



care | comfort | compassion | connectedness | companionship



Annual Report

for the year ended 31 March 2023



CHT HEALTHCARE TRUST INFORMATION

Registered Office
97 Great South Road
Greenlane
Auckland

Trustees
Raewyn Lovett (Chair)
Robyn Beguely
Dr. Lynne Lane
Terry Moore
Alex Price
Stuart Williams
Bruce Waldin

Auditors
RSM Hayes Audit

Bankers
ASB Bank Ltd

Solicitors
Buddle Findlay

Welcome to CHT Care Homes
2023 Annual Report



Our Why

At CHT we have a legacy of over 60 years of providing quality, affordable care for older people in an Aged Residential Care environment, supporting those who need assistance with daily living, through to people who are living with complex medical conditions and dementia.

Focussing only on care, CHT offers over 1,000 beds across our 16 care homes situated in the North Island.

As a not-for-profit organisation with the heart of a charity and the competence of a successful business, we believe it is every person’s right to have equitable access to quality, affordable aged care services.

Our Values

At the heart of our organisation for over six decades, our values are grounded in our dedication to taking great care of each and every resident.



Compassion



Companionship



Comfort

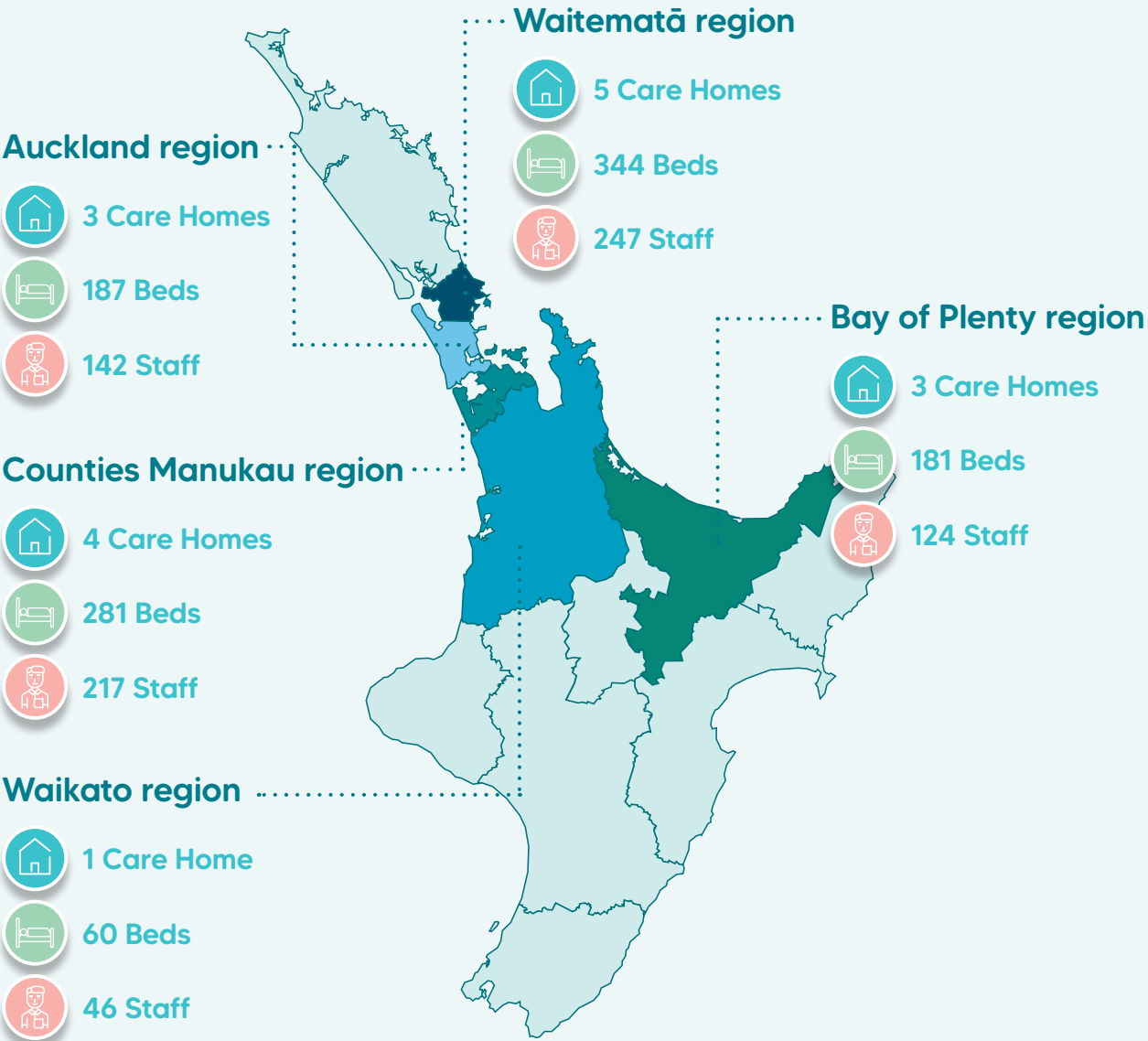


Care

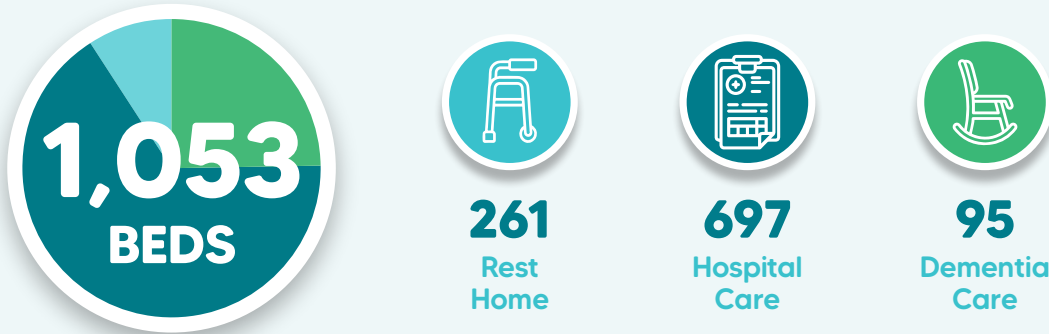


Connectedness

Our Care Homes



Our Beds By Care Type





Board 2023 (left to right): Stuart Williams, Robyn Beguely, Alex Price, Raewyn Lovett (Chair), Terry Moore, Dr Lynne Lane, Bruce Waldin.

Chair and CEO Report

This financial year Raewyn Lovett ONZM took over as the Chair of the Board of Trustees. With 9 years as a Trustee and extensive board experience, Raewyn followed on from Graeme Edmond, who stepped down in September 2022 and who CHT thanked for his vision and ambition to see CHT secure its future as a leading aged care provider over his 17 years serving on the Board as both a Trustee and Chair.

