

TREASURE'S REPORT
to the
BUSHLAND HEALTH GROUP LIMITED
ANNUAL GENERAL MEETING

Although I have been on a leave of absence from the Board since July 2023, for which I am grateful to my fellow Board members, I am presenting this report for the year ended 30 June 2023.

As can be seen from the financial statements we have returned to profitability for this year. I must point out however that this has been mainly due to the additional funding received from the government to meet the care minute requirements following the Royal Commission recommendations. The actual requirements for care and nurse minutes per day per resident only became mandatory on 1 October 2023. The funding however was increased in October 2022 to allow operators time to attract the additional staff required.

Like most operators we are finding it difficult to meet the required minute targets due to ongoing staffing issues.

In addition to the additional funding, we have of course returned to receiving interest income on our cash reserves. This has resulted in \$1.35 million in interest revenue, without which we would have incurred another significant loss. We are indeed lucky to have the cash reserves that have been built up over the years of operations and have put us in favourable situations many times.

We do have to remember that we have significant borrowings in the form of villa unit loans and refundable accommodation deposits from our residents. Although never payable in one lump sum like bank finance can be, we need to account for the payouts that occur when residents move on. The total of these liabilities as at 30 June 2023 were \$68 million.

Moving forward we are still in a difficult position not being able to attract sufficient staff to operate our facilities at full operational levels. Mostly all facilities are operating at an occupancy percentage in the low eighties. This will continue to put pressure on our finances especially now we have to meet the care minutes per day and the additional costs that comes with that.

Although difficult, the staff and Board are up to the challenge and will continue to provide the best of care and facilities to our residents as the community has come to expect.