
[www.grants.gov.au](http://www.grants.gov.au)
- FAQs
- BIF mailbox  
[bif@health.gov.au](mailto:bif@health.gov.au)

Access to  
application  
documents



Australian Government | GrantConnect

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Home ▸ Current Grant Opportunity View - GO3410

## Current Grant Opportunity View - GO3410

Business Improvement Fund for Residential Aged Care

**Contact Details**  
Phone: 02 6289 5600  
Email Address: [Grant.ATM@health.gov.au](mailto:Grant.ATM@health.gov.au)

**GO Documents**

**GO ID:** GO3410  
**Agency:** Department of Health  
**Close Date & Time:** 30-Apr-2021 2:00 pm (ACT Local Time)  
[Show close time for other time zones](#)  
**Primary Category:** 101001 - Aged Care  
**Publish Date:** 31-Mar-2020  
**Location:** ACT, NSW, VIC, SA, WA, QLD, NT, TAS  
**Selection Process:** Targeted or Restricted Competitive

**Description:** The Business Improvement Fund for Residential Aged Care will provide targeted support to eligible providers of residential aged care experiencing financial difficulty, prioritising providers in regional, rural, and remote areas, and small to medium sized providers, with limited access to financial support, that are facing

# Questions

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Feedback or questions on the BIF program

- Awareness
- Barriers
- Suitability

# Aged Care Accounting and Business Advisory Services (BAS)



# What we're covering today

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- Overview – Business Advisory Service (BAS)
- What is the service?
- Am I eligible?
- What is the cost?
- How do I apply?
- Applications and what's been done to date
- Examples of what PwC and StewartBrown have found
- What are people saying about the BAS program?
- Further information

# What is the service?

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PwC have partnered with StewartBrown and will provide you with free consultancy services. The services will be for either:

- **Tier 1:** 5 working days to conduct a broad business diagnostic to determine key performance pressure points and recommend options for improvement.
- **Tier 2:** undertake Tier 1 service, plus a four day deep dive into specific topics of interest following the outcomes of Tier 1.

PwC will issue you with a report with recommendations for improvement tailored to your organisation. This report can also be used to support your application for the Business Improvement Fund grant.

# Am I eligible?

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To be eligible for assistance, your organisation must:

- be an approved aged care provider in Australia with a National Approved Provider System (NAPS) ID, and
- not be a State Government entity.

Any questions, contact us on the phone (1800 290 688) or at [agedcareadvisory@au.pwc.com](mailto:agedcareadvisory@au.pwc.com)



# What's the cost?

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The Business Advisory Service program is free to eligible providers.

The Department of Health pays all costs. The only cost you'll need to cover is you and your staff time to contribute the requested information.

# How do I apply?

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Complete the short application here:

[https://pwc.qualtrics.com/jfe/form/SV\\_bE1evl6ZIW8nQB7](https://pwc.qualtrics.com/jfe/form/SV_bE1evl6ZIW8nQB7)

Website with further information: <https://www.pwc.com.au/health/aged-care-advisory.html>

# Applications to date

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Over 260 applications received to date.

Location across Australia of applications received to 31 October 2020



# What's been done to date?

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Over 180 reports delivered to residential and home care clients.

Over 850 tailored recommendations for improvement have been identified.

# How many more can be done?

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There is sufficient funding for over 100 more providers to receive services.

The program is currently due to end on 30 June 2021, however, we encourage providers to apply before April 2021 to enable sufficient time to undertake analysis and provide the report.

# What types of entities have applied?

	Residential care	Home care	Residential and home care	Total	Entity type	% of providers*
Large (>7 RC facilities, or >101 HCP packages)	2	11	26	21	Not for profit	71%
					Charitable	28%
					Community based	22%
Medium (2-6 RC facilities, or 40-100 HCP packages)	21	16	29	66	For profit	18%
					Private incorporated body	10%
Small (1 RC facility, or <40 HCP packages)	111	31	22	164	Religious	5%
<b>Total</b>	<b>134</b>	<b>58</b>	<b>77</b>	<b>269</b>	Local government	5%

\*Doesn't add to 100% as providers can be in multiple categories

	Residential care	Home care	Residential and home care	Total
More than 100 employees	60	16	60	136
15 to 100 employees	73	28	17	118
Less than 15 employees	1	14	0	15
<b>Total</b>	<b>134</b>	<b>58</b>	<b>77</b>	<b>269</b>

# Examples of what has been found include...

## ***Strategic plans***

Whilst the majority (62%) of providers have a strategic plan in place, 38% are either developing a strategic plan or do not have one in place. Residential care fares slightly poorer, with 43% of providers reporting they are either still developing or do not have a strategic plan in place.