In November, CHT also welcomed Terry Moore and Alex Price to the Board of Trustees, experienced healthcare executives and directors with a wealth of knowledge to share and an affinity with CHT's charitable purpose.

Providing access to quality, affordable care is increasingly important as the economic environment, COVID-19, weather events and growth in the older population have created growing uncertainty for older people and their families.

Our dedicated and resilient teams have worked tirelessly to ensure we can continue to provide quality services against a backdrop of increasing costs, far exceeding those funded by the government, and challenges in attracting and retaining talented employees in a competitive environment nationally and internationally.

This has been supported by delivering on an ambitious programme of work this financial year*, which calls directly to achieving our strategic objectives.

We invite you to read further and learn more about CHT.

* Throughout the document the financial year referred to is abbreviated to FY, the current financial year being FY23.

Quality services

It is of great pride for us that the eight CHT care homes audited by the Ministry of Health this year achieved excellent results and all 16 of our care homes have been certified for 3 or more years.

Our clinical quality indicators also demonstrate our care credentials and we benchmark well against aged care providers who provide comparative information.

This turns up for our residents, with over 85% Customer Satisfaction with care.

Mental and physical wellbeing is as important as clinical care. We have made improvements to how we provide opportunities for social connection, engagement and mobilisation through increased investment in our Activities programme.

