



SwanCare 2023

ANNUAL REVIEW

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SWANCARE'S VISION & PURPOSE

SwanCare prides itself in the knowledge that staff are the embodiment of our values by enriching the lives of those in our community in a respectful way, every day.

VISION

To enrich the lives of everyone in our community.

PURPOSE

To provide a caring community where every person feels safe and has the freedom and choice to live the life they desire.



Client Experience

We will be known for our leading products and services and the delivery of exceptional client experiences.



Employee Experience

Our passionate and engaged workforce will be rewarded with an employee experience that is second to none.



Sustainability

By proactively managing our risks and being financially responsible we will be able to deliver on our purpose forever.

R

RELIABLE

We are dependable, trustworthy & can be relied upon.

E

ENTHUSIASTIC

We always try to do the best that we are able, & that we are happy & proud of our efforts.

S

SUPPORTIVE

We will always help, encourage & support a resident or colleague that is in need.

P

PROFESSIONAL

We maintain a high level of professionalism & integrity when dealing with all persons.

E

ETHICAL

All our decisions & actions are based on fairness & honesty.

C

COMPASSIONATE

Courtesy & kindness are extended to each person in every circumstance.

T

TEAM

We are all working towards the same goal, & we are all part of the same team.

INTRODUCTION FROM SWANCARE'S CHAIRMAN OF THE BOARD

Dear Stakeholders & valued members of our community,

As Chairman of the Board, it is both an honour and a responsibility to present SwanCare's Annual Report for the past year, acknowledging the challenges we encountered in the ever-evolving landscape of the aged care sector.

In the midst of sectoral challenges, SwanCare has showcased resilience, steering our course with an unwavering commitment to excellence in care. We've faced these challenges head-on by innovatively building capability within our workforce and implementing efficiencies to enhance our operations.

Our dedicated team has displayed remarkable diligence in ensuring the wellbeing of our residents, navigating complexities with determination to maintain a safe and vibrant community.

Throughout this year, our focal point has remained steadfast; providing not merely a residence but a home where care, compassion, and community thrive. Amidst the challenges, we've embraced the responsibility of surpassing expectations, addressing the diverse needs of our residents, and prioritising their health, safety, and overall wellbeing, especially in the context of the strengthened governance frameworks resulting from the Royal Commission into Aged Care.

The principles of corporate governance have been our guiding light – we hold ourselves accountable for health and satisfaction, make ethical decisions, stay attuned to community dynamics, approach tough decisions impartially, and maintain transparency in all our actions.

SwanCare stands tall in the face of these challenges, proud of our collective achievements.

As we reflect on the past year, let's celebrate our shared accomplishments and face the future with optimism. Here's to another year of growth, resilience, and shared success, where we commit to finding more innovative ways to enhance our support for West Australians, enabling them to live vibrant community lives.

Sincerely,

Kim Hocking

SwanCare Chairman of the Board





Since our last AGM in October 2022, SwanCare has continued to adapt to the changing and challenging environment that our sector is facing.

Ongoing sector reforms in response to the Royal Commission into Aged Care, while addressing important issues, have added complexity and costs to the delivery of aged care services and placed greater demands on staff and management.

FY23 was a year dominated by a myriad of Government led regulatory reforms highlighted by the implementation of a new financial funding model (An-ACC) based on an allocation of monies dependent upon an independent assessment of resident acuity.

Compared to the previous two years where COVID dominated, FY23 established a rhythm that albeit intensive was relatively more stable from an operating and financial perspective. Having said that, the content and pace of the Government's reform agenda along with insufficient transparency and communication, still presented challenges to staff and remain problems for the Government to address moving forward.

In FY23 SwanCare achieved continual high levels of occupancy within both our retirement village and care centres, we finished the year with a large waitlist for accommodation and achieved an average occupancy of 94% overall.

Financially, the year was a positive one for SwanCare, we reduced our debt by \$3M, leaving a modest finance debt of only \$4.3M, we outlaid approximately \$1.3M towards project planning for our Waminda and new Independent Living Unit (ILU) apartment project, in June we gave the green light to undertaking the Waminda refurbishment, a project which will cost some \$16M, we increased our staffing numbers to almost 700, and balanced this by ensuring our AN-ACC monies were optimised to the best of our ability. With this backdrop of increased staffing, project related expenses and debt reduction we still managed to achieve a net surplus of \$1.4M and ended the year with over \$30M tucked away in liquid assets.

