

Next Generation Strategy 2025

Offering innovative services and a distinctive
customer experience



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benetas

Aged Care | Home Care | Retirement Living | Allied Health

What we stand for

Vision

A positive, fulfilling experience of ageing where everyone has the opportunity to live their best life.

Mission

We will provide older Victorians, their families and carers, with high quality services and environments that respect their independence and individuality.

Our values

Respect

We take the time to understand and value each person and respect their choices.

Community

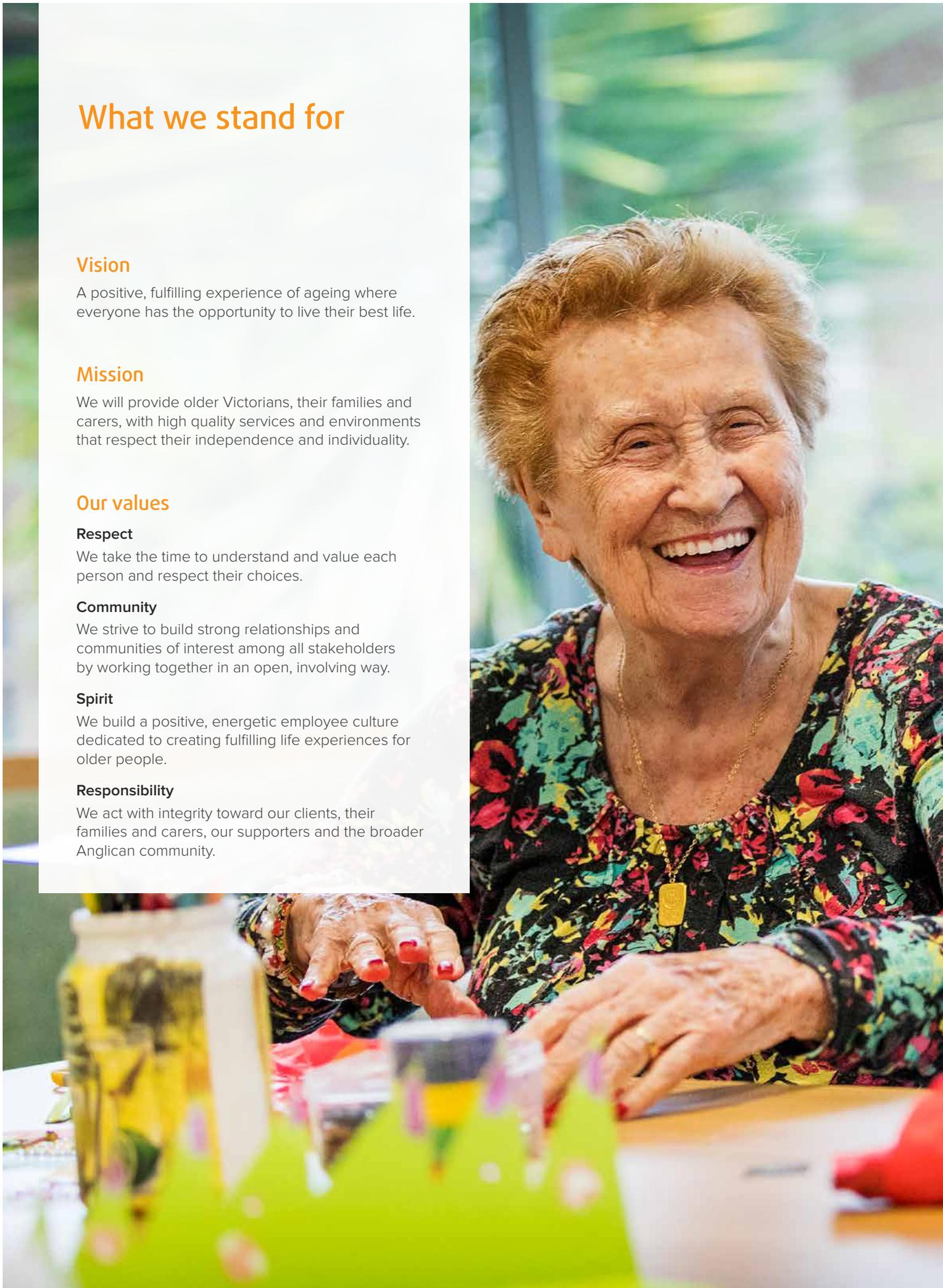
We strive to build strong relationships and communities of interest among all stakeholders by working together in an open, involving way.