Access to affordable care

The combined impact of COVID-19, particularly earlier in the financial year, staffing challenges and the weather event in Auckland has meant that we have had to temporarily close beds to new admissions at several care homes over the course of the year. We know this has an impact on the community who need access to our services and we work hard to avoid the need for this.

However, we were able to maintain supplementary accommodation charging at levels well below that of the sector and almost 60% of our days of care were provided with no supplementary accommodation charge.

Sustainable workforce

A high touch recruitment approach, with a flexible and meaningful 'welcome mat' package of support for new starters, alongside competitive salaries, engaged and visible management and introduction of meaningful benefits such as an annual shoe voucher, have all contributed to stabilising the workforce.

Although 'go-live' was unavoidably delayed this year, significant progress has been made towards the implementation of an integrated Human Resources Information System (HRIS) and we are looking forward to enhancing our employees' experience in the coming year through the introduction of simple and intuitive tools for our employees and managers and new ways of communicating with our workforce.

Becoming an Accredited Employer with Immigration New Zealand, as well as successful lobbying around the immigration settings during the year, improved our ability to compete with other countries, particularly for Registered Nurses and we have been pleased to attract a number of talented Internationally Qualified Nurses, who we are supporting through their training and registration in New Zealand.

Partnership

Delivering quality services also depends on our partners and key suppliers. We have worked to develop strong, values-based relationships with these.

Care homes

It was a busy year for our property team, as we got back to business as usual with more certainty following the removal of many COVID-19 restrictions.

The refurbishment of CHT St Christophers continued with renewed vigour and all residents' rooms and bathroom facilities, as well as the main kitchen, have been fully refurbished. We expect to have completed the work on common spaces such as the lounges and corridors early in the coming financial year.

CHT Onewa and CHT Royal Oak also had a freshen up with interior painting and CHT St Johns welcomed updates to the kitchen areas for residents and families.

Across our network, the Summer Heat plan was delivered ensuring chilled filtered water is readily available for staff and residents and providing targeted air conditioning to keep our care homes comfortable in the height of summer.

With a good preventative maintenance programme and the majority of our care homes having an onsite generator, our care homes largely performed well in the recent weather events. Isolated damage occurred at a few care homes during adverse weather in early 2023, with CHT St Margarets experiencing flood damage to one wing of bedrooms. Our size allowed us to relocate affected residents for their safety and comfort whilst we undertook repairs and renovation.

Financial sustainability

The government sets the price that the aged care sector can charge for care and this is usually increased from 1 July each year, although this financial year the government deferred the increase until September 2022 and at 5.5% with no back-dating, the increase did not cover inflation and the impacts of the COVID-19 disruption. As a result, our operating surplus fell to \$6.0 million (\$8.2 million FY22).

Breaking this down, revenue grew by 3.6% to \$84.9 million, despite the disruption of COVID-19 earlier in the year, with occupancy improving in the second half of the year to achieve a similar average occupancy as FY22.

Whilst interest costs and other external costs grew in the inflationary environment, as well as substantial increases in the cost of recruiting and retaining staff, we pushed on with investment in strategic initiatives and with good cost management ensured we kept cost growth at 7.0%, broadly in line with inflation, with expenses growing to \$78.9 million (\$73.7 million in FY22).

Continuing to be financially sustainable, we were able to invest \$5.9 million in capital

projects, largely on maintaining our existing assets, as well as reducing our bank debt.

Meeting our charitable purpose of access to affordable, quality care in increasingly financially challenging times has required some difficult decisions and we have had to defer building more purpose built, care only beds in the hope the macro-economic situation improves.

Advocacy

There is growing demand for care for older people, with more older people enjoying longer life spans but some experiencing complex health and wellbeing needs. At the same time, reducing wealth is seeing more people reaching retirement without home ownership or savings and an increasing number of older people are unlikely to be able to afford retirement village living and the access to care that provides.

However, government policy on funding and immigration, alongside ageing care homes starved of capital, means we are not creating the beds we need for the future. All care beds are important, but a concerning dynamic is that many new care beds are those cross subsidised by the retirement village sector and care options may become increasingly challenging for our most vulnerable.