As an organisation SwanCare remains firmly committed to a high-performance team culture, with continuous improvement and learning

philosophies driven from the Board and Executive through to frontline teams. Supporting this drive to ensure that staff are at the forefront of all we do, it was pleasing to achieve a staff satisfaction rating of 94.5% for FY23.

Care and service remain core business drivers to improve resident experience, and operational and financial performance. It goes without saying but the success of SwanCare is attributable to our staff, and I express deepest and sincere thanks to each of our nearly 700 employees for their continued hard work, commitment, and care that they provide to our residents and clients day in and day out.

We are looking forward to the year ahead and the continued execution of our strategic priorities.

In summary, FY23 has been a unique year. It has been highlighted by significant changes, specifically increased compliance, heightened regulation, financial reform, staffing requirements, high inflation, and intense governance enhancements.

As an Executive and Board, we are in-tune with these changing and emerging factors and are extremely well prepared for the re-shaping of the aged care and retirement market. Our integrated business model places us in a good position to adjust and manoeuvre to meet these significant regulatory and client demand requirements.

The challenges are immense, but we are nimble and agile and as such, able to adapt and deal with the pathway ahead. Our foundations and framework are strong and this year we have once again maintained numerous positive outcomes, well above those of our industry peers and National benchmarks, all of which has ensured we retain our position as a top performer within a sector which is facing enormous Government scrutiny and community oversight.

A handwritten signature in blue ink, reading 'Graham Francis'.

Graham Francis
SwanCare CEO



Major Achievements

- Received, and accepted an offer to sell the Carlise storage unit – price agreed \$715K.
- Chief Financial Officer Garry Black retired, Sinead McCartin appointed to CFO role.
- Completed refurbishment of Level 2 Administration – new Boardroom, Training Room and offices.
- Employee Value workshops held.
- Board planning day held.
- A new independent living apartment project concept approved. Design submitted to Town of Vic Park for review required changes.
- Richard Cleaver Lodge refurbishments were well received.
- Waminda refurbishment business case approved and refurbishment commenced.
- WHS Management plan, Risk Management plan and Risk Appetite statement all reviewed and approved by the board.
- Debt reduced from \$7M to \$4.9M.
- Launched SwanCare Home Tech Services. In-house fee-for-service ICT support for residents.
- FY24 Budget approved. EBITDA of \$5M, operating loss of \$186K
- Investment policy reviewed and approved. The revised investment return objective is to achieve total returns of the RBA Cash Rate + 1.5% p.a. after fees over a rolling 3-year period.
- 6 new NQI's to be reported on.
- Brand awareness review undertaken. Effective reach increased from 3.1% to 6.5%.
- Strategic initiatives roadmap and Strategic KPIs for FY24 approved.
- 85% of Operating Plan initiatives either completed or substantially commenced during FY23.
- Board approved an additional \$3M be allocated into the investment pool. Increasing the Balance to \$13.5M.
- Full time GP clinic established on our campus with 3 General Practitioners and Clinipath on board.
- Fair Work Commission 15% pay increase plus a 4% to 5% contract increase paid to all eligible staff.
- Payroll internal audit action plan update provided to Audit, Finance and Risk committee. Progressing well.
- Commenced discussions to form the Quality Care Advisory Committee (QCAC) with expression of interest distributed to seek resident rep to sit on the QCAC.
- Annual Provider Operations Report lodge with the Aged Care Quality and Safety Commission.
- SwanCare Charity Golf Day held in October which raised \$16.5K and over \$200K since inception.
- Payroll transition and restructure to be aligned under finance.
- Australind Rise business case to be prepared based on a controlled small scale staged development.



Major Achievements

Projects

- Continued design of new Bentley Park independent living apartments.
- Trial and roll out of food organics and garden waste bins to Bentley Park village – resulting in an improvement of waste diversion from landfill to over 30%.

IT

- Commenced roll out of new phone system.
- Continued cyber security investment and improvements.
- Extensive replacements of network, server and storage infrastructure.
- Improved internet connectivity.
- New Business Intelligence system.
- New analysis dashboards to assist with AN-ACC funding and mandatory care minutes.
- Software application integration and creation of single master data records.
- Trial of a resident portal – initially for maintenance requests and village information.
- Expansion of single sign on function for all applications where available.
- SwanCare Home Tech Services, in-house fee-for-service ICT support for residents was launched.

