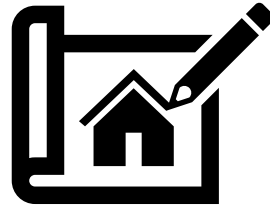




# Strategic Plan 2022– 2027



Status: Draft No 1B

As at: 17 March 2023

Author: Tony Dunn

CEO

Westmont Aged Care Services Ltd

## Mission Statement **(Current and suggested Updated)**



Our commitment to quality ensures Westmont is continually setting and maintaining standards of excellence in providing in-home and residential services for the older people of our region.

*We commit to deliver a high quality, sustainable and trusted aged care service to ensure Westmont is able to maintain its high standards in aged care service provision including Residential Aged Care, Home and Community Care, Independent Living and other associated services.*

## Vision **(Current and suggested Updated)**

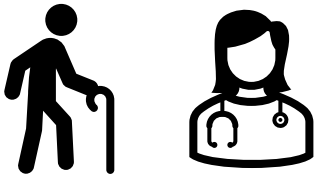


### Westmont will:

- Provide quality residential care, community care and lifestyle options and services for our older members of our community
- Aim to be the first and preferred choice for our clientele.
- Be seen as the leading 'Not for Profit' organisation by our community.
- Be an employer of choice for staff qualified to work in our field.
- Be proactive and responsive to the ever changing needs of our community and clients.

*Westmont will strive to:*

- *Provide quality and safe residential aged care, home and community care and other lifestyle accommodation options for senior members of our community*
- *Aim to be the first and preferred choice for our residents and clients*
- *Be regarded well in the community as a trusted and leading Not for Profit organisation delivering aged care and associated services*
- *Be regarded as an employer of choice for staff*
- *Be proactive and responsive to the changing needs of our residents and clients and the broader community*



**Westmont Philosophy**

*'Care for all by all'*

# Values Statement

Show **RESPECT** by actively listening and taking the time to understand and value each person and their choices.

Behave in an **ETHICAL** manner and be **PROFESSIONAL** in every interaction we undertake thereby building **TRUST**.

Be **TRANSPARENT** and **ACCOUNTABLE** in all of our dealings with our residents, clients, staff, volunteers and our community (stakeholders).

Nurture **COMPASSION AND DIGNITY** with all our residents and clients.

Openly **ACKNOWLEDGE** the work of our staff and volunteers for their **PASSION** in what they do.

Recognise **DIVERSITY** in our community and ensure our organisation reflects and responds to that diversity.

## Board Directors 2023



Dr Bill Keeton	Chairperson
Graeme Patterson	Deputy Chairperson
Janet Chapman	Director
Ashley Boyd	Director
Roger Snell	Director
Jen Gordon	Director
Deb MacKinlay	Director
Dr Bill Walton	Director
Carol Wlodarczyk	Director and Board Secretary

CEO	Tony Dunn
Governance Support	Felicity Kennelly

## OUTLINE HISTORY OF WESTMONT AGED CARE



Westmont has had a relatively short but very busy history in aged care.

Westmont was formed from the amalgamation of 2 existing residential aged care facilities in 2004 – Vermont Court Elderly Peoples Home adjacent to Wodonga Hospital which opened in 1978 and the more recent Westlands Hostel which opened in 1991.

The merged hostels became Westmont Aged Care Services Limited and commenced as a new entity in 2004. As a start the new Westmont organisation gained a government grant of \$1m in 2005 and 25 initial bed licences. After the negotiation of a land and facilities transfer at Baranduda with the Catholic Church via its regional office in Bendigo, Westmont commenced construction of a Residential Aged Care facility on 10 hectares at Baranduda in 2007 completing construction in 2008. The residents of Vermont Court and Westlands then transferred to the new facility soon after. The Westmont Residential Aged Care Homestead was officially opened in June 2009.

Also in that year, the first stage of the Apartments facility was commenced (20 units) opening in 2010.

A planning permit for a new independent living village was also approved in 2009.

In 2011 an extra 6 hectares were obtained (bringing the Baranduda site to 16 hectares) from the Development Corporation and Stage 2 of the Apartments was commenced to bring this to 40. The

Village also began to be progressively constructed and occupied with the first 20 villas finished. Also, in that year Westmont commenced its Community Care service.

In 2012 the second stage of the village was completed along with the second stage of the Apartments.

In 2013 Westmont successfully tendered for the City of Wodonga's Home and Community Service.

In 2014 Stage 3 of the Village commenced (26 homes) along with the construction of a large solar installation for the site.

In 2015 2 Backup generators were installed and a total site plan for 265 Baranduda Boulevard developed. The expansion of the solar system also continued.

