



Australian Government
Department of Health and Aged Care



Aged Care Financial Report

Frequently Asked Questions

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Section 1

General

General

Timeframes

1. When should the Aged Care Financial Report be completed?

It is a legislative requirement that the Aged Care Financial Report (ACFR) is lodged by 31 October using the submission portal. There is no legislative ability to grant an extension to the submission due date.

Some providers have alternative financial years in place, with further information available throughout this document. Providers can request an application form for a different financial year by calling Forms Administration on (02) 4403 0640 (or via email health@formsadministration.com.au). Please note, the department has 28 working days in which to process any application for alternative arrangements, therefore any request for a different financial year must be made by 30 September 2024.

2. Does the quarterly reporting cycle mean the July to September Quarterly Financial Report and the Aged Care Financial Report will be due at the same time?

The July to September Quarterly Financial Report (QFR) is due by 4 November. The ACFR is due by 31 October.

3. Do I submit Quarterly Financial Report and Aged Care Financial Report in the same place?

No, the QFR is submitted via the Government Provider Management System (GPMS). The ACFR is completed on the Forms Administration platform.

4. Is there a help desk phone number for providers to contact if they have questions?

Resources including definitions and the frequently asked question document are available on the [departmental](#) and [Forms Administration website](#).

For any questions relating to the completion of the ACFR including the audited General Purpose Financial Statement (GPFS) or Annual Prudential Compliance Statement (APCS) please contact Forms Administration on (02) 4403 0640 or via email health@formsadministration.com.au.

For help reporting residential care or home care expenses data in the ACFR please email gfracrhelp@health.gov.au

To provide feedback to the department on the financial reporting arrangements, please email ACFRQFRQueries@health.gov.au.

Provider Requirements

5. Are the statements/reports required to be audited?

Both the GPFS submitted with the ACFR, and the Annual Prudential Compliance Statement (APCS) section of the ACFR are required to be audited. All other sections of the ACFR do not need to be audited – this includes the Approved Provider Permitted Uses Reconciliation which does not form part of the APCS.

6. Where is the Aged Care Financial Report declaration form and who is required to sign it?

The ACFR declaration will become available to download from the ACFR portal once all the required sections of the ACFR have been successfully completed.

The ACFR Declaration form is required to be signed by a member of the governing board.

Further details are below.

If the approved provider is not a State, a Territory, an authority of a State or Territory or a local government authority, the aged care financial report must be signed by:

- (a) if the provider is a body corporate that is incorporated, or taken to be incorporated, under the Corporations Act 2001—a director of the body corporate for the purposes of that Act; and*
- (b) otherwise—a member of the provider's governing body.*

If the approved provider is a State, a Territory, an authority of a State or Territory or a local government authority, the aged care financial report must be signed by one of the approved provider's key personnel who is authorised by the provider to sign the report.

7. What is the process for a provider to change its financial year end?

To change the financial year end, providers need to lodge an official application to get approval from the department. Please contact Forms Administration using the contact details above to access the forms.

Section 2

Completing the Aged Care Financial Report

Completing the Aged Care Financial Report

8. How can providers complete the Aged Care Financial Report?

In addition to entering data directly into the ACFR portal, the following sections of the ACFR can be imported via a bulk upload template:

- Residential service level income statement and hours
- Home care planning region income statement and hours
- Consolidated Segment Report; and
- Survey of Aged Care Homes (SACH)

All other sections of the ACFR need to be completed by entering data directly into the ACFR portal.

To assist providers with the approved provider movement schedules, each movement schedule has an introductory 'Yes/No' question that will auto-populate zero values in all fields if 'No' is selected. Data entered in the movement schedules will also auto-populate corresponding data items in the approved provider and residential balance sheet sections of the ACFR.

9. What sections of the Aged Care Financial Report am I required to complete?

Each provider should only see the sections they are required to complete based on their aged care operations. If you believe that the sections displayed are incorrect, please contact Forms Administration on (02) 4403 0640.

10. If the approved provider is a franchisor that supports business processes to the franchise group but does not provide services directly, whose accounts are reported at the approved provider level?

The approved provider is responsible for the operations of all its services. If a franchisor is the approved provider, they are responsible for all services operating under their Government Provider Management System number. They are required to report the total income, expenses, assets, liabilities, and equity of all franchisees in its approved provider income statement and balance sheet.