Buildings & Facilities

- Completed common area refurbishment of Mavis Cleaver Level 5 and Level 6.
- Collaborated with the gardening contractor resulting to much improved garden and grounds conditions around the village and care centres.
- Upgraded Richard Cleaver Lodge Fire Systems.
- Upgraded Richard Cleaver Lodge Electrical Distribution Boards and Metering systems.
- Installed new automatic door systems in the village and care centres including a dividing glass partition between Kingia and Spritz Café to better manage the access during outbreak.
- Completed refurbishment works of the Bentley Park resident workshop.
- Completed refurbishment works of 28 units and apartments.
- Commenced QR coding of all maintainable assets.



Major Achievements (cont...)

Hospitality

- Hospitality realigned under Growth and Support Services portfolio in July.
- Approx 438k meals from the Main Production Kitchen (MPK) across the four care centres and delivered village meals.
- Approx 35k customer sales transactions conducted across both cafés annually.
- Continued stretch of successfully rated Food Safety Audits with 0 Critical Non-Compliances noted across any of our food services.
- Increased YOY sales from the cafes by 16% (Jan–Oct 25th this YTD vs SPY), from \$308,350 to \$358,242 current YTD.
- Improvements to Jarrah Café al fresco dining with new floor painting, air conditioning units and seating arrangements.
- Commencement of expanded laundry sorting area project.
- Commencement of expanded freezer space project in old Tandara kitchen.
- Improvements to MPK capacity and efficiencies with investment into new blast chiller, 20-tray combi-ovens and digital scales.
- Improvements to Waminda's food service delivery with investments in new equipment including 20 tray combi-oven and commercial toasters.
- Improvements made to our TM and food allergy management practices with the increased use of Chefmax menu management features.
- Implementation of DDSI and embedding safe practices in both the production and internal auditing of texture modified foods.
- Expansion of the 28-day rotating menu to offer more choice for residents, especially those with dietary restrictions which limit their choices within the standard menu.
- Improvements made to laundry bag handling practices which ensure staff safety and proper infection prevention control measures are taken.



Major Achievements

Workforce

- SwanCare's undoubted strength lies in its well-trained and experienced workforce who are focused on improving the quality of care and services to its residents and clients.
- Our workforce has grown to almost 700 people this year, representing an increase of 19.6%. Growth has been required due to the onset of mandated care minutes, general business growth, and a clear strategic focus to reduce the costly reliance on agency staff, which during the COVID related periods reached unsustainable levels.
- Labour demands continue with the search for registered nurses continuing to remain a focus for the entire sector.
- SwanCare was very pleased with the Fair Work Commission's determination in March 2023 to increase award wages for certain aged care workers by 15% effective 30 June 2023.
- This increase was passed on to all eligible employees by 30th of June to deliver much overdue recognition of the hard-work, dedication and commitment that our care staff deliver day in and day out.
- It is hoped that the next tranche of increases applied by the Commission will address those staff in the areas of hospitality, administration and maintenance that were omitted from the first round of increases, but who equally deserve and equally contribute to the high quality of care that is received by our aged care clients.

People & Performance

- Our yearly Feathers function was a great success once again with 16 category and overall winners. It was held again in the Club with our own commercial hospitality team catering with some amazing options for the event.
- 2,290 staff nominated for Feathers throughout the year with 133 category finalists and 17 overall monthly winners.
- Acknowledgement of 23 staff who, during the course of 2023, completed a total of 355 years of service.
- Employee Value workshops held over a number of days providing staff from across the campus to engage and provide input.
- Employer Branding focused on a number of topics such as employee benefits, our grad nurse program, staff appreciation posts, recruitment and of course our Feathers recognition and rewards program.
- Assisted during two successful Quality Agency visits during the year and two financial audits.
- As a result of significant organisational growth, a review has been conducted of the P&C services resulting in a plan to transition payroll finance functions to our Finance team.
- Performance Appraisals have been redesigned to allow employees to better provide capture quantitative feedback across three- and six-month probationary reviews as well as annual performance reviews. All of which are now automated.
- A new onboarding module providing system improvements and integration of onboarding paperwork is being tested with imminent roll out planned.
- The P&C team have successfully onboarded 150 staff members.
- Staff survey completed 94.5% satisfaction rating.