The NZ Aged Care Association has been a strong advocate for the sector and as a care only provider, focussed on access, we have also been vocal in our advocacy for older people and the aged care sector throughout this year and hope to work collaboratively with the government and Te Whatu Ora Health New Zealand on solutions to these issues of capacity and access.



Raewyn Lovett
Chair



Carriann Hall
Chief Executive





Left to right: Julie-Ann Eggermont, Carol Ropati, Wynnona Faustino, Carriann Hall, Sharmila Devaraj, Stuart Tabuteau

Achieving Our Why

We aim to make this Annual Report, which reports on operational and financial performance for the year ended 31 March 2023, useful for residents or potential residents and their families, current and future employees, as well as regulators and other external entities who have an interest in CHT.

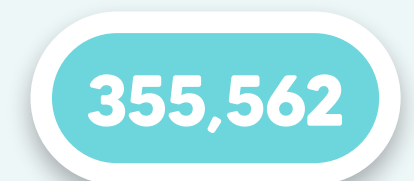
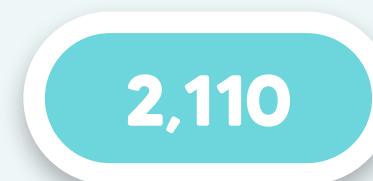
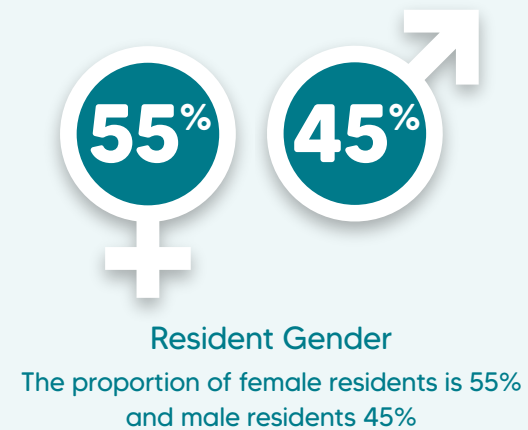
We demonstrate how we are delivering on our strategy in the Statement of Service Performance. The measures we have selected form part of our internal performance management framework and have been chosen to represent our performance in the key areas related to delivery of our strategy, which ultimately delivers on our purpose.

Guided by our values of Care, Compassion, Comfort, Connectedness and Companionship, and underpinned by strong systems and processes, the Senior Management Group leads the delivery of our strategy which centres around providing access to quality, affordable care and a truly resident-focussed experience for Our Residents, whilst having a meaningful and positive connection with Our Communities.

We achieve this through Our People, Our Services and Our Care Homes. We nurture engaged, thriving and sustainable teams, growing our own talent with investment in training and support from experienced, visible management. Alongside this, our ethos has quality embedded in all we do. We invest in our care homes and create places where our residents love to live and our staff love to work.

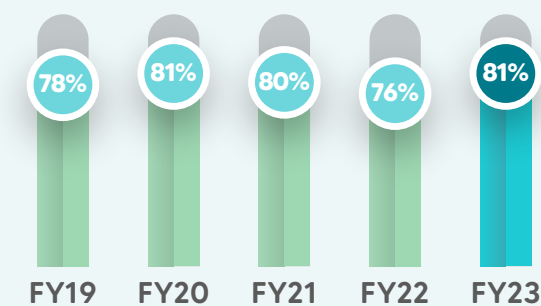
As a large not-for-profit organisation that only provides care, we see enabling improvements for older people as an important social role and support this through advocacy, as well as providing grants to other organisations through our Aged Care Fund.

