



# Residential Aged Care Sustainability Board Self Assessment

# Sustainability vs Viability

- **Viability** - the ability to generate short-term positive earnings before depreciation and remaining compliant. Essentially being able to pay the bills and satisfy the requirements of the Aged Care Act.
- **Sustainability** - the capacity to maintain viability over the medium to long-term at a level that allows the organisation to reinvest to achieve high scores on our “Sustainability Index”

# Initial SWOT Assessment

- 1. Strong Governance/Leadership**
- 2. Board and key personnel succession**
- 3. Growing market/market share**
- 4. Preferred employer status**
- 5. Consistent financial surpluses**
- 6. Contemporary assets**

# Key causes of variation in viability

	The Pack	Champions	The Variation	You
Average ACFI	\$178	\$182	<b>\$4.00</b>	
Direct service costs (% relative to ACFI)	\$146 82%	\$129 71%	<b>\$17.00</b> <b>11%</b>	
Average cost /hr of labour	\$46.50	\$45.10	<b>\$1.40</b>	
Average RAD	\$400K	\$440K	<b>\$40K or</b> <b>\$1.50</b>	
Administration	\$33.94	\$30.55	<b>\$3.39</b>	
Care Hrs /resident	3.14	2.86	<b>9%</b>	
Cumulative variation			<b>\$25.89</b>	
<b>EBT per bed day</b>	<b>\$1.65</b>	<b>\$29.78</b>	<b>\$28.13</b>	

# Pride Living Sustainability Index Director Self-Assessment

Attribute	Assessment (1-10)
Strong Governance/Leadership	( )
Board and Key personnel succession	( )
Growing market/market share	( )
Preferred employer status	( )
Consistent Financial surpluses	( )
Contemporary assets	( )
Overall score (< 42 = at risk)	



# The journey to a sustainable future and risk of failure

Attribute	Time Frame (years)	Board Risk Assessment
Strong Governance/Leadership	3	
Board and key personnel succession	2-3	
Growing market/market share	3-5	
Preferred employer status	2	
Consistent financial surpluses	1-3	
Contemporary assets	3-5	
<b>Risk assessment: high - 3, Medium - 2 low – 1</b> <b>Score &gt; 10 indicates challenges in turning fortunes around</b>		