Spirit

We build a positive, energetic employee culture dedicated to creating fulfilling life experiences for older people.

Responsibility

We act with integrity toward our clients, their families and carers, our supporters and the broader Anglican community.



Executive summary

Our mission is guided by our values and social investment

The work of Benetas is articulated through our core mission and vision, underpinned by the Christian values of the Anglican Church. These values guide us to deliver respectful and caring services for people as they age, help them come to terms with their changing health and capabilities and help them seek dignity in life and death including those who are socially or economically disadvantaged.

We carry out our mission by delivering a positive, fulfilling experience of ageing and ensuring our customers have the opportunity to 'live their best life'. This means we offer our customers, their families and carers with high quality services and environments that respects their independence and individuality throughout their aged care journey.

Our mission is leveraged by our investment in: **pastoral care** (access to spiritual support for all); **research** (translating findings into evidence-based practice for improving services, and thereby enhancing Benetas' reputation with customers and within the industry); and **advocacy** (seeking to improve equity of access; choice and participation and appropriate care and support for all, particularly for those who are most vulnerable).

Next Generation Strategy

Our strategic ambition for the Next Generation Strategy is to **offer innovative services** to people as they age; and a **distinctive customer experience** to consumers with greater expectations of safety, quality, choice and responsiveness.

This will need to be achieved in the context of significant changes to our operating environment as a result of increased competition and regulatory reform.

Our Next Generation Strategy acknowledges that our customers demand quality in all aspects of their services and are discerning in their choice. We will seek to transform the organisation's understanding of our customers' needs, preferences, rights, and service experiences, and increase our responsiveness to them.

Given the industry's workforce challenges we will need to enhance our staff and volunteer experience and empower them to deliver on our customer experience ambitions. We will also strengthen our geographical service clusters and develop fully integrated continuum-of-care communities.

Achievement of our mission is made more challenging by regulatory reforms and increasing levels of competition. If we are to succeed in this environment we must be enabled by a greater focus on data analytics and business intelligence to support decision making and measure the delivery of outcomes.

We will also need to look at diversifying and expanding our revenue sources to ensure we are not substantially reliant on Government funding.