WHS, Training & Development

- Launch of a new Work Health & Safety reporting system, Done Safe.
- A skills library and an internal jobs board/widget has been developed in Elmo, allowing staff to explore internal opportunities and link direct to their profiles.
- Through various programs, 7,500 hours of training and development have been recorded. Predominantly dedicated towards care staff with training on the Aged Care Code of Conduct, Dealing with Challenging Resident/Clients Behaviours, Dysphagia and IDDSI transition training, as well as essentials such as hand hygiene and manual handling.



Major Achievements

Home Care

- SwanCare At Home continues to play an integral role in the service offering that SwanCare provides continuing its slow but steady growth as it increased its packaged home care client numbers from 38 to 45, an increase of 18%, and continued to evolve its client mix to the higher bands of level 3 and 4.

Retirement Living

- Strong demand for our retirement village product has resulted in a burgeoning waitlist for both Lease for Life and rental accommodation options.
- Occupancy throughout FY23 remained at a steady 93.5% across the board.
- We are bereft of any new stock and are solely reliant upon turnover of existing accommodation to meet the accommodation demands.
- During FY23 planning for a new apartment complex was well advanced. However, the cost based on the initial schematic design meant further review was required. As we enter FY24, we continue to explore design options to ascertain a pricing outcome that is more favourable.
- Continued our programs with the Curtin Medical School Senior Citizens Partnership Program and Curtin OT students.
- Introduction of weekly balance class.
- Creation of new groups and activities for residents including Ruminations Club, Monthly Quiz, Sunday Musical Film Night, We Are Not Alone, Thursday Fish and Chips and Karate.
- Increase in functions and bookings in the Leisure Precinct.
- Organised or assisted with some smaller activities/events including Beetlemania, intergenerational activities with Curtin, a handicraft program for a local after school program, craft project in support of a book launch for Boronia Pre-Release Centre and an upcoming health expo with the Town of Victoria Park.
- Successful collection of donations of towels and sheets for RSPCA.
- Concert with WA Symphony Orchestra string quartet.
- Successful Home Care Audit by the Aged Care Quality Commission.
- Recruitment of skilled staff to assist with higher clinical needs as well as working on expansion of services in home care.
- SwanCare At Home exceeded the budget for the first time and has recorded the highest number of clients.
- An implementation of a new client management system for home care was started, with the system expected to be live in late 2023.
- 135 volunteers from the village providing services across the site.
- Continued engagement with the Bentley Park Residents' Council and sub-committees with a focus on environmental sustainability, transport and infrastructure.
- Maintained highest level of occupancy for Lease for Life units since 2016.

Major Achievements (Cont...)

Brand & Marketing

The Brand & Marketing team recruited a new Brand & Marketing Officer, Hannah Kehoe, who has made a positive impact in the uplift across all our social platforms and content creation. We continued its focus on refining the SwanCare brand while prioritising the capture and use of authentic photography and video to allow us to showcase our own staff and residents within our marketing communications.

- Updated large scale signage on the Administration building and along Jarrah Road.
- Increased branding for both Spritz and Jarrah cafés.
- Continued the rollout of the redefined brand style across various merchandise items, corporate collateral and event/exhibition styling.
- Brand awareness review undertaken which resulted in the effective reach increasing from 3.1% to 6.5% YOY. This was largely due to the consolidation of our branding elements, focused approach to messaging and advertising strategy.
- Embarked on a series of high production Corporate and Recruitment videos for us both internally and externally including within job adverts and catch-up TV channels.
- Continued to expand our photographic catalogue to allow all owned imagery to be used across all our channels. Found additional ways to engage with our residents and staff through various interactions which provide the team insight into their daily lives and assists us with ensuring we are delivering an authentic brand message.
- Increased our own in-house video capabilities for both short form and long form content opportunities.





As the impact of the COVID-19 pandemic lessened across the year and SwanCare remained responsive and agile to the ongoing health risks of the virus, we continued to adapt the operating model to keep our residents, clients, employees, and visitors safe.

FY23 ended with all our care centres at almost maximum occupancy; ending the year at near record levels of occupancy, sitting just below 95%, which is well above the industry average of 89%.