In 2016 Stage 4 of the Village commenced with the addition of another 30 homes and the Westmont Community Centre – now called the Ray Snell Centre – was commenced.

In 2018 the Centre was officially opened, and Stage 5 of the Village commenced.

In 2019 the gardening and utilities support area was completed along with a caravan shelter and new solar site.

In 2020 the new specialised Dementia support unit The Cottages Stage 1 was commenced (32 beds) and in 2021 an extra 30 bed licences were gained to expand this to 62. A new Seniors Lifestyle Village was also commenced on an old school site acquired from Trinity School in 2019 not far from the main Baranduda site. Development works were undertaken and in 2022 works continued to develop an initial Stage 1 of 26 homes. This development is planned to be progressively staged to finish with an expected 96 homes and a new Community Centre.



# Westmont Strategic Objectives 2023-2027

## **Strategic Overview**

- Consolidation and sustainability, prudent financial management, maintain trust, high standards of care, quality systems and processes, engaged staff, good culture.

## **Strategic Objectives**

- Provide a high quality, trusted and safe Residential and Community Care operation with an emphasis on excellent clinical governance and high standard of care. This includes taking all steps to meet or exceed the aged care standards and other indicators such as star ratings.
- Consolidate and improve the sustainability of our financial and cash position and create more available funding for future growth activity and continuous improvement of services.
- Deliver or make substantial progress on our current planned program of capital works including Stage 2 of The Cottages (with Activity Centre) and Seniors Lifestyle Village (Stage 1).
- Continue to grow and develop our Community Care Service offering including reacting appropriately to government policy and funding changes, and best managing our facilities

at the Willows and High Street.

- Consolidate our Independent Living and Assisted Living offering including taking steps to keep it sustainable, attractive, and fit for purpose.
- Improve our information and technical environment using best practice IT and software solutions wherever possible.
- Maintain a positive and professional culture and engaged, skilled and high performing workforce.
- Keep abreast of opportunities for Westmont in aged care industry and in complimentary industries.

**Westmont's plan is to strive to deliver the following over the next 5 years:**



## **CARE**

- Provide the highest possible standard of care and the best lifestyle choice for each person we engage with
- Continuously improve all aspects of the care we offer, learning from others, comparing results, evaluating and seeking excellence.
- To provide a safe, secure and senior friendly environment.
- Actively seek feedback from users of our services and be responsive to their needs and concerns

- Make the best use of proven technology and software in all aspects of our work

## **PEOPLE**

- Recruit and retain capable, motivated management and staff.
- Encourage a culture of compassion, respect, tolerance and professionalism
- Encourage and support all staff and volunteers with relevant training and development
- Ensure that all staff and volunteers have a clear understanding of their role and responsibilities
- Implement succession planning for all governance and management positions.
- Maintain safe work practices to reduce injuries and resident\client harm

## **COMPLIANCE**

- Maintain compliance with all relevant legislation and regulations.
- Put safety first
- Keep up to date with the changing requirements of legislation and regulations.
- Keep policy contemporary and accurate

## **FINANCE**

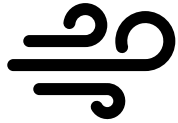
- Maintain safe work practices to minimize financial risk.
- Maximise return on investments
- Establish specific financial targets and ratios
- Realise sustainable returns and cash reserves
- Maintain rigorous internal and external auditing of our financial systems.
- Ensure that policies, procedures, and work practices seek to minimize environmental impact and energy usage.

- Apply for additional funding from all available government and alternative sources.
- Ensure that budgets provide for continuing maintenance of assets.
- Devolve financial responsibilities appropriately and widely

## **GROWTH**

- Achieve steady sustainable growth through expansion of existing services and development or acquisition of new services.
- Establish, market and identify the name of Westmont across all services.

## Pressures and Influences



### Care changes

The Royal Commission into Aged Care has highlighted many issues in Aged Care for Government and Providers. There are 148 Recommendations that have been largely accepted by Government and some in progress.

See [agedcare.royalcommission.gov.au/](https://agedcare.royalcommission.gov.au/)

New standards have also been introduced with greater emphasis on individuals in care and their dignity and risk management. Funding has also been made consumer directed in Community Care and likely to also be introduced in Residential. This is a significant shift for providers. A new funding model (ANACC) for Residential Aged Care was introduced in Oct 22 – again a big change for the sector. The CHSP and HACC programs are also end of life and likely to be woven into one system of Home Care Packages.