Our Residents

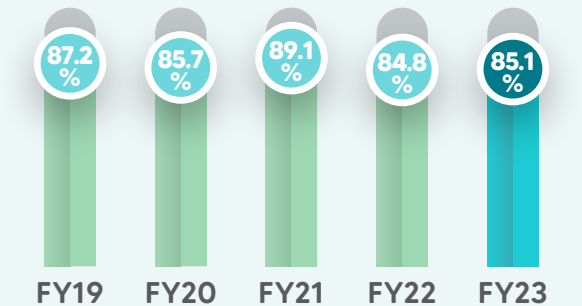


Residents and Family Experiences

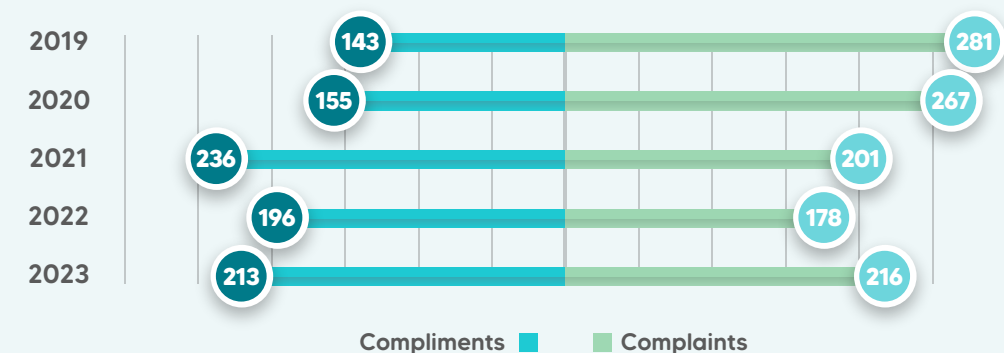
Likelihood of recommending this care home to family and friends



Satisfaction with care



Compliments and Complaints



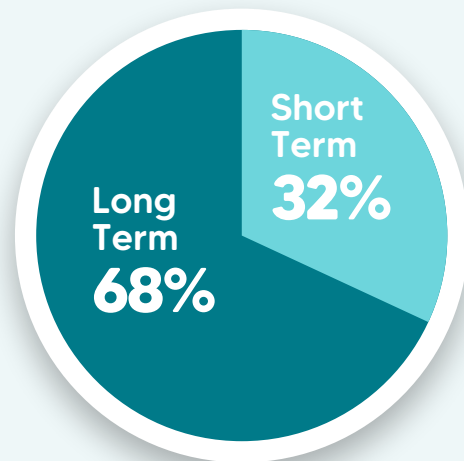


Our Residents

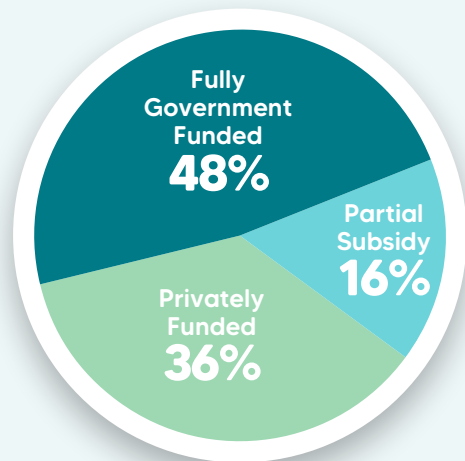
Our dedicated teams provided almost 356,000 days of care this year for 2,110 people and their families. Equitable access to quality, affordable care is at the heart of our purpose and almost half of those days of care were fully funded by the government.

We work hard to balance our charitable purpose of access to quality, affordable care and maintaining comfortable care homes within the funding allowed and 59% of our rooms did not have an accommodation supplement charge. Where a supplement was charged, the average charge was just \$25.61 per day.

Care Term



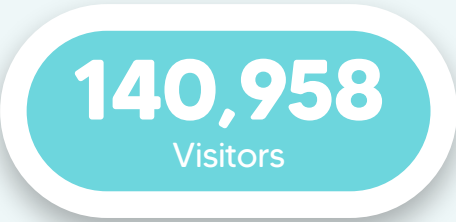
Funding of Occupied Rooms



average occupied beds = 958

Our Communities

We know that staying connected to their communities and family is important for the wellbeing of older people. We recorded almost 141,000 visitors to our care homes this year through welcoming families, making social interaction easy and creating opportunities for connection through celebrations and the efforts of local volunteers.