Our strategic and asset management plan has addressed the concerns around Waminda's acuity once the deregulation takes place by providing the green light to commence the \$16M major refurbishment of Waminda. This will deliver a care centre designed to provide the appropriate level of service, amenity and environment to enable care for the acuity levels of the current and future cohort of clients and create a working environment that will support staff to deliver the appropriate level of care needs.

Reforms & Regulation

Coping with the new regulatory and compliance regime whilst maintaining a focus on quality care and resident enrichment has been a major priority for SwanCare.

It was positive that the new Australian National Aged Care Classification (AN-ACC) price was effective from 1 October 2022 as this provided some reprieve from the difficult operating conditions with labour challenges and general inflation pressures.

In FY23 we experienced meaningful action on the promises set out in the Government's reform agenda. While there is still more work to be done, there is improving shared understanding of the correlation between adequate funding, contemporary regulatory settings and a supported workforce with care and service outcomes for consumers.

The reforms implemented during FY23 were immense and significant. Fortunately for SwanCare, our focus mirrors the reform agenda and reinforces our strategic objectives which focuses on resident care delivery, quality services and sustainability.

SwanCare has continued to thrive and grow in this reform period due in most part to the ability of our staff to adapt and embrace the unique challenges that the new operating environment presents.

Major Achievements

- Kingia/Tandara Accreditation
- Waminda accreditation confirmed until June 2026
- Star ratings released providing Ningana 4-star rating, Kingia/Tandara and Waminda 3-star rating.
- AN-ACC transition team formed.
- AN-ACC implementation and uplift
- Registered Nurse mandatory in care centres 24x7
- Care minutes mandatory in care centres from the 1st of October which requires an average 200 minutes of care per resident per day and 40 minutes of RN care per resident per day.
- Occupancy uplift, sitting just under 95% - well above industry average of 89%.
- Quality Indicators
- COVID-19 management
- Immunization for staff - COVID-19 and Influenza
- Curtin Medical Students - 7 year partnership - Being focused and present is key to ongoing success.
- Bentley Mental Health Hospital partnership - monthly meetings with clinical team
- ECU Research - Exercise Activity for residents during COVID-19
- Discussion with Curtin University - Probucol in Alzheimer's disease Study
- IDDSI implementation
- Board members invite to CNM.
- Residents invited to attend meetings with staff.
- Residents invited to demonstrate their cooking skills - first Master Chef was held in Tandara, a fun day for all.

Financial results for the year improved with revenue up 15.5% to \$62M, resulting in a reported net surplus for the year of \$1.4M. This result was pleasing and a significant improvement on FY22 which showed a \$1.8m net loss.

Other significant financial outcomes for the year were a reduction in our debt from \$7M to \$4.3M, increasing our investment portfolio to \$10.1m, and increasing our net asset worth to \$159m.

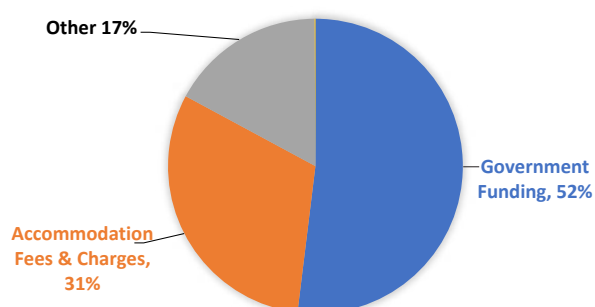
We also ended the financial year with a healthy cash position of almost \$20M, and over \$10M in our managed investment portfolio.

The state of our liquid financial assets is such that we are now able to confidently achieve the significant milestone of self-funding the staged Waminda refurbishment project.