11. Does the Aged Care Financial Report need to be completed in a certain order?

Whilst providers can complete the ACFR sections in any order they choose, several sections contain links that auto-populate the other sections of the ACFR and therefore should be completed earlier in the process.

All approved provider movement schedules auto-populate information into both the approved provider and residential Balance Sheet. Likewise, the 'Compliance with Permitted Uses for Accommodation Payments' section of the Annual Prudential Compliance Statement (APCS) and the approved provider cash flow statement auto-populate data into the 'Approved Provider Permitted Uses Reconciliation'.

Consolidated Segment Report

12. Our business records the Balance Sheet at the approved provider level and not by segments. Is it acceptable to report on each segment using our own methodology?

The Balance Sheet needs to be segmented in the Consolidated Segment Report (CSR) (at the Ultimate Parent Entity Level) and a separate residential segment balance sheet also needs to be completed to cover the services operated by the provider. The department requires that the principles of *AASB 8 Operating Segments* be applied within the segment report to split the consolidated group's financial performance and financial position by aged care segment. Providers should make reasonable estimates to apportion these costs based on individual business models and circumstances. In addition, the principles of *AASB 10 Consolidated Financial Statements* can be applied in completing this note.

13. When splitting the Consolidated Segment Report by segment (residential, home care, community, retirement and other), should corporate costs that relate to supporting the segments be allocated to 'Other' or re-distributed into the segments? If the intention is to allocate the corporate/supporting costs back into the segments, please provide guidance on the methodology to achieve this.

Corporate/supporting cost must be fully re-distributed into segments (residential, home care, community, retirement and other). The department requires that the principles of *AASB 8 Operating Segments* be applied within the segment report to split the consolidated group's financial performance and financial position by aged care segment. Providers should make reasonable estimates to apportion these costs based on individual business models and circumstances. In addition, the principles of *AASB 10 Consolidated Financial Statements* can be applied in completing this note.

The following steps can be used as an indicative guide:

- Determine the percentage of corporate costs that apply to each segment taking into consideration the nature of the segment - examples being that the property division would likely be predominantly relating to residential and retirement segments, whereas clinical would be residential and community with little allocation to retirement.
- Once the allocation percentage for each segment is determined, the allocation within the segment (to each operating unit) can be based on a formula – For example
 - residential by number of operating beds for each facility (home)
 - community based on revenue for each program
 - retirement based on number of units for each village, and
 - the “Other” segment should only include corporate costs relating to treasury, governance and areas that are not directly related to one of the operating segments.

14. If the ultimate parent entity is not an approved provider, should the Consolidated Segment Report be completed at the parent entity level or approved provider level?

If the approved provider does not have a parent entity or group structure, the CSR is to be completed at the approved provider level with the total segment result (income statement) needing to agree to the respective totals in the approved provider income statement.

If the approved provider is part of a group and is not the parent entity of that group, the CSR needs to be completed at the ultimate parent entity level.

The CSR must be prepared in accordance with the recognition and measurement requirements as specified in *AASB 8 Operating Segments*.

15. The Balance Sheet in the Consolidated Segment Report does not require segmentation for cash, financial assets or equity. On this basis, can you please confirm that these Balance Sheet items (cash, financial assets and equity) are excluded from the separate residential balance sheet reporting requirements?

Other assets in the residential segment Balance Sheet should include the residential allocation for cash, financial assets, and the allocation of all other residual current assets for the residential segment.

The CSR is to be completed at the ultimate parent entity level and does not require cash and financial assets to be allocated to the individual segments. It can be reported as a total for the parent entity.

16. Can you please confirm if the National Aboriginal and Torres Strait Islander Flexible Aged Care Program should be allocated to the residential segment?

The NATSI flex should not be allocated to any of the residential segment tabs. In the Consolidated Segment Note, NATSI flex should be included in the Community column.

17. Do we need to report Transition Care Programme in the Residential Income & Expenses? If not, do we include them under 'Other' category in the 'Consolidated Segment Report'?

Please do not include TCP in the residential income statement, the income and expenses from the TCP should be included in the approved provider income statement and in the 'Community' segment of the 'Consolidated Segment Report'.