CHT Aged Care Fund

The CHT Aged Care Fund continues to invest in initiatives that enhance the wellbeing of older people by providing a selected number of grants each year. Independent research amongst families seeking aged care for their loved ones, reinforced that the CHT Aged Care Fund adds a new favourable dimension to the organisation and shows our commitment to both the aged care sector as well as to the growing elderly population.

\$649k

Grants allocated to date

6

Grants approved

New Zealand Dementia Foundation 2022 CHT Aged Care Fund grant recipient

A new set of free educational resources, designed to enhance the way those living with dementia in Aotearoa New Zealand are cared for, has been welcomed by carers since being launched in early September 2022. Designed to benefit the dementia care workforce including medical, nursing, support workers and educators, the eight Dementia STARs modules are built on expert research on dementia and are based on sound educational principles tailored to the needs of those who care for people with dementia in all types of settings.

Each of the modules introduces a person-centred approach to a key element of care when supporting people living with dementia spanning bathing, senses, pain management, falls, delirium, eating well, hydration and continence.



Our People

We are proud of our diverse team and foster a values-based culture that is compassionate to staff needs. In independent research undertaken in FY23 our people told us that training, strong teamwork, a supportive manager, competitive pay and meaningful benefits are important to them and we have focussed our improvements in these areas. 77% of employees who gave feedback in FY23 said they would recommend CHT as a place to work.

813

Staff

9,579

Online learning courses completed

77%

Recommend CHT

Training

Our people have completed over 9,500 training courses in our online Altura learning platform. Careerforce training is funded by CHT and training advisors are available on site to support learning. We have invested in training preceptors on some of our sites, developing relationships with a number of training providers and providing financial support to our staff training to be a Registered Nurse.

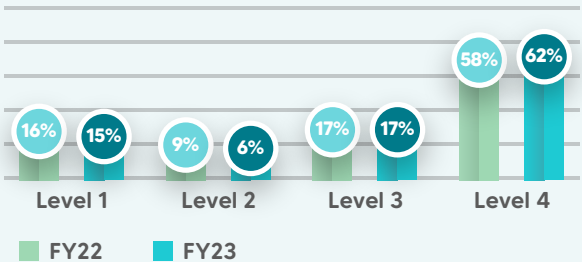
CHT is supportive of our Healthcare Assistants in their claim for Pay Equity for Caregivers and Support Workers.

In partnership with Careerforce training, we continue to make progress in supporting our caregivers to achieve Level 4 (the highest wage step) with 62% of CHT eligible staff employed at Level 4 compared to 18% when the legislation came into effect.

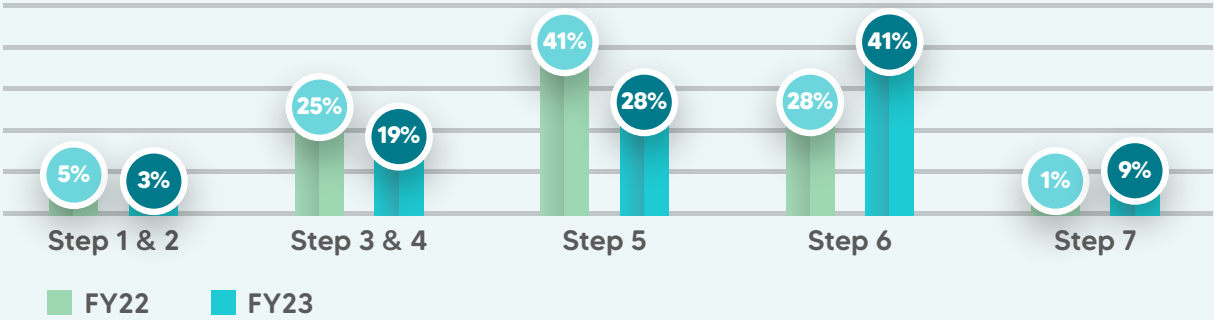
Competitive salary

This is a complex area for our two largest workforces and historic issues of Pay Equity for Healthcare Assistants (HCAs) and pay parity with public sector funded organisations for Registered Nurses (RNs), are largely determined by the government.