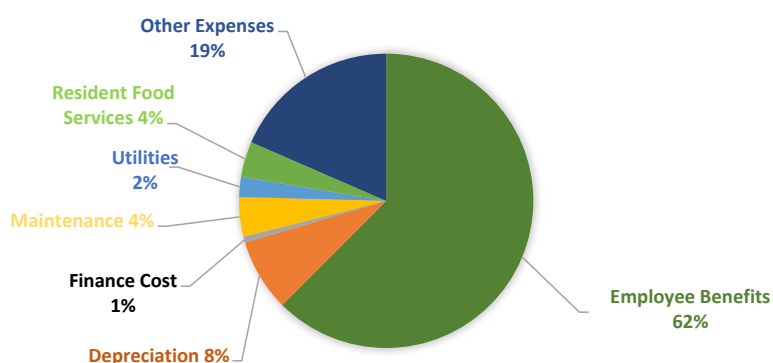
For financial year ended 30 June 2023

Profit & Loss	2023 (\$'000)	2022 (\$'000)
Income		
Government Funding	32,083	29,187
Accommodation Fees & Charges	19,100	18,083
Other	10,523	6,205
Fair Value Gain	57	-
Other Comprehensive Income	-	-
TOTAL INCOME	61,763	53,475
Expenditure		
Employee Benefits	37,711	34,795
Depreciation	4,800	5,081
Finance Costs	388	433
Maintenance	2,628	2,541
Utilities	1,319	1,239
Resident Food Services	2,365	2,075
Other Expenses	11,153	9,154
TOTAL EXPENSES	60,364	55,318
Total (Deficit)/Surplus for the Year	1,399	(1,843)

WHAT WE EARNED - INCOME



WHAT WE SPENT - EXPENDITURE

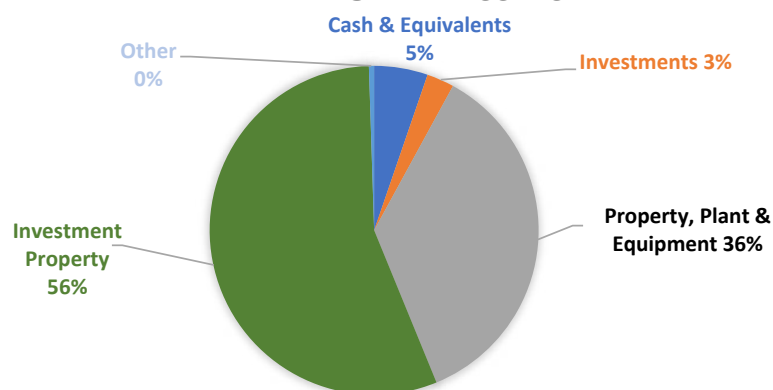


CONSOLIDATED STATEMENT OF FINANCIAL POSITION

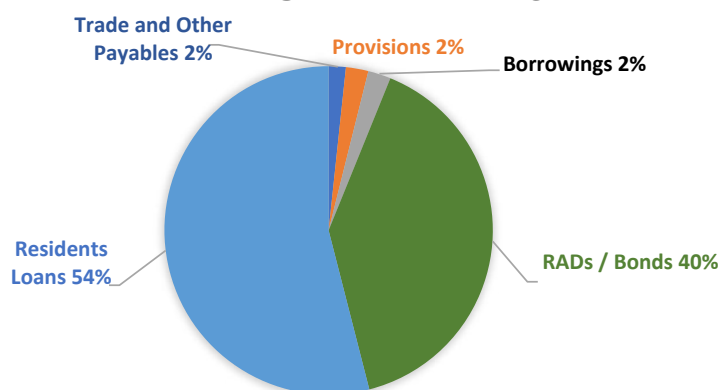
For financial year ended 30 June 2023

Balance Sheet	2023 (\$'000)	2022 (\$'000)
Assets		
Cash & Equivalents	19,893	13,685
Investments	10,160	9,667
Property, Plant & Equipment	135,349	137,281
Investment Property	210,221	206,655
Other	1,927	1,374
Total Assets	377,550	368,662
Liabilities		
Trade & Other Payables	3,686	2,810
Provisions	4,827	4,533
Borrowings	4,900	7,000
RADs/Bonds	87,098	80,605
Resident Loans	117,943	116,018
Total Liabilities	218,454	210,966
Total Equity	159,096	157,696

WHAT WE OWN - ASSETS



WHAT WE OWE - LIABILITIES



An aerial photograph of a city, likely Sydney, Australia, showing a dense urban landscape with various buildings, streets, and green spaces. A large, stylized, dark blue swan logo is superimposed over the center of the image, facing right. The logo is composed of a circular body and a long, curved neck with a pointed beak. The background image is in a monochromatic blue color scheme.

SwanCare

swancare.com.au

Retirement Living | Home Care | Residential Aged Care