### Workforce

Even before COVID, attracting and retaining staff was becoming problematic. COVID has worsened this issue and staff shortages and skill issues are now a large challenge. We need to become more flexible, more responsive and more inventive to retain staff and differentiate Westmont from the many others seeking similar staff. Hospitality and NDIS are also now strong competition for target staff. We need to

better use our existing staff group and provide better and contemporary training and orientation to reduce any risks.

## **Capital**

Westmont has a number of high value capital projects to finish including the current Seniors Lifestyle Village (96 units) with a capital outlay of around \$32m and the second stage of the Cottages (Dementia 30 beds) and a Community Activity Centre of around \$11m.

There are also ongoing commitments to smaller capital equipment and works as part of preventative maintenance and ongoing improvements.

Most of these projects will require debt financing and currently have unconfirmed sources of funding.

## **Financials**

Westmont has an annual revenue of around \$24m and an EBITA or about 3%. Although financially viable, sustainability is highly dependent on full occupancy, careful debt and cash management and a stable workforce. There are many financial pressures in aged care including real terms reductions in government subsidies, key expenditure increases and inflation wages pressure and poor returns on investments.

## **Culture**

Generally, culture at Westmont is positive and supportive. Whilst the disruption and pressures of COVID have caused some management turnover and created some role confusion this has begun to settle now.

A professional manager for people and culture is now a necessity and the importance of strong people and culture policies, equity and diversity and managing a reduced workforce availability are all critical for future workforce sustainability.

## **Growth**

There is now an increasing demand for more Dementia specific services across the region and also the need for additional residential aged care accommodation. Dementia is a terminal disease and as yet there is no cure, with something in the order of 1 in 4 people over 85 having dementia. Around 1 in 10 Australians aged 65 and over had dementia in 2016, and over 50% of permanent residents in Australian Government funded aged care facilities had a dementia diagnosis. Dementia is one of three major factors precipitating entry into residential aged care. Dementia is the third leading cause of death in Australia, behind heart disease and stroke. In 2018 there were 475,000 people suffering from dementia. This is expected to rise to over a million by 2050. Dementia will become the third greatest source of health and residential care spending within 2 decades. By 2060 spending on dementia is set to outstrip that of any other health condition. Australia faces a shortage of more than 150,000 paid and unpaid carers for people with dementia by 2029.

If we look outside the organisation, what are some of the opportunities and threats that currently exist, and which need to be considered by Westmont and other aged care organisations?

## **Ageing population changes**

In the most recent census 2021 Baby Boomers made up 21.5% of the population (55-74 years) the equal largest group. 7.5% of Australians were over 75. That's 29% of Australians being over 55.

There were also more females than males testament to longer average lifespan. Average lifespan in Australia for a male is 81.2 years and for a female is 85.3 years. All this shows greater demand on our health and aged care system is coming as people not only age but live longer.

## **Consumer Directed Care**

These changes occurred in Home and Community Care from 1 July 2015 and are touted in Residential Aged Care. The concept is the funding is given to the individual client (rather than each provider) who will then choose who will provide them the services. This means we will need to maintain quality of care and reputation to ensure our current clients and consumers remain to opt for our services. Also, there is a big administrative overhead - we will need greater transparency and management of fees and costs and charging regimes to individual clients or residents. We need to consider how we cover overheads and other fixed costs.

## **Replacement of ACFI with AN-ACC**

The new funding instrument AN-ACC replaced ACFI in Oct 22. Westmont relies on Residential Aged Care Funding for around 60% of its income so this presents as a large financial risk. Current indicators are we will be slightly better off under AN-ACC for comparable residents but this is yet to be confirmed long term.



## **The Economy**

The CPI sits at around 4-5% with the Reserve bank raising interest rates at present. This puts some risk around borrowings and repayments of debt. There is also low unemployment at present which has a flow on effect on making workforce more challenging in aged care.

## **Government Aged Care Policy and funding**

The current Australian Government has been elected on some aged care commitments including 24\7 RN and more funded minutes in care. This has a large budget impact. FY 21-22 outlays for aged care were:

Total Aged Care: \$23.6b

Residential Aged Care: \$14.3b (60%)

Home and Community: \$7.8b (33%)

Other: \$1.9b (7.7%)

## **Government Subsidies**

The indexation of subsidies is a risk. For FY22-23 despite inflation being around 5% and wages pressure 4.6% Government indexed subsidies by only 1.7%. In the past they have not indexed subsidies which has caused a gradual erosion in profitability for providers.

## **Aged Care Act 2007 and Retirement Village Act 1999**

Both are still current.

