

PRESS RELEASE

For immediate release

Aged care sector embraces financial innovation amidst funding changes

(Sydney, Australia – June 7, 2024) – A new survey of 233 aged care leaders from 170 organisations across Australia reveals a sector in transition, with leaders adapting to new funding structures and exploring innovative strategies for financial sustainability.

The survey, conducted by Mirus Australia, sheds light on the financial impact of the Australian National Aged Care Classification (AN-ACC) compared to the previous Aged Care Funding Instrument (ACFI), and highlights the sector's proactive stance towards future profitability.

Andrew Farmer, CEO of Mirus Australia, commented on the findings: "The transition to AN-ACC has brought both opportunities and challenges. Our survey shows a cautiously optimistic view, with 60% of respondents agreeing that their business is financially better off under the new structure. However, there's still a significant portion—32%—who are unsure about the impact, indicating the need for continued support and adaptation."

Key findings from the survey include:

Financial impact of AN-ACC vs. ACFI

- 16% of respondents strongly agree their business is financially better off under AN-ACC.
- 44% agree, while 32% are unsure and 8% disagree.

Dependence on non-care income:

- 7% strongly agree that future profitability will depend on non-care income.
- 44% agree, highlighting the sector's shift towards alternative revenue streams.
- 43% are not sure, and 6% disagree.

Strategic reviews and innovation:

- 27% strongly agree they will review alternative strategies for profitability over the next 12 months.
- 56% agree, showing a majority are ready for strategic changes.
- 16% are not sure, reflecting some uncertainty.

Key factors for future profitability:

- 10% see increasing accommodation prices as key.
- 15% focus on increasing consumer contributions to daily living.

- 14% plan to increase revenue from additional services.
- 9% consider retaining a component of deposits.
- 11% are exploring other innovations.
- 41% believe a combination of all these strategies is essential.

Andrew Farmer elaborated on the strategic directions highlighted in the survey: "The emphasis on non-care income and the proactive review of alternative strategies indicate that aged care leaders are keenly aware of the need for financial innovation. Identifying alternative revenue streams and adopting a multifaceted approach to profitability are critical for ensuring long-term viability."

Farmer continued, "The fact that 41% of respondents believe a combination of strategies is essential really tells the story of complexity of the financial landscape in aged care. It's not just about increasing prices or consumer contributions; it's about integrating multiple approaches to build a sustainable business model."

The survey results reflect an industry that is not only adapting to new funding mechanisms but also proactively seeking innovative solutions to future challenges.

Mirus Australia will host a [webinar on Profitability in Aged Care](#) on the 17th of June where a panel of industry leaders will share their real-world stories. The panel includes Chris Marmarelis, CEO of Whiddon, Athena Ermides, CEO of Good Shepherd Lodge, Lee Martin, CEO of Lutheran Homes Barossa, Tim Hicks, Exec Gen Manager Policy and Advocacy, Bolton Clarke, and David Cox, Managing Director, Curtin Heritage Living.

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About Mirus Australia

Mirus Australia is a leading provider of advisory services, technology solutions, and data analytics to the aged care sector. Our mission is to improve the financial sustainability and operational performance of aged care providers, enabling them to deliver the highest quality of care to their residents.

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