18. Is the retirement column in the segment report for a retirement village?

Yes, the retirement column in the CSR should include assets, liabilities, income and, expenses for retirement villages and Independent Living Units (ILUs).

19. We run a central catering division which services both internal residential sites as well as external customers. Do we classify them under 'Other' in the Consolidated Segment Report?

Catering will be included in the residential segment to the extent that it relates to meals provided in residential aged care, this will be the contract catering expenses in residential expenses. The remainder of catering operations will be included in 'Other' segment of the CSR.

20. What liquidity and capital adequacy ratios are considered 'low'?

The ratios included in the ACFR are for information only, noting that the Government has accepted the Royal Commission's recommendation concerning the introduction of minimum liquidity ratio moving forward.

Income and expenditure statement

21. It is difficult to separately identify accommodation expenses from within our maintenance expenses as it is not possible to identify and record this information separately.

The accommodation labour costs are related to employees completing major maintenance and refurbishments. It is suggested that the tasks completed by maintenance staff are reviewed to see if any of these costs should be allocated to Accommodation Expenses - Employee and Agency labour costs, otherwise it is appropriate to leave the costs in the Routine Maintenance Expenses. It would not be uncommon for a provider to not report any accommodation labour costs.

22. The general ledger that we use does not allow for easy identification of certain expenses (e.g., diversional therapists, nutritional supplements, incontinence supplies). Is this an issue if such expenses are not reported separately but included elsewhere?

The chart of accounts should be amended (where possible, each of these categories should have their own ledger account) to allow for an easier split of these expenses.

23. Are COVID-19 costs excluded from their other respective cost line or disclosed in both?

As each income statement within the ACFR (approved provider, residential and home care) needs to accurately reflect the total income and total expenses for that section, COVID-19 income and expenses should not be duplicated and can only be entered once in the relevant COVID-19 category.

24. What section of the Aged Care Financial Report would you include retention bonus information?

Please include the workforce retention bonus payments in COVID-19 Income and related expenditure in the Employee and Agency labour costs in the COVID-19 Expenses section.

25. If a large amount of PPE has been purchased by a home and has been captured on the balance sheet as Inventory, and only a small amount has been expensed on the P&L by year end as COVID expenditure, COVID-19 expenditure is understated and therefore not an accurate reflection of what a home has spent. What is the advice in this scenario?

Most providers would treat the full invoice amount as an expense rather than split the amount into inventory. If an organisation has chosen to split this amount, then only the amount that has been expensed during the relevant financial year would be reported.

26. We currently have pre-operational services that are not listed in the income and expenditure upload template that has been provided by the department. These sites make up part of our residential segment, so where do we report the income and expenditure that relate to non-capitalised building costs and other expenditure?

If the sites are either under construction, or they have been designated as residential aged care sites (e.g., have approved places under current legislation) the assets should be reported as 'Capital Work in Progress' or within 'Property Plant and Equipment' in the residential balance sheet. The income and expenditure relevant to these offline facilities should be reported as 'Other' in the 'Residential Non-Recurrent income and expenses' section of the ACFR.

Where the site is currently being used for a purpose outside of residential aged care according to the *Aged Care Act 1997*, that site, and its income and expenditure should only be reported at the approved provider level.

27. If all the staff of the approved provider are employed by its related party entity, how should the labour costs be reported on the Aged Care Financial Report?

If a management fee is paid to the related party for operational expenditure, including staff costs, this management fee should be split out to allocate costs to the relevant direct care categories. The actual management fee after these costs would be reported in administration expenses. As the entities are related, it is expected that there is visibility of operational costs incurred.

28. We have two facilities that function as one. However, they have two different licences. All costs and revenue are recorded to one cost centre. Is it acceptable to provide the data against one facility or are we required to split them into the two separate facilities?

Data (e.g., income, expenses, and hours) for the co-located facilities should not be combined. It should be reported separately for every individual registered entity. The same data should not be duplicated across both registrations and should be reflective of what was incurred for that registered entity.

Care hours

29. Should the direct care hours include contractor hours? e.g., a podiatrist or specialist who comes to a site periodically?

