



## Australian Government

### FACT SHEET

#### Business Improvement Fund for residential care

##### Overview

The Government has announced an additional \$35.6 million in funding, bringing total funding to around \$85 million to support residential care providers and improve their business operations, ensuring the needs of senior Australians are met.

The fund will provide short term targeted grant based assistance to eligible providers.

It will be targeted to those providers at greatest risk of service failure and where the impacts on residents would be highest.

As the Royal Commission continues its important work, new safety and quality standards are implemented and a new residential care funding model is trialled, targeted support from the BIF will be available to eligible facilities to improve their capacity to deliver care.

The funding builds on the [Business Advisory Service](#) (BAS) to assist eligible providers' operations into the future.

##### Who is eligible?

Any residential care provider can apply, (other than State/Territory owned providers of residential care or multi-purpose services), however the Fund is primarily designed to support small to medium sized providers, with limited access to other financial support, who are facing significant financial pressures, which may impact on care to residents or risk service closure.

Key considerations in prioritising applications for support from the fund will include:

- If the provider has no or limited access to other sources of funds or support;
- The financial position of the provider and degree of risk of service closure or impacts on resident care;
- A clear business strategy showing how any funding provided would be used to improve and support the ongoing long term viability of the provider; and
- The provider's record, capability and capacity to provide quality care

Providers in **rural and remote areas** and providers affected by the **2019-20 bushfires** will be prioritised for consideration.

Providers will need to supply a copy of independent business advice that provides a financial assessment of the provider and supports the business case and strategy, obtained through either the Business Advisory Service Program or through another independent adviser.

##### How will the assessment occur?

An independent assessment will be undertaken to determine eligibility for support, including how much funding would be made available to an applicant and how the funds are to be used.

Providers will need to provide full disclosure of their financial position to be eligible.

### **How much funding will be available to each provider and what can it be used for?**

The assessment process will determine how much a provider would be eligible for and the permitted uses of the funding. Generally, funding will not exceed \$7,500 per operational residential care bed for a facility facing significant financial pressure or in the case of a sale of a facility, \$15,000 per operational residential care bed.

The fund is intended to support improvements at the local level and system level.

Funding will be targeted and will, generally, be available to support one of the following sets of actions:

- Supporting a provider to go through a process of business improvement for example to assist in the restructuring of business operations and upgrading of financial management and IT systems;
- Supporting the transition of a business to a new provider; and
- Where there is no other option, supporting the safe and orderly close down of a business and transition of resident's to appropriate alternative facilities.

Support provided under the fund will be accompanied by close monitoring to decrease the likelihood of future viability or quality assurance issues and ensure accountability for funds provided.

Funding will not be available to fund ongoing operating expenses.

### **How will the Business Improvement Fund support facilities affected by bushfires?**

The Government recognises the impact the recent bushfires have had on aged care providers and the important role aged care providers and their dedicated staff played in protecting some of our most vulnerable citizens. For some providers the additional costs associated with the evacuation and/or protection of residents has been significant.

Providers affected by the bushfires will be prioritised for consideration under the fund.

### **When will the fund open?**

Applications opened in March 2020 and require uploading a business case template outlining details of the funds requested. To assist providers prepare their applications, the business case template is provided below to allow providers to start planning for the details that will need to be uploaded with the application when lodged.

More details on eligibility and processes will be available when applications open.

### **When will the fund close?**

Applications will close at 2pm Canberra local time, 30 April 2021 or when funds have been exhausted, whichever occurs first.

### **How do I find out more information about the fund?**

Further information about the Business Improvement Fund can be found on GrantConnect under Grant Opportunity GO3410. Providers that are interested in applying should register for this grant opportunity to receive notifications for any updates that may occur.

### **Business Advisory Service**

Providers are already able to apply for free advice from the Business Advisory Service at [www.pwc.com.au/health/aged-care-advisory.html](http://www.pwc.com.au/health/aged-care-advisory.html)