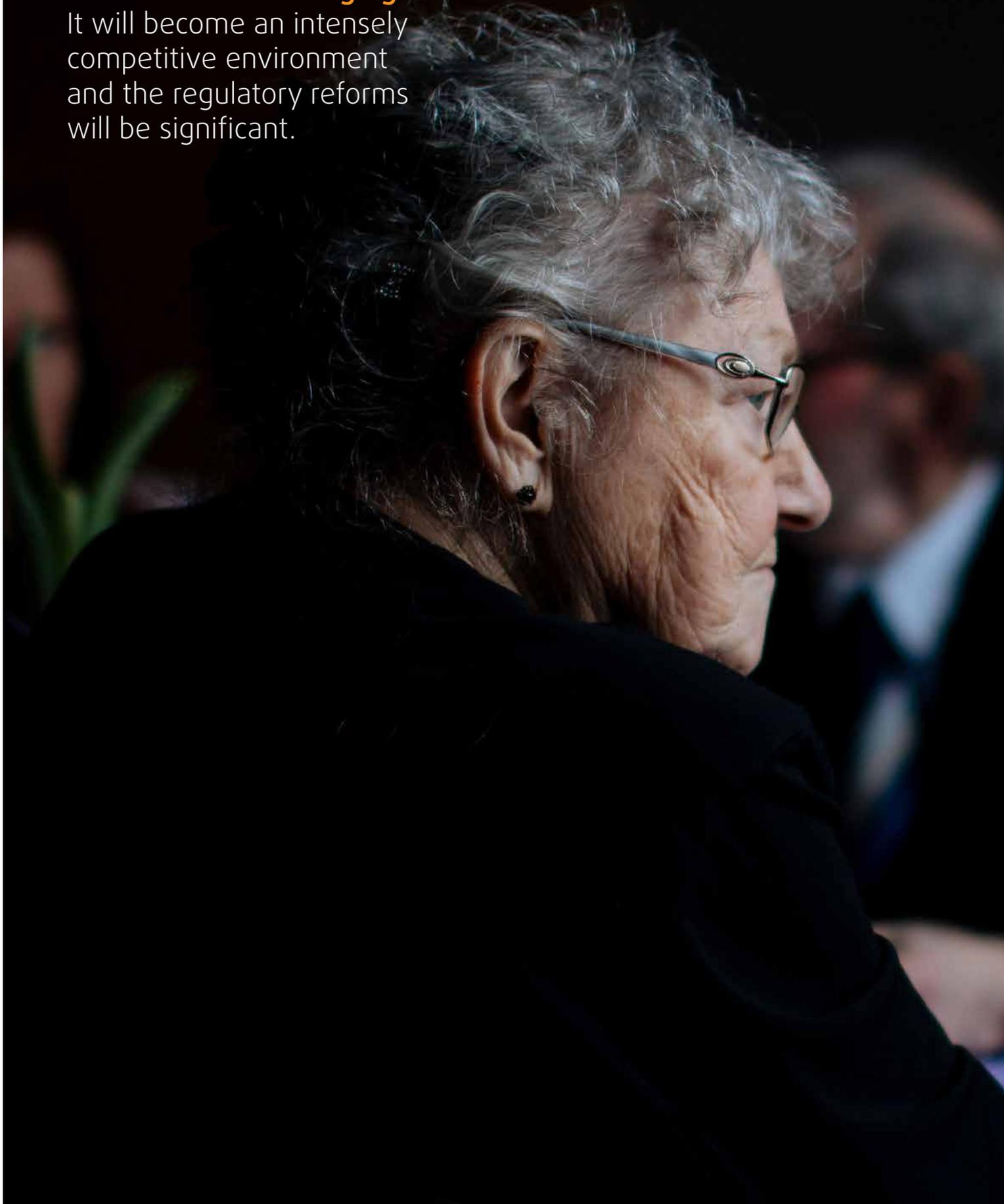
The Next Generation Strategy outlines the four strategic outcomes Benetas intends to deliver: Integrated and Exceptional Customer Experience; Communities of Choice; Great Place to Work and Volunteer; and High Performing Organisation. Each strategic outcome is presented together with its ambition, and the context/rationale in which it has been developed.

Residential Services and Home Care will continue to be the core focus of service delivery. There will also be an emerging presence in Primary Care and opportunities to offer Retirement Living services in our future integrated continuum-of-care Communities of Choice.

Each key element is presented with its strategic objective, measure and action priorities required to achieve it. These action priorities and investment focus areas will be reviewed as part of our annual strategic review process during the life of the Next Generation Strategy.

The aged care environment is changing.

It will become an intensely competitive environment and the regulatory reforms will be significant.



External environment and industry drivers

The strategic industry drivers identified in Table 1 below will have the most significant impact on our strategic direction over the next five years.