## ***Roster management***

In smaller, more regional residential care facilities, the majority of providers have not reviewed their care rosters for many years. As a result of this, there can often be a mismatch between the acuity of residents and the staff members deployed in the facility. For some larger facilities, we've identified substantial opportunities in roster optimisation.

## ***Marketing plans***

The majority of providers (71%) reported not having a marketing plan. Home care was higher than the average, given the increased competition in the market, with 38% of home care providers reporting they have a marketing plan in place.

## ***Budgeting and forecasting***

The vast majority of providers report having budgets (91%) and forecasts (72%) in place. Forecasting, in particular, is commonly seen as a low priority. However, this is important for providers to undertake to:

- predict any upcoming profitability and cash flow challenges,
- support longer term capital budgeting (e.g. for refurbishment purposes for residential care), and
- enable proactive action to be taken to rectify emerging issues.

## ***Investment in technology***

Many providers have reported not utilising any technology to drive business operations (i.e. are still paper based) or having to make do with technology that is clunky, outdated and administratively time consuming. There are significant opportunities to invest in resident centric care systems, increased use of cloud based technology providing for more flexible working arrangements (i.e. if working between multiple facilities) and improved system integration.

## ***Risk management***

Most providers (68%) reported having risk management plans in place. Although clinical care risks are commonly addressed in these plans, broader risks are not as well addressed, including: financial, investment, HR, IT, legal / compliance and reputational / marketing.

## ***ACFI and occupancy management in residential care***

ACFI and occupancy management is critical to maintaining a profitable, sustainable residential care facility. Examples of better practice strategies to ensuring ACFI and occupancy levels are maintained include: conducting regular reviews of acuity, implementing robust admissions processes and ensuring clear marketing strategies are in place.

## ***Asset Management Plan (AMP)***

The majority of providers (79%) do not have asset management plans in place. AMPs enable the proactive management of assets, as opposed to undertaking maintenance and replacing assets only as and when required. Further, AMPs support providers to be able to budget for any emerging capital requirements.

# What are people saying about the program?

I am so grateful that we were able to access this program. PwC were professional, smart & friendly and were always mindful that we were very good at parts of our job, but could use a helping hand with some of the more complex system/financial aspects. We did not know what we did not know. It gave us an injection of hope.

I thank all those involved in reviewing our financial position and providing us the report. We especially appreciated the feedback provided during the zoom meeting with the project team. It has been a very rewarding process. Every aged care operator I meet I encourage them to apply for the process.

PwC highlighted some very timely issues; our manager has taken most on board (only a couple she finds too hard at this time) but we have implemented almost all recommendations at this stage. Our 2020/21 budget reflects these inputs; we are getting to a position where we should be cash flow neutral (still make a loss but it is all depreciation). If we can keep it that way for the next 12 months we may get out of the woods

The team at PwC were terrific. They were helpful, engaged, and worked hard to understand our business needs. They provided helpful and insightful advice to guide us moving forward.

The PwC team provided us with the opportunity to determine whether we were headed in the right direction. The information was invaluable to the Management Team and the Board as we commence strategic planning again.

I found it very worthwhile to have the site visit. I think that some of our issues aren't always monetary and by coming to our site the assessors were able to gauge what some of the underlying problems were.



The follow up has been greatly appreciated and the ongoing relationship with the PwC team has been very helpful.

The team from PwC were terrific. They listened, engaged with, and addressed our specific concerns as a business. They provided insight, advice, and guidance that was relevant and will assist us moving forward.

I have been very impressed with the engagement of advisors and explaining the report in detail so I could understand it.

The review process was well planned and structured. This allowed for us to provide answers to questions in a timely manner.

The interview was also planned and having the information to hand made the best use of time. The interviewers gave an explanation on how the report process would work and gave us insight on how our organisation was performing. The report was very helpful as it highlighted areas for improvement and recommendations. The report also indicated where the organisation was reaching benchmarks and had good processes. The overall experience was informative and useful.

# How do I apply?

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As a reminder, complete the short application here:

[https://pwc.qualtrics.com/jfe/form/SV\\_bE1evl6ZIW8nQB7](https://pwc.qualtrics.com/jfe/form/SV_bE1evl6ZIW8nQB7)

## Contact us

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Website with further information:

<https://www.pwc.com.au/health/aged-care-advisory.html>

Phone: 1800 290 688

Email: [agedcareadvisory@au.pwc.com](mailto:agedcareadvisory@au.pwc.com)



## Questions

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Feedback or questions on the BAS program

- Awareness
- Barriers
- Suitability