Hours that contractors spend delivering care should be included in direct care hours. Hours of care should be requested on the invoices from contractors. If the invoice is not itemised by care type, an average time can be requested from the contractor for consultations and then the average can be applied to the number of client visits. The hours for a podiatrist would be captured under allied health.

30. Should direct care paid hours include COVID-19 staff hours?

COVID-19 labour costs which are funded through COVID-19 grants, have been separated as they are outside of the normal operations that aged care facilities undertake. Direct care hours should include the hours related to the direct care labour costs paid - excluding COVID-19 related staff.

31. The Aged Care Financial Report asks for labour worked hours - direct care, does this include training and leave hours?

When supplying the labour worked hours for individual categories, please do not include any leave, worker's compensation, or training hours. This should be reported under 'non-worked hours' for each respective category.

32. Is worked hours the same as full time equivalent?

No, worked hours is different to full time equivalent (FTE). Worked hours captures all the hours worked by your staff while FTE is a unit to measure employed persons in a way that makes them comparable. The roster or payroll system should be used to gather hours worked.

33. Where direct care, catering, laundry, and cleaning are performed by the same staff member. Under the care hours reporting do we need to

apportion the percentage of care we believe these staff are undertaking as part of their role?

Costs can be separated by using the proportion of time spent by the employee for each task.

34. What are the administration expenses associated with care, hotel, accommodation and COVID-19?

The ACFR definitions provide examples of administration expenses that need to be reported in the ACFR. The ACFR also asks providers to input proportions (%) that allocate out the total administration cost to the following categories:

- **Care:** Costs associated with administration of direct care, resident expenses, and consumables.
- **Hotel:** Costs associated with administration of catering, cleaning, and laundry services.
- **Accommodation:** Costs associated with administration of building occupation, maintenance, and interest.
- **COVID-19:** Costs associated with the prevention and management of COVID-19 Outbreaks.

35. What is the difference between non-face-to-face care and virtual telehealth or on-call support?

Non-face-to-face direct care may include, for example, writing up care plans or organising a referral for an allied health service, attending multidisciplinary team meetings in relation to resident care. To count as care minutes this must be conducted on-site (i.e., working within the aged care service).

However, virtual telehealth/on-call care would include support by video/phone conference from someone (usually a nurse, allied health or medical practitioner) who is not on-site.

36. How should administration expenses be distributed between care, accommodation, hotel and COVID-19?

Administration expenses should be distributed using a data driven approach, rather than through judgement. The allocation should be based on the underlying drivers of admin activity for the 8 subcategories of administration listed under the residential (expenses) section. For example, for the Insurance administration category, motor vehicle insurance could be allocated to hotel expenses, whilst building and contents could be allocated to accommodation. There may be categories (e.g. professional indemnity insurance) which could be allocated across multiple categories.

Bed days

37. The number of approved beds for my facility has decreased during the year. Which number of approved beds should be included in the report?

The available bed days represents the number of days beds that were physically available to be occupied. It is not the number of beds. For example, if there were 100 beds physically available for 11 months (334 days), and only 90 beds available in the last month (31 days), the calculation would be = 100 beds * 334 days + 90 beds * 31 days = 36,190 available bed days.

38. If a resident departs at 10am on a certain day, is the bed considered an occupied bed day?

Each monthly payment statement lists the number of total full bed days that subsidies have been paid to the facility, please use these total full bed day numbers to tally up the number of occupied bed days for the financial year.

Refundable Accommodation Deposits

39. In the approved provider refundable loans tab of the Aged Care Financial Report, where shall I put the receivable amount for our Reasons for Use residents? Are they included in Refundable Accommodation Deposit/Bonds Receivable or Independent Living – Entry Contributions Receivable? Strictly saying they are neither of the above as they are partially refundable based on the various contracts.

As reasons for use entry loans relate to retirement living operations, they can be included under the ILU category.

40. Is Refundable Accommodation Deposit interest considered a permitted use in the APCS – is the requirement to include this as cash outflow into Refundable Accommodation Deposit balances?

If at any time through the year you refunded a RAD balance or entry contribution balance, you are required to report the total value of the refundable accommodation payment balances and or entry contributions balances that were refunded. Do not include any base or maximum permissible interest that was owed to the residents at the time of refund (balances only are reported).