Distribution Of Caregiver Wages



Distribution Of Registered Nurse Wages



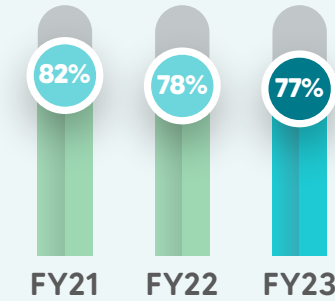
We have supported lobbying for RNs to be paid the same base pay as those in the public system and were pleased to see some progress made on this. We value our experience in our RNs with 78% of our RNs on Step 5 or better and we self-funded matching or better public sector base rates for RNs for the majority of the year.

We also undertook a review of our penal rates and increased these by 25% for RNs and 25% for HCAs, as well as reviewing the role of Unit Administrator and Maintenance Technicians, improving rates.

Meaningful benefits

Following feedback from our staff, we introduced a \$150 shoe voucher which permanent staff receive each work anniversary, as we know that many of our staff are on their feet and a good pair of shoes can make all the difference, in addition to a Christmas gift voucher for all staff and other celebrations throughout the year such as International Nurses Day and cultural festivities.

Staff Satisfaction - Recommend



Teamwork and supportive manager

Our Area Managers, Care Home Managers and Clinical Coordinators are experienced Registered Nurses and work to create engaging and supportive environments for their teams. We acknowledge the loyalty and commitment shown by our staff throughout the staffing challenges arising from a number of factors including COVID-19 and immigration. Through the efforts of our teams and managers we have reduced staff turnover and made good progress during the year filling vacancies and ultimately expect this to improve our teams perception of workload.



Our Services

As an organisation focussed on care, quality is embedded in all we do.



A strong validation of quality care comes from the Ministry of Health Certification Audits, which ensure aged residential care facilities provide safe and appropriate care and meet the standards set out in Ngā Paerewa, the Health and Disability Services Standard.

The external audit team, which includes a Registered Nurse, considers a range of factors including staffing levels, how staff interact with residents, the way the residents are cared for, the general environment including the amenities and general upkeep of the care home, as well as clinical records, policies and procedures. They also interview staff, residents and family members. Certification audits happen every 1 to 4 years and care homes are certified for a set period of time, which is dependent on how well the care home performed at the certification audit.

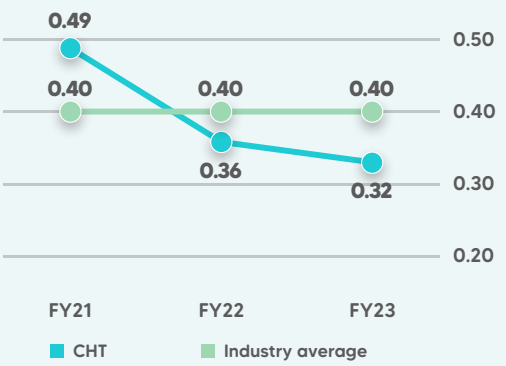


It is of pride that all 16 of our care homes have been certified for 3 years or more. In the last year CHT St Johns, CHT Hillcrest, CHT St Christophers, CHT Royal Oak, CHT Amberlea, CHT Lansdowne, CHT Halldene and CHT Glynavon were audited, with no clinical issues found, CHT St Johns and CHT Lansdowne also received Continuous Improvement commendations for improvements around falls management and palliative care.

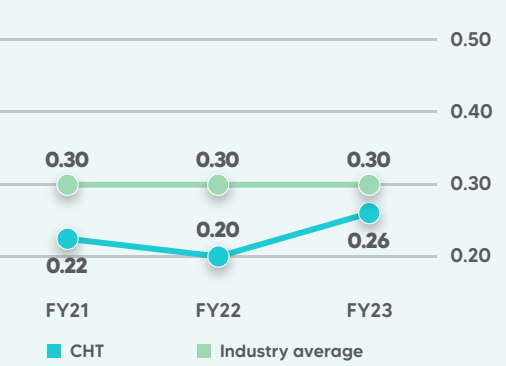
This is backed up by our clinical quality indicators, which benchmark well against aged care providers who provide comparative information.