Table 1: Strategic industry drivers

| Strategic driver | Strategic implications |
|--|---|
| Royal Commission investigations | The Royal Commission into Aged Care Quality and Safety may change the future regulatory environment and funding arrangements for aged care. In the interim the Government's current aged care reform agenda may be slowed further, pending Royal Commission investigations. |
| Restrictive Government regulation | Aged care policy seeks to move towards a more competitive consumer-driven market, yet Government continues a restrictive regulatory environment that controls funding (eg. ACFI validating downgrades), retains supply constraints (eg. bed licences in residential care and the National Prioritisation Queue in home care), and doesn't fully embrace user pay contributions (e.g by imposing annual/lifetime caps and opt in/out of additional services). |
| Increasing consumer choice and expectations | <p>The changing attitudes of aged care consumers and their families reflect the broader community expectations of greater levels of safety, quality, choice and responsiveness. Heightened expectations will not always be accompanied by a capacity to pay.</p> <p>Wealthier ageing baby-boomers and increasing user pay contributions are increasing consumer expectations, in particular for more choice and control over accommodation and care options. Contemporary consumer experience trends from other service sectors are driving increased expectations in the health and aged care sectors.</p> |
| Growing and changing care needs | Favourable demographic trends will ensure continuing strong demand for aged care services. Lower mortality/higher morbidity will increase frailty and diversity in care needs with chronic diseases and more complex care needs such as dementia, palliative care, etc. increasing. |
| Workforce issues | <p>Increasing demand for services increases the need for capable aged care workers. Competing demand for care staff by acute and disability sectors will rise. Competition for highly skilled clinical and management staff and quality personal care workers will be strong.</p> <p>Australia's Aged Care Workforce Strategy has outlined 14 strategic actions for the industry to prepare the workforce for the future.</p> |
| Increasing competition | Opening up of aged care markets will see new non-traditional entrants attracted to the high growth industry, significantly increasing competition and new substitutes to challenge traditional business models with offers of price competitiveness, speed of service delivery and responsiveness. Industry consolidation will result in larger more market-driven service providers. |
| Service delivery costs | Operating costs are increasing across all aged care services, but Government funding indexation is not matching cost increases. If the market cannot absorb higher pricing, then industry consolidation will occur and more efficient operators are most likely to survive. |
| Digitisation and business intelligence | Digitisation will be a differentiator and primary disrupter enabling client knowledge and choice as well as enabling provider control, reach, access and management. Data analytics is increasingly becoming a source of competitive advantage and enabling effective business decisions. |



Next Generation Strategy



STRATEGIC ELEMENTS

Integrated Enterprise

Enhance our organisational capabilities and employee experience to support our Customer Experience, Quality of Life outcomes and financial sustainability objectives.

| Residential Services | Home Care | Retirement Living Communities | Primary Care |
|---|--|---|---|
| Implement our innovative approach to residential care to deliver the best possible experience of living and dying for every individual. | Enable people to live independently in their homes and to enjoy a positive and respectful experience | Offer customers the opportunity to live their best life in our Communities of Choice and support. of life in the community. | Meet local community needs for the provision of integrated primary care services that delivers positive outcomes. |

Strategic outcomes

The Next Generation Strategy has four key strategic outcomes it intends to deliver upon. Each strategic outcome is presented here together with its ambition, and the context/rationale in which it has been developed.

OUTCOME 1
Integrated and Exceptional Customer Experience

Ambition

- Deliver a distinctive, positive and respectful Customer Experience to our customers, their carers' and families across their aged care journey.
- Be responsive to and respectful of the individual and focused on their needs and choices.
- Support each person to fulfil their quality of life potential and live their best life.
- Keep our people safe and free from preventable harm.

Context/Rationale

- Increasing consumer choice and expectations will encourage providers to offer innovative service delivery models and a distinctive customer experience.
- Quality standards are moving from compliance centric to increasing the quality outcomes for customers and being able to demonstrate where customers are given individual choice and control.
- Quality outcomes and the breadth and quality of offerings must meet the changing expectations of current and future customers.
- Quality systems must support the organisation to adapt to changes in the aged and community care regulatory environments.
- Strategic intent to deliver integrated Customer Experience outcomes across Benetas.

OUTCOME 2
Communities of Choice

Ambition

- Develop integrated continuum-of-care communities and offer choice of accommodation, care and services.
- Keep our customers connected and engaged with the local community as they undertake their aged care journey.
- Keep our commitment to support the socially and economically disadvantaged.
- Be a good corporate citizen within local communities.

Context/Rationale

- Benetas is one of only 5% of providers that have the full service offering and can offer customers a continuum-of-care in a single location or community.
- Benetas has a long held history in the local communities that we service.
- Customers are from the local community with established social networks and customer buying behaviour is usually based on geographic location of services. Customers generally prefer to stay in their local accommodation choice as their care needs increase.
- Highest predictor of staff and volunteer satisfaction is the presence of social connection. Typically staff choose to work and live locally. Volunteers and fundraising efforts are more likely to empathise with local services.
- Health services and GPs are generally local. Partnering with local community organisations and procuring services from smaller suppliers provide economic benefits for the local community.