## **Covid-19, Financial stress and Competitors**

COVID and the current financial environment has changed the initially overcrowded competitive environment in Home and Community Care. Workforce Shortages and disruptions from COVID have left only the resilient aged care providers. In Residential Aged Care there is current financial stress and uncertainty and several mergers and closures especially smaller providers or providers unable to modernise or with old infrastructure. In the Albury Wodonga area competition of other aged care competitors exists to varying degrees although demand currently exceeds supply in Residential Aged Care. There is more aggressive competition in the Home and Community and Independent Living sectors.

## **Demographics**

According to the 2021 ABS data, Albury\Wodonga has a population of 98,940 and over 120,000 estimated in the catchment area for health. Over 12% of Albury Wodonga population are over 70.

Albury Wodonga is listed as the 20<sup>th</sup> largest city/town in Australia. Albury will have a combined population of over 130,000 by 2036.

29% of the Australian population is aged 55 years and over. The projections are that people over 65 will almost double in the next 40 years to over 25% of the Australian population. For Australians 85 plus, the growth is more rapid to reach nearly 2 million over the next 40 years, including 40,000 people living

beyond their 100<sup>th</sup> birthday. The two factors causing this are declining birth rates and the ageing population living longer.

## **Labour Market**

Our regional presence does pose some limitations with suitably qualified staff, and our salaries/wages are slightly less favourable to that of larger urbanised areas.

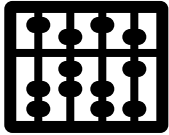
COVID and the Royal Commission have exacerbated workforce shortages and low wages make attracting workforce problematic. Ongoing workforce attraction and retention strategies will be required.

Also, we are experiencing an overall erosion of workforce participation due to ageing. Growth of those of workforce age is expected to fall around 1.2% per annum to almost zero in the next 40 years. By 2040 there will be only around 2.5 people of working age to support every person over 65 years, currently this is around 5 people/65-year-old.

## **Reputation**

Our reputation in the regional marketplace remains very high, however this requires constant vigilance and attention, as the competition for the aged care sector dollar is extremely high. Marketing and good performance and data results will become a key factor to continued success.

## SWOT Analysis



### Strengths

- Well regarded: Westmont is well regarded in the Community as a not for profit and has built a position of trust and good reputation
- Good infrastructure: Largely a modern facility with recently build contemporary and in some cases best practice infrastructure
- All services on site: aged care precinct model with all services on site is appealing to the community for Baranduda site
- All services offered: Westmont is engaged in Residential Aged Care, Home and Community Care and Independent Living which gives it a marked advantage over single programs services. It allows progression for residents and allows different funding and expenditure models to smooth income and expenses. Also, a marketing advantage.
- Good culture and values
- Located in Wodonga growth corridor

### Weaknesses

- Scale is relatively small with majority of income from Residential Aged Care
- Single site for main entity
- Home and Community Service is split over several sites
- Lean financial base with only small reserves
- Aged Care only – exposed to risks associated with only being an aged care provider

## Opportunities

- Good reputation and trust allow for confidence in any expansion
- Opportunities for acquisitions and mergers if business case permits

## Threats

- Many environmental (COVID-19 etc) and operational risks in aged care high at present
- Workforce continues to be an issue – availability, required skills and cost
- Financial risk if do not manage lean resources well. Risk of relatively low salaries for staff escalating.
- Capital starting to get to point of requiring midlife capital injection
- Aged Care Compliance overhead still high and a threat
- Government Policy and funding hard to predict

## Strategic Priorities over the next 3-5 years



### General:

Westmont continue its current Board approved program approach and plans to work towards sustainable and successful operation of its existing Aged Care services and where relevant, plan for incremental and sensible growth. Over the next planning period It will focus on delivery its existing major capital projects and consolidation of its operations and finances.

## Key

**Grow** ↑ means increase size, number or scope of service when and if opportunities arise but subject to proper analysis and business case and with Westmont's mission and sustainability considered.

**Maintain** → means maintain current service offering without looking specifically for growth.

**Reduce\Exit** ↓ means to look divest, transfer or reduce service offering or in some cases exit all together.

**?? Consider** means any new opportunity outside aged care that may be complimentary or a desired opportunity obviously based on merit and its business case

### 1. Residential Aged Care: ↑ **Grow**

Current residential aged care numbers are 134 beds (2 are currently TCP beds) including 102 in the Homestead and 32 in Stage 1 of the Cottages development. Westmont will continue current strategy to expand Residential Aged Care with a focus on dementia care in the Albury\Wodonga area. A minimum of 30 beds expansion (via Stage 2) is envisaged in dementia capacity along with the introduction of a community dementia facility. Further expansion of residential aged care at Baranduda and at other sites within the area of interest (max 60-90 mins travel distance Baranduda) will also be considered both organically and by acquisition based on individual business cases.