Clinical Metrics (Events are recorded as a rate per thousand bed days).

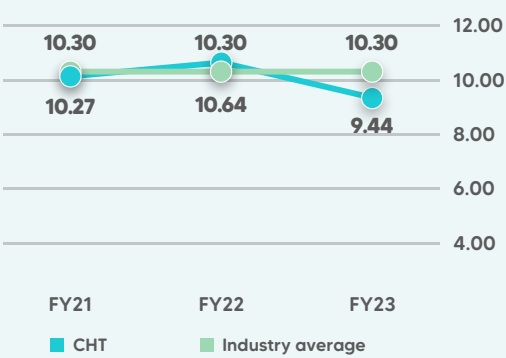
Pressure Injuries



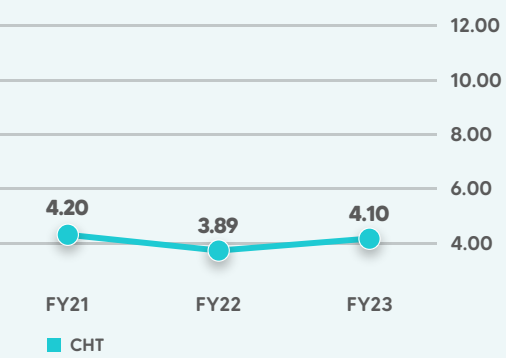
Medication Errors



Falls



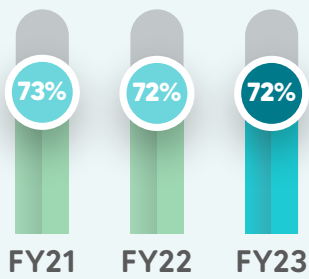
Infections



Activities programme

Alongside clinical care, we also support residents’ wellbeing with an activities programme aimed at enabling our residents to be social, mobile and enjoy new and fun experiences. We invested in our activities programme late in the financial year, increasing the number of Activities Coordinators budgeted and providing additional funding to enable more trips out of the care home, alongside greater input and oversight from our Diversional Therapy Advisor we anticipate this will flow through to our residents’ satisfaction with Activities.

Customer Satisfaction With Activities



Our Care Homes

We have plans to grow to enable greater access to quality, affordable care for older people and provide environments where our residents love to live, our communities love to visit and our staff love to work. However, having made great progress on the design and consent for our two new care homes, we made the difficult decision to hold these projects in the hope the macro-economic situation improves.

Our residents and their families tell us they want a safe and comfortable environment and the majority of our \$5.9m capital spend during the year was on capital works to maintain our care homes.

CHT St Johns 54 Pah Road Epsom 1023	09 625 6054
CHT Hillcrest 86 Friesian Drive Māngere 2022	09 275 8349
CHT St Christophers 230 St George Street Papatoetoe 2025	09 278 4637
CHT Onewa 202-204 Onewa Road Birkenhead 0626	09 481 0447
CHT St Margarets 52 Beach Road Te Atatu 0610	09 834 4963
CHT Royal Oak 23A Mt Smart Road Royal Oak 1061	09 636 6211
CHT Waiuku 14 Waimanawa Lane Waiuku 2123	09 235 6955
CHT Amberlea 665 Mahurangi East Rd Algies Bay 0920	09 425 5017

CHT Lansdowne 105 Botany Road Howick 2010	09 535 4244
CHT Peacehaven 55 Kinross Street Blockhouse Bay 0600	09 627 8653
CHT Halldene 35 Bay Vista Drive Red Beach 0932	09 426 3252
CHT Glynavon 50 Boucher Avenue Te Puke 3119	07 573 6458
CHT Bernadette 25 Taupo Avenue Mt Maunganui 3116	07 575 4855
CHT Acacia Park 134 Hamurana Road Omokoroa 3114	07 548 0400
CHT Te Awamutu 414 Swarbrick Drive Te Awamutu 3800	07 214 2010
CHT Carnarvon 20 Lincoln Road Henderson 0610	09 838 8348