OUTCOME 3

Great Place to Work and Volunteer

- Ambition**
- Deliver a strong emphasis on Employee Experience outcomes.
 - Enable leadership and customer experience capabilities.
 - Provide an inclusive workplace that fosters a high performance culture.

Context/Rationale

- Workforce issues – increasing and competing demand for quality care workers and the need for highly skilled local management and clinicians.
- Need to increase Benetas' management, leadership and customer experience capabilities, and encourage innovative and agile work practices.
- Strategic intent to deliver integrated Customer Experience outcomes across Benetas.

OUTCOME 4

High Performance Organisation

- Ambition**
- Operate in a financially sustainable way.
 - Achieve an efficient and effective service delivery.
 - Promote environmentally sustainable designs and work practices.
 - Embrace the use of innovation, data analytics and business intelligence to better serve our customers and improve the way we work.

Context/Rationale

- Operating costs are increasing across all aged care services, but Government funding indexation is not matching cost increases.
- Increasing competition and new substitutes are challenging traditional business models.
- Differentiated service delivery models of care are being developed by each business unit to operate more effectively within their distinctive markets and meet the challenges to traditional business models. This must be balanced with the need to ensure seamless customer transition from one service to the next.
- Data analytics is increasingly becoming a source of competitive advantage and enabling effective business decisions.

Key elements of our strategy

| Integrated Enterprise | |
|-------------------------------------|---|
| Objective | Enhance our organisational capabilities and employee experience to support our Customer Experience, Quality of Life outcomes and financial sustainability objectives. |
| Measure | Achieve a financially sustainable delivery of services which is responsive to the needs of customers and staff, and aligns to business unit objectives. |
| Action priorities | |
| Customer Experience | <ul style="list-style-type: none"> • Articulate the distinctive integrated Customer Experience we intend to deliver across all of our services. Engage with customers in the co-design and delivery of our services. • Develop and resource the work plans to improve our Customer Experience. • Align our organisational structure, staff, systems and processes to our Customer Experience objectives. |
| Quality Outcomes | <ul style="list-style-type: none"> • Continue to develop our quality framework to better address both regulatory compliance, Quality of Life outcomes and Customer Experience across all services and meet the needs of the business to support this. • Further develop our Quality of Life outcome measures. • Continue to actively engage in research projects and translate findings into evidence-based practice to improve service delivery and innovation. |
| Employee Experience Strategy | <ul style="list-style-type: none"> • Expand our leadership and management development framework, Customer Experience capability, and encourage an enterprise focus, innovation and agile work practices. • Develop a Talent Strategy that values and enhances the experience of employees and volunteers to enable delivery of customer experience outcomes. • Implement distinct Workforce Plans that are aligned to each business unit objectives. |
| High Performance | <ul style="list-style-type: none"> • Evaluate financial sustainability of the business unit service delivery models and align shared service functions to each business unit objective. • Utilise ICT applications and business process reviews to achieve systems and process efficiency and optimisation. |
| Business Intelligence | <ul style="list-style-type: none"> • Provide reliable, accurate, timely information using data analytics and business intelligence tools to support decision making and measure delivery of outcomes across every area. • Define key metrics to enable measurement and accountability around customer and business outcomes. |

Residential Services

Objective Implement our innovative approach to residential care to deliver the best possible experience of living and dying for every individual.

Measure Redevelop approximately 400 aged care beds to the new Benetas approach to care across our portfolio of residential services. Services achieve quality and customer expectations while delivering a sustainable financial return.

Action priorities

Financially sustainable Approach to Care

- Complete the development and evaluation of the Benetas approach to care in relation to quality compliance, quality of life outcomes and financial sustainability.
- Implement the Community Development program.
- Investigate the implementation of 'Additional Services' into Residential Services.

Review our portfolio of facilities

- Identify and utilise innovative design standards for living environments in support of the approach to care.
- Undertake a review of our portfolio of facilities for implementation of the new approach to care. Identify existing facilities for implementation of bespoke operating models that support the approach to care.
- Update the long term capital investment requirements and property masterplan for long term sustainability.

Management and leadership development

- Continue to develop the residential workforce structures.
- Continue to develop and implement the learning and career development frameworks, particularly regarding clinical leadership.
- Induction, support and succession planning for Residential Operational Managers.
- Need for reliable, accurate, and timely data analytics to support decision making from a quality and financial perspective.