**2. Independent Living: ↑ Grow**

Westmont will continue growth in independent Living (Retirement Living Villages) in the Baranduda and Albury Wodonga region area. This will include completion of Seniors Lifestyle Village at Baranduda Stages 1,2 and 3 complete (96 homes) with a suitable Community Centre (with a focus on Stage 1 initially) and possible consideration of other suitable sites within the area of interest. Westmont's Villas at Baranduda have no current further capacity for expansion (123 villas).

**3. Assisted Living Units: → Maintain**

Westmont does not plan to commit to further assisted living units at this stage (unless more favourable funding circumstances present). Assisted Living capacity remains at 40.

**4. Home and Community Aged Care: ↑ Grow**

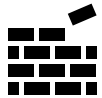
Westmont will work to grow the Home and Community Aged Care program (in whatever program configuration it eventually takes) according to demand and supply constraints. In particular, level 3 and 4 packages will be targeted depending on the workforce situation. Home and Community will also be operated and marketed from its shop front in Wodonga for better marketing and profile.

## 5. Other Services: Meals Service and other private services:?? Consider

Other services including privately paid for community services in home or meals should be considered based on merit. This includes any other opportunities that present in the aged care portfolio and any complimentary health programs such as current COMPACKS.

No other non-aged care of aged care is envisioned at this stage.

### Considerations and Comments



- Westmont Corporate and Support Services may require some reconfiguration and growth to deliver these strategies.
- The Seniors Lifestyle village site has several possible other opportunities including Café, Kitchen\Laundry facility, new RAC, offices, pharmacy etc
- The new Home and Community Building can also act as a shop front for all Westmont services and a venue for recruitment, training, advice etc



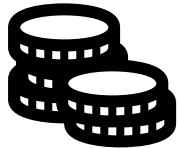
## Key Performance Indicators

The Board will use agreed key performance indicators to measure success:



See Board Key Indicator List – issued separately.

**Current Capital Strategic Projects over 5-year period with indicative costs (March 2023) (\$50k or above):**



### ***Complete Seniors Lifestyle Village Stages 1-3 and Community Centre***

Project Description: Establishment of a Seniors Lifestyle Retirement Village.

Project Cost: Total \$34m including \$1m Westmont contribution.

Stage 1 26 homes including Community Centre - \$12m

Stage 2 33 homes \$11m

Stage 3 37 homes \$11m

Project Return on Investment: TBC

Project Timeframe: Progressive development until Oct 2028

Other: 2 display homes from March 2023

### ***Consultation, Review, Design, & Build new second stage of Dementia Cottages at Baranduda***

- Project Description: Establishment of Stage 2 of the Cottages for people living with Dementia and construction of a Community Activity and Day Programmes Centre.
- Project Cost: Approx Total \$11m
- Project Return on Investment: TBA
- Project Timeframe: Commence late 2023
- Other: Planning, funding and tender phase 2022\23. Build phase 2023\24. Plan to try to fund raise some of the activity centre costs.

### ***Upgrades\repairs to Willows Building***

- Project Description: Selected minor capital works to correct deficiencies in building acquired from council June 22. Includes roof and infrastructure repairs and painting.
- Project Cost: \$50k
- Project Return on Investment: 100% savings on repairs and maintenance over time will cover costs
- Project Timeframe: By Dec 23

### ***Progressive refurbishment of Westmont Homestead***

- Project Description: Progressive refurbishment of Westmont Homestead building and rooms.
- Project Cost: Approx Total \$TBC
- Project Return on Investment: NA
- Project Timeframe: Commence late 2023
- Other: Includes new carpets, painting, new woodwork and doors in some rooms and other necessary refurb including some safety equipment upgrades.

***Upgrade IT Infrastructure***

- Project Description: Modernise Westmont's IT and Internet environment
- Project Cost: Approx Total \$100k
- Project Return on Investment: NA
- Project Timeframe: Commence early 2023
- Other: Move off server environment to Cloud based. Move onto Office 365 and single sign in with dual authentication to be introduced. Saves ongoing costs of around \$22k and replacement of 2 \$45k servers. Gain better licencing arrangements with Microsoft via not for profit pricing.

***Upgrade Software Environment***

- Project Description: Review and replace\purchase Westmont applications as required.
- Project Cost: Approx Total \$250k
- Project Return on Investment: TBA
- Project Timeframe: Commence late 2023
- Other: Review HR and payroll systems. Also Risk and Quality system.