Key elements of our strategy continued

| Home Care | |
|---|---|
| Objective | Enable people to live independently in their homes and to enjoy a positive and respectful experience of life in the community. |
| Measure | <p>Services demonstrate quality, choice and value proposition for the customer within a sustainable service delivery model.</p> <p>Diversify our revenue sources and achieve an average 10% growth in fee-for-service (non-Government income) over the period.</p> |
| Action priorities | |
| Service delivery | <ul style="list-style-type: none"> • Be clear on what we do and where we do it, and grow what we do well. • Deliver a Customer Experience driven service model which offers greater choice and flexibility. • Develop managers and leadership that can foster a workforce culture and enhance the attraction and retention of staff. |
| System & process improvement | <ul style="list-style-type: none"> • Design creative sourcing strategies that address the workforce challenges and emerging needs of the business. • Ensure essential systems and processes are working well. • Use ICT applications and technology to achieve process efficiency. • Ensure shared service systems and processes are aligned to business unit objectives. |
| Diversification, growth & change | <ul style="list-style-type: none"> • Diversify revenue sources away from Government funding. • Differentiate by offering service quality and personalisation. • Develop sales orientated focus and management of referral sources. • Develop a new respite service delivery which aligns with the changing regulatory environment. • Utilise data analytics and business intelligence to identify consumer segments, industry trends and to assess operational performance and outcomes. |

Retirement Living Communities

Objective Offer customers the opportunity to live their best life in our Communities of Choice and support.

Measure Develop new fully integrated continuum-of-care Communities of Choice.
Develop approximately 300 retirement living units/apartments across our portfolio (Traralgon, Mooroolbark, Gisborne and Doncaster).

Action priorities

Develop Communities of Choice

- Ensure appropriately designed retirement units/apartments which incorporate dementia friendly design principles and enable care and support services to be accessed.
- Update the long term capital investment requirements and property masterplan to develop new integrated co-located Communities of Choice.
- Source debt capital to fund specific development projects.

Develop Retirement Living service delivery model

- Develop the service delivery model for our expanding portfolio of retirement villages.
- Develop a model that supports retirement village residents with dementia (ie. healthy lifestyle; social interactions; dementia-aware education for staff and residents; and smoother transition to aged care if the need arises).
- Determine appropriate pricing models (eg. Deferred Management Fees, alternate upfront fees, rentals, etc) for accommodation, care and support services.

Community engagement

- Enable customers' seamless access to our range of integrated services offered in our Communities of Choice.
- Implement a local Community Engagement service delivery model.
- Identify and recruit for commercial management capabilities required to implement the service delivery model.

Key elements of our strategy continued

| Primary Care | |
|-------------------------------------|---|
| Objective | Meet local community needs for the provision of integrated primary care services that delivers positive outcomes. |
| Measure | Achieve 5% earnings growth and financial sustainability in primary care service delivery model. Diversify our revenue sources and grow our fee-for-service business model. Expand the primary care business model to other Benetas Communities of Choice. |
| Action priorities | |
| Expand MRH Centre capacity | <ul style="list-style-type: none"> • Reconfigure MRH Centre floor plan and car parking to expand its capacity. • Create a reablement/mobility gym and relocate Physiotherapy services. • Expand Psychology/mental health services. • Undertake rental/licence review of existing tenancy arrangements. |
| Strengthen referral pathways | <ul style="list-style-type: none"> • Need to strengthen GP referrals and integration with referrer/client portals. • Scope out requirements for a client management system to replace the existing legacy system. • Lobby Government for continued funding of local service programs and ensure seamless reporting to Government agencies. |
| Financial sustainability | <ul style="list-style-type: none"> • Ensure an equitable balance of a Fee-For-Service model for Allied Health professionals and Benetas. • Assess and build upon existing and new services (eg. NDIS). |
| Primary Care model expansion | <ul style="list-style-type: none"> • Evaluate strategic fit for the expansion of the Primary Care business model to other Benetas Communities of Choice under development. • Integrate Primary Care into the Benetas suite of services as part of the integrated aged care journey. |





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